

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.

BBLC interruptible reverse flow capacity products on PRISMA primary

			Year	Quarter	Month	Day-Ahead	Within-Day
IRF capacity	entry BBL	bundled					
		unbundled		X	X	X	
	exit BBL	bundled					
		unbundled		X	X	X	

- 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*.