

Convenience Translation

Annex 2: Supplementary Terms and Conditions of GRTgaz Deutschland GmbH for the Entry and Exit Contract (Entry-Exit-System)

§ 1. Scope

This Annex and its supplement state supplementary or more specific provisions with respect to the “General Terms and Conditions of Business with regard to the Entry and Exit Contract“ (entry/exit) (hereinafter referred to as “Standard Terms and Conditions”) and form an integral part of the contract.

§ 2. Registration and admission as a shipper

1. Pursuant to Section 1 of Article 1 of the Standard Terms and Conditions, shippers shall apply for registration and admission with GRTgaz Deutschland GmbH (GRTgaz D).
2. Within the admission procedure, the shipper shall return to GRTgaz D a completed and signed form with respect to the verification of credentials of the type made available on the platform. Furthermore, the shipper shall, in the course of the registration process, receive a document for creditworthiness checking issued by GRTgaz D.

§ 3. Definitions

In addition to Articles 2 and 9 of the Standard Terms and Conditions and definitions otherwise mentioned in the Standard Terms and Conditions, the following definitions shall apply:

1. Reverse flow exit capacity

Capacity at an entry point at which no bidirectional load flows are possible and gas is contractually (virtually) exited from the gas transmission system in the direction opposite to that of the technical capacity.

2. Reverse flow entry capacity

Capacity at an exit point at which no bidirectional load flows are possible and gas is contractually (virtually) entered into the gas transmission system in the direction opposite to that of the technical capacity.

3. Dynamically freely allocable capacities (DZK)

DZK are freely allocable capacities with restrictions on use. DZK are firm capacities, provided that they are used solely for the purpose of balanced transport between entry and exit points within the system of GRTgaz D at which an obligation to nominate exists pursuant to Article 15 GasNZV. The interruptible portion therefore depends on the current nomination or renomination of the shipper. The restriction of use and its utilization are specified in Articles 4 and 7.

4. Conditionally firm freely allocable capacity (bFZK)

bFZK are freely allocable capacities with restrictions on use. bFZK are firm capacities, provided that they are used solely for the purpose of balanced transport between entry and exit points within the system of GRTgaz D at which an obligation to nominate exists pursuant to Article 15 GasNZV, without the inclusion of the Virtual Trading Point. Beyond that, bFZK shall be deemed firm also in the event of imbalanced transports within the system of GRTgaz D subject to the proviso that certain load flow and/or temperature conditions are fulfilled. The restriction of use and its utilization are specified in Articles 5 and 7.

§ 4. Dynamically allocable capacities (DZK)

1. DZK can be entered into any H-Gas balancing group of the market area of NetConnect Germany.
2. The amount of a balanced transport between the entry and exit points of GRTgaz D within a balancing group at a certain hour shall be exactly the minimum of the sum of the hourly entry nominations at GRTgaz D at the balancing group and the sum of the hourly exit nominations at GRTgaz D at the same balancing group. The same shall be applicable in sum for linked balancing groups. The equilibrium in terms of balance of the complete balancing group concerned at NCG (in the following referred to as “basis for balancing energy settlement”) shall not be relevant to the following provisions.
3. The use of the capacity portion of DZK, which is used in excess of a balanced transport between entry and exit points of GRTgaz D – in particular when the VTP is concerned – may be restricted, if, due to current nominations within the whole market area, transport is not possible for network reasons.
4. In the event that the restriction of use of a portion of DZK pursuant to Section 3 of this Article 4 is utilized, the shipper shall neither be entitled to a claim for reimbursement against GRTgaz D in the event that DZK are not used, nor to a claim for damages due with respect to the payments which may be incurred for balancing energy.

§ 5. Conditionally firm freely allocable capacities (bFZK)

1. bFZK can be entered into any H-Gas balancing group of the market area of NetConnect Germany.
2. The use of bFZK may be restricted in the event that, due to current nominations within the whole market area, the physical gas flow from the stations Rimpfar and Gernsheim in the northerly direction into the system of Open Grid Europe GmbH exceeds a limit value defined by Open Grid Europe GmbH and the forecast for the previous day for the average daily temperature at Essen meteorological station (Meteorological Service Essen) is above zero degrees Celsius. This condition shall only occur in the event that restrictions of use for entry capacities pursuant to Section 3 of Article 4 in conjunction with Article 7 are utilized.
3. In the event of the utilization of the restriction of use of bFZK pursuant to Section 2 of this Article 5, the shipper shall neither be entitled to a claim for reimbursement against GRTgaz D in the event that the bFZK are used, nor to a claim for damages with respect to payments which may be incurred for balancing energy.
4. Shippers who have booked bFZK may send to GRTgaz D a binding request to convert their bFZK into freely allocable capacities (FZK) by means of load flow commitments. If, as a result, GRTgaz D contract load flow commitments for a particular period, and if these are approved by the regulatory authority, the requesting shippers shall be obligated to convert their bFZK, which had been requested for conversion into FZK for the period concerned, and to pay the corresponding difference in cost to GRTgaz D. In the event that it is not possible to obtain the full amount of load flow commitments required on the market, FZK shall be distributed in proportion to the requested conversion amount.

§ 6. Reverse flow capacity

1. GRTgaz D offers reverse flow capacity at the point Medelsheim from the system of GRTgaz (F) in the direction of the GRTgaz D network, and at the point Waidhaus from the network of GRTgaz D in the direction of the Net4gas (CZ) system.
2. Reverse flow capacity may be reduced or interrupted, if the physical gas flow at the point concerned is lower than the reverse flow capacity booked or measures in accordance with Article 16 (1) or (2), Energy Industry Act are applied in the market area of NCG. In the event that the restriction of use of DZK pursuant to Section 3 of Article 4, or bFZK pursuant to Section 2 of Article 5 is utilized, reverse flow entry capacities and reverse flow exit capacities shall be treated in the same way as interruptible capacities, irrespectively of the physical gas flow.

§ 7. Utilization of the restriction of use and reduction

1. In the event that GRTgaz D has to reduce transport at entry points and/or exit points, firstly the hourly capacity overruns of contracted capacity within the balancing group at the entry point or exit point concerned shall be reduced on a pro rata basis.
2. In the event that GRTgaz D has to reduce transport at entry points and/or exit points, without any overruns of contracted capacity at the points concerned within the balancing groups, firstly the capacity contracts comprising interruptible capacities at the affected entry points or exit points shall be reduced, starting with the last capacity contract signed pursuant to Article 29 of the Standard Terms and Conditions. A possible reduction in DZK and bFZK pursuant to Section 4 of this Article 7 shall only occur thereafter.
3. In the event that GRTgaz D has to reduce the transport of reverse flow capacity at the entry points and/or exit points in accordance with Section 2 of Article 6, such reduction of the capacity contracts with reverse flow capacity shall occur at the entry point or exit point affected, starting with the last capacity contract signed pursuant to Article 29 of the Standard Terms and Conditions.
4. In the event that GRTgaz D has to reduce transport at entry points and/or exit points, because the condition pursuant to Section 3 of Article 4 has occurred and the restriction of use of the DZK is utilized, in principle, only a reduction of such balancing groups shall occur in which the sum of entry nominations received by GRTgaz D differs from the sum of exit nominations received by GRTgaz D for the period concerned. The preceding sentence shall not be applicable to nominations for interruptible capacities, because these have already been reduced according to Section 2 of this Article 7, before the provisions of this Section 4 of this Article 7 become applicable.
 - a. In the event that the reduction is carried out because it is not possible to take sufficient gas from the MEGAL system due to supply shortfalls on the downstream network, GRTgaz D shall allocate the difference between the sum of entered capacities and the sum of exited capacities pursuant to Section 2 of Article 4 (“hourly delta”) to the types of entry capacity entered into the balancing group of the shipper in accordance with the following principles:
In the event that the hourly delta is smaller or equal to the entered entry FZK into the balancing group concerned, no reduction of nomination shall occur within this balancing group. In any other event, FZK entered into the balancing group concerned shall be deducted from the hourly Delta as a non-reducible nomination. The remaining quantity shall be allocated to the entry capacities entered in the order of bFZK, DZK as a reducible nomination. This allocation shall be carried out for all relevant balancing groups.
The necessary reduction shall be carried out in the following steps for all balancing groups which do not have balanced nominations with GRTgaz D, but only for the reducible quantities that have been determined:

- i) The reducible entry nominations allocated to DZK (=fraction of the hourly Delta) shall be reduced proportionally to their amount, until no shipper can be allocated reducible nominations for DZK for the relevant hour, or the necessary total reduction of entry capacities is obtained;
- ii) In the event that, after the use of load flow commitments obtained for the purpose of guaranteeing bFZK, there is still a need for reduction, and the conditions pursuant to Section 2 of Article 5 are met, so that the restriction of use of bFZK is utilized, the nominations allocated to the bFZK (=fraction of the hourly delta) shall be reduced proportionally to the reducible nomination on bFZK allocated to the shipper until no shipper can be allocated reducible nominations on bFZK for the relevant hour, or the necessary total reduction of entry capacities is obtained.

In the event that a shipper has booked bFZK or DZK at an entry point A of GRTgaz D and FZK at another entry point B of GRTgaz D and has allocated these capacities to the same balancing group, the shipper shall be entitled to notify GRTgaz D with at least four working days' notice using a form provided by GRTgaz D whether a reduction in accordance with sub-paragraph i) or ii) is to take place at point A or at point B ("operational relocation of firm VTP access").

- b. In the event that the reduction is carried out, because it is not possible to transport sufficient gas to the MEGAL system due to supply shortfalls in the upstream network, the difference between the sum of exited quantities and the sum of entered quantities pursuant to Section 2 of Article 4 ("hourly delta"*) shall be allocated by GRTgaz D to the entered exit capacity types within the balancing group of the shipper in accordance with the following principles. In the event that the hourly delta is smaller than or equal to the exit FZK entered into the balancing group concerned, no reduction of nomination shall occur within this balancing group. In any other event, FZK entered into the balancing group concerned shall be deducted from the hourly delta as a non-reducible nomination. The remaining quantity shall be allocated to the DZK as a reducible nomination. This allocation shall be carried out for all relevant balancing groups. The necessary reduction shall be carried out in the following steps for all balancing groups, which do not have balanced nominations with GRTgaz D, but only for the reducible quantities determined. The reducible exit nominations allocated to DZK shall be reduced proportionally to their amount, until no shipper can be allocated any reducible nominations on DZK for the relevant hour, or the necessary total reduction of exit capacities is obtained.

In the event that a shipper has booked DZK at an exit point A of GRTgaz D and FZK at another exit point B of GRTgaz D and has allocated these capacities to the same balancing group, the shipper shall be entitled to notify GRTgaz D with at least four working days' notice using a form provided by GRTgaz D whether a reduction in accordance with the preceding paragraph is to take place at point A or at point B ("operational relocation of firm VTP access").

§ 8. Bundled booking points

1. The capacity products marketed in bundled form at the market area and border interconnection points of GRTGaz D are indicated on the primary capacity platform PRISMA Primary (PRISMA European Capacity Platform).
2. In the event that bundled capacities are marketed in accordance with Section 2 of Article 1 of the Standard Terms and Conditions, the auction surcharge shall be shared between the transmission system operators participating in the bundled booking point. GRTgaz D shall invoice the shipper that part of the auction surcharge which is attributable to the shipper. GRTgaz D shall be entitled to change the division of the auction surcharge in the future; any such changes shall be carried out in agreement with the other participating transmission system operator in each case.
3. Upon the conclusion of the contract for the primary capacity platform PRISMA Primary, a capacity contract shall be concluded both with GRTgaz D and with the neighbouring network operator in each case at the market area or border interconnection point.
4. In deviation from or in addition to Section 5 of Article 1 of the Standard Terms and Conditions, the following additional conditions shall apply to capacity products marketed in a bundled form at border interconnection point:
 - a. In deviation from Section 2 of Article 8 of the Standard Entry and Exit Contract, bundled nominations are currently not made for capacity marketed in bundled form. For transport, nominations shall therefore be made both to GRTgaz D and to the network operator in the neighbouring country..
 - b. In deviation from Section 2 of Article 8 of the Standard Entry and Exit Contract, retroactive bundling of transport contracts already concluded is currently not effected.
 - c. Section 2 of Article 16 of the Standard Terms and Conditions shall not apply.

§ 9. Reverse-flow nomination

1. The shipper shall be entitled to request GRTgaz D to permit the utilization of reverse-flow nomination at each entry point and/or each exit point if and to the extent that the shipper has concluded contracts for firm entry capacity and/or firm exit capacity at the entry point and/or exit point concerned with GRTgaz D and has allocated the entry

and/or exit points concerned to a balancing group in the market area of NetConnect Germany (NCG (“reverse-flow nomination right”).

2. The agreement concerning the reverse-flow nomination rights shall be concluded between GRTgaz D and the shipper by signing a form provided by GRTgaz D. The reverse-flow nomination form signed by the shipper shall be received by GRTgaz D no later than 4 working days before the proposed start date. In deviation from Article 40 of the Standard Terms and Conditions, the shipper shall not be entitled to assign any reverse-flow nomination right unless the reverse-flow nomination is submitted under the same balancing group contract as the nomination concerned in the main flow direction.
3. The reverse-flow nomination shall be submitted to GRTgaz D together with the nomination in the main flow direction for the entry point and/or exit point concerned. The provisions of Articles 12 and 13 of the Standard Terms and Conditions shall apply mutatis mutandis. The reverse-flow nomination shall not be larger than the nomination in the main flow direction for any hour of a gas day. If and to the extent that any reverse-flow nomination is larger than the nomination in the main flow direction of the person responsible for nominations for any hour of a gas day in contravention of the provisions of the preceding sentence, GRTgaz D shall be entitled to reduce said reverse-flow nomination to the amount of the corresponding nomination in the main direction of flow as in the case of a capacity overrun or to impose a penalty in accordance with Section 4 of Article 30 of the Standard Terms and Conditions. If and to the extent that the allocated gas quantities in the reverse-flow direction are larger than the allocated gas quantities in the main flow direction within any hour, the reverse-flow nomination shall be deemed to constitute an hourly overrun.
4. Without taking the reverse-flow nomination into consideration, the nomination in the main flow direction shall not be larger than the capacity booked for any hour of a gas day. In such cases, GRTgaz D shall also be entitled to deal with the amount by which the nomination in the main flow direction exceeds the capacity booked as a capacity overrun.
5. The shipper shall ensure that the balancing group manager concerned receives the above requests for the utilization of the reverse-flow nomination right.
6. Any shipper who has firmly booked 10% or more of the stated technical annual capacity of the booking point concerned shall comply with the following provisions. The balanced nomination shall not be lower than the lower renomination limit calculated on the basis of the initial nomination made for the physical gas flow. If a renomination of the reverse-flow nomination results in the balanced nomination being higher than the maximum renomination limit calculated for the initial nomination made on the basis of the physical gas flow, the amount by which the renomination exceeds said upper limit shall be dealt with in accordance with sentence 2 of Section 5 of Article 12 of the Standard Terms and Conditions.

§ 10. Invoicing and payment

1. GRTgaz D shall invoice the fees under the capacity contracts booked to the shipper in accordance with Section 1 of Article 25 of the Standard Terms and Conditions by the 20th calendar day of the invoicing month M-1 for the transport month M in each case. Each such invoice shall be paid to GRTgaz D with a fixed value date by the 14th calendar day after the date of the invoice. The amount of the preliminary invoice shall correspond to the status of bookings as at the date of the invoice.
2. Charges in accordance with Section 1 of Article 25 of the Standard Terms and Conditions which are not invoiced in the preliminary invoice shall be invoiced to the shipper by the fifth calendar day of the invoicing month following the transport month (ex-post invoicing). Each such invoice shall be paid to GRTgaz D with a fixed value date by the 14th calendar day after the date of the invoice.
3. Any adjustments as a result of special events such as the sale of return rights shall be covered by ex-post invoicing in accordance with Section 2 of this Article 10.
4. GRTgaz D shall invoice to the shipper the charges for capacity overruns in accordance with Section 4 of Article 30 of the Entry and Exit Contract. The amount of overrun charges shall be determined in accordance with the latest price list published by GRTgaz D in each case. Each such invoice shall be paid to GRTgaz D with a fixed value date within 30 calendar days after the date of the invoice.
5. Payments shall be deemed to have been made in good time, if the amounts concerned are credited to the account designated by GRTgaz D within the deadlines indicated. In the event that payments are not made in good time, GRTgaz D shall be entitled to claim interest without prejudice to any further claim. Interest shall be calculated in accordance with Article 247 of the German Civil Code at an annual rate of eight percentage points above the base rate published by Deutsche Bundesbank as of the first banking day of the invoicing month concerned.
6. The calculations made for the determination of specific charges or prices shall be made without rounding. The prices to be paid for each capacity booking shall be rounded to 2 decimal places in each case by normal commercial principles.

§ 11. Priority of the German version

The English translation of these Standard Terms and Conditions, which is also published on www.grtgaz-deutschland.de, is merely a convenience translation. The German version only is legally binding. In the event of deviations and/or contradictions between the German version and the English convenience translation, the German version shall always prevail.