

## DESCRIPTION OF THE SERVICES

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## 1) INTRODUCTION

GNL Italia offers its Users the services described herein as part of its Liquefied Natural Gas regasification business, under the provisions set out herein.

## 2) CORE SERVICES

The core regasification service includes:

- a) the unloading of the delivered LNG, including the connection of the unloading arms, the identification of the quality of the LNG unloaded, the redelivery (if required and if available) of boil-off vapours back to the LNG carrier. Mooring/unmooring and customs procedures for importing LNG are not included;
- b) operational storage, i.e. the storage capacity required to transform the quantities of LNG that is delivered in "discrete" increments into a continuous flow of gas over a given period, according to the Terminal's production capacity. Given the limited capacity of its tanks, the Panigaglia LNG Terminal cannot provide the strategic storage set out in Article 3(6), of Legislative Decree No. 164 of 23 May 2000;
- c) LNG regasification: this service does not involve an obligation to redeliver the same LNG unloaded at the Terminal but merely the obligation to deliver to the Redelivery Point the quantity of natural gas that is equivalent in energy terms, minus consumption and losses;
- d) The allocation of transport capacity required to inject quantities of LNG regasified at the Terminal into the network at the Panigaglia Entry Point to the National Network: these quantities are made available by the Operator Snam Rete Gas, which takes delivery of them for redelivery to Users as part of the transport service.

The core regasification service can be either a continuous or a "spot" service.

The continuous core regasification service is the regasification service that involves the delivery of LNG according to the LNG delivery schedule set out in the "Scheduling of LNG Delivery and Regasification" chapter.

GNL Italia allocates continuous regasification capacity associated with the time periods required for mooring, unloading and un-mooring of an LNG Carrier at the Terminal (the Slots). Slots may or may not be bound to calendar dates (start date and end date of a Slot); if an allocated Slot is bound to a calendar date, it is called a Constrained Slot.

Before starting the regasification capacity allocation processes at the beginning of a Thermal Year, on its website, GNL Italia must publish the number of days and the regasification capacity of one Slot. The regasification capacity of one Slot subject to be

allocated is obtained by multiplying the Terminal's daily regasification capacity, as set out in Chapter 2(3.3), by the number of days of one Slot<sup>1</sup>.

The spot core regasification service is the regasification service that is provided for a single LNG unloading operation to be carried out on a date set by the Operator once the Monthly Schedule of LNG Deliveries has been defined.

GNL Italia allocates spot berthings identified by a Scheduled Arrival Date and a Maximum Unloading Capacity. The regasification capacity of a spot berthing is equal to the corresponding Maximum Unloading Capacity.

### 3) AUXILIARY ACTIVITIES

As part of the LNG regasification service, the Operator also provides certain additional activities (also included in the related rates) that are ancillary to those indicated above and set out herein.

Below is a non-exhaustive list of such activities by way of example.

#### 3.1) Capacity Allocation

As part of the capacity allocation operations at the Regasification Terminal, the Operator must publish the available capacities associated with Slots, Constrained Slots and berthings, define and manage the procedure by which Users may submit their allocation requests, carry out the capacity allocation process in accordance with the criteria set out in the TIRG and stipulate the corresponding Regasification Agreements: these services are described in the "Regasification Capacity Allocation" chapter.

#### 3.2) Capacity transactions

Users can perform regasification capacity transactions, as specified in the "Regasification capacity transactions" chapter.

#### 3.3) LNG Delivery Scheduling

Defines all the operations by which the Operator checks the LNG delivery schedule proposals submitted by Users and the related reporting methods: these activities are described in the "Scheduling of LNG Delivery and Regasification" chapter.

#### 3.4) Regasification Scheduling

On the basis of the LNG delivery schedule, the Operator must define the monthly redelivery schedule with daily detail and publish it for Users: the procedures for this activity described in the "Scheduling of LNG Delivery and Regasification" chapter.

#### 3.5) Gas quality parameters

GNL Italia checks and validates the parameters that make it possible to determine the compliance with the LNG quality specifications: for a detailed description of these

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<sup>1</sup>For Thermal Year 2018/19 the regasification capacity of one Slot is 70,000 m<sup>3</sup>liq, i.e. four days of the Terminal's regasification capacity

services refer to the "Quality of the LNG Delivered and of the Gas Redelivered" chapter.

### 3.6) LNG Measurement

The tasks involved in the measurement of the LNG that is delivered and regasified are described in the "Measurement of the LNG Delivered and of the Gas Redelivered" chapter.

### 3.7) Maintenance Operations at the Terminal

GNL Italia shall carry out the necessary maintenance operations on the Terminal's infrastructure: that work - which may cause interruptions/reductions of the regasification capacity - can either be scheduled or arise due to an emergency situation, as described in the "Maintenance Scheduling and Management" chapter.

### 3.8) Invoicing

As described in the "Invoicing and Payment" chapter, GNL Italia issues invoices for regasification service fees as well as other types of invoices associated with activities at the Terminal.

### 3.9) Service Emergencies Management

To respond to unforeseen and temporary situations at the Panigaglia Terminal, GNL Italia has developed an internal emergency policy that identifies the procedures to follow in such an event, as described in the "Service Emergencies Management" chapter.

## 4) ANCILLARY SERVICES

The Operator also provides ancillary services at the Terminal which are not included in the core regasification service. Ancillary services include:

- The correction of the Wobbe Index of the LNG delivered with values between 52.13 and 53.17 MJ/Sm<sup>3</sup>;
- the unloading of the LNG if the pressure in the tanks of the Carrier is above 1,200 mm H<sub>2</sub>O rel.

## 5) OPTIONAL SERVICES

GNL Italia provides the following optional services for Users:

- special equipment, located at the Panigaglia plant, for the transfer of liquid nitrogen from a tanker to the LNG carrier;
- supply of drinking water to the LNG carrier.

To take advantage of the requested service, interested parties must send the Operator the specific form which can be downloaded from GNL Italia's website together with the conditions applicable to that service.

GNL Italia reserves the right to offer – in a competitive environment – additional optional services to Users at the same conditions, according to the procedures that shall be published on GNL Italia's website.

According to its specific requirements, should a User submit a request to use such services at the Terminal and should GNL Italia confirm the feasibility of the provision of such services, the conditions shall be negotiated directly between the User and GNL Italia, subject to the guarantees and the general objectives established by the Regulatory Authority in relation to the obligations of parties engaged in regasification activities.

### 5.1) Peak Shaving Service

GNL Italia may make available to the Network Balancing Manager the temporary LNG storage service for the Peak Shaving Service under Ministerial Decree of 18 October 2013 and subsequent regulatory provisions, as well as the Authority's Resolution 471/2013/R/gas and subsequent regulatory provisions.

Users who want to make available the quantities of LNG for the temporary storage service, must sign a contract with GNL Italia for the Spot Regasification Service and if the Peak Shaving Service is not activated, the same User will be returned the same quantities supplied, decreased by consumption and losses, at the Virtual Trading Point under conditions published by GNL Italia.

## 6) THE LNG REDELIVERY FLEXIBILITY SERVICES

Pursuant to Article 12 of the TIRG, and taking into account the Terminal's technical and operating constraints and its actual use as a result of the scheduling of deliveries and regasification as per Chapter 9 below, the Operator shall provide flexibility services that enable Users to:

- Change their regasification schedule (Redelivery Flexibility Service);
- Maintain their LNG temporarily stored in the Terminal's tank (Temporary Storage Service).