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1) INTRODUCTION

Snam Rete Gas, within the framework of its gas transportation and dispatching activities, offers to Shippers – as described in the provisions of this document - the services described below.

The principal (basic) service offered by the Transporter, and covered by the payment of transportation tariffs such as approved by the Authority and published on Snam Rete Gas' website, in the "Area Business" section, is the transportation of gas within its pipeline system. The transportation service is available on either a firm or interruptible basis.

2) BASIC SERVICES

2.1) Firm transportation

This transportation service is guaranteed as firm and is provided as an integrated service from Entry to Redelivery Points.

The Shipper, who has booked firm transportation capacity, has the right to:

- input at the Entry Points of the RN and/or at the Virtual Trading Point and
- off-take at the Redelivery Points and/or Virtual Trading Point and/or Exit Points of RN with the exception of Off-take Areas.

a daily quantity of gas not greater than the daily capacity booked at any time of the Thermal Year.

Snam Rete Gas guarantees continuity of service in all cases, except Force Majeure, emergency, and periods in which it plans and executes maintenance works that generate interruption/reduction of transportation capacity, as described in the chapter "Maintenance planning and management".

2.2) Interruptible transportation

This transportation service is subject to interruption and is defined according to the procedures detailed below.

2.2.1) Annual interruptible transportation capacity

The annual interruptible transportation capacity is the maximum daily quantity of gas that the Shipper can input, during the Thermal Year, at the contractual Entry Points connected to foreign importation pipelines. Off-take at Redelivery Points is not subject to interruption.

The Shipper who has booked interruptible capacity has the right to input at the Entry Points, interconnected to foreign importation pipelines, at any time during the Thermal Year, a daily quantity of gas not greater than the booked daily capacity, except in cases of Force Majeure, emergency, maintenance works (as described in chapter "Maintenance planning and management"), and periods in which Snam Rete Gas exercises its right to interrupt, according to the procedures described below.

a) Maximum interruption period

Snam Rete Gas has the right to interrupt, totally or partially, the capacity booked by a Shipper for a maximum number of days (T_{max}). In addition, Snam Rete Gas has the right to interrupt partially the capacity for a further period ($T1_{max}$), as long as the interruption relates to a quantity not greater than 20% of the booked interruptible capacity. The values for the parameters T_{max} and $T1_{max}$ valid for annual, half-yearly, quarterly and monthly capacity booking are published, for each Entry Point connected to foreign importation pipelines, on Snam Rete Gas' website (www.snamretegas.it).

b) Maximum interruption duration

Snam Rete Gas has the right to interrupt capacity booked by a Shipper, totally or partially, for a maximum number of consecutive days (D_{max}). The value of the parameter D_{max} is published, for each Entry Point connected to foreign importation pipelines, on Snam Rete Gas' website.

Snam Rete Gas will not exercise its interruption rights again until a period of 4 days has elapsed from the previous interruption.

c) Interruption procedure

Snam Rete Gas will inform relevant Shippers of its intention to interrupt, specifying, in particular, the days and duration of interruption, and respecting the minimum notice period (P_{min}). Snam Rete Gas will publish the P_{min} values for each RN Entry Point, connected to foreign importation pipelines, on its website. Snam Rete Gas, having notified the Shipper of the number of interruption days, will proceed without any further confirmation. The number of interruption days notified will be subtracted from the maximum number of interruption days for the Thermal Year.

In case of reduction, partially or totally, of available capacity for maintenance works referred to chapter "Maintenance planning and management", the interruptible annual capacity is equated with firm capacity.

2.2.2) Seasonal interruptible transportation capacity

Seasonal interruptible transportation capacity can be booked at Entry Points connected to foreign importation pipelines, for the periods described on Snam Rete Gas' website.

Seasonal interruptible transportation capacity means the maximum daily quantity of gas that the Shipper can input - during the specified period of the Thermal Year - at the contractually defined Entry Points connected to foreign importation pipelines. Off-take at Redelivery Points is not subject to interruption.

The Shipper who has booked seasonal interruptible capacity, has the right to input at the import Entry Points, a daily quantity of gas not greater than the booked daily capacity, at any time during the specified period, except in cases of Force Majeure, emergency, maintenance works (as described in the chapter "Maintenance planning and management"), and during periods in which Snam Rete Gas exercises its rights to interrupt, according to the procedures detailed below.

a) Maximum interruption period

The maximum period of interruption for seasonal interruptible capacity is published on Snam Rete Gas' website. The approach adopted by Snam Rete Gas in exercising its right to interrupt is the same as that indicated in paragraph 2.2.1 a).

b) Maximum duration for each interruption

The maximum duration for each interruption is published on Snam Rete Gas' website. The approach adopted by Snam Rete Gas in exercising its right to interrupt is the same as that indicated in paragraph 2.2.1 b).

c) Interruption procedure

The interruption procedure and the relevant notices are published on the website www.snamretegas.it, in the same way as described in paragraph 2.2.1 c) for annual interruptible capacity.

In case of total or partial reduction of transportation capacity for maintenance work, as described in the chapter "Maintenance planning and management", seasonal interruptible capacity is interrupted before firm and annual interruptible capacity.

3) ANCILLARY ACTIVITIES

Snam Rete Gas performs, within the framework of its natural gas transportation and dispatching operations, activities – included in its standard transportation tariffs - that are accessory to those mentioned above.

These accessory activities are described below (this list is not exhaustive).

3.1) Capacity booking

As part of the capacity booking process at Entry and Exit Points of the National Network and at the Redelivery Points, Snam Rete Gas publishes the available capacity, defines and administers the procedure with which Shippers request capacity, assigns capacity in accordance with the provisions of Resolution n° 137/02, and signs the relevant Transportation Contracts. These services are the subject of the chapter "Capacity booking".

3.2) Capacity transactions

Shippers can trade and transfer capacity at the Entry and Exit Points of the National Network, and at Redelivery Points, as described in the chapter "Capacity trading and transfer".

3.3) Physical balancing of network

Physical balancing is the process by which Snam Rete Gas controls, in real time, all the relevant flow parameters, in order to guarantee that gas is moved from entry to exit points, efficiently and safely. The physical balancing operations, performed by the Dispatching Department of Snam Rete Gas, are detailed in paragraph 1.5 of the chapter "Network description and management", and in paragraph 2 of the chapter "Balancing".

3.4) Commercial balancing of network

Snam Rete Gas administers a charging system that incentivises Shippers to balance inputs with off-takes. The objective of commercial balancing is therefore to minimise the size and frequency of imbalances. This service is described in paragraph 3 of the chapter “Balancing”.

3.5) Gas allocation

Snam Rete Gas manages the allocation of gas between Shippers, where they share ownership of the gas flowing through the same meter station, as described in paragraph 4.3 of the chapter “Balancing”. The detailed allocation process is different for Entry and Exit Points of the National Network, and Redelivery Points.

3.6) Provisional and final balance

Snam Rete Gas determines and transmits to Shippers the provisional balance of the preceding Gas-day and provides the final balance to Shippers a month in arrears. The details are described in paragraphs 4.1 e 4.2 of the chapter “Balancing”.

3.7) Administration of transportation data

Snam Rete Gas administers the data relating to the transportation activities on its network – including those related to Shippers’ nominations – through an information system compatible with international standards and integrated with current Internet technology, as described in paragraph 2 of the chapter “Information exchange”. Paragraph 4.3 of the same chapter describes the help desk service available to Shippers.

3.8) Balancing charges

Snam Rete Gas calculates and applies imbalance and overrun charges, in accordance with the contents of Resolution n° 137/02, and as described in paragraph 4.4 of the chapter “Balancing”. Snam Rete Gas communicates to Storage Companies the data required to allow them the activities of competence for carrying out of activities of competence.

3.9) Gas measurement

Snam Rete Gas, as part of the gas measurement process, is responsible for measurement data acquisition and validation and for forwarding this data to Shippers and to the owner of the measurement plant, as described in paragraph 5.2 of the chapter “Gas measurement”.

3.10) Gas quality parameters

Snam Rete Gas verifies and validates the parameters for the compliance with gas quality specifications, such as those necessary to calculate energy (Gross Calorific Value/“PCS”) and those related to the control of chemical and physical characteristics of natural gas. A detailed description is included in the chapter “Gas quality”.

3.11) Odorization of the gas

Snam Rete Gas shall ensure the odorization of the gas redelivered to Final Customers directly connected to the transmission network pursuant to the RQTG, the Resolution 250/2015/R by the Authority and the applicable technical regulations.

Pursuant to the RQTG, the Transporter must odorize the gas redelivered for domestic or similar use as classified by the TISG, table 1 (heating, cooking, hot water production, cooling), even if it is combined with technical use. The Shipper must report and keep up to date, in compliance with the terms and conditions in this Network Code, the information regarding the use category of the gas as classified by the TISG of the Redelivery Points at its Final Customers directly connected to the transmission network¹.

In the event of failure to comply with the conditions laid down in this Code. The provisions of Chapter 20, paragraph 7 remain in force.

3.11.1) *Temporary provisions applicable to odorization*

Pursuant to Resolution 250/2015/R/gas, the odorization service described in the RQTG provided by Snam Rete Gas shall start from the time of completion of construction/update of the odorization plants and commissioning thereof.

The Transporter shall not be required to provide the odorization service at the Points identified under that resolution and at the Points included in the Upgrade Plan until these tasks have been completed and therefore shall not be held responsible for any consequences or damage sustained by the Shipper or by any third party due to the failure to provide the odorization service.

The Upgrade Plan pursuant to Resolution 250/2015/R/gas takes into account the existing Redelivery Points, including the non-active Redelivery Points subject to reactivation request, and/or under construction² at Final Customers directly connected to the Transporter's network that, based on the information provided by Shippers/Applicants pursuant to paragraph 3.11 must be served by the odorization service pursuant to the RQTG. It also includes the Redelivery Points at Final Customers directly connected to the Transporter's network equipped with odorization plants that are unfit for the service, since they do not meet the technical and functional criteria identified by the Transporter. The list of Points included in the Upgrade Plan shall be published following the outcome of the activities set forth by that resolution.

The active Redelivery Points for which the concerned Shippers have not filed the report pursuant to paragraph 3.11 above using the procedures and deadlines set by Snam Rete Gas under Resolution 250/2015/R/gas shall be considered Points for technical use only and shall not be considered domestic, similar or combined-use. Therefore, the lacking said report:

- The Shipper acknowledges that at the Redelivery Point gas is used exclusively for technical use and not domestic or similar use, not even combined with technical use to be odorised pursuant to the RQTG, holding the Transporter non-labile;
- the Transporter does not perform the odorization service at the Point.

The provisions of the following Chapter 19 shall also apply.

¹ At the time of the connection request, the information is also provided by the Applicant.

² As a result of connection contracts concluded prior to the date of publication of the Resolution 250/2015/R/gas.

3.12) Transportation network interventions

In order to administer the pipeline network in a safe and efficient manner, Snam Rete Gas performs periodic inspections, control and maintenance, which may cause interruption or reduction of transportation capacity. These activities can be planned or may become necessary if anomalous or unforeseen situations or emergencies occur. The planning of interventions is described in Chapter 14.

3.13) Management of service emergencies

In order to manage situations where unforeseen events occur that significantly impact the normal operations of its pipeline network, Snam Rete Gas has developed an internal emergency response system that enables its staff to have available the procedures to use for service emergencies and unforeseen events as described in the following Chapter 21.

3.14) Alternative service of supply by means of tanker lorries

To set up and provide the alternative natural gas supply service using tanker lorries, pursuant to subsequent Chapters, Snam Rete Gas shall make available to Shippers and Local Distribution Companies, a specific procedure in its website that details the terms and procedures to participate, together with the activation process, contractual conditions and service prices agreed with the LDC associations. The Shipper or the Local Distribution Company may rely on those conditions notifying thereof Snam Rete Gas according to the methods and terms indicated in said procedure.

3.15) Gas shortages

In accordance with the chapter "Procedure for general emergency", Snam Rete Gas monitors and/or acts to address emergency situations resulting from an increase in demand, which cannot be covered by supply, due to severe weather conditions.

3.16) Invoicing

Snam Rete Gas invoices Shippers - as described in the chapter "Invoicing and payment" - for all fees related to transportation services and the associated charges, in addition to other charges relating to transportation activities.

4) OPTIONAL ACTIVITIES

Snam Rete Gas reserves the right to offer, within a competitive framework, services not included in standard transportation tariffs upon request of Shippers. Services are available, under common terms and conditions, to Shippers, according to terms published by Snam Rete Gas on its website.

In cases where the required service can be tailored to the specific requirements of a Shipper, terms and conditions of the service will be negotiated between the parties within the framework of the guarantees and general objectives, established by the Authority, relating to the obligations of parties that perform transportation and dispatching activities.