BBL COMPANY IRF AUCTION PROCEDURE

1. Introduction

Terms defined in the Conditions shall have the same meaning when used herein. This IRF Auction Procedure 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.

This IRF Auction Procedure is the procedure employed by BBL Company for the processing of bids of BBL-Shippers for capacity in the Reverse Flow Direction.

This procedure is based on the following fundamental principles:
   a) the procedure must be transparent and non-discriminatory;
   b) capacity in the Reverse Flow Direction will be granted via auctions.

2. Precondition of being a BBL-Shipper

Capacity in the BBL pipeline can only be contracted by a BBL-Shipper. The exact conditions to become a BBL-Shipper have been laid down in Article 3.1 of the Conditions. All of the conditions need to be fulfilled. It is preferable to start the process of becoming a BBL-Shipper well in advance of the date on which BBL-Shipper wishes to participate in an auction. BBL Company needs at least 10 Business Days to complete the process of granting an interested party the status of BBL-Shipper.

The Subscription Fee amounts to Euro (€) 15,000 per BBL-Shipper per Auction Year. Parties which get the status of BBL-Shipper at a later stage during a running Auction Year will have to pay the whole Subscription Fee. In the event that the total subscription fee revenues of BBL Company exceed Euro (€) 75,000 in an Auction Year, the revenues resulting from the subscription fee above Euro (€) 75,000 will after the Auction Year be proportionally reimbursed to the BBL-Shippers that have subscribed in that Auction Year.

This reimbursement will be calculated as follows: The amount of Months each party has had the status of BBL-Shipper during that Auction Year will be added up. The Euro (€) 75,000 maximum sum of Subscription Fees to be collected is divided by this total number of Months which will lead to a Monthly fee per BBL-Shipper. For every BBL Shipper this Monthly fee is multiplied with the total number of Months that this party has had the status of BBL-Shipper, resulting in the to be paid subscription fee for this BBL-Shipper. The difference between this to be paid subscription fee and the actually paid Subscription Fee of Euro (€) 15,000 will be reimbursed to the respective BBL-Shipper.

3. Obtaining capacity

Any party which has fulfilled the conditions of becoming a BBL-Shipper will be able to obtain Interruptible Transmission Capacity in the Reverse Flow Direction from BBL Company via auctions offered on the PRISMA platform. Each BBL-Shipper acknowledges that a bid submitted to BBL Company shall constitute a binding offer to enter into an Agreement.
4. Auction rules

The following rules apply to the auction process:

- Auctions will be held for three different types of products: Quarterly, Monthly and Daily, as set out in the table below.
- The time table for the auctions is published on the website of PRISMA.
- The auctions for Interruptible Reverse Flow products start as follows:
  - Quarterly product auction: First Monday of the Month of June for all coming quarters;
  - Monthly product auction: Second Monday of the Month before the Month to be auctioned (M-1);
  - Daily product auction: Every Day at 17.30h PM.

For a Quarterly auction period 1,080,000 KWh/h will be offered for sale. The price bid will be in units of €/kWh/h per Quarter per tranche.

For a Monthly auction period 1,080,000 KWh/h will be offered for sale. The price bid will be in units of €/kWh/h per Month per tranche. In addition to that the KWh/h’s that have not been sold in the corresponding Quarterly auction will be offered as Monthly tranches.

In the Daily auction 17,700,000 KWh/h will be offered for sale plus the KWh/h’s tranches that have not been sold in the corresponding Quarterly and Monthly auctions. The price bid will be in units of €/kWh/h per Gas Day per tranche.

A zero Reserve Price is applicable.

Only bids from parties that have fulfilled the preconditions of being a BBL-Shipper will be accepted.

Only bids that are within the credit limit of the bidder will be accepted.

The auction takes place based on a clearing price mechanism and awarding will take place according to PRISMA conditions.

When the time frame has closed, all bidders will be informed on the outcome of the auction.

Awarded bids will be confirmed via an Agreement.