

CHAPTER 7

CAPACITY AND GAS TRANSACTIONS

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7.1 AUTHORISED PARTIES

Capacity and/or Gas transactions can take place between Shippers, i.e. between parties who meet the requirements necessary to access the Storage Services of the Storage Company, as indicated in chapter 5 “Assignment of Storage Capacity”. Although nothing prevents Shippers entitled to committed capacity from signing agreements with unauthorised requesting users, a preliminary condition for the latter to be able to access the service is their obtaining the qualification as Shipper.

The selling Shipper remains in any case liable to the Storage Company for failure to comply with the payment obligations assumed by the buying Shipper.

7.2 SALES AND EXCHANGES OF CAPACITY AND GAS

The sale and/or the exchange of Capacity Assigned to Shippers and the sale and/or the exchange of the Gas placed in storage are carried out on the basis of procedures defined with instructions by the Authority. Until the approval of such instructions, the sale and the exchange of capacity and Gas are regulated by the provisions that follow. The sale and/or exchange can take place in terms of:

1. Space Capacity (S);
2. Space Capacity (S) and Withdrawal Capacity (CE);
3. Injection Capacity (CI);
4. Withdrawal Performance (PE);
5. Injection Performance (PI);
6. Withdrawal extra peak;
7. Monthly Interruptible Incremental Peak (PII_M);
8. Gas;
9. Combination per the above points.

The aforesaid transactions can take place only in favour of Shippers and/or Requesting Users having the requirements for access to the type of performance involved in the sale. For example, the sale of capacity for the hydrocarbon storage service can take place only between parties satisfying the requirements per paragraphs 5.2.2 and 5.7.2.1 of the chapter “Assignment of storage capacity”.

7.3 SALE AND EXCHANGE REQUEST PROCEDURE

7.3.1 Request for sale and/or exchange of Capacity

The request for sale and/or exchange of Capacity must be received in accordance with the procedures defined in paragraph 7.3.4 and it must contain the following information:

1. The Storage Capacities involved in the sale and/or exchange;
2. The involved Parties;
3. The starting date of the sale and/or exchange;
4. The Shipper to be invoiced for the transaction management costs, if different from the selling Shipper.

The sale of the Storage Capacity is valid from the date indicated in the request until the end of the current Thermal Year.

Space sales are allowed only if the stock of the selling Shipper is smaller than the assigned Space, otherwise the sale of Space will have to be combined with a sale of Gas.

Subject to the provisions of paragraph 7.4 below, sales of Space alone are allowed during the Injection Period only and do not imply a change to the Withdrawal Performance except when the portion of CE is also sold.

During the Withdrawal Period, Space sales per Point 2 of Paragraph 7.2 are allowed.

The term “sale of CE and CI capacities” means the sale of the assigned portion of capacity and of the Performance that derives from the application of the adjustment coefficients and of the utilisation profiles.

7.3.2 Request for sale and/or exchange of Performance

The request for sale and/or exchange of the Performances per points 4) through 7) of Paragraph 7.2 of this chapter must be received in accordance with the procedures defined in paragraph 7.3.4 and it must contain the following information:

1. The portion of the Performance to be sold and/or exchanged with daily details;
2. The involved Parties;
3. The Shipper to be invoiced for the transaction management costs, if different from the selling Shipper.

In the days when the transaction between the Shippers is in force, the buying Shipper will have a daily Performance as determined by the application of the adjustment coefficients plus the portion sold by the seller; conversely, the selling Shipper will have its own daily Performance of the sold portion reduced accordingly.

The sale of Performance above the available value is not allowed; therefore, if the selling Shipper has exhausted the Gas held in storage or has filled the space assigned to it, it may not sell respectively Withdrawal Performance and Injection Performance.

For the term of validity of the transaction, the Storage Company will determine the prices to be invoiced to the buying Shipper and to be subtracted from the amount invoiced to the Selling Shipper according to the following formula applied to each day of the term of validity of the transaction:

$$C * \beta_{\text{cessione}} * f_P / N_g$$

Where:

C = Injection Capacity and/or Withdrawal Capacity and/or Withdrawal Extra Peak and/or Interruptible Incremental Peak on a monthly basis assigned to the selling Shipper

f_P = unit price approved by the AEEG, for the Performance to be transferred

β_{cessione} = Performance sold/Performance available

N_g = number of days of the reference phase

7.3.3 Request for sale and/or exchange of Gas

The request for sale and/or exchange of Gas per point 8) of Paragraph 7.2 of this chapter must be received in accordance with the procedures defined in paragraph 7.3.4 and it must contain the following information:

1. The quantity of Gas involved in the transaction and/or exchange, with daily details;
2. The involved Parties;
3. The Shipper to be invoiced for the transaction management costs, if different from the selling Shipper.

A Shipper may not carry out sales of Gas if the stock of the selling Shipper is less than zero as a result of the transaction.

Edison Stoccaggio S.p.A. shall inhibit the execution of the sale and/or exchange of Gas from the selling to the buying Shipper if the stock of the

selling Shipper, minus any quantity of Guarantee Gas in favour of the Company in Charge of Balancing per paragraph 8.2.1.4 below and the quantity per paragraph 16.4.4 below, shows, on the basis of the data per paragraph 8.2 of this Code relating to the Gas Day preceding the one starting from which the sale should be validated, a withdrawal of Gas exceeding the Gas it owns.

For the purposes of the aforesaid verification, Edison Stoccaggio S.p.A. will consider on each day the chronological order of acceptance of the sales by the buying Shipper, verifying, for each selling Shipper, the daily balance of the sales and excluding, in succession, first the last transaction accepted if the daily balance entails use of strategic gas by the selling Shipper or excess Space utilisation by the buying Shipper, until the conditions of validity are reached.

In such cases, the application of the prices prescribed in paragraph 8.4 of the Storage Code expressly remains valid.

In the case per the present paragraph, Escomas will send an email to both Shippers, communicating that the sale could not be completed.

The sale shall also be inhibited if, as a result of the sale, the buying Shipper will exceed its available Space on the basis of the data per paragraph 8.2 of this Code.

7.3.4 Terms and Effectiveness of the transaction request

The request for sale and/or exchange shall be made available on Escomas or sent in advance via fax and/or e-mail to the Storage Company by the selling Shipper and/or by the buying Shipper in case of malfunction of the Electronic System, no later than 1 working day before the start of the month of entry into force of the sale and/or exchange; moreover, no later than the last day of the previous month, the document must be delivered to the Storage Company in original form.

The aforesaid request, signed by the Parties, shall be sent by the involved Shippers to the Storage Company, according to the procedures and with the means indicated by paragraph 4A.5.1 of the Annex "Table of Times and Methods of Information Coordination".

The sale and/or exchange can take place starting on the first day of the following month and it has effect starting from any infra-monthly day, with a minimum daily duration, with the exception of the cases per Paragraph 7.2 Points 1), 2) and 3), for which the duration shall be until the end of the Thermal Year.

If the involved Shippers do not deliver the documentation according to the prescribed procedures and times, the Storage Company shall not process the request for sale and/or exchange, notifying both involved Shippers in writing that the transaction could not be completed, no later than the last working day of the month preceding the month to which the request for sale and/or exchange refers.

Sales of capacity shall have no effect for the Storage Company if the selling Shipper and the buying Shipper: (i) have not, at the date of the request, completed the payments due by both of them for the respective Contracts for the current Thermal Year or for the previous Thermal Years for invoiced amounts, and already past due, exceeding the values of the respective guarantees issued to cover the obligations deriving from the aforesaid Contracts; (ii) do not meet one of the requirements for the validity of the sale.

In these cases, the Storage Company shall notify both involved Shippers in writing that the transaction could not be completed, no later than the last working day of the month preceding the month to which the request for sale refers.

7.4 GAS SALES FOR BALANCING

The Shipper that has experienced the cases described in Paragraphs 8.4 of the chapter “Balancing and replenishment of the storage sites”, may, for the purposes of offsetting its own storage position, carry out a transaction in terms of:

1. Gas

Edison Stoccaggio S.p.A. shall inhibit the execution of the sale of Gas from the selling to the buying Shipper if the stock of the selling Shipper, minus any quantity of Guarantee Gas in favour of the Company in Charge of Balancing per paragraph 8.2.1.4 below and the quantity per paragraph 16.4.4 below, shows, on the basis of the data per paragraph 8.2 of this Code relating to the Gas Day preceding the one starting from which the sale should be validated, a withdrawal of Gas exceeding the Gas it owns.

For the purposes of the aforesaid verification, Edison Stoccaggio S.p.A. will consider on each day the chronological order of acceptance of the sales by the buying Shipper, verifying, for each selling Shipper, the daily balance of the sales and excluding, in succession, first the last

transaction accepted if the daily balance entails use of strategic gas by the selling Shipper or excess Space utilisation by the buying Shipper, until the conditions of validity are reached.

In such cases, the application of the prices prescribed in paragraph 8.4 of the Storage Code expressly remains valid.

In the case per the present paragraph, Escomas will send an email to both Shippers, communicating that the sale could not be completed.

The sale shall also be inhibited if, as a result of the sale, the buying Shipper will exceed its available Space on the basis of the data per paragraph 8.2 of this Code.

Sales of Gas do not imply the sale of the associated PE performance.

The sale request, per this paragraph, signed by the Parties, shall be made available on Escomas by the involved Shippers to the Storage Company no later than 15 days from the Shippers' date of receipt of the data about its own decision, as indicated in paragraph 4A.5 of the Annex "Table of Times and Methods of Information Coordination".

The request shall contain the following information:

- a) The quantities of Gas involved in the sale, with daily details;
- b) The involved Parties;
- c) The starting date and the duration of the sale;
- d) The Shipper to be invoiced for the transaction management costs, if different from the selling Shipper.

If the involved Shippers do not deliver the documentation according to the prescribed procedures and times, the Storage Company shall communicate that the transaction request was denied no later than 15 days from the deadline for receipt of the requests and shall not apply the provisions contained therein.

7.5 OWNERSHIP OF THE CAPACITY AND/OR OF THE GAS SOLD/EXCHANGED

Ownership of the Storage Capacity and/or of the Performance and/or of the Gas sold and/or exchanged is transferred from the "selling" Shipper to "buying" Shipper throughout the term of validity of the transaction. Therefore, the Storage Company invoices to the "buying" Shipper the corresponding prices, as provided in the chapter "Invoicing and payment". At the end of the period indicated in the sale request,

ownership of the capacity and/or of the Gas returns to the selling Shipper.

7.6 COSTS

The costs to be paid to the Storage Company, to cover the additional expenses incurred for the completion of the exchange and/or sale transactions are set at a fixed amount of € 550.00.

The fixed amount is reassessed each Thermal Year starting from the 2007-2008 thermal year, applying the general consumer price index for blue collar and white collar households published by ISTAT.

The amount shall be due to the Storage Company by the selling Shipper only, unless there is a different indication, signed by the parties, in the request form. In this case, the procedures for allocating the amount between the Shippers shall be indicated in a clear and immediately applicable manner.

Otherwise, the Storage Company shall invoice the Amount to the selling Shipper.

The aforesaid amount shall be due to the Storage Company even if the Storage Company notifies that the transaction could not be completed.