



Annex 1 to the Standard Terms and Conditions

GRTgaz Deutschland GmbH

Valid as of May 2012

## **Convenience Translation**

### **Annex 1 to the Standard Terms and Conditions:**

#### **Supplementary Terms and Conditions of Business of GRTgaz Deutschland GmbH**

#### **with regard to the Entry and Exit Contract (Entry-Exit-System)**

##### **§ 1. Scope**

This Annex and its supplement contain supplementary, or specifying, provisions to the “General Terms and Conditions of Business with regard to the Entry and Exit Contract“ (entry/exit) (in the following referred to as Standard Terms and Conditions) and form an integral part of this 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 a completed and signed form with respect to the verification of credentials to 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 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 that of the technical capacity.

3. Dynamically freely allocable capacities (DZK)

DZK are freely allocable capacities comprising restrictions of use. DZK are firm capacities, provided they are exclusively used for the purpose of a balanced transport between the 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. 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 5 and 8.

4. Conditionally firm freely allocable capacity (bFZK)

bFZK are freely allocable capacities comprising restrictions of use. bFZK are firm capacities, provided they are exclusively used for the purpose of a balanced transport between the 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 on the condition that certain load flow and/or temperature conditions are fulfilled. The restriction of use and its utilization are specified in Articles 6 and 8.

**§ 4. Capacities subject to allocation restrictions (BZK)**

1. The following capacity allocation restrictions described in more detail below shall apply to the BZK in accordance with Section 1 of Article 9 lit. e) of the Standard Terms and Conditions. In principle, entry and exit capacities subject to allocation restrictions within the network of GRTgaz D can exclusively be linked to entry and exit capacities within the network of GRTgaz D unless any other provision applies.
2. BZK shall be deemed firm capacities, if the sum of entered capacities is equal to the sum of exited capacities within the allocated balancing group. .
3. Until further notice, GRTgaz D shall treat booked BZK the same as DZK. This means that the shipper shall be obligated to enter its BZK as DZK into regular balancing groups of NCG. DZK shall be deemed to be as firm as BZK with due regard to the capacity allocation restrictions.

## **§ 5. 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 – can be restricted, if, due to current nominations within the whole market area, the transport on the MEGAL system is impossible for network reasons.
4. In the event that the restriction of use of a portion of DZK pursuant to Section 3 of this Article 5 is utilized, the shipper shall neither be entitled to a claim for reimbursement against GRTgaz D in the event that DZK are not called up, nor to a claim for damages due to a possibly accrued payment for balancing energy.

## **§ 6. 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 can be restricted in the event that, due to current nominations within the whole market area, the physical gas flow from the stations Rimpfing and Gernsheim into the northern direction into the system of Open Grid Europe GmbH exceeds a particular limiting value, which is defined by Open Grid Europe GmbH, and the forecast for the previous day for the average daily temperature at the meteorological station Essen (Meteorological Service Essen) is above Zero degrees Centigrade. This condition shall only occur in the event that restrictions of use for entry capacities pursuant to Section 3 of Article 5 in context with Article 8 are utilized.
3. In the event of the utilization of the restriction of use of bFZK pursuant to Section 2 of this Article 6, the shipper shall neither be entitled to a claim for reimbursement against GRTgaz D in case the bFZK are not called up, nor to a claim for damages due to a possibly accrued payment for balancing energy.
4. Shippers having booked bFZK may send to GRTgaz D a binding request in order to convert their bFZK into freely allocable capacities (FZK) by means of load flow commitments. If, as a result, GRTgaz D contracted load flow commitments for a particular

period, and if these were 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 accruing difference in cost to GRTgaz D. In the event that it is not possible to obtain the complete amount of necessary load flow commitments at the market, FZK shall be distributed proportionally to the requested conversion amount.

### **§ 7. Reverse flow capacity**

1. GRTgaz D offers reverse flow capacity at the point Medelsheim from the system of GRTgaz (F) in direction of the network of GRTgaz D, and at the point Waidhaus from the network of GRTgaz D in direction of the system of Net4gas (CZ).
2. Reverse flow capacity can be reduced or interrupted, if the physical gas flow at the concerned point is smaller than the booked reverse flow capacity. In the event that the restriction of use of DZK pursuant to Section 3 of Article 5, or bFZK pursuant to Section 2 of Article 6 is utilized, reverse flow entry capacities shall be treated the same as interruptible capacities, irrespectively of the physical gas flow.

### **§ 8. 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 prorated basis.
2. In the event that GRTgaz D has to reduce transport at entry points and/or exit points, without that an excess of contracted capacity at the concerned points within the balancing groups are present, 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 reduction of DZK and bFZK pursuant to Section 4 of this Article 8 shall, if possible, occur only 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, because an actual load flow into the main flow direction, which is too low, does not allow the transport of reverse flow capacity, such reduction of the capacity contracts on reverse flow capacity shall occur at the affected entry point or exit point, 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 5 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 present at GRTgaz D differs from the

sum of exit nominations present at 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 8, before the provisions of this Section 4 of this Article 8 become applicable.

- a. In the event that the reduction is carried out, because due to supply shortfalls in the downstream network it is not possible to take on sufficient gas from MEGAL, GRTgaz D shall allocate the difference between the sum of entered capacities and the sum of exited capacities pursuant to Section 2 of Article 5 ("hourly delta") to the entered types of entry capacity into the balancing group of the shipper according to the following pattern:

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 non-reducible nomination. The remaining quantity shall be allocated in the order of bFZK, DZK as reducible nomination into the entered entry capacities. 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 before:

- 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 obtained load flow commitments for the purpose of guaranteeing bFZK, there is still a need for reduction, and the conditions pursuant to Section 2 of Article 6 are present, 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.
- b. In the event that the reduction is carried out, because due to shortages in the upstream network it is not possible to transport sufficient gas to the MEGAL, the difference between the sum of exited quantities and the sum of entered quantities pursuant to Section 2 of Article 5 ("hourly delta"\*) shall be allocated by GRTgaz D to the entered exit capacity types within the balancing group of the shipper according to the following pattern.
- In the event that the hourly delta\* is smaller 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 non-reducible nomination. The remaining quantity shall be allocated to the DZK as 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 before. 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 exited capacities is obtained.

## **§ 9. Bundled booking points**

1. In the event that a shipper who has concluded exit contracts and entry contracts corresponding to said exit contracts requests the change of its contracts pursuant to Sentence 3 Section 2 of Article 8 of the Standard Terms and Conditions at the point Gernsheim into contracts on bundled capacity, the following shall apply: In the event that at least one of the entry and exit contracts to be changed concerns unbundled interruptible capacity, those contracts shall be changed into entry and exit contracts on bundled interruptible capacity in total. In this event, in order to determine the temporal order of the interruption pursuant to Section 4 of Article 29 of the Standard Terms and Conditions, the contract date of the entry or exit contract on unbundled interruptible capacity to be changed signed last shall be applicable. All other points shall be excluded from bundling pursuant to Section 5 of Article 1 of the Standard Terms and Conditions until further notice.
2. In the event of marketing of bundled capacities according to Section 2 of Article 1 of the Standard Terms and Conditions, the auction surcharge or the total price for day ahead capacities shall be shared between the transmission system operators participating in the bundled booking point. GRTgaz D shall invoice the shipper his part of the auction surcharge or of the total price of day ahead capacities incurring to it. GRTgaz D shall be entitled to change the division of the auction surcharge or of the total price of day ahead capacities in the future; such a change shall be carried out in agreement with the other participating transmission system operator.

## **§ 10. Security deposit**

In addition to the provisions of Article 36 of the Standard Terms and Conditions, there is reason for concern that the shipper is unable to fulfil the obligations from this contract, particularly in the event that the shipper is not in the position to produce a long-term rating of at least A- as rated by Standard & Poors, of A3 as rated by Moody's, or

of less than 200 as rated by Creditreform. The preceding sentence shall not be applicable, if the total contracted capacity (in sum or per individual contract) does not exceed 12.000,000 kWh/h per year.

### **§ 11. Invoicing and payment**

1. In the event that contracts have a term of one month or more, GRTgaz D shall invoice the shipper on a monthly basis the fees for capacity pro rata temporis at the start of each calendar month, at the latest by the fifteenth (15th) calendar day for the following accounting month. The invoice amounts including value-added tax shall be remitted net cash without discount to the specified GRTgaz D account no later than the third (3rd) working day of the accounting month.
2. In the event that entry or exit contracts have a maximum term of one month, or which are concluded after the 15th calendar day of a month, GRTgaz D shall invoice the shipper at latest four (4) working days after the end of the following month. The shipper shall remit payment for the invoiced amounts including VAT within ten working days after receipt of the invoice to the bank account of GRTgaz D stated on the invoice.
3. Payments are deemed to be made in time, if the amounts concerned are credited to the account indicated by GRTgaz D within the deadlines indicated.
4. In the event that payments are not made in time, GRTgaz D shall be entitled to claim interest without prejudice to any further claim. Interest shall be calculated pursuant to Section 247 BGB on the basis of an annual rate of 8 % points plus the base rate in the amount published by the Central Bank of Germany on the first bank day of the accounting month.
5. Unless there are manifest errors, objections to the invoices shall not entitle the shipper to delay, reduce or withhold payment. Such objections, if justified, shall confer a claim to refund only.
6. In the event that the shipper does not remit amounts invoiced and due after a reminder with a reasonable grace period, GRTgaz shall be entitled to stop the transports. The shipper shall continue to be obligated to pay the fee until the end of the term of the contract, as a maximum, however, for three months.

### **§ 12. Priority of the German version**

The English translation of these Standard Terms and Conditions, which is also published on [www.grtgaz-deutschland.de](http://www.grtgaz-deutschland.de), is merely a convenience translation. The German version only is legally binding. This means, in particular, that in the event of inconsistencies and/or contradictions between the German version and the English convenience translation, the German version shall always prevail.

## Supplement 1: Price List of GRTgaz Deutschland GmbH

Valid for transports as of 1<sup>st</sup> January 2012

### A. Capacity regulated fees

Regulated fees €/kWh/h		Annual fees	Daily fees	
			Summer	Winter
Free allocable capacities (FZK)*	Entry	1,64	0,003584699454	0,005377049180
	Exit	2,04	0,004459016393	0,006688524590
Conditionally firm freely allocable capacities (bFZK)*	Entry	1,56	0,003409836066	0,005114754098
	Exit	1,94	0,004240437158	0,006360655738
Dynamically allocable capacities (DZK)*	Entry	1,31	0,002863387978	0,004295081967
	Exit	1,63	0,003562841530	0,005344262295
Interruptible capacities (uFZK)*	Entry	1,07	0,002338797814	0,003508196721
	Exit	1,33	0,002907103825	0,004360655738
Reverse flow capacities *	Entry	0,82	0,001792349727	0,002688524590
	Exit	0,66	0,001442622951	0,002163934426
<b>Accounting fee</b>		0,002	0,000004371585	0,000006557377
<b>Measuring fee</b>		0,018	0,000039344262	0,000059016393
<b>Biogas levy**</b>		0,17	0,000371584699	0,000557377049

\* GRTgaz Deutschland has appealed against the tariff notice decided by the BNetzA in acc. with § 23a Abs. 1 EnWG at the OLG Düsseldorf.

\*\*The biogas levy shall be charged additionally for all exit points of GRTgaz Deutschland pursuant to §7 KOV IV (main part), which are not border points, market area connection points or storage entry points.

### B. Winter and summer months

The sum of charges for all winter months of a year, which are January, February, March and October, November, December (in the following referred to as “winter semester”), corresponds to 60 % of the annual service fee; the sum of charges for all summer months of one year, which are April, May, June, July, August and September, corresponds to 40 % of the annual service fee. This applies accordingly to every day of the respective month.

The invoicing of the annual contracts is carried out with to-the-day accuracy and with to-the-month accuracy.

**C. Capacity overrun**

Hourly capacity overruns or the use of capacity not booked according to Article 30 of the Standard Terms and Conditions respectively, shall establish a claim for capacity overrun fee by GRTgaz Deutschland. The fee for an hourly overrun shall be 4 times of the daily tariff applicable at the day and the point where the overrun occurred.

**D. Dues**

The tariffs stated above are net of charges. Dues such as value added tax shall be paid by the shipper in addition.

**E. Billing calculation**

The billing period is always one month.

Capacity fees for capacity contracts are based on the sum of the effective daily fees according to the daily tariffs (see tariffs table under A.) multiplied by the respective booked capacity for all days in the billing period.

**F. Rounding Rule**

Capacity invoices shall be rounded in accordance with the business practice with a precision of two decimal points. If the third place after the decimal point is 5 or more, it is rounded up, if it is less than 4, then it is rounded down.

For contracts period longer than one month the rounding rule occurs at the end of the respective month.