***CAM* and *CMP* implementation and general rules**

Introduction

In this Exhibit G *BBL Company* sets out the conditions following from the implementation of *CAM* and *CMP*. This exhibit G is not exhaustive because *CAM* and *CMP* also introduced changes to existing arrangements on operational procedures such as bookings, nominations and allocations. These changes are set out in the relevant articles and/or exhibits of these *Conditions*.

The *CAM* and *CMP* requirements are applicable as of November 1, 2015 to the (available) non-exempted capacity *of BBL Company*. [CAM applies to all *Firm* technical and *Interruptible* capacity at *Interconnection Points*.]

General provisions

Terms defined in the *Conditions* shall have the same meaning when used herein. This Exhibit G 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. The *Conditions* are published on the *Web Site and on PRISMA.*

For the purposes of this Exhibit G, except where it expressly provides otherwise, the following expressions shall have the meanings ascribed to them hereunder and shall include the plural as well as the singular.

"*ACM*"

shall mean 'Autoriteit Consument en Markt', being the Dutch regulator of the energy market.

"*Ofgem*"

shall mean the British regulator of the energy market.

"*TSO*"

shall mean a transmission system operator in the meaning of Art. 2 (4) of Directive 2009/73/EC.

A. *CAM* IMPLEMENTATION

A1. Capacity calculation and maximization and bundled and unbundled capacity

In this section the principles following from article 6 and from article 19 of *CAM* are set out.

Principles following from article 6 of *CAM*:

1. The maximum technical capacity shall be made available by *BBL Company* to *Shippers*, taking into account system integrity, safety and efficient network operation.

2. A joint method shall be established by *BBL Company* with adjacent *TSO's* which shall include an in-depth analysis of technical capacities in order to maximize the offer of bundled *Firm* capacity.

Principles following from article 19 of CAM:

1. On both sides of the *Interconnection Point* all available *Firm* capacity shall be offered as bundled capacity, based on lowest denominator;

2. *BBL Company* shall offer capacity on a joint booking platform;

3. Bundled capacity offered shall be contracted with *BBL Company* and the other *TSO('s)* through a single allocation procedure;

4. *Shippers* shall apply with applicable terms and conditions;

5. More available *Firm* capacity on one side of the *Interconnection Point* can be auctioned as unbundled capacity:

> a. Where there is an existing unbundled transport contract at the other side of the *Interconnection Point*, capacity may be offered on an unbundled basis not exceeding the amount and duration of the existing transport contract on the other side;
>
> b. Where such extra capacity would not fall under 5a, it may be offered for a maximum period of one year on a rolling basis;

6. Unbundled capacity may be used and nominated as such;

7.*BBL Company* will establish a joint nomination procedure with adjacent *TSO's* for bundled capacity facilitating *Shippers* to nominate via a single sided nomination;

8. Obligations to offer bundled capacity also extend to secondary markets. Capacity originally allocated as bundled capacity can only be resold as bundled capacity.

9. The *Reserve Price* of the bundled capacity product shall be the sum of *Reserve Prices* of the capacities in the bundled capacity product.

Available technical capacity at *Interconnection Point Julianadorp*

The main part of the technical capacity will be regular *Firm* capacity. On top of that additional capacity can be offered based on the oversubscription and buy-back (OBB) and the surrender of capacity (SoC) mechanisms of *CMP*.

At the *Interconnection Point Julianadorp* a bundled *Firm* capacity product of *GTS* exit and *BBL Company* entry capacity will be offered.

Available technical capacity at *Interconnection Point Bacton*

The capacity at the *Interconnection Point Bacton* for *Gas* that enters the *National Grid* system will be the sum of the declared technical capacities of *BBL Company* and IUK. In the event the sum of the capacity (technical capacity and capacity from *CMP* mechanisms) offered by *BBL Company* and IUK is larger than the capacity made available by National Grid at *Interconnection Point Bacton* competing auctions held by *National Grid* could occur, notwithstanding the available technical capacity of *BBL Company*.

At the *Interconnection Point Bacton* a bundled *Firm* capacity product *of BBL Company* exit and *National Grid* entry capacity will be offered.

The *Firm* capacity bundles at both *Interconnection Points* will be offered to *Shippers* on *PRISMA* primary. A precondition for *Shippers* to be able to book any capacity via *PRISMA* is that *Shippers* are registered as such on *PRISMA* and have accepted the general terms and conditions of the relevant *TSO*s.

A2. Reserve Price

BBL Company will set the *Reserve Price* in all auctions for all of its own standard capacity products for *Firm* and *Interruptible* capacity in accordance with the Charging Methodology for *Forward Flow*

Capacity. The *Reserve Price* of a bundled capacity product will be the sum of the *Reserve Prices* of the capacities of the relevant *TSO's* in the bundled capacity product.

A3. Different available capacities at both sides of the *Interconnection Point*

Where there is more capacity available, i.e. more unsold capacity, at the *BBL Company* side of the *Interconnection Point* compared to the available capacity o*n the other side*, the remaining capacity will be offered separately as an unbundled *Firm* capacity product by *BBL Company* through *PRISMA*, taking into account the period of the contracted capacity and taking into account the possible difference in available technical capacity on the other side of the *Interconnection Point*. Where the foregoing is not applicable the available unbundled capacity will be offered for a maximum period of one year on a rolling basis;

A4. Assignments and transfers

Bundled *Firm* capacity products allocated to a *Shipper* can only be assigned or transferred to another *Shippe*r on the secondary market as a bundled capacity product. Unbundled capacity products allocated to a *Shipper* can be assigned or transferred on the secondary market as unbundled capacity products.

A5. Allocation, products and amount of capacity to be offered

In this section the principles following from articles 8-18 of *CAM* are set out:

1. *BBL Company* shall use auctions for the allocation of capacity at *Interconnection Points*.

2. *BBL Company* shall offer yearly, quarterly, monthly, daily and within-day standard capacity products.

3. At least 10% of the technical capacity shall be set aside to be offered in the quarterly capacity auctions.

4. At least 10% of the technical capacity shall be set aside to be offered in the yearly capacity auctions offering capacity for the next five years.

5. The capacity to be offered in the rolling capacity auction shall be equal to:

A – C + D, in which

A = technical capacity

C = previously sold capacity (on a longer term), adjusted by re-offered capacity under CMP.

D = additional capacity

BBL Company will offer yearly, quarterly, monthly, daily and within-day standard capacity products through auctions.. The capacity products will be offered through *PRISMA* according to the timescales detailed within the auction calendar published at *PRISMA.* Before the start of each auction *BBL Company* will, within a fixed time window, upload the available capacities that will be offered in the auction. Consequently*, Shippers'* users have the option of bidding for capacity products with a different duration on both *Interconnection Points* relevant to *BBL Company*. It is the responsibility of *Shippers* to manage their capacity contracts and obtain matching amounts at each side of the *Interconnection Point*.

The matrix below gives a complete overview of the *Firm Forward Flow* capacity products offered by *BBL Company* on *PRISMA* primary as of 1 November 2015.

The matrix below gives a complete overview of the current capacity auction timetable for *BBL Company* capacity products on *PRISMA* primary as of 1 November 2015.

BBLC firm forward flow capacity products on PRISMA primary

			Year	Quarter	Month	Day-Ahead	Within-Day
Technical cap.	entry BBL	bundled	X	X	X	X	X
		unbundled	X	X	X	X	X
	exit BBL	bundled	X	X	X	X	X
		unbundled	X	X	X	X	X
SOC	entry BBL	bundled	X	X	X		
		unbundled	X	X	X		
	exit BBL	bundled	X	X	X		
		unbundled	X	X	X		
OBB	entry BBL	bundled	X	X	X	X	
		unbundled	X	X	X	X	
	exit BBL	bundled	X	X	X	X	
		unbundled	X	X	X	X	

The amount of oversubscription capacity to be offered will be determined in in accordance with CMP and shall be offered as part of the *Firm* capacity of the day-ahead capacity product. Oversubscription capacity will also be offered for capacity products with a longer duration if this can be done without an excessive risk of having to buy-back capacity rights.

The matrix below gives a complete overview of the current capacity auction timetable for *BBL Company* capacity products on *PRISMA* primary as of 1 November 2015. The capacity auction timetable can change from year to year and is published on *the Web Site* as well as on the ENTSOG website.

BBLC capacity auction timetable on PRISMA primary

Capacity product period	Parameter	Calendar entry as amended by the Entsog Auction Calendar	Valid for	Auction algorithm[20]
Year	auction start	yearly, on the first Monday of March	Y+1 through Y+15	Ascending Clock
	publication amount	1 month before auction start at 9:00 CET		
	publication results	no later than the next business day		
Quarter	auction start	yearly, on the first Monday of June	Q1 through Q4	Ascending Clock
	publication amount	2 weeks before auction start at 9:00 CET		
	publication results	no later than the next business day		
Month	auction start	monthly, on the second Monday of the month before	M+1	Ascending Clock
	publication amount	1 week before auction start at 9:00 CET		
	publication results	no later than the next business day		
Day-ahead	auction start	Firm, daily, 15:30 CET Interruptible, daily, 16.30 CET	D+1	Uniform-Price
	publication amount	the same day as the auction starts, 15:30 CET		
	publication results	no later than 30 minutes after closing bidding round		
Within-day	auction start	every hour during gas day	WD	Uniform-Price
	publication amount	after closure of last day-ahead auction		
	publication results	within 30 minutes of closure bidding round		

A.6 Setting aside capacity

BBL Company will set aside capacity for shorter-term auctions. The minimum amount of 20% of the technical capacity will be reserved. Of this 20% technical capacity that is set aside at the relevant *Interconnection Points*, 10% will be offered for the annual yearly capacity auctions for Y+1 to Y+5. An amount of 10% will be offered for the annual quarterly capacity auction. These amounts of capacity will be set aside provided that the available capacity is equal to or greater than the proportion of technical capacity to be set aside. If additional technical capacity is offered at the *Interconnection Points*, at least 10% of this additional capacity will be set aside and offered for the first time in the annual quarterly capacity auctions at *PRISMA* primary.

A7. Amount of capacity to be offered

Because *Firm* capacity products will be offered for *Interconnection Point Julianadorp* and *Interconnection Point Bacton* on a separate basis, i.e. separate BBL entry and BBL exit capacity, *Shippers* have the flexibility to obtain different amounts of BBL entry and BBL exit capacity. The capacity that *BBL Company* will make available for auction is the available capacity up to the *BBL*

Company technical capacity of 2.11 mcm/h, plus capacity made available by *CMP* (if any), plus *Interruptible* capacity (if any).

A8. Capacity offered on the secondary market

PRISMA secondary supports the transfer of usage rights, on *PRISMA* known as "Transfer of Use", and (anonymous) transfer of *Transmission Capacity*, on *PRISMA* known as "Assignment". Capacity originally allocated as bundled capacity can only be resold as bundled capacity on the secondary market. The trading procedures supported by *PRISMA* secondary are:

- OTC; bilateral agreement between two *Shippers* that has to be approved/accepted by the *TSO's*.

- Call for Order (buy or sell); *Shipper* creates a trade proposal to buy or sell capacity, other *Shippers* can place an offer to sell or buy from which the *Shipper* that placed the Call for Order can then choose.

- FcFs (buy or sell); *Shipper* creates a trade proposal to buy or sell capacity, another *Shipper* can respond with an offer to sell or buy capacity containing the necessary information.

At *Interconnection Point Julianadorp*, BBL Company will facilitate these three trading procedures. At *Interconnection Point Bacton*, *BBL Company* will only facilitate the OTC trading procedure.

Transfer of Use and Assignment of *Firm* and *Interruptible* contracts will be supported for any period by *BBL Company*.

With the transition to *PRISMA* secondary, *BBL Company* will cease to facilitate secondary trade between *Shippers* through its bulletin board as of 1 November 2015.

A9. *Interruptible* capacity

In this section the principles following from article 21-25 of CAM are set out:

1. At unidirectional *Interconnection Points*, *BBL Company* shall offer a daily product for *Interruptible* capacity in the other direction. *BBL Company* may offer *Interruptible* capacity products of longer duration as well. In terms of duration, the same standard capacity products as defined for *Firm* products may be offered: yearly, quarterly and / or monthly products.

2. To the extent *Interruptible* capacity is offered, it shall be allocated via an auction process.

3. *Interruptible* capacities shall have a minimum interruption lead time, the default minimum interruption lead time for a given *Gas Hour* shall be 45 minutes after the start of the re-nomination cycle for that G*as Hour.*

4. If *BBL Company* is initiating the interruption it shall notify the relevant adjacent *TSO*.

5. The order in which interruptions shall be performed shall be determined based on the timestamp.

6. *BBL Company* shall include reasons for interruptions in the *Interruptible* transport contracts or in the *Conditions* that govern these contracts.

CAM applies to the auctioning of *Firm* and *Interruptible* capacity, including *Interruptible* capacity made available for *Reverse Flow* services. *BBL Company* will offer its *Interruptible Forward Flow* capacity and *Interruptible Reverse Flow* capacity on an unbundled basis via auctions on *PRISMA* according to the timescales detailed within the *CAM* auction calendar as published on *PRISMA*.

A10*. Interruptible Forward Flow* capacity

In the event that *BBL Company* has sold all its *Firm* BBL entry and/or BBL exit capacity it will offer *Interruptible Forward Flow* capacity products on a day-ahead basis. In addition*, BBL Company* will offer *Interruptible Forward Flow* capacity products for the product for which *Firm* entry and / or exit capacity has been sold out. For example, if *BBL Company* has sold all its entry and exit capacity on a monthly basis, *Interruptible Forward Flow* capacity will be offered on this monthly basis. *Interruptible* BBL entry and *Interruptible* BBL exit capacity will be offered on a separate basis.

The arrangement which applies *to BBL Company* in the event of contractual congestion is that *Interruptible* capacity is sold at a discount to the price of *Firm Forward Flow* capacity. In the event of an interruption, the *Shipper* will be reimbursed proportionally for the interruption over the total price paid. Interruption will be ordered based on time stamps. Capacity booked earlier in time will be interrupted later in time than capacity booked later in time. The interruption lead-time will be at least 45 minutes. The matrix below gives an overview of the *Interruptible Forward Flow* capacity products offered by *BBL Company* on PRISMA primary as of 1 November 2015.

A12. Joint provisions at both *Interconnection Points* regarding *Interruptible* capacity

The minimum lead time applied for a given *Gas Hour* will be 45 minutes after the start of the re-nomination cycle for that *Gas Hour*. In general a time stamp will be applied to determine the interruption order. If two or more contracts are ranked in the same priority order and they are not required to be fully interrupted then a pro-rata reduction will apply to these contracts. The reasons for interruption will be detailed in the relevant documents, being in the Edig@s messaging towards *Shippers*.

B. *CMP* IMPLEMENTATION

B1. (Contractual) congestion

For *BBL Company* the *Guidelines on CMP* applies to the *Interconnection Points Bacton* and *Juliandorp*, in the event *BBL Company* has sold all its technical capacity and in the event of contractual congestion.

In this section the principles following from Annex I to Regulation (EC) No 715/2009 are set out:

1. In determining the additional capacity, *BBL Company* shall take into account statistical scenarios for the likely amount of physically unused capacity, a risk profile that does not lead to excessive buy-back obligation and the likelihood and costs of buying back capacity;

2. Surrendered capacity as well as UIOLI capacity shall be allocated prior to any additional capacity;

3. The OBB scheme shall be based on an incentive regime reflecting the risks *of BBL Company* in offering additional capacity;

4. National regulatory authorities shall decide on the distribution of revenues and costs between *BBL Company* and *Shipper*;

5. Where necessary to maintain system integrity, *BBL Company* shall apply a market-based buy-back procedure in which *Shipper* can offer capacity;

The *Guidelines on CMP* introduces four mechanisms aimed at resolving events of (contractual) congestion by bringing unused capacity back to the market:

- **Oversubscription Capacity (OSC)**

OSC to be offered will be determined in accordance with CMP and shall be offered as part of the *Firm* capacity of the day-ahead capacity product. OSC will also be offered for capacity products with a longer duration if this can be done without an excessive risk of having to buy-back capacity rights.

If OSC can be made available it will be added to the other day-ahead *Firm Forward Flow* capacity available for auction on *PRISMA* primary under these *Conditions*.

- **Buy-back**

BBL Company will apply a buy-back process if nominations exceed or are predicted to exceed physical capability and capacity on their side of the *Interconnection Point*.

The primary buy-back mechanism will be an auction to buy-back capacity usage rights (nomination rights) via *PRISMA* primary. If, based on statistical analysis of the results of past buy-back auctions, another commercial measure to resolve congestion, like a flow commitment, is expected to be more efficient, *BBL Company* may arrange and call upon an upfront agreed flow commitment. In case of a *BBL Company* buy-back of capacity usage rights, the auction details will be made available via the *Web Site* and *PRISMA* three hours in advance of the hour (T) where the nominations exceed the technical capacity of *BBL Company*, i.e. T-3. *Shippers* can place their offers for the buy-back auction between T-2¾ and T-2¼. The received offers will be automatically accepted in their merit order: price ranked, starting with the lowest priced offer and if equal the offers are taken in time stamp order until the required quantity is met. The auction will start at T-2¼ according to the uniform price algorithm with some adjustments: the auction can start at any hour of the gas day, the auction period is equal to the consecutive hours of the congestion and the minimum offer price is 0. Immediately after the auction *Shippers* with a successful bid will be informed about the auction details and are required to renominate before T-2. A methodology is introduced to balance the buy-back risk and the additional OSC.

This methodology is based on a maximum buy-back price which is set in advance of the buy-back auction. This price will be published on the *Web Site.* Offers with a price higher than this maximum buy-back price will be rejected by *PRISMA*. The maximum buy-back price will be determined daily based on the NBP-TTF spread. The spread will be calculated from the latest TTF and NBP price information available to *BBL Company*, which are the TTF and NBP OTC day-ahead indices as published daily by ICIS.

BBL Company will keep an account of the cumulative revenues from OSC sales minus the buy-back costs. At the end of the calendar year the OSC revenues minus the buy-back costs will be split evenly between the *Shippers* and *BBL Company* up to a maximum deficit of € 100,000. If the cost of the next the buy-back auction is likely to exceed the maximum yearly deficit, the maximum buy-back price will be adjusted accordingly with as a minimum the clearing price of the OSC that has been sold and now has to be bought back. If insufficient capacity is offered to maintain system integrity, the required capacity will be bought back on a pro rata basis based on booked capacity. The reimbursement will be the clearing price of the OSC that has to be bought back.

- **Surrender of Capacity (SoC)**

In this section the principles following from Annex I to Regulation (EC) No 715/2009 are set out:

1. *BBL Company* shall accept any SoC of *Firm* capacity with the exception of capacity products with a duration of a day or shorter;

2. *Shipper* shall retain its rights and obligations under the capacity contract until the capacity is reallocated by *BBL Company* and to the extent the capacity is not reallocated by *BBL Company*;

3. Surrendered capacity shall be considered to be reallocated only after all the available capacity has been reallocated.

4. Reallocated surrendered capacity offsets the disposing *Shipper's* payment obligation to *BBLCompany t*o the extent of the revenue gained from the successfully reallocated capacity. *Shipper* retains his contractual rights and obligations until the capacity is reallocated and to the extent that the capacity is successfully reallocated.

Shipper can offer to surrender a standard capacity product via *PRISMA* in accordance with individual *CMP* rules on each side of the *Interconnection Point*. Following closure of the auction, *PRISMA* will inform *BBL Company* how much capacity has been sold in each of their systems. *BBL Company* will apply the priority rules in its systems to determine which surrendered capacity has been reallocated.

The first capacity to be sold will be any unsold technical capacity then, following this, any voluntary surrendered capacity will be reallocated. Application of this rule when surrendering bundled capacity can result in unbundling of these bundled capacity contracts. If for instance a *Shipper* surrenders bundled capacity where *BBL Company* still has capacity available but the adjacent *TSO* does not, then *BBL Company* will sell its own capacity while the adjacent *TSO* sells the surrendered capacity. This results in (partial) unbundling of a bundled capacity contract.

For cases where several *Shippers* surrender their capacity, the priority rule will be the 'first surrendered first reallocated' rule (timestamp). The amount of the surrendered offer reallocated could be different on either side of the *Interconnection Point. BBL Company* will introduce a SoC mechanism through which *Shippers* can surrender their *Firm Forward Flow* capacity, with the exception of capacity products with a duration of a day or less.

The price for surrendered capacity will be equal to the *Reserve Price* of a *Firm* F*orward Flow* capacity product (annual, quarterly, monthly). All contractual rights and obligations will remain with *Shipper* who surrenders capacity until the surrendered capacity is reallocated by *BBL Company*.

Since surrendered capacity will be offered prior to OSC and in order to avoid the two processes conflicting with each other*, BBL Company* will only accept surrendered capacity until one business day before the amount publication date on *PRISMA*. *Shipper* cannot surrender capacity and simultaneously offer the same capacity on *PRISMA* secondary.

- **Long-term Use-It-Or-Lose-It (LTUIOLI)**

In this section the principles following from Annex I to Regulation(EC) No 715/2009 are set out:

1. *ACM* and/or *Ofgem* shall require *BBL Company* to partially or fully withdraw systematically underutilized contracted capacity on an *Interconnection Point* by *Shipper* where *Shipper* has not sold or offered under reasonable conditions its unused capacity and where other shippers request *Firm* capacity in accordance with the procedure set out in *ACM* and *Ofgem's* Vision Paper (see below) on LTUIOLI;

2. Contracted capacity is considered to be underutilized in particular if *Shipper* uses less than on average 80% of its contracted capacity from 1 April until 30 September and from 1 October until 31 March with an effective contract duration of more than one year for which no proper justification could be provided;

3. *Shipper* shall retain its rights and obligations under the capacity contract until the capacity is reallocated by *BBL Company* and to the extent the capacity is not reallocated by *BBL Company*;

4. *BBL Company* shall regularly provide *ACM* and *Ofgem* with all the data necessary to monitor the extent to which contracted capacities with effective contract duration of more than one year or recurring quarters covering at least two years are used.

5. Revenues from reallocated LTUIOLI capacity offset the disposing *Shipper's* payment obligation to a maximum of the price originally paid for the capacity and to the extent the capacity has been reallocated successfully.

ACM and *Ofgem* have published a so called "Vision Paper" in which they describe the procedures concerning LTUIOLI. Such procedures include that it is the responsibility of *ACM and/or Ofgem* (and not of *BBL Company)* to decide which capacity from which *Shipper* has to be withdrawn and such regulators will instruct *BBL Company* to accomplish this *.*

Shipper will be reimbursed with the clearing price when its withdrawn capacity has been reallocated to another Shipper for this clearing price. If the capacity is reallocated for a lower price than the original clearing price, Shipper will be reimbursed with this lower price.