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Baar, 28.11.2008

Dear sirs,

Public Consultation on draft NNGS Operation Code

We are writing in regard to the public consultation process on the draft NNGS Operation Code ("**Code**").

Trans Adriatic Pipeline AG is a project development company engaged in the development of the TAP Pipeline Project. This will include the construction and ownership of an interconnector for the transport of natural gas from Greece through Albania to Italy.

As an initial point, we would like to thank you for the opportunity to participate in the consultation process. As an intended future participant in the gas transportation industry we are of course very interested in all aspects of Greek gas regulation and we welcome any opportunity to give our support to the gas industry.

Set out below in this letter are our general comments on the contents of the Code. Also attached is our English translation – which we believe is accurate – of certain sections of the Code with our further comments italicised and highlighted in yellow.

General comments

The Code appears to be based on the National Gas System as it presently exists and in this sense is, in our opinion lacking in flexibility in particular by not enhancing competition. For example, it can be inferred from the application of the "First Come First Served" principle that there is a need to allocate network capacity today without necessarily considering the potential for the network's enhancement. The EU Gas Directive (and accompanying Good Practice Codes and Guidelines) requires Transmission System Operators to increase capacity if shippers are willing to pay for this capacity. If this requirement is applied, the First Come First Served allocation scheme as laid out in the Code would become obsolete.

The Code also places structural limitations on the ability for gas trading to occur within the national network, particularly with respect to the set of provisions which regulate issues necessary for the development of a

secondary market and a natural gas hub. A secondary market and a hub are two elements of market development required by the EU as necessary conditions for the efficient use of a gas system. This is confirmed by the Commission's Sector Inquiry Report and by the Third Internal Gas Market Liberalization Package, the adoption of which is imminent. Although the Code can of course be amended at a later time, we consider that this approach will be detrimental to the Greek and regional gas market.

The Code and the Annexes refer to a number of other documents, including the NNGS Operations Procedures Manual, the NNGS Access Charges and Invoices document, the NNGS Operation Features manual, and one or two other documents. We have not been given the opportunity to review these documents and note that they are likely to contain issues which have a bearing on our comments.

First Come First Served principle

Several sections of the Code are based upon the First Come First Served principle. This principle, as laid out in the Code, is inconsistent with the general EU regulatory preference for market based mechanisms such as auctions and therefore should not be applied as the principal capacity allocation or congestion management mechanism.

In a competitive and fully functioning gas market, capacity is allocated in a transparent, objective and non discriminatory manner. This means that a capacity allocation mechanism shall be designed as to reflect existing needs and support new business. In particular a firm allocation of capacity should only arise upon the signing of a firm ship or pay contract.

Similarly the development of network capacity should take place with the intention to accommodate all existing or future demand for such capacity. Planning new capacity should be done when the need arises within a reasonable timeframe and in a manner that enhances competition.

If the First Come First Served principle is applied, it can cause the strategic behaviour of a shipper exclusively reserving new capacity long before it has a substantiated transportation requirement. In particular, allocations for capacity with corresponding financial commitments should be based on clear and transparent deadlines so the First Come First Served rule – if applied - should commence only when the relevant Connection Agreement has been signed.

Application of Code to exempted INGS

To put in place a major piece of infrastructure, an investor will require a Third Party Access ("TPA") exemption for a certain period in order to recover its costs. Where such exemption is granted to infrastructure connected to the national network the application of the relevant articles of the Code for this infrastructure should reflect the TPA exemption circumstances. The Code does not contemplate this.

Creation of new Exit Points

The process for creation of a New Exit Point upon application by a shipper could be improved.

First, the Operator's discretion to reject an application for new capacity is very wide and is not consistent with Art 21 of the Gas Directive which only permits refusal for public service purposes or where there is a lack of capacity and financial, technical or economic inability of the operator to cope with such request. How-

ever, if an applicant is willing to pay for the enhancement, the member State must ensure that the necessary enhancements are made. By contrast, the Code permits the Operator to refuse an application where the capacity at the Entry Point is not sufficient and the Operator considers it inadvisable to upgrade it, or where the applicant cannot substantiate upstream and downstream capacity. The Operator should not be able to refuse an enhancement on any grounds if the applicant undertakes to pay.

Second, the timing of the process and the informational requirements are not consistent. In the Code, an application may be refused if the applicant has not provided adequate substantiation of upstream and downstream capacity. However, this evidence, along with evidence of gas supply arrangements, must again be provided at a later stage when the applicant applies for a Connection Agreement. At this latter time, the requirement to provide only formal notification of gas supply arrangements is reasonable. At the first time such notification is not reasonable. Provided the applicant agrees to bear all the costs of the enhancement, we do not think it is logical for the applicant to have to provide evidence of upstream and downstream transmission capacity at any stage.

Preliminary Contracts

We recommend to allow for firm, agreed deadlines with respect to the Preliminary Capacity Reservation Agreement procedure. Importantly, such deadlines should be project specific as the nature of projects may vary significantly. Clear deadlines provide parties with the predictability to plan the construction of the infrastructure necessary to use capacity that has been pre-booked via the Preliminary Agreement.

Clear deadlines are particularly important when the proposed new infrastructure is expected to exceed 50 million Euros. In this case, without deadlines, the planning uncertainty will increase significantly and furthermore, the proposed Article 12 procedure of the Code could add several years to the process.

Domestic market preference

The Code gives priority to the Greek domestic gas market. If congestion results from a Users' request to sign a Transmission Agreement, the Code states that the Operator shall give priority on the basis of Greek market considerations. This is inconsistent with the Gas Directive which does not distinguish between use of transmission capacity for transit and supply of the country's market except where the objectives are in conformity with Article 3 of the Gas Directive.

Operator's discretion

The Code grants to the Operator some quite wide discretions, which might be acceptable if there were clear rights for affected persons to appeal Operator decisions to RAE and to obtain a ruling in a specified period of time, as required by the Gas Directive. It would be preferable for many of the decisions in question to be taken by RAE itself. However, there are few appeal rights specified in the Code and we think this could cause potentials for the Operator to be placed in a conflict of interest.

Gas Specifications

As the Greek network is interconnected with the Turkish network and will be interconnected with other European networks, we suggest that the gas specification should be consistent with the requirements of those interconnected networks. In regard to European networks the specifications should be consistent with the

common business practice specifications of the European Association for Streamlining of Energy Exchange (EASEE-gas).

We note in particular that the dew point and sulphur specifications as specified in the Code are unusually high compared to EASEE-gas standards.

Secondary market and natural gas trading hub

According to EU requirements including the changes contemplated by the Third Internal Gas Market Liberalization Package, the Code should maximise the opportunity for the development of a secondary market for gas and capacity and for the creation of a natural gas trading hub. However, the Code describes a national network as one that retains many features typical of a point to point system. Examples are consequences of the impossibility of booking entry and exit capacity separately and the application of the "capacity goes with customer" anti-congestion principle.

A further example is that the Code states that the Operator takes title to gas when it enters the system, and then retransfers title to the User at the exit point. This makes it legally impossible for a User to trade gas within the network and also may hinder development of a secondary market.

We would appreciate an ongoing communication with RAE and DESFA regarding the development of the Code as it contains a number of very complex issues that have the potential to have a significant impact on our business. Please regard the above as our key findings to date and we may choose to revert with further detailed comments when the full suite of documents referred to or incorporated in the Code become available.

If you require any further information from us, please contact Karl Petter Wærn at karlpetter.waern@trans-adriatic-pipeline.com

Yours sincerely

Robert Klein
Project Director

Karl Petter Wærn
Commercial Director

ATTACHMENT TO LETTER DATED 28 NOVEMBER 2008 FROM TRANS ADRIATIC PIPELINE AG

NATIONAL NATURAL GAS SYSTEM OPERATION CODE IN DRAFT FORM

CONTENTS

DEFINITIONS

DEFINITIONS
Of the Draft NNGS Operation Code

General Comments:
the definition section could be shortened and made more readable by moving definitions used only in a single chapter into that chapter. We suggest that EU Directive/Regulation definitions are used where possible. Eg definition of "Customer"

The terms used in the present NNGS Operation Code have the meanings set out below:

Notice of Arrival: See Announcement of Arrival at Anchorage.

Notice of Readiness to Discharge: Declaration for Injection Readiness

Pilot Station: The point, pre-determined by the Operator, in the marine zone of the LNG facility, at which the User submits a Notice of Arrival at Anchorage upon arrival of an LNG vessel.

Ship or Pay: Payment net of transportation.

Agia Triada: The Point of Entry to the Transmission System, via which gasified LNG is delivered from the LNG facility.

Natural Gas Distribution License: The license provided under article 22, Law 3428.

Natural Gas Supply License: The license provided under article 24, Law 3428.

Non-Compliant Gas: Natural Gas that is not compatible with the Natural Gas Quality Specifications that apply, as provided under Annex C, "Natural Gas and LNG Quality Specifications" of the NNGS Operation Code.

Balancing Gas: The quantity of Natural Gas imported into the NNGTS or received by NNGTS in the context of a Balancing Action effected by the Operator with the intention of balancing deliveries/receipts of Natural Gas to/from the National Transmission System and ensuring the safe, smooth and productive operation of such system.

Application for Readjustment of the LNG Disburdenment Time: The application submitted by the LNG User whose LNG vessel is arriving or expected to arrive at the

LNG facility after the end of the scheduled (according to the Monthly LNG Load Disburdenment Schedule) LNG Disburdenment Time, so as to determine a new Disburdenment Time for the respective LNG Load.

LNG Main Services Application: The application submitted to the Operator by interested parties as set out in form B1 of the Annex to the Operation Code, for concluding an LNG Facility Use Agreement.

Application for Certification of LNG Vessel: The application submitted by the LNG User or potential LNG User to the Operator for each vessel it intends to use for LNG Disburdenment at an LNG Facility which is not included in the list of certified LNG vessels, publicized by the Operator, regardless of his intention to conclude an LNG Facility Use Agreement with the Operator.

Announcement of Arrival at Anchorage: The notice submitted to the Operator by the LNG User the moment at which the LNG vessel of such User has reached the Pilot Station and the LNG User has made all arrangements with the Coast Guard authorities.

Revised Daily Declaration: The Daily Declaration that may be submitted by a Transmission User after the Application Deadline has elapsed. The submission of a Revised Daily Declaration is allowed only when the Transmission User, because of a Force Majeure event affecting it, is unable to deliver or take delivery of the stated quantities of Natural Gas, or in cases when Non-Compliant Gas is received.

Upstream Transmission System: The Transmission System interconnected to the input of the NNGTS Entry Point.

Independent Natural Gas System (INGS): A Natural Gas System that is not included in the National Natural Gas System (NNGS), irrespective of interconnections with such system.

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Upper Limit of the Reserved LNG Gasification Capacity Assignment: It is equal to the Transmission Capacity Charge calculated each time for the Reserved LNG Gasification Capacity to be assigned, as per the LNG Invoice in force.

Force Majeure: As described by case in the Model Transmission Agreement and the "Model LNG Facility Use Agreement" respectively.

Gross Calorific Value (GCV): The quantity of heat produced by full stoichiometric combustion through gas of one (1) regular cubic metre of Natural Gas at a stable and absolute pressure of 1.01325bar, when the initial temperature of the fuel mix and the

final temperature of the products of the combustion is considered to be zero (0) degrees Celsius and the water produced upon combustion is found concentrated in the liquid state. A regular cubic metre is considered the quantity of natural gas mass that under conditions of absolute pressure of 1.01325bar and temperature at zero (0) degrees Celsius occupies volume equal to one (1) cubic metre.

Direct Lines: Natural gas pipelines, complementing the NNGS or other INGS, which are constructed by Natural Gas Undertakings for supplying their Eligible Customers or by the Eligible Customers for their supply from Natural Gas Undertakings, when such customers are not included in the NNGS or another INGS. The Direct Lines constitute an INGS and may be supplied from the NNGS or the Natural Gas System of another country.

Disengagement: Disengagement on the part of the Operator of the unused Reserved Transmission Capacity or Transmission User Gasification Capacity or LNG User respectively.

Compensation for the Cancellation of Scheduled Load Disburdenment: The compensation owed by the LNG User to the Operator in the event of cancellation of a scheduled load disburdenment after notification of the Final Monthly Disburdenment Schedule for the month in which the above disburdenment was scheduled.

Compensation of Disrupting Customers: The compensation owed by the Operator to Disrupted Customers if its asks them to reduce or suspend taking delivery of Natural Gas in the context of applying Emergency Measures.

Obligatory Gasification Quantity Compensation: The product of the Obligatory Gasification Quantity Compensation per Unit multiplied by the part of the Obligatory Gasification Quantity allocated to Transmission Users who are not served by the LNG User on behalf of whom the Obligatory Gasification was effected. It is paid to the LNG User on behalf of whom the Obligatory Gasification was effected.

Rejected LNG Transaction: A rejection by the Operator of the LNG transaction between LNG Users, which is provided for only if the LNG quantities constituting the object of the transaction exceed the expected Daily LNG Reserve of the LNG User conducting the sale.

LNG Vessel's Disconnection: Disconnection of grounding, telecommunications, jibs and emergency LNG vessel - LNG facility emergency signals.

LNG Facility Loss: The balance between the total LNG Loads injected into the LNG Facility (EPYp, as per its Greek initials) during a period "p" and the Quantities that

were gasified and injected into the Transmission System from the LNG Facility (APYp, as per its Greek initials) during the same period, as measured at the NNGTS LNG Entry Point, augmented by the difference between the Quantities of Natural Gas stored at the LNG Facility (FaSt) at the beginning and the end of such period.

NNGTS Loss: The difference between the sum of measured Quantities of Natural Gas that have been discharged in all of NNGTS's Entry Points (EPMp, as per its Greek initials) during a period "p" and the quantities that have been measured as received by all NNGTS Exit Points, augmented by the difference between the Quantities of Natural Gas stored in NNGTS pipelines (PiSt) at the beginning and the end of such period.

INGS Operator's Competences: The procedure of determining the quantities of Natural Gas that were delivered to or received from Entry or Exit Points respectively by a Transmission User on each Day of the Month immediately preceding its issuance (of the initial allocation). The results of the procedure are notified in writing by the Operator to each Transmission User by 16:00 of the 5th Day of each Month.

Initial Dispatch: The process of determining Natural Gas quantities that have been delivered to at an entry Point or have been received at an Exit Point by the Transmission User, for each Day of Month preceding the Month of its issuance (Initial Dispatch). The results of the Initial Dispatch are notified in writing by the Operator to each Transmission User till the sixteenth hour (16:00) of the fifth (5th) Day of each Month.

Initial Disburdenment Period: The period of four (4) Days taken into account upon drawing-up the Annual Schedule of disburdenments and including the Disburdenment Time.

Initial Annual LNG Disburdenment Schedule: The LNG Load Disburdenment schedule at the LNG Facility for one Year; it is drawn-up by the Operator ten (10) weeks, at the latest, before the commencement of the Year it concerns.

Initial Monthly LNG Disburdenment Schedule: The LNG Load Disburdenment schedule at the LNG Facility for one Month, which is drawn-up by the Operator fifteen (15) days, at the latest, before the commencement of the Month it concerns. It includes the Disburdenment Times available for reservation in the three Months immediately succeeding the Month in which it was issued.

Deep Connection: The works, excepting Shallow Connections, required for reinforcing the NNGS because of the connection, and for the safe and productive provision of Transmission services by the Operator.

Main Natural Gas Activities: The provision of Natural Gas Transmission, LNG Facility, and Natural Gas Storage Facility services.

Basic Transmission Service: The off-take by the Operator of Natural Gas quantities from an NNGTS Entry Point or Points, the transmission of such quantities via the NNGTS, and their delivery to NNGTS Exit Points.

Basic LNG Service: The LNG Disburdenment at the LNG Facility, the granting of storage room at the LNG Facility to the LNG User for the temporary storage of the LNG Load(s), and then its (their) discharge into the Transmission System via the LNG Entry Point, and the conduct of all required Measurements and all actions required for the effective, safe and economically productive operation of the LNG Facility.

Reserved LNG Gasification Capacity: The maximum quantity of LNG which according to Annex B2 of the LNG User LNG Facility Use Agreement, the Operator undertakes to be able to gasify during the course of one Day on behalf of the above User (MWh/Day).

Reserved Transmission Capacity at an Entry Point: The maximum Quantity of Natural Gas which according to Annex A2 of the Transmission User Transmission Agreement, the Operator undertakes to receive from such User at an Entry Point during the course of one Day (MWh/Day).

Reserved Transmission Capacity at an Exit Point: The maximum Quantity of Natural Gas which according to Annex A2 of the Transmission User Transmission Agreement, the Operator undertakes to be able to deliver to such User at an Exit Point during the course of one Day (MWh/Day).

Reserved Delivery Transmission Capacity: The maximum Quantity of Natural Gas which according to Annex A2 of the Transmission User Transmission Agreement, the Operator undertakes to be able to receive from such User at an Entry Point during the course of one Day (MWh/Day).

Reserved Off-Take Transmission Capacity: The maximum Quantity of Natural Gas which according to Annex A2 of the Transmission User Transmission Agreement, the Operator undertakes to be able to deliver to such User at an Exit Point during the course of one Day (MWh/Day).

Reserved Transmission Capacity at an Entry Point: The maximum Quantity of Natural Gas which according to Annex A2 of the Transmission User Transmission

Agreement, the Operator undertakes to be able to receive from such User at an Entry Point during the course of one Day (MWh/Day).

Reserved Transmission Capacity at an Exit Point: The maximum Quantity of Natural Gas which according to Annex A2 of the Transmission User Transmission Agreement, the Operator undertakes to be able to deliver to such User at an Exit Point during the course of one Day (MWh/Day).

Nominated Transit: The transmission of a Quantity of Natural Gas, which is not produced, stored or consumed in Greece, via the NNGS or an INGS.

Declaration: The declaration submitted by the Transmission User to the Operator concerning the Quantities of Natural Gas which such Transmission User aims to deliver at an Entry Point or Points and receive at NNGTS Exit Points, during the course of one Day, in accordance with the Transmission Agreement it has entered into.

Annual LNG Disburdenment Scheduling Declaration: The declaration of the LNG User's LNG load disburdenment schedule during one Year, which such User must submit to the Operator twelve (12) weeks, at the latest, before the commencement of the Year it concerns.

Declaration for Injection Readiness: The declaration co-signed by the LNG User and the Operator after the safe mooring and Connection of such LNG User's LNG vessel.

Monthly LNG Disburdenment Scheduling Declaration: The declaration of the LNG User's LNG load disburdenment schedule, which such User must submit to the Operator twenty eight (28) days, at the latest, before the commencement of the Month it concerns.

Available Gasification Capacity of LNG Facility: The difference between the LNG Facility's Gasification Capacity and the sum of total Reserved LNG Gasification Capacities of LNG Users and the Gasification Capacity reserved by the Operator for serving its operating requirements, and especially the need to balance the Load of the Transmission System.

Available Storage Room at LNG Facility: The storage room at the LNG Facility which are made available to LNG Users in the context of providing the Basic LNG Service or as Additional Temporary Storage Room. It is calculated as being the difference between the Total Storage Room of the LNG Facility and the part thereof that:

(a) Cannot be used for technical reasons.
(b) Is reserved by the Operator for serving its operating requirements, and especially the need to balance the Load of the Transmission System and maintain an LNG reserve for reasons of supply security.

Disrupting Customer: The Major Customer who has concluded a Voluntary Disruption Agreement.

Natural Gas Distribution: The conveyance of Natural Gas via pipelines, excluding pressure pipelines of a higher level than 19 barg, with the aim of feeding Customers, not including the Supply.

Congestion Management: The actions undertaken by the Operator as provided under article 1.13 of the NNGS Operation Code, when dealing with incidents of congestion.

Operator: The Operator of the National Natural Gas System ([Greek initials =] "DESFA").

National Natural Gas System Operator S.A. (NNGS Operator) (DESFA S.A.): The holder of the NNGS Ownership and Operation License.

Hellenic Transmission System Operator (HTSO) (DESMIE S.A.): The Societe Anonyme incorporated by virtue of Presidential Decree 328/12-12-2000, with the purpose of operating, exploiting, ensuring the maintenance and promoting the development of the Electric Energy Transmission System, in the sense of article 2, Law 2773/1999, throughout the country, and of interconnecting with other networks towards ensuring the supply of the country with electric energy adequately, safely, and in an economically productive and reliable manner.

Distribution Network: The pipelines, decompression and measurement facilities, and the control and maintenance equipment and facilities intended for Distribution or required for conveying the Natural Gas from the Transmission System to consumers' facilities. The Distribution Networks have a pressure of 19 bar and are supplied from one or more NNGTS Exit Points.

Gasification Capacity of LNG Facility: The maximum quantity of LNG that can be gasified during one Day at the LNG Facility (MWh/Day).

LNG Vessel's Injection Capacity: The maximum quantity of LNG that can be disburdened per hour from an LNG vessel to the LNG Facility (MWh/h). Depends on the technical specifications of the LNG vessel.

LNG Facility Disburdenment Capacity: The maximum quantity of LNG that can be disburdened per hour from an LNG vessel to the LNG Facility (MWh/h). Depends on the technical specifications of the LNG Facility.

Transmission Capacity: The maximum Quantity of Natural Gas which the Operator is bound to be able to transmit on a Daily basis on behalf of a Transmission User to all declared Exit Points of such Transmission User, in accordance with the Transmission Agreement it has concluded (MWh/Day).

NNGTS: The National Natural Gas Transmission System.

Week: A period of 7 consecutive days commencing each Saturday at 8:00 a.m. and ending on Saturday next at 8:00 a.m.

Weekly Declaration: The declaration that must be submitted to the Operator by every Transmission User who intends during one or more Days of a Week to deliver Natural Gas at an Entry Point for injection into the NNGTS and to take-off Natural Gas from an Exit Point for absorption, stating the Quantity of Natural Gas that it will deliver and take-off during each Day of that Week.

Storage Facility: A facility used for storing Natural Gas. Parts of LNG Facilities used for storage are also considered Storage Facilities, excluding parts thereof used for temporary storage, re-gasification of LNG, and LNG injection into a Natural Gas Transmission System (NTGS). Not included are the facilities used by the Natural Gas System Operator exclusively for fulfilling its duties.

Off-Take Facility: User or Third-Party Natural Gas facilities.

LNG Facility: The Liquefied Natural Gas Station installed on the Isle of Revythousa in Megara Bay, which is used for importing, disburdening and gasifying LNG, including auxiliary services and temporary storage, as required for the LNG's re-gasification and discharge into a Transmission System. Not included are those parts of the Facility that are used exclusively for storage.

Accepted Declaration: The Transmission User's declaration concerning a specific Day which has been approved by the Operator. If the User does not submit a Daily Declaration or if its the Daily Declaration is rejected by the Operator, an Accepted Declaration shall be considered the Transmission User's Weekly Declaration, as approved or modified by the Operator, concerning that Day.

Approved LNG Facility Loss Factor: The Loss Factor of the LNG Facility, as published by the Operator and approved by ERA.

Approved Loss Factor: The Loss Factor of the LNG Facility, as published by the Operator and approved by ERA.

Approved Transmission Loss Factor: The Loss Factor of the NNGTS, as published by the Operator and approved by ERA.

LNG Injection: The delivery of liquefied Natural Gas to the Operator at the LNG Delivery Point.

National Natural Gas System (NNGS): The Natural Gas System defined in accordance with the provisions of article 6, Law 3428/2005.

Assignee (User): Each User acquiring Reserved Transmission Capacity (Transmission User) or Reserved Gasification Capacity (LNG User) in the context of the Reserved Transmission Capacity Assignment or the Reserved Gasification Capacity respectively.

Voluntary Disruption: The suspension by the Operator of Natural Gas provision to a Major Customer who has signed a Voluntary Disruption Agreement with the Operator.

Case of Emergency (Force Majeure): Each event or circumstance that places or can place at risk the NNGS's safety or the distribution of Natural Gas via the NNGS, or that causes or can cause risk to the life and property of any person, and impedes the Operator from fulfilling its obligations as against a User or Users.

Comment: including "Force Majeure" in the definition is misleading because an Emergency in Art 12 could include an event that is not Force Majeure, ie not beyond the parties' control. It also duplicates the second definition of "case of emergency" highlighted in yellow below.

Out of Schedule Maintenance: The works decided and performed according to the Operator's reasonable judgement, whenever there are reasons rendering such works necessary.

Disburdenment: The procedure applied and the actions that occur upon Connection with the LNG Facility, the LNG Injection, and the Disconnection of an LNG vessel.

Assignment of Reserved Gasification Capacity: The assignment of all or part of the Gasification Capacity reserved by the LNG User (in accordance with the LNG Facility Use Agreement it has concluded) to another LNG User (User Assignee).

Assignment of Reserved Transmission Capacity: The assignment of all or part of the Reserved Transmission Capacity reserved by the Transmission User (in accordance with the Transmission Agreement it has entered into) to another Transmission User (User Assignee).

Assignor User: Any User that wishes to assign Reserved Transmission Capacity (Transmission User) or Reserved Gasification Capacity (LNG User).

Minimum Gasification Capacity of LNG Load: The minimum required daily rate of gasifying an LNG Load so as to complete its gasification at the end of the Temporary Storage Period for such load.

Minimum Gasification Capacity of LNG User: The sum of the Minimum Gasification Capacities of LNG Loads for which the respective Temporary Storage Period has not expired.

Minimum Entry Pressure: The minimum pressure of Natural Gas at the entry of an NNGTS Metering Station corresponding to an Entry Point, as determined in the "NNGS Operation Manual".

Minimum Exit Pressure: The minimum pressure of Natural Gas at the exit of an NNGTS Measurement Station corresponding to an Exit Point, as determined in the "NNGS Operation Manual".

Minimum Delivery Pressure: The minimum pressure of Natural Gas at the entry of an NNGTS Metering Station corresponding to an Entry Point, as determined in the "NNGS Operation Manual".

Minimum Off-Take Pressure: The minimum pressure of Natural Gas at the exit of an NNGTS Metering Station corresponding to an Exit Point, as determined in the "NNGS Operation Manual".

Minimum Hourly Supply: The minimum Quantity of Natural Gas that can pass through an Entry or an Exit Point during one hour. The value of the Minimum Hourly Entry (or Exit) Point Supply is determined in the "NNGS Operation Manual".

Minimum Daily LNG Gasification Rate: The minimum quantity of LNG that can be gasified during one Day by the LNG Facility when such Facility is operating full-time.

Indicative Dispatch: The procedure for assessing the quantities of Natural Gas that were delivered to or received from an Entry or an Exit Point respectively by a Transmission User during one Day. The Operator notifies it to each Transmission User by 16:00 a.m. of the Day immediately succeeding the Day which the Indicative Dispatch concerns.

Operation Flow Command: The command give by the Operator to Users during or ahead of a Limited Transmission Capacity Day of the NNGS, or during or ahead of an Emergency situation, aimed at preventing or dealing with such events.

LNG Basic Services Acceptance Form: Form B2, Annex B, as attached to the NNGS Operation Code.

Load Balance: The actions undertaken by the Operator in the context of its responsibility to ensure in every case a balance between Natural Gas deliveries and off-takes to and from the NNGTS, and the safe, smooth and productive operation of the NNGTS.

Metering Equipment: The instruments used by the Operator for metering and analysis in order to determine the quantity and analyse the quality of Natural Gas or LNG delivered to or received by the NNGS.

Eligible Customer: A customer entitled to select the Modality of Natural Gas supply.

Natural Gas Undertaking: An individual or a legal entity that exercises at least one of the following activities re: Natural Gas: Production, Transmission, Supply, LNG Facility or Natural Gas Storage Facility.

Gas Supply Undertakings: The companies incorporated in accordance with the provisions of para. 6, article 4, Law 2364/1995 (Govt. Gazette 252 A').

Annual Balance Invoice Settlement: The procedure of balancing the Balance Account kept by the Operator at the end of each Year. The balancing of the Balance Account is attained by means of additional payment or charge to Transmission Users, proportionally to the Quantity of Natural Gas that each User transmitted via the NNGTS during the course of one the Year.

Annual Maintenance Schedule: Schedule of maintenance works required at NNGS facilities during the course of one Year; it is issued on the responsibility of the Operator by September 30th, at the latest, of the year immediately preceding the Year it concerns (the Annual Maintenance Schedule).

Annual Load Balance Schedule: A report prepared by the Operator regarding the means required for Load Balancing at the NNGTS during the course of one Year; it is issued on the responsibility of the Operator and submitted to ERA by June 1st, at the latest, of the year immediately preceding the Year it concerns.

Natural Gas Year: A Natural Gas Year or Year is the period beginning at 08:00 a.m., January 1st of any calendar year and ending at 08:00 a.m., January 1st of the immediately succeeding calendar year.
Comment: the EU standard gas year is from 0600 hours on first October to 0600 hours on first October in the next succeeding Year.

Electronic Information System: The electronic data system via which every NNGS User may be disclosed adequate information about using the System and reserved transmission capacity, with the aim of ensuring open competition, effective access to the NNGS, and the transmission of Natural Gas in a manner compatible with the safe, reliable and productive operation of the NNGS.

Day: Day is the period of 24 consecutive hours commencing on 08.00 a.m. of the following day. The term *daily* is construed accordingly. As Date of a Day is considered the date of the calendar day on which the day is started.
Comment: the EU standard gas day commences at 06.00. Consideration should be given to making this change for consistency with EU systems. See also definitions of "Month" and "Year".

LNG Disburdenment Day: The first day of the Disburdenment LNG Time

Limited Transmission Capacity Day: Any day during which the available transmission capacity in the whole or part of the NNGS is reduced compared to that publicized in the NNGS Electronical Information System, for reasons that at the reasonable assessment of the Operator do not constitute an Emergency Case.

Daily Off-take: The Natural Gas Quantities that as per the Final Dispatch of a Day are received from a specific User at all Exit Points he uses.

Daily Declaration: The declaration that is submitted by a Transmission User to the Operator concerning the Natural Gas Quantities, that such Transmission User aims to deliver to an/_ Entry Point/s and to receive from an/_ Exit Point/s of NNGTS, during the course of one day, according to the Transmission Agreeement he has entered into.

Daily Settlement of Negative Daily Imbalance Quantity: The procedure of calculating the daily charge of the Transmission User Balancing Account pursuant to the provisions of article 7.8 of the NNGS Operation Code.

Daily Settlement of Positive Daily Imbalance Quantity: The procedure of calculating the daily charge of the Transmission User Balancing Account pursuant to the provisions of article 7.9 of the NNGS Operation Code.

User's Daily Imbalance Quantity: The difference between the daily Delivery and the Adjusted Daily Off-take of a Transmission User.

User's Daily Delivery: The Natural Gas Quantity that is delivered from a Transmission User to the NNGTS Entry Points that the first uses, as issued according to the procedure of Quantities at Entry Points Dispatch.

User's Daily Off-Take: The Natural Gas Quantity that is received by the Transmission User at the NNGTS Exit Points that the first uses, as issued according to the procedure of Quantities at Exit Points Dispatch.

Daily Balancing Gas Quantity: The Natural Gas Quantity that is imported to the NNGTS added to the sum of the Transmission Users' Declarations at the Entry Points.

Daily Price of Balancing Gas (HTAE as per its greek initials): The price per unit of the Balancing Gas, as approved by RAE and published by the Operator.

Daily LNG Reserve: LNG quantity (in MWh), which is stored in the LNG facilities for the benefit of an LNG User at the end of each day.

Daily Loss: The negative Daily Imbalance Quantity.

Daily Surplus: The positive Daily Imbalance Quantity.

Day-Ahead Schedule: The schedule of Natural Gas injections to the NNGTS and absorptions from the NNGTS during one day elaborated by the System Operator, according to the Declarations submitted by the Transmission Users.

Vertically Integrated Undertaking:A natural gas undertaking or a group of undertakings whose mutual relationships are defined in Article 3 (3) of Council Regulation (EEC) No 4064/89 of 21 December 1989 (EE L 395 of 30.12.1989, page 1) as amended by the Regulation (EC) No.1310/1997 (EE L180 of 9.7.1997, page 1) where the undertaking/group concerned is performing at least one of the functions of transmission, distribution, LNG or Natural Gas storage, and at least one of the functions of production or supply of natural gas.

LNG Vessel Certification Regulation: The Regulation prepared by the Operator and includes a) the minimum requirements regarding the technical and security specifications for the mooring, connection, LNG injection, disconnection and sailing of LNG vessels from the LNG facility. b) the procedures required for the control and

the compliance certification of the LNG vessels with the LNG facility. c) The necessary vessels inspections and suitability certifications.

LNG Supplementary Services List: A list prepared by the Operator at the beginning of each year describing the services (which are not included in the Basic LNG Service) that may be offered by the Operator to the Users or third Parties during the year by using the LNG facility.

Disruption Sequence List: List of sequence of customers whose feeding with Natural Gas shall be disrupted in case of emergency or in case of limited Transmission Capacity Day. The said list is being kept and updated by the Operator.

Downstream Transmission System: The Transmission System which is connected to the exit of an NNGTS Exit Point.

Case of emergency: Each case or situation, which endangers the life and property of every person and prevents the Operator from the fulfilment of his obligations towards the User(s).
Comment: see duplicate definition above.

Socialized Regulated Asset Base: The section of the Regulated Asset Base which is regained by a great number of Users, including those ones who eventually do not use directly the respective investments.

Balancing Gas Cost: As defined in Article 7.4 of the NNGS Operation Code.

LNG Facility Use Cost for balancing purposes: as defined in Article 7.13 of the NNGS Operation Code.

INGS Operation Code: Code regulating the INGS operation. The said Code is elaborated by the INGS Operator.

NNGS Operation Code: Code regulating the NNGS operation. The said Code is being prepared by the NNGS Operator.

Natural Gas Supply Code for Eligible Customers: Code regulating the terms and conditions for the Natural Gas Supply to eligible customers.

Congestion Management Account: The account kept by the Operator regarding the management of congestion according to the provisions of Article 1.13 of the NNGS Operation Code.

Balancing Account: Account kept by the Operator which is credited with the profits collected by the Transmission Users during the ……settlement for each of them and is charged with the expenses of DESFA that are related to the Balancing. It also includes special Balancing accounts for each User (User's Balancing Account)

Security of Supply Account: Account kept by the Operator which is credited with the profits from the Security of Supply Duty and charge for the violation of the minimum entry pressure and is charged with the compensations that the Operator has

to pay to the beneficiaries according to the provisions of Article 10.7 of the NNGS Operation Code.

User's Balancing Account: Account which is credited and is charged with the amounts from the User's positive or negative, respectively, Daily Imbalance Quantity settlement.

Obligatory Gasification Account: Account kept by the Operator, which is credited with the profits from the liable (according to article 11.14 of the NNGS Operation Code) Transmission Users and is charged with the compensations that the Operator pay to the LNG Users for the benefit of which the obligatory Gasification has taken place.

Long-term Natural Gas Supply Contract: Contract for the Supply of Natural Gas with a validity period of at least ten (10) years.

Major Customer: Customer, who is being supplied with Natural Gas quantity equal to or larger than 100.000 MWh/year Gross Calorific Value per consumption point.

Maximum Entry Pressure: The maximum natural gas pressure at the exit of a metering station of the NNGTS that corresponds to an Entry Point, as defined in the manual "NNGS Operation Data".

Maximum Delivery Pressure: The maximum natural gas pressure at the entry of a metering station of the NNGTS that corresponds to an Entry Point, as defined in the manual "NNGS Operation Data".

Maximum Off-take Pressure: The maximum natural gas pressure at the exit of a metering station of the NNGTS that corresponds to an Exit Point, as defined in the manual "NNGS Operation Data".

Maximum Hourly Delivery Quantity: is equal to 1/24 of the reserved delivery Transmission Capacity.

Maximum Temporary Storage Facility (MXIIA as per its greek initials): The temporary LNG load storage room, which is made available to the LNG User (to whom the load belongs) following completion of injection of this load.

INGS Development Study: The study conducted by the Operator till the sixth month of each second year, which includes the Operator's estimations for the progress of the Natural Gas demand, the Operator's estimations for the possibility to cover such demand as well as all the necessary measures for the enforcement and expansion of the NNGS for the following ten (10) years.

Resale of Natural Gas: The resale from an eligible customer of the whole or part of the Natural Gas quantity with which the eligible customer is being supplied to another eligible customer as long as the Natural Gas which is being resold is being transmitted through the same Natural Gas System or Natural Gas Systems that are interconnected.

Natural Gas Transmission: The channelling of Natural Gas through pressure pipeline network designed for over 19 barg for the purposes of provision of services to customers excluding the Supply.

Delivery Transmission Capacity of an Entry Point: The maximum Natural Gas Quantity (MWh) which may be delivered daily at a specific Entry Point, as announced by the Operator on the base of the technical specifications of that specific Entry Point.

Offtake Transmission Capacity of an Exit Point: The maximum Natural Gas Quantity (MWh) which may be received daily at a specific Exit Point , as announced by the Operator on the base of the technical specifications of that specific Exit Point.

Emergency Measures: All necessary measures that the Operator undertakes in order to avert the eventuality of occurence or aggravation of Case of Emergency, or to deal with its effects and to reestablish the supply of Natural Gas or LNG and the normal operation of the NNGS

Measurements and Tests: The proceedings and methods according to which, sampling, analysis, calculation and measurements of Natural Gas quantities at the NNGS facilities are effeced as well as the procedures of Measurement and of Equipment grading and control.

Metering Station: The Metering Facility or Metering/Adjustment Facility via which Natural Gas is being delivered or received by the Transmission Users at the Entry/Exit Points of the NNGTS respectively

Measured Magnitude: The volume, pressure, temperature, calorific value or any other magnitude or feature of the Natural Gas that is delivered to an Entry Point or is received from an Exit Point or is stored in a storage facility or of the LNG that is delivered to an LNG Facility.

Month: Month is the period that commences on 08.00 a.m. of the first (1^{st}) day of any calendar month and ends on 08.00 a.m. of the first (1^{st}) day of the following calendar month.

Monthly Balancing Settlement: The settlement of the debit and credit outstanding balance of the Transmission User's Balancing Account that is effected on a monthly basis upon the issuance by the Operator of the relevant invoice (towards the Transmission User).

Monthly LNG Disburdenment Schedule: As defined in the article 11.18 of the NNGS Operation Code.

Reserved Transmission Capacity Register: The Register kept by the Operator and with which all Users, with whom he has entered into a Transmission Agreement, are registered.

NNGS Users' Register: The Register kept by RAE and with which are registered upon request: a) The Suppliers b) The Eligible Customers for the Natural Gas quantities that they are being supplied c) any person that provides sufficient securities of solvency and technical sufficiency.

Compensation for the Obligatory Gasification Quantity per Unit: The price per unit (€/MWh) that is determined per month by RAE and is published by the Operator, on the basis of which the LNG User is compensated (on behalf of whom the Obligatory LNG Gasification was undertaken) for the part of the Obligatory LNG Gasification Quantity that was received (in the contexte of the Obligatory Gasification) from the Transmission Users who are not being served by such LNG User.

Security of Supply Duty per Unit: Special Duty per Unit that the Transmission Users have to pay to the Operator for each MWh of Natural Gas they receive through the NNGTS in cases of emergency. The amount of that duty is determined by RAE.

New Offtake facility: Natural Gas Offtake Facility, which has not been supplied with Natural Gas before.

Household customer: Customer who is being supplied with Natural Gas only for domestic consumption.

Integrated Undertaking of Natural Gas: The undertaking which is vertically or horizontally an integrated undertaking.

Tolerance Levels of the User's Daily Imbalance Quantity: The Transmission User's Daily Imbalance Quantity defined as the rate of the User's reserved transmission capacity, beyond which the charges/credits during the daily settlement of the Daily Imbalance Quantity are not calculated as the result of the User's Daily Imbalance Quantity multiplied by the Daily Price of the Balancing Gas.

Scheduling Tolerance Levels: The difference between the delivered or the received Natural Gas Quantity at these points (according to the approved Declaration of the User) defined as the rate of the declared Natural Gas Quantity at these points beyond which Schedule Charges are being imposed.

Horizontally integrated Undertaking: An Undertaking performing at least one of the functions of production, transmission, distribution, supply, LNG facility or Natural Gas storage facility, and at least a non-gas business activity.

Natural Gas Delivery: The delivery of Natural Gas quantities at one or more Entry Points by the Transmission User for injection into the NNGTS according to the Transmission Agreement that the Transmission User has entered into.

Non-compliant Natural Gas Delivery: The delivery of Natural Gas (by the Transmission User) which does not comply with the Quality specifications as determined in Annex C of the NNGS Operation Code.

Natural Gas Offtake: The offtake of Natural Gas Quantities from the NNGTS by the Transmission User through one or more Exit Points, according to the Transmission Agreement the Transmission User has entered into.

Extended Load Balancing Failure: Period of five or more consequtive days, during which the User exceeds the Tolerance Level of the Daily Imbalance Quantity.

Supply: The quantity of natural gas passing through the Entry or Exit Point of NNGTS per hour (MW/hour).

Customer: Any person who is supplied with Natural Gas for his own use or purchases Natural Gas in order to resell it in or outside the Network where he is installed, with the exception of the Operators of the Transmission or Distribution Systems of Natural Gas, as well as the Gas Supply Undertakings.
Comment: this states that there can be trading within the NNGS – which is not otherwise contemplated in the Code

LNG Gasification Reduction: The process of reduction (by the Operator) of Natural Gas Entity that the Transmission User wishes to deliver at the LNG Entry Point in every case where this exceeds the Daily LNG Reserves by the LNG User from whom the Transmission User is served.

Trial Operation Period: The first six months from the date of first delivery and off take of Natural Gas for the case of feeding the Off take Facility, which was not previously fed with Natural Gas (New Off take Facility) for the needs of which the Transmission User reserves at a specific Exit Point Transmission Capacity higher than one (1) GWh.

Temporary Storage Period: The time period of 12 (or 11) Days, starting from the Date following the Day where the Injection of one LNG Load is completed.

Reservation Transmission Capacity Certificate: Certificate issued by the Operator for User registered with the Registry of Reserved Transmission Capacity, following the submission of relevant request.

Obligatory LNG Gasification Quantity: The positive balance of the Daily LNG Reserves of an LNG User, which is evaluated on the basis of the relevant Weekly or Daily Statement of Transmission User, which is served by such Transmission User with the storage facility available for the specific LNG User as this arises by the aggregate of the Temporary Storage Facility or the Supplementary Storage Facility which was made available to the LNG User in accordance with the process laid down under article 11.11 of the Code.

Natural Gas Quantity: The Natural Gas quantity measured in MWh Gross Calorific Value, unless differently determined.

Daily Scheduling Charge Quantity: The Natural Gas Quantity calculated for each User and for each Entry or Exit Point as the positive result of the difference between the absolute price of the difference between the quantity allocated to the subject User (Qk) and the quantity that he had declared for delivery to the subject Entry Point or for offtake by the subject Exit Point respectively (Qδ) and of the product arising from the Scheduling Tolerance Levels multiplied with the quantity that he had declared for delivery to the subject Entry Point or for offtake by the subject Exit Point respectively.

Balancing action: Every measure that the Operator undertakes and which is necessary for the settlement of the Load Balancing failure in the NNGTS and the security of the liable secure and efficient operation of the NNGTS.

NNGS Development Schedule: The Investment plan that the Operator elaborates every two (2) years and determines the works for the development, enforcement and interconnection of the NNGS for the next five (5) years from its issuance, including also the timetable, the way of construction and their budget cost.

Scheduled expansions: The NNGS expansions included in each NNGS Development Schedule as well as the works included in the Ministerial Decision D1/G/1588 (FEK B\ 60/24.01.2007).

Scheduled maintenance: Maintenance works of the NNGS facilities which are made according to the Annual Maintenance Schedule.

Natural Gas Quality Specifications: The limits in the chemical composition and the thermodynamic characteristics of the Natural Gas as well as the purity that the Natural Gas must have for the purposes of its safe delivery, transmission and offtake by the NNGTS.

Application Deadline: The ultimum timeframe for the submission of a Transmission User's Daily Declaration, which is defined as the seventeenth hour of each day (17:00) before the day to which the Daily Declaration refers.

Supply: The sale of Natural Gas to customers.

Supplier: The individual or legal entity that has Natural Gas Supply activities.

Adjusted Annual Off-take: The daily Offtake by a Transmission User increased by the NNGTS Losses which are dispatched to the that User during the same day.

Supplementary LNG Services: Services which are not included in the Basic LNG Service and that may be offered by the Operator to Users or Third Parties during one year, by using the LNG facility.

Supplementary LNG Storage Facility: The part of the available LNG Storage Facility, which has not been offered to the Users within the framework of the Basic LNG Service.

Temporary LNG Storage: As described in article 11.4 of the NNGS Operation Code.

Model Application for LNG Vessel Certification: The document including all the relevant data and documentation that have to be submitted to the Operator for the purposes of the certification of a User's LNG Vessel.

Shallow Connection: All works intended to expand the NNGS to connect individual consumers and include all facilities and equipment required, according to the Operator, for connections from the boundary of a consumer's facilities to the NNGS.

Entry point: The entry of a metering station through which the Natural Gas is injected to the Transmission System from a LNG Facility of the NNGS or from an INGS or from an upstream Transmission System.

LNG Entry Point: The Entry Point of a Transmission System through which gasified LNG is delivered to the transmission System from a LNG facility.

Exit Point: The exit of each metering station of the Transmission System through which natural Gas is received from the NNGTS in order to be injected to an interconnected downstream INGS or to an interconnected downstream Transmission System or to a Natural Gas Distribution network for Customer's facilities.

LNG Delivery Point: The coupling arms of a LNG Facility with the vessels of the LNG Facility Users.

LNG Offtake Point: The Entry Point of the Transmission System through which gasified LNG is delivered to the Transmission System from the LNG Facility.

NNGTS Station: The metering installation or metering/settlement through which Natural Gas is delivered or received by the Transmission Users at the Entry or Exit Points of the NNGTS respectively.

Minimum Exit Pressure Maintenance Contract: Contract of a maximum validity period of one (1) year concluded between the Operator and the Transmission User which secures the maintenance of the Natural Gas Offtake pressure at a specific Exit Point, over a predetermined level.

Voluntary Disruption Agreement: Agreement of a validity period of no more than one (1) year, by virtue of which the Operator may disrupt the Supply of a major customer (with whom the Operator has entered into this Agreement) in case of

Emergency under the condition of the payment of the compensation by the Operator to that Customer (Disrupting Customer).

Load Balance Agreement: Contract concluded between the Operator and the User or Third party for the supply and delivery to the NNGS or for sale and offtake from the NNGS of Natural Gas Quantities within the framework of the measures undertaken by the Operator for the purposes of Load Balancing.

Transmission Agreement: Agreement between the Operator and the User for the provision of Natural Gas Transmission services.

Preliminary Transmission Capacity Reservation Agreement: Agreement between the Operator and User or Third Party for the elaboration of technical studying, required for the construction of new Exit Point at NNGTS and the preliminary reservation of the Transmission Capacity at this point.

LNG Supply Agreement for balancing purposes: The Agreement entered into by the Operator and the LNG User or Third Party for the LNG quantities supply that will be injected in the NNGTS as Balancing Gas.

LNG Facility Use Agreement: Agreement between the NNGS Operator and the User for the provision of basic LNG services.

Congestion: The failure of satisfaction of a User's or Third Party's request for the reservation of transmission capacity at an Entry or Exit Point of the NNGS.

Interconnected System Operation Agreement: Agreement that may be concluded between the Operator and the operators of connected to NNGS Systems, in virtue of which the rights and obligations of the contracting parties are set out as well as the conditions that ensure the safe, normal and efficient operation of the interconnected systems.

Connection Agreement: Agreement between the Operator and User/Third Party for the construction of a new Exit Point.

LNG Transaction: Transaction with regard to the purchase of LNG Quantities that are being stored at the LNG Facility.

Affiliated Undertaking: The Companies that are affiliated with each other in the sense of par. 5, article 42e of law 2190/1920 or the Companies that are controlled by the same Shareholders.

Interconnected System: Natural Gas System or NG Distribution Network or Natural Gas Production Network connected with the NNGS.

Vessels Connection with the LNG Facility: The grounding and connection of telecommunications, of coupling arms and of emergency signals of the LNG Vessel to the LNG Facility.

Natural Gas Delivery Conditions: As defined in article 4.1 of the NNGS Operation Code.

Natural Gas Off-take Conditions: As defined in article 4.1 of the NNGS Operation Code.

Total Storage Capacity of LNG Facility: The sum of the storage room of LNG storage facility that is made available to the LNG Users in the context of the Provision of basic LNG services, of the storage room of the LNG storage facility reserved by the Operator and of the storage room of the LNG Facility that can not be used for technical reasons.

NNGTS Loss Factor: During a period of time (p) the ratio of the NNGTS Total Loss within the course of such period and of the sum of Quantities that as per counting have been received from the all NNGTS Exit Points, augmented by the Total NNGTS Loss within such period (p).

LNG Facility Loss Factor: During a period of time (p) the ratio of the LNG Facility Total Loss within such period and of the sum of Quantities that as per counting have been gasified and injected to the Transmission System from the LNG Facility, as counted at the LNG Entry Point, within the course of such period, augmented by the Total NLG Facility Loss.

NNGS Maintenance: Any inspection, amendment, repairs, replacement, reintegration, upgrading of any NNGS part as well as any other preliminary work or work required for the safe, reliable and efficient restart of operation of a NNGS part following such maintenance.

Transmission System: The pipelines and pressure branches of higher level than 19 barg, the measurement, compression and decompression facilities, the equipment and the control and maintenance facilities, required for the Natural Gas transmission from the Injection Points to another Natural Gas System, Distribution Network or to the Customers' Facilities.

Natural Gas System: The transmission system, LNG Facilities, Storage Facilities and the compressed Natural Gas off-take Facilities, including the equipment and the control facilities.

Emergency and Crises Management Plan: The Plan elaborated and published by the Operator for the purposes of dealing with Emergency Cases and the management of Crises

Final Dispatch: The procedure of determination of Natural Gas Quantities that were delivered at or received from an Entry or Exit Point respectively by a Transmission User for any Day of the Month that immediately precedes the Month of its issuance (of the Final Dispatch). It is notified in written by the Operator to any Transmission User until the tenth Day of any Month. The Operator elaborates the Final Dispatch taking into account the Initial Dispatch, the eventual objections of the Transmission Users to the Initial Dispatch or/ and the eventual agreements between the Transmission Users with regard to a different dispatch.

Final Annual LNG Disburdenment Schedule: The final annual schedule of LNG Vessels disburdenment, which includes the Disburdenment Days and the estimated available storage room of LNG Facility.

Final Monthly LNG Disburdenment Schedule: The LNG Load Disburdenment Schedule during a month elaborated by the Operator the latest within four (4) days before the beginning of the month to which it refers. It also includes the available Disburdenment periods that follow directly its issuance as these are determined following the Reserving Disburdenment Time Declarations submitted by the LNG Users according to the provisions of Article 11.18 of the NNGS Operation Code.

Security of Supply Duty: The duty paid by the Transmission Users to the Operator. The said duty is defined as the result of the Security of Supply Duty per Unit multiplied by the monthly Natural Gas Quantity allocated to each of the Transmission Users at all Exit Points.

LNG Terminal: LNG facilities on the island of Revithousa in the Megara bay.

NNGS access charges and invoices: The manual issued by the Operator including the NNGS access charges and invoices each time.

Transmission Invoice: The (charge) Invoice for providing the Natural Gas Transmission Basic Service.

LNG Invoice: The (charge) Invoice for providing LNG Basic Service.

Third Party: The individual indicated to the Operator, who cannot be rejected without any reasonable cause by the Operator, and who has a lawful interest in

relation with the Code, indicatively including the customer, the interconnected System Operator, the potential User and the potential Interconnected System Operator

Liquified Natural Gas: The Natural Gas in liquid form.

Obligatory Gasification: The process of increase of the Natural Gas Quantity that the Transmission User wishes to deliver at an LNG Entry Point in each case, where the difference between the Daily LNG reserve of an LNG User, who serves the said Transmission User, and the storage room which has been made available to the certain LNG User, as it derives from the total of the temporary Storage room and the Supplementary Storage room that has been made available to the LNG User, turns out to be positive.

Obligatory Amendment of the Reserved Transmission Capacity: The process of amendment of the Reserved Transmission Capacity of a Transmission User in case where this has been in excess, five (5) or more times within a period of thirty (30) consequtive Days or ten (10) or more times during a one (1) year Period.

LNG Load: The LNG quantity delivered to a LNG Delivery Point following the disbursement of the LNG ship.

Natural Gas: Combustible fuel extracted from geological shapings and consists mainly from methane (at least 75% to the analogy of grammomolecule) and eventually by hydrocarbons of a higher molecular weight and by azote quantities, by carbon dioxide, oxygen and traces of other compounds and elements to which odorant substances might have been added.

Customer Change Charge: The charge imposed by the Operator to a Transmission User who filed a request for reservation of Transmission Capacity at an Exit Point in order to serve a Customer who was previously served by another User for the satisfaction of whom the transfer of Transmission Capacity from the Transmission User who served such Customer was necessary. Upon Customer Change Charge the administrative expenses of the Operator associated with the aforementioned Reserved Transmission Capacity are covered.

Transmission Capacity Charge: Charge for the transmission capacity that the User reserves annually.

LNG Capacity Charge: Charge for the capacity of LNG System that the User reserves annually.

Daily Schedule Charge: The Charge imposed by the Operator to the Transmission User when the balance between the delivered or received Natural Gas Quantity to an Exit or Entry Point respectively (during one day) and the Natural Gas quantity reserved to such points (in accordance with the approved Declaration of same User) formulated as a percentage of Reserved Transmission Capacity to the same points, exceeds or fall shorts of the Scheduling Tolerance Limits.

Charge for the Violation of the minimum Entry Pressure: Charge imposed on the Users delivering at an Entry Point Natural Gas under Entry Pressure less than the minimum Entry Pressure at such Point.

Non-compliant Gas Delivery Charge: Charge imposed by the Operator to the Transmission Users who delivered at such Entry Point Non-Compliant Natural Gas, in proportion to the Natural Gas quantity allocated to each of them, for the days where Non Compliant Natural Gas has been injected to the NNGTS.

Charge of the Excess of the LNG Disburdenment Time: Charge borne by the Users that have exceeded the LNG Disburdenment Time that was made available to them by the Operator

User: As defined in Law 3428/2005
Comment: other definitions from Law 3428/2005 are repeated in the Code. This is the only one that refers to the Law itself.

LNG User: Any individual or legal person that has entered into a valid LNG Facility Use Agreement with the Operator.

Transmission User: Any individual or legal person that has entered into a valid Transmission Agreement with the Operator.

LNG Injection Time: The period of time, expressed in hours, that intercedes the signing of the Declaration for Injection Readiness and the fulfillment of Injection of the LNG Load to the LNG Facility

LNG Disburdenment Time: The period of time of two (2) days within the course of which starts and ends the Disburdenment of a LNG Load.

Temporary Storage Facility: The storage room in the LNG Facility that is made available to the Users for the purposes of temporary storage of any LNG Load in the context of the basic LNG Service

Hourly LNG Gasification Rate (O.T.R.A.): The hourly rate of gasification of a LNG Load (MWh), that is defined as the quotient of the said LNG Load divided by the Temporary Storage Period (Days) and multiplied by 24.

CHAPTER 1
Provision of Natural Gas Transmission Services

1.1 Scope

Transmission Users deliver Natural Gas at Entry Points to the Operator of the National Natural Gas System– NNGS (Operator) for transmission and off-take at Exit Point purposes through the National Natural Gas Transmission System (NNGTS), by virtue of the transmission capacity reservations stated in the Transmission Agreement concluded with the Operator and according to the procedure of declaration of off-take / delivery of Natural Gas, under the provisions of Chapter 3 herein.

1.2 Transmission Services

Pursuant to the terms of this Code and of the relevant Transmission Agreements concluded with Transmission Users, the Operator shall provide any User with the following Transmission Services in the most efficient, transparent and direct way, without discriminating between the Transmission Users, according to the principle of equal treatment:

a) Off-take by the Operator of Natural Gas quantity from one or more Entry Points, according to the terms of the present Code and of the Transmission Agreements they have concluded.
b) Transmission of Natural Gas Quantities through the NNGTS.
c) Delivery of Natural Gas quantity by the Operator to one or more Exit Points, according to the terms herein and to those of the Transmission Agreement they have concluded.
d) Execution of the required measurements at the metering stations of Entry and Exit Points, according to the provisions of manuals "Regulation on Measurements" and "NNGTS Operation Features".

The Operator may abstain from the performance of his duties vis-à-vis a Transmission User for as long as this Transmission User does not fulfill his obligations, with or without fault, especially his obligation to observe the Natural Gas Quality Specifications and the Natural Gas Delivery Conditions at the Entry Points that he uses, and to duly pay off the integrity of the outstanding debt vis-à-vis the Operator according to the terms of the Transmission Agreement that he has concluded.

Comment: this is inconsistent with the Transmission Contract which only absolves the Operator from performing its obligations when the User fails for reasons attributed to the User.

For the unimpeded performance of his duties vis-à-vis the Transmission User, the Operator shall observe the international practice of good communication and cooperation with the Operators of the Interconnected Systems and, within this framework, he shall enter into the proper agreements required to ensure network interoperability.

1.3 Entry and Exit Points

Document A.2, which constitutes an inseparable section of the Transmission Agreement (Annex A of the present Code) sets out:

a) The Entry Points where the Transmission User may deliver to the Operator Natural Gas quantities for transmission purposes and the Exit Points from which he may receive Natural Gas quantities.
b) For any Entry Point, the numerical values of the quantities of the Reserved Delivery Transmission Capacity. The Maximum Hourly Delivery Quantity corresponds to 1/24 of the Reserved Delivery Transmission Capacity.
c) For any Exit Point, the numerical values of the quantities of the Reserved Off-take Transmission Capacity.

The minimum and Maximum Delivery and Off-take Pressure for each NNGTS Metering Station is defined in the "Data of NNGTS Operation" manual.

For the purposes of the safe supply of the Greek market, the Operator may *a priori* determine at an Entry Point the capacity that is (or shall be under certain upgrading) available for Nominated Transit and the capacity that is (or shall be under certain upgrading) available for the Greek market.

***Comment**: This latter provision appears vague and disproportionate - there is no reason for the TSO to be given powers to vary the determination of the allocation of capacity at an Entry point without more. As it stands this provision 1.3. c. could be read as going further than the guidelines annexed to the Regulation 1775/05 - part 2.1 which recognize that the TSO or Operator can have security of supply obligations but these should not be exercised in a discriminatory way. Document A.2 should therefore be subject to regular amendment, subject to the approval of the RAE – and there should be clear rules as to how the capacity that is required for security or reliability purposes is to be calculated and assigned. Any decision in this respect should in any case be taken with due consideration for the market conditions and for Users' demands.*

Furthermore the congestion management rules and the rules on capacity trading, as provided for in the Regulation should apply to ALL entry points and all capacity at those entry points , It should also be clear that this right to designate capacity for the Greek or the transit market

should not entitle the Operator to curtail or otherwise limit validly concluded Capacity Reservation Agreements (see 1.5) , connection agreements – see 1.6. or transmission agreements (see 1.7)

1.4 Ownership of the transmitted Natural Gas

The ownership of each Natural Gas Quantity that a Transmission User delivers at the NNGTS Entry Points is necessarily and *de jure* transferred upon delivery to the Operator not in the purposes of an assignment, but exclusively for the needs of operation of the Transmission Agreement, and it is restituted to the Transmission User upon Natural Gas off-take at the Exit Points.

Comment: this concept prevents the development of a virtual trading hub within the NNGS as User's cannot trade gas which they do not own. The Art is also inconsistent with the Transmission Contract which says that transfer of title is "ipso facto".

Regarding the stations of Agia Triada, Sidirokastro, Kipoi Evrou and, in general, wherever the Entry Points do not coincide with the off-take points of Natural Gas, that is received according to the eventual agreements, as in force, between Transmission Users and their suppliers, it should be stressed out that the ownership (as defined in the afore-mentioned paragraph) of the Natural Gas Quantities is transferred to the Operator upon NNGTS Natural Gas Quantities entering the Entry Points until its off-take by the Transmission User, thus, afterwards, ownership being transferred to the Transmission User upon Natural Gas off-take at the Exit Points.

Comment: this article appears to restate the previous paragraph. It is not clear what its purpose is.

The Transmission User shall deliver Natural Gas to the Operator and, on his turn, the Operator must keep the Natural Gas to be received from the User unburdened from any right of ownership retention, encumbrance, collateral, counterclaim and from any other tax, fee, duty stamp or other relevant right in favor of the Public State or third parties, as well as from any other expenditure regarding the gas production, concentration, processing and offer, arising upon or prior to its delivery or transmission through the NNGTS.

1.5 Preliminary NNGS Transmission Capacity Reservation Agreement

In case a User declares to the Operator his interest in receiving Natural Gas that leads to the creation of a new Exit Point in the NNGS, the Operator requests the User sign an Agreement (hereinafter Preliminary NNGS Transmission Capacity Reservation Agreement), as long as:

a) the investment for the creation of the new NNGS Exit Point is included in the NNGS Development Program, according to the provisions of Chapter 12 of the present Code or / and
b) the investment for the creation of the new NNGS Exit Point has a budget lower than 50 million EURO and the Operator deems that the project is feasible from a technical and financial point of view, according to the provisions of Chapter 12 of this Code.

Comment: paragraph (b) is arguably inconsistent with Art 21 of the Gas Directive which permits the Greek State to ensure new infrastructure construction is carried out if the User is willing to pay for it.

It is also inconsistent with Art 12.3.2 which only permits the Operator to consider the technical (not financial merits) of a project. If the Operator is to have a discretion to consider financial aspects, then since the User is essentially guaranteeing that the Operator will recover the cost of the new Exit Point through the resulting ship or pay Transmission Agreement (which requires the User to give a guarantee) or the guarantee under Art 1.6, there should be a right of appeal of this decision to RAE.

It is not clear from the definition of Exit Point and the reference above to "project" as to what facilities are included. For example, the Operator can manipulate the budgeted cost of the project through its decision as to where to locate the relevant metering station in relation to the infrastructure that is to be connected to the NNGS at the Exit Point (see Art 2.5 of Preliminary Capacity Reservation Agreement in Annex D). For example, if the infrastructure is 100 km from the existing NNGS pipeline, the meter station could be constructed close to the NNGS (so that the User must build 100k of pipeline) or the NNGS could be extended 100k so that the metering station is adjacent to the User's infrastructure. In this manner, the Operator can require the construction of Exit Point facilities that will cause the cost to exceed 50 million Euros. There should be some constraints on the Operator's discretion or a right of appeal to RAE. The technical/financial criteria relate only to the Operator – i.e. it is technically and economically feasible for it to perform its tasks – these criteria should not lead to an evaluation of the project as such.

The user's expression of interest is disclosed to the Operator in writing, through his legal representative, by submitting a relevant application including the following documents:

a) Statement of the Entry and Exit Points at which the applicant shall deliver and from which he shall receive, respectively, Natural Gas.
b) Statement of the Delivery Transmission Capacity and of the Off-take Transmission Capacity that he wishes to reserve at an Entry Point(s) and at an Exit Point respectively. The sum of the Delivery Transmission Capacity at the Entry Point(s) must be equal to the Off-take Transmission Capacity at the Exit Point.

c) Statement of the Transmission Capacity that he is intended to reserve in order to serve Customers in the Greek market or/ and for Nominated Transit.

d) Statement of the date of beginning of use and of the duration of use of the preliminarily Reserved Transmission Capacity.

Comment: suggest that a reference is made to Art 12.3 which repeats the above section and sets out the Operator's ability to refuse an application. The latest drafts of the Third Package rules provide criteria so we suggest that these criteria are given effect.

When the User and the Operator sign this Contract, they establish:

A) The preliminary reservation of Transmission Capacity in the NNGS, which may be reviewed at a date set as a limit to sign the relevant Connection Agreement (as this shall be set out in the Preliminary NNGS Transmission Capacity Reservation Agreement). *Comment: the limits of this review concept are very vague.*

B) The commitment to sign the Connection Agreement, as described in article 1.6 of the present Code.

C) The beginning of drafting detailed technical studies by the Operator, in order to create a new Exit Point in the NNGS, consisting of:

i) A study on the environmental impact, a study on safety and actions that the NNGS Operator must proceed to in order to create the new Exit Point, until the competent Authorities issue the project's Environmental Terms.

ii) A Basic Plan, including the topographical, geologic and seismologic studies required for procuring the construction of the project that must be executed by the NNGS Operator in order to create the new Exit Point.

iii) Drafting of land registry diagrams and actions that the NNGS Operator must proceed to in order to create the new Exit Point, until the issuance of the project's Installation Act.

iv) Evaluation of the cost of the project that the NNGS Operator must execute in order to create the new Exit Point and cooperation with the Regulatory Authority for Energy (RAE), until the approval of the duties to access the new NNGS Exit Point.

Prior to signing the Connection Agreement, the User must prove to the Operator that he is in possession of a contract or of a preliminary agreement on the supply and transmission of Natural Gas up to the NNGS Entry Point(s) stated.

Upon signing the Preliminary Transmission Capacity Reservation Agreement, the contracting parties (Operator and User) must bind themselves at least to the following:

1. The drafting of the detailed technical studies of the project for the creation of the new Exit Point must be completed within twenty four (24) months (at most) as of signing the Preliminary Transmission Capacity Reservation Agreement (Date of Reference). The exact Date of Reference shall be determined by the Operator in the Preliminary NNGS Transmission Capacity Reservation Agreement, depending on the project that shall be

executed in order to create the new Exit Point. *Comment: it is unclear but we assume that the Date of Reference is the date by which the studies must be created, not the date that the PTCRA is signed. Otherwise the process in the Art is illogical.*

2. The Operator may extend the Date of Reference for reasons due to the procedure of approval by the competent Authorities of the project's Environmental Terms regarding the creation of the new Exit Point or/and the project's Installation Act or/and the duties of access to the new Exit Point (Ultimate Date of Reference).
3. In case the User hasn't signed the Connection Agreement with the Operator four (4) months after the Ultimate Date of Reference, according to the provisions of article 1.6 herein, the User is obliged to defray to the Operator a penalty related to the Operator's cost for drafting the detailed technical studies. The amount of the penalty is guaranteed by the User to the Operator through submittal of a bank guarantee. *Comment: stating that it is the User's responsibility to sign the Connection Agreement implies that the Operator can refuse to sign or offer a connection agreement without consequence. Its should be clarified that both parties are obliged to sign. We also recommend that there should be a right of appeal to the RAE in these circumstances*
4. In case the Date of Reference is extended as a result of the Operator's fault for a total period of time greater than twelve (12) months, based on paragraph 2 above, the User may denounce the Preliminary Transmission Capacity Reservation Agreement by defraying to the Operator half of the penalty agreed in the Preliminary NNGS Transmission Capacity Reservation Agreement, as mentioned above. *Comment: this is inconsistent with paragraph 2 which implies an extension may only occur as a result of acts of third parties (ie competent Authorities).*
5. In the Preliminary NNGS Transmission Capacity Reservation Agreement, without prejudice to the occurrence of a Force Majeure, the Operator states that he may construct the project required for the creation of a new Exit Point within a certain period of time as of signing the relevant Connection Agreement. This period of time may be updated until the Ultimate Date of Reference. The date of completion of the project's construction by the Operator shall be determined according to the case and depending on the size and difficulty of the project.
6. In case where, upon the aforementioned update, the time period of the execution of the project for the creation of a new Exit Point is exceeded by more than twelve (12) months, the User may denounce the Preliminary NNGS Transmission Capacity Reservation Agreement, by defraying to the Operator half of the penalty stated in paragraph 3 above.
7. In case a third party (User) signs a Preliminary NNGS Transmission Capacity Reservation Agreement or a Connection Agreement for the creation of the same Exit Point within twenty four (24) months since the defrayment by the User to the Operator of the penalty or the forfeiture of the bank guarantee, the Operator shall return the defrayed amount to

the User, free of interest, or he shall return a corresponding part of it, depending on the pipe's length.

Comment: the potential for delay under this Art and Art 12 causes concern. The Operator has up to a 24 month period to complete studies before the work can commence, and this 24 month period starts only after the planning and scheduling process in Art 12 which could last up to 14 months (excluding be ? expected the time necessary for the various decisions to be made). The problem is exacerbated by the first come first service principle which can prevent competing projects from going ahead for an extended period.

1.6 Connection Agreement

General comment: it is not clear whether the Connection Agreement includes transmission clause so that a transmission contract is not also required. This should be clarified. The comments below are primarily based on our interpretation that both a transmission agreement and a connection agreement are required in the case of a New Exit Point being constructed upon application of the User. We note that a Connection Agreement is not included in the Annexes but that the Preliminary Capacity Reservation Agreement in Annex D contains the following:

> *The Connection Agreement shall include provisions and guarantees for the reimbursement of the Operator by the User / Other User, in case where there is a breach of their obligations, given the investment and other costs that the Operator undertakes for the construction and operation of the Connection Project.*

This implies the scope of the Connection Agreement covers only connection activities and costs.

In order to sign the Connection Agreement, the User must prove to the Operator, at the latest within four (4) months from the Ultimate Date of Reference, that:

a) He has a contract or preliminary agreement on the supply and transmission of Natural Gas up to the stated NNGS Entry Point/s.
b) He has licensed facilities for the consumption of Natural Gas or he has concluded a contract or preliminary agreement on the supply of Natural Gas at a facility downstream the corresponding Exit Point or at a Downstream Transmission System or Interconnected System.

If the Operator deems that the aforementioned elements are adequate, he proceeds to the conclusion of a Connection Agreement with the User, the duration of which begins upon signing it and ends with the completion of the long-term "Ship or Pay" commitments of the User vis-à-vis the Operator. The Connection Agreement does not include provisions enabling the Operator or the User to denounce it. *Comment: there should be some guidance as to what is considered to be "adequate" to give certainty to the User and the Operator. "Adequacy" should refer only to the term of the contract and the quantities to be shipped.*

The Connection Agreement specifies especially:

a) The kind of the works required for the construction of the new Exit Point, as well as the time-schedule for their completion.
b) The project's budget
c) The period of execution of the project for the construction of the new Exit Point (Period of Construction), which also determines the date of first delivery / off-take of Natural Gas, as well as the period until the completion of the long-term ship or pay commitments (Period of Operation).
d) The commitments undertaken by the Operator vis-à-vis the User within the framework of the project for the construction of the new Exit Point, including the amount of compensation that the Operator shall defray to the User for each week of delay of the completion of the works, contrary to the agreed time-schedule, as a result of the Operator's fault.
e) The amount and duration of the guarantees that the User shall defray to the Operator within the framework of the Connection Agreement.

In case the User terminates the Connection Agreement, as a result of his fault, during the Construction Period, he must defray to the Operator a penalty consisting of the entire cost, with acknowledgement of receipt, for the construction of the project for the creation of a new Exit Point. A Corporate Guarantee or / and a Bank Guarantee are requested by the Operator as a guarantee for the aforementioned penalty, depending on the applicant's creditability. The Operator may ask for commitments of other parties too (like the User's parent company).
If a third party (User) concludes a new Connection Agreement with the Operator for the creation of the same Exit Point after the defrayment of the aforementioned penalty or / and the forfeiture of the guarantee, the Operator returns to the User the defrayed amount free of interest, or part of it corresponding to the part of the executed project that shall be included in the new Connection Agreement.
In case the User terminates the Connection Agreement during the Period of Operation, he must defray to the Operator a penalty equal to the net present value of the income from the long-term ship or pay commitments regarding the amortization and amortization of the capitals invested, for the time period remaining from the termination of the Connection Agreement until the completion of the period of Operation.

Comment: The paragraph above seems to combine (a) a guarantee by a User in respect of the new exit point to be built by the Operator and (b) the ship-or-pay obligation a shipper would usually enter into with the signing of a transmission agreement. As Art.5 of the Model Transmission Agreement refers to a document "NNGS Access Invoice and Charges" which is not available for consultation, we cannot judge to what extent the Transmission Agreement foresees such an obligation. However, it should be made clear that any guarantee /

commitment in the Connection Agreement must be limited to the cost of creating the exit point (unless this already included in the tariff set by the Transmission Agreement).
Furthermore, the meaning of "net present value of the income from the long-term ship or pay commitments regarding the amortization and amortization of the capitals invested " is not clear. The calculation of a penalty should not be a contentious issue.
If the Operator proceeds to the conclusion of a Transmission Agreement or of a new Connection Agreement regarding the Exit Point at issue after defraying the aforementioned penalty, the Operator returns to the User the defrayed amount free of interest, or part of the amount depending on the income the Operator ensures from the conclusion of the Transmission Agreement or of the new Connection Agreement.

1.7 Transmission Agreement

The right to sign a Transmission Agreement with the Operator is attributed to persons entered into in the NNGS Register, which is kept by the Regulatory Authority of Energy, according to Articles 3 and 13 of Law 3428/2005. The Transmission Agreement confers to a Transmission User the right to proceed to any pertaining legal action, observing the provisions of the present Code, and entails his obligation to pay off the charges attributed to him under the Transmission Agreement he has concluded, according to the provisions of the present Code and the invoices, as in force.

In case a new Exit Point is created, prior to a relevant Preliminary NNGS Transmission Capacity Reservation Agreement and to the entering into a Connection Agreement between the Operator and the User / Third Party that finally decided to act as a Customer, the Transmission Agreement is concluded between the Operator and the User, who is registered in the NNGS Register (kept by the Regulatory Authority of Energy, according to Articles 3 and 13 of Law 3428/2005) and who has proved the conclusion of an gas supply agreement with the aforementioned Customer.
Comment: It is not clear whether this article 1.7 applies only where a new Exit Point is created without an application having been made for it by a User (ie the Operator chose to construct it as part of its Art 12 Development Schedule process), or whether it applies for all New Exit Points. See comment above regarding the lack of clarity as to whether a Connection Agreement and a Transmission Agreement are required in respect of a New Exit Point requested by a User.
Assuming that a Connection Agreement and a Transmission Agreement are both required, it is illogical that a Transmission Agreement is concluded even before the various studies are commenced under the Preliminary Transmission Capacity Reservation Agreement – the result of which studies might determine that the new Exit Point should not go ahead. We note that the User is not required to produce evidence of contract or preliminary agreement on the

supply and transmission of Natural Gas up to the NNGS Entry Point(s) until the Connection Agreement is to be signed. Therefore, a Transmission Contract signed at such an early stage will have to be highly conditional. Alternatively, the Preliminary Transmission Capacity Reservation Agreement should include an obligation for the parties to sign the Transmission Agreement concurrently with the Connection Agreement.

In order to enter into the Transmission Agreement, the User produces to the Operator a bank guarantee equal to 25% of the annual Transmission Capacity Charge, calculated according to the provisions of the Transmission Invoice.

Comment: it should be clarified that the guarantee is equal to 25% of one years' Transmission Capacity Charge, not 25% of the total charge calculated for all years of the Transmission Agreement.

In order to conclude the Transmission Agreement, the User submits the following documents to the Operator, through his legal representative:

A) RAE Certificate of registration into the Register of NNGS User's Register.

B) Statement of the Entry and Exit Points at which the applicant shall deliver and from which he shall receive Natural Gas as per model of Annex A.1 of the Transmission Agreement.
   For each Entry Point, the User states the Delivery Transmission Capacity that he wishes to reserve.
   For each Exit Point, the User states the Off-take Transmission Capacity that he wishes to reserve.
   In the A.1 Transmission Agreement forms regarding the "Application for the Provision of Transmission Services", the User declares the Transmission Capacity that he intends to reserve for serving Customers in the Greek market and for the Nominated Transit respectively.

C) Statement of the date of entry into force and of the duration (which must be a period of twelve (12) subsequent months or multiples of it) that he wishes for the Transmission Agreement.

D) Full data of the bank account that the applicant keeps for the purposes of the Transmission Agreement.

E) Any other additional documents that the Operator might deem necessary. *Comment: this discretion is unusually wide and should be constrained to give certainty to applicants and the Operator.*

If the Operator deems the application is complete, he invites the User to sign the Transmission Agreement within a deadline of five working days.

Comment: there is no deadline for the Operator to determine whether the application is complete.

The Transmission Capacity stated in part or whole in the aforementioned A.1 document submitted by the User in the phase of the pre-examination stage for the conclusion of a

Transmission Agreement and regarding the LNG Entry Point, is reserved in whole or part for this User, if it is available, only after the conclusion of a LNG Facility Use Agreement for the purposes of the aforementioned Transmission Agreement and up to the amount of the Gasification Capacity of LNG Facility reserved within according to the provisions of the LNG Facility Use Agreement.

The Operator reserves the right to reject the application to conclude a Transmission Agreement if:

A) He deems that the conclusion of the relevant Transmission Agreement could impede the provision of public utility services, which is assigned to him by Law 3428/2005.

B) He deems that the conclusion of the relevant Transmission Agreement could trigger serious financial problems regarding contracts on the supply of Natural Gas signed before Law 3428/2005 enters into force and related with terms of payment regardless of off-take. *Comment: the purpose of this paragraph is not clear.*

C) He finds out that the Delivery Transmission Capacity available or/and required at a certain Entry Point does not suffice to cover the applicant's needs, as these are described in the relevant application, and if he deems that its upgrading is not advisable from a technical-financial point of view. *Comment: it should be the TSO's duty to provide additional capacity if there are customers willing to pay. This is confirmed in the texts of the Gas Directive as well as the revisions under the Third Package proposals.*

D) He finds out that the Reserved Off-take Transmission Capacity at one or more Exit Points does not suffice to cover the applicant's needs, as these are described in the relevant application, and if he deems that its upgrading is not advisable from a technical-financial point of view.

E) The Transmission Capacity to be reserved at all Entry Points is not equal to the Transmission Capacity to be reserved at all Exit Points stated in document A.1.

F) The way in which the User / Third Party shall transmit Natural Gas to NNGS Entry Points is not sufficiently proved.

G) The User can not prove that he has licensed facilities for the consumption or further transmission / distribution of Natural Gas or an agreement regarding the sale or transmission / distribution of gas downstream the corresponding Exit Point or the transmission of gas in a Downstream Transmission System covering the Reserved Off-take Transmission Capacity. *Comment: If a new Exit Point is required, this requires the User to provide evidence of concluded sales agreements at a very early stage, evidence which must be provided again up to 24 months later when the Connection Agreement is to be signed.*

The reasons of rejection are notified to the applicant and to the RAE.

Comment: it should be stated that the User may appeal a negative decision by the Operator regarding the application to RAE.

The Operator's obligations deriving from the Transmission Agreement regarding the reservation of Transmission Capacity are subject to the observance of the Conditions for the Delivery of Natural Gas at Entry Points and to the availability of the NNGS Transmission Capacity.

The Operator shall delete from the Reserved Transmission Capacity Register any Transmission User that has failed to perform outstanding obligations deriving from the Transmission Agreement and he informs the RAE accordingly.

1.8 Reserved Transmission Capacity Register

The Operator registers Transmission Users into a special register (Reserved Transmission Capacity Register) that he keeps.

For each Transmission User, the Operator records into the register of the aforementioned paragraph the Transmission Capacity that the Transmission User has reserved at each Entry Point and at each Exit Point, according to the terms and conditions of the Transmission Agreement he has concluded, as in force. The Operator updates the register after each approved assignment, amendment or transfer of the Reserved Transmission Capacity regarding the Transmission User.

Following relevant application from a Transmission User, who is registered in the Reserved Transmission Capacity Register, the Operator issues a certificate (Reserved Transmission Capacity Certificate) that states at least his data and the total Reserved Transmission Capacity that he has reserved, including the relevant Entry or Exit Points, according to the application of the applicant-Transmission User.

1.9 Disengagement of the non-used Reserved Transmission Capacity

In case the Transmission User serving NNGS Customers does not use, for a reasonable period of time,

Comment: there should be more certainty as to the time period. Can a specific period be stated?

all or part of the Reserved Transmission Capacity he has reserved at one or more Exit Points, according to the Transmission Agreement he has concluded, as in force, and taking into account the assigned and concerned Reserved Transmission Capacity under article 1.10 herein, the Operator, after designating this fact as harmful for the use of NNGS in a reasoned decision of his, notifies the Transmission User and RAE in writing his intension to disengage the non-used Reserved Transmission Capacity reserved by this Transmission User, setting a relevant deadline. Prior to making this decision, the Operator takes into account the concerned changes in the NNGS Transmission Capacity. A relevant Reserved Transmission Capacity is disengaged at the Transmission System's Entry Points, which are indicated by the

Transmission User serving NNGS Customers, following a reasoned decision by the Operator, which is notified to RAE.

If the Transmission User serving NNGS Customers justifies within the time limit set out, the non-use of Reserved Transmission Capacity, setting, in parallel, a time period shorter than six (6) months from the written notification of the Operator's intension for disengagement, as described above, within which he shall use the Reserved Transmission Capacity under disengagement, the Operator may not proceed to its disengagement without a reasoned decision that is under the approval of RAE within one (1) month from the notification of the said decision to RAE. Following lapse of this time-period its acceptance is presumed. If the Transmission User, following lapse of the aforementioned time-period set by him, has not used part or the entire Reserved Transmission Capacity under disengagement the Operator proceeds to the disengagement of the non-used Reserved Transmission Capacity, modifies the relevant Transmission Agreement accordingly and updates the Reserved Transmission Capacity Register.

In any other case, the Operator proceeds to the disengagement of the non-used Reserved Transmission Capacity, modifies the relevant Transmission Agreement accordingly and updates the Reserved Transmission Capacity Register.

Any objections against decisions taken by the Operator according to this article are subject to the arbitration competence of RAE, while disengagement is de jure suspended during their hearing. The Objection hearing procedure, for objections raised by the Transmission Users against Operator's decisions on the disengagement of non-used Reserved Transmission Capacity is completed within a period of six months from the date of their submission. Objections against Operator decisions that have already been settled by RAE under the aforementioned procedure are not admissible.

1.10 Assignment of Reserved Transmission Capacity

Every Transmission User may assign (Assignor User) to another Transmission User (Assignee User) part or all of the Reserved Transmission Capacity that he has reserved (Assignment of Reserved Transmission Capacity) at an Entry and Exit Point.

Comment: requiring assignment of capacity to be equal at entry and exit points could inhibit the development of a secondary market for trading within the system.

The Assignor User has to inform the Operator in writing about his intention to assign, asking him to register his proposal for assignment into the Electronic Transactions System kept by the Operator. During the period that the Electronic Transactions System is not available, the Operator registers the proposal for assignment into the Electronic Information System. The aforementioned proposal must include the Exit and Entry Points and for each such point the magnitude of the Reserved Transmission Capacity offered for assignment, as well as the price that the Assignor User requests for the assignment. With regard to the price requested, the

Operator sets a ceiling approved by RAE and published in the "NNGS Access Invoices and Charges" manual. The total Reserved Transmission Capacity assigned at Entry Points must be equal to the entire Reserved Transmission Capacity assigned at Exit Points.

The Operator enters each proposal for assignment of Reserved Transmission Capacity fulfilling the aforementioned conditions into the Electronic Transactions System (or the Electronic Information System for the time period that the Electronic Transactions System is not available) within two (2) working Days. This registration shall be done in a way that ensures the anonymity of the Assignor User and the observance of confidential information regarding the Assignee User. The Transmission Users state the acceptance of the Assignment offer through the Electronic Transactions System (or by fax to the Operator during the time-period when the Electronic Transactions System is not available). The Assignor User is informed about each such acceptance through the Electronic Transactions System (or by fax by the Operator during the time-period that the Electronic Transactions System is not available). The Operator shall withdraw any proposal for the Assignment of Reserved Transmission Capacity from the Electronic Transactions System (or the Electronic Information System for the time period that the Electronic Transactions System is not available) within one (1) working day from the receipt of the relevant written notification from the Assignor User, on the condition that the latter's offer has not been accepted by another Transmission User.

The Operator rejects and does not register into the Electronic Transactions System any proposal for the Assignment of Reserved Transmission Capacity that exceeds the Reserved Transmission Capacity of the Assignor User at an Entry or Exit Point according to the Transmission Agreement he has concluded, as in force.

In case the Assignee User and the Assignor User agree that the Assignor User's payment obligations regarding the Assigned Reserved Transmission Capacity, deriving from the Code and the Transmission Agreement, including especially the obligations deriving from the Load Balance and the payment of the Transmission Invoice in force, shall be fulfilled vis-à-vis the Operator exclusively by the Assignee User, the Operator grants an approval or a justified rejection on this issue within a deadline of two (2) days.

It is explicitly agreed that in the case of assignment under the terms herein and the relevant legislation in force, the Assignor and Assignee Users shall each be mutually and entirely responsible vis-à-vis the Operator for the fulfillment of payment obligations towards him, regarding the Assigned Reserved Transmission Capacity.

Exceptionally, an assignment of Reserved Transmission Capacity requires in any case the previous written consent of the Operator, in case the Assignor and Assignee Users agree that the Assignee User fully enters into the rights and obligations of the Assignor User deriving from the present Code and that he is the sole responsible vis-à-vis the Operator for the

fulfillment of obligations, especially of those related to the payment of the Transmission Invoice in force.

In case the Assignor User and the Assignee User remain fully responsible for payment obligations regarding the Assigned Reserved Transmission Capacity and deriving from the Code and the Transmission Agreement, the assignment occurs immediately and its validity does not depend on the Operator's approval.

After completion of the assignment, the Operator updates the Register of Reserved Transmission Capacity Holders, modifies the relevant provisions of the Transmission Users' Transmission Agreements and updates the Electronic Transactions System and the Electronic Information System accordingly.

1.11 Obligatory Amendment of Reserved Transmission Capacity

Should a Transmission User who has entered into a Transmission Agreement exceed the Reserved Transmission Capacity, as defined in the Transmission Agreement, as in force, five (5) or more times during thirty (30) consecutive days or ten (10) or more times during one Year, and provided that additional transmission capacity up to the total amount of the excess is available in the Transmission System, the Operator reserves the right to oblige the Transmission User to amend the Transmission Agreement with regard to the magnitude of the Reserved Transmission Capacity up to the amount of the maximum of its excess. The legal effects of this amendment start upon the date of amendment until the term of the contractual period set out in the Transmission Users' Transmission Agreement.

In case the Transmission User submits a new request in order to amend the Reserved Transmission Capacity, the Operator evaluates his application according to the Transmission User's obligatorily modified capacity.

1.12 Transfer of Transmission Capacity due to Customer's pulling out

In case:

A) Any Transmission User submits a request of Transmission Capacity reservation at an Exit Point in order to serve a Customer that was previously served by another Transmission User and
B) The Transmission User produces a written statement by the Customer or his Supplier, stating that the Customer or his Supplier shall be served by the applicant-Transmission User and that he shall no longer being served by another Transmission User and
C) The Available Transmission Capacity of the Exit Point is insufficient,

The Operator releases the Transmission Capacity required to serve the Customer or his Supplier from the Transmission User who served the Customer or his Supplier until now within seven (7) working days. In the same respect, he reserves Transmission Capacity of equal magnitude in favor of the applicant Transmission User. The realization of the

aforementioned transfer is not subject to the consent of the Transmission User from whom Transmission Capacity is released. A corresponding Reserved Transmission Capacity is released at the Transmission System's Entry Points, which are indicated by the Transmission User, by virtue of a justified decision by the Operator, notified to the RAE.

The Operator credits the Transmission User from whom Reserved Transmission Capacity is released an equivalent amount to that already paid by the Transmission User, according to the Transmission Invoice's Capacity Charge, and charges the applicant-Transmission User this amount as well as the reasonable costs that correspond to the respective Operator's administrative expenses, which is related (Customer Change Charge) to the considered transfer of Reserved Transmission Capacity. The amount of Customer Change Charge is determined on an annual basis, by virtue of an Operator's decision, following to the approval by the RAE. It is publicized in the beginning of each year in the Electronic Information System and it is identical for all Transmission Users that obtain Transmission Capacity as per the stipulations of this article.

After the completion of the Transfer, the Operator updates the Reserved Transmission Capacity Register, amends the relevant provisions of the Transmission Users' Transmission Agreements and accordingly informs thereof the Electronic Transactions System and the Electronic Information System.

1.13 Congestion Management

Upon:

a) A User's request to sign a Transmission Agreement according to the provisions of article 1.7 herein, in case this regards an existing Exit Point, or
b) A User's request to sign a Preliminary NNGS Transmission Capacity Reservation Agreement, pursuant to provisions 1.5 herein,

should the transmission capacity to be reserved at an Entry Point or an Exit point exceeds 2/3 of the Delivery or Off-take Transmission Capacity of this Entry Point or Exit Point respectively, the Operator announces this Point's Congestion and informs the RAE immediately about the possibility of Congestion at this Entry or Exit Point.

Aiming to highlight the issue immediately, any information related to the capacity of the Entry or Exit Point that might present Congestion is uploaded on the Operator's Electronic Information System, along with information regarding the actions that must be taken in order to perform additional Maintenance or to invest in the increase of the Delivery or Off-take Transmission Capacity at the relevant Entry or Exit Point respectively, within the framework of the NNGS Development Programme, as described in chapter 12 herein.

Comment: Where an investment to increase capacity is necessary, it seems premature to publicise information about possible congestion up to 36 months before the Exit Point is

constructed and even before the relevant study is completed. This procedure does not seem to match the procedures in Arts 1.5 and 1.6.

If Congestion occurs after the expression of interest by two or more Users / Third Parties in signing the Preliminary NNGS Transmission Capacity Reservation Agreement (see article 1.5) or in signing a Transmission Agreement (see article 1.7), the Operator may enable the Users to conclude agreements on reserving disrupted Transmission Capacity, added to the cases of article 10.6 herein regarding Voluntary Disruption Agreement.

Especially in case the Operator cannot satisfy the request of a User / Third Party to reserve Transmission Capacity at an Exit Point in order to serve a new Customer, and this Operator's weakness is not due to the Transmission Capacity available at the Exit Point but to reasons regarding the Transmission Capacity of a Upstream Transmission System of the Entry Point stated by the User / Third Party, the Operator may recommend to the User / Third Party, in order to stop Congestion, to reserve Transmission Capacity at this Exit Point, reserving, simultaneously, Transmission Capacity at certain Entry Points.
If Congestion is not solved after the aforementioned actions, the Transmission Users' applications are prioritized based on the date of submission of their request to the Operator.

Comment: According to the provisions of this paragraph, the basic principle is "first come, first served (ie first evaluated)'. This means that each application for capacity reservation shall be evaluated based on the date of its submission and within a reasonable time period for its submission, which in our opinion shall have to be defined here explicitly. Within this time period the relevant Transmission Contract will have to be signed between the interested parties. Otherwise, after lapse of the aforementioned time period the next application will have to be evaluated.

In particular:

A) If congestion comes from the Users' / Third Parties' expression of interest in reserving Transmission Capacity that leads to the creation of a new Exit Point, the Operator shall proceed to the conclusion of a Preliminary NNGS Transmission Capacity Reservation Agreement with the User / Third Party whose application for the creation of a new Exit Point leads to an investment that has already been included in the NNGS Development Programme, under the terms and conditions of chapter 12 of the Code herein.

   Comment: In accordance with the general principles of transparency and non-discrimination, this NNGS Programme should be published in draft form so that interested

parties can examine and comment upon it. This is especially important given the priority status which inclusion of an exit point in this programme leads to.

The User / Third Party whose application to reserve capacity and create a new Exit Point leads to an investment that has not been included in the NNGS Development Programme may:

i) Wait until the completion of the procedure for the evaluation of the new investment by the Operator and its inclusion in the next NNGS Development Programme, in order to sign a Preliminary NNGS Transmission Capacity Reservation Agreement with the Operator, according to the provisions of chapter 12 of the present Code,

ii) Wait for the non-signing of a Connection Agreement by that User, who had first signed the Preliminary Transmission Capacity Reservation Agreement, in order to proceed, at that time, to the conclusion of a Connection Agreement with the Operator.

B) In case the applications of all Users for the creation of a new Exit Point are not included in the NNGS Development Programme, following the provisions of chapter 12 herein, the Operator shall draft preliminary studies under the provisions of chapter 12 herein, in order to assess the possibility of introducing the relevant investment in the next Development Programme, satisfying the requests of all Users. If it arises from the preliminary studies that only one User's request may be satisfied from a technical/financial point of view, the principle of *First Come First Served* shall apply, based on the submission of the Users' requests.

Comment: this Art contains, in our view, two major flaws.
The first is that capacity is secured in an exclusive manner long before it can be used by parties that have entered into a Preliminary Capacity Reservation Agreement, ie long before they have made the final investment decision to build the relevant infrastructure needed to use capacity on the NNGS. The clear example of this is the Poseidon situation in which on the basis of a preliminary agreement, DESFA not only gives priority to the first comer but also will not start studying the feasibility of extra capacity along the same route until the first preliminary agreement is perfected.
The second flaw is that based on the general preference in EU legislation for market based solutions it is preferable that this should be settled by auction or other market based method and not by first come first served

C) If Congestion derives from the Users' request to sign the Transmission Agreement, the Operator shall assess the requests and he shall give priority based on the following criteria:

i) to legal persons undertaking obligations of Long-Term Contracts on the Supply of Natural Gas that contribute to the differentiation of the supply sources of the Greek market,

ii) to legal persons undertaking obligations of Long-Term Contracts on the Supply of Natural Gas, destined for the Greek market.

Comment: This latter provision appears discriminatory – and thus contrary to Article 8 of the Gas Directive 55/20033 and disproportionate to any requirement to protect security of supply, as permitted under Article 3(2) of the Gas Directive. Priority should not be automatic – TPA is the rule. it should only be permissible to give priority for the contracts listed at C if there are objectively established reasons to doubt that diversity of supply or security of supply is problematic. This task should be assigned in accordance with Article 25 of the Directive to the RAE who could give the Operator directions accordingly. In any event reliance can only be placed on Article 3(2) of the Directive if proper notification has been made to the Commission, in accordance with Article 3(6) of the Directive. Furthermore in accordance with Article 25 all mechanisms for dealing with congestion management must be approved by the regulator. In addition, any party wishing to lodge a complaint against the Operator in respect of its implementation of section 1.13 must have a clear right to appeal to the Regulator, in accordance with Article 25(5) of the Directive.

CHAPTER 2
Interconnections

The Operator may enter into agreements with Users or / and Third Parties that set out the rights and obligations of the contracting parties, as well as the conditions ensuring the safe, smooth and effective operation of interconnected systems. The Agreements on the Operation of Interconnected Systems are notified to the RAE.

Comment: despite the final sentence of Chapter 2, there should be a positive obligation for both parties to sign an Interconnected System Operation Agreement, particularly where RAE has approved an INGS. The contents of such an agreement should be specified in order to give certainties.

The ISOA should be between the Operator and downstream operators, not with Users. Users will have signed a Connection Agreement under Art 1.X which covers the same issue.

The agreements of the aforementioned paragraph may:

A) Determine the Entry Points into which Natural Gas shall be injected or/and the Exit Points from which Natural Gas shall be received from the NNGS,
B) Regard any special provisions and technical details governing such Entry or Exit Points,
C) Contain the information that the Operator shall exchange with the contracting party regarding the interoperability of the two systems, the procedure of exchange of this information, the procedure of exchange of information related to the execution of maintenance works at both systems, the procedure of joint management of emergencies in the area where the two systems are connected to each other etc.

The Operator proceeds to any action required for the conclusion of an Interconnected System Operation Agreement related to an Entry or Exit Point.

Transmission Users deliver Natural Gas at an Entry Point and receive Natural Gas from an Exit Point, taking into consideration the terms governing the relevant Interconnected System Operation Agreements. The absence of an Interconnected System Operation Agreement does not preclude Transmission Users from delivering or receiving Natural Gas at an Entry or Exit Point respectively.

Comment: it should be clarified that gas may be delivered/received without an ISOA only where the interconnected system is not an INGS. We note that Art 5.2 provides that the INGS operator must be bound by this Code.

The Interconnected System Operation Agreement does not release the Transmission Users or the Operator from their obligations under the Code and the Transmission Agreements they have concluded.

CHAPTER 3
Daily Schedule of NNGS operation

3.1 Daily Schedule

The objective of Daily Schedule is to set an Operator's plan regarding the injection of Natural Gas into the NNGTS and the absorptions from it per Day, according to the declarations submitted by Transmission Users, as accepted by the Operator for this Day, by observing the terms of the present Code, of the relevant Transmission Agreements and Use of LNG Facilities Agreements, of the conditions of delivery at Entry Points and off-take at Exit Points, in a way that ensures NNGS's reliable and safe operation and minimizes the system's operational cost.

The Transmission Users who have concluded a Transmission Agreement with the Operator must submit to the Operator the information provided for in the present Code, including Declarations and confirmatory Declarations. They must also make any effort possible to remain consistent to this information, in order to enable the Operator to plan the operation of the NNGTS and the LNG Facility per Day in the most accurate way, including the determination of the amount of Natural Gas stored in NNGTS pipes and LNG Facility tanks.

3.2 Submission and content of Weekly Declarations of Delivery and Off-take

Under the provisions of this chapter, any Transmission User intending to deliver Natural Gas at an Entry Point for injection into the NNGTS and to receive Natural Gas from an Exit Point for absorption during one or more Days of a Week, shall submit a declaration to the Operator regarding the Quantity of Natural Gas he shall deliver and receive during each Day of this Week (Weekly Declaration). In case the Transmission User does not submit any Weekly Declaration pursuant to the aforementioned procedure, zero NG quantities shall be considered to be the stated quantities of NG delivery / off-take at each NNGTS Entry/Exit Point (where this User has reserved Transmission Capacity by virtue of the Transmission Agreement he has concluded) for each Day of the Week for which no Weekly Declaration was submitted.

The right to submit a Weekly Declaration is conferred to Transmission Users under the terms of the Transmission Agreement they have concluded, as in force, as well as under the provisions of this Code.

Weekly Declarations are submitted at the latest until 11:00am of the Friday preceding the Week related to in these Weekly Declarations.

Each Weekly Declaration states:

A) The name of the Transmission User.
B) The Transmission User's Transmission Agreement.

C) The Agreements on the Use of LNG Facilities according to which he delivers gas at an LNG Entry Point.
D) The Week it refers to.
E) The Entry Points and the relevant Quantity of Natural Gas (in MWh) for each entry point that he intends to deliver on each Day of the Week referred to in the Weekly Declaration. Especially as regards the LNG Entry Point, the declaration states expressly the Quantity of Natural Gas (MWh) that he has the intention to deliver by virtue of each Agreement on the Use of an LNG Facility mentioned in his declaration (according to point B above).
F) The Exit Points and the relevant Quantity of Natural Gas (in MWh) for each such point, that he has the intention to receive on each Day of the Week referred to in the Weekly Declaration.

In case the Transmission User serves a Customer for which a separate reservation of Transmission Capacity at an Exit Point is required, according to the legislation in force at the time, he shall expressly state, in the Weekly Declaration he submits, the Quantity of Natural Gas that he shall receive from this point in order to supply the aforementioned Customer.

The sum of the quantities that the Transmission User states for delivery each Day of the Week concerned in his Weekly Declaration at all Entry Points (where he has reserved Transmission Capacity under the Transmission Agreement he has concluded) must be equal to the sum of the quantities that he states he shall receive on the same Day from all Exit Points (where he has reserved Transmission Capacity under the Transmission Agreement he has concluded). Otherwise, the Operator modifies the Weekly Declaration of this Transmission User accordingly.

Transmission Users' Weekly Declarations are submitted to the Operator electronically via the Electronic Transactions System (or they are sent by fax or e-mail during the period when the Electronic Transactions System is not available, according to the relevant form included in "NNGS Operation Procedures" manual).

Comment: it is suggested that this system is based on the EDIFACT standard which is generally accepted in Europe.

3.3 Acceptance and Amendment of the Weekly Declaration

The Operator drafts the Daily Schedule of the next Week right after the expiration of the deadline for the submission of Weekly Declarations, taking into consideration the last Weekly Declarations sent by Transmission Users prior to the expiration of the aforementioned deadline, the NNGS's operational restrictions, as well as the terms of the relevant Transmission Agreements and Use of LNG Facilities Agreements.

Within four hours from the expiration of the deadline for the submission of Weekly Declarations, the Operator communicates to Transmission Users an act of acceptance or well-grounded amendment of their Weekly Declarations (according to the relevant form included in the "NNGS Operation Procedures" manual), as per the results of the Daily Schedule of the next Week.

Comment: acceptance of an amended nomination by 1500 Friday for the week starting the following Saturday at 0800 am 08 is unusually late.

3.4 Submission and content of the Daily Declarations of Delivery and Off-take

Every Transmission User intending to deliver Natural Gas at an Entry Point for injection into the NNGTS and to receive Natural Gas from an Exit Point for absorption during one Day, shall submit, according to the provisions of this chapter, a declaration to the Operator regarding the Quantity of Natural Gas he shall deliver and receive on this Day (Daily Declaration). In case the Transmission User does not submit any Daily Declaration or in case his Daily Declaration is rejected by the Operator by virtue of the provisions of this Code, the Transmission User's Weekly Declaration referring to this Day, as approved or amended by the Operator shall be considered as the Accepted Declaration.

The right to submit a Daily Declaration is conferred to Transmission Users under the applying terms of the Transmission Agreement they have concluded, as in force, as well as under the provisions of this Code.

A Daily Declaration is submitted prior to the Day it refers to and at the latest until 17:00pm of the Day preceding the Day related to in this Daily Declaration (Declaration Submission Deadline).

Each Daily Declaration should state at least:

A) The name of the Transmission User.
B) The Transmission User's Transmission Agreement.
C) The Agreement on the Use of an LNG Facility according to which he delivers gas at an LNG Entry Point.
D) The Day it refers to.
E) The Entry Points and the relevant Quantity of Natural Gas (in MWh) for each such point, which he has the purpose to deliver on the Day concerned in the Daily Declaration. Especially as regards the LNG Entry Point, the declaration states expressly the Quantity of Natural Gas (MWh) that he has the purpose to deliver by virtue of each Agreement on the Use of an LNG Facility mentioned in his declaration (according to point B above).

F) The Exit Points and the relevant Quantity of Natural Gas (in MWh) for each such point, that he intends to receive on the Day referred to in the Daily Declaration.

In case the Transmission User serves a Customer for which separate reservation of Transmission Capacity at an Exit Point is required, according to the legislation at the time, as in force, he shall expressly state, in the Daily Declaration he submits, the Quantity of Natural Gas that he shall receive from this point in order to supply the aforementioned Customer.

The sum of the quantities that the Transmission User states he shall deliver on the Day referred to in his Daily Declaration at all Entry Points (where he has reserved Transmission Capacity under the Transmission Agreement he has concluded) must be equal to the sum of the quantities that he states he shall receive on the same Day from all Exit Points (where he has reserved Transmission Capacity under the Transmission Agreement he has concluded). Otherwise, the Operator rejects the Daily Declaration of this Transmission User.
Transmission Users' Daily Declarations are submitted to the Operator electronically through the Electronic Transactions System (or they are sent by fax or e-mail during the period when the Electronic Transactions System is not available, according to the relevant form included in the "NNGS Operation Procedures" manual).

3.5 Revision of Daily Declarations

Any Revision of Daily Declarations after the expiration of the Declaration Submission Deadline is allowed when the Transmission User fails to deliver or receive the declared Quantities of Natural Gas due to a Force Majeure event or in case where the Gas received is Non-Compliant as per article 5.7 herein.
Comment: re-nomination of off spec gas is not logical as the Operator will be the first to realize that Non-compliant gas is being received into the NNGS. More generally, as gas will be received from a neighbouring natural gas system and not directly from a producer, gas specification and pressure are beyond a User's control and should be dealt with only between Operators under Interconnected System Operation Agreement
The Revised Daily Declaration is submitted according to the terms of article 3.4.

In case a Revised Daily Declaration is submitted due to a Force Majeure event, the Transmission User shall inform the Operator immediately about the reasons, of which he is aware, that justify the submission of the Revised Daily Declaration. He shall also reasonably estimate the time required for the solution of the problem occurred.

The Operator accepts the Revised Daily Declaration submitted under the terms of the aforementioned paragraph and he may reject it for the reasons outlined in article 3.6 herein or if he deems that the grounds provided by the Transmission User is inadequate, duly justifying the act of rejection.

Upon acceptance, the Operator renders the Revised Daily Declaration Accepted and substitutes the previous relevant Accepted Declaration of the Transmission User with the later one.

Comment: Article 3.6 does not make any reference to the reasons for rejection of the revised daily declaration nor is there any right to appeal to RAE

3.6 Acceptance and Rejection of Daily Declarations

The Operator drafts the Daily Schedule of the next Day right after the expiration of the Declaration Submission Deadline, taking into consideration the last Declarations disclosed by the Users before the expiration of the aforementioned deadline, along with the NNGTS operational restrictions and the terms of the relevant Transmission Agreements they have concluded.

Within two (2) hours from the expiration of the Declaration Submission Deadline, the Operator communicates to Transmission Users an act of acceptance or a justified rejection of their Declarations (according to the relevant form included in the "NNGS Operation Procedures" manual), as per the results of the Daily Schedule of the next Day.

In case their Declaration is rejected, Transmission Users may submit a new Daily Declaration until 20:00 pm.

Within one (1) hour from the expiration of the deadline (21:00pm), the Operator sends anew an act of acceptance or a justified rejection to the Transmission Users who resubmitted a Daily Declaration.

3.7 Daily Schedule Charge

Any Day that the difference between the Quantity of Natural Gas dispatched to a Transmission User at an Entry or Exit Point and the Quantity of Natural Gas stated by the Transmission User according to his last Accepted Declaration for delivery at this Entry Point or off-take from this Exit Point respectively, exceeds or is deficient to (as a percentage of the Quantity of Natural Gas stated for this point) the Scheduling Tolerance Level, as defined in the "NNGS Access Charges and Invoices" manual, the Operator charges the Transmission User with a Daily Schedule Charge.

The Daily Schedule Charge is calculated for each Transmission User and for each Entry or Exit Point as the product of the entire quantity corresponding to the aforementioned excess or

shortage (Quantity of Daily Schedule Charge) multiplied by a price per Unit set out in the "NNGS Access Charges and Invoices" manual.

In case the Transmission User serves, inter alia, Natural Gas Distribution Networks as well, for the purposes of the calculation of the Daily Schedule Charge the terms will have the meaning ascribed to them as follows: a) as Exit Point is considered the total number of NNGTS Stations where Natural Gas is received in order to supply said Distribution Network and b) As quantity of the Daily Off-take Declaration and as quantity of Daily Delivery is considered the sum of the Natural Gas Quantities stated that will be received and were actually received respectively at the total number of NNGTS Stations where Natural Gas is received in order to supply said Distribution Network.

The Transmission User is released from his obligation to pay a Daily Schedule Charge in case the quantity dispatched to him is deficient to the quantity he has declared in his last Accepted Declaration at an Exit Point, due to the Operator's failure to fulfill his obligation regarding the Minimum Off-Take Pressure at said Exit Point.

CHAPTER 4
Delivery of Natural Gas to the National Natural Gas Transmission System

4.1 Conditions for the Delivery of Natural Gas at Entry Points

The Operator determines and publishes for each Entry Point the conditions that apply upon each delivery of Natural Gas at this Point. These conditions include:

A) The Natural Gas Quality Specifications that Natural Gas must meet according to Annex C "Natural Gas and LNG Quality Specifications" herein,
B) The Maximum and Minimum Entry Pressure of Natural Gas at this Point, as determined in the "NNGS Operation Features" manual,
C) The Maximum and Minimum Hourly Supply of Natural Gas through the Entry Point, as well as any restrictions regarding the rate of increase or decrease of hourly supply at this point, as determined in the "NNGS Operation Features" manual,
D) The Metering equipment's features at this point and the rules of Natural Gas measurement, sampling test and analysis according to the "Natural Gas Measurements Regulation" and "NNGS Operation Features" manuals,
E) The relevant adjustments regarding the Delivery of Natural Gas at an Entry Point, set out in the Interconnected System Operation Agreement for this point.

The Conditions for the Delivery of Natural Gas at an Entry Point constitute an inseparable part of the Transmission Agreements including this point and Transmission Users are obliged to ensure that the Natural Gas to be delivered or that is delivered at an Entry Point is compatible with the Natural Gas Delivery Conditions applying for this point.

4.2 Delivery of Natural Gas from Transmission Users

The right to deliver Natural Gas for injection into an Entry Point is conferred to Transmission Users under the Transmission Agreement they have concluded, as well as, under the present Code.

Transmission Users must make all efforts possible, including the incorporation of the proper terms in the agreements they conclude with the Operator of an upstream Transmission System or Interconnected System or suppliers of Natural Gas or LNG or with any other natural or legal person having a legal interest, in order to ensure the observance of the Delivery Conditions and especially the fact that the Natural Gas destined for delivery to the Operator is submitted, before reaching the Entry Point, to quality control and to all the procedures required to ensure that it meets the Natural Gas Quality Specifications provided for in the present Code.

Transmission Users are not released from their responsibility regarding the Natural Gas they deliver for injection at an Entry Point when they invoke an act or an omission of the Operator of an Interconnected Upstream Transmission System or of an Interconnected System or of any other natural or legal person that might have a legal interest.

When more Transmission Users deliver Natural Gas at an Entry Point in one Day, it is assumed that:

A) The Natural Gas delivered at this Point bears the same characteristics of delivery for all Transmission Users
B) The Natural Gas delivered by Each User at this Point was proportional to the quantities he stated in his Daily Declaration at the Entry Point for this Day.

4.3 Exemption from the obligation to accept the delivery of Natural Gas

The Operator has the right not to accept, in part or whole, the delivery of Natural Gas at an Entry Point from a Transmission User with whom he has concluded a Transmission Agreement regarding the Point at issue:

A) For as long as the Transmission User does not fulfill, with or without fault, his obligations under the Natural Gas Delivery Conditions at the Entry Point, unless the Operator is liable for this non-fulfillment.
B) When the hourly supply upon delivery of Natural Gas exceeds one twenty fourth (1/24) of the Reserved Delivery Transmission Capacity engaged by the Transmission User at this Entry Point, under the Transmission Agreement he has concluded.
C) When the total daily quantity delivered by the User exceeds the Reserved Transmission Capacity of the Transmission User under the Transmission Agreement he has concluded.

In this case, the Operator notifies all Transmission Users having a legal interest of the denial of acceptance, observing his obligation regarding confidentiality.

The Operator is released from his obligation to accept in part or whole Natural Gas to be delivered at an Entry Point, if the pressure downstream the Entry Point compared to the pressure prevailing upstream the Entry Point, does not allow, in part or whole, the passage of Natural Gas through this Point, taking also into account the minimum flow limits of the Entry Point's measuring systems.

The Operator is released from his obligation to accept in part or whole Natural Gas to be delivered at an Entry Point under the provisions of the present Code, if the Operator is unable to receive this Natural Gas because of Emergency, Scheduled Maintenance or Force Majeure or on a Limited Transmission Capacity Day.

4.4 Delivery of Non-Compliant Natural Gas

Natural Gas to be delivered or delivered or that has been delivered at an Entry Point and for which the Operator finds out upon implementation of the procedures provided for in the "Natural Gas Measurements Regulation" manual or under another effective method that there is no compatibility with the Natural Gas Quality Specifications applying for this Point, as set out in Annex C "Natural Gas and LNG Quality Specifications" herein, is considered to be Non-Compliant Gas.

In the case of the aforementioned paragraph, the Operator informs each Transmission User whose applying Transmission Agreement includes this Entry Point about this fact in due time and he also discloses his estimations regarding the impact this shall have on the Transmission System, including his estimations regarding the possible Operator's cost.

In case Non-Compliant Natural Gas is delivered, it lies at the Operator's discretion to:

A) Refuse to accept the delivery, in part or whole, or to continue the delivery of this gas or/and
B) Limit the Non-Compliant Gas's injection rate into the Transmission System or/and
C) Adopt all the measures required so that this Natural Gas becomes compatible with the Natural Gas Quality Specifications.

If one of the aforementioned cases applies, the Transmission User remains exclusively responsible for any Load Imbalance that might eventually come up.

The cost paid by the Operator as a result of the delivery of Non-Compliant Gas includes, without any limitation, the expenses for:

A) Cleaning the Transmission System in part or whole or restoring any other damage caused to the Operator from the acceptance of Non-Compliant Gas or/and
B) Adopting the measures required to ensure that the NNGS can operate according to the applying legal framework, in spite of delivery or continuous delivery of Non-Compliant Gas or/and
C) Adopting any measure required by the Operator, in order the Non-Compliant Gas be rendered compatible with the Natural Gas Quality Specifications.

This cost is recovered when the Operator raises a Non-Compliant Gas Charge on Transmission Users liable for the Non-Compliant Gas, proportionally to the Natural Gas Quantity distributed to each one of them (Transmission Users), for as many Days Non-Compliant Gas was injected into the NNGS, according to Chapter 6 herein. The unit cost for this compensation is set out in the "NNGS Access Invoices and Charges" manual.

4.5 Violation of Minimum Entry Pressure

In case the Operator finds out that during the implementation of the procedures described in the "Natural Gas Measurements Regulation" manual or in any other way that Natural Gas is delivered at an Entry Point under an Entry Pressure lower than the Minimum Entry Pressure that applies for this point according to the "NNGS Operation Features" manual, he announces this fact in due time to each Transmission User whose Transmission Agreement includes this Entry Point, along with his estimations regarding the impact on the Transmission System, including the estimations on the Operator's eventual cost.

In case the Natural Gas Minimum Entry Pressure at an Entry Point is violated, the Operator has the discretion to:

A) Deny or accept in part or whole the delivery or the further delivery of gas through this Point or/and
B) Limit the injection rate into the Natural Gas Transmission System through this Point or/and
C) Adopt all the measures required in order to not violate the Natural Gas Off-Take Conditions at the NNGTS Exit Points under Chapter 5 herein.

In case one of the aforementioned cases applies, the Transmission User remains exclusively responsible for any occurring Load Imbalance.

The Operator raises a Minimum Entry Pressure Violation Charge on Transmission Users delivering Natural Gas at an Entry Point at a pressure that is lower than the Minimum Entry Pressure for this Point (as set out in "NNGS Operation Features" manual), whose unit cost is set out in "NNGS Access Invoices and Charges" manual. The Minimum Entry Pressure Violation Charge is imposed on the liable Transmission Users, proportionally to the Natural Gas Quantity distributed to each one of them (Transmission Users), for as many Days Natural Gas was injected into an Entry Point at an Entry Pressure that was lower than the Minimum Entry Pressure, according to Chapter 6 herein.

The income from the imposition of the Minimum Entry Pressure Violation Charge is credited to the Security of Supply Invoice kept by the Operator.

4.6 Natural Gas Delivery Reduction

Without prejudice to the provisions of Chapter 10, if the Operator stipulates that a Limited Transmission Capacity Day is about to come or has already come, the Operator may adopt the measures required in order to reduce by himself or to request that Transmission Users reduce the deliveries of Natural Gas at a certain Entry Point.

If the measures of the paragraph above are applied, the Operator allocates the reduction of Natural Gas deliveries equally and without discriminating between Transmission Users, according to the provisions of Chapter 10. In no case is the Operator obliged to change the minimum operation pressure in the Transmission System next to an Entry Point, in order to make Natural Gas flow from the Interconnected System to the Transmission System.

CHAPTER 5
Natural Gas Off-take from the NNGTS

5.1 Conditions for the Off-Take of Natural Gas at Exit Points

The Operator determines and publishes for each Exit Point the conditions that apply upon off-take of Natural Gas through this Exit Point. These conditions include:

A) The Specifications that Natural Gas must meet according to Annex C "Natural Gas and LNG Quality Specifications" herein,

B) The Maximum and Minimum Entry Pressure of Natural Gas through the Exit Point, as determined in the "NNGS Operation Features" manual,

C) The Maximum and Minimum Hourly Supply of Natural Gas through the Exit Point as well as any restrictions regarding the rate of increase or decrease of hourly supply at this point, as determined in the "NNGS Operation Features" manual,

D) The Measurement equipment's features at this point and the rules of Natural Gas measurement, sampling test and analysis according to the "Natural Gas Measurements Regulation" and "NNGS Operation Features" manuals,

E) The relevant adjustments regarding the Off-take of Natural Gas at an Exit Point in the Interconnected System Operation Agreement concerning this point.

The Conditions for the Off-take of Natural Gas at an Exit Point constitute an inseparable part of the Transmission Agreement containing this Exit Point and the Operator is obliged to ensure that the Natural Gas to be received or received at an Exit Point is compatible with the Natural Gas Off-take Conditions applying for this point.

5.2 Natural Gas Off-take by Transmission Users

The right to receive Natural Gas at an Exit Point is conferred to Transmission Users under the Transmission Agreement they have concluded, as applicable, as well as, under the present Code.

Transmission Users must make all efforts possible, including the incorporation of the proper terms in the contracts they conclude with Operators of a downstream Transmission System or Interconnected System, in order to ensure the observance of Natural Gas Off-take Conditions.

Transmission Users are not released from their responsibility regarding the Natural Gas they receive at an Exit Point, when they invoke an act or omission of the Operator of an Interconnected Downstream Transmission System or of an Interconnected System or of any other natural or legal person that might have a legal interest.

In case Natural Gas is received at an Exit Point in order to be used by a Customer or by the Operator of an Interconnected downstream Transmission System or of an Interconnected System or by any other natural person or legal entity in the name of a Transmission User, the Transmission User shall ensure that the Operator of an Interconnected downstream Transmission System or of an Interconnected System or any other natural person or legal entity having a legal interest shall be bound by the provisions of the Code and of the Transmission Agreement that the Transmission User has concluded with the Operator. In case this is not ensured neither with an act of accession nor in any other way, the Operator has the right to interrupt the transmission of Natural Gas to this Transmission User and to suspend the terms of the latter's Transmission Agreement until this Customer or operator of Interconnected downstream Transmission System or Interconnected System or any other natural or legal person having a legal interest is bound by the provisions of the Code, keeping in any case, however, the Transmission User's obligation to pay of any charge arising under the Code or the Transmission Agreement.

Comment: it seems logical that the signing of an Interconnected System Operation Agreement should be a precondition to the connection of an interconnected system with the NNGS. If this is the case, then placing an obligation on the User to ensure the Operator of such interconnected system is bound by the Code should not be necessary.

When more Transmission Users receive Natural Gas at an Exit Point during a Day, it is assumed that:

A) The Natural Gas received at the Exit Point bears the same off-take characteristics for all Transmission Users and

B) Natural Gas received by each User at this Exit Point is proportional to the Natural Gas Quantities he stated in an admissible Declaration or in an admissible modification request for off-take at the Exit Point on this Day, regardless of the differences regarding off-take characteristics at this Exit Point.

5.3 Operator and Users Obligations upon Natural Gas off-take

The Operator must deliver to the Transmission User and the latter must receive at an Exit Point Natural Gas that satisfies the Natural Gas Off-take Conditions, as well as the terms of the applying legislation.

The Operator is not obliged to deliver at an Exit Point to a Transmission User or to an Operator of Interconnected downstream Transmission System or Interconnected System or to any other natural or legal person having a legal interest and with whom he has concluded a Transmission Agreement regarding this Exit Point:

A) Natural Gas with an Hourly off-take supply exceeding one twentieth (1/20) of the Reserved Off-take Transmission Capacity of the Transmission User at this Exit Point, according to the Transmission Agreement the Transmission User has concluded,

B) When the Total daily Natural Gas Quantity exceeds the Reserved Transmission Capacity of the Transmission User, under the Transmission Agreement he has concluded, or the Natural Gas quantity stated for delivery by the Transmission User to the NNGTS.

In the Operator's opinion, wherever a Transmission User receives Natural Gas at an Exit Point with a Supply exceeding one twentieth (1/20) of the Reserved Off-take Transmission Capacity that he has reserved at this Exit Point, in a way that endangers NNGS's safe operation, the Operator may adopt the necessary measures in order to ensure the required decrease in supply or the interruption, after notification, of Natural Gas off-take by the Transmission User at the Exit Point or the disconnection of the relevant off-take. The Operator shall not adopt this measure when alternatives adequate for the circumstances are available.

In case of damage at an Exit Point for which none of the Contracting parties is liable and which results in the Operator's inability to fulfill his obligations to deliver Natural Gas to the Transmission User under the terms herein, the Operator must restore the supply of Natural Gas at this point within two (2) hours at most. If this time-period is exceeded and if the Transmission User delivered to the Operator a Quantity of Natural Gas destined for delivery under the terms herein, the Operator must compensate the Transmission User for any damage caused to the Transmission User because of this fact. The amount of the compensation due by the Operator may not exceed the maximum liability limit set out in the "NNGS Access Invoices and Charges" manual.

5.4. Minimum Exit Pressure

The Operator examines every reasonable request by Transmission Users regarding the determination of the minimum Natural Gas off-take pressure at Exit Points (Minimum Exit Pressure) within the range stated in the "NNGS Operation Features" manual, which regards certain Exit Points, and he concludes an Agreement on the Preservation of Minimum Exit Pressure with this User, having a maximum duration of one year, if the aforementioned request can be satisfied.

Any Operator's obligation to preserve the Minimum Exit Pressure shall apply on the condition that:

A) The Reserved Transmission Capacity is not exceeded or/and the hourly supply of delivery at the Exit Point does not exceed one twentieth (1/20) of the Reserved Off-take Transmission Capacity at this Exit Point according to the Code.

B) The operational limits stated in the "NNGS Operation Features" manual are not violated.

C) The delivery pressure at the Exit Points is greater than the Minimum Entry Pressure for these Points, as set out in the "NNGS Operation Features" manual.

The Operator bears no liability vis-à-vis Transmission Users for any damage caused in case the non fulfillment of a Minimum Exit Pressure obligation is due to independent factors, like, inter alia, unpredicted changes of regulations or of environmental, health or safety standards, or to a collision with such regulations or standards due to the change in population density or in the characteristics of certain geographical regions.

The Operator is not assumed to violate his obligation to make Natural Gas at an Exit Point available for off-take from the Transmission System, if the pressure of Natural Gas at the very next connected Natural Gas System after this Exit Point exceeds the Minimum Exit Pressure.

5.5 Natural Gas Off-take for compressor supply

In case the Natural Gas received at an Exit Point is used by the Transmission User or the Customer or the Operator of an Interconnected downstream Transmission System or Interconnected System or by any other natural person or legal entity having a legal interest, to which the Transmission User delivers it, in order to supply a compressor installed outside the NNGS, the Operator may request in writing that

he installs the compressor at a proper point and operate him in a way that does not lead to pressure fluctuations in the NNGS's central pipes or to any other difficulties or dangers for the Operator or for the NNGS or for other Natural Gas consumers.

The expenses for covering, operating and maintaining the compressor are borne exclusively by the User who installed it or the Customer or the Operator of an Interconnected downstream Transmission System or Interconnected System or by any other natural or legal person having a legal interest. In case of non-compliance with the aforementioned, the Operator may interrupt the delivery of Natural Gas to the Transmission User at the relevant Exit Point and he is not obliged to restore it for so long as, in the Operator's opinion, the Transmission User's non-compliance continues.

5.6 Operator's Access to Off-take Facilities

The Operator has the right to access the facilities (Off-take Facilities) of a User or Third Party periodically and during a reasonable period of time, with the aim to exercise his rights under the present Code and in order to confirm compliance with the requirements of the Transmission Agreement or to install connection with NNGS, according to the relevant Interconnected Systems agreements he has concluded. The Transmission User / Third Party adopts the measures required in order to ensure the Operator's uninterrupted and smooth access.

5.7 Off-take of non-compliant gas

The Operator is obliged to notify Transmission Users in due time, according to the provisions of the "NNGS Operation Features" manual, every time he discovers through the procedures provided for in "Natural Gas Measurements Regulation" manual or in any other way, that at any Exit Point, Natural Gas that shall be available for off-take or that is received or that has been received by Transmission Users is a Non-Compliant Gas. In case the Operator does not inform the Transmission Users concerned in due time, the provisions of this Article apply.

From the moment Transmission Users are informed by the Operator that the Natural Gas available for off-take at an Exit Point is a Non-Compliant Gas and until the Natural Gas available for off-take at this point becomes compatible with the specifications of Annex C "Natural Gas and LNG Quality Specifications" herein, Transmission Users may, at their discretion:

A) Receive or continue to receive this Non-Compliant Gas
B) Reduce the rate of off-take or interrupt off-take of the Non-Compliant Gas

Transmission Users inform the Operator immediately about their decision by submitting a Revised Daily Declaration.

In case Transmission Users receive Non-Compliant Gas from the NNGS on a Day and if they did not know or they had no reason to believe that the Natural Gas available for off-take was a Non-Compliant Gas, the Operator compensates them for the expenses they defrayed in order to repair, restore or replace any part of the technical equipment belonging to them or to Third parties, to which they deliver Natural Gas, that suffered damage or failure or that was destroyed because it was supplied with this Non-Compliant Gas. In addition, the Operator compensates for any other subsequent damage for which Transmission Users prove that there is a reasonable connection, under the provisions of the Civil Code, with the off-take of this Non-Compliant Gas. The aforementioned compensation may not exceed, for one Day, the value of the quantity of Natural Gas corresponding to 3% of the Non-Compliant Natural Gas distributed to the Transmission User at this point on this Day, which is compensated with the Balancing Gas Daily Price that applied on that Day.

In order to establish the right of compensation from the Operator, according to the previous paragraph, a Transmission User may submit a relevant request to the Operator the soonest possible, specifying:

A) The Exit Points and the Days on which he received the Non-Compliant Gas from the NNGS,
B) The total quantity of Non-Compliant Gas he received at each Exit Point and any other information required to prove that the Natural Gas he received was a Non-Compliant Gas,
C) Analysis and documentation of the expenses for which he is entitled to compensation by the Operator.

The Operator is obliged to provide the Transmission User, at the latter's request, with all the relevant information he is aware of and that are required so that the Transmission User supports his request according to the aforementioned paragraph.

If the User has been informed by the Operator that the Natural Gas available for off-take is a Non-Compliant Gas and still proceeds to the off-take of part or all the Non-Compliant Gas, he may raise no claim against the Operator for the Non-Compliant Gas he received.

The Operator bears no liability for problems that might occur in the future to pipes or Off-take Facilities downstream an Exit Point, on the condition that he has observed his obligations arising from the present article.

In the aforementioned cases, The Transmission User's notification by the Operator and vice versa shall be made by fax according to the provisions of the "NNGS Operation Procedures" manual and the sending report shall be kept.

5.8 Interruption of Customer supply at an Exit Point

The Operator has the right to interrupt, in part or whole, the delivery of Natural Gas to a Transmission User at an Exit Point on the occurrence of an Emergency or on a Limited Transmission Capacity Day, under the provisions of Chapter 10 herein.

CHAPTER 6
Quantity Distribution at Entry and Exit Points

Operator dispatches the total Natural Gas Quantity that is measured during a Day D at an Entry or Exit Point to the Transmission Users in proportion to the ratio of quantity which every Transmission User has declared that they shall deliver or receive correspondingly at the respective point during that Day, such declaration having been made in their final Accepted Declaration, to the sum of the declared quantity at that point by each and every User according to the following formula (Indicative Dispatch):

$$КП_{j} = МП \cdot \frac{ΔПj,}{\sum_{n} ΔП}$$

1

where:

ΚΠj: Quantity that is distributed to the Transmission User "j" at a specific Entry or Exit Point.

ΜΠ: Total Natural Gas Quantity that has been measured at the same Entry or Exit Point during Day D and is that quantity that has been delivered or received correspondingly by the total number of Transmission Users at that Point.

ΔΠj: Declared quantity of delivery and off take by the Transmission User "j" at the Entry or Exit Point correspondingly during the Day D, according to the last Accepted Declaration.

$\sum_{1}^{n} \Delta\Pi j$: The sum of quantity declared by each and every Transmission User at the afore mentioned Entry and Exit Point on Day D, in accordance with their Accepted Declarations.

N: The number of Transmission User that have been engaged at the said Entry or Exit Points.

Should the Transmission User serve a Customer, for whom / which a specific engaged transmission capacity at an Exit Point must be made pursuant to the legislation in place, then the Quantity of Natural Gas received by the said Transmission User is diversely distributed (pursuant to the afore stated distribution method); such distribution is made so, so that said Customer be supplied with Natural Gas.

ΜΠ Natural Gas Quantity that is totally measured at a Point may exceed (Overage) or fall short (Shortage) with the sum of quantities that had been declared by the Transmission Users for that point.

Should the sum of quantities that had been declared for a Day by the Transmission Users regarding a point at the NNGS equals zero and should the ΜΠ Natural Gas Quantity that is totally measured at that point equals other than zero, said quantity is distributed to the Transmission Users pro rata on the basis of the reserved Transmission Capacity at an Entry or Exit Point by each User at a specific Point.

Regarding that Entry Point, in particular, where Balancing Gas is transferred to the NNGTS, the quantity distributed to the Transmission Users during a Day D equals the difference between Natural Gas that has been totally measured and delivered at that Point during Day D minus the quantity of Balancing Gas injected at the NNGTS through the afore said point during the same day.

The Operator notifies the Transmission Users in writing, the results of the Indicative Dispatch for Day D at every Entry and Exit Point including the prices for ΜΠ and

$\sum_{1}^{n} \Delta\Pi j$ by 16:00 Day D+1 , as prescribed at the manual "NNGS Procedure Operation".

Operator does not consider any default occurred at the Metering Equipment or the latent Natural Gas Quantities at an Exit Point in order to estimate the Indicative Dispatch.

Operator notifies in writing each Transmission User the Initial Dispatch for each Day of the previous month with reference to each and every Entry and Exit Point, which is included at the Transmission Agreement of the said User, pursuant to the manual "NNGS Operation Procedure"; such notification is to be made by 5th day of each month at 16:00.

Operator considers the Certified Delivery Natural Gas Quantities or Off – take Quantities for the respective month, in order to estimate the Initial Dispatch.

Transmission Users may submit reasoned objections against the Initial Dispatch of the previous Month until the seventh (7th) Day of each Month. Respective Evidence is annexed thereto.

Transmission Users that use a specific Exit or Entry Point may agree on other quantities than that for the Initial Distribution at that Point; such agreement shall be made for a specific Day. The Agreement is entered into in writing and is notified to the Operator until the ninth Day of each Month. The Operator accepts the distribution as proposed by the Transmission Users, so long as:

A) Total Natural Gas Quantity (ΜΠ), which is measured at a specific Entry Point or Exit Point for on a specific Day, is distributed.

B) Proposed distribution is not detrimental to the other Users neither is discriminatory against them or negatively effects NNGS operation.

So long as the Operator accepts the proposed distribution, this is made final (Final Dispatch). The Operator conducts Final Dispatch considering Initial Dispatch, objections made by the Transmission Users against Initial Dispatch, as well as, any agreement entered into by the

Transmission Users on a different dispatch pursuant to the present Article. By tenth (10^{th}) Day of each month the Operator notifies in writing the Transmission Users the Final Dispatch, pursuant to the manual "NNGS Operation Procedure". The Operator may not be held responsible for the adoption or not of the Final Dispatch, which may be different than the Initial Dispatch made to any User.

Natural Gas Quantities, which are delivered to the NNGTS by one specific Transmission User to all Entry Points they might use, pursuant to the Final Dispatch made on a Day, are that User's Daily Delivery. Natural Gas Quantities, which are received by a User at all Exit Points they might use, pursuant to the Final Dispatch made on a Day, are that User's Daily Off – take.

The reasons of creation of Overage or Shortage are not considered for the evaluation of dispatch as aforementioned.

CHAPTER 7

Load Balancing

7.1 Operator's load balance responsibility

The Operator ensures at all times that deliveries and offtakes of Natural Gas are balanced (Load Balance) in the NNGTS, taking into account losses and the Quantities of Natural Gas stored in the NNGS, so that the NNGS operates reliably, safely and productively.

The Operator undertakes any measure (Balancing Action) that it deems necessary for restoring any Load Imbalance in the NNGTS, and ensuring the system's reliable, safe and productive operation. When the Operator undertakes a Balancing Action, it especially takes into consideration pressure levels in the NNGTS and reserves of LNG, the capability of storing Natural Gas in the NNGTS, and the concurrent positive and negative imbalance of Transmission Users.

The Operator announces via the Electronic Information System (or notifies the Transmission Users by any other available means when the Electronic Information System is not available) any Balancing Action it has effected, and maintains records with detailed data on each action, and especially its nature, the Quantity of Natural Gas involved, and the cost.

If
the Operator ascertains that the Transmission User has exceeded or is expected to exceed the Daily Load Imbalance Tolerance Levels (Limits), as determined in "NNGS Access Invoices and Charges" manual, and the Operator reasonably considers that this balance deficit of the Transmission User is impacting or is expected to impact the reliable, safe and productive operation of the NNGTS, the Operator may undertake a Balancing Action - specifically the limitation or total suspension of injection of Natural Gas into the NNGTS or the Off-Take of Natural Gas from the NNGTS for the Transmission User, according to the procedure described in the "NNGS Operation Procedures" manual.

The Operator recovers, via the special Balance Account it maintains as provided under article 7.12 hereof, all expenses it incurs upon effecting Load Balances.

7.2 Annual Load Balance Planning

By June 1 of every year, the Operator prepares and submits to RAE an Annual Load Balance Plan for the next Year, which together with any amendments thereof is approved by RAE and is publicised care of the Operator.

The Annual Load Balance Plan includes especially: (a) the Operator's projections as to the course of demand for Natural Gas and of Nominated Transit, in relation to the existing capacity of the NNGTS; (b) projection re: Quantities of Natural Gas required for Load Balance, such as total annual quantity of Natural Gas for balancing, its estimated allocation during the year, the maximum Supply and maximum daily Quantity of Natural Gas for Load Balance; and (c) determination of the points required to be made in the Load Balance agreement or combination of agreements that the Operator is required to sign.

In preparing the plan, the Operator mainly takes into account the NNGS Development Program, the total demand for Natural Gas served via the NNGS, the geographical allocation of consumption, the technical limitations to the System's operation, and especially any event that has led, or according to the Operator's assessment will lead, to Congestion, Case of Emergency, deny of access or prohibition of Nominated Transit, the maintenance requirements for parts of the NNGS, existing Natural Gas Transmission Agreements, existing LNG Facility Use Agreements, and the Interconnected System Operation Agreements concluded by the Operator.

7.3 Balance Load Agreements

The Operator, in the context of its powers and duties, is allowed to conclude agreements with Users or Third Parties for the supply and delivery of Natural Gas to the NNGS or the sale and receipt by it of Quantities of Natural Gas in the context of the Operator's conducting Load Balancing Actions (Load Balance Agreements).

The Load Balance Agreements are concluded after RAE has approved the Annual Load Balance Plan, either following an invitation to tenders conducted by the Operator, or in accordance with the provision of Article 38 (1) of Law 3428/2005 (Govt. Gazette A' 313). The Load Balance Agreements have a maximum duration of one Year.

The Load Balance Agreements especially regulate the following: (a) the rights and obligations of the contracting parties; (b) the obligation of the Operator's opposite parties to adapt the inflow/outflow from/to the NNGTS in accordance with the Operator's instructions in the context of Load Balancing Actions; and (c) the consideration to be paid by the Operator or its opposite party, depending on the case, for the Quantity of Natural Gas it will receive, in accordance with the terms of the Load Balance Agreement, in the context of a Load Balancing Action.

7.4 Cost of Balancing Gas

Before concluding the Load Balance Agreements, the Operator submits to RAE copies of such agreements, and: (a) the parameters taken into consideration in determining price per unit according to the Load Balance Agreement and the manner in which it is periodically adjusted during the course of the year, if applying, and any other charge per unit applied to the Quantity of Natural Gas delivered to the NNGS; and (b) the fixed consideration the Operator may be paying to its opposite party according to the Load Balance Agreement, and any other fixed charge and the manner of allocating these among Transmission Users.

Within thirty (30) days from the date on which the information is submitted, RAE decides concerning approval of the parameter values applied in calculating price per unit and the manner of allocating the fixed consideration among NNGTS Transmission Users.

The consideration per unit, as approved as described above, is promptly notified to the Transmission Users and is the Daily Gas Imbalance Price (DGIP).

The fixed charge corresponding to each User according to the approved allocation method arises as described in the "NNGS Access Invoices and Charges" manual.

The Operator proceeds to conclude the Balancing Agreements after obtaining RAE's approval.

7.5 NNGTS Loss Factor

The Total Loss of the NNGTS (LoT_p) during a period of time (p) is the difference between the sum of Quantities of Natural Gas that have been counted as injected into all NNGTS Entry Points (IQT_p) in that period and the Quantities counted as received at all NNGTS Exit Points during period (p), augmented by the difference between the Quantities of Natural Gas stored in NNGTS pipelines (LoP) at the beginning and at the end of the same period of time.

$$LoT_p = IQT_p - OQT_p + (LoP_{p-1} - LoP_p)$$

The above are expressed in energy units (MWh).

The NNGTS Loss Factor (FLT_p) during a period of time (p) is the ratio of the NNGTS Total Loss within the course of such period and of the sum of Quantities that as per counting have been received from all the NNGTS Exit Points, augmented by the Total NNGTS Loss within such period (p).

$$(FLT_p) = \frac{LoT_p}{LoT_p + OQT_p}$$

Up to September 1 of each Year the Operator publicises, after obtaining RAE's approval, its assessment about the value of the Approved NNGTS Loss Factor to apply in the following year (YFLT). During the course of one Year the value of the Approved NNGTS Loss Factor may be reviewed, subject to RAE's consent after the Operator has submitted such a request.

At the beginning of each Month the Operator calculates the NNGTS Loss Factor of the immediately preceding Month (MFLT).

If the NNGTS Loss Factor in one Month exceeds the Approved NNGTS Loss Factor, then the Operator must compensate for the Losses corresponding to the above overstepping. The Quantity of Natural Gas that the Operator must compensate as above is calculated as the product of the difference of the NNGTS Loss Factor in that Month minus the Approved NNGTS Loss Factor multiplied by the sum of Total NNGTS Loss and the Quantities of Natural Gas taken-off by the NNGTS in that Month. This quantity is compensated at the consideration per unit (€/MWh) determined in the "NNGS Access Invoices and Charges" manual.

The above compensation is allocated among Transmission Users in proportion to the Quantities of Natural Gas they received at NNGTS Exit Points during the month under consideration.

7.6 Daily User Load Imbalance

The Transmission Users apply every effort to balance on a daily basis the Daily Natural Gas Delivery with the Adjusted Daily Natural Gas Off-Take from the NNGTS.

The Transmission User's Daily Natural Gas Delivery and Daily Natural Gas Off-Take are calculated as described in Chapter 6 hereof.

The Adjusted Daily Off-Take by the Transmission User is the sum of the Daily Off-Take of such User augmented by the NNGTS losses allocated on that same Day.

The Daily Transmission User Load Imbalance (DTULI) is calculated for each Day as the difference between the Transmission User's Daily Delivery and the Transmission User's Adjusted Daily Off-Take. The Daily Transmission User Load Imbalance is marked as positive

(Daily Surplus) when the Daily Delivery is higher than the Adjusted Daily Off-Take, and negative (Daily Deficit) when the Transmission User's Daily Delivery is lower than the Adjusted Daily Off-Take.

7.7 Tolerance Levels of User's Daily Load Imbalance

On each Day in which the absolute value of the Daily Transmission User's Daily Load Imbalance as a percentage of its Reserved Transmission Capacity exceeds the permitted Daily Load Imbalance Tolerance Levels (Limits), as determined in the "NNGS Access Invoices and Charges" manual, the Transmission User is considered as being outside the Tolerance Limit. In this case, and depending on whether the Transmission User's DTULI is positive or negative, the Transmission User is considered outside the positive Daily Load Imbalance Tolerance Limit or outside the negative Daily Load Imbalance Tolerance Limit respectively.

Specifically in the case of supply to an Off-Take Facility which has not previously been supplied with Natural Gas (New Off-Take Facility) for the requirements of which the Transmission User reserves at a particular Exit Point a Transmission Capacity over one (1) GWh for the first six (6) months from the date of first delivery and off-take of Natural Gas (Trial Operation Period), the Daily Load Imbalance Tolerance Limit varies, as described in the "NNGS Access Invoices and Charges" manual. The Daily Load Imbalance Tolerance Limit for supplying a New Off-Take Facility is applied only as to that part of the Transmission User's Reserved Transmission Capacity that corresponds to the Reserved Off-Take Transmission Capacity reserved by the Transmission User at an Exit Point in order to serve the New Off-Take Facility. The Transmission User serving the New Off-Take Facility must state to the Operator which part of its Reserved Transmission Capacity is reserved for supplying the New Off-Take Facility. The Operator is entitled to demand additional evidence in order to acknowledge that the above part of the Transmission User's Reserved Transmission Capacity is to be used for supplying the New Off-Take Facility.

The Daily Load Imbalance Tolerance Levels (Limits) may be modified after a proposal by the Operator and approval by ERA. The modification applies as of the Year after the Year in which the Operator submitted the related proposal. In reviewing, mainly taken into consideration are the expected demand for Gas by all Transmission Users, the transmission capacity of the NNGTS, the Operator's obligation to ensure the reliable, safe and productive operation of the NNGS, and the reasonably expected total Reserved Transmission Capacity of all Transmission Users for the next Year.

Any Day in which the Transmission User, according to its statement that has been accepted by the Operator, does not deliver at an Entry Point nor receive at an Exit Point Natural Gas from the NNGTS, the Daily Load Imbalance Tolerance Levels (Limits) are not applicable.

If the Operator ascertains that the Transmission User has exceeded or might exceed the Daily Load Imbalance Tolerance Levels (Limits), as defined above, and the Operator reasonably judges that such Transmission User imbalance affects or might affect the reliable, safe and productive operation of the NNGTS, the Operator may, beyond the Balancing Actions, proceed to limit or suspend altogether the injection of Natural Gas into the NNGTS or the Off-Take of Natural Gas from the NNGTS as to the specific Transmission User, as provided in the "NNGS Access Invoices and Charges" manual.

7.8 Daily Settlement of Negative DTULI

In the context of the Daily Settlement of Negative DTULI, the Operator calculates the Daily Load Imbalance as a percentage of the Reserved Transmission Capacity of each Transmission User.

If the Daily Load Imbalance as a percentage of the Reserved Transmission Capacity of each Transmission User is within the Daily Load Imbalance Tolerance Levels (Limits), then the Operator charges the Balancing Account of the Transmission User with an amount equal to:
Daily Charge = Ab(DTULI) x (DGIP)

If the Daily Load Imbalance as a percentage of the Reserved Transmission Capacity of each Transmission User is outside the Daily Load Imbalance Tolerance Levels (Limits), then the Operator charges the Balancing Account of the Transmission User with an amount equal to:
Daily Charge = [Ab(DTULITL) x RTC + [Ab(DTULI) – Ab(DTULITL) x RTC] x ΣΠ] x (DGIP)
The indication Ab( ) denotes the absolute value of the figure within the brackets.
The above factors are determined in the "NNGS Access Invoices and Charges" manual.

7.9 Daily Settlement of Positive DTULI

In the context of the Daily Settlement of Positive DTULI, the Operator calculates the Daily Load Imbalance as a percentage of the Reserved Transmission Capacity (RTC) of each Transmission User.

If the Daily Load Imbalance as a percentage of the Reserved Transmission Capacity of each Transmission User is within the Daily Load Imbalance Tolerance Levels (Limits), then the Operator charges the Balancing Account of the Transmission User with an amount equal to:
Daily Charge = Ab(DTULI) x (DGIP)

If the Daily Load Imbalance as a percentage of the Reserved Transmission Capacity of each Transmission User is outside the Daily Load Imbalance Tolerance Levels (Limits), then the Operator credits the Balancing Account of the Transmission User with an amount equal to:
Daily Charge = [Ab(DTULITL) x RTC + [Ab(DTULI) – Ab(DTULITL) x RTC] x ΣM] x (DGIP)
The indication Ab( ) denotes the absolute value of the figure within the brackets.
The above factors are determined in the "NNGS Access Invoices and Charges" manual.

7.10 Protracted Load Imbalance

If the DTULI exceeds the Daily Load Imbalance Tolerance Level of the same Transmission User for five (5) or more consecutive Days (Protracted Load Imbalance), the Operator may lower the Tolerance Limit of that Transmission User, to the point of nullifying it, for the period of time for which, according to the Operator's reasonable judgement, the Transmission User will not be able to comply with its obligations as to Load Balancing, as provided in the "NNGS Access Invoices and Charges" manual. The related decision by the Operator is notified to RAE.

The provisions re: Protracted Load Imbalance are suspended during Cases of Emergency and proven events of Force Majeure.

7.11 Monthly Balancing Clearance

Each Month the Operator calculates the total of each User's debit or credit amount as the algebraic sum of the Transmission User's daily credits or debits for each Day of the preceding Month, calculated in accordance with articles 7.8 and 7.9 hereof respectively, as a fixed charge corresponding to the User.

The clearance of the debit or credit balance of each Transmission User is effected via the invoice issued by the Operator each Month in accordance with the terms of the present Code and the Transmission Agreement it has concluded.

7.12 Balancing Account

The Operator maintains a separate book account (Balancing Account) to which it charges all types of expense it incurs in relation to Balancing, especially including each expense arising as a result of a Load Balancing Action and/or as a result of the Load Balancing agreements it concludes, and which it credits with all amounts collected from Transmission Users in the procedure of daily settlement of DTULI and the Monthly Balancing Settlement. The Balancing Account also includes special Balancing Accounts for each Transmission User (User Balancing Account) for the credits and debits corresponding to such User.

The Balancing Account must be balanced at the end of each Year. For this purpose, the net balance of the Account shall be balanced by additional payment or charge to Transmission Users, according to the procedure described in the "NNGS Access Invoices and Charges" manual.

7.13 Cost of LNG Facility Use for Balancing

If the Operator uses the LNG Facility for injecting Quantities of Natural Gas into the NNGTS for Balancing, the cost of using the LNG Facility per Transmission User is calculated according to the procedure approved by RAE and described in the "NNGS Access Invoices and Charges" manual.

The Operator credits the Balancing Account with the revenue derived from the charges it imposes upon each Transmission User for using the LNG Facility for Balancing purposes

CHAPTER 9
Quality Specifications for Natural Gas and LNG

Natural Gas, which is delivered at an Entry Point, is transmitted through the Transmission System and is received at an Exit Point along with LNG, which is delivered at the LNG facilities, must comply to the Specifications of Quality set forth concerning Natural Gas and LNG; such specifications are set forth in Appendix C hereof.

Quality Specifications are mainly related to the Natural Gas and the LNG chemical substance and the geothermal features held, as well as, to the purity which is necessary for the safe delivery, storage, transmission and off - take through NNGS.

CHAPTER 10
Case of Emergency and restrictions in Natural Gas delivery

10.1 Case of Emergency

Each event or circumstance that places or can place at risk the NNGS's safety or the transit of Natural Gas via the NNGS, or that causes or can cause risk to the life and property of any person, and impedes the Operator from fulfilling its obligations as against a User or Users, constitutes a Case of Emergency according to the terms hereof.

Indicatively, the following are Cases of Emergency:

- Ascertained or probable Natural Gas or LNG leakage from the NNGS or an LNG vessel during LNG disburdenment.
- Irregular supply of Natural Gas to the NNGS or any impending disruption of the regular operation of any part of the NNGS in a way that renders doubtful the ability to keep the NNGS's operational parameters at levels that are safe for its operation.
- Transit of Natural Gas through the NNGS, the characteristics of which are such that supply at points of consumption might set at risk the life or property of any person.

Comment: it should be clarified whether a Case of Emergency resulting from a Force Majeure event has different consequences to a Case of Emergency arising from causes that are within the control of a party.

If there applies a Case of Emergency according to the reasonable judgement of the Operator, the Operator declares a Case of Emergency, announcing to Users and/or Third Parties the reasons that caused it, its impact and its expected duration.

During the Case of Emergency, the Operator takes all measures that it considers necessary in order to deal with such emergency, towards ensuring the regular, safe and reliable operation of the NNGS. In this context, the Operator issues orders to Users and/or Third Parties and they are under the obligation to comply therewith.

The Case of Emergency ends when the Operator considers that the circumstances that caused it have ceased applying and the safe and reliable operation of the NNGS can be restored. Immediately after termination of the Case of Emergency the Operator takes all measures required for restoring the NNGS to conditions of regular operation and reinstating the transmission of Natural Gas.

Within six months from the end of a Case of Emergency, each User having a lawful interest may submit to the Operator a request to receive information (in addition to the information announced) related to the Case of Emergency.

10.2 Emergency Measures

The Operator implements all necessary measures (Emergency Measures) in order to prevent the possibility of an occurrence or escalation of a Case of Emergency, deal with its consequences, and restore supply of Natural Gas and/or LNG and the normal operation of the NNGS. The Emergency Measures include actions undertaken either by the Operator itself or by the Users, or by the operators of an Interconnected upstream or downstream Transmission System or an interconnected System, or by any other individual or legal entity, following the specific instructions of the Operator who is exclusively competent for co-ordinating such actions. The implementation of Emergency Measures serves the public interest and so precedes the protection of the interests of Users or Third Parties which have a lawful interest based on the Code and the agreements they have concluded with the Operator.

The implementation of Emergency Measures and any action or omission on the part of the Operator which is due to implementing such measures, under no circumstances constitute a violation of the Operator's legal or contractual obligations, nor do they entail a suspension of the financial obligations of Users or Third Parties on the basis of the Code and the agreements they have concluded with the Operator. In a Case of Emergency, the Users are not subject to Daily Scheduling charges, and the Daily Load Imbalance Tolerance Levels (Limits) are not applicable. In particular, it is not considered that the Operator violates its above obligations if, as a result of an Emergency Measure it does not accept in part or wholly Natural Gas that:

(i) a Transmission User is offering for delivery to an NNGTS Entry Point;
(ii) an LNG User is offering for disburdenment at an LNG Delivery Point and/or the Operator is not delivering Natural Gas to a User at an Exit Point or LNG for gasification.

The Operator may make provision in the Interconnected Systems Operation Agreements that the Emergency measures are decided taking into consideration the Interconnected Systems, and determining specifically the procedure of mutual notification and co-operation and the measures to be taken by the operators of Interconnected Systems in Cases of Emergency. The Operator notifies the Users and Third Parties thereof.

During a Case of Emergency each User and/or Third Party must provide every assistance to the Operator and undertake the Emergency Measures that the Operate orders them to implement.

During a Case of Emergency, the Operator is exclusively entitled to address specific instructions to Users and/or Third Parties for dealing with such Case of Emergency and implementing the Emergency Measures. Such instructions may especially provide for an increase or a reduction or a suspension of the Supply of Natural Gas at an Exit or an Entry Point, if the Emergency Measures include such a provision. The Users must comply promptly with the instructions they receive and notify their Customers or their suppliers or Third Parties they serve. Otherwise, the Operator is permitted, as an additional Emergency Measure, to physically isolate each Exit or Entry Point, applying every possible effort to ensure that such isolation does not affect other Users.

10.3 Emergency and Crisis Management Plan

The Operator prepares and publicises via the Electronic Information System (or notifies via other available means the Users, if the Electronic Information System is not available) a plan for dealing with emergencies (Emergency and Crisis Management Plan). This plan, as also any amendment thereof, is approved by the Minister of Development after RAE has given its opinion, and is notified to the competent authorities and services.

Upon preparing the Emergency and Crisis Management Plan the Operator mainly takes into consideration the transmission capacity of the NNGS, the storage capacity of the NNGS, the NNGS Development Study and Development Plan, the incidents that led to the Emergency or to a Limited Transmission Capacity Day in the past, objective assessments and estimates about each incident that can lead to an Emergency, all related information supplied by Users, international and national technical codes and models, and the institutional framework and safety and management policies applied on a national and an European level.

10.4 Disruption Sequence List

The Operator maintains and updates a list of the sequence of suspending supply of Natural Gas in a Case of Emergency or a Limited Transmission Capacity Day (Disruption Sequence List).

Especially in cases when the Case of Emergency or a Limited Transmission Capacity Day is proven to have been caused by reduced deliveries of Natural Gas by a Nominated Transit User, then the Operator effects an equal reduction of the Quantities of Natural Gas received by such Transmission User at an NNGS Exit Point intended for transit.

In all other cases, Customers are entered into the list by category, in the following disruption sequence:

A. Disrupted Customers who have signed a Voluntary Disruption Agreement according to article 10.6 hereof.
B. Nominated Transit.
C. Power production facilities that operate with Natural Gas and have available a fuel alternative.
D. Power production facilities that operate with Natural Gas and do not have available a fuel alternative.
E. Major Customers, excluding EPA (Undertaking for Natural Gas Distribution)
F. Other industrial Customers.
G. Other Customers.

Comment: curtailing supply to transit Users before Users providing gas to the Greek market is discriminatory and contrary to the strict requirement in the Gas Directive to treat all system users alike. All Users with firm capacity contracts should be have their capacity curtailed pro rata their nominations.

Within ten (10) days from the beginning of each Year, the Operator publicises all the Reserved Transmission Capacity, by category of the Disruption Sequence List, reserved by Transmission Users according to currently applying Transmission Agreements, and the capacity it suspended because of a Case of Emergency during the preceding Year.

10.5 Communication and User notification

For the purposes of the present Chapter, upon submitting an application for concluding a Transmission Agreement or an LNG Facility Use Agreement, the Users must also submit the following data:

A. Personal telephone numbers, personal fax numbers, and e-mail addresses at which the Operator will be able to contact 24 hours a Day, every Day, representatives of the User in case of an Emergency.

B. The names and addresses of the User's representatives whom it will be able to contact at the above numbers and addresses. Each representative shall be authorised by the User to act as the Operator's assignee in the event of Emergency.

The Users must notify in due time the Operator of any change in the above particulars.

The Operator is not liable as against the Users for any damages they sustain because of the Operator's objective inability to contact the User during a Case of Emergency or a Limited Transmission Capacity Day based on the information the User has submitted according to article 10.5 hereof. If such inability stems from the submission of erroneous data or data that has not been updated by the User, the latter must cover any expense incurred by the Operator because of its inability to contact the User.

The Operator notifies immediately RAE and the Users via the NNGS Electronic Information System or any other available means of the exact time at which the Emergency occurred and, if possible, of its nature, extent, and expected duration. The Operator must keep RAE and the Users informed at all times as to developments related to the Emergency and notify them as soon as possible of the exact time at which the Case of Emergency is to be lifted.

The time at which the Case of Emergency is lifted is considered to be the time stated in the Operator's related notification to Users in accordance with the preceding paragraph, and, for the requirements of Daily Scheduling specifically, it is considered to be the beginning of the next Day. During a Case of Emergency, Users are not charged with the Daily Scheduling Charges.

10.6 Voluntary Disruption

The Operator may conclude with every Major Natural Gas Customer a Voluntary Disruption Agreement with a duration not exceeding one Year, by virtue of which it can suspend Supply to a Major Customer if a Case of Emergency has been declared, subject to payment of compensation by the Operator to the Customer (Disrupting Customer). The Voluntary Disruption Agreement may be concluded at any time during one Year, including during a Case of Emergency.

10.7 Disrupting Customers' Compensation

The Operator owes compensation to Disrupting Customers and to the power production plants that operate with Natural Gas if it asks them to reduce or suspend their operation during the application of Emergency Measures, excluding those that receive Natural Gas via a User who caused the Emergency.

The above compensation covers exclusively the additional expenses incurred because of the use of alternative fuels, which are calculated as the difference between the cost of procuring alternative fuel at a price per unit equal to the average price per unit of the alternative fuel used during the Case of Emergency by every category of beneficiaries and the cost that would be required to procure the quantity of Natural Gas which it was not possible to use because of the suspension. The compensation is calculated and paid by the Operator to the beneficiaries in accordance with the provisions re: Security of Supply in the "NNGS Access Invoices and Charges" manual. The Operator pays to the beneficiaries the required compensation and debits correspondingly the Security of Supply Account which it maintains in accordance with article 10.8 hereof.

10.8 Security of Supply Account

The Operator maintains a separate Security of Supply Account which it charges with the amount of compensation paid to the beneficiaries as provided under article 10.7 hereof, and credits with the revenue arising from payment of a special monthly duty (Security of Supply Duty) by the Transmission Users who have concluded Transmission Agreements, depending on the monthly Quantity of Natural Gas allocated to each of them from all Exit Points. The amount of the Security of Supply Duty per Unit, in Euro per MWh, and the maximum permitted limit of the Security of Supply Account in Euro are determined by RAE before the beginning of each Year following a proposal by the Operator, taking into consideration the Annual Quantities of Natural Gas required to be transmitted via the NNGS, the currently

applying Emergency and Crisis Management Plan, and the need to cover the Operator's obligations towards the beneficiaries without the Operator itself incurring any financial losses. The Operator allows access to RAE for auditing the Security of Supply Account.

Any overstepping of the maximum permitted limit of the Security of Supply Account entails the *ipso jure* suspension of the Transmission Users' obligation to pay the monthly Security of Supply Duty for as long as the account's balance remains at levels over such limit.

The Security of Supply Account is a sight account and the funds deposited therein are free of any charge.

10.9 Limited Transmission Capacity Day

A Limited Transmission Capacity Day is considered every Day in which the available transmission capacity of all or part of the NNGS is reduced as against the value listed in the NNGS Electronic Information System, for reasons that according to the Operator's reasonable judgement do not constitute an Emergency. Mainly, it entails a reduction of the flow of Natural Gas or other physical or administrative limitations that render impossible the Off-Take of the quantities stated by the Transmission Users without setting at risk the safe and effective operation of the NNGS.

The Operator notifies RAE and the Transmission Users via the NNGS Electronic Information System and/or via any available means, as to the advent or expected advent of a Limited Transmission Capacity Day.

An Operation Flow Command is considered the Operator's order to Transmission Users during or in anticipation of an NNGS Limited Transmission Capacity Day with the purpose of dealing with or averting it. Each Transmission User must comply promptly with Operation Flow Commands.

The Operator can, via Operation Flow Commands, ask Transmission Users:

- to reduce or suspend Off-Take of Natural Gas from Exit Points or alter the manner or rate of delivery of Natural Gas at Entry Points;
- limit their Statements for Off-Take at Exit Points or delivery of Natural Gas at Entry Points, up to the amount of transmission capacity stated in the Operation Flow Command.

Upon issuing an Operation Flow Command, the Operator must make available to Transmission Users the total available transmission capacity, without discriminating and by adhering to an order of priority reverse to that of the Disruption Sequence List, and to the extent possible allow Transmission Users or their Customers:

A. to reduce or suspend the Off-Take of Natural Gas in the manner that they have notified to the Operator in due time so as to protect their facilities; and
B. to exploit the capability of selecting alternative fuels if they have the appropriate facilities and have notified the Operator.

The Operator, in the context of its powers and duties, undertakes every effort required to avert the advent of a Limited Transmission Capacity Day, or, if that is not possible, to mitigate its impact. After a Limited Transmission Capacity Day the Operator submits a detailed report to RAE stating the reasons for declaring a Limited Transmission Capacity Day, the measures the Operator applied to deal with it, the impact on Transmission Users or Third Parties, and the actions required to be taken to prevent its repetition in future.

During the Limited Transmission Capacity Day the obligations of the Operator and Transmission Users or Third Parties as provided under the Code and the Transmission Agreements, are not suspended.

The reduction of delivery and Off-Take of Natural Gas for reasons of Emergency or Limited Transmission Capacity is effected in accordance with the procedure described in the "NNGS Access Invoices and Charges" manual.

CHAPTER 12
General Provisions – NNGS Development and Maintenance Schedule Data

12.1 Provision of information to the Operator for formulating Long-Term Schedules

To ensure the planning, development and operation of the NNGS, the Users must provide regularly (as provided in the present Chapter) and/or after a request by the Operator, related data and information.

For this purpose, the Users must notify to the Operator the articles of the agreements for the supply and sale of Natural Gas that they have concluded for each NNGS Entry and Exit Point referring to quantities of Natural Gas, and the chapters of their business plans referring to quantities of supply and sales of Natural Gas by geographical and consumer sector.
Comment: Users not supplying gas to the Greek market should be required only to provide details of quantities of gas to be shipped and not business plans and details of supply/sales in other countries. Only essential operational information should be required and not commercial information (unless in highly aggregated form)

The Operator may also request similar information from operators of Interconnected Systems with whom it has concluded Interconnected System Operation Agreements in accordance with Chapter 2 hereof. Such data and information constitute data for NNGS planning. The data submitted by Users concerning the System's project planning is considered confidential. The Operator must allow RAE free access to such data.

12.2 NNGS Development Study

The Operator prepares by the sixth (6^{th}) Month of every second (2^{nd}) Year, and publicises, an NNGS Development Study with an ongoing 10-year timeframe. The study includes the Operator's estimations as to the course of demand for Natural Gas throughout the country, and its assessment as to the ability to cover such demand in an economic and reliable manner from existing and new Natural Gas supply sources, including LNG supply sources, and as to the required strengthening and extension of the NNGS.

The estimations and assessments of the Operator are not binding and do not create any liability on the Operator's part as against Users or Third Parties.

Each User must provide to the Operator the best possible assessment and its expected short-, mid- and long-term requirements for Natural Gas, subject to the condition of confidentiality and protection of business and other secrets. Such assessments are not binding upon the User.

The Development Study does not include individual references to Users, suppliers, consumers or entities that produce or supply Natural Gas or LNG.

12.3 NNGS Development Schedule

12.3.1 Preparation and submission of Development Schedule

The Operator, every two years –or earlier if the need arises- prepares and submits to the Minister of Development and RAE a 10-year Development Schedule in accordance with the provisions of Article 10 of Law 3428/2005. The Development Plan determines the development, strengthening and interconnection projects for the NNGS with a timeframe of five (5) Years from the date of the Schedule's issue, and their timetable, manner of implementation and budget cost.

Before submitting the Development Schedule, the Operator takes into account RAE's response to its questions about approval of incorporating investments into the Socialised Regulated Asset Base, in accordance with para. 12.3.5 hereof.

The NNGS Development Plan includes all projects for which the beginning of construction work is projected within the timeframe of the Plan, irrespective of the time at which construction will be completed, and every project of which the construction has begun according to the previous Development Schedule and which has not been completed as yet.

Comment: it should be clarified if the Development Plan and the Development Study include projects existing before the date the Code comes into effect.

12.3.2 Main principles for incorporating projects in the Development Schedule

The Operator, when preparing the NNGS Development Schedule, mainly takes into account the NNGS Development Study, the demand for Natural Gas throughout the country and by geographical region, the elimination of technical limitations as to the System's operation, and especially each event that has led to Congestion, Emergency, Limited Transmission Capacity Day, deny of access or Trading prohibition, the grant of unimpeded access to new Users or Third Parties, the increase in interconnection transmission capacity and the development of new interconnections, developments in technology, protection of the environment, security of supply and regional growth, and ways of financing / recovering the related investments.

Any new NNGS infrastructure with a budget over EUR 50 million may be realised by the Operator if it has been incorporated into the NNGS Development Schedule as approved by the Minister of Development following with RAE's consenting opinion.

Investments with a budget below EUR 50 million may be realised if the Operator considers them technically feasible or if they are required for eliminating technical limitations as to the system's operation.

12.3.3 Procedure for applying to incorporate in the NNGS Development Plan investments over EUR 50 million for creating a new Exit Point

Comment: this Art repeats some of the text of Art 1.5 and covers to some extent the same subject as 1.5. Suggest the two Arts are combined or cross referenced for easier reading.

Any User / Third Party may submit an application to the Operator for reserving NNGS transmission capacity which will lead to the creation of a new Exit Point and is not incorporated in the current NNGS Development Schedule.

The User's / Third Party's interest is notified in writing to the Operator via the User's / Third Party's lawful representative with the submission of an application that must contain the following documents:

(a) Statement of the Entry and Exit Points to which the applicant will deliver and receive Natural Gas.

(b) Statement of the Delivery Transmission Capacity and Off-Take Transmission Capacity which it wishes to reserve at Entry or Exit Point(s) respectively. The sum of the Delivery Transmission Capacity at the Entry Point(s) must be equal with the Off-Take Transmission Capacity at the Exit Point(s).

(c) Statement of the transmission capacity it intends to reserve for serving Customers in the Greek market and/or for Nominated Transit.

(d) Statement of the date of commencement and the duration of the preliminary Reserved Transmission Capacity.

Upon submitting the application, the User / Third Party must pay to the Operator a compensation duty against evaluation of its application. The amount of this duty is determined by the Operator in agreement with the User / Third Party and depends on the studies required to be prepared by the Operator in order to evaluate the application.

The Operator reserves the right to reject the application for incorporating the new investment into the NNGS Development Plan, if:
(A) It would impede the provision of public utility services that it has been assigned by virtue of Law 3428/2005.
(B) It would create serious economic difficulties in relation to the natural gas supply agreements signed before Law 3428/2005 came in force and including terms of payment irrespective of Off-Take. *Comment: it appears that this Art is intended to grandfather existing supply agreements which is not permitted under EU law (Case C-17/2003 VEMW of 2005 and the Commission's Interpretative Notice of 2006 on that case and its implications) Also Operator has a wide discretion but it seems that RAE is involved in earlier phases at least – see 12.3.1 second para …. Or is this procedure before the RAE only limited to approval of incorporation of assets into the regulated asset base?*
(C) The available Delivery Transmission Capacity at the Entry Point(s) stated by the User / Third Party:
(a) is not sufficient, and the Operator deems it not advisable to upgrade it; and/or
Comment: para (a) gives the Operator a very wide discretion that appears not to be appealable to RAE. The discretion should be stated to be limited to technical issues and the public service obligations contained in Art 3(2) of the Directive.
(b) the manner in which the User / Third Party shall transmit Natural Gas upstream and/or downstream of the NNGS is not adequately substantiated.
Comment: this information is not relevant to consideration of a proposed investment

Before the Operator begins to prepare preliminary technical-economic studies for evaluating the User's / Third Party's application for incorporating the proposed investment into the next NNGS Development Schedule, the Operator announces over a period of two (2) months via the Electronic Information System its intention to proceed with drafting preliminary studies with the User or Third Party for evaluating the creation of a new Exit Point, in expectation of any expression of interest by other Users or Third Parties, in order to examine its overall capability to satisfy the related applications.

After the 2-month period has elapsed, the Operator proceeds to prepare the preliminary Studies with the User(s) / Third Party(ies) that expressed their interest for a new Exit Point. The time needed for preparation of the preliminary studies will not exceed twelve (12) months from the date on which the Operator decides to undertake such studies. The exact period over which the preliminary studies will be completed is determined by the Operator and depends on the size of the investment for creating a new Exit Point.

Comment: this remains a very long period, particularly if one considers how much time is required for the study whose commencement required under the Preliminary Capacity Reservation Agreement.

12.3.4 Procedure for submitting an application to the Ministry of Development for incorporating in the NNGS Development Schedule a new investment creating an Exit Point

If the Operator deems that the application of the User(s) / Third Party(ies) for an investment that will create a new Exit Point is feasible from a tehnical-economic point of view, it submits an application to the Minister of Development, also forwarded to RAE, for incorporating the project in the next NNGS Development Schedule.

The application is accompanied by the Operator's report including:
(a) estimations for the course of demand by Customer category and Interconnection, and the contribution of the new Exit Point thereto;
(b) the main conclusions reached by the preliminary study on the technical and the financial aspects (technical description, specifications, timetable for implementation, total amount and planning of the investments, and investment planning for the entire Schedule); and
(c) the timetable for implementing the project, including specific landmarks and conditions determining the time needed to complete each stage of the project.

Following the approval of the Minister of Development and RAE's consenting opinion, the investment is incorporated into the next NNGS Development Schedule, whereupon the Operator and the User / Third Party may sign the Preliminary NNGS Transmission Capacity Agreement, in accordance with the provisions of article 1.5 hereof.

The Operator may exceptionally apply for a review of the Development Plan if this is shown to be required because of:
(a) unforeseen circumstances that occurred during the operation of the NNGS (physical Congestion, sharp increase in consumption, strengthening of supply of security, etc.); and

(b) applications for reserving NNGS Transmission Capacity (including Nominated Transit) submitted between the preparation of two Development Schedules and meeting the conditions of article 12.6.2 hereof.

12.3.5 Procedure for incorporating projects into the Socialised Regulated Asset Base

The incorporation of projects into the Socialised Regulated Asset Base is effected by decision of the Minister of Development following the consenting opinion of RAE. The Operator's application to the Minister of Development, also forwarded to REA, is accompanied by a report justifying the request. RAE gives its opinion to the Minister of Development within two months; if this period elapses, it is assumed that it agrees. The two-month period may be extended if RAE requests additional information.

Comment: there should be an obligation added to the Code which requires the parties to enter into a Transmission Agreement which is identical to the proforma agreement annexed in the Code.

The comments in this and other sections are not to be construed as anything more than general comments and do not in any way imply acceptance by any person of any terms of the agreement

ANNEX 1
NATURAL GAS TRANSMISSION AGREEMENT

CONTENTS

Agreement No:……

In Athens, this …… day of …… …….. by and between the parties referred hereinafter:

a) Société Anonyme entitled «Hellenic Gas Transmission System Operator»

and trading name under «***Hellenic G.T.S.O.***» (alias «***DESFA***»), acting within the capacity of the operation of the National Natural Gas System (NNGS) in accordance with the Article 7 of Law 3428/2005, seated in Chalandri, at 357 – 359 Mesogeion Avenue with VAT Number 998808114, ATHENS Tax Office, legally represented for the making hereof by ..... by virtue of Resolution No. …… of its Board of Directors, hereinafter the "***Operator***"; and

b) Mr./Ms. …… ……, resident in ……, at …… …… …… …… (street address), holder of identification card No. …… ……., issued by the …….. Police Station, and with VAT Number …… Tax Office ……./ of …….. company entitled "……" and trading under ……., with its seat in the Municipality of ……., Tax Identification Number ……, Tax Office ……., legally represented for the making hereof by Mr. …… …… ……., by virtue of …… ……., hereinafter the "***User***".

WITNESS AS FOLLOWS

Whereas:

A] Under art. 40 (2) Law 3428/2005, natural gas supply to Eligible Customers which is performed before the enactment the Licenses Regulation is permitted even before acquiring the respective license.

Comment: This recital can be removed assuming the Licences Regulation comes into force shortly

B] Transmission User has access right to the NNGS, pursuant to legal prescriptions in force.

C] The Parties state that they wish on the one hand the User to use the NGTS to transmit Natural Gas, and on the other hand the Operator to provide the related services under the terms and conditions hereof and the provisions of legislation in force.

D] The due preliminary procedure that has been approved by the Minister of Development in accordance with the provisions of Article 29 of Law 3468/2006 has been observed, namely, among others: **i)** the User has submitted to the Operator the "Application for Transmission Services" (Annex A1) accompanied by the necessary information and documents; and **ii)** the Operator and the User have signed the "Transmission Services Acceptance Form" (Annex A2).

E] The User is entitled to access the NGTS in accordance with the provisions of the Law.

F] The Operator undertakes and guarantees that it shall take all actions required under the Law to operate the NGTS as rational and prudent Operator seeing to the good and uninterrupted operation of the System, also in accordance with the principle of equal treatment of Users and the principle of proportionality.

G] The Parties state that they are aware of the following: **i)** In accordance with the provisions of Article 8 (2) (a) of Law 3428/2005, the Operator shall allow users to access the NNGS under standard contracts for transmission of natural gas, use of LNG facility and use of storage facility, published by the Operator following RAE's approval; **ii)** Further, in accordance with the provisions of Article 9 (2) (a) and (b) of Law 3428/2005, the procedure, the terms and conditions, and the limitations with regard to the access of third parties to the NNGS, shall be among others established in the NNGS Management Code and its Companion documents.

H] The present Agreement (hereinafter "the Agreement") constitutes of this agreement and the other compatible documents, i.e Appendix A.2, "Transmission Services Acceptance Form", Appendix A.3 "Due Payment and Performance Letter of Guarantee"; these documents form integral part of this Document.

The content of said Appendices A.2 and A.3 may be modified. The said documents are subject to amendments upon agreement of the Contracting parties pursuant to the present Code. The Agreement shall not be amended on the grounds of the Appendices amendment that may be performed at any time.

Should there be a clash among the Code, the Companion Documents and the Agreement, the following documents prevail in order of priority:

"Operation Code for the NNGS"

"Natural Gas Measuring Regulation"

"NNGS Operation Procedure"

"NNGS Operation Data"

"Tariffs and Charges of access to the NNGS"

Transfer Agreement

1. DEFINITIONS

For the purpose of meeting the needs for the implementation and construal of this Contract the definitions included in the provisions of Law 3428/2005 shall apply.

Due date: as defined in the article (5.4) of the agreement

Default rate: the applicable legal default rate in Greece, as published by the Bank of Greece.

*Comment**:** is it clear that there can be no contention about this rate?*

Starting Date: the date agreed upon under clause 3 for the commencement of the provision of services under the clauses hereof.

Ending Date: the date agreed upon under clause 3 for the ending of the provision of services under the clauses hereof, or the date when subject contract is terminated prior to its expiry.

Odorization: the service provided by the Operator involving the injection of odoring agent to the Natural Gas prior to delivery of the latter to an Exit point.

Contractual Parties: The Operator and the Transmission User.

Contractual Period: the time period that starts at 08:00 am on the Starting Date and ends at 08:00 am on the Ending Date.

Companion Documents: Documents that accompany the documents , i.e : (a)"Tariffs and Charges for access to NNGS", (b) "Natural gas Regulation Measurement", (c) "NNGS Operation Data" and (d) "NNGS Running Procedure"

Comment: these Companion Documents have not yet been made available for public consultation.

2. OBJECT

The object of this Contract comprises the terms and conditions for the supply of Transmission Services by the Operator to the User of Transmission Services, as these are defined in the article 1.2 Code, as well as, of the Ancillary Services established in Annex A2.The aforementioned services shall be referred to as "Transmission Services".

3. CONTRACTUAL PERIOD

The Contractual Period starts on …….. and ends on ……, unless the Contract is terminated prior to its expiry as it is provided for in its clauses. The Contractual Period shall be automatically extended for a year, so long as one of the Contractual Parties does not terminate the agreement three months before the due date.

4. TERMS REGARDING THE PROVISION OF SERVICES BY THE OPERATOR

4.1. The Operator is required to provide to the User the following Transmission Services under the terms and conditions of this Contract and in the most cost-efficient, transparent and direct manner, without any discrimination between the User and other Users, in accordance with the equal treatment principle:

4.2. It is explicitly agreed that the Operator is entitled to abstain from performing its obligations vis-à-vis the User for as long as the User fails for reasons attributed to him to perform its obligation to fully and duly pay the Fee due to the Operator in accordance in particular with clause 6 hereof.

4.3. For the purposes hereof, it is explicitly agreed that the User's Reserved Transmission Capacity is that one as defined in paragraph 5, Appendix A2.

4.4. It is explicitly agreed that defining Reserved Transmission Capacity as stated in the previous paragraph does not affect the invoicing of the Transmission Services, as this is set out in Ministerial Decision number 4955/2006.

5. INVOICING AND PAYMENTS

5.1. The User is required to pay a monthly fee, to the Operator as compensation for the provision by the latter of the services agreed upon hereby (hereinafter the Fees) which is calculated and invoiced pursuant to the provisions in the manual "NNGS Access Invoices and Charges". The Operator is required to pay the User on a monthly basis the sum of charges that are payable to the latter in accordance with the clauses hereof.

5.2. More specifically, the Fees owed by the User to the Operator shall include:

a) The Transmission Invoice.

b) Other charges which will be invoiced and paid by the User in accordance with the provisions hereof and of the manual "NNGS Access Invoices and Charges".

It is expressly agreed that the Operator's fees are reasonable and fair, is proportional to the service, not subject to limitations, conditions, objections and reservations, offsetting and any other reduction, with the sole exception of those cases for which it is otherwise provided for by the Law.

5.3. It is expressly agreed that the User shall be liable to pay the VAT that corresponds to the foregoing Fees, as well as all other taxes which are imposed upon the User in accordance with applicable legislation.

5.4. The User shall be invoiced on a monthly basis and the relevant settlement shall be made annually. The invoice corresponding to each calendar month shall be issued by the Operator at the latest by the fifteenth (15) calendar day of the immediately following calendar month. It is expressly agreed that the Parties ought to perform their mutual financial obligations as these are established in each monthly invoice by the twenty fifth (25) calendar day of the month of the invoice (Due date).

5.5. The Invoice will indicate the following information in detail on a monthly basis:

(a) Fees owed by the User to the Operator as follows:

i. distinctly each Charge owed under clause 5.2 hereof;

ii. any other overdue debt of the User;

iii. the VAT that the User owes, as this is established by the legislation applicable each time, as well as all other taxes, dues or charges imposed under applicable legislation

iv the overall amount due by the User..;

(b) the credits owed by the Operator to the User, as follows:

i. the credits due in accordance with the manual "NNGS Access Charge and Invoices ;

ii. any other payment due by the Operator to the User;

iii. any taxes owed by the Operator.

(c) the net amount due by the User to the Operator.

5.6. Where the User fails to pay such sum by the deadline, this shall become overdue and payable, and: a) the User shall *ipso facto* and automatically become in default, and as from that time shall be required to pay default interest at the Default Rate, until the full and complete payment of the sum due; b) the Operator shall be held free of its obligation to provide the services agreed upon hereunder and entitled to discontinue their provision, without prior notice to the User and without being required to pay any compensation in respect of such discontinuation for that reason; ·c) the Operator shall be entitled to terminate this Contract in accordance with clause 12 hereof; and d) all other consequences provided for by Law shall apply.

5.7. Where the Operator fails to perform its financial obligations vis-à-vis the User by the deadline, such debt shall become automatically overdue and payable and the Operator shall become in default and as from that time shall be required to pay default interest at the Default Rate, until the full and complete payment of the sum due, and all other consequences provided for by Law shall apply.

5.8. It is expressly agreed that the Parties shall always be required to pay the sum in the invoice, even where there is disagreement about the sum. Should the User disagree with any charges or credits listed in the respective invoice, then the User must pay the invoice and is entitled to send a letter to the Operator indicating such disagreement. Such letter must be sent to the Operator within fifteen (15) days from the day on which the respective invoice was sent to it. Such disagreement shall be

resolved in accordance with the provisions of clause 14 hereof. Any wrongly paid amounts shall be returned to the User bearing interest at the Default Rate.

6. MEASUREMENTS AND TESTING

6.1. The procedure and method used to measure the Natural Gas quality and quantity delivered at an Entry point or offtaken at an Exit point, the operation, calibration, accuracy specifications and the checking and testing procedure regarding the Entry or Exit point Metering Equipment, the process of User's access to the Metering Equipment and the settlement of disputes between the Parties with regard to the measurements as well as any other relevant issue shall be established in the Natural Gas Measurement Regulation .

6.2. Parties expressly agree that the measurements of any magnitude at an Entry or Exit point shall be taken using the Metering Equipment provided for in the Measurement Regulation for the specific Entry or Exit point.

6.3. Notwithstanding the provisions in clause 6.2, the User and the User's Customers are entitled to joint access to the Metering Equipment at any Entry and Exit point in accordance with Annex A2. The right of access must be reasonably exercised in accordance with the procedure provided for in the Natural Gas Measurement Regulation. When exercising the right to access, necessary measures are taken to avoid hindering the normal operation of Connected Systems or Offtake Installations, damages to the equipment and jeopardizing the reliable, safe and efficient operation of the NGTS.

7. OWNERSHIP OF THE TRANSMITTED NATURAL GAS

7.1. The ownership of each Natural Gas Quantity which the User delivers at the NGTS Entry points shall be necessarily and *ipso facto*, and not with the purpose of sale, but exclusively for the needs of implementing this Transmission Contract, transferred upon delivery to the Operator and shall return to the User when the latter takes delivery of Natural Gas at Exit points.

7.2. The User ought to deliver Natural Gas to the Operator and respectively the Operator must keep the Natural Gas to be received by the User free from any ownership retention rights, encumbrance, *in rem* encumbrance, counterclaims, as well as from any tax, due, stamp duty, or other equivalent right in favor of the State or third parties, as well all from all other expenses regarding its generation, collection,

processing and supply that may arise during or prior to its delivery or transmission over the NGTS.

8. LIABILITY OF THE PARTIES

8.1. This clause regulates the conditions and the maximum limits of liability of the Parties in the context hereof or as a result of tort or any other cause. It is expressly agreed that liability limitation in accordance with the provisions of this clause shall not apply to cases of serious neglect, intention, intentional bad management or fraud, with regard to which each Party shall be liable vis-à-vis their counterparty in accordance with the Law.

8.2. With the exception of the cases where it is otherwise provided in the clauses hereof, the liability of the parties shall be limited solely and exclusively to direct and property damages, which the counterparty suffers. Besides such damages, the counterparty is not entitled to claim the restoration of any other damages.

8.3. In particular, the Operator is required to restore all direct and property damages caused during the performance of the Operator's obligations or by tort and which relate to: **a)** Natural Gas losses for which the Operator is responsible; **b)** damages that may be caused to the User as a result of the Operator's failure to perform or negligent performance of the Operator's obligations in the following cases: **i)** upon offtake of Natural Gas by the User at an Exit point; **ii)** failure on the part of the Operator to perform its obligation pursuant to article 5(3) Code.

8.4. .The User shall send a request to the Operator defining the following, so that they establish a right to be paid damages as aforementioned. More particularly:

a) Exit Points and days where and when the Operator caused damages

b) reasons and analysis of the expenses made for which the User requests compensation.

c) evidence that damages incurred by certain acts of the Operator; such acts must incur as the Operator fulfilled their contractual duties or out of tort;

such request is submitted within six months as of the date when impairing acts occurred.

By User's request, the Operator shall provide them with any necessary information that may be available at the Measuring and Regulation Stations, so that the User should prove their request provided in the previous paragraph.

8.5 It is explicitly agreed that the parties shall be liable for default in contractual duties or tort only up to an amount set out at the manual "NNGS Access Invoices and Charges".

9. FORCE MAJEURE

9.1. "Force Majeure" shall mean each unforeseen and exceptional situation or event which does not fall in the scope of influence and control of the Parties and could not have been avoided even had the parties shown the diligence anticipated by a logical and prudent user and which causes any one of the Parties to be unable to perform their contractual obligations, as these derive from this contract. It is agreed that cases of Force Majeure may include but not be limited to the following: natural disasters, strikes, lock-outs, acts of Government or any Government Agency or Representative (regardless of legal validity), war, rebellions, agitations, landslides, fire, floods, earthquakes, explosions, breakage or accidents at any transmission or other installations or equipment necessary to provide the services hereunder.

9.2. In case of Force Majeure, the parties shall be held free from their liability as a result of failure to perform their obligations to the extent that such failure to perform their obligations is due to Force Majeure or caused by it, provided they have complied with the provisions of paragraph 9.3 case a. No exemption is allowed from the requirement to fulfil financial obligations, unless failure to fulfil such obligations is also a result of Force Majeure.

9.3. Each Party invoking reasons of force majeure must:

a) immediately notify by registered letter with offtake of delivery, or using any suitable means, the counterparty of the event that constitutes Force Majeure, further informing such counterparty about the estimated duration of such Force Majeure event, as well as of the actions which such counterparty deems necessary to tackle such event;

b) inform the counterparty about the actions taken to face the event that has caused force majeure, as well as about the end of Force Majeure;

c) ensure access of the counterparty or of the counterparty's representatives to the location where the force majeure event occurred for inspection purposes. In this case, the party that requests the inspection must pay to the counterparty all expenses incurred by the latter for the inspection;

d) within ten (10) business days from the end of the Force Majeure event, prepare a report and notify it to the counterparty, on the Force Majeure event, the actions taken to resolve it and the consequences of such event.

9.4. Any event that in the sense hereof constitutes force majeure and affects the status of any Customer and the performance of any obligations of such Customer shall not on its own constitute a reason for the User to invoke such event as justification for the User's failure to perform its obligations vis-à-vis the Operator due to force majeure.

10. LETTER OF GUARANTEE

10.1. Sixty (60) days at the latest from the signing hereof and in any case before the Starting Date under article 3, the User must provide to the Operator with an irrevocable Payment and Good Performance Letter of Guarantee in favour of the same (the User) by which the performance of its duties hereunder shall be secured. Where such Letter of Guarantee is not furnished, the Operator shall send a written notice to the User setting out a reasonable deadline for furnishing such Letter of Guarantee. Such deadline may not be past the Starting Date. If no action is taken by such deadline:

a) the Operator is entitled not to enter into the Agreement and may nullify the respective application for entering into the User's Transmission Agreement or

b) so long as the Agreement has been concluded, the respective Agreement is automatically terminated.

10.2. The Payment and Good Performance Letter of Guarantee shall be issued by a bank accepted by the Operator and its content shall comply with the model attached to Annex A3. The amount to be paid shall be immediately credited and be fully payable when the Operator request the amount indicating the breach of the certain contractual clause ocurred.

10.3. Should the amount be paid out in whole or in part, the User is expected to have a new Guarantee issued and provided to the Operator within ten (10) days, so that the primary debt, assumed by the first Guarantee is always and fully secured.

10.4. Provided that in the meantime there shall be no reason for the Letter of Guarantee to become forfeited, this shall be returned to the Bank past the expiry hereof. The Payment and Good Performance Letter of Guarantee shall not be returned where the Operator has claims towards the User. In such case, and by agreement of

the Parties, the Letter of Guarantee may be replaced by the User with another one covering such requirements.

10.5. For the return of the Payment and Good Performance Letter of Guarantee, the User must submit a request in writing to the Operator.

10.6. The amount of the Letter of Guarantee that the User must furnish is set out in the Code.

11. ASSIGNMENT

None of the parties may be assign their rights and obligations arising herefrom, unless such assignment is agreed between the parties or imposed by Law, as is the case in case of Operator's succession in accordance with the provisions of Article 7 of Law 3428/2005.

12. EXPIRY – TERMINATION

12.1. This Contract shall expire automatically and without any other reason: a) past the date set out in clause 3; b) in case of dissolution, bankruptcy, winding up or administration, insolvency where any one of the parties is dissolved, goes bankrupt, is liquidated or enters receivership, or enters a regime of cessation of payments, as well as if the license of constitution of any of the parties or any other license required for the parties to lawfully do business is revoked. The same shall also apply to Force Majeure events with a duration over six (6) months, unless the Parties otherwise agree.

12.2. The Parties may agree at any time to jointly early terminate this Contract settling at the same time any matters that may be pending between them.

12.3. Notwithstanding the provisions of clause 15.4 hereof regarding the User, each Party may terminate this Contract prior to the expiration date set out in clause 3, solely and exclusively on serious grounds. Serious grounds for termination shall be failure to perform or incomplete performance of obligations undertaken hereby on the part of the counterparty of the party terminating the contract.

12.4. The party which invokes serious grounds must send to the counterparty a written notice inviting such counterparty to remove such grounds by a deadline which may

not exceed six (6) months. If such time elapses and no action is taken, the party having sent the notice is entitled to terminate the Contract.

12.5. The termination shall be in writing and it shall come into effect from its serving to the counterparty.

12.6. If the termination of the Contract is due to reasons attributed to the party to which the termination is addressed, such party is required to correct all manner of expectation and liquidate, direct or indirect, present or future positive damages or losses which the terminating party suffers prior to the early termination hereof.

12.7. If it is established by irrevocable court ruling that the serious grounds invoked by the party for the termination did not exist at the time of such termination, such party shall be required to correct all manner of expectation and liquidate, direct or indirect, present or future positive damages or losses of income which the counterparty has suffered as a result of such termination.

13. CONFIDENTIALITY OBLIGATIONS

13.1. The Parties already acknowledge and are bound by the confidentiality of: a) all documents and information of which they have taken or will take cognizance throughout the term of this Contract and which relate hereto and its implementation; and b) the information exchanged during the implementation and execution hereof, undertaking to use them only for the purposes of the Contract and refraining from disclosing them in whole or in part to third parties, especially with regard to the Operator, nor to parties which are employed in the Natural Gas Trading Area of the latter, if any, or to associated businesses, unless there is consent in writing from the other party and notwithstanding the provisions of applicable legislation and in particular the provisions of Law 3428/2005 and Regulation 1775/2005. Information concerning the operation of the NGTS and its users or third parties, information about historical data and statistics, as well as all other information that has already become public domain in a lawful manner shall not be considered confidential.

13.2. The Parties guarantee and take all measures to impose upon their employees and all manner of partners, as well as to any companies associated with them, and the employees and all manner of partners of such associated companies the above duties of trust, confidentiality, and protection of professional and trade secrets.

13.3. The Parties hereto shall have the foregoing obligations throughout the term of this contract, and after its expiry or termination.

14. APPLICABLE LAW - DISPUTE RESOLUTION - JURISDICTION

14.1. This Agreement shall be governed by Greek law and any dispute that may arise in connection with or out of its implementation and construal shall be resolved on the basis of the provisions of Greek law.

14.2. Any clause hereof that is contrary to the law shall be automatically void. The nullity of any clause hereof does not affect the remainder.

14.3. The Parties undertake to make all possible endeavour to settle amicably any conflicts that may arise from the implementation hereof. For that purpose, either party may notify to the other an invitation for amicable dispute resolution. Within three (3) days as of the proved serving of the invitation to the party to which this is addressed, the Parties shall appoint and mutually communicate their representatives for the settlement and negotiate in good faith and in accordance with good transactional practice the settlement of the conflict. The conflict resolution procedure shall be completed in thirty (30) days from the sending of the invitation for amicable resolution, and the result of the negotiation shall be binding upon the parties.

14.4. Where the conflict is not settled amicably, such conflict shall by agreement of the parties be taken to arbitration by RAE in accordance with the Internal Operation and Management Regulation of the Regulatory Authority for Energy (Presidential Decree 139/2001, as in force from time to time). Especially in the event of a conflict regarding measurements and where such conflict has not been settled amicably as provided for in clause 14.3, such conflict shall by agreement of the parties be taken before a mutually accepted expert, pursuant to the procedure set out in the manual "Natural Gas Measurement Regulation".

14.5. If no agreement is reached regarding referring the conflict to arbitration or to an expert in accordance with clause 14.4, the competent Court at the seat of the Operator, namely the Courts of Athens, shall be responsible for resolving all conflicts that may arise from this contract.

15. MODIFICATIONS

15.1 For any amendments hereto, the agreement of the parties is required in writing, any other evidence, including oath, being excluded.

15.2. Annex A2 may be amended once a year only, unless there is a new Entry and Exit Point opened at the NNGS or in case the Transmission Capacity of an already existing Point is adjusted or there is a change in the High Voltage clientele.

15.3 To amend Annex A2, the User must submit a request in writing to the Operator, who must respond to that respect as soon as possible and in any case within five (5) days. The Operator shall consent to the User's request, provided a re-determination is technically plausible and the new Reserved Transmission Capacity on demand is not less powerful unless the User has ceased to supply the customer. The modification is enacted within one month as of submission of the respective application. An amendment shall take effect within a month from the submission of the relevant request.

15.4. Where the regulatory framework governing the operation of the NGTS changes, in accordance with the provisions under point G of the recitals hereof, the parties shall acknowledge that such new regulatory framework shall from that moment also govern this contract and must adopt it within 3 months or by the deadline established in the relevant regulatory instruments. In this case, the User shall retain the right to terminate this contract at no cost by the deadline established in the previous paragraph, after having first paid all amounts owed to the Operator.

Comment: Recital G does not mention change of the regulatory framework. Is this paragraph intended to apply to all changes to the Companion Documents? For example is a change to the liability limit set out at the manual "NNGS Access Invoices and Charges" (see Art 8.5) part of the regulatory framework governing the ***operation*** *of the NGTS?*

16. FINAL PROVISIONS

16.1. The Operator shall record in the Reserved Transmission Capacity Register the Transmission Capacity which the User has committed at each Entry and Exit point in accordance with the clauses of this Transmission Contract. The Operator shall update the Register with each Reserved Transmission Capacity Transfer or Modification concerning the User. Following the User's relevant request, the Operator shall issue a Register extract (Reserved Transmission Capacity Certificate) which shall indicate the User's particulars and the overall Transmission Capacity the User has committed, including the relevant Entry or Exit points, as requested by the User.

16.2. This Contract and its clauses constitute the full and sole agreement between the Parties and shall have precedence over all other agreement, written or oral, on that

matter. The parties state that this contract is absolutely binding in terms of its clauses, which they acknowledge in their totality as material.

Comment: this clause should also refer to the Companion Documents since some of their terms are incorporated into this Agreement.

16.3. The Parties undertake to act in good faith in terms of fulfilling their obligations arising from this Contract and take all measures necessary for its implementation.

16.4. The parties undertake to act in good faith while furnishing their obligation and shall take all necessary measures to fulfil their duties.

16.5. In no case shall failure on the part of any one of the parties to exercise any one of the rights provided hereby be equal to waiver of such party from such right, the latter being entitled to claim at any time compliance with the clauses hereof.

16.6. It is expressly agreed that where any one of the clauses hereof or the Annexes A2 and A3 is for any reason whatsoever considered null, its nullity shall not imply the nullity of the remained, but the parties are required to amend this contract in order to ensure compliance of such clause with emergency law provisions to which it is contrary, ensuring, however, in any case that the preexisting balance of the rights and obligations of both parties is maintained, as this is expressed herein.

16.7. The service or notification of any document pertaining to this contract during its term, past its expiry or termination due to any reason, shall be made to the addresses and the representatives of the parties hereto in accordance with Annex A2 hereto. Where there is a change to the address of any one of the parties hereto, such party is required to notify to the counterparty such change of address, otherwise the service or notification of any document as per the above to the address given in the beginning of this contract shall be valid. Where for any reason the representative of a party is missing or replaced, such party must notify to the counterparty the replacement of such representative.

16.8. All the clauses herein, as well as in the Annexes A2 and A3, hereto which constitute an integral part hereof, shall be acknowledged by the parties as material. Where there is lack of clarity about the content of any Annex, this shall be removed by its construal in line with the contents of this Contract.

Having the above been mutually agreed and accepted, this Contract and its annexes have been prepared in two (2) identical copies, read and their contents have been confirmed and they have been signed as follows. Each of the parties has received one

copy. This agreement shall be lawfully and timely be served to the competent Tax Office.

THE PARTIES	
On behalf of the Operator - Societe Anonyme titled "Natural Gas National System Operator" **The legal representative** **(seal indicating the company name)**	**On behalf of the User - …….. Company titled "……..."** **The legal representative** **(seal indicating the company name)**

ANNEX A1

TRANSMISSION SERVICES APPLICATION

TRANSMISSION SERVICES APPLICATION FORM

Applicant…….
……
Registered office……..
Street…… Nr……
Tax Number……
represented by……,
by power of ……
who resides in …….
holds the ID Number …….
issued by …….
[date] ……,
so that the application be submitted

Contact Number:
……..
……..
Fax……..
E-mail……

(place)…….
(date)……..

TO BE SUBMITTED TO THE NATURAL GAS SYSTEM OPERATOR

Pursuant to legal provisions under the NNGS Operation Code, passed by art. 9 Law 3428/2005 (Government Gazette A' 313), as amended by art. 29 Law 3468/2006 (Government Gazette A' 129), I hereby state that the company, which I represent, has the right of access to the Natural Gas Transmission System by law and apply for the conclusion of a Natural Gas Transmission Agreement. To that end, the following documents are attached hereto and submitted herewith:

1. ……
2. ……..
3. ……..
4. ……
5. ……..
6. ……..

Sincerely,
…….
……
(name, capacity,
signature and seal)

Documents enclosed with the transmission services request

1. Lawfully certified copy of the applicant's Articles of Association along with all latest amendments, validated by the competent supervising authority; in case of Societes Anonymes or Limited Liability Companies the Government Gazette Issue on Societes Anonymes and Limited Liability Companies following the constitution of the company or the latest codification. If the seat of the applicant is abroad, then a certificate attesting to its lawful constitution and operation must be submitted or another equivalent document issued by the competent supervising authority of the location of the seat.
2. Lawfully certified copies of the documents authorizing the applicant, namely for Societes Anonymes, the minutes of the General Meeting appointing the active BoD and the minutes of the BoD regarding the appointment of such BoD, and for Limited Liability Companies, the minutes of the General Meeting appointing the Administrator(s), as well as the decision for submitting the request and signing the Transmission Contract, the appointment of the legal representative and full contact information for the needs of the Contract. If the applicant is not a Societe Anonyme or Limited Liability Company, then it must furnish official authorization documents depending on the applicant's legal form, demonstrating the natural person duly authorized to represent the applicant. Where the seat of the applicant is abroad, the applicant must furnish documents and certificates equivalent to the aforementioned ones which shall be issued by the competent foreign authority and which shall indicate the natural person that is lawfully authorized to represent the applicant.
3. Sworn Statement of the applicant where the latter shall state that it holds a power generation license or that it has entered into a natural supply contact with a power generator license holder or....., hence being a lawful User of the NGTS.
4. The attached "Technical Information Form" filled in with the information proposed by the applicant.

TECHNICAL INFORMATION FORM

A. TECHNICAL INFORMATION

1. **Starting Date: .....**

2. **Ending Date: .....**

3. **Reserved Dlivery Transmission Capacity at Entry Points**

3.1 Delivery Transmission Capacity Reservation for the Customers' service in the Greek market.

Serial Number	Entry Point Name	Delivery Transmission Capacity [MWh/day]

3.2 Reserved Delivery Transmission Capacity for Nominated Transit

Serial Number	Entry Point Name	Delivery Transmission Capacity [MWh/day]

4. Reserved Off-take Transmission Capacity at Exit Points

4.1 Reserved Off - take Transmission Capacity at Exit Points in units of electric power generation that fall into the scope of paragraph 14 article 1 of the Ministerial Decision 4955/2006 (Government Gazette B' 360) as in force:

Serial Number	Entry Point Name	Delivery Transmission Capacity

		[MWh/day]

4.2. Reserved Off - take Transmission Capacity at Exit Points in units of electric power generation that fall into the scope of paragraph 1 article 25 of the Ministerial Decision 4955/2006 (Government Gazette B' 360) as in force:

Serial Number	**Entry Point Name**	**Delivery Transmission Capacity [MWh/day]**

4.3 Reserved Off - take Transmission Capacity at Exit Points units of electric power generation that fall into the scope of paragraph 14 article 25 of the Ministerial Decision 4955/2006 (Government Gazette B' 360) as in force (Other Customers):

Serial Number	**Entry Point Name**	**Delivery Transmission Capacity [MWh/day]**

4.4 Reserved Transmission Capacity at Exit Points for Nominated Transit

Serial Number	**Entry Point Name**	**Delivery Transmission Capacity [MWh/day]**

4.5 Reserved Transmission Capacity for the provision of services to other Customers: ..... [MWh/day]

4.6 Reserved Transmission Capacity for the provision of services to Customers in the Greek market: ..... [MWh/day]

4.7 Reserved Transmission Capacity for Nominated Transit: ..... [MWh/ day]

5. Reserved Transmission Capacity for Nominated Transit : ..... [MWh / day] *Comment: This duplicates 4.7*

6. Ancillary Services

B. INSTRUCTIONS FOR COMPLETING THE FORM

1. Reserved Transmission Capacity for the Customers' service provision, as stated herein under 4.5, may not exceed the sum of the Reserved Delivery Transmission Capacity at all Exit Points that are related to the service provision to these Customers, as declared in paragraph 4.3

2. Reserved Transmission Capacity for the services provision of other Customers, as stated in under 4.5 herein may not be less than 92% of the sum of the Reserved Delivery Transmission Capacity at all Exit Point related to the Customers, as stated under 4.3 above.

3. For the purposes of the Transmission Contract, the User's Reserved Transmission Capacity (RTC) for service provision to Customers in the Greek market under paragraph 4.6 hereof shall be calculated as follows:

$$RTC = \sum_{nu} RTC_{ex,u} + \sum_{npu} RTC_{ex,pu} + RTC_{ne}$$

where:

$RTC_{ex,u}$: the Reserved transmission capacity for offtake stated in para. 4.1 above for an Exit Point from which the User serves a power generating unit which falls in the scope of Article 1 (14) of Ministerial Decision 4955/2006 (Government Gazette Issue No. B 360) as is in force.

nu : The number of power generating units served by the User and which fall within the scope of the foregoing case.

$RTC_{ex,pu}$: the Reserved transmission capacity for offtake stated in para. 4.2 above for an Exit Point from which the User serves a power generating unit which falls in the scope of Article 1 (25) of Ministerial Decision 4955/2006 (Government Gazette Issue No. B 360) as is in force.

npu : The number of power generating units served by the User and which fall within the scope of the foregoing case.

RTC_{ne} : The Reserved Transmission Capacity for serving Customers who do not fall in the scope of Article 1 (14) and (25) of Ministerial Decision 4955/2006 (Government Gazette Issue No. B 360) as is in force, which is stated in para. 4.4 above. The Reserved Transmission Capacity for serving other Customers may not exceed the sum of the Reserved transmission capacity for offtake for all Exit Points which concern serving such Customers, as are stated in para. 4.3. above.

4. Reserved Transmission Capacity for Nominated Transit of the User, as stated under 4.7 herein may not exceed the sum of Reserved Transmission Capacity for Nominated Transit at all Exit Points, as stated under 4.4 above.

5. Reserved Transmission Capacity of the User for Nominated Transit may not exceed the sum of the Reserved Capacity for Nominated Transit at all Exit Points, as stted in paragraoh 4.4 above.

6. For the purposes of Transmission Agreement, Delivery Transmission Capacity of the User as stated in paragraph 5 hereof, is calculated as the sum of Delivery Transmission Capacity of the User for Customer Services in the Greek market, as provided in paragraph 4.6 hereof and the Reserved Transmission Capacity of the User for Nominated Transit as provided in paragraph 4.7 hereof.

7. Transmission Capacity to be reserved at all Entry Points, as stated in para 3.1 and 3.2 above, must be equal to the reserved transmission capacity of the User, as stated in paragraphs 5 above.

ANNEX A2

FORM OF RECEIPT OF TRANSMISSION SERVICES

Considering Natural Gas Transmission Services Agreement Nr……., the following are agreed upon:

1. **Agents Appointed by the Parties**

- For the Operator

  Name and
  Surname : …….
  Address : …….
  Postal Code : …….
  Tel Number : …….
  Fax Number : ……..
  E-mail : ……..

- For the TRANSMISSION USER

  Name and
  Surname : ……
  Address : ……
  Postal Code : ……
  Tel Number : ……
  Fax Number : ……
  E-mail : ……

2. **Appointed Agents by the Parties in cases of Urgency**

- For the Operator

  Name and
  Surname : …….
  Address : …….
  Postal Code : …….
  Tel Number : …….
  Fax Number : …….

E-mail : …….

3. Delivery Transmission Capacity Reservation at the Entry Points

3.1 Delivery Transmission Capacity Reservation for the Customers' service in the Greek market.

Serial Number	Entry Point Name	Delivery Transmission Capacity [MWh/day]

3.2 Reserved Delivery Transmission Capacity for Nominated Transit

Serial Number	Entry Point Name	Delivery Transmission Capacity [MWh/day]

4. Reserved Off-take Transmission Capacity at Exit Points

4.1 Reserved Off - take Transmission Capacity at Exit Points in units of electric power generation that fall into the scope of paragraph 14 article 1 of the Ministerial Decision 4955/2006 (Government Gazette B' 360) as in force:

Serial Number	Entry Point Name	Delivery Transmission Capacity [MWh/day]

4.2. Reserved Off - take Transmission Capacity at Exit Points in units of electric power generation that fall into the scope of paragraph 1 article 25 of the Ministerial Decision 4955/2006 (Government Gazette B' 360) as in force:

Serial Number	Entry Point Name	Delivery Transmission Capacity [MWh/day]

4.3 Reserved Off - take Transmission Capacity at Exit Points units of electric power generation that fall into the scope of paragraph 14 article 25 of the Ministerial Decision 4955/2006 (Government Gazette B' 360) as in force (Other Customers):

Serial Number	**Entry Point Name**	**Delivery Transmission Capacity [MWh/day]**

4.4 Reserved Transmission Capacity at Exit Points for Nominated Transit

Serial Number	**Entry Point Name**	**Delivery Transmission Capacity [MWh/day]**

4.5 Reserved Transmission Capacity for the provision of services to other Customers: ..... [MWh/day]

4.6 Reserved Transmission Capacity for the provision of services to Customers in the Greek market: ..... [MWh/day]

4.7 Reserved Transmission Capacity for Nominated Transit: ..... [MWh/ day]

5. **Reserved Transmission Capacity for Nominated Transit : ..... [MWh / day]**

6. **Ancillary Services**

This document is an integral part of the Transmission Agreement.

For the Operator	For the User
(Signature)	(Signature)
(Name and Surname)	(Name and Surename)

ANNEX A3

TEMPLATE OF GUARANTEE

To: **NUMBER……**

NNGS Operator SA EURO: #.....,…. €

357 – 359 Mesogeion Av.

152 31

CHALANDRI Athens, ……/……./20….

Sirs,

In relation to the Agreement Nr ……. of the Natural Gas Transmission System entered into by and between the company under the name "NATIONAL NATURAL GAS SYSTEM OPERATOR TRANSMISSION SYSTEM" trade name "NNGS OPERATOR SA" (OPERATOR) and of ……..with the name "……." and the trade name "……" (the USER) and upon request of the USER: "……" .

We explicitly and unreservedly guarantee for the Société Anonyme under the name "……", ……, ……., to pay you any amount up to …….. Euro (……., …….. €), for the Natural Gas services provided by your Company to it as well as for any other claim against it (penalty clause etc plus expenses and interest on such claims) deriving from the Natural Gas Transmission Agreement; such payment shall be made ours releasing hereby any objection, right of division and discussion, as well as, any right provided in art. 853, 856, 866,867 and 868 of the Greek Civil Code.

The amount abovestated shall be set aside and held available to you and shall be paid without any objection or excuse[d denial] in full or in part, depending on the debt owed, which might be in full or in part, by the said company and for which guarantee has been given; such payment shall be made within three (3) business days as of receipt of written notification that the principal debt, for which the guarantee has been given, has not been paid in due time in whole or in part; guarantee shall be paid out upon returning of the present.

In case only a part of the debt, for which guarantee has been given, must be paid out and should you return us the present letter requesting the respective payment, we shall then mark the present letter of ours using our stamp for the respective unpaid letter, which shall be paid as stated above; the present letter shall be returned to you and shall be valid and in force thenafter for the remaining amount, which the guarantee has been given for.

The present Guarantee shall remain in force until …… and 12:00 only; upon expiry of the date set and as long as we have not received any notification of claim, the present is immediately regarded as no longer in force. We certify that the number of guarantees including the present one, which have been given out already to public bodies performing private or public duties etc, is not over the limit permitted by law for the grant of guarantees.

Sincerely,

……

BANK……..

APPENDIX C

NATURAL GAS QUALITY SPECIFICATIONS AND LIQUEFIED NATURAL GAS SPECIFICATIONS

1. NATURAL GAS QUALITY SPECIFICATIONS

1. ***Wobbe Index:*** The Wobbe Index must not be under 13.10 KWh/Nm^3 and over 16.37 KWh/Nm^3.

2. ***Gross Calorific Value:*** Under normal operating conditions the GCV must not be under 10.20 KWh/Nm^3 and over 13.71 KWh/Nm^3.

3. ***Density:*** The density of Natural Gas must not be under 0.56 and over 0.71.

4. ***CH_4*** : Methane concentration must not be under 75 mole%.

5. ***CO_2*** : Carbon dioxide concentration must not be over 3 mole%.

6. ***N_2***: Nitrogen concentration must not be over 6 mole%.

7. ***O_2***: Oxygen concentration must not be over 0.2 mole%.

8. ***Hydrogen Sulphide (H_2S)***: The Hydrogen Sulphide content of Natural Gas must not be over 5.4 mg/Nm^3. In exceptional cases and not for more than 2 hours it may contain double the quantity but the daily average value must be under 6.5 mg/Nm^3.

9. ***Total Sulphur***: Total sulphur for Natural Gas that has not undergone odorization must not be over 80 mg/Nm^3. In exceptional cases and not for more than 48 hours it can reach to 120 mg/Nm^3 without however the weekly average value going beyond 90 mg/Nm^3.

10. ***Water Dew Point (WDP)***: The Water Dew Point for Natural Gas must not be over +5°C at a reference pressure of 80 barg.

11***. Hydrocarbons dew point:*** The Hydrocarbons dew point must not be over +3°C at a reference pressure of 80 barg.

12***. Dust and Liquids***: Natural Gas must be practically free of gas, solid or fluid substances that could lead to obstruction or malfunction or corrosion risks for usual gas installations and standard gas equipment, with the exception of cases

where liquid formations consisting of very small droplets can occasionally form in Natural Gas and it is not possible to remove them.

13***. Odoring Agent***: Natural Gas must be received at Offtake Points without Odoring Agent. The Odoring Agent is added at Delivery Points when it is so required under the ASME Code.

Comment: As the Greek network will likely be interconnected with other European networks, we suggest that the specification should be consistent with the EASEE-gas common business practice specifications.

We note in particular that the dew point and sulphur specs are unusually high

2. LIQUEFIED NATURAL GAS QUALITY SPECIFICATIONS

QUALITY SPECIFICATIONS

Liquefied Natural Gas injected from an LNG transportation vessel to LNG facilities should be consisted of those elements that comply to the following quality specifications:

1. ***Specific weight:*** LNG specific weight which is pumped to condensate must be over 430 Kg/ m^3 and beneath 478 Kg/ m^3 . (*)

2. ***Molecular weight:*** LNG to be stored or pumped must not be less than 16.52 Kg/Kmol and more than 18.88 Kg/Kmol.

3. ***Gross Calorific Value:*** Under normal operating conditions the GCV must not be under 10.20 KWh/Nm^3 and over 13.71 KWh/Nm^3. (**)

4. ***CH_4*** : Methane concentration must not be under 75 mole%. (**)

5. ***N_2***: Nitrogen concentration must not be over 6 mole%.

6. ***Hydrogen Sulphide (H_2S)***: The Hydrogen Sulphide content of Natural Gas must not be over 5.4 mg/Nm^3. In exceptional cases and not for more than 2 hours it may contain double the quantity but the daily average value must be under 6.5 mg/Nm^3.

7. ***Total Sulphur***: Total sulphur for Natural Gas that has not undergone odorization must not be over 80 mg/Nm^3. In exceptional cases and not for more than 48 hours it can reach to 120 mg/Nm^3 without however the weekly average value going beyond 90 mg/Nm^3.

8. ***Wobbe Index:*** The LNG Wobbe Index follows the specifications that are required by NNGTS, so that Wobbe Index must not be under 13.10 KWh/Nm^3 and over 16.37 KWh/Nm^3

9. Heavier Hydrocarbons must be within the limits set out by method "KMK" density calculation for LNG, meaning iC_4 and C_4 must not be over 4% and the percentage iC_5 and C_5 may not be over 2%.

10. LNG temperature injection (the LNG temperature average of any tanker of transport vessel) may not be over – 158 ºC. "KMK" density calculation does not apply for temperatures over -158 ºC LNG.

(*) the Operator may decide whether it is possible to receive LNG cargo that has density specifications out of the limits (from 420.3 Kg/m^3 to 483.1 Kg/m^3).

(**) the Operator may exceptionally approve of the receipt of cargo that does not fully comply with the specifications (GCV from 11.04 KWh / Nm^3 to 13.02 KWh/ Nm^3 or / and concentration of CH_4 from 80 mole% to 99.8%) taking into account

the elements of stored LNG destined for injection, so that GCV and/ or concentration of CH_4 be compliant upon mixture.

ANNEX D

ADVANCED RESERVATION OF CAPACITY ALLOCATION ("ARCA") ON THE NATIONAL NATURAL GAS SYSTEM MODEL CONTRACT AGREEMENT

Comment: there should be an obligation added to the Code which requires the parties to enter into an Agreement which is identical to the proforma agreement annexed in the Code.

The comments in this and other sections are not to be construed as anything more than general comments and do not in any way imply acceptance by any person of any terms of the agreement

ADVANCED RESERVATION OF CAPACITY ALLOCATION ("ARCA") ON THE NATIONAL NATURAL GAS SYSTEM MODEL CONTRACT AGREEMENT

THIS AGREEMENT entered into, in Athens, Greece, on …….,

BETWEEN:

a) The Société Anonyme under the name "National Natural Gas System Operator SA" and under the distinctive name "DESFA", having its registered office at 357 – 359 Messogion Avenue, Halandri, 152 31, A.F.M. 998808114, D.O.Y. FABE Athens, hereinafter referred to as the **"Operator,"** duly represented herein by its Chief Executive Officer, Mr. Georgios Stergiou, on the one part,

and

b) The Société Anonyme under the name "……..." and under the distinctive name "…….SA", having its registered office at …….., A.F.M. ……, D.O.Y. ……., hereinafter referred to as the **"User,"** duly represented herein by ……, on the other part,

hereinafter referred to collectively as the "**Parties**" and individually as a "Party",

WHEREAS:

A. The User, with his no. ……application to the Operator, has expressed his interest in the [**transportation** / **transit**] of natural gas quantities using the NNGS, from (α) Entry Point [……] in the area of [……], in accordance with Greek Laws 3428/2005 and 2364/1995 for the liberalization of natural gas market in Greece. This expression of interest from the part of the User requires the **development of a new** Exit Point onto the NNGS, in the position of [……] in the Prefecture of […….].

B. The User has already been subscribed to the NNGS Users Registry, which is maintained by the Greek Regulatory Authority of Energy.

C. The development of a New Exit Point has as a prerequisite the completion of the Project, as the term is defined herein under Article 1 «Terms and Definitions».

D. DESFA, in accordance to Greek Law 3428/2005 and the Company's Articles of Association, is the owner and operator of the National Natural Gas System (NNGS), and declares herein its will and competence to meet the above stated User request.

E. [The Project's budget is estimated to be above 50 M€ and has already been included in the NNGS Development Program] (to be used if applicable)

F. The Parties acknowledge the regulatory and legal framework which applies on the natural gas market in Greece.

NOW IT IS HEREBY MUTUALLY AGREED as follows:

Article 1: TERMS AND DEFINITIONS

a) Project: [Short description of Project for the construction of the New Exit Point] (to be completed if applicable).

b) User: as defined in Article 2 pursuant to Greek Law 3428/2005 for the liberalization of the natural gas market in Greece.

c) Scheduled Investments: All the NNGS investments which have been included in the NNGS Development Program that has received approval from the Minister of Development pursuant to no. D1/G/1588 Ministerial Decision of the Ministry of Development (FEK B', Paper No. 60 / 24.01.2007), as well as those to be included in the future NNGS Development Programs.

d) New Exit Point: [Description of the New Exit Point that is going to be constructed upon completion of the Project] (to be completed if applicable)

e) Studies: The studies required for the construction of the New Exit Point on the NNGS are the following:

i) Preparation of Environmental Impact Assessment Study, preparation of Safety Study and any action until the issuance of Environmental Terms of the Project by the Greek competent authorities.

ii) Preparation of Basic Design, including any appropriate civil, geological and seismic studies that are necessary for the tender procedure regarding the construction of the Project.

iii) Cadastral drawings and related actions until the issuance of the Installation Act of the Project.

iv) Cost estimation of the Project and co-operation with the Greek Regulatory Authority of Energy (R.A.E.) until the approval of access tariffs to the new Exit Point on NNGS.

f) Regulated Asset Base (RAB): As defined in Annex A of Ministerial Decision 4955 (FEK B', Paper No. 360, 27.03.2006) on the determination of tariffs for the transportation of natural gas and for the LNG gasification.

g) Advanced Reserved Capacity for Delivery: The maximum quantity of Natural Gas in each Entry Point to be transported via the NNGS up to the New

Exit Point, which the User undertakes to deliver and which the Operator undertakes to accept, expressed in (MWh/day).

h) Advanced Reserved Capacity for Acceptance: The maximum quantity of Natural Gas in each Exit Point, which the Operator undertakes to deliver to the New Exit Point and which the User undertakes to accept, expressed in (MWh/day).

i) Connection Agreement: As defined in Article 5 herein.

j) Other User: The User which signs a Connection Agreement with the Operator, on behalf of the User that has signed this Contract Agreement.

k) Client: As defined in Article 2 pursuant to Greek Law 3428/2005.

l) Letter of Guarantee: As defined in Article 3.7 herein.

m) Dispatch Date: As defined in Article 3.1 herein.

n) Maximum Dispatch Date: As defined in Article 3.2 herein.

o) NNGS: National Natural Gas System, as defined in Greek Law 3428/2005.

p) Gross Calorific Value (GCV): For the purposes of this Contract Agreement it is assumed that one (1) normal cubic meter (Nm3) of Natural Gas under Normal Conditions (T=0º C and P=1,01325bar) has a Gross Calorific Value (GCV) of 11,16 kWh.

Article 2: SCOPE OF WORK

2.1 The Scope of Work of this Contract Agreement consists of the following:

a) Provision of guarantees to the Operator, in order for the Operator to be in the position to prepare all required Studies and to proceed to all necessary actions that will make the initiation of construction works for this Project possible, as said Project is defined in Article 1 herein,

b) Commitment of the Operator to the User for advanced reservation of future capacity on the NNGS, pursuant to Article 4 herein and to Paragraph 1 of Article 12 of Greek Law 3428/2005.

2.2 The Advanced Reserved Capacity for Delivery to Entry Point (a) […] which the User declared in his application is equal to [….] MWh / day and maximum […..] MWh / hour. For the conversion to normal cubic meters, the GCV defined in Article 1 herein is used.

2.3. The Advanced Reserved Capacity for Acceptance to the New Exit Point [….] which the User has declared in his application is equal to [….] MWh/day, corresponding to a maximum of [….] MWh / hour. For the conversion to normal cubic meters, the GCV defined in Article 1 herein is used.

2.4.The materialization of the Project requires the preparation of Studies, the budget of which is estimated to be equal to [……] million €. The Parties agree that the Studies will be prepared under the solemn authority and responsibility of the Operator.

2.5. [The metering and/or regulation station (hereinafter "Station") to the New Exit Point shall be established on a land owned by the User, which will be assessed by the Operator to be appropriate to serve its purpose. The use of the land will be transferred by the User to the Operator with the signing of a gratuitous loan. The Parties agree that upon signing of this Contract Agreement, the User shall grant to the Operator and to his consultants free access to said land]

or

[The metering and/or regulation station (hereinafter "Station") to the New Exit Point shall be established on a land appropriate to serve its purpose, owned by the Operator.] (to be completed according to the applicable case)

2.6. The limit to the ownership and to the responsibility of the Operator's installations is determined to be the point of welding of the insulating joint onto the pipeline exiting the Station. The welding is under the exclusive authority of the Operator. The minimum delivery pressure at this point is determined to be equal to […] barg.

Article 3: TIME SCHEDULE - GUARANTEES

Comment: the procedure below is not identical to the procedure in Art 1.5 of the Code. Suggest the same wording is used in both.

3.1. The Operator shall prepare the studies and shall complete the actions stated in Article 2.1.(α) herein not later than [….] months since the signing of this Contract Agreement (Dispatch Date).

3.2. The above stated Dispatch Date can be extended by the Operator for reasons that refer to the procedure followed by the competent authorities for the approval of Environmental Terms of the Project and/or the Installation Act of the Project and/or the access tariffs for the use of New Exit Point on the NGGS to be developed by this Project (Maximum Dispatch Date).

3.3 In case that a time period of four (4) months elapses after the Maximum Dispatch Date, and the User or the Other User has not yet signed the Connection Agreement of Article 5.1 herein with the Operator, then the User shall reimburse the Operator with the amount of [……..] Euro (……. €), as a penalty.

3.4 In case where the Dispatch Date is extended by the Operator for a time period which exceeds twelve (12) months pursuant to Article 3.2, then the User has the right to terminate this Contract Agreement, hence the User is obliged to reimburse the Operator with half of the amount stated in the penalty clause of Article 3.3 herein.

3.5 The Operator states, without prejudice to the occurrence of Force Majeure, that he can construct the Project and proceed with the development of the New Exit Point, within a period of time of […..] months after the signing of the Connection Agreement. An update of this time period can take place no later that the Maximum Dispatch Date. In case that said updated time period exceeds the maximum projected duration of twelve (12) months, the User has the right to terminate this Contract Agreement; hence the User is obliged to reimburse the Operator with half of the amount stated in the penalty clause of Article 3.3 herein.

3.6 For the payment of the above stated amounts in Articles 3.3 , 3.4 και 3.5, the Operator shall issue the relevant receipt document. The User will make the payment no later than thirty (30) calendar days since the delivery of said receipt document.

3.7 As a guarantee to the above stated amounts mentioned in Articles 3.3 , 3.4 and 3.5, the User shall produce to the Operator a Bank Letter of Guarantee, for his benefit, with a duration of thirty (30) months and of the amount of [……. Euro) (…….. €). In case where four (4) months prior to the expiration of the Bank Letter of Guarantee, the Environmental Terms of the Project have not yet been granted approval or the Installation Act has not yet been issued or the NNGS access tariffs for the use of the New exit Point have not yet been approved, the User undertakes the obligation to extend the duration of said Letter of Guarantee for a time period of eight (8) months each time, following the Operator's request, otherwise the Letter of Guarantee becomes claimable.

3.8 In case where a third party signs a Connection Agreement for the Project, or part of it, within twenty four (24) months since the User paid to the Operator the amount mentioned in Article 3.3 or 3.4 or 3.5 herein, or since the forfeiture of the Bank Letter of Guarantee of Article 3.7 herein, then the Operator shall return to the Company said payment free of interest, or part of it, proportionally to the length of the pipeline.

Article 4: ADVANCED RESERVATION OF CAPACITY ALLOCATION ON NNGS

4.1. Upon signing this Contract Agreement, and taking into account the numbers provided for in Articles 2.2 and 2.3 herein, the Operator undertakes the obligation to provide to the User, on the one part:

i) at the Entry Point of Kipi in Evros, an Advanced Reserved Capacity for Delivery equal to […..] MWh / day (maximun […..] MWh / hour)

ii) at the Entry Point of Strymonochori in Serres, an Advanced Reserved Capacity for Delivery equal to […..] MWh / day (maximum […..] MWh / hour)

iii) at the Entry Point in Agia Triada, an Advanced Reserved Capacity for Delivery equal to […..] MWh/day (maximum […..] MWh / hour)

on the other part, an Advanced Reserved Capacity for Acceptance equal to [….] MWh / day, at the New Exit Point to be developed by this Project, which corresponds to a maximum of […..] MWh / hour,

provided that the Connection Agreement mentioned in Article 5.1 herein is signed between the User / Other User and the Operator (*) not later than [4] months since the Maximum Dispatch Date.

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*(*) **Note:** It shall be clarified that the sum of the Advanced Reserved Capacities for Delivery to Entry Point (a) shall be equal to the Advanced Reserved Capacity for Acceptance at the New Exit Point.*

4.2 The reservation of capacity shall comply with the provisions of the Laws and Codes that apply on the management and operation of the NNGS.

Article 5: CONNECTION AGREEMENT

5.1 The Parties agree that the construction of the Project by the Operator shall take place after the signing of the Connection Agreement between the User / Other User and the Operator, a draft of which shall be handed by the Operator to the

User no later than the Dispatch Date. The Connection Agreement shall be signed provided that four [4] months after the Maximum Dispatch Date the following conditions are met:

(a) the User has secured the procurement of required natural gas, in proof of which he produces to the Operator all relevant information/evidence. The User is not obliged to disclose to the Operator any information regarding the procurement prices of natural gas,

(b) [the gratuitous loan mentioned in Article 2.6 herein has been signed between the User and the Operator], (to be completed if applicable)

(c) [the Environmental Terms of the User's installations downstream of the New Exit Point has been granted approval], (to be completed if applicable)

(δ) the Environmental Terms of the Project have been granted approval and the Project Installation Act has been issued,

(ε) the access tariffs for the use of the NNGS to the New Exit Point to be developed by this Project have been determined.

The Connection Agreement shall include provisions and guarantees for the reimbursement of the Operator by the User / Other User, in case where there is a bleach of their obligations, given the investment and other costs that the Operator undertakes for the construction and operation of the Connection Project.

The Parties expressly agree that the Connection Agreement shall be drafted based on the model connection agreement, in case the latter has been approved according to the applicable legislation until the execution date of the Connection Agreement.

Comment: the model connection agreement has not been made available for public consultation.

5.2 The Parties agree that if a dispute arises during the process of securing the procurement of natural gas and/or during the negotiation of the gratuitous loan and/or during the negotiation of the Connection Agreement, then they shall consult the Greek Regulatory Authority of Energy (R.A.E.) either collectively or individually after notifying the other Party. The Operator is obliged to accept R.A.E.'s decisions that are going to be taken according to the above mentioned procedure. Non acceptance by the User / Other User of any of R.A.E's decisions

according to said procedure shall activate the consequences of Article 3.3 herein.

It is expressly agreed that in case where the Project, or part of it, is not included in the NNGS Regulated Asset Base that is recovered by all NNGS Users, this exclusion cannot be considered by the Company as an excuse for not signing the Connection Agreement vis-à-vis the obligations articulated in Article 3.3 herein. Similarly, the lack of procurement of required natural gas, the potential revocation/amendment of the Installation Act granted to the User downstream the New Exit Point, as well as any other occurrence for which the Operator is not responsible and which obliges a change or delay or termination of the User's business plan, does not constitute a justifiable reason for not signing the Connection Agreement vis-à-vis the obligations articulated in Article herein.

Article 6: FORCE MAJEURE

6.1 FORCE MAJEURE shall mean an event, incident or occurrence beyond reasonable control, which the Party concerned could not reasonably foresee and prevent by the exercise of reasonable diligence and which results in the inability of said Party to fulfil, in total or in part, any of its obligations herein, hence said party shall not be responsible for the non fulfilment, in total or in part, of its contractual obligations during the time that the Force Majeure lasts, including any reasonable time for the rectification of its consequences. Said events, incidents or occurrences indicatively include the following:

a) Strike, discovery of antiquities, acts of resistance or violence that result in cessation or delay of the works of the Project or in the installation of the User downstream the New Exit Point;
b) Court decision or act of the Authority that results in suspension or delay of the works, but according to which the party that endures the delay is eventually vindicated;
c) Any act of hostility, war or terrorism, boycott, revolution, rebellion and riot;
d) Sabotage or act of vandalism, terrorism, criminal act or threat of such actions;

e) Thunder, earthquake, thunderstorms, hurricane, fire, landslide, floods, drought, avalanche, frost, and other extreme weather or environmental phenomena, fall of meteoric stones, fall of aircrafts, shock waves caused by aircrafts or other flying crafts of supersonic velocity, exposure to nuclear power or radiation or to other chemical or harmful substances or to ionized radiation;
f) Disaster, accident, explosions or fire that affects the National Natural Gas System (or part of it).

6.2 Financial inability of any of the Parties shall by no means constitute an occurrence of Force Majeure.

6.3. Amendment or revocation of Installation Act granted to the User downstream of the New Exit Point, lack of natural gas procurement, non inclusion of the Project in the part of the Regulated Asset Base recovered by all NNGS Users or any change in the business plan of the User, shall by no means constitute an occurrence of Force Majeure.

6.4 Exemption, in total or in part, from any contractual obligation deriving from the Connection Agreement, which is due to a justifiable event of Force Majeure, can take place in case where the Party that seeks exemption:

a) Gives notice to the other Party, no later than fifteen (15) days from the moment that said Party acquires knowledge of its inability to fulfil its obligations, due to the event of Force Majeure;
b) Sends (as soon as possible after the aforesaid notice and at any case no later than fifteen (15) days from said notice) a report, which thoroughly and clearly describes the event of Force Majeure;
c) Provides access to the evidence that justifies the events of Force Majeure.
d) Makes sure to inform the other Party on all the actions it undertakes for the rectification of consequences resulting from the event of Force Majeure.

6.5 In case that the incurrence of Force Majeure or its consequences last more than twelve (12) months or in case where the duration of the incurrence of Force Majeure is not possible to foresee, each Party has the right to terminate the

Contract Agreement. In such case the Company is obliged to reimburse the Operator with half the amount stated in the penalty clause of Article 3.3 herein.

Article 7: SETTLEMENT OF DISPUTES

The Parties agree to make any possible effort to amicably resolve their disputes or differences that might arise out of the performance or interpretation of this Contract. In case of failure to settle the dispute that arises between them in an amicable manner, the Parties agree that it shall be referred to the Law Courts in Athens which shall have the exclusive jurisdiction.

Article 8: AMENDMENTS

Any amendment to this Contract shall be exclusively made in writing for those cases where it is deemed necessary, due to changes that might occur in the existing legal or statutory framework, which affect the Terms and Conditions of the Connection Agreement, as well as for those cases that the Parties mutually agree on.

Article 9: NOTICE OF TERMINATION

Any breach of the Terms and Conditions of this Contract by any contractual Party, provides the non liable Party with the right to terminate the Contract without being held liable for any costs, as well as with the right to be reimbursed for any positive damage that might arise out of this termination.

The notice of termination shall be duly substantiated and made in writing, and shall be handed to the other Party by a Bailiff; the consequences from the termination take place one month after its delivery.

It is expressly agreed that, in the case of premature termination of this Contract due to User's liability, the Operator shall be entitled to the payment of the amount stated in Article 3.3 herein.

Article 10: CONFIDENTIALITY

All information relating to the execution of this Contract with regard to one of the Parties shall not be disclosed, in total or in part, for the duration of the Contract and two (2) years after completion thereof, including any time extensions, by the Party that receives said information, to any third party, without the prior written consent of the other Party. This confidentiality obligation does not apply on information that (when used or became available to the public), were obtained, or could have been obtained, by the Party or the person that makes use of it, or to whom it became known, with any other legal means, without bleach of this Contract Agreement.

Article 11: DURATION

This Contract Agreement becomes valid upon its execution and shall terminate upon execution of the Connection Agreement pursuant to Article 5.1 herein or upon the payment made by the Company of the amount stated in Articles 3.3 or 3.4 or 3.5 or 6.5 herein, or upon forfeiture of the Letter of Guarantee pursuant to Article 3.7 herein.

Article 12: SPECIAL TERMS

The exercise or the delay of exercise of any of the rights of the User and/or the Operator shall not constitute nor be interpreted as a resignation from such right.

This Contract Agreement shall be interpreted according to good faith and honest practices.

All terms herein are considered essential.

Any financial demand or claim of the Operator against the User that might arise from the execution of this Contract Agreement can be retained from the Letter of Guarantee pursuant to Article 3.7 herein.

IN WITNESS WHEREOF, this Agreement has been produced in three (3) original copies, has been read and signed by the Parties hereto; each party has received one (1) executed copy while the third executed copy shall be submitted to the competent D.O.Y.

THE PARTIES

Signed of and on behalf of the USER

Signed of and on behalf of the Operator