

Table of Contents

<u>Definitions</u>	5
<u>Transportation Programs</u>	8
<u>1 Nominations</u>	8
<u>2 Renominations</u>	8
<u>Matching Process</u>	8
<u>1 Matching Process for nominations</u>	9
<u>2 Timeline for nomination/ and Matching Process</u>	9
<u>3 Matching Process for renominations</u>	9
<u>4 Delays and Exceptional Events</u>	10
<u>5 Matching rules</u>	11
<u>6 Information exchange</u>	11
<u>Allocation</u>	12
<u>1 Default Allocation: the Operational Balancing Account</u>	12
<u>2 Back up allocation Rule</u>	13
<u>3 Daily Unbalance Quantity</u>	14
<u>4 Daily Allocation</u>	14
<u>5 Monthly Allocation</u>	14
<u>Units of Measurements</u>	15
<u>Exceptional Event</u>	15
<u>1 Communication in case of Exceptional Event</u>	15
<u>2 Emergencies</u>	16

PREAMBLE

Whereas:

- SRG and TAP Systems are interconnected at the location of Melendugno (LE).
- SRG is the TSO of the Italian System and as such is in charge of managing the transportation of gas as well as all commercial operations related to transportation activities.
- TAP is the TSO of the TAP System and as such is in charge of managing the transportation of gas as well as all commercial operations related to transportation activities.
- SRG and TAP (hereinafter the Parties) concur that the definition of a set of shared procedures among the Parties as well as the harmonisation of units and rules is appropriate for the Interconnection Point, in order to facilitate efficient and reliable operations (both physical and commercial).
- The Parties acknowledge that they are bound by the relevant European Regulations in the operation of their Systems, including Regulation (EC) No. 715/2009 of the European Parliament and of the European Council and the provisions of the secondary legislation that result from such Regulation. The Parties further acknowledge that TAP has specific exemptions from certain requirements under such Regulation and the above applies to the extent it is not in conflict with these exemptions.

Now, therefore, it is hereby agreed among the Parties as follows:

Definitions

The following terms, when used in this Agreement, shall have the following meaning:

“Aggregated Allocated Quantity” shall mean the difference between the Allocated Quantities from TAP System to SRG System (Forward Flow) and the Allocated Quantities from SRG System to TAP System (Commercial Reverse Flow) in a given Gas Day. For the purpose of the determination of the DUQd, the difference can be higher or lower than zero.

“Allocated Quantity” means, in respect of each Shipper, for a particular Gas Day, the quantity of Gas allocated by a Party to that Shipper for that Gas Day in accordance with this Agreement.

“Business Day” means a day (excluding Saturday, Sunday and any public holiday) when the banks are open for general business in Milan, Italy and in Canton Zug, Switzerland.

“Commercial Reverse Flow” means the commercial (virtual) flow through the IP from the SRG System to the TAP System.

“Competent Authority” means any national, supranational, regional or local government or governmental or administrative, fiscal, judicial or government-owned body, department, commission, authority, tribunal, agency, inspectorate, ministry, official or public or statutory Person having or asserting jurisdiction over any of the Parties or either of their assets/property or their operation.

“Confirmed Quantity” means, for a particular Gas Day, the quantity of Gas confirmed by a Party to its Shippers for that Gas Day as result of the Matching Process.

“Contact List” means the list of contact persons and details shared and updated by the Parties.

“Daily Unbalanced Quantity (DUQd)” means, for a particular Gas Day, the steering difference between the Measured Quantity and the Aggregated Allocated Quantities. The Daily Unbalanced Quantity can be lower (representing an under-delivery from the TAP System to the SRG System) or higher (representing an over-delivery from the TAP System to the SRG System) than zero.

“Emergency” has the meaning given in *[Exceptional Events Section 2]*.

“Exceptional Event” means any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at the Interconnection Point, with possible consequences on interactions between Transmission System Operators as well as between Transmission System Operator and Shippers.

“Forward Flow” means the commercial and/or physical Natural Gas flowing through the IP from the TAP System to the SRG System.

“Gas Day” a period of time of twenty-four hours (or, in respect of a Gas Day during which a switch to or from daylight saving time occurs, a period of time of twenty three or twenty five hours, as the case may be) from 05.00 UTC on any calendar day to 05.00 UTC on the following calendar day for winter time and from 4:00 UTC on any calendar day to 4:00 UTC of the following calendar day when daylight saving time is applied.

“Gas Month” means a period of time beginning at 05.00 UTC during winter time (from 04:00 UTC when daylight saving time is applied) on the first day of a calendar month and ending at the same time on the first day of the next calendar month.

“Gross Calorific Value” or **“GCV”** means the amount of heat, which would be released by the complete combustion of one cubic meter (Sm³) of Natural Gas in air, in such a way, that the pressure (1,01325 bar absolute) at which the reaction takes place remains constant, and all products of the combustion are returned to the same specified temperature (25°C) as that of the reactants, all of these products being in the gaseous state except for water formed by combustion, which is condensed to the liquid state at the same specified temperature.

“GTA” means a Natural Gas transportation agreement entered into between a Shipper and either SRG or TAP for the Shipper’s use of the relevant System.

“Interconnection Point” or **“IP”** means the point where the SRG System and the TAP System are connected at the location of Melendugno (LE) (271640,333 EAST(m) 4461739,249 NORTH, UTM 34 SYSTEM). The EIC Code for the IP is 21Z00000000474A (EIC NAME: Melendugno; Display Name: MELEND-TAP-SRG).

“Initiating TSO” means TAP as the Transmission System Operator initiating the Matching Process by sending the necessary data to SRG as the Matching TSO.

“kWh” means a three decimal six (3.6) million Joules.

“Law” means any supranational, national or local constitution, charter, act, law, statute, ordinance, statutory provision, regulation, order, communiqué, decree or circular or any other applicable legislative or administrative action of a Competent Authority or a final decree, judgment or order of a court, including any applicable anti-bribery and anti-corruption judgement, statute, law, ordinance, rule or regulation of a Competent Authority. For the avoidance of doubt, “Law” shall in respect of any Party include any host government agreement, intergovernmental agreement or government support/implementation agreement between that Party and any Competent Authority(ies).

“Lesser Rule” means that, in case of different Processed Quantities at either side of the Interconnection Point, the Confirmed Quantity will be equal to the lower of the two Processed Quantities.

“Matching Process” is the process of comparing and aligning the Processed Quantities for Shippers at both sides of the Interconnection Point, which results in Confirmed Quantities for the Shippers in accordance with *[Matching Process Section]*.

“Matching TSO” means SRG as the Transmission System Operator performing the Matching Process and sending the results to TAP as the Initiating TSO.

“Max OBA” means the maximum (absolute value) OBA Balance as defined in Allocation 1.

“Max DUQ_d” means the maximum level (absolute value) that the Daily Unbalanced Quantity is permitted to reach as defined in Allocation section 1.

“Measured Quantity” means, for a particular period of time, the quantity of gas that, according to the relevant measurement equipment, has physically flowed across the Interconnection Point in that time period.

“Natural Gas” or **“Gas”** means any hydrocarbons or mixture of hydrocarbons and non-combustible gases, which, when extracted from the sub-soil of the earth in its natural state, separately or together with liquid hydrocarbons, is predominantly in the gaseous state.

“Net Daily Contributing Party” means, in respect of a Gas Day, the Party who contributes from its System a net amount of Gas to the other System when considering the Daily Unbalanced Quantity for that Gas Day (so that, if the Daily Unbalanced Quantity is positive, the Net Daily Contributing Party will be TAP and if such quantity is negative, the Net Daily Contributing Party will be SRG).

“Net Monthly Contributing Party” means, in respect of a Gas Month, the Party who contributes from its System a net amount of Gas to the other System when considering the aggregate of the Daily Unbalanced Quantities for each Gas Day in that Gas Month (so that, if the aggregate of each Daily Unbalanced Quantity is positive, the Net Monthly Contributing Party will be TAP and if such quantity is negative, the Net Monthly Contributing Party will be SRG).

Net Daily Receiving Party means, in respect of a Gas Day, the Party who benefits in its System from a net amount of Gas from the other System, being the Party who is not the Net Daily Contributing Party.

“Net Monthly Receiving Party” means, in respect of a Gas Month, the Party who benefits in its System from a net amount of Gas from the other System, being the Party who is not the Net Monthly Contributing Party.

“OBA Balance” means the level, at a specified point in time, of the Operational Balancing Account.

“Operational Balancing Account” means an account between the Parties, to be used to manage steering differences at the IP and which will be operated in accordance with *[Allocation Section]*.

“Pair of Shippers” means a pair of Shippers (who, for the avoidance of doubt, may be the same Shipper) who transfer title to Natural Gas at the Interconnection Point.

“Person” means any individual or any company, corporation, limited liability company, partnership, limited partnership, joint venture, enterprise, association, trust or other juridical entity, organisation, whether of a supranational, governmental or private nature, established or organised under the Laws of any state or jurisdiction (including any Competent Authority).

“Processed Quantity” means, for a particular period of time, the quantity of Gas nominated, or, if applicable, renominated, by a Shipper as may be adjusted by the relevant Party in accordance with the contractual conditions for nominations defined under the relevant GTA.

“Proportional Allocation Event” has means the meaning given in *[Allocation Section 2]*.

“Reasonable and Prudent Operator” means, when used to describe the standard of care to be exercised by a Party in performing its obligations under this Agreement, a Person seeking, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced Person engaged in the same type of undertaking in the same or similar circumstances and conditions and having due consideration for the Law and the interests of the other Party and the expression "standard of a Reasonable and Prudent Person" shall be construed accordingly.

“Shipper” means a SRG Shipper and/or a TAP Shipper.

“SRG Shipper” means a Person delivering/receiving Gas at the IP, as the case may be, having a GTA with SRG.

Standard cubic meter (Sm³) means one cubic metre of Gas at reference conditions of 288,15K (= 15°C) and 101.325 kPa (= 1,01325 bar).

“System” means the Gas transmission system of SRG or TAP.

“TAP Shipper” means a Person delivering/receiving Gas at the IP, as the case may be, having a GTA with TAP

“Transmission System Operator” or **“TSO”** means a transmission system operator, which carries out the function of transmission, is responsible for operation, ensuring the maintenance and, if necessary, developing the transmission system and is responsible for ensuring the long-term ability of the transmission system to meet reasonable demands for the transportation of Gas.

A reference in this Agreement to “winter time” or “daylight saving time” is a reference to winter time, or day light saving time, respectively, as observed in the European Union.

Transportation Programs

1 Nominations

The Parties acknowledge that SRG Shippers and TAP Shippers will be submitting nominations in kWh/d for a Gas Day. SRG Shippers and TAP Shippers shall be entitled to submit nominations for a particular Gas Day D to the respective Party no later than the nomination deadline on the previous Gas Day (D-1). The nomination deadline is defined in the table in *[Matching Process Section 2]*.

2 Renominations

The Parties acknowledge that SRG Shippers and TAP Shippers will be submitting renominations in kWh/d for a Gas Day.

The period during which renominations can be made by Shippers for a Gas Day starts from the deadline of the confirmation of the nominations to the Shippers under Matching Process section 2 and ends three hours before the end of that Gas Day (the “renomination period”).

Each renomination cycle starts at the beginning of every hour within the renomination period and ends at the end of that hour.

After the end of each renomination cycle within the renomination period, the Parties will process the latest renominations received during that renomination cycle, in accordance with the Matching Process.

The Confirmed Quantities resulting from a renomination will be applicable two hours after the end of the renomination cycle in which that renomination is received.

Matching Process

The Parties agree that Matching Processes shall be performed in order to check the correspondence between the quantities nominated or renominated by each SRG Shipper and TAP Shipper. For the purpose of defining the roles for the Matching Process, the Parties agree that TAP shall be the Initiating TSO and SRG shall be the Matching TSO.

1 Matching Process for nominations

The Parties agree that the Matching Process will be performed in respect of each Gas Day. The Matching Process to be followed by the Parties for nominations at the IP shall be the following:

- (a) The Initiating TSO will calculate and send the Processed Quantities of each of its Shippers to the Matching TSO in accordance to the deadline defined in *[Matching Process Section 2]*.
- (b) The Matching TSO will calculate and send the Confirmed Quantities of each Shipper to the Initiating TSO in accordance to the deadline defined in *[Matching Process Section 2]*.
- (c) Each of the Parties will communicate to its Shippers the relevant Confirmed Quantities in accordance to the deadline defined in *[Matching Process Section 2]*.

2 Timeline for nomination/ and Matching Process

The timeline for nomination and the actions specified in *[Matching Process Section 1 paragraphs (a), (b) and (c)]* are defined in the table below:

Deadline	UTC winter time	UTC day light saving
Submission of nominations by Shippers	13:00	12:00
(a) Sending of Processed Quantities by Initiating TSO to Matching TSO	13:10	12:10
(b) Sending of Confirmed Quantities by Matching TSO to Initiating TSO	13:25	12:25
(c) Sending of Processed Quantities by Initiating TSO to Matching TSO	13:50	12:50
(d) Sending of Confirmed Quantities by Matching TSO to Initiating TSO	14:00	13:00
(e) Sending of Confirmed Quantities to Shippers	15:00	14:00

3 Matching Process for renominations

After sending the confirmation of the day-ahead nomination to Shippers pursuant to Matching Process section 1 the Parties agree that the Matching Process for a Gas Day will be repeated for each renomination cycle of that Gas Day. The deadline for sending Confirmed Quantities to Shippers following a renomination Matching Process is two hours after the end of the relevant renomination cycle. The Matching Process for each renomination cycle will be performed according to the following timings (relative minutes prior to the confirmation deadline for the nomination/renomination towards the Shippers):

Deadline	Minutes
Submission of renominations by Shippers	-120
Sending of Processed Quantities by Initiating TSO to Matching TSO	-110
Sending of Confirmed Quantities by Matching TSO to Initiating TSO	-95
Sending of Processed Quantities by Initiating TSO to Matching TSO	-70
Sending of Confirmed Quantities by Matching TSO to Initiating TSO	-60
Confirmed Quantity	0

4 Delays and Exceptional Events

If in any nomination or renomination cycle either Party is unable to meet any of the deadline for the exchange of information relating to the Matching Process described above, it will inform the other Party before the deadline, and will send the relevant data as soon as it is able to. The Party receiving the data will use reasonable endeavours to perform its activities as promptly as possible once the data is sent.

If, for a given nomination cycle, the Initiating TSO does not provide any Processed Quantities or provides the Processed Quantities after the time required under *[Matching Process Section 2]* and, notwithstanding using its reasonable endeavours, the Matching TSO would be unable to meet the deadline for the communication of the Confirmed Quantities to the Initiating TSO, then for the purpose of performing the Matching Process the Processed Quantities from the Initiating TSO will be deemed to be zero for each Pair of Shippers.

If the Initiating TSO does not receive the Confirmed Quantities by the deadline specified in *[Matching Process Section 2]* for the communication of the Confirmed Quantities to its Shippers then the Initiating TSO will be entitled to communicate Confirmed Quantities equal to zero to each of its Shippers.

If a Shipper did not submit a day-ahead nomination to one or both of the Parties, the nominated quantity for that Shipper shall be considered equal to zero (0).

If during a renomination cycle the Matching TSO determines it has not received the Processed Quantities on time and either no Processed Quantities are provided before the deadline for communication of the Confirmed Quantities or it receives such Processed Quantities late and, notwithstanding using its reasonable endeavours, it would be unable to meet the deadline for the communication of the Confirmed Quantities to the Initiating TSO, then it will perform the Matching Process using the most recently received valid information on the Processed Quantities from the Initiating TSO, for the Gas Day concerned. If during a renomination cycle, the Initiating TSO determines it has not received the Confirmed Quantities and, notwithstanding using its reasonable endeavours, it would be unable to meet the deadline for the communication of the Confirmed Quantities to its Shippers then it will communicate the most recently received valid information on the Confirmed Quantities from the Matching TSO, for the Gas Day concerned.

Where a Party notifies an Exceptional Event to the other Party in accordance with *[Exceptional Events Section 1]*:

- (a) the affected Party may determine revised Processed Quantities that apply to its Shippers;
- (b) if the affected Party is the Initiating TSO, it will notify the revised Processed Quantities to the Matching TSO as soon as reasonably practicable and the Matching TSO will perform an updated

Matching Process using the updated Processed Quantities as promptly as reasonably possible and communicate the revised Confirmed Quantities to the Initiating TSO; and

(c) if the affected Party is the Matching TSO, it will notify the revised Confirmed Quantities to the Initiating TSO;

The Parties will notify the revised Confirmed Quantities to their Shippers as promptly as possible.

5 Matching rules

The Parties agree that the Matching TSO will perform each Matching Process according to the following rules:

(a) If the same Pair of Shippers is notified to each of the Parties and the daily Processed Quantities in the TAP System is equal to the daily Processed Quantity in the SRG System for the corresponding Pair of Shippers, then there is a “Match” and the Confirmed Quantities will be the daily Processed Quantities.

(b) If the same Pair of Shippers is notified to each of the Parties but the daily Processed Quantities in the TAP System is not equal to the daily Processed Quantity in the SRG System for the corresponding Pair of Shippers, then there is a “Mismatch” and the Confirmed Quantities will be defined according to the Lesser Rule.

(c) If the Pair of Shippers is not the same, then there is a “Mismatch” and in this case the Confirmed Quantities will be zero for that Pair of Shippers.

The Parties, acting in good faith, may cooperate to resolve any Mismatch by contacting each other and the relevant Shippers.

6 Information exchange

The Parties agree that all quantities exchanged for the purposes of the Matching Process will be in kWh/day.

The information that the Initiating TSO shall communicate for the purpose of the Matching Process shall include the following:

- (a) Interconnection Point identification;
- (b) TAP Shipper identification;
- (c) identification of the SRG Shipper delivering to or receiving Gas from the TAP Shipper;
- (d) start and end time of the Gas flow for which the matching is made;
- (e) Gas Day;
- (f) Processed Quantities for each TAP Shipper indicating the flow direction

This information shall be sent by the Initiating TSO using the appropriate edig@s message; if edig@s is unavailable, the Initiating TSO will use the form in Annex 4(a) (Nomination Confirmation Notice).

The information that the Matching TSO shall communicate for the purpose of the Matching Process shall include the following:

- (a) Interconnection Point identification;
- (b) SRG Shipper identification;
- (c) identification of the TAP Shipper delivering to or receiving Gas from the SRG Shipper;
- (d) start and end time of the Gas flow for which the matching is made;

- (e) Gas Day;
- (f) Processed Quantities for each SRG Shipper indicating the flow direction;
- (g) Confirmed Quantities for each Pair of Shippers indicating the flow direction

This information shall be sent by the Matching TSO using the appropriate edig@s message; if edig@s is unavailable, the Matching TSO will use the form in Annex 4(b) (Matching/Mismatching Notice).

Allocation

1 Default Allocation: the Operational Balancing Account

1.1 Establishment of the Operational Balancing Account

The Parties agree to the establishment and operation of an Operational Balancing Account at the Interconnection Point.

For so long as the absolute value of the OBA Balance is less than Max OBA [and the absolute value of the DUQ_d is less than Max DUQ_d ,] the Parties agree to apply at the Interconnection Point an allocation rule where the Allocated Quantities will be equal to that Shipper's Confirmed Quantities, and the Daily Unbalanced Quantity will be allocated to the Operational Balancing Account held between the Parties.

1.2 Operation of the Operational Balancing Account

The Parties agree that

- (a) TAP, in coordination with SRG, shall be the Party responsible for steering the gas flow across the Interconnection Point. ;
- (b) SRG, being the Party in control of the measurement equipment, shall be responsible for monitoring the OBA Balance and communicating the updated OBA Balance in accordance with *[Allocation Section 4 and Section 5]*;
- (c) the Max OBA and the Max DUQ_d are included in Annex []
- (d) the Parties will use their reasonable endeavours to keep the OBA Balance as close as possible to zero;
- (e) without prejudice to the generality of paragraph (d) above, the Parties will, for each Gas Day, discuss in good faith to agree required adjustments to the Target Aggregate Flow¹ taking into account any correction required to minimise the absolute value of the OBA Balance; and
- (f) if the anticipated Daily Unbalanced Quantity would result in the OBA Balance exceeding the Max OBA and/or the Max DUQ_d , the Parties will discuss in good faith (but without any obligation to agree) whether they are able to temporarily extend the Max DUQ_d limit and/or the Max OBA limit in order to absorb the Daily Unbalanced Quantity and, if so, may agree in writing the amount and duration of the extension to the Max DUQ_d limit and/or Max OBA limit.

1.3 OBA Balance

The OBA Balance is calculated at the end of each Gas Day D (OBA_d) and shall be equal to the sum of:

- the OBA Balance on the previous Gas Day (D-1) (OBA_{d-1}); and
- the Daily Unbalanced Quantity for that Gas Day D (DUQ_d)

¹ The flow, as an outcome of the Matching Process and the operational conditions of the IP

$$OBA_d = OBA_{d-1} + DUQ_d$$

A negative OBA Balance indicates that TAP is short towards the zero balance position, with a quantity equal to the absolute value of the OBA Balance. A positive OBA Balance indicates that SRG is short towards the zero balance position, with a quantity equal to the absolute value of the OBA Balance.

2 Back up allocation Rule

2.1 Suspension of the Operational Balancing Account and proportional allocation

If the allocation rule in Allocation section 1 for the Gas Day D would result in the absolute value of the OBA Balance exceeding the Max OBA [or the absolute value of the DUQ_d to exceed Max DUQ_d], and the Parties have not agreed that is possible to absorb the steering differences by extending the Max OBA [or Max DUQ_d], pursuant to [Allocation Section 1.2(f)], (a "**Proportional Allocation Event**"), the Parties agree that:

1. the operation of the Operational Balancing Account will be suspended, and the proportional allocation regime set out in paragraphs 2 and 3 below will be applicable for the Gas Day D;
2. the Allocated Quantities for transportation in the opposite direction to the physical gas flow will be equal to the Confirmed Quantities in this direction.
3. the Allocated Quantity for each Shipper nominating in the Forward Flow will be calculated as (a) the sum of the Measured Quantity for the relevant Gas Day and the Allocated Quantities for Commercial Reserve Flow, multiplied by (b) the ratio of the Confirmed Quantities for Forward Flow for the relevant Shipper to the sum of the Confirmed Quantities for Forward Flow for all Shippers; and
4. each Party will be responsible for informing its Shippers about the modification of the allocation regime.

The Parties agree that, if a partial or total interruption of service occurs for any reason and a Party notifies the other Party that it wishes to reduce the Max OBA [or Max DUQ_d] the Parties will discuss in good faith what reduced amount for the Max OBA [or Max DUQ_d] should apply. Any such reduced level will apply immediately upon agreement of the Parties. If the Parties fail to agree on a reduced level for the Max OBA [or Max DUQ_d] by the end of the relevant Gas Day then the Max OBA [or Max DUQ_d] will be deemed to be equal to zero (0) and the Allocated Quantities will be determined in accordance with [Allocation section 2].

2.2 Suspension and resumption of the Operational Balancing Account

If an Exceptional Event occurs, the Parties shall have the right to request the suspension of the default allocation rule under [Allocation Section 1] and to apply the proportional allocation rule described in [Allocation Section 2.1]. The application of the proportional allocation rule has to be agreed by the Parties through a written notice and will apply from the start of the Gas Day agreed between the Parties. Each Party will be responsible for informing its Shippers about the application of the proportional allocation rule. If the operation of the Operational Balancing Account is suspended then the Parties will meet to discuss and agree a protocol (which may include the transfer of Natural Gas between the Parties to reduce the OBA Balance) and timeline for the resumption of the Operational Balancing Account and the end of the proportional allocation regime set out in [Allocation Section 2.1]. Any resumption of the Operational Balancing Account will apply from the start of the Gas Day agreed between the Parties as being the Gas Day on which the default allocation regime will apply again. Each Party will be responsible for informing its Shippers about the resumption of the default allocation regime.

3 Daily Unbalanced Quantity.

Each Gas Day the DUQ_d shall, unless *[Allocation Section 2]* applies, be added to the OBA Balance in accordance with *[Allocation Section 1.3]*. The aggregate of the DUQ_d of each Gas Day in a Gas Month will be cashed-out at the end of that Gas Month through the making of a payment from one Party to the other Party as set out below.

Each Day of each Month the DUQ_d shall be balanced by the Parties. To this extent:

- during each Day in which the DUQ_d is lower than zero, TAP as the “Net Receiving Party” agrees to buy from the SRG System a quantity of Gas equal to the absolute value of such DUQ_d, which SRG as the “Net Contributing Party” agrees to sell;
- during each Day in which the DUQ_d is higher than zero, SRG as the “Net Receiving Party” agrees to buy from the TAP network a quantity of Gas equal to the absolute value of such DUQ_d, which TAP as the “Net Contributing Party” agrees to sell,

with each such purchase and sale being netted and the aggregate amount paid at the end of the Gas Month as set out above.

4 Daily Allocation

Not later than 08:00 UTC winter time (07:00 UTC daylight saving time) of each Gas Day, SRG shall transmit the Annex 4(c) - “Daily-Monthly Allocation Report” for the previous Gas Day to TAP containing:

- (a) the Aggregated Allocated Quantity at the IP expressed in kWh;
- (b) the daily Measured Quantity, expressed in kWh;
- (c) the DUQ_d, expressed in kWh/day;
- (d) the value of the OBA Balance, expressed in kWh.

In case the Parties disagree with the amounts included in the Daily-Monthly Allocation Report, the not accepting Party shall be entitled to reject the Daily-Monthly Allocation Report by sending a written communication to the other Party not later than one Business Day after the receipt of the communication sent by SRG.

The Parties will discuss in good faith in order to agree on the revised amounts to be included in the Daily-Monthly Allocation Report and SRG will submit the revised report to TAP.

Not later than 08:00 UTC winter time (07:00 UTC daylight saving time) of each Gas Day, SRG shall transmit the Annex 4 (d) - “Shippers Allocation Report” for the previous Gas Day to TAP containing daily Allocated Quantities per each Pair of Shippers.

5 Monthly Allocation

On the first Business Day of each Gas Month, SRG shall transmit to TAP Annex 4 (d) - “Shippers Allocation Report” with the daily granularity, expressed in kWh, the GCV measured at the IP on each Day of the relevant Gas Month and the daily Allocated Quantities for each Pair of Shippers.

At the end of each Gas Month but not later the third Business Day of the relevant calendar month, SRG shall provide TAP with the Annex 4(c) - “Daily-Monthly Allocation Report” containing, for every Gas Day of that Gas Month the data set out in *[paragraphs a) to d) of Allocation Section 4]* for the previous Gas Month.

Units of Measurements

The Parties undertake to adopt, in all of the communication exchanged and in the measurement process, the units of measurement listed in the following table:

Item	Unit
Reference time:	UTC
Pressure:	barg
Temperature:	°C
Volume:	Sm ³
Capacity:	Sm ³ /day
Energy:	kWh
Gross Calorific Value:	kWh/Sm ³
Wobbe index:	kWh/Sm ³

The Parties acknowledge that the metering station supply volumes in Sm³. Volumes in Nm³ are obtained from Sm³ using conversion factor indicated in ISO 13443 "Natural gas - Standard reference conditions.

Exceptional Event

1 Communication in case of Exceptional Event

(a) Each Party shall act as a Reasonable and Prudent Operator in the operation of its System, in order to minimise the impact of any Exceptional Event.

(b) Each Party shall inform the other upon becoming aware of an actual or expected Exceptional Event, by communicating to the references listed in the Contact List in accordance with the procedure set out below:

(1) Should an Exceptional Event occur in the SRG or TAP System, which influences or may influence the Natural Gas flow through the IP, the Party whose system is affected shall inform the other Party as soon as reasonably possible and, in any case, by no later than in sixty (60) minutes of that Party becoming aware of the occurrence of the Exceptional Event.

(2) As soon as possible and in any case by no later than within 24 hours of the Party whose system is affected, acting as a Reasonable and Prudent Operator, becoming aware of the occurrence of the Exceptional Event, the affected Party shall prepare and submit to the other Party a preliminary report including as a minimum, all as known and estimated by the Party at the time of the submission of the preliminary report, the following:

- i. description of the Exceptional Event and the causes of its occurrence;
- ii. hour of occurrence of the Exceptional Event and the estimated time of its ceasing or elimination;
- iii. available IP capacity until the Exceptional Event's ceasing or elimination;
- iv. the possible impact on the quantities and quality of Natural Gas that can be transported through the Interconnection Point

- v. the possible impact on the Confirmed Quantities for the Shippers active at the Interconnection Point; and
- vi. operations necessary for the restoration of the IP capacity;

(3) The affected Party in whose system the Exceptional Event occurred shall inform the other Party regularly, on the progress of the remedial actions. Mutual remedial actions will be agreed upon and applied, if needed.

- (4) Upon completion of the Exceptional Event repair works or ceasing of the Exceptional Event, the affected Party shall inform the other Party of the restoration of the IP capacity.

(c) The provisions of this Exceptional Events section 1, and all the other provisions of this Agreement applying when an Exceptional Event occurs, shall also apply when any unplanned event occurs, irrespective of whether it would have been reasonably controllable or preventable, that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at the Interconnection Point, with possible consequences on interactions between Transmission System Operators as well as between Transmission System Operator and Shippers.

2 Emergencies

An “Emergency” means any circumstance where there is, or there is reasonable expectation of, danger, threat to or loss of life, or damage to property or equipment or the environment, and includes the following:

- (a) a significant Gas release;
- (b) an incident involving loss of life or serious injury to an employee, contractor, or third party;
- (c) serious property or equipment damage affecting operations;
- (d) damage to the environment; or
- (e) situations requiring the evacuation of operating personnel.

Each Party shall use its reasonable endeavours to immediately notify the other Party upon the occurrence of an Emergency and the related actions taken on their System. The Parties agree to cooperate and communicate with each other during an Emergency.

Contingency plans and emergency procedures (including details of information transfer) shall be prepared and maintained at all times during operational periods in accordance with the standard of a Reasonable and Prudent Operator, and shall include all contacts for Emergency listed in the Contact List.

Each Party shall be entitled to take immediate action in cases of Emergency, as such Party may in good faith deem necessary, to protect its personnel, its equipment, the public or the environment.