

OPERATING MANUAL

Draft May 2009 (consultation)

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1. GENERAL PROVISIONS

1.1 Terms defined in the *Conditions* shall have the same meaning when used herein. This *Operating Manual* shall form part of the *Conditions* as amended from time to time and where it modifies provisions in or conflicts with the *Conditions*, the *Conditions* shall govern and take precedent.

For the purposes of this Exhibit A, except where it expressly provides otherwise, the following expressions shall have the meanings ascribed to them in this Article 1.1 and shall include the plural as well as the singular:

"*Connection Point*"

shall mean the point where the *BBL-Facilities* are connected to the facilities of the *NNO*.

"*Cumulative Gas Balance*"

shall mean the aggregation of the *Hourly Gas Balances*.

"*D*"

shall mean the *Gas Day* on which the transmission and/or other services which is/are nominated is/are meant to be performed by *BBL Company*, and *D-1* means the *Gas Day* preceding *D*. *D* starts at 6.00 hours *LET* and ends at 6.00 hours *LET* the next *Gas Day*.

"*Day*" and "*Daily*"

shall have the same meaning as *Gas Day* in the *Conditions*.

"*Downstream Party*"

shall mean a third party receiving *Gas* from *Shipper* at the *Entry Point* or the *Exit Point* or, in case of *Reverse Flow Direction*, a third party receiving or deemed to receive *Gas* from *Shipper* at the *Entry Point Reverse Flow* or the *Exit Point Reverse Flow*.

"*Forward Flow Direction*"

shall refer to flow from the Netherlands to the UK.

"*Lesser Rule*"

shall mean with respect to the *Quantity of Gas* (re)nominated by *Shipper* and the *Quantity of Gas* (re)nominated by the relevant *Upstream Party* or *Downstream Party*, that the *Properly (Re)Nominated Quantity of Gas* shall be deemed to be equal to the lowest quantity of such *(Re)Nominations* with respect to the relevant pair of *Shipper Codes*.

"*Pair of Shipper Codes*"

shall mean the *Shipper Code* of *Shipper* together with the shipper code of an *Upstream Party* or a *Downstream Party* under a *(Re)Nomination* made by *Shipper*.

"*Reverse Flow Direction*"

shall refer to flow from the UK to the Netherlands.

"*Upstream Party*"

shall mean a third party delivering *Gas* to *Shipper* at the *Entry Point* or the *Exit Point* or, in case of *Reverse Flow Direction*, a third party delivering or deemed to deliver *Gas* to *Shipper* at the *Entry Point Reverse Flow* or the *Exit Point Reverse Flow*.

- 1.2 *BBL Company* and *Shipper* shall conduct their respective operations in a prudent and efficient manner. *Parties* will inform each other as soon as reasonably possible, of any foreseeable condition or occurrence that could affect the *Quantity of Gas*, quality of *Gas* or pressure of *Entry Gas* at the *Entry Point* or *Exit Gas* at the *Exit Point*.
- 1.3 Both *Parties* shall be reachable twenty-four (24) hours a day and every day of the year by phone and any mutually agreed other communication system.
- 1.4 *Parties* shall use NOMINT and NOMRES messages according to Edig@s, as the protocol for exchanging dispatching information, where Edig@s is a subset of 'EDI/EDIFACT' (Electronic Data Interchange/Electronic Data Interchange for Administration Commerce and Transport) as described in detail at <http://www.edigas.org>.
- 1.5 A communication test will be performed by *BBL Company* in accordance with Article 3.1 (b) of the *Conditions* to check whether the *BBL-Shipper* (or a third party acting on behalf of the *BBL-Shipper*) has the means of handling messages with *BBL Company* according to the Edig@s protocol. Such a communication test can take up to five (5) *Business Days*.
- 1.6 In case *Parties* are temporarily not able to use Edig@s messages, because of e.g. system malfunction, *Parties* shall temporarily exchange messages via fax or through a mutually agreed other means of communication. *Parties* will take appropriate action to restore, as soon as possible, the [Edig@s](#) communication.
- 1.7 Any *(Re)Nomination* and *Confirmation* under this *Operating Manual* shall relate to *LET* and shall be expressed in *kWh* (rounded to the nearest *kWh*) unless agreed otherwise in writing.
- 1.8 In accordance with the Edig@s Message Implementation Guidelines (MIG) Version 3.2 dated 01-04-2005, the quantities transmitted in the Edig@s messages can have a positive or negative value. In order to avoid any misunderstanding in the meaning of those quantities Edig@s has defined the following sign convention:
- (Minus sign) qualifies a *Quantity of Gas* as delivered or deemed to be delivered into the *BBL-Facilities* at a specified *Connection Point* by an *Upstream Party*.
 - + (Plus sign) qualifies a *Quantity of Gas* as retrieved or deemed to be retrieved from the *BBL-Facilities* at a specified *Connection Point* by a *Downstream Party*.
- Alternately *BBL-Shippers* may, instead of the sign convention, use the following codes:
- Z02 qualifies a *Quantity of Gas* as delivered or deemed to be delivered into the *BBL-Facilities* at a specified *Connection Point* by an *Upstream Party*.
 - Z03 qualifies a *Quantity of Gas* as retrieved or deemed to be retrieved from the *BBL-Facilities* at a specified *Connection Point* by a *Downstream Party*.
- 1.9 All documents, notices or other information, other than *Nominations* and *Confirmations*, required to be supplied under this *Operating Manual* should be exchanged by a secure data communication system.
- 1.10 The basic operating philosophy chosen for the *BBL-Facilities* is a system where the pipeline is kept at a more or less constant average pressure and the flow into and from the pipeline is kept equal as much as possible. Only for operational optimisation (e.g. very low inlet pressures at the grid of *National Grid*) the pipeline pressure will be lowered to either save compression power or heating power for the *BBL-Facilities*.

2. NOMINATION PROCEDURE

2.1 General

This procedure describes how to *(Re)Nominate* in a *Forward/Reverse Flow Direction* situation.

2.2 Weekly Nominations

Shipper (or a third party acting on behalf of *Shipper*) shall at the latest on Friday of each week before 14:00 hours *LET* provide *BBL Company* with a weekly *Nomination* containing for each *Gas Day* of the following week, starting on Monday 06:00 *LET*, the *Shipper Codes* of the relevant *Upstream Parties* and *Downstream Parties*, the *Daily Quantities of Gas* (deemed) to be offtaken by *Shipper* from such *Upstream Parties* and *Daily Quantities of Gas* (deemed) to be made available by *Shipper* to such *Downstream Parties*.

In case *Shipper* fails to send the weekly *Nomination* before the specified due time above, *BBL Company* will deem the weekly *Nomination* to be zero (0) for each *Gas Day* of the following week.

2.3 Daily Nominations

Shipper (or a third party acting on behalf of *Shipper*) shall provide *BBL Company* with a *Nomination* for each *Hour* of each *Gas Day D* for the *Entry Point* as well as the *Exit Point* or, in case of *Reverse Flow Direction*, the *Entry Point Reverse Flow* as well as the *Exit Point Reverse Flow*. This set of twenty four (24) *Nominations* is defined as a *Daily Nomination* (twenty three (23) & twenty five (25) during the switches to respectively from the daylight saving periods). Any *Nomination* or, with respect to each *Hour* for which a *(Re)Nomination* is issued, *(Re)Nomination* shall contain for each *Hour* the *Shipper Codes* of the relevant *Upstream Parties* and *Downstream Parties*, the *Quantities of Gas* to be offtaken by *Shipper* from each *Upstream Party* and *Quantities of Gas* to be made available by *Shipper* to each *Downstream Party*. If applicable, the *Nomination* shall also include the *Quantities of Gas* to settle the *Gas Balance* in accordance with Article 9.3 of this *Operating Manual*.

Shipper (or a third party acting on behalf of *Shipper*) may send a *Nomination* up to 179 *Gas Days* in advance of *Gas Day D*. Any *Nomination* will remain valid until it is replaced by a *(Re)Nomination*.

A *Nomination* for *Gas Day D* must be received by *BBL Company* at the latest at 14:00 hours *LET* on *Gas Day D-1*.

In case *Shipper* exceeds the *Nomination* deadline for *Gas Day D*, the nominated *Hourly Quantities of Gas* shall be deemed to be equal to the *Daily Quantities of Gas* from the weekly *Nomination* divided by twenty four (24), unless (re)nominated in accordance within the *(Re)Nomination* deadline.

In case *Shipper's (Re)Nomination* for one (1) or more *Hours* exceeds the *Transmission Capacity* for said *Hour(s)*, this *(Re)Nomination* shall be rejected by *BBL Company* whereby the reason of this rejection will be mentioned in the *Confirmation*.

(Re)Nominations before or within *Gas Day D* regarding *Hour H*, received by *BBL Company* at least two (2) full clock hours in advance of that *Hour H*, will be processed by *BBL Company* in accordance with this *Operating Manual* prior to that *Hour H*.

Any limitation which is technically necessary may be applied with respect to the rate at which the flow is allowed to change in accordance with the *Transmission Capacity* (e.g. the flow rate is allowed to change with some percentage of the *Transmission Capacity*).

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3. INTERRUPTIBLE REVERSE FLOW SPECIFICS

Interruptible Reverse Flow Direction nominations will be subject to the same procedure as described in Article 2 of this *Operating Manual*. The availability of *Interruptible Reverse Flow Direction* capacity can however be constrained by the aggregate *Forward Flow Direction* nominations.

If the aggregate of all *BBL-Shippers'* nominated *Hourly Quantities of Gas* would lead to a physical *Reverse Flow Direction* or a forward flow less than the minimum flow of the *BBL-Facilities* then *Interruptible Reverse Flow Direction* confirmations will be reduced to ensure that the physical flow will be zero (0). The necessary reduction shall be performed using the principle **Last In First Out** taking into account the time stamp provided by *BBL Company* at the moment of contracting the *Interruptible Transmission Capacity*.

If, due to (re)nominations of one or more *BBL-Shippers*, the available *Interruptible Transmission Capacity* in the *Reverse Flow Direction* changes, the *Interruptible Reverse Flow Direction* confirmations will be recalculated. If this recalculation leads to a changed *Interruptible Reverse Flow Direction Confirmation* for *Shipper*, *Shipper* will receive a new *Confirmation* message.

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4. INTERRUPTIBLE FORWARD FLOW SPECIFICS

Interruptible Forward Flow Direction nominations will be subject to the same procedure as described in Article 2 of this *Operating Manual*. The availability of *Interruptible Transmission Capacity* in *Forward Flow Direction* can be constrained by the aggregate of *Firm Forward Flow Direction* nominations and *Interruptible Reverse Flow Direction* nominations.

If the aggregate of all *BBL-Shippers' Firm* and *Interruptible Forward Flow Direction* nominations and *Interruptible Reverse Flow Direction* nominations exceeds the maximum *Forward Flow Direction* capacity of the *BBL-Facilities*, the *Interruptible Forward Flow Direction* confirmations will be reduced such that the aggregate of all confirmations is equal to the maximum *Forward Flow Direction* capacity of the *BBL-Facilities*. This reduction shall be performed using the principle **Last In First Out** based on the time stamp provided by *BBL Company* at the moment of contracting the *Interruptible Transmission Capacity*.

If, due to (re)nominations of one or more *BBL-Shippers*, the available *Interruptible Transmission Capacity* in the *Forward Flow Direction* changes, the *Interruptible Forward Flow Direction* confirmations will be recalculated. If this recalculation leads to a changed *Interruptible Forward Flow Direction Confirmation* for *Shipper*, *Shipper* will receive a new *Confirmation* message.

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5. MATCHING AND CONFIRMATION

5.1 Any *Daily (Re)Nomination* received by *BBL Company* will be validated against the conditions of the *Agreement* and be matched with the data from *GTS*.
In addition *BBL Company* will perform a matching procedure consisting of comparing the sum of *Shipper's (Re)Nominations* at the *Entry Point* with those for the *Exit Point* or, in case of *Reverse Flow Direction*, the *Entry Point Reverse Flow* with those for the *Exit Point Reverse Flow*. If they are not equal, after taking into account any settlement of the *Gas Balance*, the *(Re)Nomination* will either be deemed to be zero (0) *kWh* or the *Lesser Rule* will be applied, as described under Article 5.2 of this *Operating Manual*.

5.2 Upon execution of Article 5.1 of this *Operating Manual*, *BBL Company* will apply the following matching rules to each *(Re)Nomination* made for any *Hour*:

- 1) if the *Pairs of Shipper Codes* do not match, the *Quantities of Gas* (re)nominated by *Shipper* for that *Hour* shall be deemed to be zero (0) *kWh* with respect to such *Pairs of Shipper Codes* (zero rule);
- 2) if the (re)nominated sign or code (by *Shipper*) with respect to a *Pair of Shipper Codes* is equal to the (re)nominated sign or code of the relevant *Upstream Party* or *Downstream Party*, the (re)nominated *Quantity of Gas* (by *Shipper*) for that *Hour* shall be deemed to be zero (0) *kWh* with respect to such *Pairs of Shipper Codes* (zero rule);
- 3) if the (re)nominated *Quantity of Gas* (by *Shipper*) with respect to a *Pair of Shipper Codes* is not equal to the (re)nominated *Quantity of Gas* of the relevant *Upstream* or *Downstream Party*, the *Quantity of Gas* (re)nominated (by *Shipper*) shall be deemed to be equal for that *Hour* to the lower *Quantities of Gas* mentioned in such (re)nominations with respect to such *Pairs of Shipper Codes* (*Lesser Rule*).
- 4) Where none of (1) to (3) above applies there is a "match" and the *Quantity of Gas* (re)nominated for the relevant *Pair of Shipper Codes* for that *Hour* shall be accepted by *BBL Company*.

5.3 After validation and matching according to Article 5.2 of this *Operating Manual*, *BBL Company* shall issue a *Confirmation*. Any *Confirmation* shall contain for each *Hour* of *Gas Day D* besides the *Shipper Codes* of the relevant *Upstream Parties* and *Downstream Parties*, the *Quantities of Entry Gas* (deemed) to be offtaken by *Shipper* from such *Upstream Parties* and *Quantities of Exit Gas* (deemed) to be made available by *Shipper* to such *Downstream Parties* and the *Quantities of Gas* to settle the *Gas Balance*.

BBL Company shall send a new *Confirmation* due to any changes resulting from any validation and/or matching according to Article 5.2 of this *Operating Manual*.

5.4 *BBL Company* shall send a *Confirmation* for *Gas Day D* to *Shipper* as soon as reasonably possible between 14:00 hours *LET* and 18:00 hours *LET* on *Gas Day D-1*.

In case of a *(Re)Nomination* *BBL Company* shall send a *Confirmation* as soon as reasonably possible, in any case before the beginning of the *Hour* to which the *(Re)Nomination* refers if such *(Re)Nomination* has been provided in accordance with the lead time as provided for in Article 2.3 of this *Operating Manual*.

If a reduction in *Transmission Capacity* occurs due to a quality deficient and/or capacity restrictions, *Shipper* shall be informed by phone about the reason, the expected duration and the amount of capacity reduction followed by a reduced *Confirmation* message.

BBL Company shall use the quantities indicated on the last sent *Confirmation* referring to *Gas Day D* as the basis for allocation calculations regarding *Gas Day D*.

For the avoidance of doubt:

- confirmed quantities may be lower than the corresponding (re)nominated quantities, and
- confirmed quantities shall never exceed the corresponding (re)nominated quantities, and
- it is *Shipper's* responsibility to check for the receipt of the *Confirmation*, to take notice of the content of the *Confirmation* and to decide if further actions by *Shipper* (e.g. notification of *Shipper's* customer) are required, and
- *BBL Company* is not allowed to change or withdraw any issued *Confirmation*, subject to Article 5.5 of this *Operating Manual*.

5.5 In case *BBL Company* faces constraints with respect to the deliveries and offtakes at the *Entry Point* or *Exit Point* (for reasons like mismatches, non availability of *Interruptible* capacity or *Entry/Exit Gas* which does not comply with the quality and/or pressure provisions of the *Conditions*) in such a way that a *Nomination* can not be met, *BBL Company* shall issue a *Confirmation* containing the remaining quantities (deemed) to be offtaken by *Shipper* from *Upstream Parties* and the quantities (deemed) to be made available by *Shipper* to *Downstream Parties*.

The available capacity in the *Forward Flow Direction* will be allocated between *BBL-Shippers* in accordance with Article 8.2 of the *Conditions* i.e. nominations within *Firm* capacity will have the first priority. Capacity will be allocated in the ratio of the *Shippers' Firm Transmission Capacity* holding to the aggregate *Firm capacity* of the pipeline.

Where the constraint is not caused by maintenance, damage to the *BBL Company* transmission pipeline or quality or pressure deficiency of *Entry Gas*, *BBL Company* will respect the priority as laid down in Article 8.2 of the *Conditions* when determining the figures for the confirmations.

The allocation process for available capacity in the *Reverse Flow Direction* does not change and will be as described in article 3 of this *Operating Manual*.

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6. MEASUREMENT OF QUANTITIES

6.1 Introduction

The flow of *Gas* is measured at both the *Entry Point* and *Exit Point*. The flow of *Gas* at the *Entry Point* from *GTS* is measured by facilities owned and operated by *GTS*. The flow of *Gas* at the *Exit Point* to *National Grid* is measured by facilities owned and operated by *BBL Company*.

6.2 Measurement differences

In the event that incorrect operation of the measuring equipment is ascertained at the *Entry Point* or the *Exit Point*, *Shipper* shall not be required to accept any retroactive allocation with regard to an *Entry Point Reverse Flow* or *Exit Point Reverse Flow* where an *OBA* exists.

In case no *OBA* exists at the *Exit Point Reverse Flow* and *BBL Company* ascertains incorrect operation of the metering equipment which measures the flow to or from the transmission grid operated by *BBL Company*, but the date of such incorrect operation cannot be determined, then such incorrect operation shall be deemed to have commenced on a date halfway between the date on which such incorrect operation is ascertained and the date of the last preceding uncontested check of metering equipment. The *Quantities of Gas* (deemed to be) delivered under the *Agreement* during the period of incorrect operation of the metering equipment will be adjusted according to the reasonable estimate of *BBL Company*. The period within which (deemed to be) delivered quantities will be readjusted shall be limited to the period from the date of the last preceding uncontested check of metering equipment. The date incorrect operation is ascertained will be deemed to be the date the check was performed which showed the incorrect operation of the metering equipment. Reallocation during that period will be performed pursuant to the provisions of the *Allocation Rules*; readjustment of (deemed to be) delivered *Quantities of Gas* will be settled via the accumulated *Gas Balance*.

6.3 Minimum flow rates

The minimum flow rate of both the *Entry Point* and *Exit Point* technical facilities is 200,000 *kWh/hr*. At this flow rate the total uncertainty of the amount of energy on an *Hourly* basis shall not exceed zero decimal seven five percent (0.75%) as provided for in Article 6.1.1 of the *Conditions*.

6.4 Publication of measured quantities

The measured quantities on the *Exit Point* will be published on the *Web Site* (www.bblcompany.com) insofar this information can be published without jeopardising confidentiality and does not harm the commercial position of *Shipper*.

7. OPERATIONAL CONTROL

7.1 General

After having completed the matching procedure at both the *Entry Point* and the *Exit Point* the compressor(s) at the *Entry Point* and the flow control valve at the *Exit Point* will be set to the aggregate flow rate for the relevant *Hour*.

BBL Company will control the flow at the *Entry Point* and the *Exit Point* in such a way that the physical flow will equal as far as possible the sum of the confirmed *Quantities of Gas* of all *BBL-Shippers* for each *Hour*.

7.2 Minimum net flow control

If the aggregate of all *BBL-Shippers'* confirmed *Hourly Quantity of Gas* would require a physical flow below the minimum rate of the measurement facilities at the *Entry Point* and the *Exit Point*, then *BBL Company* will use reasonable endeavours to offtake or redeliver intermittently at an instantaneous rate at, or above, the minimum rate of the measurement facilities at that *Entry Point* and that *Exit Point*, subject to *Gas* (deemed to) being made available or (deemed to) being offtaken by *BBL-Shippers* at the same instantaneous rate. If *BBL Company* is unable to arrange to offtake or redeliver *Gas* intermittently on or above the required minimum rate, then *BBL Company* will request *BBL-Shippers* to submit revised nominations such that the aggregate of *Shippers'* confirmed *Hourly Quantity of Gas* will require a physical flow at the *Entry Point* and the *Exit Point* at, or above, the minimum rate of the measurement facilities at that *Entry Point* and that *Exit Point*.

This procedure is applicable if an *OBA* is in place at a particular point. If there is no *OBA* in place, *BBL Company* will not drop the flow below the minimum flow rate unless agreed with the *BBL-Shippers*.

If *BBL Company* is forced to maintain the flow rate at the minimum level or to bring the flow rate down to zero (0), *BBL Company* will send a revised *Confirmation* with recalculated confirmed *Quantities of Gas* based on the following priority schedule:

- First the *BBL-Shippers* with confirmations in the *Interruptible Reverse Flow Direction* using the principle **Last In First Out** based on the time stamp provided by *BBL Company* at the moment of contracting the *Interruptible Transmission Capacity*; then
- The *BBL-shippers* using their booked *Interruptible Transmission Capacity* in *Forward Flow Direction* using the principle **Last In First Out** based on the time stamp provided by *BBL Company* at the moment of contracting the *Interruptible Transmission Capacity* and the *BBL-shippers* using their booked *Firm Transmission Capacity* in *Forward Flow Direction*.

7.3 Flow variation restrictions

Flow variations are restricted by:

- a) The contractual arrangements with the *NNO's* at both the *Entry Point* and the *Exit Point*, and
- b) The operating philosophy of *BBL Company* with respect to pipeline pressure, and
- c) The technical limitations of the facilities at both the *Entry Point* and the *Exit Point*.

8. ALLOCATION

8.1 Introduction

Allocation is the process by which *Gas* is apportioned on an *Hourly* basis to BBL-Shippers. Allocation calculations are performed separately for each flow direction (*Forward Flow Direction* and *Reverse Flow Direction*) at the *Entry Point* as well as the *Exit Point*.

Allocation in general consists of:

- Measuring physical deliveries of *Gas*, and
- Identifying confirmed *Quantities of Gas* in the *Forward* and *Reverse Flow Direction*, and
- Deeming confirmed *Quantities of Gas* in the *Reverse Flow Direction* to be met, and
- Adding the confirmed *Quantities of Gas* in the *Reverse Flow Direction* to the physical flow, and
- Allocating this calculated flow pro rata to the *Forward Flow* confirmations.

Where *Shipper* has confirmed *Quantities of Gas* in both flow directions at the same time, they are treated separately for allocation purposes (even if they are at the same *Connection Point*).

8.2 Allocation at the *Entry Point* (or, in case of *Reverse Flow Direction*, the *Exit Point Reverse Flow*)

For the *Entry Point* BBL Company has concluded an *OBA* with *GTS* and the allocated *Quantities of Gas* at the *Entry Point* (or, in case of *Reverse Flow Direction*, the *Exit Point Reverse Flow*) are deemed to be equal to the *Quantities of Gas* according to the confirmations, unless it is not feasible under the *OBA*, in which case the allocated *Quantities of Gas* shall then be made proportionally to the BBL-Shippers' confirmed *Quantities of Gas* as described in Article 8.1 of this *Operating Manual*.

8.3 Allocation at the *Exit Point* (or, in case of *Reverse Flow Direction*, the *Entry Point Reverse Flow*)

For the *Exit Point* (or, in case of *Reverse Flow Direction*, the *Entry Point Reverse Flow*), the *Quantities of Gas* will be allocated as described in Article 8.1 of this *Operating Manual*. Any differences between the measured volume and the sum of the confirmations of the BBL-Shippers will be allocated to *Shipper* in proportion to the *Confirmations* of *Shipper* and the confirmations of other BBL-Shippers where confirmed *Quantities of Gas* in the *Reverse Flow Direction* are deemed to be met.

If an *OBA* for the *Exit Point* (or, in case of *Reverse Flow Direction*, the *Entry Point Reverse Flow*) is concluded, the allocated *Quantities of Gas* shall be deemed to be equal to the *Quantities of Gas* according to the confirmations, unless this is not feasible under the *OBA*, in which case allocation shall then be made proportionally on the basis of the BBL-Shippers' confirmed *Quantities of Gas*.

8.4 Reallocation

Reallocations are only allowed in exceptional circumstances.

8.5 Publication of allocations

The (provisional) allocations on both the *Entry Point* (or, in case of *Reverse Flow Direction*, the *Exit Point Reverse Flow*) and the *Exit Point* (or, in case of *Reverse Flow Direction*, the *Entry Point Reverse Flow*) will be calculated every *Hour* in accordance with the applicable *Allocation Rules* and made available by on-line electronic transmission to the BBL-Shippers.

If the allocations are based on provisional measured quantities, final allocations shall be made available at the beginning of the following *Month*.

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9. GAS BALANCE

9.1 For any *Hour* during a *Gas Day* the difference between the allocated *Quantity of Entry Gas Reverse Flow* and the allocated *Quantity of Exit Gas Reverse Flow* will be allocated to the *Gas Balance* for that *Gas Day*.

The *Gas Balance* is negative if the allocated *Quantity of Exit Gas Reverse Flow* is higher than the allocated *Quantity of Entry Gas Reverse Flow*. The *Gas Balance* is positive if the allocated *Quantity of Exit Gas Reverse Flow* is lower than the allocated *Quantity of Entry Gas Reverse Flow*.

For clarification:

The *Gas Balance* for each *Hour (H)* = the allocated *Quantity of Entry Gas Reverse Flow* for *Hour (H)* - the allocated *Quantity of Exit Gas Reverse Flow* for *Hour (H)*.

The *Cumulative Gas Balance* at the end of *Hour (H)* = the *Cumulative Gas Balance* at the end of *Hour (H-1)* + the *Gas Balance* of *Hour (H)*.

9.2 The *Cumulative Gas Balance*, positive or negative, shall not exceed five decimal seven five percent (5.75%) of the total *Transmission Capacity* (for one (1) *Hour*) in accordance with the applicable *Agreement(s)*.

9.3 The *Gas Balance* will be settled in kind by means of the appropriate *Nominations* and *Confirmations* for the *Quantities of Gas* to be settled at the *Entry Point Reverse Flow* and/or the *Exit Point Reverse Flow*. The settlement of the *Gas Balance* is intended to bring the *Gas Balance* to zero (and not within the limits as set out in Article 9.2).

The matching procedure and the checking against the contracted *Transmission Capacity* regarding the *Nominations* at the *Entry Point Reverse Flow* and the *Exit Point Reverse Flow* will take into account any such settlement of the *Gas Balance* according to the following procedure, taking into account the maximum *Transmission Capacity*:

- a) In case of a negative *Gas Balance* (the allocated amount of *Exit Gas Reverse Flow* is higher than the allocated amount of *Entry Gas Reverse Flow*) *Gas* has been deemed to be taken out of the *BBL Company* pipeline inventory and has to be redelivered by *Shipper* to *BBL Company*.
- b) In case of a positive *Gas Balance* (the allocated amount of *Entry Gas Reverse Flow* is higher than the allocated amount of *Exit Gas Reverse Flow*) *Gas* has been deemed to be put into the *BBL Company* pipeline inventory and has to be redelivered by *BBL Company* to *Shipper*.

The following example is just for clarification:

Assumed is that *Shipper* possesses the *Shipper Code*: BBL001 and a *Transmission Capacity* of 100. The *BBL Company* pipeline inventory is coded: BBLINV.

a) The *Gas Balance* amounts -10 (the allocated amount of *Exit Gas Reverse Flow* is higher than the allocated amount of *Entry Gas Reverse Flow*). To settle the *Gas Balance* *Shipper* shall have to nominate as follows:

Entry from shipper UKAAAA	UKAAAA > BBL001:	100
Exit to shipper GSXXX	BBL001 > GSXXX:	90
Inventory transfer from <i>Shipper</i> to BBLINV	BBL001 > BBLINV:	10

- b) The *Gas Balance* amounts 10 (the allocated amount of *Entry Gas Reverse Flow* is higher than the allocated amount of *Exit Gas Reverse Flow*). To settle the *Gas Balance Shipper* shall have to nominate as follows:

Entry from shipper UKAAAA	UKAAAA > BBL001:	90
Exit to shipper GSXXX	BBL001 > GSXXX:	100
Inventory transfer from BBLINV to <i>Shipper</i>	BBLINV > BBL001:	10

In both cases there will be a mismatch between the entry and exit *Nominations* but this is allowed according to Article 7.2.3 of the *Conditions*.

For the avoidance of doubt, *Shipper* is not allowed to nominate on the *BBL Company* pipeline inventory code for other purposes than to settle the *Gas Balance*.

- 9.4 Timing of a settlement in kind of *Quantities of Gas* in the *Gas Balance* will be at any convenient moment agreed upon between the *Parties*.
However, if the *Gas Balance* exceeds the limit as mentioned in Art. 9.2 of this *Operating Manual*, *BBL Company* can, after consulting the *Shipper* and taking into account the provisions mentioned in Article 7.2.4 of the *Conditions*, appoint a date on which *Shipper* has to settle the *Gas Balance*.
In case of a settlement, *BBL Company* will take a notice period into account of forty eight (48) *Hours*.
- 9.5 The *Gas Balance* settlement in kind can be made either within *Shipper's* contracted *Transmission Capacity* or outside this contracted *Transmission Capacity* at the discretion of *Shipper*. If *Shipper* wishes to settle the *Gas Balance* using capacity outside *Shipper's* contracted *Transmission Capacity*, *Shipper* will contract the required additional exit capacity at the *GTS Entry Point*. *BBL Company* will, without prejudice, make available, free of charge, the additional exit capacity required for the *Settlement* of the *Gas Balance* for the period of time agreed between the *Parties* in order to settle the *Gas Balance*.
It is understood that the capacity can be restricted due to technical and operational limits and will be subject to Article 2 and 7 of this *Operating Manual*.
- 9.6 The (provisional) *Gas Balance* account will be calculated every *Hour* and made available to *BBL-Shippers* by on-line electronic transmission.

10. CAPACITY TRANSFER

10.1 *Shipper* may, by means of a fully completed and duly signed standard form ("Request for Transmission Capacity transfer") to be downloaded from the *Web Site*, request *BBL Company* to register a *Transmission Capacity* transfer to another *BBL-Shipper* subject to timely notification as specified in the document "How to obtain an approved and registered capacity transfer" as published on the *Web Site*.

For each transfer *BBL Company* will charge *Shipper* the handling fee in accordance with Article 4.3.1 of the *Conditions*.

10.2 Bulletin board

To facilitate the process of capacity trading, a bulletin board is available on the *Web Site* (www.bblcompany.com), which gives the *BBL-Shippers* the possibility to advertise an availability of *Transmission Capacity* or a requirement for *Transmission Capacity*. In addition a list of *BBL-Shippers* will be published on the *Web Site*.

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11. QUALITY AND PRESSURE SPECIFICATIONS

11.1 Quality specification at the *Entry Point* and the *Exit Point*

The quality specifications for the *Entry Point* will be the same as the quality specifications for the *Exit Point*. *BBL Company* will ensure that the quality specifications required to exit the *BBL-Facilities* as specified by the relevant *NNO* will not be more restrictive than specifications required to exit the *BBL-Facilities*. The quality specifications for the *Entry Point* and the *Exit Point* are laid down in the respective *GCA's*.

11.2 Pressure specifications at the *Entry Point* and the *Exit Point*

The pressure specification for the *Entry Point* shall be agreed between *BBL Company* and *GTS* in such a way that the obligations of *Parties* under the *Agreement* will be fulfilled.

The pressure specification for the *Exit Point* shall be agreed between *BBL Company* and *NGG* in such a way that the obligations of *Parties* under the *Agreement* will be fulfilled.

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12. BBL COMPANY CONTACT DETAILS

BBL Company

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