

GRTgaz's interventions on the Powernext Gas Spot Exchange

GRTgaz makes daily trades on the Powernext Gas Spot Exchange. These interventions are consistent with the Balancing Network Code fully that came into force on October 1st, 2015.

The price outcome of these transactions is also used to calculate the reference prices used to determine the imbalance cash-out prices payable by shippers.

Principles

Since December 1st, 2009, GRTgaz has traded on the Powernext Gas Spot Exchange. The rules applied are discussed under the "Concertation Gaz" consultation process and approved by French Regulation Authority (CRE).

Since April 1st, 2015 - and with the aim of the implementation of the Balancing Network Code (Commission Regulation No 312/2014) - GRTgaz carries out daily trades on the Powernext Gas Spot Exchange in order to *"maintain the transmission network within its operational limits and to achieve an end of day line pack position in the transmission network different from the one anticipated on the basis of expected inputs and off-takes for that gas day, consistent with economic and efficient operation of the transmission network"* (extract from article 6 of Balancing Network Code).

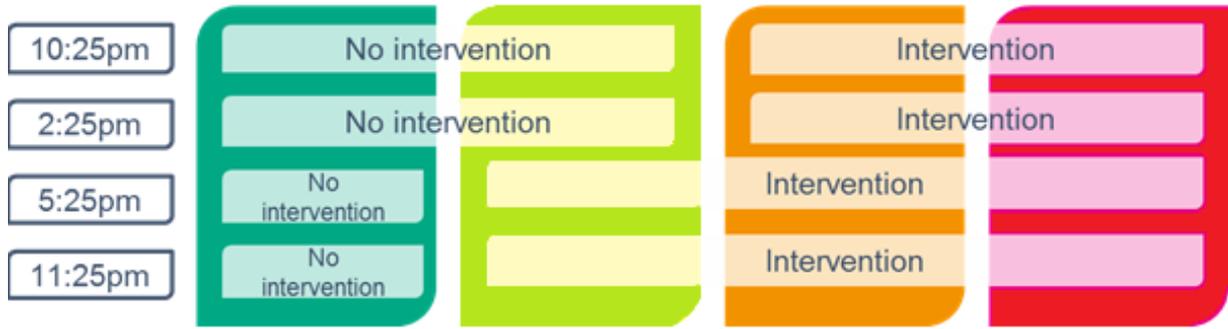
The price applied to shippers' imbalances reflects the costs borne by GRTgaz in balancing its transmission system by purchasing/selling gas.

GRTgaz trading windows

After the establishment of a need by GRTgaz, the intervention itself is executed by a computer algorithm. Every operation within the trading window is designed to ensure that the algorithm always selects the best prices. Therefore, the need of GRTgaz may not be fully covered.

GRTgaz can trade seven days a week between 10:25 am and 10:45 am, between 2:25 pm and 2:45 pm, between 5:25 pm and 5:45 pm and between 11:25 pm and 11:45 pm on the Within-Day product. Effective action depends on "Projected Closing Line pack" position and schedule.

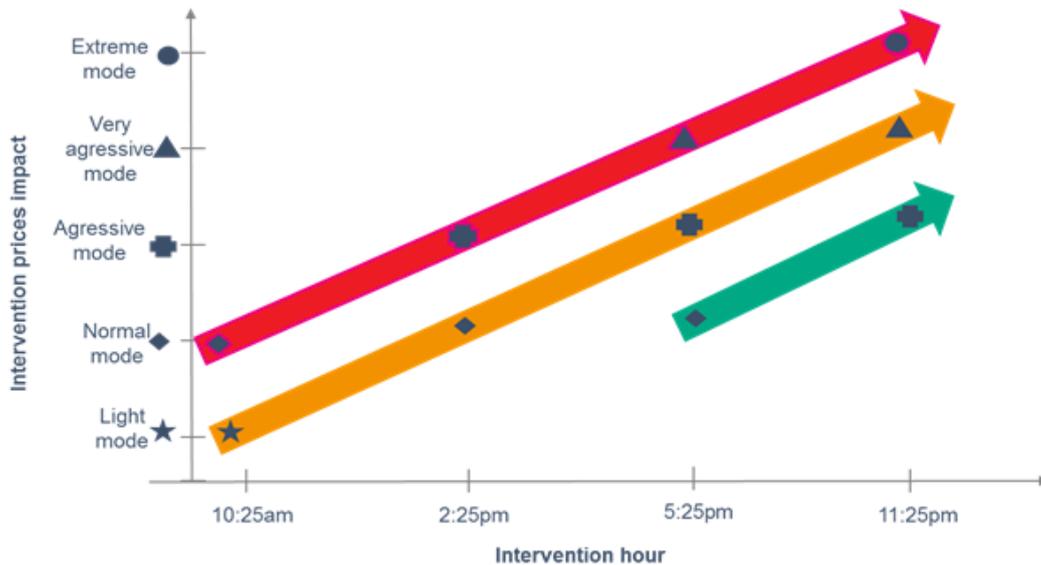
Projected line pack level



Within these trading windows, GRTgaz’s purchase or sell orders will take place at arbitrary times. GRTgaz intervenes several times in each trading window to cover its balancing gas needs.

GRTgaz modes of intervention

As “Projected Closing Line pack” position shows the stress of its transmission network, GRTgaz has defined several modes of intervention depending on position and schedule.



The more aggressive the mode is, the more the price obtained by GRTgaz may move away from the estimated market price during the trading window. In connection with French Regulation Authority (CRE), GRTgaz defined, for each mode, limits to this potential spread.