Appendix 1

GENERAL TERMS AND CONDITIONS

Version of January 1, 2009
Structure of the document

Preamble: The French gas transmission system and its players

Title 1 - Transmission service on the upstream network
Capacities and auxiliary services Section-1
Marketing method Section-2
Exchanges of capacities Section-3
Determining quantities Section-4
Limits to the obligations of GRTgaz Section-5
Interconnection systems – Gaz pressure Section-6

Title 2 - Transmission service on the downstream network
Capacities and auxiliary service Section-1
Marketing method Section-2
Determining quantities Section-3
Limits to the obligations of GRTgaz Section-4
Connections-Delivery Stations-Interconnection systems-Gaz pressure Section-5

Title 3 - Operational procedures
Forecasts and Nominations Section-1
Scheduling Section-2
Implementation Section-3

Title 4 - Balancing
Obligations of the Shipper Section-1
Limits to its obligations Section-2
Calculating imbalances Section-3
Financial management of the imbalances Section-4
Shippers with no Delivery Capacity Section-5

Title 5 - Price, Guarantee, Billing, Payment
Price Section-1
Payment guarantee Section-2
Billing and payment Section-3

Title 6 – General provisions
Technical methods and exchanges of information Section-1
Formalities incumbent upon the Shipper Section-2
Break in service continuity Section-3
Responsibility and insurances Section-4
Performance of the Contract Section-5

Definitions

Main abbreviations used

CEA       Allocation Difference Account
EBC       Cumulative Imbalance
EBJ       Daily Imbalance
ECT       Espace Client Transport (Customer Information Extranet)
HCV       High Calorific Value
OSP       Open Subscription Period
PDL       Delivery Point specifically located on a distribution network
PEG       Title Transfer Point
PIR       Network Interconnection Point
PIRR      Regional Network Interconnection Point
PITD      Transport Distribution Interface Point
PITP      Transport Production Interface Point
PITS      Transport Storage Interface Point
PITTM     Transport LNG Terminal Interface Point
UIOLI     Use-It-Or-Lose-It
PREAMBLE 6

Clause 1 Purpose of the Contract .............................. 8
Clause 2 Obligations of the Parties .............................. 8
2.1 Obligations of GRTgaz ...................................... 8
2.2 Obligations of the Shipper ................................. 8
Clause 3 Duration .................................................. 8
Clause 4 Changes and amendments to the Contract ... 8
4.1 Amendments following legislative and regulatory changes ........................................ 8
4.2 Other changes ................................................. 8

TITLE I TRANSMISSION SERVICE ON THE UPSTREAM NETWORK

Section 1 Capacities and auxiliary services .......... 9
Clause 5 Capacities ................................................. 9
5.1 Firm Capacities .............................................. 9
5.2 Interruptible Capacities .................................... 9
5.3 Backhaul Capacities ....................................... 9
5.4 Short-Term Use-It-Or-Lose-It Capacities ............. 9
Clause 6 Auxiliary Services ................................... 10
6.1 Access to Title Transfer Points (PEGs) ............ 10
6.2 Conversion Service ......................................... 10

Section 2 Marketing of capacities and auxiliary services .................................................. 10
Clause 7 Provision of capacities and auxiliary services - General rules ........................................ 10
7.1 Common provisions for capacity reservations ...... 11
7.2 Capacity subscriptions at the Dunkerque, Taisnières B, Taisnières H, Obergailbach and Oltingue Network Interconnection Points (PIR) ........................................ 11
7.3 Subscriptions at the Midi Network Interconnection Point ............................................... 14
7.4 Particular situation of subscriptions at the Jura Network Interconnection Point ......................... 15
7.5 Subscriptions of capacity on the Links between the North and South Balancing Zones .......... 15
7.6 Transport Production Interface Points (PITP) ...... 16
7.7 Subscriptions at the Midi Network Interconnection Point ............................................... 15

Section 3 Exchanges of capacity ......................... 18
Clause 10 Transfer of capacity rights-of-use .......... 18
Clause 11 Full transfer of annually subscribed capacity .................................................. 19

Section 4 Determining quantities ......................... 19
Clause 12 Forecasts, Nominations and scheduling .... 19
Clause 13 Determining quantities ......................... 19
13.1 General case ................................................. 19

Section 5 Limits to the obligations of GRTgaz .. 20
Clause 15 Limits to take, transmission and delivery obligations ............................................. 20
15.1 Limitations with regard to balancing ................. 20
15.2 Limitations with regard to Daily Capacity .......... 20
15.3 Limitations resulting from scheduling ............... 21
Clause 16 Reductions or interruptions to take, transport or delivery ....................................... 21
Clause 17 Implementation of limitations, reductions, interruptions ......................................... 21

Section 6 Stipulations regarding interconnection systems and characteristics and pressure of the Gas ......................... 22
Clause 18 Stipulations regarding the interconnection systems ............................................... 22
Clause 19 Characteristics and pressure of the Gas ................................................................. 22
19.1 At the Entry Points ........................................... 22
19.2 At the Transport Storage Interface Points and the Network Interconnection Points ............... 22

TITLE II TRANSMISSION SERVICE ON THE DOWNSTREAM NETWORK

Section 1 Capacity and auxiliary access service to Title Transfer Points ............................. 23
Clause 20 Capacities ............................................. 23
20.1 Firm Capacity ............................................... 23
20.2 Interruptible Capacities .................................. 23
Clause 21 Access to Title Transfer Points (PEGs) ................................................................. 23

Section 2 Marketing capacity and access to Title Transfer Points (PEGs) .............................. 23
Clause 22 Marketing of capacity - General rules ................................................................. 24
22.1 Common provisions for capacity reservations ................................................................. 24
22.2 Subscriptions of Delivery Capacity at the Consumer Delivery Points and the Regional Network Interconnection Points (PIRR) ................................................................. 24
22.3 Subscriptions of Transmission Capacity on the Regional Network ...................................... 25
22.4 Subscriptions for Exit Capacity on the Main Network ..................................................... 25
Clause 23 Special case of the Transport Distribution Interface Points (PITD) ......................... 25
23.1 Automatic annual allocation of Delivery Capacity at the Transport Distribution Interface Points ................................................................. 25
23.2 Annual subscription of Interruptible Delivery Capacity at the Transport Distribution Interface Points ................................................................. 25
23.3 Monthly and daily subscription of Delivery Capacity at the Transport Distribution Interface Points ................................................................. 26
Clause 24 Marketing of access to Title Transfer Points (PEGs) ............................................... 26
Clause 25 Procedure for reserving (subscribing) capacity and access to Title Transfer Points (PEGs) ................................................................. 26
Section 3 Determining quantities 26
Clause 26 Forecasts, Nominations and scheduling 26
Clause 27 Determining quantities 26
27.1 Determining the Quantities Delivered at Consumer Delivery Points and at Regional Network Interconnection Points 26
27.2 Determining the Daily Quantities Delivered at Transport Distribution Interface Points 27
27.3 Determining the Daily Quantities Transported on the Regional Transmission Network 27
27.4 Determining Daily Proximity Quantities 27
27.5 Determining the Daily Quantities Taken off or Delivered at the Title Transfer Points and at the Allocation Difference Accounts 27
27.6 Provision of the values of the Daily Quantities Taken off and Delivered 27
27.7 Verification of Measuring Devices 28
27.8 Use of measurements 28
Clause 28 Price Supplement arising from an Excess of Daily Capacity 28
28.1 Price Supplement arising from an Excess of Daily Capacity 28
28.2 Price Supplement linked to an Excess of Hourly Capacity 28
28.3 Cumulative and exhaustive nature of Price Supplements 29
Section 4 Limits to the obligations of GRTgaz 29
Clause 29 Limits to offtake and delivery obligations 29
29.1 Limitations with regard to balancing 29
29.2 Limitations concerning Daily and Hourly Capacity 29
29.3 Limitations resulting from scheduling 29
Clause 30 Reductions or interruptions to offtake, transport or delivery 29
30.1 Interruptible Capacities 29
30.2 Limitation regarding a reduction or interruption notice issued by GRTgaz 30
30.3 Suspension of deliveries to the Recipient due to the Shipper 30
30.4 Suspension of deliveries to a Recipient supplied by several shippers, under one of the transmission contracts 30
Clause 31 Implementation of limitations, reductions, interruptions 30
Section 5 Stipulations regarding Connections, Delivery Stations and interconnection systems, together with the characteristics and pressure of the Gas 31
Clause 32 Stipulations on Connections, Delivery Stations and interconnection systems 31
32.1 Connection Pipes and Delivery Stations 31
32.2 Interconnection systems 31
Clause 33 Characteristics and pressure of the Gas 31
33.1 At the Consumer Delivery Points and at the Transport Distribution Interface Points 31
33.2 At the Regional Network Interconnection Points 31
Title III OPERATIONAL PROCEDURES 32
Section 1 Forecasts and Nominations 32
Clause 34 Forecasts 32
Clause 35 Nominations 32
Clause 36 Information on availability of Interruptible Capacity 32
Section 2 Scheduling 33
Clause 37 Scheduled Daily Quantities 33
37.1 Allocation of Short-Term Use-It-Or-Lose-It capacities 33
37.2 Checking that the Nomination is compatible with Operational Capacity 33
37.3 Checking that the Nominations are compatible at the Network Interconnection Points 33
37.4 Checking that the Nominations are compatible in terms of the Main Physical Flow of a Network Interconnection Point 33
37.5 Checking that the Nomination at a Title Transfer Point is matched with the Nomination made by the Shipper’s counterparty 33
37.6 Exchanges on the Gas Exchange checking that the Nomination at a Title Transfer Point is matched with the Nomination made by the Clearing Party 34
37.7 Checking that the Nomination on an Allocation Difference Account is compatible with the obligations relating to the Level of the Allocation Difference Account stipulated in the contract 34
37.8 Checking that the Nomination is compatible with a variation in the Cumulative Imbalance Account 34
37.9 Checking that the Nomination at a Network Interconnection Point is matched with the Nomination made by the Shipper’s counterparty 34
37.10 Checking that the Nomination at a Transport Storage Interface Point is matched with the Nomination made by the Shipper’s counterparty 34
37.11 Checking that the Nomination is matched at a Transport LNG Terminal Interface Point 34
37.12 Notification of Daily Quantity Scheduled 34
Clause 38 Modification of Daily Quantities Scheduled 34
38.1 Notification of modified Daily Quantities Scheduled 34
Title IV BALANCING 35
Section 1 Obligations of the Shipper and limits on the obligations of GRTgaz 37
Clause 40 Obligations of the Shipper 37
Clause 41 Limits on the obligations of GRTgaz 37
Section 2 Definition of the limits determining the Shipper’s balancing obligation 37
Clause 42 Definitions of the Balancing Tolerances and the Authorised Imbalances 37
42.1 Balancing Tolerances 37
42.2 Authorised Imbalances 38
Clause 43 Forecast estimate of the above data 38
Section 3 Calculating Imbalances 39
Clause 44 Daily Imbalances 39
44.1 Calculating Daily Imbalances 39
44.2 Provisional estimate of the previous data 39
Clause 45 Cumulative Imbalances 39
45.1 Calculating the Cumulative Imbalance 39
45.2 Calculating the Excesses and Deficits of the Cumulative Imbalance 40
45.3 Allocation Difference Account 40
Section 4 Financial management of the imbalances 40
Clause 46 Composition of the Reference Price 41
46.1 Reference Price based on GRTgaz’s transactions for the purpose of balancing the network 41
46.2 Reference Price based on Zeebrugge Hub 41
Clause 47 Purchase and sale prices (Reference Prices P1 and P2) 41
47.1 General case 41
47.2 Case of Force Majeure 42
47.3 Case of the end of the Contract 42
47.4 Case of delivery cessation in a Balancing Zone 42
47.5 Case of the adjustment of the Daily Quantities
Delivered ......................................................... 43
Clause 48 Price Supplements for Cumulative
Overbalancing (Reference Price P3).................. 43
Clause 49 GRTgaz’s participation in the financial
neutrality of balancing ..................................... 43

Section 5 Special case: methods for a Shipper
who has not subscribed Daily Delivery
Capacities ......................................................... 44
Clause 50 Calculating Daily Imbalances ............... 44
Clause 51 Financial management of the imbalances 44
51.1 Purchase and sale prices (Reference Price P2): general case 44
51.2 Purchase and sale prices (Reference Price P2): case of Force
Majeure ......................................................... 44

TITLE V PRICE – GUARANTEE – BILLING –
PAYMENT .................................................. 45

Section 1 Price .................................................. 45
Clause 52 Composition of the basic Price ............... 45
52.1 The basic Price on the upstream network consists of
the following terms: ........................................... 45
52.2 The basic Price on the Title Transfer Points consists of
the following terms: ........................................... 45
52.3 The basic Price on the downstream network consists
of the following terms: ...................................... 45
52.4 The basic Price as regards balancing consists of the
following term: ................................................. 45
52.5 Capacity daily subscribed by Auction ................. 45
Clause 53 Price Supplements ............................. 45
Clause 54 Sales-purchases at P1 / P2 ................. 45

Section 2 Payment guarantee ............................... 46
Clause 55 Amount of the Guarantee ..................... 46
Clause 56 Guarantee deposit .............................. 46
Clause 57 Guarantee on first demand ................. 46

Section 3 Billing and payment ........................... 47
Clause 58 Monthly billing by GRTgaz and payment by
the Shipper .................................................... 47
58.1 Billing by GRTgaz ........................................ 47
58.2 Payment by the Shipper ............................... 47
Clause 59 Invoicing by the Shipper for the gas
purchased by GRTgaz ....................................... 47

Clause 60 Duties and taxes .................................. 47

TITLE VI GENERAL PROVISIONS ...................... 48

Section 1 Technical methods and exchanges of
information ...................................................... 48
Clause 61 Rules relating to units of energy quantity .. 48
Clause 62 Customer Information Extranet (Espace
Client Transport or ECT) ................................. 48

Section 2 Formalities incumbent upon the
Shipper .......................................................... 49
Clause 63 Rights in respect of the Gas ................. 49
Clause 64 Supplier license .................................. 49
Clause 65 Customs and administrative formalities .. 49

Section 3 Break in service continuity ...................... 48
Clause 66 Maintenance of the Network .................. 48
Clause 67 Safety and Operational Instructions .. 49
Clause 68 Force majeure .................................. 49
68.1 Force majeure for GRTgaz ......................... 49
68.2 Force majeure for the Shipper ...................... 50
68.3 Prolonged force majeure event ................... 51

Section 4 Liability and insurance policies ............. 51
Clause 69 Liability ............................................. 51
69.1 Liability with respect to third parties ............... 51
69.2 Liability between the Parties ....................... 51
Clause 70 Insurance Policies ............................ 52

Section 5 Performance of the Contract ................. 52
Clause 71 Information ......................................... 52
Clause 72 Confidentiality .................................. 52
Clause 73 Termination ..................................... 52
Clause 74 Transfer of the Contract ................. 52
Clause 75 Amendment to the Contract and contractual
data .............................................................. 53
Clause 76 References ....................................... 53
Clause 77 Jurisdiction and applicable law ............ 53

DEFINITIONS 54
THE REGULATORY FRAMEWORK

The opening up of the market

The European Union adopted two gaz directives, the first dated June 22, 1998 and the second June 26, 2003, as part of the process of liberalising the European gas market. This second directive was transposed into French law by the Law of August 9, 2004 (Law 2004-803) on the public electricity and gas service and on the electricity and gas companies.

This Directive alters the European gas landscape, in particular by confirming:
- The opening up of the gas markets to free competition.
- The strengthening of measures to monitor transparency and nondiscrimination.

The minister for the economy and energy, together with the French Energy Regulatory Commission (CRE), are responsible for establishing a framework and rules within which the gas market operates properly and for ensuring that they are applied. The transportation of natural gas in Europe is a regulated activity.

The role of the CRE (natural gas sector)

The CRE contributes, on behalf of the end consumer, to the smooth operation of the gas and electricity markets. In particular, it ensures that the conditions for access to the electricity and natural gas systems do not hinder the development of competition.

Disputes between the users and operators of French networks or infrastructures regarding access to or use of transmission and distribution systems, storage facilities or liquefied natural gas installations, can be referred to CoRDIS (Standing Committee for CRE disputes and sanctions).

The charges for using the French natural gas transmission systems are proposed by the CRE and reflect the revenue required by transmission operators to cover their operating and investment costs. This price, which is the same for all users, is finally set by the minister for energy and the economy.

THE PLAYERS

The transmission system operators in France

There are two natural gas transmission system operators in France: GRTgaz and TIGF.

GRTgaz operates most of the H-gas network and the L-gas network in the north of the country.

GRTgaz is the owner of the network and is responsible for marketing capacity and services on it. As a transmission operator, GRTgaz has public service obligations and is also required to deal transparently and without discrimination with all parties wishing to enter the French market, in order to promote competition.

The distribution network operators in France

The distribution network operators are responsible for distributing natural gas to end customers. This activity is regulated.

The operators of adjacent European networks

GRTgaz’s transmission system is linked to other European transmission systems at five land interconnection points (Dunkerque, Taisnières H and Taisnières B*, Obergailbach and Oltingue).

The infrastructure operators in France

LNG terminals

The LNG terminal operators are responsible for receiving and unloading ships, LNG storage and regasification, and feeding the regasified LNG into GRTgaz’s transmission system.

Storage facilities

The storage operators provide access to underground natural gas storage facilities, in order to meet seasonal variations in demand and any supply shortfalls, and to adjust gas flows on the network.

*Taisnières B = L-gas
Shippers

The shippers are the users of the transmission system.

A supply licence is generally required to be a shipper on GRTgaz’s system.

A transmission contract must also be signed with GRTgaz, whatever activity the future shipper intends to carry out on the network.

End customers

End customers receive deliveries of natural gas under contracts signed with their suppliers. If they are directly connected to GRTgaz’s network, they sign a connection contract.

Industrial customers can have direct access to GRTgaz’s transmission system in order to transport gas to their delivery point. Then they sign a transmission contract with GRTgaz and become their own shipper.

THE GRTgaz NETWORK

Network structure

Functionally

GRTgaz’s network consists of two parts:
- the Main Network, which links to the border points with the operators of adjacent transmission systems, and to the LNG terminals and storage facilities.
- The Regional Network which carries natural gas to the public distribution systems and to very large industrial customers.

Entry/exit model

GRTgaz’s network is divided into 2 entry/exit zones: a North Zone and a South Zone. Each of these zones constitutes an “entry-exit” system: Entry Capacity and Exit Capacity, together with link capacity between zones, can be subscribed separately and used independently.

These zones are linked by the North-South link. In order to transfer gas between the two zones, link capacity must be reserved.

Because two qualities of gas coexist in the North of France, in that zone a distinction is made between a balancing area for gas with high calorific value (H-gas) and a balancing area for gas with low calorific value (L-gas).

On each of these zones and, in the North zone, for each gas quality, shippers are bound by a daily balancing obligation. These zones are also called balancing zones.

The notion of an upstream network and a downstream network

The upstream network

On the upstream network, contractual links with the adjacent infrastructures are represented by:
- Network Interconnection Points (PIR): interface with an adjacent operator’s network.
- Transport Storage Interface Points (PITS): interface with the natural gas storage operator.
- Transport LNG Terminal Interface Points (PITTM): interface with LNG terminal operators.
- Transport Production Interface Points (PITP): interface with gas producers

Each balancing zone is attached to a Title Transfer Point (PEG).

The downstream network

Specific points, accessible from exit zones reflecting connections on the Main Network with the Regional Networks, are defined for delivery to:
- Consumer Delivery Points (PLC) associated with sites directly connected to the transmission system,
- Transport Distribution Interface Points (PITD) associated with supply areas of the distribution networks,
- Regional Network Interconnection Points (PIRR) associated with the interface with an adjacent operator’s network.

GRTgaz’s transmission service

GRTgaz provides transmission services on behalf of natural gas shippers, which are natural gas suppliers on the French market or traders who purchase and/or sell natural gas on the European markets.

The transmission service is the subject of this contract.
Clause 1 Purpose of the Contract

The purpose of the Contract is to determine the conditions on which the GRTgaz undertakes to take off quantities of Gas made available to it by the Shipper at one or more Entry Points or Title Transfer Points, and to deliver the quantities of Gas with the same Energy Content at one or more Delivery Points or Title Transfer Points.

Clause 2 Obligations of the Parties

2.1 Obligations of GRTgaz

Subject to the provisions of Clause 12, of Clause 17, of Clause 19, of Clause 26, of Clause 31, of Clause 33, of Section 3, of Clause 67 and of Clause 68 of the General Terms and Conditions and subject to compliance with the provisions of Decree 2004-251 of March 19, 2004 on the public service obligations in the gas sector, GRTgaz undertakes to take off the quantities of Gas made available by the Shipper at one or more Gas Entry Points or Title Transfer Points, and to make available to the Recipient at each of the Gas Entry Points or Title Transfer Points, the quantities of gas that the Shipper wishes to deliver, within the limits and conditions defined in this Contract.

2.2 Obligations of the Shipper

2.2.1 Obligations concerning balancing

The Shipper undertakes to make its best efforts to ensure that for each Balancing Zone, the Daily Imbalance, every Day, is as close to 0 (zero) as possible.

2.2.2 Obligations resulting from scheduling

The Shipper undertakes to make available to GRTgaz, at each Entry Point, each Day, the Daily Quantity Scheduled for the relevant Entry Point on the relevant Day.

2.2.3 Payment obligations

The Shipper undertakes to fulfil its payment obligations pursuant to and under the provisions specified in the Contract, and in particular of the capacities allocated or modified by GRTgaz.

These payment obligations may under no circumstances be limited by the application of the liability ceilings specified in sub-clause 69.2.3 of the General Terms and Conditions.

Clause 3 Duration

Unless specifically stipulated otherwise, the Contract shall come into force on the day it is signed and end on the date specified in the Special Terms and Conditions.

Any reductions or interruptions of service shall be without effect on the expiry date of the Contract.

Clause 4 Changes and amendments to the Contract

4.1 Amendments following legislative and regulatory changes

In the event that new legislative or regulatory provisions that may apply directly or indirectly to the Contract, or a ruling of the Energy Regulatory Commission, should come into force during the period of execution of the Contract, GRTgaz shall adjust the Contract to the new circumstances. GRTgaz shall notify the Shipper of these amendments to the Contract and publish them on its website. The new contractual terms and conditions shall become legally applicable and shall automatically replace the present terms and conditions on the date when they come into force, without compensation of any kind.

If the regulatory measures taken in application of amended Law 2003-08 of January 3, 2003 lead to a change in the tariff structure for use of the Network, the Parties shall agree to come together and make their best efforts to transpose into the new tariff structure the capacity subscribed under the Contract and directly concerned by this amendment.

4.2 Other changes

In the event that GRTgaz should amend the Contract for reasons other than those referred to in sub-clause 4.1 above, GRTgaz shall notify the Shipper of the said amendment and shall publish the new contractual terms and conditions on its public website. These shall become legally applicable and shall automatically replace the present terms and conditions on the date when they come into force, without compensation of any kind, provided that they have been published on GRTgaz’s public website at least twenty-five (25) days before they come into force.

If, within fifteen (15) days of receiving the new contractual terms and conditions referred to in the above paragraph of this sub-clause 4.2, the Shipper informs GRTgaz in writing and can demonstrate that they result, for the Shipper, in an imbalance in the Contract compared with the balance that existed when the Contract was signed, the Parties shall come together and seek mutual agreement on adjustments that can be made to the Contract on the principle of nondiscrimination between users of the Network. If the Parties fail to reach an agreement within thirty (30) days of the publication of the new contractual terms and conditions, the Shipper may terminate the Contract without notice or compensation.
TITLE I TRANSMISSION SERVICE ON THE UPSTREAM NETWORK

The upstream network consists of the following points:

- the Network Interconnection Points,
- the Transport Storage Interface Points,
- the Transport LNG Terminal Interface Points,
- the Transport Production Interface Points,
- Links,
- Title Transfer Points and
- the Conversion Points.

GRTgaz offers the Shipper several types of capacities on the upstream system, available on different time intervals, together with auxiliary services (access to the Title Transfer Points - PEG - and the service for converting H-gas to L-gas and L-gas to H-gas).

The Shipper has access to these capacities and to the auxiliary services through subscriptions. These capacities and services can be modified on the initiative of the Shipper or GRTgaz, in the terms and conditions of these General Terms and Conditions.

Shippers have the possibility of trading Daily Entry and Exit Capacities at Network Interconnection Points and on Links in accordance with the provisions of these General Terms and Conditions.

To use these capacities on a day-to-day basis, the Shipper nominates the quantities of energy it wants GRTgaz to take off, transport and deliver. After making the necessary verifications, GRTgaz determines the quantities scheduled to be taken off, transported and delivered by GRTgaz, within the limits and terms of these General Terms and Conditions.

Section 1 Capacities and auxiliary services

Clause 5 Capacities

GRTgaz commercialises Daily Capacities, a Day being defined from six a.m. (06:00 a.m.) on a given day to six a.m. (06:00 a.m.) on the next day. These capacities are sold in MWh/d (HCV).

5.1 Firm Capacities

Firm Capacity is capacity which GRTgaz contractually guarantees in normal operating conditions, in particular excluding maintenance works or cases of force majeure.

Releasable Capacities:
On certain Network Interconnection Points, any shipper that has reserved more than twenty per cent (20%) of marketable annual Firm Capacity undertakes to release part of its annual Firm Capacity to GRTgaz for other shippers to use. This capacity is called Releasable Capacity. It is released for use by shippers that requested under the provisions of these General Terms and Conditions over a time interval of one (1), two (2), three (3) or four (4) years.

5.2 Interruptible Capacities

Interruptible Capacity is capacity whose use is not guaranteed by GRTgaz.
By way of information, the main factors affecting the availability of Interruptible Capacities are as follows:
- level of consumption, which greatly depends on temperature
- system configuration, which includes the performance of storage facilities.

5.3 Backhaul Capacities

Backhaul Capacities are capacities that flow in the reverse flow direction to the Main Physical Flow at a Network Interconnection Point.

The incoming flow into the System at Taisnières H and Obergailbach and the outgoing flow out of the System at Oltingue, shall constitute the Main Physical Flow at these points. At these points, GRTgaz offers Backhaul Capacities.

Backhaul Capacity may be used when gas continues to flow in the Main Physical Flow at the point in question.

5.4 Short-Term Use-It-Or-Lose-It Capacities

GRTgaz offers Short-Term Use-It-Or-Lose-It (UIOLI Short Term) capacities that allow the Shipper to request capacity in addition to the Firm and Interruptible Daily Capacities it already subscribed. These capacities may be allocated fully or in part, if one or more other shippers do not use all their capacities for a given Day at the point in question.

UIOLI Short Term capacities are available:
- on all the Network Interconnection Points in the Direct Direction
- on the North-South and South-North Links.

For the Network Interconnection Points, the Direct Direction is defined by:
- Taisnières H: incoming flow
- Taisnières B: incoming flow
- Dunkerque: incoming flow
- Obergailbach: incoming flow
- Oltingue: outgoing flow
- Midi: outgoing flow
These capacities can be reduced, partially or totally, at any time in the event of a new Nomination by shippers holding primary capacity.

Clause 6 Auxiliary Services

6.1 Access to Title Transfer Points (PEGs)

GRTgaz offers shippers the possibility to exchange quantities of energy at certain virtual points called Title Transfer Points (PEG). There are two Title Transfer Points, each attached to one of the two Balancing Zones.

On the North PEG, exchanges must be between H-gas and H-gas, or L-gas and L-gas.

6.2 Conversion Service

6.2.1 Converting L-gas to H-gas

GRTgaz provides a service for converting L-gas quality to H-Gas quality. For this service, GRTgaz takes off quantities of L-gas made available by the Shipper and simultaneously provides the Shipper with the equivalent Energy Content in the form of H-Gas, up to the maximum Daily Conversion Capacity subscribed by the Shipper.

6.2.2 Converting H-gas to L-gas

GRTgaz provides a service for converting H-Gas quality to L-gas quality. For this service, GRTgaz takes off quantities of H-gas made available by the Shipper and simultaneously provides the Shipper with the equivalent Energy Content in the form of H-Gas, up to the maximum Daily Conversion Capacity subscribed by the Shipper.

GRTgaz offers two services:
- the Firm Base Service,
- the Peak Service.

6.2.2.1 Firm Base Service

This service is available to shippers that have H-gas in the North Balancing Zone and hold less than fifteen per cent (15%) of the entry capacities at Taisnières B, up to the maximum they require to supply end customers with L-gas in the North Balancing Zone. It cannot be used to supply new major consumption sites.

6.2.2.2 Peak service

This service is available to all shippers with H-gas in the North Balancing Zone. It cannot be used to supply new major consumption sites.

Section 2 Marketing of capacities and auxiliary services

The capacities and auxiliary services described above in Section 1 are marketed according to the provisions of this Section 2.

The capacities at the Dunkerque, Taisnières B, Taisnières H, Obergailbach, Oltingue and Midi Network Interconnection Points and the capacities on the Links between the North and South Balancing Zones, along with the auxiliary services, are provided in response to requests submitted by the Shipper to GRTgaz.

In the case of the Jura Network Interconnection Point, and in order to maintain harmony with the adjacent transmission system, the Shipper must justify its request in accordance with the provisions of sub-clause 7.4 below.

GRTgaz automatically allocates the Shipper capacities at the Transport LNG Terminal Interface Points (PITTM) that correspond to the regasification capacities it holds on the LNG terminal up to the limit of the capacities of the Network.

GRTgaz automatically allocates the Shipper capacities at the Transport Storage Interface Points (PITTM) that correspond to the injection and withdrawal capacities it holds on a storage group and up to the limit of the capacities of the Network.

These allocations of capacities at the Transport LNG Terminal Interface Points (PITTM) and at the Transport Storage Interface Points (PITS) are specified in Clause 8 below.

Clause 7 Provision of capacities and auxiliary services - General rules

Subscriptions for capacities and auxiliary services take place over several different time intervals, which are summarised in the table below:
### Annual subscription

<table>
<thead>
<tr>
<th>Capacities on the PIR (except PIR Midi)</th>
<th>Dunkerque, Taisnières B, Taisnières H, Obergailbach, Oltingue, Jura</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link Capacities</td>
<td>North → South and South → North</td>
</tr>
<tr>
<td>PEG access service</td>
<td>North and South</td>
</tr>
<tr>
<td>Conversion Service</td>
<td>Quality conversion from H-gas to L-gas, Peak Service</td>
</tr>
<tr>
<td></td>
<td>Quality conversion from H-gas to L-gas, Base Service</td>
</tr>
<tr>
<td></td>
<td>Quality conversion from L-gas to H-gas</td>
</tr>
</tbody>
</table>

### Seasonal Subscription

<table>
<thead>
<tr>
<th>Capacities on the PIR Midi</th>
<th>Relates to seasonal winter and summer capacities</th>
</tr>
</thead>
</table>

### Monthly subscription

<table>
<thead>
<tr>
<th>Capacities on the PIR (except PIR Jura)</th>
<th>Dunkerque, Taisnières B, Taisnières H, Obergailbach, Oltingue, Midi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link Capacities</td>
<td>North → South and South → North</td>
</tr>
<tr>
<td>Conversion Service</td>
<td>Quality conversion from H-gas to L-gas, Base Service</td>
</tr>
<tr>
<td></td>
<td>Quality conversion from L-gas to H-gas</td>
</tr>
</tbody>
</table>

### Daily subscription

<table>
<thead>
<tr>
<th>Capacities on the PIR (except PIR Jura)</th>
<th>Dunkerque, Taisnières B, Taisnières H, Obergailbach, Oltingue, Midi</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link Capacities</td>
<td>North → South and South → North</td>
</tr>
</tbody>
</table>

### Short Term UIOLI Subscription

<table>
<thead>
<tr>
<th>Capacities on the PIR (except PIR Jura)</th>
<th>Dunkerque, Taisnières B, Taisnières H, Obergailbach, Oltingue, Midi in the Direct Direction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Link Capacities</td>
<td>North → South and South → North</td>
</tr>
</tbody>
</table>

---

Annual subscriptions for capacities and access to the Title Transfer Points apply over one or more full years, each year being a period of twelve (12) consecutive Months beginning on the first (1st) Day of any Month.

Seasonal subscription for capacity apply on the winter and summer seasons:
- Winter seasonal capacity covers a period of five (5) consecutive months beginning on the first 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 seven (7) consecutive months beginning on the first day of April in a given year N and ending on the last day of October of the same year N.

Monthly subscriptions for capacity apply over one (1) full Month, from the first (1st) to the last Day of the Month.

Daily capacity subscriptions applied to one (1) Day.

GRTgaz commercialises firstly Firm Capacity, then Interruptible Capacity.

#### 7.1 Common provisions for capacity reservations

The Validity Commencement Date and the Validity End Date for each of the Daily and Hourly Capacities are specified in the Special Terms and Conditions.

Any change in a Daily Capacity or a Period of Validity of a Daily or Hourly Capacity shall be the subject of an amendment to the Contract. Under no circumstances can the acceptance by GRTgaz of a change in Daily Capacities have the effect of automatically changing the duration of the Contract.

GRTgaz undertakes to examine a Shipper's reservation request within seven (7) Working Days following receipt of the request or within three (3) Working Days following the end of the Open Subscription Period (OSP) for a request submitted within this framework.

All reservation requests are binding on the Shipper. It is not possible to give up capacity once allocated.

The following is considered to be a Shipper linked with another Shipper: any Shipper under the control of the said Shipper, any Shipper controlling the said Shipper and any Shipper under the control of the same company as the said Shipper, in the sense of these terms by articles L233-1 to L233-4 of the business code. When linked shippers submit requests for a single product during an OSP, they must designate a “leading” shipper among them and notify GRTgaz 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 the linked shippers’ requests are removed from the capacity allocation process. It is then up to the linked shippers to distribute the capacity allocated between them by trading capacity.

#### 7.2 Capacity subscriptions at the Dunkerque, Taisnières B, Taisnières H, Obergailbach and Oltingue Network Interconnection Points (PIR)

##### 7.2.1 Annual capacity subscriptions

##### 7.2.1.1 Marketing of Firm Capacities, including Backhaul and Interruptible Capacities

A Shipper books annual capacity subscriptions with GRTgaz for one or more annual “bands” starting on the first (1st) calendar day of any month, implementing 2 kinds of notice:
- Long-notice: although before the tenth (10th) calendar day of month M-7 to reserve one or more years beginning on the first (1st) Day of Month M. For example, on October 15 of a
given year N, the Shipper can ask to reserve annual capacity beginning at the earliest on June 1 of year N+1.

- Short-notice: between the eleventh (11th) calendar day of month M-7 and the last calendar day of month M-2 to reserve annual capacity beginning on the first (1st) Day of Month M. For example, on October 15 of a given year N, the Shipper can ask to reserve annual capacity beginning:
  o at the earliest on December 1 of year N and ending on November 30 of year N+1,
  o at the latest on May 1 of year N+1 and ending April 30 of year N+2.

B For requests with a long-notice period, only eighty percent (80%) of Firm Capacity and eighty percent (80%) of annual Interruptible Capacity may be allocated (except for transit contracts in accordance with Clause 2 of amended Law 2003-8 of January 3, 2003).

C Requests for annual "bands" (uniform capacity) with long-notice periods are allocated on a "first come, first served" basis up to the last day of month M-8, with the exception of capacity requests that entail the release of capacity by another shipper, which are marketed according to the provisions of sub-clause 7.2.1.2G below.

D For requests with a short-notice period, the amount of annual Firm or Interruptible Capacity that may be allocated is equal to the available Firm or Interruptible Capacity, minus capacity already allocated under the long-notice procedure.

E Requests for annual "bands" (uniform capacity) with short-notice periods are allocated according on the following basis:

- GRTgaz opens an OSP for annual reservations of Firm Capacity, beginning on the first (1st) Day of Month M: all requests arriving between the eleventh (11th) calendar day of month M-7 and the twentieth (20th) calendar day of month M-7 inclusive are deemed simultaneous and to have been received at zero hours (00:00) on the twenty-first (21st) calendar day of month M-7;

- in the event of a shortage, capacities will be distributed proportionally to requests, and allocated on the following basis:
  1. If applicable, capping of shippers’ requests to the limit corresponding to the sum of available Firm Capacity and available Releasable Capacity.
  2. Allocation of available Firm Capacity in proportion to shippers’ requests, limited, at this stage, to available Firm Capacity.
  3. Calculation of the Releasable Capacity for month M (on the basis of the total allocation including capacity already allocated for this month) for shippers likely to release capacity. This calculation is carried out using the release rules described in sub-clause 7.2.1.2 below.
  4. If the requests are not fully satisfied at stage 2, the remaining needs – such as the difference between requests for capacity and capacity actually allocated at stage 2 – are calculated, and Releasable Capacity is allocated to the shippers likely to benefit from it, in proportion to the remaining needs and depending on available Releasable Capacity.
  5. Subject to the Interruptible Capacity being available and acceptance by the shippers concerned within twenty-four (24) working hours following notification of the compensation, the release capacity is compensated for by Interruptible Capacity.

- in the event that, following the previous allocation, all Firm Capacity and Releasable Capacity has been allocated, GRTgaz shall initiate an OSP for annual reservations of Interruptible Capacity, beginning on the first (1st) Day of Month M: all requests arriving between the twenty-first (21st) calendar day of month M-7 and the last calendar day of month M-7 inclusive are deemed simultaneous and to have been received at zero hours (00:00) on the twenty-first (21st) calendar day of month M-6;

- 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 to the maximum limit corresponding to available Interruptible Capacity.
  2. Allocation of available Interruptible Capacity proportionally to the capacity requested by Shippers.

- all other requests:
  o if GRTgaz does not initiate an OSP for Interruptible Capacity, requests arriving between the twenty-first (21st) calendar day of month M-7 and midnight (00:00 a.m.) of the last day of month M-2 will be allocated on a "first come, first served" basis.
  o if GRTgaz initiates an OSP for Interruptible Capacity, requests arriving between the first (1st) calendar day of month M-6 and midnight (00:00 a.m.) of the last day of month M-2, will be allocated on a "first come, first served" basis.

F Once allocated, capacity cannot be affected by a new request, with the exception of Releasable Capacity or capacity subject to a Long Term ULOLI procedure.

G The capacity request may be partially or totally met in the form of Interruptible Capacity only if no more Firm Capacity is available.

H The Shipper can ask to convert the annual Interruptible Capacity allocated to it under a long-notice reservation into annual Firm Capacity, if available, after the twenty-first (21st) calendar day of month M-7 and midnight (00:00 a.m.) of the last day of month M-6, for capacity beginning on the first (1st) Day of Month M. Requests will be allocated on a "first come, first served" basis.

I One month before the starting date of the subscription period, GRTgaz automatically converts Interruptible Capacity subscribed with a long-notice period into annual Firm Capacity, provided that some Firm Capacity is available. In the event of a shortage, Firm Capacity will be distributed proportionally to the annual Interruptible Capacity held by each shipper.

J Another system (e.g. Open Season process) can be introduced at the initiative of GRTgaz, outside the scope of the present Contract, for requests submitted for capacity that does not exist over a period greater than (four) 4 years. This new system should clarify decisions on future investment. Requests for capacity submitted within the framework of the Contract, which exceed available capacity, are not deemed to be requests under an Open Season process.

7.2.1.2 Marketing of Releasable Capacities

A In the event that the Shipper, via a subscription or a transfer of capacity from another shipper under Clause 11 of the General Terms and Conditions, should have obtained more than twenty percent (20%) of marketable annual Firm
Capacities on these points, a fraction $R$ of the share of the capacity it holds above that twenty percent (20%) of marketable annual Firm Capacities shall be converted into Releasable Capacity.

When a shipper, under Clause 11 of the General Terms and Conditions, transfers a share of the annual Firm Capacity it holds, the share of its capacity converted into Releasable Capacity is recalculated accordingly. However, the capacity already released is not affected by this.

The share $R$ of Releasable Capacity is defined in the table below:

<table>
<thead>
<tr>
<th>Point considered</th>
<th>Dunkerque</th>
<th>Obergailbach</th>
<th>Taisnières</th>
<th>Taisnières</th>
</tr>
</thead>
<tbody>
<tr>
<td>$R$</td>
<td>20%</td>
<td>20%</td>
<td>0%</td>
<td>15%</td>
</tr>
</tbody>
</table>

B. The Shipper’s Releasable Capacity is released, at the request of GRTgaz, month by month, partially or totally, only if no more or not enough Firm Capacity is available. The Shipper undertakes to release at any time at the request of GRTgaz, all or part of each releasable Daily Entry Capacity at the Network Interconnection Point, stipulated in the Special Terms and Conditions.

C. Releasable Capacity may only be released for the benefit of another shipper that has subscribed capacity for one or several complete year(s) and only if the capacity it holds is strictly less than twenty percent (20%) of total annual Firm Capacity after this release is applied.

D. If at a given point, several shippers hold Releasable Capacity, the capacity actually released is deducted in proportion to each shipper’s Releasable Capacity.

E. Released capacity can be compensated, at the shippers’ request, by Interruptible Capacity, provide such capacity is available.

F. The release of all or a part of Releasable Capacity does not lead to a new conversion of annual Firm Capacity into Releasable Capacity.

G. Releasable Capacities over a period of one (1), two (2), three (3) or for (4) years are marketed on the following basis:

- Releasable Capacities are divided into three (3) equal portions are marketed respectively over a period of four (4) years, over a period of three (3) years and over a period of two (2) years.

- GRTgaz initiates an OSP for multiannual reservations of two (2), three (3) or four (4) years beginning on the first (1st) Day of Month M: all requests arriving between the first (1st) calendar day of month M-7 and the tenth (10th) calendar day of month M-7 inclusive are deemed simultaneous and to have been received at zero hours (00:00) on the eleventh (11th) calendar day of month M-7.

- In the event of a shortage, capacities are allocated proportionately to the requests for each duration – two (2), three (3) and four (4) years – these requests being limited to the Releasable Capacity available for the duration under consideration.

- Multiannual Releasable Capacities are only marketed during this OSP and not on a “first come, first served” basis.

- The Releasable Capacities are then marketed over one (1) single year as stipulated in sub-clause 7.2.1.1E above.

7.2.1.3 Long-Term Use-It-Or-Lose-It Procedure (Long-Term UIOLI)

GRTgaz can implement a Long-Term UIOLI procedure, which is designed to make available to shippers capacity that has been subscribed but not used by one or more shippers on the Network Interconnection Points. The Long-Term UIOLI procedure also applies to the Midi Network Interconnection Point, in accordance with the Capacity Subscription and Allocation Rules at the GRTgaz South/TIGF Interface provided in Appendix 3 of the Contract.

The Long-Term UIOLI procedure can be implemented if the following conditions are met:

1. During a so-called survey period of six (6) consecutive Months, the Daily Quantities Scheduled for Offtake, respectively Delivery, by a Shipper at a Network Interconnection Point, are on average less than eighty percent (80%) of the Daily Entry Capacity, respectively Daily Exit Capacity, subscribed by that Shipper at the said Network Interconnection Point, which have not been transferred to another shipper under Clause 11 of the General Terms and Conditions nor released under sub-clause 7.2.1.2 above;

2. GRTgaz has been unable to meet at least one duly justified request from another shipper for a multiannual, annual or seasonal subscription of Daily Entry Capacity, respectively Daily Exit Capacity, at the said Network Interconnection Point;

3. this other shipper has informed GRTgaz that it has contacted all third-party shippers which appear on the list published on the GRTgaz website and that it has been unable to acquire from them the requested capacity at a price less than or equal to the price charged by GRTgaz for such capacity.

GRTgaz, when approached with a request from a shipper as described in paragraphs 2 and 3 above, shall explore, in accordance with the provisions of paragraph 1 above, whether one or more shippers are in a position to reassign Daily Entry Capacity, respectively Daily Exit Capacity, at the said Network Interconnection Point.

If one or more shippers are concerned by the implementation of the Long-Term UIOLI procedure, GRTgaz shall send each of the shippers concerned a maximum reassignment request notice corresponding to part of the Daily Entry or Exit Capacity at the Network Interconnection Point in question, subscribed by that shipper after January 1, 2008. This part is equal to the difference, if positive, between the Daily Entry or Exit Capacity at the Network Interconnection Point subscribed by that shipper after January 1, 2008 and the part corresponding to that capacity in the Daily Quantities Scheduled for offtake, respectively delivery, at the Network Interconnection Point in question, during the said period of examination, multiplied by a coefficient of one point zero five (1.05). The maximum reassignment request shall also specify the starting date and duration for which the reassignment is requested.

All shippers concerned by the implementation of the Long-Term UIOLI procedure shall undertake to accept the reassignment or to give reasons for their refusal, within five
Transmission Contract on GRTgaz’s natural gas transmission system  
Version of January 1, 2009 
(12 16 2008) 
Appendix 1 – General Terms and Conditions

(5) Working Days following GRTgaz’s notification of the maximum reassignment request, by providing evidence of:

- the existence of public service obligations and/or,
- the existence of provisions under a valid supply contract or under a supply contract to come into force in the near future and/or,
- the existence of exceptional and temporary circumstances justifying why the Shipper may keep the Capacity for which GRTgaz has requested reassignment.

GRTgaz shall then send all shippers concerned a definitive reassignment request, possibly adjusted to take account of the explanations provided by the shipper and taking into account the subscription request submitted by the requesting shipper. In the event that several shippers should be simultaneously concerned, the final reassignment request shall be calculated proportionally to the maximum reassignment requests of all the shippers concerned, possibly adjusted to take account of the explanations provided by them.

The rights and obligations of any shipper that has reassigned part of the Daily Entry or Exit Capacity shall be reduced to take account of the said capacity actually reassigned.

If the capacity likely to be reassigned by the shipper(s) concerned is less than the capacity requested by the requesting shipper, then GRTgaz will ask the latter to confirm its request within three (3) working days. Failing this, the Shipper will be deemed to have withdrawn its initial request.

Any shipper that has received a final reassignment request notice has ten (10) Working Days from the date when the said notice was sent to dispute all part of that request with the Energy Regulatory Commission. After that period, the Shipper waives the right to dispute the said request. The submission of a claim with the Energy Regulatory Commission suspends the effects of the definitive reassignment request, for the disputed portion of the request. In the event that the Energy Regulatory Commission’s ruling should go against the shipper, the latter shall pay GRTgaz, for the period for which reassignment was requested, a Price Supplement equal to ten percent (10%) of the Price of the Daily Entry or Exit Capacity, for which reassignment was disputed.

If, as a result of the shipper(s) concerned submitting an objection to the Energy Regulatory Commission, the capacity likely to be reassigned by the shipper(s) concerned is less than the capacity requested by the requesting shipper, GRTgaz shall ask the latter to confirm its request within three (3) Working Days. Failing this, the Shipper will be deemed to have withdrawn its initial request.

7.2.2 Monthly subscriptions of capacity

Shippers may make a monthly subscription of Firm Capacity for the month M between the twenty-first (21st) calendar day of month M-2 and the fifteenth (15th) calendar day of month M-1. For example, for the month of December in a given year N, the Shipper submits a reservation request between October 21 and November 15 of that year N.

At the time when monthly Firm Capacity goes on sale in a given month, available monthly Firm Capacity is equal to the monthly Firm Capacity less the capacity already allocated as firm and interruptible annual subscriptions, plus any reductions in capacity due to maintenance work during the month in question.

GRTgaz initiates an OSP for monthly reservations, beginning on the first (1st) Day of Month M: all requests arriving between the twenty-first (21st) calendar day of month M-2 and the last calendar day of month M-2 are deemed simultaneous and to have been received at zero hours (00:00) on the first (1st) calendar day of month M-1. In the event of a shortage, rights will be distributed proportionally to requests, within the limits of available monthly capacity. All requests received after midnight (00:00 a.m.) between the first (1st) and the fifteenth (15th) calendar day of month M-1, shall be dealt with on a "first come, first served" basis.

7.2.3 Daily subscriptions of capacity

Daily subscriptions of capacity for each Day in Month M shall be marketed with a notice period in excess of twenty-one (21) hours and asked allocation of the monthly capacities for Month M in question, from the twentieth (20th) of month M-1. These capacities will be assigned on a first-come, first-served basis. For example, for the Day of December 11, the Shipper may submit a daily subscription of capacity at 9 a.m. between November 20 and December 10.

Everyday, between 10 a.m. and midday, GRTgaz will Auction the daily Firm Capacity for the next day that remains available after 9 a.m.

Capacity sold by Auction is allocated to shippers in decreasing order of the prices they bid.

The unit price of Capacity subscribed daily by Auction shall be equal to:

- the Reserve Price if all the capacity put up for Auction is not subscribed by shippers,
- the minimum of the unit prices proposed by the shippers to which some capacity is allocated by Auction if all the capacity put up for Auction is subscribed by the shippers.

7.2.4 Subscription of Short-Term Use-It-Or-Lose-It (Short-Term UIOLI) capacities

Capacities reserved by a shipper and not nominated can be allocated by GRTgaz to other shippers present at that point which have requested Short-Term UIOLI capacities. This request is deemed to be equal to the difference between the shipper's nomination and the capacities the shipper on that Network Interconnection Point (over-nomination).

The conditions for the allocation of Short-Term UIOLI capacities are specified in sub-clause 37.1 of Title III Operational Procedures of the General Terms and Conditions.

Short-Term UIOLI Capacities billed to the Shipper correspond to the difference, if positive, between the Daily Quantity Taken off, or respectively Delivered, and the sum of the Shipper’s Firm Rights and Interruptible Rights.

7.3 Subscriptions at the Midi Network Interconnection Point

Capacities at the Midi Network Interconnection Point are marketed in accordance with the Capacity Subscription and Allocation Rules at the GRTgaz South/TIGF Interface described in Appendix 3 of the Contract. The Long-Term UIOLI procedure defined in 7.2.1.3 above applies at this point.
7.4 Particular situation of subscriptions at the Jura Network Interconnection Point

In order to ensure consistency with the adjacent transmission system, GRTgaz allocates Daily Exit Capacity at PIR Jura to shippers who request it with minimum notice of fifteen (15) days and which can show evidence of a transmission contract with the Operator of the adjacent transmission system or a contract to sell gas to a shipper having transmission rights on the said Operator's network.

The Daily Exit Capacity allocated by GRTgaz at the Jura Network Interconnection Point is strictly equal in quantity and duration to the capacity allocated by the Operator of the adjacent transmission system.

7.5 Subscriptions of capacity on the Links between the North and South Balancing Zones

The conditions for the allocation of capacity at the Network Interconnection Points defined in sub-clause 7.2 above are applicable to the link capacity between the North and South Balancing Zones, with the exception of the provisions in points A to E of sub-clause 7.2.1.1 above, which are replaced as specified below. These provisions related to long-notice multiannual capacity of two (2), three (3) or four (4) years, and short-notice annual capacity. Sub-clause 7.2.1.2 “Marketing of Releasable Capacity” above is not applicable, as there is no Releasable Capacity on these Links.

The provisions of points A to E of sub-clause 7.2.1.1 “Marketing of Firm and Interruptible Capacity” above are replaced as follows:

A The Shipper books annual capacity subscriptions with GRTgaz for one (1) or more annual “bands” starting on the first (1st) calendar day of any Month, with two kinds of notice:

- **Long-notice**: between the twenty-first (21st) calendar day of month M-8 and the tenth (10th) day of month M-7, to reserve capacity on a multiannual band of two (2), three (3) or four (4) years, beginning on the first (1st) Day of Month M. For example, on October 21 in a given year N, the Shipper can ask to reserve capacity on a band of two (2), three (3) or four (4) years, beginning on the first (1st) June in Year N+1.

- **Short-notice**: between the eleventh (11th) calendar day of month M-7 and the last calendar day of month M-2 to reserve annual capacity beginning on the first (1st) Day of Month M. For example, on October 15 of a given year N, the Shipper can ask to reserve annual capacity beginning:
  - at the earliest on December 1 of year N and ending on November 30 of year N+1,
  - at the latest on May 1 of year N+1 and ending April 30 of year N+2.

B Only eighty percent (80%) of Firm Capacity and eighty percent (80%) of annual Interruptible Capacity can be allocated on a long-notice basis.

C Long-notice requests for multiannual “bands” (uniform capacity) of two (2), three (3) or four (4) years are allocated on the following basis:

- **OSP for the sale of Firm Capacity under a “band” service of two (2), three (3) or four (4) years**: available Firm Capacity is divided into three (3) equal portions, marketed respectively over a period of four (4) years, over a period of three (3) years and over a period of two (2) years.

- GRTgaz initiates an OSP for Firm Capacity subscriptions in the form of multiannual “bands” (uniform capacity) of two (2), three (3) or four (4) years beginning on the first (1st) Day of Month M: all requests arriving between the twenty-first (21st) calendar day of month M-8 and the last calendar day of month M-8 inclusive are deemed simultaneous and to have been received at zero hours (00:00) on the first (1st) calendar day of month M-7;

  - in the event of a shortage, capacity 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 service in question.
    2. Allocation of available Firm Capacity proportionately to the capacity requested by Shippers.

  - **OSP for the sale of Interruptible Capacity under a “band” service of two (2), three (3) or four (4) years**: available long-noticed Interruptible Capacity is divided into three (3) equal portions, marketed respectively over a period of four (4) years, over a period of three (3) years and over a period of two (2) years.

  - In the event that, following the previous allocation, all the Firm Capacity has been allocated over the time “bands” in question, GRTgaz shall initiate an OSP for subscription of Interruptible Capacity in the form of multiannual “bands” (uniform capacity) of two (2), three (3) or four (4) years, starting on the first (1st) Day of Month M: all requests arriving between the first (1st) calendar day of month M-7 and the tenth (10th) calendar day of month M-7 inclusive are deemed simultaneous and to have been received at zero hours (00:00) on the eleventh (11th) calendar day of month M-7.

  - in the event of a shortage, capacity will be distributed proportionally to requests, and allocated on the following basis:
    1. Possible capping of Shippers’ requests up to the ceiling corresponding to available Interruptible Capacity for the service in question.
    2. Allocation of available Interruptible Capacity proportionately to the capacity requested by Shippers.

D For short-notice requests, the amount of annual Firm or Interruptible Capacity that may be allocated is equal to the available Firm or Interruptible Capacity, less the capacity already allocated under the long-notice procedure.

E Requests for annual capacity with short-notice periods are allocated according on the following basis:

- GRTgaz opens an OSP for annual reservations of Firm Capacity, beginning on the first (1st) Day of Month M: all requests arriving between the eleventh (11th) calendar day of month M-7 and the twentieth (20th) calendar day of month M-7 inclusive are deemed simultaneous and to have been received at zero hours (00:00) on the twenty-first (21st) calendar day of month M-7;

  - in the event of a shortage, capacity will be distributed proportionally to requests, and allocated on the following basis:
1. Possible capping of Shippers’ requests to the maximum limit corresponding to available Firm Capacity.

2. Allocation of available Firm Capacity proportionately to the capacity requested by Shippers.
   - in the event that, following the previous allocation, all capacity has been allocated, GRTgaz shall initiate an OSP for annual reservations of Interruptible Capacity, beginning on the first (1st) Day of Month M: all requests arriving between the twenty-first (21st) calendar day of month M-7 and the last calendar day of month M-7 inclusive are deemed simultaneous and to have been received at zero hours (00:00) on the first (1st) calendar day of month M-6;
   - in the event of a shortage, capacity will be distributed proportionally to requests, and allocated on the following basis:
     1. Possible capping of Shippers’ requests to the maximum limit corresponding to available Interruptible Capacity.
     2. Allocation of available Interruptible Capacity proportionately to the capacity requested by Shippers.
     - all other requests:
       - if GRTgaz does not initiate an OSP for Interruptible Capacity, requests arriving between the twenty-first (21st) calendar day of month M-7 and midnight (00:00 a.m.) on the last day of month M-2 will be allocated on a "first come, first served" basis.
       - if GRTgaz initiates an OSP for Interruptible Capacity, requests arriving between the first (1st) calendar day of month M-6 and midnight (00:00 a.m.) on the last day of month M-2, will be allocated on a "first come, first served" basis.

7.6 Transport Production Interface Points (PITP)

Shippers with gas produced upstream from a Transport Production Interface Point are allocated, upon request, with a minimum notice of one (1) month, the annual Entry Capacity existing at that Transport Production Interface Point corresponding to their needs.

7.7 Subscriptions to auxiliary services

7.7.1 Marketing of access to Title Transfer Points (PEGs)

Subscriptions to Title Transfer Points (PEG) access are annual and start on the first (1st) calendar Day of any Month. In the case of subscription within the month, the fixed access charge is due from the first (1st) day of that Month. The minimum notice period between the subscription request and actual access is seven (7) Working Days.

Shippers that subscribe access to the North Title Transfer Point (North PEG) can exchange both H-gas and L-gas.

7.7.2 Marketing of quality conversion services

7.7.2.1 Quality conversion from H-gas to L-gas

A Peak Service, annual subscriptions only
Annual subscriptions are made on the same terms as annual short-notice subscriptions of capacity on the Network Interconnection Points (7.2.1.1 above).

B Base Service, annual and monthly subscriptions
Annual subscriptions are made on the same terms as annual short-notice subscriptions of capacity on the Network Interconnection Points (7.2.1.1 above).

Monthly subscriptions are made on the same terms as monthly short-notice subscriptions of capacity on the Network Interconnection Points (7.2.2 above).

7.7.2.2 Quality conversion from L-gas to H-gas

Annual subscriptions of quality conversion capacity from L-gas to H-gas follow the same terms as annual short-notice subscriptions of capacity on the Network Interconnection Points (7.2.1.1 above).

Monthly subscriptions of quality conversion capacity from L-gas to H-gas follow the same terms as monthly short-notice subscriptions of capacity on the Network Interconnection Points (7.2.2 above).

Clause 8 Marketing by way of automatic allocation capacity

8.1 Montoir and Fos Transport LNG Terminal Interface Points (PITTM)

In order to harmonise the interface between LNG terminals and the Network, GRTgaz operates a mechanism for automatically allocating Daily Entry Capacity at the Transport LNG Terminal Interface Points on the basis of the regasification capacity subscribed with the LNG terminal’s operator and notified by the latter.

The objective of this mechanism is to guarantee the Shipper the availability of Daily Entry Capacity corresponding to the regasification capacity that the shipper holds on a LNG terminal, within the limits of the network’s capacity.

Under this mechanism, GRTgaz allocates three (3) types of Daily Entry Capacity at the Transport LNG Terminal Interface Points:
   - a base annual capacity, calculated from the regasification capacity subscribed under a "continuous" service with the terminal operator,
   - an additional monthly capacity, calculated retrospectively from the difference between the maximum daily emission for one (1) Month and the base annual capacity,
   - a base monthly capacity, calculated on the basis of the regasification capacity subscribed under a "band" service and a "spot" service with the terminal operator.
Each Daily Entry Capacity at a Transport LNG Terminal Interface Point specified in the Special Terms and Conditions can be amended by GRTgaz on the basis of information provided by the LNG terminal operator.

8.1.1 Base annual capacity

A Shipper which has subscribed a “continuous” service with an LNG terminal operator is allocated, for each year in which it subscribes capacity with the LNG term operator, a base annual Firm Capacity equal to the regasification capacity subscribed with the LNG terminal operator, multiplied by the total firm daily entry capacity at the Transport LNG Terminal Interface Point and divided by the total annual firm technical regasification capacity of the LNG terminal. In the event that additional regasification capacity is subscribed under a “continuous” service with the LNG terminal Operator within the year for the current year, allocated capacity is recalculated accordingly.

The values of total firm daily entry capacity at the Transport LNG Terminal Interface Point and of total annual firm technical regasification capacity of the LNG terminal, at Montoir and at Fos, are given in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Montoir</th>
<th>Fos</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total firm daily entry capacity at the PITTMT</td>
<td>360 GWh/d</td>
<td>250 GWh/d</td>
</tr>
<tr>
<td>Total firm annual technical regasification capacity of the LNG terminal</td>
<td>120 bn kWh/d</td>
<td>83 bn kWh/d</td>
</tr>
</tbody>
</table>

8.1.2 Additional monthly capacity

At the beginning of each month M, GRTgaz calculates for each shipper that has subscribed a “continuous” service, the maximum daily emission for the previous Month (M-1). If this capacity exceeds the base annual Firm Capacity allocated to the Shipper, GRTgaz will allocate extra capacity for Month M-1 equal to the difference between the maximum daily emission for the month M-1 and the annual base Firm Capacity. This additional monthly capacity is covered by a Price Supplement defined in Clause 14 of the General Terms and Conditions.

8.1.3 Base monthly capacity

Any shipper subscribing a “band” or “spot” service with the LNG terminal Operator will be allocated firm monthly capacity equal to one thirtieth (1/30th) of regasification capacity subscribed with the LNG terminal Operator. This capacity is allocated for periods of thirty (30) days, starting from the unloading end date initially agreed by the LNG terminal Operator and the Shipper. The capacity allocation period shall not be affected by any delay in unloading; however, the quantities delivered at the Transport LNG Terminal Interface Point are scheduled taking account of such delay and in compliance with sub-clause 37.11.

8.2 Transport Storage Interface Points (PITS)

8.2.1 Ile de France Nord, Ile de France Sud, Lorraine, Salins Sud, Picardie Transport Storage Interface Points

In order to guarantee the Shipper available Daily Exit and Entry Capacity corresponding to the injection and withdrawal capacity it holds on a storage group, GRTgaz will automatically allocate the annual Firm Entry and Exit Capacity at the Transport Storage Interface Points to the Shipper, within the limits of the capacities of the System, on the basis of the storage capacities allocated to it by the Storage Operator. The annual Firm Entry (respectively Exit) Capacity at the Transport Storage Interface Points corresponds to the maximum withdrawal (respectively injection) flows determined by the Storage Operator on the basis of the nominal and conditional capacity allocated and the change profile of the capacities on the basis of the storage group's inventory levels.

Daily entry and Exit Capacity at the Transport Storage Interface Points allocated to be Shipper by GRTgaz is equal, within the limit of the Network’s capacity, respectively to the daily injection and withdrawal capacity allocated by GRTgaz within the framework of its “day-ahead” service, as a supplement to the corresponding annual capacity. This capacity corresponds to the difference, if positive, between the actual quantity and the annual capacity subscribed by the shipper at the Transport Storage Interface Point.

Each Daily Entry Capacity and each Daily Exit Capacity at a Transport Storage Interface Point specified in the Special Terms and Conditions can be amended by GRTgaz on the basis of information provided by the Storage Operator.

8.2.2 PITS Centre

The annual Entry (respectively Exit) Capacity at the Centre Transport Storage Interface Point allocated to the Shipper is calculated by GRTgaz on the basis of the maximum withdrawal (respectively injection) flows determined by the Storage Operator taking account of the nominal and conditional capacity allocated and the development profile of capacities on the basis of the storage group's inventory levels.

The Shipper can express a preference for a distribution of capacity at the Centre Transport Stories Interface Point between the North and South Balancing Zones of a quantity of five thousand (5,000) MWh/d for Entry Capacity and two thousand (2,000) MWh/d for Exit Capacity. These ceilings are to be understood as the sum of capacity shared by the Shipper on the two Balancing Zones.

After having carried out the preferential distribution described in the previous sub-clause, the balance of marketable annual entry, respectively Exit Capacity at the Centre Transport Storage Interface Zone towards, respectively from, each of the North and South Balancing Zones, is allocated to shippers for which the maximum withdrawal, respectively injection, flow exceeds the ceiling defined in the previous paragraph, proportionately to the differences between this maximum flow and the ceiling defined in the previous paragraph.

When the capacity marketed at the Centre Transport Storage Interface Point towards, respectively from, a Balancing Zone is partly interruptible, any capacity allocated to the Centre Transport Storage Interface Point towards, respectively from,
the said zone is partly firm, partly interruptible, proportionately to the total marketable Firm and Interruptible Capacity towards, respectively, from the said zone.

The Shipper may give up the possible proportion of Interruptible Entry, respectively Exit Capacity, in excess of the maximum withdrawal, respectively injection flow.

Each Daily Entry Capacity and each Daily Exit Capacity at the Centre Transport Storage Interface Point specified in the Special Terms and Conditions can be amended by GRTgaz on the basis of information provided by the Storage Operator.

Clause 9 Conditions for subscribing capacity and access to auxiliary services

9.1 Annual, seasonal and monthly subscriptions

On its public website www.grtgaz.com, GRTgaz publishes the capacity available on the upstream network. This data is regularly updated.

Section 3 Exchanges of capacity

Shippers have the possibility of exchanging Daily Entry and Exit Capacity at the Network Interconnection Points and Daily Link Capacity, either by transferring rights-of-use or by transferring all the rights and obligations.

As regards the Midi Network Interconnexion Point, the Shipper undertakes to make a symmetrical transfer (consistent capacity, period and counterparty similar) on TIGF’s network. It is incumbent on the transferor shipper and on the transferee shipper to register such transfer with TIGF, in accordance with the rules set out by this Operator.

Clause 10 Transfer of capacity rights-of-use

The Shipper can transfer to another shipper which has an existing shipping contract, the right-of-use covering all or part of each Firm Daily Entry Capacity at the Network Interconnection Point, Firm Daily Exit Capacity at the Network Interconnection Point or Firm Daily Link Capacity specified in the Special Terms and Conditions. In this case, the Shipper which first holds the capacity, still owes GRTgaz, under the terms of the Contract, all the obligations relating to the capacities for which the right-of-use is ceded, in particular, the obligation of payment.

The capacity right-of-use which was acquired by the transferring shipper can be transferred by the latter, wholly or in part, to another shipper with an existing shipping contract. In this case, the Shipper which first holds the capacity, still owes GRTgaz, under the terms of the Contract, all the obligations relating to the capacity for which the right-of-use are transferred, in particular, the obligation of payment.

In no case may the transfer of capacity rights-of-use apply to Releasable Capacities.

Any transfer of rights-of-use made under this Clause 10 shall be carried out via the capsquare Platform as soon as the capsquare Platform comes into operation.

The capsquare Platform allows the transfer of rights-of-use on daily capacity for use in month M as from the 20th day of month M-1.

The transfer shall be completed when the transaction status on the capsquare Platform is recorded as "Covered". In parallel, the transfer of the right-of-use is shown in ECT.

The conditions of access to the capsquare Platform are defined in the contract of access to the Platform called Capacity Platform Services Agreement (CPSA).

In the event of the capsquare Platform remaining unavailable over a long period, GRTgaz undertakes to make all reasonable efforts to set up an alternative solution in order to register the right-of-use transfers.

No extra charge is due by the Shippers for the registration of transfers of capacity rights-of-use which have been concluded outside the scope of the capsquare Platform, OTC Transactions. GRTgaz shall reimburse the Shipper for any expenses paid by the Shipper within the framework of the latter’s contract of membership to the capsquare Platform, provided that, during a given month, the Shipper uses the capsquare Platform, OTC Transactions for the exclusive purpose of registering transfers of capacity rights-of-use concluded outside the scope of the capsquare Platform, and that the Shipper has not used the capsquare Platform for any other purposes during the five (5) months before the month in question.

Requests for capacity and access to auxiliary services submitted by the Shipper for annual, seasonal and monthly reservations are communicated by e-mail to: acces-reseau-accueil@grtgaz.com.

9.2 Daily subscriptions

Daily subscriptions are submitted by the Shipper via the Customer Information Extranet (ECT).

The response to a daily subscription request takes the form of a modified capacity statement available on the Customer Information Extranet (ECT).

9.3 Subscription of Short-Term Use-It-Or-Lose-It (Short-Term UIOLI)

Subscriptions for Short-Term UIOLI capacity issued by the Shipper are handled via the IS in accordance with the provisions described in Title III Operation Procedures of the General Terms and Conditions.
Clause 11 Full transfer of annually subscribed capacity

The Shipper can transfer to another shipper its rights and obligations relating to all or part of each Daily Entry Capacity at the Network Interconnection Point, Daily Exit Capacity at the Network Interconnection Point or Daily Link Capacity stipulated in the Special Terms and Conditions, provided that:

- the transfer applies to annual or seasonal firm or interruptible subscriptions throughout their full duration, and that
- the Period of Validity of the capacity transferred starts on the first (1st) day of a Month and ends on the last day of a Month.

All transfers of capacity under the present Clause 11 are carried out:

- either via the capsquare Platform once the capsquare Platform comes into operation. In this case, the transfer shall be completed when the transaction status on the capsquare Platform is recorded as "Covered".
- or by consistent notification to GRTgaz by the Shipper and by the transferring shipper, mentioning the capacity concerned, its Period of Validity, the transferring Shipper and the shipper receiving the transfer, to reach GRTgaz before the fifteenth (15th) of the month preceding the Months of the first (1st) Day of validity of the transferred capacity. In this case, as soon as GRTgaz has received the two consistent notifications, the transfer becomes effective at midnight (00:00 a.m.) on the sixteenth (16th) day of the current month, or on the sixteenth (16th) day of the following month, if this first date is already past.

The conditions of access to the capsquare Platform are defined in the contract of access to the Platform called Capacity Platform Services Agreement (CPSA).

All transfers carried out under the present Clause 11 shall be the subject of an amendment to the Contract.

Section 4 Determining quantities

After subscribing capacity, the Shipper requests GRTgaz to transport a quantity of energy on the Network, on a given Day, by means of Nominations.

On the basis of the requests received from all the shippers, GRTgaz verifies that the requests are consistent with subscribed capacity, ensures that the balancing obligations have been met and checks that all the requests are physically feasible and that the Nominations are matched with one another. Once verified and accepted by GRTgaz, the quantity Nominated by the Shipper becomes a scheduled quantity.

The day after the Day, GRTgaz determines the quantities that have been taken off, delivered and transported.

Clause 12 Forecasts, Nominations and scheduling

The forecasting, Nomination and scheduling conditions are defined in Title III Operational Procedures of the General Terms and Conditions.

Clause 13 Determining quantities

13.1 General case

Every Day, the Daily Quantity Taken off at a Network Interconnection Point, as a Transport Production Interface Point, at a Transport Storage Interface Point, at a Transport LNG Terminal Interface Point, at a Title Transfer Point, at an Allocation Difference Account, is equal to the Daily Quantity Scheduled by GRTgaz at this point.

Each Day, the Daily Quantity Transported on a Link is equal to the Daily Quantity Scheduled by GRTgaz on that Link.

Each Day, the Daily Quantity Taken off at the H towards L Conversion Point - Peak Service – H, the Daily Quantity Delivered to the H towards L Conversion Point - Peak Service - H, the Daily Quantity Taken off at the L towards H Conversion Point - Peak Service - L, are equal to the Daily Quantity Scheduled by GRTgaz at those points.

Each Day, the Daily Quantity Converted from H-gas to L-gas – Peak Service shall be equal to the Daily Quantity Taken off at the H towards L Conversion Point – Peak Service – H and to the Daily Quantity Delivered at the H towards L Conversion Point – Peak Service – H.

Each Day, the Daily Quantity Converted from L-gas to H-gas shall be equal to the Daily Quantity Taken off at the L towards H Conversion Point H and to the Daily Quantity Delivered at the L towards H Conversion Point L.

13.2 Particular situation of Daily Quantities converted from H-gas to L-gas Base Service

Each Day, the Daily Quantity Taken off at the H towards L Conversion Point – Base Service – L and the Daily Quantity Delivered at the H towards L Conversion Point – Base Service – H shall be equal to the Daily Quantity Converted from H-gas to L-gas – Base Service.

13.2.1 Calculation method

The calculation of the Daily Quantity Converted from H-gas to L-gas Base Service is broken down into a sequence of steps:

1. If the Authorised Positive Daily Imbalance is zero on Balancing Section H or on Balancing Section L, or on both Balancing Sections, the sum on Day D for all the Balancing Sections where the Authorised Positive Daily Imbalance is zero, is reduced by the square of the Daily Balance Excess or the Daily Balance Deficit, whilst complying with the "Conversion" requirement defined in sub-clause 13.2.2 below.

Following this step in the calculation, the Daily Balance Surplus or Daily Balance Deficit on Day D, for each Balancing Zone H and L and the Daily Quantity Converted on Day D, are known. The calculation is complete.
2. If the Authorised Positive Daily Imbalance is nonzero on the two Balancing Sections H and L, the sum on Day D for both Balancing Sections H and L, is reduced by the square of the Daily Balance Excess or the Daily Balance Deficit, divided by the Cumulative Authorised Positive Daily Imbalance, whilst complying with the "Conversion" requirement defined in sub-clause 13.2.2 below.

Following this step in the calculation, the Daily Balance Excess or Daily Balance Deficit on Day D, for each Balancing Section H and L, is known. If, on at least one of the two Balancing Sections H or L, the Daily Balance S or the Daily Balance Deficit on Day D is nonzero, the calculation is complete and the Daily Quantity Converted on Day D is known.

3. If, following step 2, the Daily Balance Excess and the Daily Balance Deficit on Day D for each Balancing Section H and L are zero, the sum for Day D of the two Balancing Sections H and L is reduced by the square of the Positive or Negative Daily Non-Cumulative Imbalance, divided by the Authorised Cumulative Positive Daily Imbalance, whilst complying with the "Conversion" requirement defined in sub-clause 13.2.2 below.

Following this step in the calculation, the Positive or Negative Daily Non-Cumulative Imbalance on Day D, for each Balancing Section, is known. If, on at least one of the two Balancing Sections H or L, the Positive or Negative Daily Non-Cumulative Imbalance on Day D is nonzero, the calculation is complete and the Daily Quantity Converted on Day D is known.

4. If, following step 3, the Positive Daily Non-Cumulative Imbalance and the Negative Daily Non-Cumulative Imbalance on Day D for each Balancing Section H and L are zero, the sum for Day D of the two Balancing Sections H and L is reduced by the square of the Cumulative Imbalance, divided by the Daily Authorised Cumulative Positive Imbalance, whilst complying with the "Conversion" requirement defined sub-clause 13.2.2 below.

Following this step in the calculation, the Daily cumulative Imbalance on Day D, for each Balancing Zone H and L and the Daily Quantity Converted on Day D, are known. The calculation is complete.

13.2.2 Requirements

For each Day D, the "Conversion" requirement is as follows: the Daily Quantity Converted from H-Gas to L-gas Base Service cannot be greater than the Daily Quality Conversion Capacity from H-Gas to L-gas Base Service specified in the Special Terms and Conditions of the Contract.

13.3 Provision of the values of the Daily Quantities Taken off, Transported and Delivered

The values of the Daily Quantities Taken off, Transported and Delivered are made available in accordance with the provisions of Section 3 of Title III Operational Procedures of the General Terms and Conditions.

Clause 14 Price Supplement at a Transport LNG Terminal Interface Point

For each Transport LNG Terminal Interface Point, for each Month during which the Daily Entry Capacity, annually allocated, at the said Transport LNG Terminal Interface Point, is different from zero one Day, the difference, if positive, between:

- the maximum value of the Daily Quantity Taken off each Day of the relevant Month,
- the maximum value of the Daily Entry Capacity at the Transport LNG Terminal Interface Point for each Day of the relevant Month,

shall constitute an Extra Monthly Allocation of Daily Entry Capacity at the relevant Transport LNG Terminal Interface Point.

For each Extra Monthly Allocation of Daily Entry Capacity at a Transport LNG Terminal Interface Point, a Price Supplement shall be owed by the Shipper, calculated as follows:

\[
CPASMCJE = PUACJE \times ASMCJE \times \frac{1}{12}
\]

Where:

- CPASMCJE is the Price Supplement for Extra Monthly Allocation of Daily Entry Capacity at the relevant Transport LNG Terminal Interface Point,
- PUACJE is the Annual Unit Price of the Daily Entry Capacity at the relevant Transport LNG Terminal Interface Point,
- ASMCJE is the value of the Extra Monthly Allocation of Daily Entry Capacity at the Transport LNG Terminal Interface Point.

Section 5 Limits to the obligations of GRTgaz

Clause 15 Limits to offtake, transmission and delivery obligations

15.1 Limitations with regard to balancing

The limitations regarding balancing are described in Clause 41 of Title IV Balancing of the General Terms and Conditions.

15.2 Limitations with regard to Daily Capacity

The Daily Capacity referred to in this sub-clause 15.2 is that defined in the Special Terms and Conditions, reduced where applicable in application of Section 3, of Clause 67, of Clause 68, or of Clause 16 below of the General Terms and Conditions.

GRTgaz is under no obligation to take off, at an Entry Point, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Entry Capacity at that Entry Point. This restriction does not concern Transport LNG Terminal Interface Points.

GRTgaz is under no obligation to deliver to a Network Interconnection Point, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Exit Capacity at this Network Interconnection Point.
GRTgaz is under no obligation to deliver to a Transport Storage Interface Point, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Exit Capacity at that Transport Storage Interface Point.

GRTgaz is under no obligation to deliver to the H towards L Conversion Point – Base Service - H or to take off from the H towards L Conversion Point – Base Service - L, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Quality Conversion Capacity from H-gas to L-gas - Base Service.

GRTgaz is under no obligation to deliver to the H towards L Conversion Point – Peak Service - H or to take off from the H towards L Conversion Point – Peak Service - L, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Quality Conversion Capacity from H-gas to L-gas - Peak Service.

GRTgaz is under no obligation to deliver to the L towards H Conversion Point L or to take off from the L towards H Conversion Point H, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Quality Conversion Capacity from L-gas to H-gas.

GRTgaz is under no obligation to take off, or respectively to deliver, at a Network Interconnection Point, Transport Storage Interface Point, Transport Production Interface Point, Conversion Point, during any Hour, a quantity of Gas with an Energy Content in excess of one twenty-fourth (1/24th) of the Daily Entry (or respectively Exit) Capacity at that point.

GRTgaz is under no obligation to transport to a Network Interconnection Point, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Link Capacity between the two Balancing Zones.

GRTgaz is under no obligation to transport on a Link, during any Hour, a quantity of Gas with an Energy Content in excess of one twenty-fourth (1/24th) of the Daily Link Capacity at that point.

Prior to the Validity Commencement Date and after the Validity End Date of a Daily Capacity specified in the Special Terms and Conditions, the said Daily Capacity shall be deemed to be equal to zero.

In the case of a Day with a duration of twenty-three (23) or twenty-five (25) hours, the limitations relating to Daily Capacity established in this sub-clause 15.2, are subject to a coefficient of twenty-three / twenty-four (23/24th), respectively twenty-five / twenty-four (25/24th).
Clause 18 Stipulations regarding the interconnection systems

GRTgaz shall establish, operate and maintain the interconnection systems at the Transport Storage Interface Points on the basis of the Interconnection Agreements entered into with the Operator of the storage site(s).

GRTgaz shall establish, operate and maintain the interconnection systems at the Network Interconnection Points on the basis of the Interconnection Agreements entered into with the Operator of the adjacent network.

The obligations of GRTgaz specified in an Interconnection Agreement are exclusively to the benefit of the Operator concerned, and do not bestow any rights on the Shipper.

GRTgaz shall be released from its delivery obligations under the terms of the Contract at any Transport Storage Interface Point and at any Network Interconnection Point, in the event that the Interconnection Agreement in respect of the said Delivery Point is not concluded, is suspended or is terminated, or that the Operator concerned fails to fulfill its obligations under the terms of the said Interconnection Agreement.

In the case referred to in the preceding paragraph, the Shipper’s payment obligations under this Contract shall be reduced in accordance with sub-clause 68.1 of these General Terms and Conditions.

Clause 19 Characteristics and pressure of the Gas

19.1 At the Entry Points

The Gas made available by the Shipper at each Entry Point must comply with the specifications, including the pressure conditions, defined in Appendix 2 to the Contract for the relevant Entry Point.

If, on a given Day, the Shipper makes available to the GRTgaz, at any Entry Point, quantities of Gas which do not comply with the specifications stipulated in the Contract, GRTgaz shall have the right to accept or refuse to take off the said quantities.

As soon as the GRTgaz, acting as Prudent and Reasonable Operator, becomes aware of delivery by the Shipper at the Entry Point of quantities of Gas that do not fulfil the specifications defined in the first paragraph of this sub-clause 19.1, it shall inform the Shipper thereof, and shall state whether it accepts or refuses to take off the said quantities.

If quantities of Gas which fail to comply with the specifications stipulated in the Contract have been taken off by GRTgaz after having been accepted as such by GRTgaz, GRTgaz shall waive all rights to claim any indemnities whatever on this account from the Shipper.

19.2 At the Transport Storage Interface Points and the Network Interconnection Points

The obligations of GRTgaz with regard to the characteristics and pressure of the Gas delivered at a Transport Storage Interface Point and at a Network Interconnection Point, are defined by the Interconnection Agreement for that point.

The obligations of GRTgaz concerning the characteristics and the pressure of the Gas shall be stipulated exclusively to the benefit of the Recipient, and shall grant no rights of any kind to the Shipper.

The Shipper waives all rights to proceed against GRTgaz due to the latter’s failure to comply with its obligations under the terms of an Interconnection Agreement.

GRTgaz guarantees the Shipper against any legal proceedings by a Recipient resulting from a failure on the part of GRTgaz to comply with its obligations under the terms of the Interconnection Agreement relating to the said Recipient.
TITLE II TRANSMISSION SERVICE ON THE DOWNSTREAM NETWORK

The downstream network consists of:

- Consumer Delivery Points,
- Regional Network Interconnection Points,
- Transport Distribution Interface Points,
- Exit Zones,
- Title Transfer Points.

GRTgaz makes several types of capacity with different time intervals available to the Shipper on the downstream network, together with the auxiliary access service to the Title Transfer Points (PEG).

The Shipper has access to this capacity and to the auxiliary service through subscriptions. This capacity and this service can be modified on the initiative of the Shipper or GRTgaz, in the terms and conditions of these General Terms and Conditions.

To use this capacity on a day-to-day basis, the Shipper nomimates the quantities of energy it wants GRTgaz to take off and deliver within the limits of its capacity. After making the necessary verifications, GRTgaz determines the quantities scheduled to be taken off and delivered by GRTgaz, within the limits and terms of these General Terms and Conditions.

Section 1 Capacity and auxiliary access service to Title Transfer Points

Clause 20 Capacities

On the downstream network, GRTgaz commercialises Daily Capacity and Hourly Capacity.

A Day is defined from six a.m. (6:00 a.m.) on a given day to six a.m. (6:00 a.m.) on the next day. Daily capacity is sold in MWh/d (HCV).

An Hour is defined as a period of sixty (60) consecutive minutes beginning and ending on the hour. Hourly capacity is sold in MWh/h (HCV).

On the downstream network, GRTgaz commercialises the following capacity:

- delivery:
  - at the Consumer Delivery Points and the Regional Network Interconnection Points (PIRR)
  - at the Transport Distribution Interface Points (PITD)
- Transmission Capacity on the Regional Network,
- Exit Capacity from the Main Network.

20.1 Firm Capacity

Firm Capacity is capacity which GRTgaz contractually guarantees in normal operating conditions, in particular excluding maintenance works or cases of force majeure.

20.2 Interruptible Capacities

Interruptible Capacity is capacity whose use is not guaranteed by GRTgaz. By way of information, the main factors affecting the availability of Interruptible Capacities are as follows:

- level of consumption, which greatly depends on temperature
- configuration of the Network.

Clause 21 Access to Title Transfer Points (PEGs)

GRTgaz offers shippers the possibility to exchange quantities of energy at certain virtual points called Title Transfer Points (PEG). There are two Title Transfer Points, each attached to one of the two Balancing Zones.

On the North PEG, exchanges must be between H-gas and H-gas, or L-gas and L-gas.

Section 2 Marketing capacity and access to Title Transfer Points (PEGs)

Capacity and access to the Title Transfer Points described above in Section 1 are supplied according to the provisions of this Section 2.

Delivery capacity at the Consumer Delivery Points and at the Regional Network Interconnection Points, Transmission Capacity on the Regional Network and Exit Capacity on the Main Network, are all provided through requests submitted to GRTgaz by the Shipper. This is described in Clause 22 below.

Annual Firm Delivery Capacity at the Transport Distribution Interface points (PITD) is allocated automatically by GRTgaz.

This capacity is calculated by GRTgaz on the basis of information provided by the Operator of the public gas distribution network. The method of calculating this Delivery Capacity is standardised and published. This procedure for automatically allocating capacity is described in Clause 23 below.

Access to the Title Transfer Points is provided on the basis of requests submitted by the Shipper to GRTgaz. This access service to the Title Transfer Points is described in Clause 24 below.
Clause 22 Marketing of capacity - General rules

Capacity is subscribed on several different time periods, annual, monthly or daily. Subscriptions to the access service to the Title Transfer Points can only be taken annually. These subscriptions are summarised in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Annual subscriptions</th>
<th>Monthly subscription</th>
<th>Daily subscriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery Capacity</td>
<td>Firm and Interruptible</td>
<td>Firm</td>
<td>Firm</td>
</tr>
<tr>
<td>Transmission Capacity on the Regional Network</td>
<td>Firm and Interruptible</td>
<td>Firm</td>
<td>Firm</td>
</tr>
<tr>
<td>Exit Capacity on the Main Network</td>
<td>Firm</td>
<td>North and South</td>
<td>Firm</td>
</tr>
<tr>
<td>PEG access service</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Annual subscriptions for capacities and access to the Title Transfer Points apply over one or more full years, each year being a period of twelve (12) consecutive Months beginning on the first (1st) Day of any Month.

Monthly subscriptions for capacity apply over one (1) full Month, from the first (1st) to the last Day of the Month.

Daily capacity subscriptions applied to one (1) Day.

22.1 Common provisions for capacity reservations

The Special Terms and Conditions specify the Validity Commencement Date and the Validity End Date for each of the Daily and Hourly capacity.

Any change in a Daily or Hourly Capacity or a Period of Validity of a Daily or Hourly Capacity shall be the subject of an amendment to the Contract. Under no circumstances can the acceptance by GRTgaz of a change in Daily or Hourly Capacities have the effect of automatically changing the duration of the Contract.

GRTgaz undertakes to process a shipper's reservation request within seven (7) Working Days following receipt of that request.

All reservation requests are binding on the Shipper. It is not possible to give up capacity once allocated.

22.2 Subscriptions of Delivery Capacity at the Consumer Delivery Points and the Regional Network Interconnection Points (PIRR)

A Daily and Hourly Delivery Capacity at the Consumer Delivery Points is allocated to the Shipper requesting it on its own behalf, in its capacity as a customer connected to the Network, or to the Shipper who can provide evidence of holding a contract to sell gas, provided that this capacity is available.

B Daily Delivery Capacity at the Regional Network Interconnection Points is allocated to the Shipper requesting it, provided that they can provide evidence of holding a contract to sell or transport gas with the adjacent Operators, and provided that this capacity is available.

C Subscriptions for Daily and Hourly Delivery Capacity at the Consumer Delivery Points and Daily Delivery Capacity at the Regional Network Interconnection Points are carried out by the Shipper with GRTgaz:

- for annual subscriptions, over one (1) or several annual “bands”, starting from the first (1st) calendar Day of any Month, with a notice period greater than one (1) month,
- for subscriptions of monthly capacity in month M, no later than the fifteenth (15th) calendar day of month M-1,
- for subscriptions of daily capacity, with notice of more than seven (7) calendar days.

In the event that a Shippers should be partially or totally replaced by another shipper for the supply of a Recipient at a Consumer Delivery Point or at a Regional Network Interconnection Point, he Parties shall agree to reduce Daily or Hourly Delivery Capacity, Daily Transmission Capacity on the Regional Network and Daily Exit Capacity on the Main Network by the same proportions relative to that point as specified in the General Terms and Conditions of the Contract.

D Annual subscriptions of Delivery Capacity can be extended, without change of level, at the annual tariff, during one (1) or more Months beyond the standard duration of twelve (12) months, in order to allow consumers to modify the anniversary starting date of their supply contract. Similarly, the annual subscriptions may cover periods of less than twelve (12) Months to fit in with the length of a supply contract.

E Changes to annual subscriptions begin on the first (1st) Day of a Month and are requested with a notice period in excess of one (1) month.

F GRTgaz may, however, accept an increase (or respectively, reduction) in annually subscribed Daily or Hourly Delivery Capacity, Daily Transmission Capacity on the Regional Network and Daily Exit Capacity on the Main Network, for the remaining duration of validity of the said capacity, if the reason for this increase (or respectively, reduction) is a lasting increase (or respectively, reduction) in the above-mentioned Daily or Hourly Capacities necessary to supply the Recipient at a Consumer Delivery Point. In the event of a reduction in Daily or Hourly Capacity, the said reduction must follow the definitive giving up of a gas consumption installation at the Recipient.

In consequence, if an annual subscription of Daily or Hourly Delivery Capacity is modified upwards,
respectively downwards, it cannot be changed downwards, respectively upwards, for one (1) complete year following its modification date. These requirements do not affect monthly and daily subscriptions of capacity. They also apply in the event of a change of shipper for the point in question.

In the event of delivery by several shippers on a single Customer Delivery Point, these requirements apply to the sum of the annual subscriptions for Daily and Hourly Delivery Capacity.

G By exception to the provisions of point F above, in the first year following the creation of a new Consumer Delivery Point, the annual subscription for Daily or Hourly Capacity can be modified upwards or downwards each month in each of the three (3) months following the creation of the point, then adjusted upwards, or respectively downwards, in each of the nine (9) following months, and finally fixed at the end of twelve (12) without regard to the previous changes. Moreover, during the first year following the creation of new Consumer Delivery Point, the notice period for a change to the annual capacity subscription is brought back to the fifteenth (15th) calendar day of the month M-1 for the first (1st) day of month M.

H By exception to the provisions of point C above, if an Excess of Daily Delivery Capacity is recorded during Month M-1, the shipper may, up to the tenth (10th) calendar day of Month M, request an increase in the annual subscription in question, beginning on the first (1st) Day of Month M, subject to compliance with the provisions of point F above.

I By exception to the provisions of point C and F above, if an Excess of Hourly Delivery Capacity is recorded during Month M-1, the shipper may, up to the tenth (10th) calendar day of Month M, request an increase in the annual subscription in question, beginning on the first (1st) Day of Month M.

J For any Consumer Delivery Point and for any Regional Network Interconnection Point, the Shipper has the option of subscribing annual Interruptible Capacity. GRTgaz can also require interruptibility at this point, when the capacity requested by the Shipper cannot be guaranteed.

K Subscriptions for daily capacity are intended to meet the end customer’s exceptional short-term need.

22.3 Subscriptions of Transmission Capacity on the Regional Network

Whatever the time interval, annual, monthly or daily, the Shipper must subscribe Firm (or respectively Interruptible) Transmission Capacity on the Regional Network equal, for each Consumer Delivery Point and for each Regional Network Interconnection Point, to the Firm (respectively Interruptible) Delivery Capacity at that point, as defined above in sub-clause 22.2.

The provisions of sub-clause 22.2 above concerning Firm (respectively Interruptible) Delivery Capacity apply identically to Firm (respectively Interruptible) Transmission Capacity on the Regional Network.

22.4 Subscriptions for Exit Capacity on the Main Network

For a given Exit Zone, the Shipper must subscribe annual Firm Exit Capacity from the Main Network greater than or equal to the sum of annual Firm Delivery Capacity in this exit zone, defined in sub-clause 22.2 above.

The provisions of sub-clause 22.2 above apply to Exit Capacity on the Main Network, with the exception of the provisions on annual Interruptible Capacity, which is not marketed at this point.

Clause 23 Special case of the Transport Distribution Interface Points (PITD)

23.1 Automatic annual allocation of Delivery Capacity at the Transport Distribution Interface Points

Every day, on every Transport Distribution Interface Point, annually allocated Firm and Interruptible Daily Delivery Capacity is allocated automatically by GRTgaz to the Shipper on the basis of information provided by the operator of the distribution network situated downstream of the said point, and on the basis of the Joint Declaration(s) in Appendix 6 of the Contract.

This Daily Delivery Capacity allocated annually at the Transport Distribution Interface Point is equal to the sum:
• of the annual capacity subscribed on the distribution network for the Delivery Points “with subscription” supplied downstream the Transport Distribution Interface Point in question,
• of the standardised capacity calculated by GRTgaz for the Delivery Points “without subscription” supplied downstream of the Transport Distribution Interface Point in question.


Firm (respectively Interruptible) Daily Delivery Capacity on the Regional Network relating to a Transport Distribution Interface Point shall be equal to the Firm (respectively Interruptible) Daily Delivery Capacity at the said Transport Distribution Interface Point.

All or part of the Daily Delivery Capacity allocated annually may be interruptible, either as decided by GRTgaz or at the request of the Shipper.

23.2 Annual subscription of Interruptible Delivery Capacity at the Transport Distribution Interface Points

Subscriptions of Interruptible Daily Delivery Capacity at the Transport Distribution Interface Points take place under the
same rules as described in sub-clause 22.2 of the General Terms and Conditions.

Interruptible Daily Delivery Capacity at the Transport Distribution Interface Points is allocated only if it corresponds to the supply, downstream of the Transport Distribution Interface Point in question, of delivery points with a daily measurement of delivered quantities, i.e. to the supply of a Delivery Point “with subscription”.

For all the Interruptible Daily Delivery Capacity subscribed, the Shipper concerned must first provide GRTgaz with the following information on totally or partially interruptible customers supplied downstream of a Transport Distribution Interface Point:

- Code of the Transport Distribution Interface Point in question
- Name, address and identification code of the interruptible customer
- Capacity (Firm and Interruptible).

The annually allocated Interruptible Daily Delivery Capacity is specified in Appendix 4 to the Contract.

**Clause 23.3 Monthly and daily subscription of Delivery Capacity at the Transport Distribution Interface Points**

In order to complete, if necessary, the annual capacity allocated under the automatic allocation process described in sub-clause 23.1 above, monthly and daily Consumer subscriptions for any Regional Network Interconnection Point are possible at the request of the Shipper, up to the limit of the capacities of the Network and according to the same rules as described in sub-clause 22.2 of the General Terms and Conditions.

**Clause 24 Marketing of access to Title Transfer Points (PEGs)**

Subscriptions to Title Transfer Points (PEG) access are annual and start on the first (1st) calendar Day of any Month. In the case of subscription within the month, the fixed access charge is due from the first (1st) day of that Month. The minimum notice period between the subscription request and actual access is seven (7) Working Days.

Shippers that subscribe access to the North Title Transfer Point (North PEG) can exchange both H-gas and L-gas.

**Clause 25 Procedure for reserving (subscribing) capacity and access to Title Transfer Points (PEGs)**

Requests for access to the Title Transfer Points and requests for capacity, with the exception of firm and your capacity at the Transport Distribution Interface Point, which is allocated automatically, are made by e-mail to the following address: acces-reseau-accueil@grtgaz.com.

### Section 3 Determining quantities

After subscribing capacity, the Shipper requests GRTgaz to transport a quantity of energy on the Transmission System, on a given Day, by means of Nominations.

On the basis of the requests received from all shippers, GRTgaz verifies that the balancing obligations have been met and that the nominations are matched with one another. Once verified and accepted by GRTgaz, the quantity Nominated by the Shipper becomes a scheduled quantity.

The day after the Day, GRTgaz determines the quantities that have been taken off and delivered.

**Clause 26 Forecasts, Nominations and scheduling**

The forecasting, Nomination and scheduling conditions are defined in Title III Operational Procedures of the General Terms and Conditions.

**Clause 27 Determining quantities**

27.1 Determining the Quantities Delivered at Consumer Delivery Points and at Regional Network Interconnection Points

27.1.1 The Total Daily (or Hourly) Quantities Delivered pursuant to the Contract at any Consumer Delivery Point, or at any Regional Network Interconnection Point, is defined for each Day (or for each Hour) as the total quantity of natural Gas delivered by GRTgaz at the said Consumer Delivery Point, or at the said Regional Network Interconnection Point, for the Day (or Hour) in question.

They shall be determined by GRTgaz with the aid of the Measuring Device relating to the Consumer Delivery Point in question, or to the Regional Network Interconnection Point in question.

27.1.2 In the event that the Measuring Device should cease to function or should function incorrectly, the Total Hourly and Daily Quantities Delivered at the relevant Consumer Delivery Point, or at the relevant Regional Network Interconnection Point, during the period of breakdown or malfunction of the Measuring Device shall be estimated by GRTgaz. In case of breakdown or malfunction of the Measuring Device, established after that the quantities used for the invoicing have been issued, or where a compliance malfunction has been ascertained on one or more elements of the Measuring Device in relation to the currently applicable statutory standards, the Total Hourly and Daily Quantities Delivered at the relevant Consumer Delivery Point, or at the relevant Regional Network Interconnection Point, shall be adjusted by GRTgaz for the period starting on the date the last time the element or the assembly of elements in the Measuring Device was last checked, and found compliant, and finishing on the date the element or
assembly of elements reverted to a state of compliance.

This estimation or this adjustment, as the case may be, shall be based on all the elements for assessment that GRTgaz has at its disposal.

GRTgaz shall inform the Shipper of the estimation or the adjustment made, as the case may be.

At the Shipper’s request, and subject to maintaining GRTgaz's confidentiality obligations towards third parties and particularly the Recipient, GRTgaz shall supply the Shipper with evidence of the estimation or the adjustment made, as the case may be.

27.3 Determining the Daily Quantities Transferred on the Regional Transmission Network

Each day, for each Consumer Delivery Point, or for each Regional Network Interconnection Point, the Daily Quantity Transferred on the regional transmission network is equal to the Daily Quantity Delivered at the Consumer Delivery Point, or at the Regional Network Interconnection Point, as specified in sub-clause 27.1 above.

Each day, for each Transport Distribution Interface Point, the Daily Quantity Transferred on the regional transmission network is equal to the Daily Quantity Delivered at the Transport Distribution Interface Point as specified in sub-clause 27.2 above.

27.4 Determining Daily Proximity Quantities

The Daily Proximity Quantity is defined for the following Exit Zone - Entry Point pairs:
- Dunkerque Region - Dunkerque
- Obergailbach Region - Obergailbach
- Taisnières B Region - Taisnières B
- Taisnières H Region - Taisnières H

The Exit Zone thus paired with an Entry Point constitutes the Associated Exit Zone.

Each day, the Daily Exit Quantity on the Main Network for a specified Associated Exit Zone is equal to the sum of the Daily Quantities Delivered at the Delivery Points attached to this Exit Zone, as specified in the Special Terms and Conditions, except at the Delivery Points where all or part of the Daily Delivery Capacity is interruptible with short notice, as specified in the Special Terms and Conditions.

Each Day, for each Exit Zone - Entry Point pair mentioned in the first paragraph, the Daily Proximity Quantity is equal to the lesser of the two following values:
- Daily Exit Quantity on the Main Network for the associated Exit Zone.
- Daily Quantity Taken off at the Entry Point under consideration.

The term proximity applies to the Daily Proximity Quantity.

27.5 Determining the Daily Quantities Taken off or Delivered at the Title Transfer Points and at the Allocation Difference Accounts

Each Day, the Daily Quantity Taken off or Delivered at a Title Transfer Point or at an Allocation Difference Account is equal to the Daily Quantity Scheduled by GRTgaz for that point.

27.6 Provision of the values of the Daily Quantities Taken off and Delivered

The values of the Daily Quantities Taken off and Delivered are made available in accordance with the provisions of Clause 39 of Title III Operational Procedures of the General Terms and Conditions.
27.7 Verification of Measuring Devices

GRTgaz may, at its own expense, verify or arrange for the verification of any part or group of parts of the Measuring Device relating to any Delivery Point.

If the Measuring Device is used in order to determine the Daily or Hourly Quantities Delivered at the relevant Delivery Point, the Shipper may at any time request the verification of any part or all the parts of the Measuring Device, either by GRTgaz, or by an expert appointed by mutual agreement. The costs of verification shall be borne by the Shipper if the accuracy of the part or all the parts of the Measuring Device verified at its request exceeds or is equal to that tolerated under the terms of applicable regulations, and otherwise, by GRTgaz.

27.8 Use of measurements

The measurements taken by GRTgaz pursuant to the terms of the Contract may be freely used by it, subject to the provisions of Clause 72 of the General Terms and Conditions.

It is expressly agreed that GRTgaz shall be authorised to supply the measurements taken at a relevant Delivery Point to the Recipient concerned.

At the request of the Shipper, GRTgaz shall supply the Shipper with the measurements taken pursuant to the Contract if these measurements are directly used to determine the Daily Quantities Taken off or Hourly or Daily Quantities Delivered.

Clause 28 Price Supplement arising from an Excess of Daily Capacity

28.1 Price Supplement arising from an Excess of Daily Capacity

For each Daily Delivery Capacity at a Consumer Delivery Point or at a Regional Network Interconnection Point specified in the Special Terms and Conditions, the difference, if positive, between the Daily Quantity Delivered on any Day and the corresponding Daily Capacity, shall constitute an Excess of Daily Delivery Capacity.

For each Daily Delivery Capacity at a Transport Distribution Interface Point specified in the Special Terms and Conditions, the Excess of Daily Delivery Capacity on any Day shall be constituted by the difference, if positive, between:

- the difference, if positive, between the Daily Quantity Delivered the said Day and the corresponding Daily Delivery Capacity, otherwise zero (0);
- the difference, if positive, between the Daily Quantity Delivered to the Delivery Point "without subscription" on the said Day and the Computed Standardized Capacity at the Delivery Point "without subscription" of the corresponding Transport Distribution Interface Point, otherwise zero (0).

Should GRTgaz reduce or suspend Daily Delivery Capacity on given Day, the Excess of Daily Delivery Capacity for the said Day shall be calculated by reducing the Daily Delivery Capacity by the proportion thus suspended or reduced.

For each Daily Transmission Capacity on the Regional Network specified in the Special Terms and Conditions, the Excess of Daily Transmission Capacity on the Regional Network is equal to the Excess of Daily Delivery Capacity at the corresponding Delivery Point.

For each Daily Exit Capacity on the Main Network specified in the Special Terms and Conditions, the Excess of Daily Exit Capacity on the Main Network on any Day shall consist of the difference, if positive, between:

- the difference, if positive, between the Daily Exit Quantity on the Main Network on the said Day and the corresponding Daily Exit Capacity on the Main Network, otherwise zero (0),
- the difference, if positive, between the sum of the Daily Quantity Delivered to the Delivery Point "without subscription" the said Day and the sum of the Computed Standardized Capacity at the Delivery Point "without subscription", at the Transport Distribution Interface Points associated with the said Exit Zone, otherwise zero (0).

For any Excess of Daily Exit Capacity on the Main Network, or Daily Transmission Capacity on the Regional Network or Daily Delivery Capacity less than or equal to three (3) per cent of the corresponding Daily Capacity, no Price Supplement for Excess of Daily Capacity shall be due by the Shipper.

For any Excess of Daily Exit Capacity on the Main Network, or Daily Transmission Capacity on the Regional Network or Daily Delivery Capacity in excess of three (3) per cent and less than or equal to ten (10) per cent of the said Daily Capacity, a Price Supplement linked to the Excess Daily Capacity shall be due by the Shipper, calculated as follows:

\[ CPDCJ = PUQCJ \times (DCJ - 0.03 \times CJ) \times 20 \]

Where:

- \( CPDCJ \) is the Price Supplement for the relevant Excess of Daily Capacity,
- \( PUQCJ \) is the Daily Unit Price of the relevant Daily Capacity, for the relevant Day,
- \( DCJ \) is the Excess of Daily Capacity, corresponding to the relevant Daily Capacity,
- \( CJ \) is the value of the Daily Capacity under consideration.

For any Excess of Daily Exit Capacity on the Main Network, or Daily Transmission Capacity on the Regional Network or Daily Delivery Capacity in excess of ten (10) per cent of the said Daily Capacity, a Price Supplement related to the Excess of Daily Capacity shall be due by the Shipper, calculated as follows:

\[ CPDCJ = PUQCJ \times ((0.07 \times CJ) \times 20 + (DCJ - 0.10 \times CJ) \times 40) \]

Where: \( CPDCJ \), \( PUQCJ \), \( DCJ \) and \( CJ \) have the same meanings as above.

28.2 Price Supplement linked to an Excess of Hourly Capacity

Each Day, for each Hourly Delivery Capacity specified in the Special Terms and Conditions, the difference, if positive, between

- the maximum value of the hourly average of the Hourly Quantity Delivered during 4 (four) consecutive hours of the said Day
- and the corresponding Hourly Delivery Capacity shall constitute an Excess of Hourly Capacity.
For any Excess of Hourly Capacity less than or equal to 10 (ten) per cent of the corresponding Hourly Capacity, no Price Supplement for Excess of Hourly Capacity shall be due by the Shipper.

For any Excess of Hourly Capacity in excess of 10 (ten) per cent and less than or equal to 20 (twenty) per cent of the said Hourly Delivery Capacity, a Price Supplement linked to the excess of Hourly Delivery Capacity shall be due by the Shipper, calculated as follows:

\[
CPDCHL = PUQCHL \times (DCH - 0.10 \times CHL) \times 45
\]

Where:
- \( CPDCHL \) is the Price Supplement for Excess of the relevant Hourly Capacity,
- \( PUQCHL \) is the Daily Unit Price for the relevant Hourly Delivery Capacity, for the relevant Day,
- \( DCH \) is the Excess of Hourly Capacity corresponding to the relevant Hourly Capacity,
- \( CHL \) is the value of the relevant Hourly Delivery Capacity,

For any Excess of Hourly Capacity in excess of 20 (twenty) per cent of the said Hourly Delivery Capacity, a Price Supplement linked to the Excess of Hourly Delivery Capacity shall be due by the Shipper, calculated as follows:

\[
CPDCHL = PUQCHL \times (0.10 \times CHL \times 45 + (DCH - 0.20 \times CHL) \times 90)
\]

Where \( CPDCHL \), \( PUQCHL \), \( DCH \) and \( CHL \) have the same meanings as above.

### 28.3 Cumulative and exhaustive nature of Price Supplements

The Price Supplements, if any, which result from application of sub-clauses 28.1 and 28.2 above, are cumulative. These Price Supplements constitute the only indemnification which GRTgaz may claim in the event of an Excess of Daily or Hourly Capacity.

### Section 4 Limits to the obligations of GRTgaz

#### Clause 29 Limits to offtake and delivery obligations

##### 29.1 Limitations with regard to balancing

The limitations regarding balancing are described in Clause 41 of Title IV Balancing of the General Terms and Conditions.

##### 29.2 Limitations concerning Daily and Hourly Capacity

The Daily Capacity referred to in this sub-clause 29.2 is that defined in the Special Terms and Conditions, reduced where applicable in application of Clause 66, of Clause 67 or of Clause 68, or of Clause 30 below of the General Terms and Conditions.

GRTgaz is under no obligation to deliver to all the Delivery Points attached to a given Exit Zone, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Exit Capacity on the Main Network in this Exit Zone.

GRTgaz is under no obligation to deliver to a Delivery Point, on any Day, a quantity of Gas with an Energy Content in excess of the Daily Delivery Capacity at this Delivery Point.

GRTgaz is under no obligation to deliver to a Delivery Point, in any Hour, a quantity of Gas with an Energy Content in excess of the Hourly Delivery Capacity at this Delivery Point.

Prior to the Validity Commencement Date and after the Validity End Date of a Daily or Hourly Capacity specified in the Special Terms and Conditions, the said Daily or Hourly Capacity shall be deemed to be equal to zero (0).

In the case of a Day with a duration of 23 (twenty-three) or 25 (twenty-five) hours, the limitations relating to Daily Capacity established in this sub-clause 29.2, are subject to a coefficient of 23/24th, respectively 25/24th.

#### 29.3 Limitations resulting from scheduling

GRTgaz is under no obligation to deliver, on any Day, at all Consumer Delivery Points, all Regional Network Interconnection Points and all Transport Distribution Interface Points on a Balancing Zone, a quantity of Gas with an Energy Content different from the Daily Quantity Scheduled for that Day at all these Delivery Points in application of the provisions of Title Operational Procedures of the General Terms and Conditions.

When there is a Daily Quantity Scheduled at a Consumer Delivery Point or a Regional Work Interconnection Point or a Transport Distribution Interface Point, GRTgaz is under no obligation to deliver, on any Day, a quantity of gas with an Energy Content different from that Daily Quantity Scheduled in application of the provisions of Title III Operational Procedures of the General Terms and Conditions.

#### Clause 30 Reductions or interruptions to offtake, transport or delivery

##### 30.1 Interruptible Capacities

The Special Terms and Conditions can provide for the possibility for GRTgaz to temporarily reduce or interrupt the Daily Capacity specified in the Special Terms and Conditions. GRTgaz may temporarily reduce or suspend Interruptible Capacity, under the conditions specified in Appendixes 7.1 or 7.2.

Should GRTgaz apply any of the provisions stated in the above paragraph, its obligations to take off or deliver shall be reduced within the same proportions.

Unless otherwise expressly stipulated in the Special Terms and Conditions, the obligations of the Shipper, particularly the balancing obligations referred to in Title IV Balancing of the General Terms and Conditions, as well as the obligations to pay the Price, shall not be modified as a result of such implementation.
30.2 Limitation regarding a reduction or interruption notice issued by GRTgaz

In the event of a notice of interruption issued by GRTgaz to the Shipper under the provisions specified in Appendixes 7.1 or 7.2 of the Contract, the Shipper undertakes to ensure that the Recipient of the supplied Gas will limit the quantities of Gas taken off to the amounts stated in the aforementioned notification and guarantees GRTgaz against proceedings instituted by the Recipient in respect of such interruptions. Otherwise, the provisions of Clause 28 of the General Terms and Conditions will be applied on the basis of the reduced capacities notified to the Shipper by GRTgaz, whereby such application shall in no way limit the rights of GRTgaz resulting from the non-observance by the Shipper of its obligation under this sub-clause.

30.3 Suspension of deliveries to the Recipient due to the Shipper

With the exception of the hypothesis of a change of shipper, should the Shipper decide to totally cease, either temporarily or definitively, delivery of the Gas as contracted at a Consumer Delivery Point, it undertakes to ask GRTgaz to close the said Consumer Delivery Point by registered letter with acknowledgement of receipt providing notice of at least five working days. Beforehand, it makes sure that the said Closure leads to no risk relating to the safety of goods and persons and to the environment and and sends written confirmation to GRTgaz of this absence of risk.

The Shipper, or its duly authorised representative, must be present during the Closing of the Consumer Delivery Point. In the event of the Shipper or of its duly authorised representative be absent, or the event of a confirmed risk to the safety of goods and persons or of the environment, GRTgaz can decide to postpone the Closing of the Consumer Delivery Point. In this case, GRTgaz shall inform the Shipper as quickly as possible that the Closing of the Consumer Delivery Point is not taking place, by every possible means at its convenience and confirms by registered letter with acknowledgement of receipt.

At any time before the date and hour planned for the Closing of the Consumer Delivery Point, the Shipper, or its duly authorised representative, can ask GRTgaz by every possible means to cancel the Closing of the said Consumer Delivery Point. This request shall be confirmed by registered letter with acknowledgement of receipt.

As long as the Closing has not come into effect, each Party retains its rights and obligations pursuant to the Contract. With effect from the actual Closing of the Consumer Delivery Point, obligations of GRTgaz and of the Shipper with regard to the said Consumer Delivery Point pursuant to the Contract shall be suspended. The Shipper guarantees GRTgaz against all proceedings by third parties, or against any payment of indemnities to third parties, originating from a cessation of deliveries at the given Consumer Delivery Point pursuant to this sub-clause 30.3.

The cost of the Closing of the Consumer Delivery point carried out within the framework of this sub-clause 30.3, shall be borne by the Shipper.

30.4 Suspension of deliveries to a Recipient supplied by several shippers, under one of the transmission contracts

Should the quantities of Gas delivered at a Consumer Delivery Point be delivered by several shippers, and if the delivery obligations of GRTgaz at the said Consumer Delivery Point under any of the transmission contracts concerned are suspended for any reason whatsoever, the delivery obligations of GRTgaz for the said Consumer Delivery Point under the Contract shall be suspended at the same time, unless otherwise provided in the Rule for Determining the Quantities Delivered relating to the said Consumer Delivery Point. Unless otherwise agreed between the Parties, the quantities of Gas delivered by GRTgaz at the said Consumer Delivery Point after the date of suspension of GRTgaz’s delivery obligations pursuant to this sub-clause 30.4 will not be considered to be Gas delivered pursuant to this Contract.

Clause 31 Implementation of limitations, reductions, interruptions

GRTgaz may take all measures that it considers appropriate in order to avoid taking off or delivering, on any Day or at any Hour, a quantity of Gas that is not within any of the limitations stated in this Section 4, without the Shipper being entitled to claim any damage as a result.
Section 5 Stipulations regarding Connections, Delivery Stations and interconnection systems, together with the characteristics and pressure of the Gas

Clause 32 Stipulations on Connections, Delivery Stations and interconnection systems

32.1 Connection Pipes and Delivery Stations

GRTgaz shall establish, operate and maintain the Delivery Stations and Connection Pipes, in accordance with the Connection Contracts entered into with the Recipient(s) concerned at Consumer Delivery Points and at Transport Distribution Interface Points.

The obligations of GRTgaz specified in a Connection Contract are exclusively to the benefit of the Recipient, and do not give rise to any right to the benefit of the Shipper.

GRTgaz shall be released from its delivery obligations under the terms of the Contract at any Consumer Delivery Point and at any Transport Distribution Interface Point in the event that the Connection Contract in respect of the said Delivery Point is not entered into, is suspended or is terminated, or that the Recipient concerned fails to fulfill its obligations under the terms of the said Connection Contract.

In the case referred to in the preceding paragraph, the Shipper’s payment obligations under this Contract shall be reduced in accordance with sub-clause 68.1 of these General Terms and Conditions.

32.2 Interconnection systems

GRTgaz shall establish, operate and maintain the interconnection systems at the Regional Network Interconnection Points on the basis of the Interconnection Agreements entered into with the Operator of the network located downstream of the said points.

The obligations of GRTgaz specified in an Interconnection Agreement are exclusively to the benefit of the Operator concerned, and do not bestow any rights on the Shipper.

GRTgaz shall be released from its delivery obligations under the terms of the Contract at any Regional Network Interconnection Point in the event that the Interconnection Agreement in respect of the said point is not concluded, is suspended or is terminated, or that the Operator concerned fails to fulfill its obligations under the terms of the said Interconnection Agreement.

In the cases referred to in the preceding paragraph, the Shipper’s payment obligations under this Contract shall be reduced in accordance with sub-clause 68.1 of these General Terms and Conditions.

Clause 33 Characteristics and pressure of the Gas

33.1 At the Consumer Delivery Points and at the Transport Distribution Interface Points

The obligations of GRTgaz regarding the characteristics and the pressure of the Gas delivered at any Consumer Delivery Point and at any Transport Distribution Interface Point shall be defined in the Connection Contract relating to the relevant Delivery Point.

The obligations of GRTgaz concerning the characteristics and the pressure of the Gas shall be stipulated exclusively to the benefit of the Recipient, and shall grant no rights of any kind to the Shipper.

The Shipper waives all rights to proceed against GRTgaz due to the latter’s failure to comply with its obligations under the terms of an Interconnection Agreement. GRTgaz guarantees the Shipper against any legal proceedings by a Recipient resulting from a failure on the part of GRTgaz to comply with its obligations under the terms of the Interconnection Agreement relating to the said Recipient.

33.2 At the Regional Network Interconnection Points

The obligations of GRTgaz regarding the characteristics and the pressure of the Gas delivered at any Transport Storage Interface Point or at any Network Interconnection Point or at any Regional Network Interconnection Point shall be defined in the Interconnection Agreement relating to the relevant point.

The obligations of GRTgaz concerning the characteristics and the pressure of the Gas shall be stipulated exclusively to the benefit of the Recipient, and shall grant no rights of any kind to the Shipper.

The Shipper waives all rights to proceed against GRTgaz due to the latter’s failure to comply with its obligations under the terms of an Interconnection Agreement. GRTgaz guarantees the Shipper against any legal proceedings by a Recipient resulting from a failure on the part of GRTgaz to comply with its obligations under the terms of the Interconnection Agreement relating to the said Recipient.
TITLE III OPERATIONAL PROCEDURES

The exchange of information between the Shipper and GRTgaz is through the IS made available to the Shipper by GRTgaz.

Section 1 Forecasts and Nominations

Clause 34 Forecasts

At each Operator's request, at the most one (1) time a month, the Shipper shall notify GRTgaz of its best forecasts for delivery, transport and offtake for each Network Interconnection Point, for each Transport Production Interface Point, for each Transport Storage Interface Point, for each Transport LNG Terminal Interface Point, for each Link between the North and South Balancing Zones and for all the Consumer Delivery Points, the Regional Network Interconnection Points and the Transport Distribution Interface Points in each Balancing Zone, specifying for each Balancing Zone firstly the total of firm deliveries, secondly the total of deliveries to households and to Public Duty facilities.

The said forecasts are notified by the Shipper for each Month for a maximum period of one (1) year as specified by GRTgaz, on the assumption of a cold winter such as statistically occurs once every fifty (50) years. The said forecasts are also notified by the Shipper for the peak day of winter such as occurs statistically once every fifty (50) years and for the peak day of April such as occurs statistically once every fifty (50) years.

The said forecasts are notified by e-mail to Transport ops@grtgaz.com.

By no later than the twenty-fifth (25) of each Month, the Shipper shall notify GRTgaz, through the IS, of its most accurate taking off and delivery forecasts for the points referred to in Clause 35 below for each Day of the following Month.

By no later than each Thursday before two p.m. (2:00 p.m.), the Shipper shall notify GRTgaz, through the IS, of its most accurate taking off and delivery forecasts for the points referred to in Clause 35 below for each Day of the following Month.

Clause 35 Nominations

Each Day D-1 for Day D, the Shipper shall Nominate the quantities of Gas, expressed in kWh (HCV 25°C), as follows:
- predicted to be provided by him at each Entry Point,
- predicted to be transported by him on the North-South our South North Links,
- predicted to be supplied or taken off by him at the Title Transfer Points on each Balancing Zone,
- predicted to be affected by him to the variation of the Cumulative Imbalance on each Balancing Zone,
- predicted to be supplied or taken off by the latter at the Allocation Difference Account on each Balancing Zone,
- predicted by him to be taken off by Recipients:
  - for each Network Interconnection Point,
  - for each Transport Storage Interface Point,
  - for the H towards L Conversion Point – Base Service – H,
  - for the H towards L Conversion Point – Peak Service – H,
  - for the L towards H – L Conversion Point,

for the total number of Consumer Delivery Points and of Transport Distribution Interface Points on each Balancing Zone,
for each Regional Network Interconnection Point.

The Special Terms and Conditions may allow for the Shipper to Nominate the quantities of Gas it is requesting GRTgaz to supply at certain Consumer Delivery Points.

In the absence of Nomination for a particular day, the Nominations for the said Day shall be deemed to be equal to:
- the most recent quantities notified by the Shipper to GRTgaz for the said Day in application Clause 34 above,
- or, in the absence of quantities notified by the Shipper to GRTgaz for the said Day, as zero (0).

Each Day D-1, the Shipper shall notify GRTgaz before two p.m. (2:00 p.m.) of its Nominations for Day D.

The Shipper has the possibility of revising its Nominations for Day D before four p.m. (4:00 p.m.) on Day D-1.

The Nominations at a Network Interconnection Point, at a Transport-Storage Interface Point, at a Transport-Production Interface Point, at a Transport–LNG-Terminal Interface Point or at a Title Transfer Point shall include one or more codes identifying the shipper(s) transferring or receiving gas at these points.

The Shipper shall inform GRTgaz of the codes used at these points at least ten (10) Working Days before the beginning of a transmission contract or of an amendment to an existing transmission contract entailing the Shipper using a new Point of this type or before the use of any new code.

If this notice period is not maintained, GRTgaz shall make all reasonable efforts to implement every new code as quickly as possible.

Clause 36 Information on availability of Interruptible Capacity

GRTgaz shall inform the Shipper before three-thirty p.m. (15:30 p.m.) on Day D-1, of the proportion of Interruptible Capacity predicted to be available for Day D on the links, the Network Interconnection Points, the Transmission-Storage Interface Points and the L-to-H Conversion Service. The Interruptible Reduction Factor for Day D thus determined shall not then be modified by GRTgaz except in a case of force majeure as defined in sub-sub-clause 68.1 of the General Terms and Conditions.
Section 2 Scheduling

Clause 37 Scheduled Daily Quantities

After GRTgaz has received the Nominations from the Shipper, GRTgaz shall carry out the following operations:

37.1 Allocation of Short-Term Use-It-Or-Lose-It capacities

At the points where Short-Term UIOLI capacities may be proposed under sub-clause 5.4, an excess of Nominations compared to the Initial Operational Capacity is considered as a request for Short-Term UIOLI capacities between two p.m. (2:00 p.m.) on Day D-1 and three p.m. (3:00 p.m.) on Day-D.

The Short-Term UIOLI capacities are allocated following each cycle and published exclusively through the IS in the capacities statement of the beneficiary shipper.

The Short-Term UIOLI capacities are allocated by prioritizing the requests of the shippers under their Firm Rights, then the requests of the shippers under their Interruptible Rights, then the requests of the shippers under their Firm and Interruptible Rights.

The Short-Term UIOLI capacities requested on Day D (“intra-day” or “within-day” request) are allocated to the beneficiary shipper on a daily basis, at the end of each cycle of Day D. For Network Interconnection Points, capacity shall be allocated pro rata temporis to the hours remaining in Day D and are deemed definitively attributed at a rate of one twenty-fourth (1/24th) per elapsed hour of Day D. For Deliveries, Short-Term UIOLI capacities are only definitively attributed at the end of Day D.

GRTgaz can without notice at any time in a particular Day interrupt the commercialisation of the Short-Term UIOLI capacities on one or more Network Interconnection Points or Links. GRTgaz shall consequently modify the capacity statements by cancelling the Short-Term UIOLI capacities allocated for the Day concerned.

37.2 Checking that the Nomination is compatible with Operational Capacity

GRTgaz shall check and compare the Nomination with the Operational Capacity at the Transport Storage Interface Points, the Transport Production Interface Points, the Links, the L towards H Conversion Points, the H towards L Conversion Points – Peak Service, the H towards L Conversion Points – Base Service and the Regional Network Interconnection Points with the Operational Capacity, and cap it at the lower of the two values.

37.3 Checking that the Nominations are compatible at the Network Interconnection Points

When the Shipper Nominates at a Network Interconnection Point, GRTgaz:

- shall check that the sum of the Nominations in the Direct Flow Direction (respectively the sum of the Nominations in the reverse flow direction), is compatible with maximum Operational Capacity in each direction, and if necessary reduce Nominations in the Direct Flow Direction (respectively Nominations in the reverse flow direction) proportionate to the ratio of those two terms;
- shall check that the algebraic sum of the Nominations is compatible with subscribed Operational Capacity in the direction of this sum, and if necessary, reduce the Nominations proportionally to the ratio of those two terms.

37.4 Checking that the Nominations are compatible in terms of the Main Physical Flow of a Network Interconnection Point

When the sum of the Nominations in the Main Physical Flow at this Point, for all the shippers present at this point, is strictly less than the sum of Nominations in the reverse flow direction (to the Main Physical Flow) at this Point, for all the shippers present at this point, GRTgaz shall pass on to all the shippers concerned the consequences of these situations in an equitable fashion.

37.5 Checking that the Nomination at a Title Transfer Point is matched with the Nomination made by the Shipper's counterparty

GRTgaz shall check that the Shipper’s Nomination at a Title Transfer Point is matched with the Nomination made by the Shipper's counterparty. If it is not matched, GRTgaz shall endeavour to inform the Shipper by phone. In this case, the Shipper may propose to GRTgaz to modify its Nomination. If the mismatch at a Title Transfer Point persists, the Daily Quantity Scheduled shall be equal to the lower of the two Nomination values.

37.6 Exchanges on the Gas Exchange checking that the Nomination at a Title Transfer Point is matched with the Nomination made by the Clearing Party

For exchanges via the Gas Exchange, the Shipper shall Nominate the quantity of Gas concerned at the Title Transfer Point. The Clearing Party shall Nominate the quantity of Gas corresponding to the exchange.

GRTgaz shall check that the Shipper’s Nomination at a Title Transfer Point is matched with the Nomination made by the Clearing Party. If they are not matched, the Daily Quantity Scheduled by GRTgaz shall be equal to the Nomination made by the Clearing Party.
37.7 Checking that the Nomination on an Allocation Difference Account is compatible with the obligations relating to the Level of the Allocation Difference Account stipulated in the contract

GRTgaz shall check that the Shipper's Nomination on an Allocation Difference Account is compatible with the obligations relating to the Level of the Allocation Difference Account stipulated in sub-clause 45.3 of the General Terms and Conditions. If necessary, the Daily Quantity Scheduled shall be adjusted by GRTgaz to the minimum allowing these obligations to be met.

37.8 Checking that the Nomination is compatible with a variation in the Cumulative Imbalance Account

When the Forecast Effective Temperature on Day D is below the Threshold Temperature, GRTgaz shall if necessary adjust the Shipper's Nomination for a variation in the Cumulative Imbalance Account, in such a way that after adjustment:
- If the Cumulative Imbalance for Day D-1 is positive, the Daily Quantity Scheduled should fall between the Authorised Negative Daily Imbalance and the Authorised Positive Daily Imbalance
- If the Cumulative Imbalance for Day D-1 is negative, the Daily Quantity Scheduled is between zero (0) and the Authorised Positive Daily Imbalance.

37.9 Checking that the Nomination at a Network Interconnection Point is matched with the Nomination made by the Shipper's counterparty

After the checks and any caps or adjustments on the Nominations mentioned in sub-clauses 37.2 to 37.4 above, when the Nomination relates to a Network Interconnection Point, GRTgaz and the adjacent Operator shall check that the Nomination made by the Shipper's counterparty is matched. If it is not matched, the Daily Quantity Scheduled is equal to the lower of the two values.

37.10 Checking that the Nomination at a Transport Storage Interface Point is matched with the Nomination made by the Shipper's counterparty

The Storage Operator shall check that the Nomination made by the Shipper's counterparty is matched with the Nomination at the Transport Storage Interface Points. In the event of a mismatch the Shipper's Nomination shall be capped at the lower of the two values. If the value produced by capping is unacceptable for the Storage Operator, the Daily Quantity Scheduled used shall be the latest confirmed between GRTgaz and the Storage Operator.

At the Centre Nord and Centre Sud PITS, GRTgaz shall check in advance on the direction of the Nominations at these points: in the event of Nominations in the reverse flow direction, the Nominations shall be capped at zero (0) for both points.

37.11 Checking that the Nomination is matched at a Transport LNG Terminal Interface Point

At Transport LNG Terminal Interface Points, the LNG Terminal Operator uses the Available Technical Capacity on the GRTgaz Network to calculate and communicate to GRTgaz the quantities considered as Daily Quantities Scheduled, if these quantities should differ from the Nominations.

37.12 Notification of Daily Quantity Scheduled

After the compatibility checks made in sub-clauses 37.2 to 37.11 above and any caps or adjustments on the Nominations, GRTgaz shall provide the Shipper, through the IS or by fax if the IS is unavailable, with a confirmation notice for Day D that indicates the Daily Quantity Scheduled. GRTgaz shall make all reasonable efforts to make the confirmation notice available before six p.m. (6:00 p.m.) on Day D-1.

Failing notification by GRTgaz of Daily Quantities Scheduled for any Day, the Daily Quantities Scheduled for the said Day shall be deemed to be equal to the Nominations.

Clause 38 Modification of Daily Quantities Scheduled

Requests for changes to the Daily Quantities Scheduled for Day D can be made through the IS at any time between four p.m. (4:00 p.m.) on Day D-1 and three a.m. (3:00 a.m.) on Day D. GRTgaz shall make all reasonable efforts to accept these requests.

GRTgaz carries out the checks and any caps or adjustments to requests for changes to the Daily Quantities Scheduled, in the same way as for the Nominations described in sub-clauses 37.1 to 37.11 above.

Any request for Daily Quantities Scheduled to be changed in relation to a variation in Cumulative Imbalance Account, arriving between Day D at nine a.m. (9:00 a.m.) and Day D at three a.m. (3:00 a.m.) shall be adjusted, if necessary, in such a way that it falls between the Authorised Negative Daily Imbalance and the Authorised Positive Daily Imbalance.

Any request for Daily Quantities Scheduled to be changed at a Title Transfer Point which leads to a mismatch with the Nominations of the Shipper's counterparty at this Title Transfer Point will be refused.

After the checks and any caps or adjustments described above, GRTgaz establishes the modified Daily Quantities Scheduled.

38.1 Notification of modified Daily Quantities Scheduled

In the event of a change to Daily Quantities Scheduled, the Shipper is issued a modified confirmation notice through the IS, or by fax if the IS is unavailable.

Requests for changes in Daily Quantities Scheduled issued before eight p.m. (8:00 p.m.) on Day D-1 for Day D shall be processed between eight p.m. (8:00 p.m.) on Day D-1 and ten
p.m. (10:00 p.m.) on Day D-1. GRTgaz shall make all reasonable efforts to publish any modified confirmation notice before ten p.m. (10:00 p.m.) on Day D-1 for implementation at six a.m. (6:00 a.m.) on Day D.

Requests for changes in Daily Quantities Scheduled issued before eight p.m. (8:00 p.m.) and ten p.m. (10:00 p.m.) on Day D-1 for Day D shall be processed between ten p.m. (10:00 p.m.) on Day D-1 and midnight (00:00) on Day D. GRTgaz shall make all reasonable efforts to publish any modified confirmation notice before midnight (00:00) on Day D-1 for implementation at six a.m. (6:00 a.m.) on Day D.

Requests for changes in Daily Quantities Scheduled issued at HH:mm between ten p.m. (10:00 p.m.) on Day D-1 and 03:00 (three a.m.) on Day D shall be processed between HH+1:00 and HH+3:00. GRTgaz shall make all reasonable efforts to publish any modified confirmation notice before HH+3:00 for implementation at HH+3:00 or at six a.m. (6:00 a.m.) on Day D, if this should come first.

If GRTgaz should fail to issue a modified confirmation notice, the request for a change in Daily Quantities Scheduled for Day D shall be considered to be refused.

Section 3 Implementation

Clause 39 Provision of values of Quantities Taken off, Transported and Delivered

The Daily Quantity Taken off, the Daily Quantities Delivered and the Daily Quantities Transported are established in accordance with Clause 13 (upstream amount) and Clause 27 (downstream amount) of these General Terms and Conditions.

The Shipper receives an estimate of each Daily Quantity Taken off, Transported and Delivered during Day D, of Daily Imbalances for each Balancing Zone at Day D and of Cumulative Imbalances for each Balancing Zone at the end of Day D, on Day D+1 through the IS, or by fax if the IS is unavailable. The Shipper shall be notified by GRTgaz before one p.m. (1:00 p.m.) on Day D+1 in the allocation notice for Day D. A provisional allocation statement shall be published simultaneously, containing the Daily Quantities Taken off, Transported and Delivered, modified as necessary, for each Day from the first (1st) Day of the current Month.

The allocation notices are never revised.

At the latest on the tenth (10th) Working Day of month M+1, the Shipper shall be notified by GRTgaz through the IS of the values of the Daily Quantities Taken off, Transported and Delivered to be used for billing purposes, by means of the publication of a definitive allocation statement for Month M.
TITLE IV BALANCING

The Shipper is subject to a balancing obligation, on a daily basis, on each of the Balancing Zones and, in the North Zone, for each Gas quality.

The Shipper’s balancing obligation is governed by provisions, as specified in this Title IV, the principles of which are described below:

Every day, for each Balancing Zone and each Gas quality, GRTgaz calculates the Shipper’s Daily Imbalance which is the difference between the quantities entering the Balancing Zone and the quantities leaving the Balancing zone. This Daily Imbalance can be positive or negative.

A Shipper that has subscribed Daily Delivery Capacity cannot be certain of its forecasts for Daily Quantities Delivered at the corresponding points. For this reason, the Shipper is granted Balancing Tolerances, which depend on its Daily Delivery Capacity.

Part of these Balancing Tolerances is included in the transmission service and is allocated automatically (standard tolerance); a second part, proposed by GRTgaz, can be taken up by the Shipper under the Contract and is subject to specific pricing (optional tolerance).

If the Shipper has not subscribed Daily Delivery Capacity, it is not entitled to Balancing Tolerances. In this case, the variation on the provisions governing the balancing obligation is set out in Section 5 of this Title IV.

There are two limits to the Balancing Tolerances, at one end the Authorised Negative or Positive Daily Imbalance, and at the other end the Maximum Positive or Negative Cumulative Daily Imbalance, equal to a percentage of the Authorised Daily Imbalance (see diagram). This percentage is called the Cumulative Daily Imbalance Mid-Range.

The Daily Imbalance is aggregated each Day in a Cumulative Imbalance, provided that it remains below the Maximum Daily Cumulative Imbalance (see diagram).

If the Daily Imbalance exceeds an initial threshold called the Maximum Cumulative Daily Imbalance (Negative or Positive as applicable), the quantities above this threshold are covered by a purchase or sale between the Shipper and GRTgaz. The Reference Price, called “P1” (see diagram), at which this purchase or sale is made is a market price based on the transactions concluded by GRTgaz on the Balancing Platform. The quantities below this threshold, on the other hand, continue to be aggregated in the Cumulative Imbalance.

If the Daily Imbalance exceeds a second threshold, called the Authorised Daily Imbalance (Negative or Positive as applicable), the quantities above this second threshold are subject to a purchase or sale between the Shipper and GRTgaz, at a Reference Price called “P2” (see diagram), higher or lower (depending on the flow direction) than Reference Price P1. The quantities between the first and second threshold are bought or sold at Reference Price P1, and the quantities below the first threshold are added to the Cumulative Imbalance.

The Cumulative Imbalance is itself subject to limits, called Authorised Cumulative Imbalances, Positive and Negative. These limits represent a combined total of five (5) days of Daily Imbalance in the same flow direction, up to the maximum possible cumulative amount. Beyond these limits, the excess quantities are subject to a Price Supplement (P3), but no purchase or sale.

In addition to these principles, the estimated data need to be managed on a daily basis:

This is because the Daily Quantities Taken off and Delivered on a given Day are estimated on the day after the Day in question, but the data used for billing are only published during the month following the Day in question. Similarly, the Balancing Tolerances must be estimated, since the Daily Delivery Capacity at the Transport Distribution Interface Points is established retrospectively and is not known.

The Daily Imbalances and the Cumulative Imbalances are therefore calculated on the day after the Day in question, then updated as the estimates change, until the data used for billing is published during the following month. On the first day of a month, the estimate for the Cumulative Imbalance on the last day of the previous month is fixed and is used as the starting value in calculating the Cumulative Imbalance on every day in the month in question. The difference between this estimate used as starting point and the value published during the month in the data used for billing, is credited to an Allocation Difference Account which is subsequently absorbed by the Shipper, in accordance with specific rules.
Section 1 Obligations of the Shipper and limits on the obligations of GRTgaz

Clause 40 Obligations of the Shipper

The Shipper undertakes to make its best efforts to ensure that for each Balancing Zone, the Daily Imbalance, every Day, is as close to zero (0) as possible.

Clause 41 Limits on the obligations of GRTgaz

GRTgaz is under no obligation on any Day to take off, at all the Entry Points associated with a given Balancing Zone, a quantity of Gas having an Energy Content greater than the Energy Content of the quantity of Gas taken off on the same Day by the Recipient(s) at all the Delivery Points associated with this Balancing Zone, increased by the quantities of Gas transported if necessary from this Balancing Zone to the other Balancing Zone, and the quantities of Gas delivered, if necessary, by the Shipper at the Title Transfer Point and at the Allocation Difference Account attached to this same Balancing Zone.

GRTgaz is under no obligation to deliver to all the Delivery Points in a given Balancing Zone, on any Day, a quantity of Gas with an Energy Content in excess of the Energy Content of the quantity of Gas made available on the same Day by the Shipper within this Balancing Zone.

Section 2 Definition of the limits determining the Shipper’s balancing obligation

Clause 42 Definitions of the Balancing Tolerances and the Authorised Imbalances

42.1 Balancing Tolerances

The Balancing Tolerances are as follows:

• the Standard Balancing Tolerance, allocated automatically;
• the Optional Balancing Tolerance that the Shipper can subscribe and add to the Standard Balancing Tolerance
• the sum of:

42.1.1 Calculation Basis of Balancing Tolerances

For each Month M, for each Balancing Zone Z, the Calculation Basis of Balancing Tolerances shall be defined as the sum of:

• the Daily Delivery Capacities annually and monthly subscribed at the Consumer Delivery Points and at the Regional Network Interconnection Points attached to the said Balancing Zone Z and in force during the said Month M,
• the maximum, for each Day of the said Month M and for the last Day of the Month M-1, of the Firm Daily Delivery Capacities annually allocated at the Transport Distribution Interface Points attached to the said Balancing Zone Z,
• the sum of:

42.1.2 Standard Balancing Tolerance

For each Month M, for each Balancing Zone Z, the Standard Balancing Tolerance, stated as TSE(Z) shall be equal to:

For the L-gas Balancing Section of Balancing Zone North:

• thirty per cent (30%) of the Calculation Basis of the Balancing Tolerances, where the latter is less than or equal to five hundred (500) MWh per day,
• the sum of one hundred and fifty (150) MWh per day and twenty per cent (20%) of the Calculation Basis of the Balancing Tolerances, reduced by five hundred (500) MWh per day if the Calculation Basis of the Balancing Tolerances, where the latter is less than or equal to two thousand (2,000) MWh per day,
• the sum of four hundred and fifty (450) MWh per day and five per cent (5%) of the Calculation Basis of the Balancing Tolerances, reduced by two thousand (2,000) MWh per day if the Calculation Basis of the Balancing Tolerances is greater than two thousand (2,000) MWh per day and less than or equal to fifty thousand (50,000) MWh per day,
• the sum of two thousand eight hundred and fifty (2850) MWh per day and four-and-a-half per cent (4.5%) of the Calculation Basis of the Balancing Tolerances, reduced by fifty thousand (50,000) MWh per day if the Calculation Basis of the Balancing Tolerances is greater than fifty thousand (50,000) MWh per day.

For Balancing Zone South:

• thirty per cent (30%) of the Calculation Basis of the Balancing Tolerances, where the latter is less than or equal to five hundred (500) MWh per day,
• the sum of one hundred and fifty (150) MWh per day and twenty per cent (20%) of the Calculation Basis of the Balancing Tolerances, reduced by five hundred (500) MWh per day if the Calculation Basis of the Balancing Tolerances is greater than five hundred (500) MWh per day and less than or equal to two thousand (2,000) MWh per day,
• the sum of four hundred and fifty (450) MWh per day and five per cent (5%) of the Calculation Basis of the Balancing Tolerances, reduced by two thousand (2,000) MWh per day if the Calculation Basis of the Balancing Tolerances, where the latter is less than or equal to two thousand (2,000) MWh per day,
• the sum of four hundred and fifty (450) MWh per day and five per cent (5%) of the Calculation Basis of the Balancing Tolerances, reduced by two thousand (2,000) MWh per day if the Calculation Basis of the Balancing Tolerances is greater than two thousand (2,000) MWh per day and less than or equal to fifty thousand (50,000) MWh per day,
• the sum of three thousand and ninety (3,090) MWh per day and five per cent (5%) of the Calculation Basis of the Balancing Tolerances, reduced by fifty thousand (50,000) MWh per day if the Calculation Basis of the Balancing Tolerances is greater than fifty thousand (50,000) MWh per day.

The above thresholds and percentages are summarised in the table below.

<table>
<thead>
<tr>
<th>Standard Balancing Tolerance</th>
<th>Calculation Basis of Balancing Tolerances in the Balancing Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>in MWh/d</td>
<td>Up to 500 From 500 to 1,000 From 2,000 to 50,000 From 2,000 to 50,000 Above 50,000</td>
</tr>
<tr>
<td>North zone (L-gas quality)</td>
<td>+/- 30% +/- 20% +/- 5% +/- 5% +/- 5%</td>
</tr>
<tr>
<td>North zone (H-gas quality)</td>
<td>+/- 30% +/- 20% +/- 20% +/- 5% +/- 4.5%</td>
</tr>
<tr>
<td>South zone</td>
<td>+/- 30% +/- 20% +/- 20% +/- 5.5% +/- 5%</td>
</tr>
</tbody>
</table>

42.1.3 Optional Balancing Tolerance

For each Month M, for each Balancing Zone Z, the Optional Balancing Tolerance, stated as TOE(Z), shall be equal to the Option of Optional Balancing Tolerance multiplied by Calculation Basis of Balancing Tolerances.

The Optional Balancing Tolerance is commercialised over a set timeframe, with a notice period strictly greater than one month. The subscription to the Optional Balancing Tolerance Option may vary from zero (0) to three per cent (3%) for each Balancing Zone, with one significant decimal.

42.2 Authorised Imbalances

42.2.1 Daily Authorised Imbalance

Each Day J, for each Balancing Zone Z, the Authorised Positive Daily Imbalance, stated as EBJPA(Z) shall be equal to:

\[ EBJPA(J,Z) = (TSE(Z) + TOE(Z)) \times (1+A(J,Z)) \]  / 1.0026

Each Day J, for each Balancing Zone Z, the Authorised Negative Daily Imbalance, stated as EBJNA(Z) shall be equal to:

\[ EBJNA(J,Z) = (-TSE(Z) - TOE(Z)) \times (1-A(J,Z)) \]  / 1.0026

Where A(J,Z) is equal to:
• the ratio between firstly, the difference between the Predicted Effective Temperature of the Day J of the Balancing Zone Z and the Threshold Temperature of the Balancing Zone Z and secondly the difference between the Limit Temperature of the Balancing Zone Z and the Threshold Temperature of the Balancing Zone Z, in the case that the Predicted Effective Temperature is included between the Limit Temperature and the Threshold Temperature,
• 0 in the case that the Predicted Effective Temperature is equal to or greater than the Threshold Temperature,
• 1 in the case that the Predicted Effective Temperature is lower than or equal to the Limit Temperature.

Where:
• TSE(Z) is the Standard Balancing Tolerance for the Balancing Zone Z

42.2.2 Maximum Cumulative Daily Imbalance

Each Day J, for each Balancing Zone Z, the Maximum Negative Cumulative Daily Imbalance, referred to as EBJNMC(J,Z), is:

\[ EBJNMC(J,Z) = - (TSE(Z)+TOE(Z)) \times TCEBJ(Z) / 1.0026 \] if that value is greater than the Authorised Negative Cumulative Daily Imbalance EBJNA(J,Z),

\[ EBJNMC(J,Z) = EBJNA(J,Z) \] otherwise.

Each Day J, for each Balancing Zone Z, the Maximum Positive Cumulative Daily Imbalance, referred to as EBJPMMC(J,Z), is:

\[ EBJPMMC(J,Z) = (TSE(Z)+TOE(Z)) \times TCEBJ(Z) \times 2 / 1.0026 \]

Where:
• TSE(Z) is the Standard Balancing Tolerance for the Balancing Zone Z
• TOE(Z) is the Optional Balancing Tolerance for the Balancing Zone Z
• TCEBJ(Z) is the Cumulative Daily Imbalance Mid-Range for the Balancing Zone Z.

Where one point zero zero two six (1.0026) is equal to the quantity of energy expressed in MWh (HCV) divided by the quantity of energy expressed in MWh (HCV 25°C)

42.2.3 Cumulative Authorised Imbalance

Each Month M, for each Balancing Zone Z, the Authorised Positive Cumulative Imbalance, stated as EBCPA(Z), shall be equal to:

\[ EBCPA(Z) = 5 \times (TSE(Z) + TOE(Z)) \times TCEBJ(Z) / 1.0026 \]

Each Month M, for each Balancing Zone Z, the Authorised Negative Cumulative Imbalance, stated as EBCNA(Z), shall be equal to:

\[ EBCNA(Z) = 5 \times TSE(Z) + TOE(Z) \times TCEBJ(Z) / 1.0026 \]

Where:
• TSE(Z) is the Standard Balancing Tolerance for the Balancing Zone Z
• TOE(Z) is the Optional Balancing Tolerance for the Balancing Zone Z
• TCEBJ(Z) is the Cumulative Daily Imbalance Mid-Range for the Balancing Zone Z.

Where one point zero zero two six (1.0026) is equal to the quantity of energy expressed in MWh (HCV) divided by the quantity of energy expressed in MWh (HCV 25°C)

Clause 43 Forecast estimate of the above data

As long as the Firm Daily Delivery Capacities annually allocated for the Month M at the Transport Distribution Interface Points attached to the Balancing Zone Z are not determined, the Calculation Basis of Balancing Tolerances of the said Balancing Zone Z is estimated from the Firm Daily Delivery Capacities of the last Day of the Month M-1, or, failing that, from the Firm Daily Delivery Capacities of the last
Day of the Month M-2. The Standard Balancing Tolerance, the Optional Balancing Tolerance, the Authorised Positive Cumulative Imbalance, the Authorised Negative Cumulative Imbalance, the Authorised Positive Daily Imbalance, the Authorised Negative Daily Imbalance, the Maximum Negative Cumulative Daily Imbalance, the Maximum Positive Cumulative Daily Imbalance, are estimated accordingly.

Section 3 Calculating Imbalances

Clause 44 Daily Imbalances

44.1 Calculating Daily Imbalances

On each Day (J), for each Balancing Zone (Z), the difference, either positive or negative, between, firstly:

- the total Daily Quantities Taken off at the Entry Points attached to the Balancing Zone Z,
- the total Daily Quantities Transported on the Links, where the Balancing Zone Z is the farthest point downstream,
- the total Daily Quantities Taken off at the Title Transfer Point attached to the Balancing Zone Z,
- the Daily Quantity Taken off at the Allocation Difference Account attached to the Balancing Zone Z, and, secondly,
- the total Daily Quantities Delivered at the Delivery Points attached to the Balancing Zone Z,
- the total Daily Quantities Transported on the Links, where the Balancing Zone Z is the farthest point upstream,
- the total Daily Quantities Delivered at the Title Transfer Point attached to the Balancing Zone Z,
- the Daily Quantity Delivered at the Allocation Difference Account attached to the Balancing Zone Z,

divided by one point zero zero two six (1.0026), makes up the Daily Imbalance for Day J on Balancing Zone Z, stated as EBJ(J,Z).

Each Day J, for each Balancing Zone Z, the difference, if positive, between the Daily Imbalance for the Day J and the Authorised Positive Daily Imbalance for the Day J shall constitute the Daily Imbalance Excess for Day J for the Balancing Zone Z, referred to as EXBJ(J,Z).

Each Day J, for each Balancing Zone Z, the difference, if positive, between the Authorised Negative Daily Imbalance for the Day J and the Daily Imbalance for the Day J shall constitute the Daily Imbalance Deficit for Day J for the Balancing Zone Z, referred to as DEBJ(J,Z).

Each Day J, for each Balancing Zone Z, the Daily Imbalance - reduced by the Daily Balance Excess or increased by the Daily Balance Deficit, depending on the case - shall constitute the Reduced Daily Imbalance for Day J for the Balancing Zone Z.

On each Day J, for each Balancing Zone Z, the difference, if positive, between the Reduced Daily Imbalance for Day J and the Maximum Positive Cumulative Daily Imbalance for Day J constitutes the Non-Cumulative Positive Daily Imbalance for Day J for the Balancing Zone Z, referred to as ENCPBJ(J,Z).

Each Day J, for each Balancing Zone Z, the difference, if positive, between the Maximum Negative Cumulative Daily Imbalance for Day J and the Reduced Daily Imbalance for Day J constitutes the Non-Cumulative Negative Daily Imbalance for Day J for the Balancing Zone Z, referred to as ENCNBJ(J,Z).

44.2 Provisional estimate of the previous data

For each Day J’ from and including the Day J+1 up to and including the first Day of the Month following the Month including the Day J, the Daily Imbalance for Day J is estimated from the estimation, on Day J, of the Daily Quantities Taken off, Transported and Delivered on Day J.

For each Day J’ between Day J+1 inclusive and the first Day of the Month following the Month in which Day J falls inclusive, the Daily Imbalance Excess for Day J, the Daily Imbalance Deficit for Day J and the Reduced Daily Imbalance for Day J are estimated from firstly the estimation, on Day J’, of the Daily Imbalance for Day J, secondly the estimation, on Day J’, of the Authorised Positive Daily Imbalance for Day J and thirdly the estimation, on Day J’, of the Authorised Negative Daily Imbalance for Day J.

For each Day J’ between Day J+1 inclusive and the first Day of the Month following the Month in which Day J falls inclusive, the Non-Cumulative Positive Daily Imbalance for Day J, the Non-Cumulative Negative Daily Imbalance for Day J and the Cumulative Daily Imbalance are estimated on the basis of the estimation on Day J’ of the Reduced Daily Imbalance for Day J, the estimation on Day J’ of the Maximum Positive Cumulative Daily Imbalance for Day J and the estimation on Day J’ of the Maximum Negative Cumulative Daily Imbalance.

Clause 45 Cumulative Imbalances

45.1 Calculating the Cumulative Imbalance

Each Day J, with the exception of the first (1st) Day of each Month, for each Balancing Zone Z, the Cumulative Imbalance for Day J is equal to the Cumulative Imbalance for Day J-1, increased by the Cumulative Daily Imbalance for Day J.

Each Day J’ between Day J+1 inclusive and the first (1st) Day of the Month following the Month in which Day J falls inclusive, the Cumulative Imbalance for Day J is estimated from the estimation, on Day J’, of the Cumulative Imbalance for Day J-1 and from the estimation, on Day J’, of the Cumulative Daily Imbalance for Day J.

The first (1st) Day of each Month M, for each Balancing Zone Z, the Cumulative Imbalance for the said Day is equal to the estimation, on the said Day, of the Cumulative Imbalance for the last Day of the Month M-1, increased by the Cumulative Daily Imbalance for the said Day.
45.2 Calculating the Excesses and Deficits of the Cumulative Imbalance

Each Day J, for each Balancing Zone Z, the Cumulative Imbalance Excess for Day J for the Balancing Zone Z shall be equal to the minimum of:

- the difference, if positive, between on the one hand, the Cumulative Imbalance for Day J, and on the other, the Authorised Positive Cumulative Imbalance, otherwise zero (0),
- the difference, if positive, between on the one hand, the estimation on Day J+1 of the Cumulative Imbalance for Day J, and on the other, the estimation on Day J+1 of the Authorised Positive Cumulative Imbalance, otherwise zero (0).

Each Day J, for each Balancing Zone Z, the Cumulative Imbalance Deficit for Day J for the Balancing Zone Z shall be equal to the minimum of:

- the difference, if positive, between on the one hand, the Authorised Negative Cumulative Imbalance, and on the other, the Cumulative Imbalance for Day J, otherwise zero (0),
- the difference, if positive, between on the one hand, the estimation on Day J+1 of the Cumulative Imbalance for Day J, and on the other, the estimation on Day J+1 of the Authorised Positive Cumulative Imbalance, otherwise zero (0).

45.3 Allocation Difference Account

The Allocation Difference Account is used to manage the differences between the estimated quantities and the definitive quantities. It must be balanced within one (1) month.

For each Month M, for each Balancing Zone Z, the difference between firstly, the Cumulative Imbalance for the last Day of the said Month M and secondly, the estimation, on the first (1st) Day of the Month M+1, of the Cumulative Imbalance for the last Day of the said Month M, constitutes the Endowment to the Allocation Difference Account for the said Month M. The Endowment to the Allocation Difference Account for the Month M shall be constituted on the Day of Endowment to the Allocation Difference Account of the Month M+1, that is included between the twentieth (20th) Day of the Month M+1 and the last Day of the Month M+1.

Each Day J, with the exception of the Day of Endowment to the Allocation Difference Account of each Month, for each Balancing Zone Z, the Level of the Allocation Difference Account for the said Day J is equal to the Level of the Allocation Difference Account for the Day J-1 decreased by the Daily Quantity Taken off on Day J at the Allocation Difference Account and increased by the Daily Quantity Delivered on Day J at the Allocation Difference Account.

On the Day of Endowment to the Allocation Difference Account of each Month, for each Balancing Zone Z, the Level of the Allocation Difference Account is equal to the Level of the Allocation Difference Account for the day before decreased by the Daily Quantity Taken off on Day J at the Allocation Difference Account and increased by the Daily Quantity Delivered on Day J at the Allocation Difference Account and by the Endowment to the Allocation Difference Account for the Month M-1.

Each Day J of each Month M, for each Balancing Zone Z, the Profile of the Allocation Difference Account is equal:

- in the case that the Day J is between the Day of Endowment to the Allocation Difference Account and the last Day of the Month M inclusive, to the Endowment to the Allocation Difference Account of the Month M-1;
- in the case that the Day J is between the first (1st) and the eighteenth (18th) of the Month M inclusive, to the Endowment to the Allocation Difference Account of the Month M-2 multiplied by the number of days separating the Day J and the nineteenth (19th) Day of the Month and divided by nineteen (19);
- in the case that the Day J is the nineteenth (19th) Day of the Month M, to zero (0).

Each Day J of each Month M, for each Balancing Zone Z, the Gradient of the Allocation Difference Account is equal:

- in the case that the Day J is between the Day of Endowment to the Allocation Difference Account and the last Day of the Month M inclusive, to the absolute value of the Endowment to the Allocation Difference Account of the Month M-1 divided by nineteen (19);
- in the case that the Day J is between the first (1st) and the nineteenth (19th) of the Month M inclusive, to the absolute value of the Endowment to the Allocation Difference Account of the Month M-2 divided by nineteen (19).

The Shipper undertakes to ensure that, each Day J, for each Balancing Zone Z, the Level of the Allocation Difference Account is between:

- zero (0) and the Profile of the Allocation Difference Account, in the case that the latter is positive,
- the Profile of the Allocation Difference Account and zero (0), if it is not.

Moreover, the Shipper undertakes to ensure that, each Day J except for the Days of Endowment to the Allocation Difference Account, for each Balancing Zone Z, the Level of the Allocation Difference Account is lower than or equal to, in absolute value, to the Level of the Allocation Difference Account of the Day J-1.

Finally, GRTgaz is under no obligation to accept that the Level of the Allocation Difference Account of the Day J is lower, in absolute value, than the absolute value of the Allocation Difference Account of the Day J-1 reduced by the Gradient of the Allocation Difference Account.

Section 4 Financial management of the imbalances

If the Daily Imbalance is between the Maximum Cumulative Daily Imbalance (Negative or Positive depending on direction) and the Authorised Daily Imbalance (Negative or Positive depending on direction), or exceeds the Authorised Daily Imbalance (Negative or Positive depending on direction), GRTgaz shall purchase or sell the excess quantities under the terms and conditions set forth below.

The quantities in excess of the Authorised Cumulative Imbalance (Negative and Positive) are neither purchased nor sold by GRTgaz but are subject to a Price Supplement under the terms and conditions set forth below. The prices for the purchase and sale of excess quantities are determined on the basis of the following Reference Prices:
Clause 46 Composition of the Reference Price

46.1 Reference Price based on GRTgaz’s transactions for the purpose of balancing the Network

Each Day J, for each Balancing Zone Z, the Reference Price $P1(J,Z)$ is based on the transactions completed by GRTgaz on the Balancing Platform through contracts with certain shippers for the purchase and sale of natural gas for the purpose of balancing the transmission network. It is equal to:

- for the Balancing Zone Nord – Balancing Section H,
  - if Day J is a Working Day and preceded by a Working Day, the weighted average of the within-day and day-ahead prices of the transaction completed by GRTgaz for delivery on Day J to the Nord Title Transfer Point,
  - if Day J is a Non-Working Day, the weighted average of the day-ahead prices of the transaction completed by GRTgaz on the last Working Day before Day J for delivery to the Nord Title Transfer Point,
  - if Day J is a Working Day and preceded by a Non-Working Day, the weighted average of the within-day prices of the transaction completed by GRTgaz on the Nord Title Transfer Point,
  - in the absence of transactions by GRTgaz making it possible to set a Reference Price $P1(J,Nord-H)$ on a given Day J using the methods described in the three sub-clauses above, the Reference Price $P1(J,Sud)$ would be the Reference Price of the day before Day J $P1(J-1,Sud)$. However, the provision above may only be applied for a maximum of seven (7) consecutive days.

Beyond this period, the Reference Price $P1(J,Sud)$ will be the Reference Price of the day before Day J $P1(J-1,Sud)$.

- for the Balancing Zone Sud – Balancing Section L,
  - the sum of the price defined above for the Balancing Zone Nord – H-gas Balancing Section and sixteen cents per megawatt-hour (0.16 EUR/MWh).

- for the Balancing Zone Sud:
  - if Day J is a Working Day and preceded by a Working Day, the weighted average of the within-day and day-ahead prices of the transaction completed by GRTgaz for delivery on Day J to the Sud Title Transfer Point,
  - if Day J is a Non-Working Day, the weighted average of the day-ahead prices of the transaction completed by GRTgaz on the last Working Day before Day J for delivery to the Sud Title Transfer Point,
  - if Day J is a Working Day and preceded by a Non-Working Day, the weighted average of the within-day prices of the transaction completed by GRTgaz on the Sud Title Transfer Point,
  - in the absence of transactions by GRTgaz making it possible to set a Reference Price $P1(J,Sud-H)$ on a given Day J using the methods described in the three sub-clauses above, the Reference Price $P1(J,Sud)$ would be the Reference Price of the day before Day J $P1(J-1,Sud)$. However, the provision above may only be applied for a maximum of seven (7) consecutive days. Beyond this period, the Reference Price $P1(J,Sud)$ will be the sum of the Reference Price for the Balancing Zone Nord – Balancing Section H, J for Day J, $P1(J,Nord-H)$, and sixty cents per megawatt-hour (0.60 EUR/MWh).

46.2 Reference Price based on Zeebrugge Hub

Each day J, for each Balancing Zone Z, the reference price $PREF(J,Z)$ is equal to:

$$PREF(J,Z) = PREF0(J) + C(Z)$$

Where:

- $PREF0(J)$ is equal to:
  - the arithmetic mean of the prices “offer” and “bid” “day-ahead” published for the Zeebrugge Hub by the “Energy Argus” review of the Day in question, expressed in euros per megawatt-hour (EUR/MWh), if this review is published on the Day in question.
  - the arithmetic mean of the prices “offer” and “bid” “weekend” published for the Zeebrugge Hub by the most recent “Energy Argus” review published prior to the Day in question, expressed in euros per megawatt-hour (EUR/MWh), if this review is not published on the Day in question, and if this Day is within a continuous sequence of Non-Working Days containing a Saturday or a Sunday.
  - the arithmetic mean of the prices “offer” and “bid” “day-ahead” published for the Zeebrugge Hub by the most recent “Energy Argus” review published prior to the Day in question, expressed in euros per megawatt-hour (EUR/MWh), if this review is not published on the Day in question, and if this Day is not within a continuous sequence of Non-Working Days containing a Saturday or a Sunday.

- $C(Z)$ is equal to:
  - eighty-six cents per megawatt-hour (0.86 EUR/MWh) for the Balancing Zone Nord – L-gas Balancing Section.
  - seventy cents per megawatt-hour (0.70 EUR/MWh) for the Balancing Zone Nord – H-gas Balancing Section.
  - one euro thirty cents per megawatt-hour (1.30 EUR/MWh) for the Balancing Zone Sud.

If one or other of the “offer” or “bid” prices defined in sub-clause 46.2 were no longer to be published, the Parties shall come together to agree a new and representative price index for the gas market on a daily basis at the Zeebrugge Hub.

Clause 47 Purchase and sale prices (Reference Prices P1 and P2)

47.1 General case

47.1.1 Non-Cumulative Daily Imbalances (Reference Price P1)

Each Day J, for each Balancing Zone Z, the Non-Cumulative Positive Daily Imbalance as defined in sub-clause 44.1 above, if it exists, is purchased by GRTgaz from the Shipper at a price equal to:

$$TQJA1(J,Z) = P1(J,Z) \times ENCPBJ(J,Z)$$

Each Day J, for each Balancing Zone Z, the Non-Cumulative Negative Daily Imbalance as defined in sub-clause 44.1 above, if it exists, is sold by GRTgaz to the Shipper at a price equal to:

$$TQJV1(J,Z) = P1(J,Z) \times ENCNBJ(J,Z)$$
Where:
- \( TQJA1(J,Z) \) is the amount in euros owed by GRTgaz to the Shipper for Day J and Balancing Zone Z
- \( TQJV1(J,Z) \) is the amount in euros owed to GRTgaz by the Shipper for Day J and Balancing Zone Z
- \( P1(J,Z) \) is the Reference Price defined in sub-clause 46.1 above
- \( ENCJB(J,Z) \) is the Non-Cumulative Positive Daily Imbalance on Day J for the Balancing Zone Z, expressed in MWh (HCV 25°C) and defined in sub-clause 44.1 above
- \( ENCNB(J,Z) \) is the Non-Cumulative Negative Daily Imbalance on Day J for the Balancing Zone Z, expressed in MWh (HCV 25°C) and defined in sub-clause 44.1 above.

### 47.1.2 Excesses and Deficits of the Daily Imbalance (Reference Price P2)

Each Day J, for each Balancing Zone Z, the Daily Imbalance Excess, as defined in sub-clause 44.1 above, if it exists and with the exception of the quantity defined in sub-clause 47.2 below, is purchased by GRTgaz from the Shipper at a price equal to:

\[
TQJA2(J,Z) = P2A(J,Z) \times EXBJ(J,Z)
\]

Each Day J, for each Balancing Zone Z, the Daily Imbalance Deficit, as defined in sub-clause 44.1 above, if it exists and with the exception of the quantity defined in sub-clause 47.2 below, is sold by GRTgaz to the Shipper at a price equal to:

\[
TQJV2(J,Z) = P2V(J,Z) \times DEBJ(J,Z)
\]

Where:
- \( TQJA2(J,Z) \) is the amount in euros owed by GRTgaz to the Shipper for Day J and Balancing Zone Z
- \( TQJV2(J,Z) \) is the amount in euros owed to GRTgaz by the Shipper for Day J and Balancing Zone Z
- \( EXBJ(J,Z) \) is the Daily Imbalance Excess for Day J, for the Balancing Zone Z, expressed in MWh (HCV 25°C) and defined in sub-clause 44.1 above
- \( DEBJ(J,Z) \) is the Daily Imbalance Deficit for Day J, for the Balancing Zone Z, expressed in MWh (HCV 25°C) and defined in sub-clause 44.1 above
- \( P2A(J,Z) \) is the greater value of either the Reference Price \( P1(J,Z) \) defined in sub-clause 46.1 above multiplied by a coefficient of zero point seven (0.7) or the Reference Price \( PREF(J,Z) \) defined in sub-clause 46.2 above multiplied by a coefficient of zero point five (0.5)
- \( P2V(J,Z) \) is the lower value of either the Reference Price \( P1(J,Z) \) defined in sub-clause 46.1 above multiplied by a coefficient of one point three (1.3) or the Reference Price \( PREF(J,Z) \) defined in sub-clause 46.2 above multiplied by a coefficient of one point five (1.5)

### 47.2 Case of Force Majeure

If, for a Balancing Zone Z, all or part of the Daily Imbalance Excess (or the Daily Imbalance Deficit) results from an event or a circumstance as described in sub-clause 68.1, or in sub-clause 68.2 of the General Terms and Conditions, or if GRTgaz is responsible for such event or circumstance, even where due to the application of Clause 67 of the General Terms and Conditions, the price \( P2A(J,Z) \) (or \( P2V(J,Z) \) respectively) used to calculate \( TQJA2(J,Z) \) (or \( TQJV2(J,Z) \) respectively) is replaced by the price \( P1(J,Z) \) defined in sub-clause 46.1 above for the quantity under consideration.

However, application of the above paragraph is limited to the Day during which the event or circumstance occurring was notified by the Shipper to GRTgaz or by GRTgaz to the Shipper, as the case may be, and the day immediately following.

It is expressly agreed that should GRTgaz provide an erroneous value for a Quantity Taken off or a Quantity Delivered, or does not provide such value, unless such provision or lack of provision is the fault of GRTgaz, GRTgaz is not responsible within the meaning of this sub-clause.

### 47.3 Case of the end of the Contract

On the Day J corresponding to the date of end of the Contract, as defined in the Special Terms and Conditions, for each Balancing Zone Z, the sum of the Cumulative Imbalance and the Level of the Allocation Difference Account, as defined in Clause 45 of the General terms and Conditions, shall constitute the Quantity Purchased at End of Contract in the case this sum is positive, the Quantity Sold at End of Contract in the other case.

The Shipper shall make every reasonable effort so that the Quantity Purchased at End of Contract or the Quantity Sold at End of Contract, as the case may be, is as close to zero (0) as possible.

The Quantity Purchased at End of Contract is purchased by GRTgaz from the Shipper at a price equal to:

\[
TQAF(C) = P1(J,Z) \times QAFC(Z)
\]

The Quantity Sold at End of Contract is sold by GRTgaz to the Shipper at a price equal to:

\[
TQVF(C) = P1(J,Z) \times QVFC(Z)
\]

Where:
- \( TQAF(C) \) is the amount in euros owed by GRTgaz to the Shipper at the end of the Contract for the Balancing Zone Z
- \( TQVF(C) \) is the amount in euros owed to GRTgaz by the Shipper at the end of the Contract for the Balancing Zone Z
- \( P1(J,Z) \) is the Reference Price \( P1(J,Z) \), as defined in sub-clause 46.1 above
- \( QAFC(Z) \) is the Quantity Purchased at End of Contract
- \( QVFC(Z) \) is the Quantity Sold at End of Contract

### 47.4 Case of delivery cessation in a Balancing Zone

When the Calculation Basis of Balancing Tolerances for a Balancing Zone Z and for a Month M is zero whereas the Calculation Basis of Balancing Tolerances for the said Balancing Zone and for the Month M-1 is non-zero, the sum of the Cumulative Imbalance and of the Level of the Allocation Difference Account, defined in Clause 45 of the General Terms and Conditions, for the said Balancing Zone Z and the last Day of Month M-1, constitute the Quantity Purchased at End of Delivery if that sum is positive, and the Quantity Sold at End of Delivery otherwise.

The Shipper shall make every reasonable effort so that the Quantity Purchased at End of Delivery or the Quantity Sold at End of Delivery, as the case may be, is as close to zero (0) as possible.

The Quantity Purchased at End of Delivery is purchased by GRTgaz from the Shipper at a price equal to:

\[
TQAFL(Z) = P1(J,Z) \times QAFL(Z)
\]
Overbalancing due by the Shipper to GRTgaz is subjected to a Price Supplement for Cumulative Imbalance Excess and the Cumulative Imbalance Deficit. Each Day J, for each Balancing Zone Z, the Cumulative Imbalance Excess (or the Cumulative Imbalance Deficit respectively), results from an event or circumstance as described in sub-clause 68.2, or from an event or circumstance as described in sub-clause 68.1 of the General Terms and Conditions, or if GRTgaz is responsible for such event or circumstance, even where due to the application of Clause 67 of the General Terms and Conditions, the Price Supplement for Cumulative Overbalancing is not due by the Shipper to GRTgaz for the considered quantity.

For the Day J and the Balancing Zone Z, the Price Supplement for Cumulative Overbalancing is equal to:

\[ CPDBC(J,Z) = P3(J,Z) \times (EXBC(J,Z) + DEBC(J,Z)) \]

Where:
- \( CPDBC(J,Z) \) is the amount in euros for the Day J and the Balancing Zone Z of the Price Supplement for Cumulative Overbalancing
- \( P3(J,Z) \) is the lower value of either the Reference Price \( P1(J,Z) \) defined in sub-clause 46.1 above multiplied by a coefficient of zero point three (0.3) or the Reference Price \( PREF(J,Z) \) defined in sub-clause 46.2 above multiplied by a coefficient of zero point five (0.5)
- \( EXBC(J,Z) \) is the Cumulative Imbalance Excess defined in Clause 45 above
- \( DEBC(J,Z) \) is the Cumulative Imbalance Deficit defined in Clause 45 above.

However, if, for a Balancing Zone Z, all or part of the Cumulative Imbalance Excess (or the Cumulative Imbalance Deficit respectively), results from an event or a circumstance as described in sub-clause 68.2, or from an event or circumstance as described in sub-clause 68.1 of the General Terms and Conditions, or if GRTgaz is responsible for such event or circumstance, even where due to the application of Clause 67 of the General Terms and Conditions, the Price Supplement for Cumulative Overbalancing is not due by the Shipper to GRTgaz for the considered quantity.

It is expressly agreed that should GRTgaz provide an erroneous value for a Quantity Taken off or a Quantity Delivered, or does not provide such value, unless such provision or lack of provision is the fault of GRTgaz, GRTgaz is not responsible within the meaning of this sub-clause.

Clause 49 GRTgaz’s participation in the financial neutrality of balancing

The Balancing Result for a year \( N \) is equal to the difference between, on the one hand:
- the amount of natural gas purchased by GRTgaz via the Balancing Platform under the natural gas purchase/sale contracts signed with certain shippers, and delivered between January 1 of year \( N \) and December 31 of year \( N \),
- the amount of natural gas purchased by GRTgaz from the shippers under the transmission contracts for the days between January 1 of year \( N \) and December 31 of year \( N \),
- the purchase by GRTgaz, in January of year \( N+1 \), of the difference between the quantities purchased and the quantities sold by the latter during year \( N \) via the Balancing Platform under the transmission contracts, should this difference be positive,

and, on the other,
- the amount of natural gas sold by GRTgaz via the Balancing Platform under the natural gas purchase/sale contracts signed with certain shippers, and delivered between January 1 of year \( N \) and December 31 of year \( N \),
- the amount of natural gas sold by GRTgaz to the shippers under the transmission contracts for the days between January 1 of year \( N \) and December 31 of year \( N \),
- the price supplements for Cumulative Overbalancing paid by the shippers to GRTgaz under the transmission contracts signed with certain shippers, and delivered between January 1 of year \( N \) and December 31 of year \( N \),
- the price supplements for Cumulative Overbalancing paid by the shippers to GRTgaz under the transmission contracts signed with certain shippers, and delivered between January 1 of year \( N \) and December 31 of year \( N \).
contracts for the days between January 1 of year N and December 31 of year N,
• the sale by GRTgaz, in January of year N+1, of the difference between the quantities purchased and the quantities sold by the latter during year N via the Balancing Platform under the transmission contracts, should this difference be positive.

The Balancing Result for year N is broken down between the shippers who held a valid transmission contract during year N, in proportion to the Daily Delivery Capacity they have subscribed or they have been allocated for the days between January 1 of year N and December 31 of year N.

If the Balancing Result is greater than zero (0), the Shipper shall pay to GRTgaz its proportion of the Balancing Result as defined above. Otherwise, if the Balancing Result is lower than zero (0), GRTgaz shall pay to the Shipper its proportion of the Balancing Result as defined above.

Section 5 Special case: methods for a Shipper who has not subscribed Daily Delivery Capacities

Clause 50 Calculating Daily Imbalances

On each Day J, for each Balancing Zone Z, the difference, between, on the one hand:
• the total Daily Quantities Taken off at the Entry Points attached to the Balancing Zone Z,
• the total Daily Quantities Transported on the Links, where the Balancing Zone Z is the farthest point downstream,
• the total Daily Quantities Taken off at the Title Transfer Point attached to the Balancing Zone Z, and, on the other,
• the total Daily Quantities Delivered at the Delivery Points attached to the Balancing Zone Z,
• the total Daily Quantities Transported on the Links, where the Balancing Zone Z is the farthest point upstream,
• the total Daily Quantities Delivered at the Title Transfer Point attached to the Balancing Zone Z,

divided by one point zero zero two six (1.0026), makes up, if positive, the Daily Imbalance Excess for Day J on Balancing Zone Z, stated as EXBJ(J,Z), and if negative, the Daily Imbalance Deficit for Day J on Balancing Zone Z, stated as DEBJ(J,Z).

Where one point zero zero two six (1.0026) is equal to:
• the quantity of energy expressed in MWh (HCV) divided by the quantity of energy expressed in MWh (HCV 25°C)

Clause 51 Financial management of the imbalances

GRTgaz shall purchase or sell the Daily Imbalance Excess or Deficit for Day J, on the basis of the Reference Prices defined in Section 4 of Title IV Balancing.

51.1 Purchase and sale prices (Reference Price P2): general case

GRTgaz shall purchase or sell the Daily Imbalance Excess (or Daily Imbalance Deficit) at the Reference Price P2A(J,Z) (or sale price P2V(J,Z)) defined in sub-clause 47.1.2 of the General Terms and Conditions.

51.2 Purchase and sale prices (Reference Price P2): case of Force Majeure

If the Daily Imbalance Excess (or the Daily Imbalance Deficit) results from an event or a circumstance as described in sub-clause 68.1, or in sub-clause 68.2 of the General Terms and Conditions, or if GRTgaz is responsible for such event or circumstance, even where due to the application of Clause 67 of the General Terms and Conditions, the purchase price P2A(J,Z) (or sale price P2V(J,Z)) to be used by GRTgaz is replaced by the price P1(J,Z) defined in sub-clause 46.1 above.
TITLE V PRICE – GUARANTEE – BILLING – PAYMENT

The unit prices relating to the terms referred to in Section 1 below are specified by the tariffs for use of natural gas transmission networks in force, published in the Journal Officiel de la République française pursuant to the decree n°2005-607 of 27 May, 2005, complemented by sub-clause 52.5 and Clause 53 below.

Section 1 Price

Clause 52 Composition of the basic Price

Each term of capacity referred to in sub-clause 52.1 and to sub-clause 52.3 below corresponds to a Capacity booked yearly, seasonally, monthly, daily, or scheduled within Short-Term Use-It-Or-Lose-It, as applicable.

The terms below corresponding to a particular Daily or Hourly Capacity shall be due for the Validity Period of the relevant Daily or Hourly Capacity.

52.1 The basic Price on the upstream network consists of the following terms:

- Terms of Firm Daily Entry Capacity at the Network Interconnection Point
- Terms of Releasable Firm Daily Entry Capacity at the Network Interconnection Point
- Terms of Interruptible Daily Entry Capacity at the Network Interconnection Point
- Terms of Firm Daily Entry Capacity at the Transport Production Interface Point
- Terms of Firm Daily Entry Capacity at the Transport Storage Interconnection Point
- Terms of Interruptible Daily Entry Capacity at the Transport Storage Interface Point
- Terms of Daily Entry Capacity at the Transport LNG Terminal Interface Point
- Terms of Firm Daily Exit Capacity at the Network Interconnection Point
- Terms of Interruptible Daily Exit Capacity at the Network Interconnection Point
- Terms of Firm Daily Exit Capacity at the Transport Storage Interface Point
- Terms of Interruptible Daily Exit Capacity at the Transport Storage Interface Point
- Terms of Firm Daily Link between Zones Capacity
- Terms of Interruptible Daily Link between Zones Capacity
- Terms of Interruptible Transmission on the Main Network with short-notice
- Terms of Daily Quality Conversion Capacity from H-gas to L-gas – Base Service
- Terms of Daily Quality Conversion Capacity from H-gas to L-gas – Peak Service
- Terms of Quantity Converted from H-gas to L-gas – Base Service
- Terms of Quantity Converted from H-gas to L-gas – Peak Service
- Terms of Daily Quality Conversion Capacity from L-gas to H-gas

52.2 The basic Price on the Title Transfer Points consists of the following terms:

- Fixed Terms of Access to Title Transfer Point
- Terms of Quantities at the Title Transfer Point

52.3 The basic Price on the downstream network consists of the following terms:

- Terms of Firm Daily Exit Capacity on the Main Network
- Terms of Interruptible Daily Exit Capacity on the Main Network
- Proximity Terms
- Terms of Firm Daily Transmission Capacity on the Regional Network
- Terms of Interruptible Daily Transmission Capacity on the Regional Network
- Terms of Firm Daily Delivery Capacity
- Terms of Interruptible Daily Delivery Capacity
- Terms of Firm Hourly Delivery Capacity
- Terms of Interruptible Hourly Delivery Capacity
- Fixed Terms of Delivery

52.4 The basic Price as regards balancing consists of the following term:

Terms of Optional Balancing Tolerance

52.5 Capacity daily subscribed by Auction

The unit price of a Capacity daily subscribed by Auction shall be established in accordance with the provisions of paragraph 4 of sub-clause 7.2.3 of the General Terms and Conditions.

Clause 53 Price Supplements

Price Supplements may be payable by the Shipper as a result of:

- on the upstream network:
  - the application of sub-clause 7.2.1.3 of the General Terms and Conditions regarding Long-Term UIOLI;
  - the application of Clause 14 of the General Terms and Conditions regarding the Extra Monthly Allocation of Daily Entry Capacity at a Transport LNG Terminal Interface Point;
- on the downstream network: the application of Clause 28 of the General Terms and Conditions regarding an Excess of Daily or Hourly Capacity;
- on balancing: the application of Clause 48 of the General Terms and Conditions regarding Cumulative Overbalancing (Reference Price P3).

Clause 54 Sales-purchases at P1 / P2

The sale and purchase price P1 and P2 is defined in accordance with Clause 47 of the General Terms and Conditions.
Section 2 Payment guarantee

Clause 55 Amount of the Guarantee

The Shipper shall provide GRTgaz with a guarantee of payment, with the amount determined as follows:

- For a contract whose duration, set out in Clause 3 of the General Terms and Conditions, is strictly less than two (2) Months, the amount of the Guarantee shall be equal to the total of the Capacity Terms and the Fixed Terms set out in Clause 52 of the General Terms and Conditions.

- For a contract whose duration, set out in Clause 3 of the General Terms and Conditions, is equal to or more than two (2) Months, the amount of the Guarantee shall be determined for each Month between the date of coming into force and the date of expiry of the Contract. The amount of the Guarantee for the Month M shall be equal:
  - the Fixed Terms and the Capacity Terms for the Month M, for all the Daily and Hourly Capacities, except for the Daily Delivery Capacities relating to Transport Distribution Interface Points, the Daily Transmission Capacities on the Regional Network relating to Transport Distribution Interface Points, for the Allocated Part of the Daily Exit Capacities on the Main Network,
  - and, as the case may be, the Capacity Terms for the Month M-2, for the Daily Delivery Capacities relating to Transport Distribution Interface Points, the Daily Transmission Capacities on the Regional Network relating to Transport Distribution Interface Points, and for the Allocated Part of the Daily Exit Capacities on the Main Network, provided that the Month M-2 takes place after the date of coming into force of the Contract.
  - or to the amount of the Guarantee of the Month M-1, if the difference between the theoretical amount calculated in that way and the amount of the Guarantee of the Month M-1 is less than twenty per cent (20%) of the amount of the Guarantee of the Month M-1, in absolute value.

The Shipper may supply the Guarantee:

- either in the form of a guarantee deposit to GRTgaz,
- or in the form of a guarantee on first demand issued by the parent company of the Shipper or by an affiliated company or by a bank, provided that the guarantor has, throughout the duration of the Contract, a long-term credit rating equal or superior to "A"- from Standard and Poor's or "A3" from Moody's or "A-" from Fitch. Any first-demand guarantee, the amount of which is greater than one hundred thousand (100,000) euros, shall be issued by a banking institution headquartered in a European Union country. The guarantee on first demand shall conform to the model attached in Appendix 5 to the Contract.

The Shipper does not need to supply the Guarantee if it has itself, throughout the duration of the Contract, a long-term credit rating equal or superior to "A-" from Standard and Poor's or "A3" from Moody's or "A-" from Fitch.

Clause 56 Guarantee deposit

If the guarantee consists of a guarantee deposit, the following provisions are applied.

GRTgaz shall invoice the Shipper for the corresponding amount at the earliest one (1) month prior to the date that the Daily or Hourly Capacities in question shall take effect. In the event of an increase in the said amount, GRTgaz shall invoice the Shipper for the said increase at the earliest ten (10) calendar days prior to the date on which the Annual Terms in question are increased.

The Shipper must pay the Guarantee or any change to the Guarantee by latest the eighth (8th) banking day following the date of invoice. The amount of the Guarantee, the amount corresponding to such reduction shall be subject to a credit issued by GRTgaz to the advantage of the Shipper, having deducted, if necessary the remaining sums due by the Shipper to GRTgaz pursuant to the Contract or any other contract that may exist between the Shipper and GRTgaz with regard to its activities as operator of the Network.

The interest shall be subject to a discount on invoice or a credit issued each month by GRTgaz to the benefit of the Shipper.

Clause 57 Guarantee on first demand

If the Shipper provides the Guarantee in the form of a guarantee on first demand, the following provisions are applied.

The guarantee on first demand shall be supplied to GRTgaz at the latest one (1) month prior to the date that the Daily or Hourly Capacities in question shall take effect. Failing that, the Shipper shall be invoiced for the corresponding amount at the earliest one (1) month prior to the date that the Daily or Hourly Capacities in question shall take effect. In the event of an upwards adjustment, if an adjusted guarantee deposit, the following provisions are applied.

GRTgaz will pay back the guarantee deposit upon expiry of the Contract, after deduction, if appropriate, of any sums remaining due by the Shipper to GRTgaz pursuant to the Contract or to any other contract existing between the Shipper and GRTgaz with regard to its activities as operator of the Network.

The interest shall be subject to a discount on invoice or a credit issued each month by GRTgaz to the benefit of the Shipper.

In the event of an upwards adjustment, if an adjusted guarantee on first demand is not provided by ten (10) calendar days at the latest before the inception of the Term increasing the amount of the Guarantee, GRTgaz may require that the difference between the amount of the adjusted Guaranteed and the guarantee on first demand in force be provided in the form of a guarantee deposit, in which case all of the provisions set out in Clause 56 above shall apply.

In the event of the expiry of a guarantee on first demand while the relevant Guarantee remains due, if a new guarantee on first demand is not provided by ten (10) calendar days at the latest before such expiry, GRTgaz may require that the amount of the due Guarantee be provided in the form of a guarantee deposit, in which case all of the provisions set out in Clause 56 above shall apply.
Section 3 Billing and payment

Clause 58 Monthly billing by GRTgaz and payment by the Shipper

58.1 Billing by GRTgaz

GRTgaz shall issue the invoice for any Month addressed to the Shipper after the end of the Month in question.

The invoice for any month M shall include:

- for each of the Capacity Terms and Fixed Terms set out in Clause 52 of the General Terms and Conditions, the relevant amount for Month M;
- for each of the Quantity Terms and Proximity Terms defined set out in Clause 52 of the General Terms and Conditions, the product of the corresponding unit price and the total of the corresponding Daily Quantities during Month M-1;
- where appropriate, any Price Supplements payable by the Shipper for the Month M-1, under the terms of Clause 53 of the General Terms and Conditions;
- where appropriate, the amounts payable by the Shipper under the terms of Clause 47 for the Month M-1;
- where appropriate, interest due under the terms of Section 3 of the Contract for Month M;
- taxes and deductions of the same type, applicable at any time, as set out in Clause 60 of the General Terms and Conditions.

The Capacity Terms corresponding to annual subscribed capacities are invoiced monthly by one twelfth (12\(^{th}\)), except those corresponding to Daily Delivery Capacities at Transport Distribution Interface Points, to Daily Transmission Capacities on Regional Network relating to Transport Distribution Interface Points, to Allocated Parts of the Daily Exit Capacities on the Main Network, and those corresponding to Daily Entry Capacities at Transport LNG Terminal Interface Points.

The Capacity Terms corresponding to Daily Delivery Capacities at Transport Distribution Interface Points, to Daily Transmission Capacities on Regional Network relating to Transport Distribution Interface Points, to Allocated Parts of the Daily Exit Capacities on the Main Network and to Daily Entry Capacities at Transport LNG Terminal Interface Points, annually subscribed, are invoiced monthly. The amount invoiced in relation to Month M is equal to the sum of the said Daily Capacities for each Day of the Month M, multiplied by the annual unit price of the said Daily Capacities, divided by three hundred and sixty five (365).

The invoice for any Month may be established on the basis of provisional data. In this case, GRTgaz shall address the invoice established on the basis of definitive data to the Shipper by sixty (60) days at the latest after the end of the Month in question. This time limitation does not apply to the adjustments of quantities. In case the definitive data are unavailable sixty (60) days after the end of the Month in question, the Parties agree to come together and define the measures to adopt with regards to the invoice of the said data.

58.2 Payment by the Shipper

Payment of an invoice for any Month must be made by latest the twentieth (20\(^{th}\)) of the month following the Month in question, or by the tenth (10\(^{th}\)) calendar day after its date of issue, if this second latest date for payment falls later. If the latest date as specified above is a bank holiday in France or in the country in which the Shipper's bank is established as stated in the Special Terms and Conditions, the latest date for payment is moved to the next banking day.

No discount is given for early payment.

A payment is deemed to have been made once GRTgaz’s bank account has been credited with the full amount of the invoiced amount.

In the event of late payment of all or part of an invoice, the sums due shall bear interest at twice the legal rate, counted by the exact number of days elapsed from the date payment was due and the date settlement of the invoice was actually effected, plus thirty (30) euros for administrative fees.

The Shipper has a period of sixty (60) calendar days from the date of receipt of the invoice in which to dispute the amount. Beyond that period, the invoice is deemed to have been accepted.

In the event that the Shipper disputes all or part of the amount of an invoice, he must nevertheless pay the full amount of the invoice under the above-stated conditions, unless it is a matter of any obvious error by GRTgaz.

Any adjustment to a disputed invoice shall bear interest on the basis of a rate equal to the interbank one (1) month rate within the euro zone (Euribor 1 month) for the last month in the quarter preceding the month the invoice was issued, calculated according to the exact number of days elapsed between the date at the latest of the initial payment as defined in Section 3 and the date of final payment.

Clause 59 Invoicing by the Shipper for the gas purchased by GRTgaz

Where appropriate, at the same time as GRTgaz issues the invoice in accordance with Clause 58 above, it issues a statement addressed to the Shipper, including the amounts due by GRTgaz under the terms of Clause 47 for the Month M-1.

Then, the Shipper issues the invoice addressed to GRTgaz, relating to the amounts due by GRTgaz under the terms of Clause 47 of the General Terms and Conditions for the Month M-1.

Payment is made by GRTgaz by the tenth (10\(^{th}\)) calendar day after the date of receipt of the invoice, provided that it strictly conforms to the statement specified in the first paragraph of Clause 59. If the latest date as specified above is a bank holiday in France, the latest date for payment is moved to the next banking day in France.

Clause 60 Duties and taxes

The Price specified in the Contract is exclusive of any tax or deduction of the same kind. The amounts due by the Shipper as defined in the Contract shall be increased by any tax or deduction of the same kind legally required to be paid by the Shipper pursuant to applicable regulatory provisions at any time.

The Parties shall moreover pay, as applicable to each, the duties and taxes due by them in accordance with applicable regulations.
**Title VI General Provisions**

**Section 1 Technical methods and exchanges of information**

**Clause 61 Rules relating to units of energy quantity**

A quantity of energy expressed in kWh (HCV 25°C) may be converted into a quantity of energy expressed in MWh (HCV) by multiplying this quantity of energy by one point zero zero two six (1.0026) in accordance with the standard NF ISO 6976, and by dividing the product of this multiplication by one thousand (1000).

A quantity of energy expressed in MWh (HCV) may be converted into a quantity of energy expressed in kWh (HCV 25°C) by multiplying this quantity of energy by one thousand (1000) and by dividing the product of this multiplication by one point zero zero two six (1.0026) in accordance with the standard NF ISO 6976.

Any quantity of energy expressed in MWh (HCV) shall be rounded off with three (3) significant decimals according to the rules below. Any quantity of energy expressed in kWh (HCV 25°C) shall be rounded off with zero (0) significant decimals according to the following rules:

- A non-significant decimal equal to zero (0), one (1), two (2), three (3) or four (4) shall not increase the significant decimal;
- A non-significant decimal equal to five (5), six (6), seven (7), eight (8) or nine (9) shall increase the significant decimal.

In case of dispute, the quantity of energy expressed in MWh (HCV) shall prevail.

**Clause 62 Customer Information Extranet (Espace Client Transport or ECT)**

GRTgaz shall make a secure website available to the Shipper, to be called the Espace Client Transport, accessible free of charge (excluding connection costs), to enable the Shipper among other things to:

- nominate,
- consult the Daily Quantities Scheduled, Daily Quantities Taken off, Daily Quantities Delivered and Daily Quantities Transported,
- subscribe to capacities, including by Auction,
- subscribe to capacities within Short-Term Use-It-Or-Lose-It,
- consult the Daily Capacities for which it has acquired or transferred the rights-of-use in accordance with the provisions of Clause 10,
- consult the Daily Delivery Capacities at the Transport Distribution Interface Points,
- consult the Authorised Positive (and Negative) Daily (and Cumulative) Imbalances.
- consult the transmission invoices

Confidentiality is ensured by the encryption of data exchanged between the Shipper’s browser and GRTgaz’s web server based on a certificate which can be verified with international authorities.

For access to the ECT, authentication of the Shipper is ensured by a personal password associated with a personal identifier. The Shipper shall inform GRTgaz by name of the individual member(s) of the Shipper’s staff or of any subcontractors to be issued with a personal identifier and password. Any request on behalf of the Shipper or of any subcontractors through the ECT is considered, so far as GRTgaz is concerned, to have been made by duly authorised persons, that is to say, with powers to make financial commitments on behalf of the Shipper and with IT security rights.

GRTgaz may in no event be held responsible for the communication to any person, third party or otherwise, or the use by any unauthorised person of confidential identifiers and passwords. The Shipper shall maintain an up-to-date list of duly authorised persons and take all measures to manage changes in this body of persons in the event of movements of personnel.

The Shipper shall take all useful provisions, in particular contractual provisions, towards its possible subcontractors, to enforce the confidentiality of the data they could know in the framework of the performance of the Contract, and in particular through an access to the ECT.

GRTgaz shall make its best efforts to ensure continuity of access to the ECT. It may not be held responsible for any delay in or failure to meet its contractual obligations arising from unavailability of the site as a result of Internet piracy or of temporary or permanent deprivation or blockage of Internet access for any reason whatsoever and, in particular, any breakdown or unavailability inherent in the hosting server or any information system necessary for the transmission of the data.

The Shipper shall take all appropriate measures to protect its computer equipment, data and software, in particular against any virus circulating on the Internet and against use by unauthorised third parties.

GRTgaz informs the Shipper that the data and functions available on the ECT are subject to change as the site is developed. In this connection, GRTgaz may offer new functions, which may be free of charge or paid.
Section 2 Formalities incumbent upon the Shipper

Clause 63 Rights in respect of the Gas

The Shipper certifies that it holds the rights allowing it to make the Gas available at each Entry Point.

It guarantees GRTgaz in respect of the financial consequences against any recourse from any third party who exercises rights in respect of the Gas.

Clause 64 Supplier license

As far as a supplier license is necessary, the Shipper shall check that the delivery of Gas to the Recipient complies with the said license. The Shipper shall guarantee GRTgaz against any recourse by any third party resulting from the failure to comply with the said license.

Section 3 Break in service continuity

Clause 66 Maintenance of the Network

GRTgaz shall endeavour to maintain the Network and carry out tests and extensions of the Network in conditions that minimise the consequences of these operations on Network Users.

Should such operations be likely to affect the performance of the Contract, GRTgaz undertakes to inform the Shipper as soon as possible, and by no later than sixty (60) days before the intended date of commencement of such operations.

GRTgaz shall notify the Shipper no later than five (5) Working Days before the start of the relevant operations, with regard to the extent and duration of their effect on its obligations, in specifying in particular the days and the hours when the transmission is interrupted.

During the above-mentioned maintenance or extension operations, GRTgaz’s obligations shall be suspended for the duration and within the limit of the effects of these operations on these obligations.

In accordance with the legal and regulatory obligations applicable to GRTgaz at the time of the above-mentioned maintenance or extension operations, GRTgaz shall pass on the consequences of these operations to all Network Users in an equitable fashion.

If Daily Entry or Link Capacities are reduced or suspended in application of this Clause, GRTgaz shall make all reasonable efforts, at the Shipper’s request, to take off and transport quantities of Gas having the same Energy Content as those which GRTgaz is or was unable to take off and transport due to this fact, the said quantities being made available to GRTgaz by the Shipper at any Entry Point of the Network. In such a case, no price supplement shall be due by the Shipper.

Clause 67 Safety and Operational Instructions

Notwithstanding any stipulation to the contrary, GRTgaz acting as a Prudent and Reasonable Operator may at any time take any action to preserve the safety of the goods and persons and/or integrity of the Network, and/or to guarantee the performance of its legal or regulatory obligations, including any action, the consequence of which entails the reduction or interruption of the service supplied to the Shipper pursuant to the terms of the Contract, subject to the equitable treatment of Network Users in accordance with applicable legal and regulatory provisions. In particular, GRTgaz may to this end notify the Shipper by any means of the Operational Instructions with which the Shipper undertakes to comply or, as applicable, with which the Recipient shall be obliged to comply.

The Shipper may not in any event claim any compensation whatsoever from GRTgaz or its insurers for any consequences of a reduction or interruption of Gas deliveries by GRTgaz for the above-mentioned reasons.

Clause 68 Force majeure

68.1 Force majeure for GRTgaz

GRTgaz shall be released from its obligations under the terms of the Contract in the cases and situations referred to below, for the duration and within the limit of the effects of the said cases and situations on the said obligations:

- a case of force majeure, which is defined as any event beyond the control of GRTgaz, and which cannot be surmounted through reasonable efforts that GRTgaz acting as a Prudent and Reasonable Operator is obliged to make, preventing it from performing all or part of the obligations incumbent upon it under the terms of the Contract;
- the situations listed below, without necessarily having to meet all the criteria set out in the preceding paragraph, insofar as its occurrence affects GRTgaz and prevents it from performing all or part of the obligations incumbent upon it under the terms of the Contract:
  - strike,
  - machine breakdown, operational accident or accident to equipment, which does not result from lack of maintenance or abnormal use of the installations,
  - event for which a third party is responsible, the occurrence of which could not have been reasonably foreseen by GRTgaz acting as a Prudent and Reasonable Operator,
o event or situation showing the characteristics defined in this sub-clause which prevents GRTgaz from fulfilling its obligations under the terms of a Connection Contract.

By express agreement, the reasonable means which GRTgaz is under an obligation to implement under the terms of this sub-clause, includes only the means available to the latter in its capacity as Network Operator, and particularly excludes any recourse to services for the storage, purchase or sale of Gas.

Should GRTgaz invoke an event or circumstance set out in this sub-clause, it must send to the Shipper, as quickly as possible, a Notice of Force Majeure for GRTgaz, followed by written confirmation by fax, telex or other method agreed between the Parties.

The Notice of Force Majeure for GRTgaz shall include:
• the Entry Point or Delivery Point in question,
• a description of the event or situation invoked,
• the date of the Day when the event or situation occurred,
• the likely effect on the Entry Capacity, the Link Capacity, the Conversion Capacity or the Delivery Capacity in question.

GRTgaz, acting as a Prudent and Reasonable Operator, shall make every reasonable effort to minimise the effects of the event or situation referred to in this sub-clause and shall endeavour to ensure that performance of the Contract is resumed as soon as possible.

During the period of interruption in its obligations, GRTgaz shall inform the Shipper of the consequences of the event or situation on the performance of its obligations, of the measures which it intends to take in order to minimise its effects on the performance of the Contract, of the progress in the implementation of such measures, of the estimated date for the resumption of normal performance of its obligations under the Contract and the date by which the event will have terminated.

If the obligations of GRTgaz corresponding to the Daily Entry, Exit, Link or Transmission Capacities are reduced or suspended in application of this sub-clause, GRTgaz shall make all reasonable efforts, at the Shipper’s request, to take off and transport quantities of Gas having the same Energy Content as those which GRTgaz is or was unable to take off and transport due to this fact, the said quantities being made available to GRTgaz by the Shipper at any Entry Point of the Network. In such a case, no price supplement shall be due by the Shipper.

If GRTgaz’s obligations corresponding to the Daily Entry, Exit, Link, Conversion or Transmission Capacities are reduced or suspended in application of this sub-clause, the Shipper shall be released from its payment obligations under the Daily Entry, Exit, Link, Conversion, Transmission or Delivery Capacities corresponding to the quantities that will not have been taken off or delivered by GRTgaz as a result of the occurrence of the event or the situation in question.

In accordance with the legal and statutory obligations applicable to GRTgaz at the time of occurrence of the events or circumstances referred to in this sub-clause, and in accordance with the Rules for Determination of Quantities Delivered, GRTgaz shall pass on to all the Network Users the consequences of these events or situations in an equitable fashion.

It is expressly agreed that an event or circumstance such as those described in this sub-clause 68.1 shall not release the Shipper from its balancing obligations as defined in Clause 40 of the General Terms and Conditions.

68.2 Force majeure for the Shipper

The Shipper shall be released from its obligations under the terms of the Contract in the cases and circumstances referred to below, for the duration of and within the limit of the effects of the said cases and circumstances on the said obligations:
• a case of force majeure, which is defined as any event beyond the control of the Shipper, and which cannot be surmounted through reasonable efforts that the Shipper acting as a Prudent and Reasonable Operator is obliged to make, preventing it from performing all or part of the obligations incumbent upon it under the terms of the Contract;
• the situations listed below, without necessarily having to meet all the criteria set out in the preceding paragraph, insofar as its occurrence affects the Shipper and prevents it from performing all or part of the obligations incumbent upon it under the terms of the Contract:
  o strike,
  o machine breakdown, operational accident or accident to equipment, which does not result from lack of maintenance or abnormal use of the installations,
  o event for which a third party is responsible, the occurrence of which could not have been reasonably foreseen by the Shipper acting as a Prudent and Reasonable Operator.

If the Shipper invokes an event or circumstance under the terms of this sub-clause, it must warn GRTgaz accordingly as soon as possible, by telephone, fax or telex or by any other means agreed between the Parties, and must send written confirmation of the same.

The Shipper, acting as a Prudent and Reasonable Operator, shall make every reasonable effort to minimise the effects of the event or situation referred to in this sub-clause and shall endeavour to ensure that performance of the Contract is resumed as soon as possible.

During the period of interruption in its obligations, the Shipper shall inform GRTgaz of the consequences of the event or situation on the performance of its obligations, of the measures which it intends to take in order to minimise its effects on the performance of the Contract, of the progress in the implementation of such measures, of the estimated date for the resumption of normal performance of its obligations under the Contract and the date by which the event will have terminated.

Unless otherwise provided, if the Shipper invokes an event or circumstance referred to in this sub-clause, this shall not release it from its payment obligations under the terms of the Contract.

If the Shipper invokes an event or circumstance under the terms of this sub-clause to request that sub-clause 47.2 of the General Terms and Conditions be applied, it shall send to GRTgaz, as soon as possible, a Notice of Force Majeure for the Shipper, by telephone, fax or telex or by any other means agreed between the Parties, and must send written confirmation of the same by recorded delivery.

The Force Majeure for the Shipper Notification shall include:
• the Entry Point or Delivery Point in question,
• a description of the event or situation invoked,
• the date of the Day when the event or situation occurred,
the date of the Day for which the Shipper requests that sub-clause 47.2 of the General Terms and Conditions be applied,  
the quantity of natural Gas, expressed in MWh (HCV), that the Shipper will have been prevented from making available to GRTgaz at the Entry Point in question, or that the Recipient will have been prevented from taking off at the Delivery Point in question, for the Day in question, due to the event or circumstance occurred.

Where several Entry Points or Delivery Points are affected, the Shipper must send a Notice of Force Majeure for the Shipper for each Entry Point or Delivery Point concerned.

It is expressly agreed:

- that the Shipper may request that this sub-clause be applied only if and to the extent that the event or situation invoked prevents it from performing its balancing obligations, as described in Clause 40 of the General Terms and Conditions;
- that an event or situation that occurred on a given Day can be invoked according to this sub-clause only on the given Day and on the Day immediately following.

68.3 Prolonged force majeure event

In the event that an event or situation referred to in this Clause prevents one of the Parties from performing its obligations for a period of more than sixty (60) days, the Parties shall meet to examine the adjustments to be made to their respective obligations under the Contract in order to take account of this situation. The Parties have a period of ninety (90) days from the occurrence of an event or situation referred to in this Clause to agree these adjustments in an amendment to the Contract.

Section 4 Liability and insurance policies

Clause 69 Liability

69.1 Liability with respect to third parties

69.1.1 GRTgaz and the Shipper shall be liable, as far as each is concerned, for the financial consequences of civil liability by virtue of ordinary law for damage, of any kind whatever, caused to third parties during the performance of the obligations incumbent on each of them respectively in the context of this Contract.

69.1.2 The Shipper shall in particular be liable, in accordance with Clause 19 of the General Terms and Conditions, for all the financial consequences of civil liability for damage, of any kind whatever, caused to third parties as a result of GRTgaz taking off, at an Entry Point, quantities of Gas that do not comply with the specifications defined in Clause 19 of the General Terms and Conditions and would not have been expressly accepted by GRTgaz. As a result, the Shipper shall guarantee GRTgaz against any recourse by third parties on this account, provided that it has been duly proved that it is liable.

69.1.3 As an exception to the principle stated in sub-clause 69.1.2 above, and in accordance with Clause 19 of the General Terms and Conditions, GRTgaz shall remain liable for all the financial consequences of civil liability for damage, of any kind whatever, caused to third parties as a result of GRTgaz taking off, at an Entry Point, quantities of Gas that do not comply with the specifications stated in Clause 19 of the General Terms and Conditions, but accepted as such by GRTgaz. As a result, GRTgaz shall guarantee the Shipper against any recourse by third parties on this account.

69.1.4 In compliance with the provisions of sub-clauses 33.1, 33.2 and 19.2 of the General Terms and Conditions, GRTgaz shall remain liable for all financial consequences under civil liability caused by any damage of whatsoever nature, caused to Recipients as a result of the fact that GRTgaz has not carried out its obligations under a Connection Contract or an Interconnection Agreement. As a result, GRTgaz shall guarantee the Shipper against any recourse by Recipients on this account.

69.2 Liability between the Parties

69.2.1 Physical injury

GRTgaz and the Shipper shall each be liable for the consequences of any physical injury that could be suffered during the performance of the obligations that are respectively incumbent on them under this Contract by the staff employed directly or indirectly by them, whoever committed the act causing the physical injury.

As a result, GRTgaz and the Shipper, in undertaking to procure the compliance of this undertaking by its sub-contractors and suppliers, waive the right to any recourse against one another in respect of any injury caused to the personnel, subject officially to the rights of interested parties or their successors and assignees and those of the Social Security Authorities.

69.2.2 Material damage and consequential loss

A. GRTgaz and the Shipper shall be liable, in performing their obligations incumbent upon them respectively under the Contract, for the direct material damage that they may cause to installations belonging to the other Party or which this other Party has in its custody and for direct consequential loss suffered by the other Party.

The liability of each of the Parties under the terms of this sub-clause is, however, limited to the maximum limits defined in sub-clause 69.2.3 of the General Terms and Conditions. Consequently, each of the Parties waives all rights to bring any claim against the other for such damage in excess of the said maximum limits.

B. By way of exception to the principle set out in sub-clause A above and in accordance with the provisions of Clause 19 of the General Terms and Conditions, GRTgaz shall be liable for any material damage caused to its installations or to installations which it has in its custody, where such damage was caused as a result of GRTgaz taking off at an Entry Point quantities of Gas which were not in compliance with the specifications defined in Clause 19 of the General Terms and Conditions.
Conditions, but expressly accepted as such by GRTgaz. Consequently, GRTgaz waives all rights to bring a claim against the Shipper on this account.

69.2.3 Maximum limits of liability

Both GRTgaz and the Shipper shall be liable, pursuant to sub-clause 69.2.2 above, to a maximum of the following limits:

- for each incident, twice (2x) the maximum, on the whole duration of the Contract, of the monthly total of the Capacity Terms and the Fixed Terms referred to in Clause 52 of the General Terms and Conditions, but not exceeding two hundred thousand (200,000) euros;
- per civil year, twice (2x) the amount stated above.

Section 5 Performance of the Contract

Clause 71 Information

The Parties shall keep each other informed, at all times and as soon as possible, of any event or situation or information of any kind whatsoever which could significantly affect performance of the Contract.

Clause 72 Confidentiality

Unless expressly specified to the contrary, under the terms of the Contract or an express agreement of the Parties or under the terms of legal or regulatory provisions, each Party undertakes to maintain confidentiality with regard to third parties, any information supplied by the other Party in the preparation or performance of the Contract.

Each Party is allowed to inform the Recipient in question of the Daily and Hourly Delivery Capacities and of the Daily Transmission Capacities on the Regional Network at a Consumer Delivery Point, without the other Party being able to oppose the transmission of such information.

GRTgaz is authorised to transport the following information to the Clearing Party defined in the Gas Exchange Trading Participation Agreement:

- the inception and any amendment of the Gas Exchange Trading Participation Agreement and the associated Title Transfer Points;
- the expiry dates of the accesses contracted by the Shipper at the Title Transfer Points defined in the Gas Exchange Trading Participation Agreement;
- the suspension or termination of the Contract and/or the Gas Exchange Trading Participation Agreement;
- in the event that the Shipper was suspended and is allowed to use the Contract and the Gas Exchange Trading Participation Agreement again,
- in the event that GRTgaz is aware of forthcoming insolvency proceedings concerning the Shipper,
- in the event of any other serious events of default by the Shipper which affect the business of GRTgaz.

The Parties shall not be responsible for the divulging of information if such information:

(i) is already within the public domain;
(ii) has been properly obtained from other sources without restriction or violation of the present obligation of confidentiality;
(iii) must be communicated to third parties because it is required by a law, a decision taken in court or a decision issued by a competent public authority; or
(iv) is communicated to the respective advisers or statutory auditors of the Parties.

This obligation of confidentiality is binding on the Parties for the entire duration of the Contract and thereafter for a period of one (1) year following expiry of the Contract.

Clause 73 Termination

In the case of a serious breach or repeated breach by either of the Parties of their obligations under the terms of the Contract, and without prejudice to application of the sanctions provided for in the Contract for the said breach, the non-defaulting Party may unilaterally terminate the Contract after giving notice to desist from the default(s) that remains without effect for thirty (30) days from the date of notice.

The defaulting party shall pay to the other Party a compensation corresponding to the damage suffered by the latter as a result of the termination. In no event may the compensation paid exceed the maximum liability fixed per event in sub-clause 69.2.3 of the General Terms and Conditions.

Furthermore, it is expressly agreed that in the event that the Shipper fails to supply Gas in the amount of at least half of the quantity of Gas that would have been necessary to obtain a Daily Imbalance equal to the Authorised Negative Daily Imbalance, for at least three (3) consecutive days, and where it is not possible that such lack of Gas supply is the result of an event of Force Majeure as stated in Clause 68 of the General Terms and Conditions, and on condition that GRTgaz has correctly put at the Shipper’s disposal the value of the Daily Quantities Taken off and Delivered for the Days in question by the usual means of communication, GRTgaz may, after formal notice has produced no effect after a period of two (2) days, legally terminate the Contract without notice and compensation.

In the event of the Contract being terminated under sub-clause 4.2 of the General Terms and Conditions, the Contract shall be terminated in compliance with said sub-clause without notice and without compensation of any kind whatsoever becoming due to the Shipper.

Clause 74 Transfer of the Contract

The Shipper may not transfer all its rights and obligations under the terms of the Contract without the prior consent of the GRTgaz.
Clause 75 Amendment to the Contract and contractual data

The Contract may only be changed by amendment, with the exception of the amendments referred to in Clause 4 of the General Terms and Conditions and of the following contractual data that are managed via the Espace Client Transport:

- daily capacity subscriptions,
- daily capacity subscriptions within Short-Term Use-It-Or-Lose-It,
- transfer of capacities in accordance with the provisions of Clause 10 of the General Terms and Conditions,
- allocations of Daily Delivery Capacities at Transport Distribution Interface Points,
- allocations of Authorised Positive (and Negative) Daily (and Cumulative) Imbalance,

as well as transfers of capacities managed by the capsquare Platform in accordance with the provisions of Clause 10 of the General Terms and Conditions.

The Parties agree to make no handwritten modification to an amendment to the Contract.

The Parties agree that only printed paper and messages in electronic form exchanged through the IS are accepted as proof.

Clause 76 References

By express agreement between the Parties, GRTgaz may use the Shipper's name and logo as a commercial reference, unless the Shipper stipulates otherwise in writing.

Clause 77 Jurisdiction and applicable law

The Parties shall make all efforts to resolve amicably any dispute concerning the creation, performance or interpretation of the Contract. Failing amicable agreement, these disputes will be submitted to the Commercial Court of Paris and/or the Commission de Régulation de l'Energie.

The Contract shall be governed by French law both in terms of its substance and in terms of the applicable procedure.
In these General Terms and Conditions, the following terms shall have the following meanings. The singular shall include the plural and vice versa. Any reference to times shall be standard French time.

A

Allocated Part of the Daily Exit Capacity on the Main Network: part of the Daily Exit Capacity on the Main Network for the given Exit Zone, expressed in MWh (HCV) per day, and equal to the sum of the Daily Delivery Capacities, annually allocated, relating to the Transport Distribution Interface Points associated with the said Exit Zone.

Allocation Difference Account: virtual point at which the Shipper may deliver quantities of Gas to GRTgaz, or receive Gas delivered by GRTgaz, in order to have an influence on the Level of the Allocation Difference Account. An Allocation Difference Account is associated with a Balancing Zone.

Auction: particular last moment mechanism of putting on sale by GRTgaz and of daily subscribing by the Shipper Daily Entry Capacity at a Network Interconnection Point or Daily Exit Capacity at a Network Interconnection Point or Daily Link Capacity.

Authorised Negative Cumulative Imbalance (referred to as EBCNA): threshold of the Cumulative Imbalance, as defined in sub-clause 42.2.3 of the General Terms and Conditions

Authorised Negative Daily Imbalance (referred to as EBJNA): threshold of the Daily Imbalance, as defined in sub-clause 42.2.1 of the General Terms and Conditions

Authorised Positive Cumulative Imbalance (referred to as EBCPA): threshold of the Cumulative Imbalance, as defined in sub-clause 42.2.3 of the General Terms and Conditions

Authorised Positive Daily Imbalance (referred to as EBAPA): threshold of the Daily Imbalance, as defined in sub-clause 42.2.1 of the General Terms and Conditions

Available Technical Capacity: total capacity made available by GRTgaz on a given point and on a given Day. This capacity determines the shippers’ Operational Capacities.

B

Backhaul Capacity: Daily Entry Capacity and Daily Exit Capacity at a Network Interconnection Point as defined in sub-clause 5.3 of the General Terms and Conditions.

Balancing Platform: electronic system operated by a stock market operator enabling GRTgaz to go to the market in order to cover its network balancing needs.

Balancing Section L: second of the two sub-zones resulting from the partition of the Balancing Zone North and within which the Shipper must ensure a balance and including the points relating to the transmission of Gas in accordance with the specifications of L-gas as defined in Appendix 2 of the Contract.

Balancing Section H: first of the two sub-zones resulting from the partition of the Balancing Zone North and within which the Shipper must ensure a balance and including the points relating to the transmission of Gas in accordance with the specifications of H-gas as defined in Appendix 2 of the Contract.

Balancing Zone: group of Entry Points, Delivery Points and a Title Transfer Point on which the Shipper is to ensure a balance. There are two Balancing Zones: Balancing Zone North and Balancing Zone South. The Balancing Zone North is partitioned into the Balancing Sections H and L. Throughout the Contract, any provision relating to the Balancing Zone North applies expressly to Balancing Section H and to Balancing Section L considered separately.

Base Service: H-gas to L-gas quality conversion service as defined in sub-clause 6.2.2.1 and sub-clause 7.7.2.1.

C

Calculation Basis of Balancing Tolerances: quantity of energy, expressed in MWh (HCV) per day, as defined in sub-clause 42.1.1 of the General Terms and Conditions.
intended exclusively or mainly to supply the Recipient. The Connection Pipes are part of the Network.

Consumer Delivery Point: Delivery Point where the Recipient represents a consumer connected to the Network. Except where expressly stated otherwise, a Consumer Delivery Point is situated at the downstream flange of a Delivery Station. A Consumer Delivery Point is associated with a single Exit Zone.

Contract: Transmission Contract, whose object is defined in Clause 1 of the General Terms and Conditions.

Conversion Point: generic term for one of the following points:

- H towards L Conversion Point – Base Service - H: virtual Delivery Point associated with Balancing Section H of the Balancing Zone North.

- H towards L Conversion Point – Base Service - L: virtual Entry Point associated with Balancing Section L of the Balancing Zone North.

- H towards L Conversion Point – Peak Service - H: virtual Delivery Point associated with Balancing Section H of the Balancing Zone North.

- H towards L Conversion Point – Peak Service - L: virtual Entry Point associated with Balancing Section L of the Balancing Zone North.

- L towards H Conversion Point - H: virtual Entry Point associated with Balancing Section H of the Balancing Zone North.

- L towards H Conversion Point - L: virtual Delivery Point associated with Balancing Section L of the Balancing Zone North.

Cumulative Daily Imbalance: quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 42.2.2 of the General Terms and Conditions.

Cumulative Daily Imbalance: quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 42.2.2 of the General Terms and Conditions.

Cumulative Imbalance Deficit (referred to as DEBC): quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 45.2 of the General Terms and Conditions.

Cumulative Imbalance Excess (referred to as EXBC): quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 44.1 of the General Terms and Conditions.

Customer Information Extranet (also referred to as Espace Client Transport or ECT): secure Web-site made available to the Shipper by GRTgaz, as described in Clause 62 of the General Terms and Conditions.

D

Daily Capacity: generic term for all or part of the following types of capacity:

Daily Delivery Capacity: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver each Day at a given Delivery Point pursuant to the Contract, as defined in the Special Terms and Conditions. This Capacity concerns only Consumer Delivery Points, Regional Network Interconnection Points and Transport Distribution Interface Points.

Daily Exit Capacity at a Network Interconnection Point: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver each Day at a given Network Interconnection Point pursuant to the Contract, as defined in the Special Terms and Conditions.

Daily Exit Capacity at a Transport Storage Interface Point: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver each Day at all the Delivery Points associated with a given Exit Zone, pursuant to the Contract. The Daily Exit Capacity on the Main Network shall be equal to the sum of the Subscribed Part of the Daily Exit Capacity on the Main Network and of the Allocated Part of the Daily Exit Capacity on the Main Network.

Daily Exit Capacity on the Main Network: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver each Day at all the Delivery Points associated with a given Exit Zone, pursuant to the Contract. The Daily Exit Capacity on the Main Network shall be equal to the sum of the Subscribed Part of the Daily Exit Capacity on the Main Network and of the Allocated Part of the Daily Exit Capacity on the Main Network.

Daily Entry Capacity: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to transport each Day on a Link between Zones.

Daily Exit Capacity at a Transport Storage Interface Point: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver to the H towards L Conversion Point - Base Service - H, and to take off simultaneously at the H towards L Conversion Point - Base Service - L, as defined in the Special Terms and Conditions.

Daily Link Capacity: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to transport each Day on a Link between Zones.

Daily Quality Conversion Capacity from H-gas to L-gas - Base Service: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver to the H towards L Conversion Point - Base Service - H, and to take off simultaneously at the H towards L Conversion Point - Base Service - L, as defined in the Special Terms and Conditions.
Daily Quality Conversion Capacity from H-gas to L-gas - Peak Service: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver to the H towards L Conversion Point - Peak Service - H, and to take off simultaneously at the H towards L Conversion Point - Peak Service - L, as defined in the Special Terms and Conditions.

Daily Quality Conversion Capacity from L-gas to H-gas: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to deliver to the L towards H Conversion Point - L, and to take off simultaneously at the L towards H Conversion Point - H, as defined in the Special Terms and Conditions.

Daily Transmission Capacity on the Regional Network: maximum quantity of energy, expressed in MWh (HCV) per day, which GRTgaz undertakes to transport on the regional transmission network for a given Delivery Point pursuant to the Contract, as defined in the Special Terms and Conditions. This Capacity concerns only Consumer Delivery Points, Regional Network Interconnection Points and Transport Distribution Interface Points.

Daily Imbalance (referred to as EBJ): quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 42.2.1 of the General Terms and Conditions.

Daily Imbalance Deficit (referred to as DEBJ): quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 44.1 of the General Terms and Conditions.

Daily Imbalance Excess (referred to as EXBJ): quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 44.1 of the General Terms and Conditions.

Daily Quantity: generic term for all or part of the following types of daily quantities:

Daily Exit Quantity on the Main Network: quantity of energy, expressed in MWh (HCV), which GRTgaz has delivered on a given Day to all of the Delivery Points associated with a given Exit Zone; this quantity is determined in accordance with the provisions of sub-clause 27.4 of the General Terms and Conditions.

Daily Proximity Quantity: quantity of energy, expressed in MWh (HCV); this quantity is determined in accordance with the provisions of sub-clause 27.4 of the General Terms and Conditions.

Daily Quantity Converted from H-gas to L-gas - Peak Service: quantity of energy, expressed in MWh (HCV) simultaneously delivered to H towards L Conversion Point - Base Service - H and taken off at H towards L Conversion Point – Base Service – L; this quantity is determined in accordance with the provisions of sub-clause 13.2 of the General Terms and Conditions.

Daily Quantity Converted from L-gas to H-gas - Peak Service: quantity of energy, expressed in MWh (HCV) simultaneously delivered to L towards H Conversion Point - Peak Service - L and taken off at H towards L Conversion Point – Peak Service – H; this quantity is determined in accordance with the provisions of sub-clause 13.1 of the General Terms and Conditions.

Daily Quantity Converted from L-gas to H-gas - Base Service: quantity of energy, expressed in MWh (HCV) simultaneously delivered to L towards H Conversion Point - Base Service - L and taken off at H towards L Conversion Point – Base Service – H; this quantity is determined in accordance with the provisions of sub-clause 13.1 of the General Terms and Conditions.

Daily Quantity Delivered (Hourly Quantity Delivered): quantity of energy, expressed in MWh (HCV), which GRTgaz has delivered on a given Day (in a given Hour) at a given Delivery Point or a given Title Transfer Point or a given Allocation Difference Account pursuant to the Contract; this quantity is determined in accordance with the provisions of Clause 27 of the General Terms and Conditions.

Daily Quantity Scheduled: quantity of energy, expressed in MWh (HCV), as defined in Clause 37 of the General Terms and Conditions.

Daily Quantity Transported: quantity of energy, expressed in MWh (HCV), considered to be transported on a given Day on a Link, or on the Regional Network to a given Delivery Point, pursuant to the terms of the Contract; this quantity is determined in accordance with the provisions of Clause 13 and Clause 27 of the General Terms and Conditions.

Daily Quantity Taken off: quantity of energy, expressed in MWh (HCV), taken off by GRTgaz on a given Day at a given Entry Point or a given Title Transfer Point or a given Allocation Difference Account, pursuant to the contract. This quantity is determined in accordance with the provisions of Clause 13 and sub-clause 27.5 of the General Terms and Conditions.

Day: period of twenty-three (23), twenty-four (24) or twenty-five (25) consecutive Hours, starting at six a.m. (6:00) on a given day and ending at six a.m. (6:00) the next day. The date of the Day is the date when the Day begins.

Day of Endowment to the Allocation Difference Account: one of the Days of each Month, as defined in sub-clause 48.3 of the General Terms and Conditions.

Delivery Point: point where GRTgaz delivers to a Recipient all or part of the Gas pursuant to of the Contract, as defined in the Special Terms and Conditions. A Delivery Point is associated with a single Balancing Zone. A Delivery Point is a Consumer Delivery Point or a Regional Network Interconnection Point or a Transport Distribution Interface Point or a Network Interconnection Point or a Transport Storage Interface Point or the H towards L Conversion Point – Base Service - H or the H towards L Conversion Point – Peak Service - H or the L towards H Conversion Point - L, as the case may be.

Delivery Station: installation situated at the extremity of the downstream end of the Network, generally providing the functions of pressure reduction and regulation and of metering of the Gas delivered to a Recipient. A Delivery Station is part of the Network.

Direct Flow Direction: Direction of the Network Interconnection Points as defined in sub-clause 5.4.
Downstream Operator: Operator responsible for the operation of Downstream Structures.

Downstream Structures: structures which do not belong to the Network but which are connected to the Network at a Delivery Point.

ECT: see Customer Information Extranet

Effective Temperature of a Day: weighted average of the daily average temperatures measured in Days J-2, J-1 and J, expressed in degrees Celsius (°C). The weights are equal to, respectively, zero point twelve (0.12), zero point twenty-four (0.24) and zero point sixty-four (0.64).

Endowment to the Allocation Difference Account: quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 45.3 of the General Terms and Conditions.

Energy Content: quantity of energy, expressed in MWh (HCV), contained in a given quantity of natural Gas.

Energy Regulatory Commission (Commission de Régulation de l‘Energie or CRE): the body responsible for regulating the gas market in France by virtue of Law no. 2003-8 dated 3 January, 2003, with regard to gas and electricity markets and public energy services.

Entry Point: point where the Shipper provides GRTgaz with all or part of the Gas pursuant to the terms of the Contract, as defined in the Special Terms and Conditions. An Entry Point is associated with a single Balancing Zone. An Entry Point is a Network Interconnection Point or a Transport Production Interface Point or a Transport Storage Interface Point or a Transport LNG Terminal Interface Point or the H towards L Conversion Point – Base Service - L or the H towards L Conversion Point – Peak Service - L or the L towards H Conversion Point - H, as the case may be.

Excess of Daily Capacity: quantity of energy, expressed in MWh (HCV), as defined in sub-clause 28.1 of the General Terms and Conditions.

Excess of Hourly Capacity: quantity of energy, expressed in MWh (HCV), as defined in sub-clause 28.2 of the General Terms and Conditions.

Exit Zone: group of Consumer Delivery Points, Regional Network Interconnection Points and Transport Distribution Interface Points for which a Daily Exit Capacity on the Main Network is specified. All these items are specified in the Special Terms and Conditions. An Exit Zone is associated with a single Balancing Zone.

Extra Monthly Allocation of Daily Entry Capacity at a Transport LNG Terminal Interface Point: quantity of energy, expressed in MWh (HCV) per day, as defined in Clause 14 of the General Terms and Conditions.

F Firm Capacity: capacity as defined in sub-clauses 5.1 (upstream system) and 20.1 (downstream system) of the General Terms and Conditions.

Firm Reduction Factor (TR.f): coefficient used to determine the reduction in the firm portion of Operational Capacities. The Firm Reduction Factor is equal to zero (TR.f = 0) when the Available Technical Capacity is equal to or higher than the sum of the Firm Capacities subscribed by the Shippers. In any other case, TR.f is equal to the ratio between the sum of the Firm Capacities subscribed by the Shippers, minus the Available Technical Capacity, and the sum of the Firm Capacities subscribed by the Shippers.

The firm portion of Operational Capacities is then multiplied by one (1) minus TR.f.

Firm Rights: Firm Capacity subscribed by the Shipper on an annual, monthly, or daily basis or the rights-of-use acquired, with deduction of the rights-of-use transferred.

G Gas: natural gas whose transmission is the object of the Contract.

Gas Exchange: electronic platform where participants can trade spot and futures products on the natural gas market.

Gas Exchange Trading Participant Agreement: part of the Special Conditions in which the Shipper’s request to take part in a Gas Exchange is recorded; it specifies the identity of the Gas Exchange, the identity of the Clearing Party and the list of the Title Transfer Points (PEGs) the Shipper intends to use within the perimeter of the Gas Exchange in question;

General Terms and Conditions: the part of the Contract that is Appendix 1 of the Contract.

Gradient of the Allocation Difference Account: maximum quantity of energy, expressed in MWh (HCV 25°C) per day, as defined in sub-clause 45.3 of the General Terms and Conditions.

Guarantee: guarantee supplied by the Shipper to GRTgaz, as defined in Clause 55 of the General Terms and Conditions.

H High Calorific Value (HCV): quantity of heat, expressed in kWh, which would be generated by the complete combustion in air of one m³(n) of dry Gas at a constant pressure equal to one point zero one thousand three hundred and twenty-five (1.01325) bar, with the Gas and air being at an initial temperature of zero (0) degrees Celsius, all the combustion products being brought down to zero (0) degrees Celsius, the water vapor formed during combustion being returned to a liquid state, and all other products being in a gaseous state.

High Calorific Value at 25 degree Celsius (HCV 25°C): quantity of heat, expressed in kWh, which would be generated by the complete combustion in air of one m³(n) of dry Gas at a constant pressure equal to one point zero one thousand three hundred and twenty-five (1.01325) bar, with the Gas and air being at an initial temperature of twenty-five (25) degrees Celsius, all the combustion products being brought down to twenty-five (25) degrees Celsius, the water vapor formed during combustion being returned to a liquid state, and all other products being in a gaseous state.

Hour: period of 60 (sixty) consecutive minutes starting and ending on the hour.

Hourly Delivery Capacity or Hourly Capacity: maximum quantity of energy, expressed in MWh (HCV) per hour, which GRTgaz undertakes to deliver every Hour to the relevant Delivery Point pursuant to the
Contract, as defined in the Special Terms and Conditions. This Capacity concerns only Consumer Delivery Points.

I

Interconnection Agreement: agreement between GRTgaz and the Recipient, referred to in sub-clause 32.1 of the General Terms and Conditions.

Interruptible Capacity: capacity as defined in sub-clauses 5.2 (upstream system) and 20.2 (downstream system) of the General Terms and Conditions.

Interruptible Reduction Factor (TR.i): coefficient used to determine the reduction in the interruptible portion of Operational Capacities. The Interruptible Reduction Factor is equal to zero (TR.i = 0) when the Available Technical Capacity is equal to or higher than the sum of the Firm and Interruptible Capacities subscribed by the Shippers. The Interruptible Reduction Factor is equal to one (TR.i = 1) when the Available Technical Capacity is equal to or lower than the sum of the Firm Capacities subscribed by the Shippers. In any other case, TR.i is equal to the ratio between the sum of the Firm and Interruptible Capacities subscribed by the Shippers, minus the Available Technical Capacity, and the sum of the Interruptible Capacities subscribed by the Shippers.

The interruptible portion of Operational Capacities is then multiplied by one (1) minus TR.i.

Interruptible Rights: Interruptible Capacity subscribed by the Shipper on an annual basis.

IS: Information System consisting of the Customer Information Extranet (Espace Client Transport or ECT), and data exchanges in Edgaz format.

J

Joint Declaration: agreement between two shippers defining all the Transport Distribution Interface Points where the Shipper may deliver gas to the other shipper present on the distribution network. The Joint Declaration(s) made by the Shipper is (are) attached in Appendix 6 to the Contract.

L

Level of the Allocation Difference Account: quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 45.3 of the General Terms and Conditions.

Limit Temperature: Effective Temperature of the cold peak Day J such as it happens statistically in one winter out of ten. Its value is defined, per Balancing Zone, as follows:

- -6.6°C for the Balancing Zone North – Balancing Section H,
- -8.8°C for the Balancing Zone North – Balancing Section L,
- -7.8°C for the Balancing Zone South.

Link: oriented pair of Balancing Zones, to which Price elements are associated, and on which a Daily Link Capacity is defined; all these elements are specified in the Special Terms and Conditions.

Long-Term Use-It-Or-Lose-It: procedure by which unused subscribed capacity is reallocated. The Long-Term Use-It-Or-Lose-It procedure applies to Network Interconnection Points and to Links.

M

Main Physical Flow: gas flow into the Network or Gas flow out of the Network as defined in sub-clause 5.3 of the General Terms and Conditions.

Maximum Negative Daily Cumulative Imbalance (referred to as EBJNMC): threshold of the Daily Imbalance, as defined in sub-clause 42.2.2 of the General Terms and Conditions.

Maximum Positive Daily Cumulative Imbalance (referred to as EBJPMMC): threshold of the Daily Imbalance, as defined in sub-clause 42.2.2 of the General Terms and Conditions.

Measuring Device: all the measuring and calculation equipment located either at a Delivery Station or at any other point on the Network, or remote transmission equipment, or calculation systems or procedures, used by GRTgaz to determine the quantities of natural Gas taken off at an Entry Point or delivered at a Delivery Point, their characteristics and Energy Content.

Month: period starting at six a.m. (6:00) on the first day of a given calendar month and ending at six a.m. (6:00) on the first day of the next calendar month.

N

Negative Daily Non-Cumulative Imbalance (referred to as ENCNBJ): quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 44.1 of the General Terms and Conditions.

Network: all the structures, installations and systems operated by or under the responsibility of GRTgaz, including, in particular, pipelines, compression and measuring installations, pressure reduction and division parts, transmission systems, computer systems, etc., which GRTgaz uses to provide the service which is the object of the Contract.

Network Interconnection Point (PIR): Delivery Point where the Recipient is the Operator of the downstream transmission network. A Network Interconnection Point may also be an Entry Point.

Network Interconnection Point Midi (PIR Midi): Network Interconnection Point where TIGF is the Operator of the adjacent network.

Network User: any person who delivers natural Gas to GRTgaz at any point whatsoever of the Network, or who receives Gas delivered by GRTgaz at any point whatever of the Network.

Nomination: quantity of energy expressed in kWh (HCV 25°C), notified to GRTgaz by the Shipper each Day, that the Shipper asks GRTgaz to take off , to transport or to deliver. By extension, the verb “Nominated”, in whatever form it may appear, refers to a Shipper notifying a Nomination to GRTgaz.

Non-Working Day: Saturday or Sunday or any public holiday in Paris.

Normal Cubic Meter or m³(n): quantity of natural Gas which, at 0 (zero) degrees Celsius, at an absolute pressure of 1.01325 bar, and free of water vapour, occupies a volume of one cubic meter.

Notification of Force Majeure for GRTgaz: notification made by GRTgaz to the Shipper in accordance with sub-clause 68.1 of the General Terms and Conditions.

Notification of Force Majeure for the Shipper: notification made by the Shipper to GRTgaz in accordance
with sub-clause 68.2 of the General Terms and Conditions.

O

Open Subscription Period (OSP): collection period of capacity reservation requests, as defined in these General Terms and Conditions.

Operational Capacity: Original Operational Capacity plus the capacity allocated on a Short-Term Use-It-Or-Lose-It basis or minus the capacity acquired on a Short-Term Use-It-Or-Lose-It basis by the other shippers.

Operational Instruction: instruction given by GRTgaz to the Shipper concerning the performance of the Contract, as referred to in Clause 67 of the General Terms and Conditions.

Operator: individual or legal entity responsible for the operation of given structures

Option of Optional Balancing Tolerance: percentage, included between zero (0) and three per cent (3%), with one significant decimal, ensuring to calculate the Optional Balancing Tolerance in accordance with sub-clause 42.1.3 of the General Terms and Conditions. Its value is specified in the Special Terms and Conditions.

Optional Balancing Tolerance (TOE): component of the Authorised Positive Daily Imbalance and of the Authorised Negative Daily Imbalance that is the object of a tariff. Its value is defined in sub-clause 42.1.3 of the General Terms and Conditions.

Original Operational Capacity: sum of the Firm and Interruptible Daily Capacities subscribed by the Shipper on a given point on an annual, monthly, or daily basis, plus the rights-of-use acquired, with deduction of the rights-of-use transferred, and taking into account the Firm and Interruptible Reduction Factors for the Day in question.

OTC Transaction: transfer of rights-of-use or full transfer of capacity concluded “over the counter” between two shippers which are members of the capSquare Platform, and registered with the said platform, as defined in the Capacity Platform Services Agreement.

P

Party: any of the parties to the Contract.

PDL: delivery point located on a natural gas distribution network.


Peak Service: H-gas to L-gas quality conversion service as defined in sub-clauses 6.2.2.2 and 7.7.2.1.

Positive Daily Non-Cumulative Imbalance (referred to as ENCPBJ): quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 44.1 of the General Terms and Conditions.

Predicted Effective Temperature of a Day J: weighted average of the daily average temperatures measured in Day J-2 and predicted the Day J-1 for the Days J-1 and J, expressed in degrees Celsius (°C). The weighing coefficient are equal to, respectively, zero point twelve (0.12), zero point twenty-four (0.24) and zero point sixty-four (0.64).

Price: all the elements of the price for the service which is the object of the Contract as defined in Section 1 of the Title IV, Clause 14, Clause 28, Clause 47 and Clause 48 of the General Terms and Conditions.

Profile of the Allocation Difference Account: quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 45.3 of the General Terms and Conditions.

Prudent and Reasonable Operator: person acting in good faith with the intention of executing its contractual obligations and who, in order to do this, applies the skills, application, prudence and foresight which are reasonably and usually applied by a competent and experienced operator acting in accordance with the laws and regulations in similar circumstances and conditions.

R

Recipient: legal entity or individual to which/whom the Gas is delivered by GRTgaz at a Delivery Point or at a Title Transfer Point pursuant to the Contract. The Recipient is the other party of a Connection Contract or an Interconnection Agreement with GRTgaz.

Reduced Daily Imbalance: quantity of energy, expressed in MWh (HCV 25°C), as defined in sub-clause 44.1 of the General Terms and Conditions.

Regional Network Interconnection Point (PIRR): Delivery Point located on the regional transmission network where the Recipient is the Operator of the downstream transmission network. A Regional Network Interconnection Point is associated with a single Exit Zone.

Releasable Capacity: capacity as defined in sub-clause 5.1 of the General Terms and Conditions

Reserve Price: minimal unit price of putting a capacity on sale for daily subscription by Auction. The Reserve Price is fixed by GRTgaz before the beginning of the Auction.

Rule for Determining the Quantities Delivered: the Rule for Determining the Daily and Hourly Quantities Delivered as referred to in sub-clause 27.1.4 of the General Terms and Conditions.

S

Short-Term Use-It-Or-Lose-It: mechanism allowing the allocation by GRTgaz to a shipper having applying for them, of capacities subscribed by another shipper and not scheduled. The Short-Term Use-It-Or-Lose-It mecanism applies to Network Interconnection Points and to Links.

Special Terms and Conditions: part of the Contract in which, in particular, the values of the Hourly and Daily Entry, Link, Quality Conversion, Exit, Transmission on the Regional Network and Delivery Capacities are defined. The Special Terms and Conditions consist of Appendix 4 to the Contract and, solely for the provisions relating to Daily Delivery Capacities at Transport Distribution Interface Points, to daily capacity subscriptions, to capacity subscriptions within Short-Term Use-It-Or-Lose-It and to transfers of rights-
Transmission Contract on GRTgaz’s natural gas transmission system  
Appendix 1 – General Terms and Conditions  
Version of January 1, 2009 (12 16 2008)

of-use for capacities covered by Clause 10 of the General Terms and Conditions, the contractual details of the Customer Information Extranet (ECT).

Standard Balancing Tolerance (TSE): component of the Authorised Positive Daily Imbalance and of the Authorised Negative Daily Imbalance that is not the object of a tariff. Its value is defined in sub-clause 42.1.2 of the General Terms and Conditions.

Subscribed Part of the Daily Exit Capacity on the Main Network: part of the Daily Exit Capacity on the Main Network for the given Exit Zone, expressed in MWh (HCV) per day, and stipulated in the Appendix 4 to the Contract.

Temperature of a Balancing Zone: temperature measured by Météo France at the weather station of Paris for the Balancing Zone North – Balancing Section H, of Lille for the Balancing Zone North – Balancing Section L, and of Lyon for the Balancing Zone South.

Threshold Temperature: Effective Temperature of the cold peak Day J such as it happens statistically in one winter out of two. Its value is defined, per Balancing Zone, as follows:

- -2.4°C for the Balancing Zone North – Balancing Section H,
- -4.0°C for the Balancing Zone North – Balancing Section L,
- -3.7°C for the Balancing Zone South.

Title Transfer Point (PEG): virtual point at which the Shipper may deliver quantities of Gas to another shipper, or receive Gas delivered by another shipper. A Title Transfer Point is associated with a Balancing Zone.

Transport Distribution Interface Point (PITD): Delivery Point where the Recipient is the Operator of the downstream distribution network. A Transport Distribution Interface Point is associated with a single Exit Zone.

Transport Production Interface Point (PITP): Entry Point where the upstream Operator is the Operator of the upstream LNG terminal(s).

Transport Storage Interface Point (PITS): Delivery Point where the Recipient is the Operator of the downstream storage(s). A Transport Storage Interface Point may also be an Entry Point.

Upstream Operator: Operator responsible for the operation of Upstream Structures.

Upstream Structures: structures which do not belong to the Network but which are connected to the Network at an Entry Point.

Validity Commencement Date: Day from which GRTgaz’s obligations relating to a Daily or Hourly Capacity come into being. The Validity Commencement Date of each Daily or Hourly Capacity is defined in the Special Terms and Conditions.

Validity End Date: Day as of which GRTgaz’s obligations relating to a Daily or Hourly Capacity cease. The Validity End Date of each Daily or Hourly Capacity is defined in the Special Terms and Conditions.

Validity Period: period beginning on the Validity Commencement Date and ending on the Validity End Date of a given Daily or Hourly Capacity.

Week: period of seven (7) consecutive Days, starting on a Monday at six a.m. (6:00) and ending at six a.m. (6:00) the following Monday.

Working Day: Monday, Tuesday, Wednesday, Thursday or Friday, which is not a public holiday in Paris.