Open Season for the development of new gas interconnection capacity between Spain and France after 2012

INFORMATION MEMORANDUM

July 2009

DISCLAIMER

This Information Memorandum presents to the market the potential new transmission capacities to be created by Enagás, GRTgaz, Naturgás Energía Transporte and TIGF on the Spanish and French transmission systems within the framework of a joint project to increase interconnection capacity between France and Spain as from April 1st 2013 and December 1st 2015.

The present Information Memorandum additionally details the capacity products that will be offered to the market. This Information Memorandum shall clarify the coordinated development as designed by the TSOs to the market in order to assess this new opportunity. The Information Memorandum is publicly disclosed to the market for information only without any commitment whatsoever from any TSO involved as to offer a product, new interconnection capacity, any service and/or develop any infrastructure. Any and all potential subscribers, as professional operators shall be responsible to seek to obtain the accurate and relevant information needed for their own assessment and decision to respond to the invitation to subscribe, which will be launched by the TSOs on July 15th 2009.

The TSOs hereby disclaim all responsibilities for changes to the implementation of the coordinated development as presented in the present Information Memorandum, due to financial and regulatory constraints defined by the competent regulatory authorities and each TSOs' board of directors.

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1 Introduction.

The increase of interconnection capacity between Spain and France has been identified as a priority at the South Gas Regional Initiative (S-GRI). This initiative aims at integrating Portugal, France and Spain into one gas regional market, as an important and practical step towards the eventual goal of a competitive single European gas market. The South GRI represents a gas consumption of 88 bcm/year, almost 18% of the EU25's gas market (2008 figures).

The need for a joint Open Season (OS or Open Season) to achieve this goal was agreed at the S-GRI in 2007, in order to coordinate the decision making processes in France and Spain. In France it is required to carry out a positive assessment of market demand in order to provide a rational and to trigger an investment. In Spain, although a mandatory planning procedure for essential infrastructures is applied, the regulatory framework has been adapted to allow for Open Season procedures at interconnection points with France.

This Information Memorandum forms part of the documentation which regulates the Open Season jointly conducted by Enagás, GRTgaz, Naturgás Energía Transporte and TIGF to asses market demand for the interconnection projects under discussion.

- As of today, there are two interconnection points on the Western side of the border between France and Spain, at Larrau and Biriatou. The current and future capacities to be offered through the Open Season at these points, and at the related connection points between balancing areas in France, are referred to as “2013 capacities”.

- A third interconnection point is foreseen on the Eastern side of the border between France and Spain, at Le Perthus (MidCat project). The capacities created at this point, plus the available and future capacities to be offered through the Open Season at the related connection points between balancing areas in France, are referred to as “2015 capacities”.

These capacity increases are presented as a single project; however, they can also be developed independently, depending on the actual market demand. From September 2009, TSOs will carry out simultaneously the binding phase for the 2013 capacities and the non-binding phase for the 2015 capacities. The binding phase for the 2015 capacities is envisaged for February 2010.

In Europe, Open Seasons are a common approach to develop interconnection capacity between adjacent TSOs. However, the projects contained in this Information Memorandum are a pioneer experience within Europe. Indeed, for the first time, four TSOs have agreed to market capacity between four different balancing areas within the same coordinated process.

The present document has been developed taking into account the conclusions resulting from the outcomes of the CNE and CRE Public Consultation carried out in November – December 2008 and the different meetings in the ERGEG frame.

2 Market Structure.

In 2009, market structure in France and Spain is divided into four different market zones:

- ✓ One market zone in Spain
- ✓ Three market zones in France: GRTgaz North, GRTgaz South and TIGF.

A working group within the new consultation body "Concertation Gaz"[1] has been set up beginning 2009 in order to debate on the future evolution of the contractual structure of the French gas transportation network. After the publication of the report of this working group, a market consultation, conducted by CRE, has been launched on May 2009 concerning the market structure from 2011 on.

The outcome of this process is detailed in the deliberation of July 2nd, 2009.[2] Considering that the proposed market structure has not been formally approved by the MEEDDAT (French Ministry of Energy), the Open Season is organised based on the current market structure in France.

[1] http://www.concertationgaz.com/default.aspx?langue=2

[2] Deliberation of the French Energy Regulatory Commission (*Commission de Régulation de l´Énergie - CRE*) on 2nd July 2009 providing guidance on the organisation of access to natural gas transmission networks and on capacity traded within the framework of gas interconnections with Spain. Available at: http://www.cre.fr/en/content/download/8749/154432/file/090702StructureTransportIntercoEspagne_en.pdf

3 Marketing of Capacities.

In order to facilitate the marketing of capacity, TSOs have developed a procedure for reception and treatment of the requests made by shippers, described in this documentation.

3.1 Physical capacities to be developed.

Enagás, GRTgaz, Naturgás Energía Transporte and TIGF have studied different projects in order to increase the commercial capacities among the market zones by 2013 and 2015: Spain, TIGF, GRTgaz South and GRTgaz North.

These projects have been presented in the S-GRI.

CAPACITIES BY 2013:

- Larrau: development of an existing interconnection (Enagás / TIGF)
- Biriatou: development of an existing interconnection (Enagás / Naturgás Energía Transporte / TIGF)
- GRTgaz South – TIGF interface: development of an existing interconnection (GRTgaz / TIGF)

CAPACITIES BY 2015:

- Perthus: development of a new interconnection (Enagás / GRTgaz / TIGF).
- GRTgaz North – GRTgaz South link: development of an existing interconnection (GRTgaz)

Projects foreseen would provide the following capacities:

LARRAU PROJECT:

	Incremental Capacities[3]	Total capacities
Spain to France	+55GWh/d	165 GWh/d
France to Spain	+65GWh/d	165 GWh/d

[3] The incremental capacities detailed in this table are only those related to investments triggered by this Open Season process.

BIRIATOU PROJECT:

	Incremental Capacities[3]	Total capacities
Spain to France	+55GWh/d	60 GWh/d
France to Spain	+60GWh/d	60 GWh/d

GRTGAZ SOUTH – TIGF INTERFACE PROJECT:

	Incremental Capacities[3]	Total capacities
TIGF to GRTgaz South	+180 GWh/d	255 GWh/d
GRTgaz South to TIGF	+50 GWh/d	375 GWh/d

PERTHUS PROJECT:

	Incremental Capacities[3]	Total capacities
Spain to France	+230 GWh/d	230 GWh/d
France to Spain	+180 GWh/d	180 GWh/d

GRTGAZ NORTH – GRTGAZ SOUTH LINK PROJECT:

	Incremental Capacities[3]	Total capacities
GRTgaz North to GRTgaz South	+200 GWh/d	430 GWh/d
GRTgaz South to GRTgaz North	+100 GWh/d	330 GWh/d

3.2 Products and quantities to be marketed.

Only firm capacities will be proposed to the market in the Open Season.

The annual capacities proposed to the market in the Open Season are presented in the table hereafter. Unless otherwise specified, they represent 80% of the capacity available after investments, and after deduction of capacity assigned to existing long-term commitments.

For exact figures on multiannual and multiseasonal capacities to be marketed, please refer to Appendix II: Available capacities.

2013		
Products	From South to North	From North to South
GRTgaz North-GRTgaz South	138[4]	0
GRTgaz South-TIGF	204	238
TIGF-Spain	180	118

2015			
Products		From South to North	From North to South
GRTgaz North-GRTgaz South		between 80[5] and 264	between 160[5] and 282
France – Spain		184 to be split between option 1 & 2	144 to be split between option 1 & 2
Option 1	GRTgaz South - Spain	0 to 184	0 to 144
Option 2	GRTgaz South – TIGF	0 to 184	0 to 144
	TIGF – Spain	0 to 184	0 to 144

[4] 60% of marketable capacities, according to CRE's deliberation on 2nd July 2009.
[5] 80% of newly-created capacities, according to CRE's deliberation on 2nd July 2009.

Shippers will be asked in the non-binding phase which capacity product they want. This input will be used to define a split between the 3 components in the France – Spain products.

The opportunity of adding capacity not booked in OS 2013 to the quantities above will be assessed after the first phase, for the following products:

- GRTgaz North - GRTgaz South (in the South to North direction)
- TIGF – Spain

Unless otherwise specified and subject to confirmation by NRAs, quantities made available for long term bookings represent 80% of the capacity available after investments.

3.3 Capacities offered in the OS and not sold.

Remaining capacity not sold via the current procedure at the Spanish-French border will be sold through coordinated procedures between French and Spanish TSOs to be defined. In France, the detailed rules for marketing this capacity will be submitted to CRE for approval. In Spain, capacity allocation will comply with regulation in force.

3.4 Allocation Process.

All capacities will be proposed to the market in two phases:

1st phase: to be launched in July 2009,

- Capacities available by 2013: Binding requests
- Capacities available by 2015: Non-binding requests

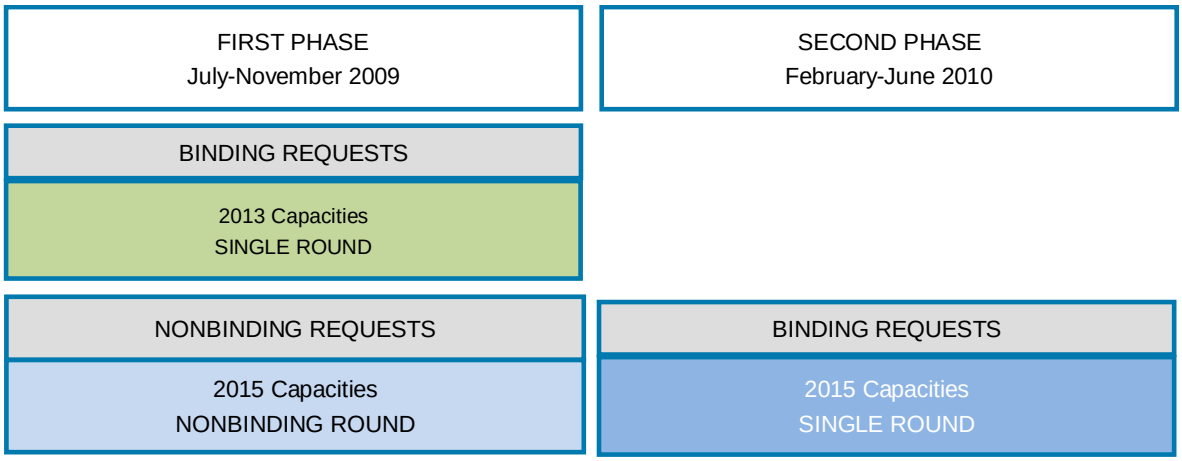
2nd phase: to be launched by February 2010,

- Capacities available by 2015: Binding requests

In the second phase, the sale of capacities not sold during the first phase could be possible provided NRAs' prior approval and subject to the frame required by the NRAs if any.

A single allocation round is foreseen. There is a risk some capacity might not be allocated, especially if requests contain a high threshold of minimal allocation accepted. In this case Regulators will decide on a possible second round.

Figure 1: Open Season phases.



Larrau and Biriatou are treated as one single commercial point for allocation purposes (2013 capacities). The TSOs are in the process to design the required coordination mechanisms to ensure that, in each balancing zone, both points are treated as a single/coordinated point for operational purposes. On the Spanish side, Enagás, Technical System Manager, will ensure the coordination in the operation. The contractual framework will be adapted to the regulatory framework in place in each country.

However, the capacity marketed corresponds to two different infrastructure projects, Larrau and Biriatou. It must be borne in mind that after Phase 1 demand might be insufficient to trigger the development of both projects (see Appendix II:, Section II.2), thus reducing the capacity to be marketed. Shippers allocated capacity at the French-Spanish border undertakes to sign:

- If both projects are triggered by the OS, the required transmission contracts with Enagás and Naturgás Energía Transporte on their respective transmission infrastructures (Larrau and Biriatou) proportional to the available capacity at each point.

- If only the Larrau project is triggered by the OS, the required transmission contract with Enagás on its transmission infrastructure (Larrau).

3.5 2013 and 2015 capacities allocation principles.

Capacities allocation principles and rules for 2013 capacities are described in the Appendix VI: Allocation rules. The available capacities to which these rules will be applied are detailed in Appendix II: Available capacities.

Capacities allocation principles and rules for 2015 capacities will be developed before February 2010. Capacity requests for 2015 capacities will be taken by TSOs as indicative, and no allocation process will be performed. Nevertheless, an indication of the global demand for 2015 capacities will be provided to stakeholders.

4 Coordination with other OSPs developed by the TSOs.

TIGF and Enagás launched an Open Subscription Period ("OSP") in 2008 to allocate existing and planned capacity at Larrau from 1st April 2009 to 31st March 2013. The capacity was deliberately not allocated beyond 2013 in order to co-ordinate the allocation of capacities from 2013 with the current OS.

In France, the capacities at the GRTgaz South – TIGF interface and the GRTgaz North – GRTgaz South link are currently sold by OSP, in multi-annual (2, 3 and 4 years), annual and short term products.

The French regulator has previously decided not to allocate capacities at these points beyond 31st March 2013 in order to coordinate this process with the Open Season.

Therefore, it is envisaged:

- To change current OSP's allocation rules concerning the GRTgaz South to GRTgaz North link, in order to allow the coordination on the marketing of capacities at the Spain/TIGF and TIGF/GRTgaz South connections with available capacity in the link for the South to North direction.

- To maintain the current OSP's allocations rules of the capacities at the GRTgaz North GRTgaz South link for the North to South direction for capacities up to 2015.

5 Indicative schedule.

APRIL 2009

27th April. Publication of draft documents for consultation between stakeholders:

- Draft Information Memorandum.
- Draft Allocation rules.
- Draft Request forms.

APRIL - JUNE 2009

30th April: Public consultation by CRE on the access to natural gas transmission networks in France and on the development of gas interconnections with Spain.

JULY – OCTOBER 2009

2nd July: CRE deliberation providing guidance on the organisation of access to natural gas transmission networks and on capacity traded within the framework of gas interconnections with Spain.

15th July: Publication of final documents proposed by TSOs:

- Information Memorandum.
- Allocation Rules for 2013 capacities.
- Application forms and related letter of commitment for 2013 capacities and letter of intent for 2015 capacities.
- Non-Disclosure Agreements between each TSO and interested subscribers.
- Capacity booking contract between each TSO in France and subscribers interested in capacities between GRTgaz South-TIGF and/or TIGF-Spain.
- Transmission contract between each TSO in Spain and interested subscribers.

Early September: Presentation(s) by TSOs and information meeting with stakeholders about the OS. [6]

Before 15th September: Signing of Non-Disclosure Agreements between each TSO and interested subscribers.[6]

September 15th: Starting date for submitting requests in the First Phase of the OS .[6]

September 30th: Deadline for submitting requests in the First Phase of the OS.[6]

October 30th: Publication of results of the First Phase of the OS. [6]

NOVEMBER 2009

Before November 30th: Signature of a capacity booking contract or transmission contract between each TSO and interested subscribers (2013 capacities).

JANUARY 2010

- Approval of GRTgaz and TIGF global investment programs by their respective Boards of Directors (2013 capacities).

[6] Detailed calendar, including the starting date, to be officially confirmed on ERGEG's website.

- Approval of GRTgaz and TIGF global investment programs by CRE (2013 capacities).

FEBRUARY 2010

- Starting date of the Second Phase of the OS.

JUNE 2010

- Publication of results of the Second Phase of the OS.

JULY 2010

- Signing of capacity booking contract or transmission contract between each TSO and interested subscribers (2015 capacities).

JANUARY 2011

- Approval of GRTgaz and TIGF global investment programs by their respective Boards of Directors (2015 capacities).
- Approval of GRTgaz and TIGF global investment programs by CRE (2015 capacities).

6 Tariff Regulation.

The CRE (French Energy Regulatory Commission) and the CNE (National Energy Commission in Spain) have been consulted prior to the publication of this Information Memorandum in relation with the tariff framework applicable to the capacities marketed through the coordinated Open Season process.

The CRE and the CNE will act within their respective areas of competence, as defined in the relevant national regulations.

6.1 Tariff Visibility.

On the Spanish side, since 2008 tariffs are proposed by the CNE and approved by the Ministry of Industry. Principles governing tariff design are defining in the Law 34/1998. TPA tariffs are based in costs in order to assure investment recovery and a reasonable profit. These principles are developed in the Royal Decree 949/2001. TPA tariffs will be defined under the principles of objectivity, transparency and non-discrimination.

In order to provide Open Season participants with a preliminary approach of the TPA tariff range at the interconnections into operation 2013, when capacity sold in the 2013 Open seasons will become available, the CNE has analysed with a broad perspective the demand and investments forecasts inside Spain within the period 2009-2013.

When establishing remuneration for the transmission activity, the CNE has considered related investments included in the Plan 2008-2016 for the Spanish gas network, approved by the Government in 2008. A rough analysis produces a remuneration increase valued around at 1.289 mills. € for 2013 over 2009 figure, taking into consideration all Spanish infrastructures, including transmission and distribution pipelines, underground storages and regasification terminals.

On the side of demand, the CNE has built a forecast scenario taking into consideration as stakeholder's market demand forecast and the last macro-economic scene foreseen by the Spanish Ministry of Economy as the basis of its assessment. Gas in transit and the future interconnection with France has also been used in the calculations. CNE's estimations show an important decrease in the internal demand during 2009, which will recover next years. An increase of 18% in 2013 over 2009 internal demand has been estimated.

According to all the assumptions made, the CNE estimated the modifications of tariffs in the period; TPA average tariffs could be increased by 2013 around 20% over 2009 tariffs (around 5% of average annual increase).

In any case, these figures very much depend on the assumptions made, specially the demand and the transit flow that may vary considerably in the lead time. Therefore, these numbers should be taken into account only as the best approach available nowadays, and must not be understood as a final commitment.

On the French side the Open Season process is launched on the basis of the current transmission tariff structure, which has been in force in France since the 1st January 2009.

CRE's deliberation of 2nd July 2009 proposes some changes in the tariff structure, in particular it proposes that the tariff for capacity between TIGF and GRTgaz South zones be set at 0 €/MWh/day and per year. As a consequence, there would be no need to sell the corresponding capacity products anymore.

These orientations raise some questions from TIGF. TIGF confirms the concerns they have expressed during the auditions in front of the Commission de régulation de l'énergie and worries about the concrete consequences for the market as well as for network operators. TIGF wonders in particular about possible congestions.

Under the control of French authorities and CRE, a common model of the French gas transmission network will be set up by both French transmission system operators and a study will be carried out before mid-2010, in order to define relevant flow scenarios and to evaluate congestion risks, taking into account the physical reality of the networks on the one side, flow evolution on the other side.

French national authorities indicate their intention, at that stage, to endorse CRE's orientations from the deliberation of the 2nd July 2009. On the basis of future CRE's tariff proposals, the evolution of the French tariff and regulatory framework will take into account the results of the study mentioned before and the interests of all stakeholders.

7 Test of the CRE to validate the capacity allocation in France.

In order to guarantee the sustainability of the proposed capacity development and a tariff evolution in the future in line with its indication, it is required that a sufficient share of the capacity marketed is allocated.

- If less than 50% of the capacity marketed at the interconnection between France and Spain is allocated for 10 years or longer after the allocation stages, then the capacity allocation will be considered as non valid and no capacity booking contracts or transport contracts will be signed.

- If more than 90% of the capacity marketed at the interconnection between France and Spain is allocated for 10 years or longer after the allocation stages, then the capacity allocation will be considered as valid, and the relevant contracts will be signed.

- If the capacity allocated for 10 years or longer after the allocation stages lies between 90 and 50% of the capacity marketed, then the decision on whether to pursue or terminate the open season will be discussed within the Implementation Group (IG) of the South Gas Regional Initiative (NRAs, Ministries and TSOs) taking into account the subsidies potentially granted by the **European Energy Programme for Recovery**.

The priority will be given to Larrau interconnection point. Given that 202 GWh/d is marketed at Larrau and 96 at Biriatou, that is to say:

- If the capacity allocated for 10 years or longer lies above 288 GWh/d, Larrau and Biriatou will be validated by the CRE,

- If the capacity allocated for 10 years or longer lies between 288 and 250 GWh/d, Larrau will be validated by the CRE and the decision on whether or not to allow the development of Biriatou will be discussed.

- If the capacity allocated for 10 years or longer lies between 250 and 182 GWh/d, Larrau will be validated and Biriatou will not be validated by the CRE.

- If the capacity allocated for 10 years or longer lies between 182 GWh/d and 101 GWh/j, the decision on whether or not to validate the capacity allocation for Larrau will be discussed and Biriatou will not be validated by the CRE.

- If the capacity allocated for 10 years or longer is below 101 GWh/d, neither Larrau nor Biriatou will be validated by the CRE.

If the capacity allocation of Biriatou is not validated and the capacity demand is above the capacity available at Larrau, then the capacity allocation applied taking into account the capacities offered at Larrau, according to Appendix II:II.2, will be the valid one.

The decision on whether to continue with the open season, i.e. to sign the booking contracts and the transport contracts, or to terminate it will be taken before the publication of the results of the open season.

In case the capacity allocation is validated, the booking contracts and transport contracts will be signed between TSOs and allocated shippers. The next steps will then be:

- The investment decisions to be made by the respective boards of TIGF and GRTgaz,
- CRE's approval of the annual investments budget and
- The granting of the necessary permits to build the infrastructures.

8 Joint allocation office.

Applications forms together with the corresponding letter(s) of commitment (2013 capacities) or letter(s) of intent (2015 capacities) should be sent to:

Joint Allocation Office
Enagás, DATR
Paseo de los Olmos, 19, 3A
28005
Madrid
Espagne/España

e-mail: openseason@enagas.es

9 Contact.

Any requests for additional information should be sent to:

Enagás, S.A.
Dirección de Gestión ATR
Att. Fernando Impuesto Nogueras
Paseo de los Olmos, 19
28005 MADRID
SPAIN

e-mail : dgia.gestionatr@enagas.es

or:

GRTgaz
Direction Commerciale
Att. Carole Baron
2 rue Curnonsky
75017 PARIS
FRANCE

e-mail : acces-reseau-accueil@grtgaz.com

or:

Naturgás Energía Grupo, S.A.
Departamento de Regulación
Pío Baroja Nº 3
48001 Bilbao,
España
e-mail : gestionatr@naturgasenergia.com

or:

TIGF
Direction Developpement Commerce
Att. M. MIGLIO
17 chemin de la Plaine
64140 BILLERE
FRANCE

e-mail : maximiliano.miglio@tigf.fr

Appendix I: Rationale for the Open Season.

I.1 Two countries, four TSOs, one coordinated development plan.

As a result of the previous works developed in the context of the S-GRI, regulation in Spain has been amended to facilitate new capacity developments.

- Under Royal Decree 1766/2007 Article 4, the Spanish regulation has been modified in order to allow capacity allocation mechanisms, different from the *First Come First Served* principle, at congested natural gas infrastructures or at interconnection points in order to obtain a more efficient TPA.

- Ministerial Order ITC/2607/2008 establishes Open Seasons as the relevant mechanism for evaluating the need for new interconnection capacity and for developing coordinated and common allocation procedures at interconnection points with France.

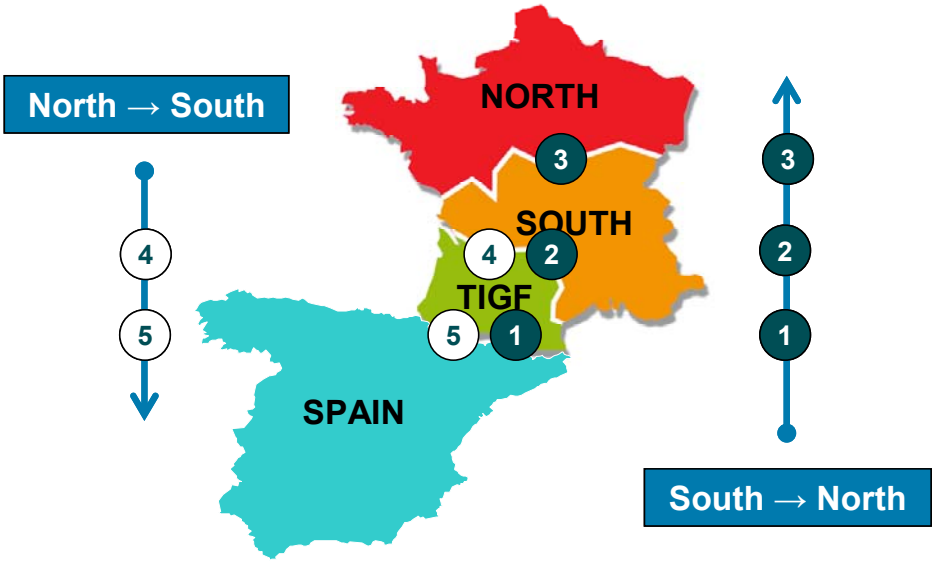
The four TSOs, Enagás, GRTgaz, Naturgás Energía Transporte and TIGF, are keen to facilitate market growth and have decided to undertake a coordinated decision-making process based on shippers commitments to subscribe new transmission capacities.

Although open seasons are a common approach to cross-border capacity allocation, for the first time, four TSOs have agreed to coordinate the allocation of capacities between four different balancing areas within the same process. Thus, the projects detailed in this Information Memorandum are a pioneer experience in Europe.

The process conducted by the TSOs focuses on entry/exit transmission capacities between balancing areas in Spain and in France in both directions.

Appendix II: Available capacities.

II.1 2013 Capacities – full development at the French-Spanish border.



OS France - Spain: 2013 CAPACITIES (GWh/d)

(starting from 1st April 2013)

TIGF-SPAIN Interconnection

1

N → S

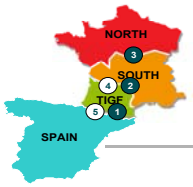
		Summer	Winter	Multiannual Capacities	(*)	Multiseasonal Capacities	
TECHNICAL Capacity		230,00	225,00			Summer	Winter
Booked under LT contracts		0,00	0,00				
AVAILABLE		230,00	225,00	225,00		5,00	0,00
LT (OS)	80%	184,00	180,00	180,00		4,00	0,00
MT	0%	0,00	0,00	0,00		0,00	0,00
ST	20%	46,00	45,00	45,00		1,00	0,00

5

N → S

		Summer	Winter	Multiannual Capacities	Multiseasonal Capacities	
TECHNICAL Capacity		230,00	225,00		Summer	Winter
Booked under LT contracts		77,52	77,52			
AVAILABLE		152,48	147,48	147,48	5,00	0,00
LT (OS)	80%	121,98	117,98	117,98	4,00	0,00
MT	0%	0,00	0,00	0,00	0,00	0,00
ST	20%	30,50	29,50	29,50	1,00	0,00

(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities



OS France - Spain: 2013 CAPACITIES (GWh/d)

(starting from 1st April 2013)

GRTgaz South-TIGF

2

N

		Summer	Winter	Multiannual Capacities	(*)	Multiseasonal Capacities	
						Summer	Winter
TECHNICAL Capacity		**255,00**	**260,00**				
Booked under LT contracts		**0,00**	**0,00**				
AVAILABLE		**255,00**	**260,00**	**255,00**		**0,00**	**5,00**
Offered in OS	80%	**204,00**	**208,00**	**204,00**		**0,00**	**4,00**
Capacity kept for short / medium term needs	20%	**51,00**	**52,00**	**51,00**		**0,00**	**1,00**

S

4

N

		Summer	Winter	Multiannual Capacities	Multiseasonal Capacities	
					Summer	Winter
TECHNICAL Capacity		**510,00**	**375,00**			
Booked under LT contracts		**182,42**	**77,52**			
AVAILABLE		**327,58**	**297,48**	**297,48**	**30,10**	**0,00**
Offered in OS	80%	**262,06**	**237,98**	**237,98**	**24,08**	**0,00**
Capacity kept for short / medium term needs	20%	**65,52**	**59,50**	**59,50**	**6,02**	**0,00**

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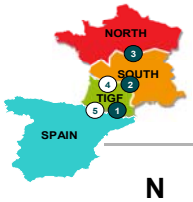
(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities



OS France - Spain: 2013 CAPACITIES (GWh/d)

(starting from 1st April 2013)

GRTgaz North-GRTgaz South

3

N

		Summer	Winter	Multiannual Capacities	(*)	Multiseasonal Capacities	
						Summer	Winter
TECHNICAL Capacity		**230,00**	**230,00**				
Booked under LT contracts							
AVAILABLE		**230,00**	**230,00**	**230,00**		**0,00**	**0,00**
Offered in OS	60%	**138,00**	**138,00**	**138,00**		**0,00**	**0,00**
Capacity kept for short / medium term needs	40%	**92,00**	**92,00**	**92,00**		**0,00**	**0,00**

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N

		Summer	Winter	Multiannual Capacities	Multiseasonal Capacities	
					Summer	Winter
TECHNICAL Capacity		**230,00**	**230,00**			
Booked under LT contracts		**77,52**	**77,52**			
AVAILABLE		**152,48**	**152,48**	**152,48**	**0,00**	**0,00**
Offered in OS	0%	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
Capacity kept for short / medium term needs	100%	**152,48**	**152,48**	**152,48**	**0,00**	**0,00**

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(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities

II.2 2013 Capacities–partial development at the French-Spanish border.

As explained in Section 3.4: Allocation Process., in relation to "2013 capacities", interconnection capacity between France and Spain is treated as one single commercial point for allocation purposes (Interconnection Point 1 from Spain to France, and Interconnection Point 5 from France to Spain).

However, the capacity marketed corresponds to two different infrastructure projects, Larrau and Biriatou:

Projects foreseen would provide the following physical capacities:

COMBINED CAPACITY FROM LARRAU AND BIRIATOU PROJECTS:

	Incremental Capacities[7]	Total capacities
Spain to France	+110GWh/d	225 GWh/d
France to Spain	+125GWh/d	225 GWh/d

LARRAU PROJECT:

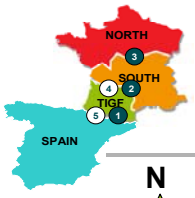
	Incremental Capacities[3]	Total capacities
Spain to France	+55GWh/d	165 GWh/d
France to Spain	+65GWh/d	165 GWh/d

BIRIATOU PROJECT:

	Incremental Capacities[3]	Total capacities
Spain to France	+55GWh/d	60 GWh/d
France to Spain	+60GWh/d	60 GWh/d

The combined marketable capacities are show in the table below:

[7] The incremental capacities detailed in this table are only those related to investments triggered by this Open Season process. Investments already decided which also increase interconnection capacities between France and Spain are detailed in Appendix III:New investments description.



OS France - Spain: 2013 CAPACITIES (GWh/d)

(starting from 1st April 2013)

TIGF-SPAIN Interconnection

1

N

S

		Summer	Winter	Multiannual Capacities	(*)	Multiseasonal Capacities	
TECHNICAL Capacity		230,00	225,00				
Booked under LT contracts		0,00	0,00			Summer	Winter
AVAILABLE		230,00	225,00	225,00		5,00	0,00
LT (OS)	80%	184,00	180,00	180,00		4,00	0,00
MT	0%	0,00	0,00	0,00		0,00	0,00
ST	20%	46,00	45,00	45,00		1,00	0,00

5

N

S

		Summer	Winter	Multiannual Capacities	Multiseasonal Capacities	
TECHNICAL Capacity		230,00	225,00			
Booked under LT contracts		77,52	77,52		Summer	Winter
AVAILABLE		152,48	147,48	147,48	5,00	0,00
LT (OS)	80%	121,98	117,98	117,98	4,00	0,00
MT	0%	0,00	0,00	0,00	0,00	0,00
ST	20%	30,50	29,50	29,50	1,00	0,00

(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities

It must be borne in mind that after Phase 1 demand might be insufficient to trigger the development of both projects, thus reducing the capacity to be marketed.

In order to avoid the need to re-run the allocation process, which would take a few months and would put in danger the starting date of the service expected by 1st April 2013, two allocation processes will be run in parallel, taking into consideration in both cases the same capacity requests:

- The Allocation Rules will be applied taking into account the total capacities offered under the Open Season in Larrau and Biriatou.

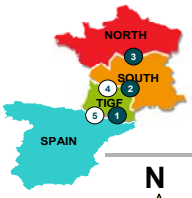
  This allocation would be the valid one if both physical projects are triggered.

- The Allocation rules will also be applied taking into account the capacities offered at Larrau.

  This allocation would be the valid one if only the Larrau project is triggered.

In any case the publication of results of the First Phase of the OS for each capacity request will consist in one single capacity figure.

The table below shows the marketable capacities that will be considered at Interconnection Point 1 and Interconnection Point 5 in case only the Larrau project is developed:



OS France - Spain: 2013 CAPACITIES (GWh/d)

(starting from 1st April 2013)

TIGF-SPAIN Interconnection at LARRAU

1 — N → S

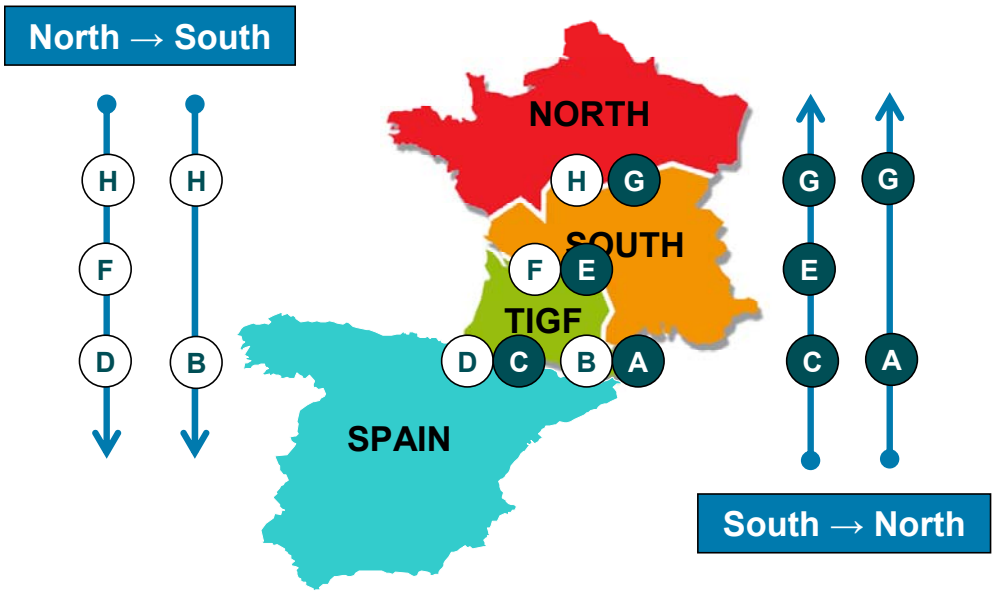
		Summer	Winter	Multiannual Capacities	(*)	Multiseasonal Capacities Summer	Multiseasonal Capacities Winter
TECHNICAL Capacity		165,00	165,00				
Booked under LT contracts		0,00	0,00				
AVAILABLE		165,00	165,00	165,00		0,00	0,00
LT (OS)	80%	132,00	132,00	132,00		0,00	0,00
MT	0%	0,00	0,00	0,00		0,00	0,00
ST	20%	33,00	33,00	33,00		0,00	0,00

5 — N → S

		Summer	Winter	Multiannual Capacities	Multiseasonal Capacities Summer	Multiseasonal Capacities Winter
TECHNICAL Capacity		165,00	165,00			
Booked under LT contracts		77,52	77,52			
AVAILABLE		87,48	87,48	87,48	0,00	0,00
LT (OS)	80%	69,98	69,98	69,98	0,00	0,00
MT	0%	0,00	0,00	0,00	0,00	0,00
ST	20%	17,50	17,50	17,50	0,00	0,00

(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities

II.3 2015 Capacities.



OS France - Spain: 2015 CAPACITIES (GWh/d)

(starting from 1st December 2015)

(GRTgaz South/TIGF) - SPAIN Interconnection

C A — N → S

		Summer	Winter	Multiannual Capacities	(*) Multiseasonal Capacities Summer	Multiseasonal Capacities Winter
TECHNICAL Capacity		230,00	230,00			
Booked under LT contracts		0,00	0,00			
AVAILABLE		230,00	230,00	230,00	0,00	0,00
Offered in OS	80%	184,00	184,00	184,00	0,00	0,00
Capacity kept for short / medium term needs	20%	46,00	46,00	46,00	0,00	0,00

D B — N → S

		Summer	Winter	Multiannual Capacities	Multiseasonal Capacities Summer	Multiseasonal Capacities Winter
TECHNICAL Capacity		200,00	180,00			
Booked under LT contracts		0,00	0,00			
AVAILABLE		200,00	180,00	180,00	20,00	0,00
Offered in OS	80%	160,00	144,00	144,00	16,00	0,00
Capacity kept for short / medium term needs	20%	40,00	36,00	36,00	4,00	0,00

(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities

OS France - Spain: 2015 CAPACITIES (GWh/d)

(starting from 1st December 2015)

GRTgaz South - TIGF Interconnection

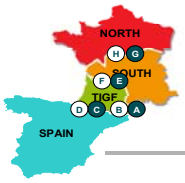
E — N → S

		Summer	Winter	Multiannual Capacities	(*) Multiseasonal Capacities Summer	Multiseasonal Capacities Winter
TECHNICAL Capacity		230,00	230,00			
Booked under LT contracts		0,00	0,00			
AVAILABLE		230,00	230,00	230,00	0,00	0,00
Offered in OS	80%	184,00	184,00	184,00	0,00	0,00
Capacity kept for short / medium term needs	20%	46,00	46,00	46,00	0,00	0,00

F — N → S

		Summer	Winter	Multiannual Capacities	Multiseasonal Capacities Summer	Multiseasonal Capacities Winter
TECHNICAL Capacity		200,00	180,00			
Booked under LT contracts		0,00	0,00			
AVAILABLE		200,00	180,00	180,00	20,00	0,00
Offered in OS	80%	160,00	144,00	144,00	16,00	0,00
Capacity kept for short / medium term needs	20%	40,00	36,00	36,00	4,00	0,00

(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities



OS France - Spain: 2015 CAPACITIES (GWh/d)

(starting from 1st December 2015)

GRTgaz North-GRTgaz South

G

N → S

	Summer	Winter	Multiannual Capacities	Multiseasonal Capacities (*) Summer	Multiseasonal Capacities (*) Winter
TECHNICAL Capacity	330,00	330,00			
Booked under LT contracts					
AVAILABLE	between 192,00 and 330,00 depending on 2013 OS results				
Offered in OS	between 80,00 and 264,00 depending on 2013 OS results				
Capacity kept for short / medium term needs	66,00	66,00	66,00	0,00	0,00

H

N → S

	Summer	Winter	Multiannual Capacities	Multiseasonal Capacities (*) Summer	Multiseasonal Capacities (*) Winter
TECHNICAL Capacity	430,00	430,00			
Booked under LT contracts	77,52	77,52			
AVAILABLE	352,48	352,48	352,48	0,00	0,00
Offered in OS	between 160,00 and 281,98				
Capacity kept for short / medium term needs	between 70,50 and 192,48			0,00	0,00

(*) See definitions of Multiannual Capacities and Multiseasonal Capacities in the Allocation Rules for 2013 capacities

Appendix III: New investments description.

III.1 2013 Capacities.

LARRAU PROJECT:

Investments already decided in Spain:

- ✓ CS Navarra
- ✓ Pipeline Tivissa-Paterna (loop)
- ✓ Pipelina Tivissa-Castelnou (loop)
- ✓ Pipeline Lemona-Haro
- ✓ Reinforcement CS Haro
- ✓ Pipeline Zarza de Tajo-Villar de Arnedo
- ✓ CS Villar de Arnedo

Investments already decided in France:

- ✓ Reversibility of flows

These infrastructures, with expected date of commissioning before April 2013, already increase the current capacity in 110 GWh/d (Spain to France)

Indicative investment program to be decided based in France on the result of the OS:

- ✓ Pipeline Lussagnet-Lacq
- ✓ Compression Station Mont reinforcement

BIRIATOU PROJECT:

Investments already decided in Spain:

- ✓ Pipeline Vergara-Irun (loop)
- ✓ Pipeline Lemona-Haro
- ✓ Reinforcement CS Haro
- ✓ New entry points in Cantabric Cornise
- ✓ Pipeline Bilbao-Treto
- ✓ Pipeline Treto-Llanera

Indicative investment program to be decided on the result of the OS:

- ✓ Pipeline Arcangues-Coudures 2 & 3

✓ Compression Station at the Border (Irun)[8]

GRTGAZ SOUTH – TIGF INTERFACE:

Investments already decided:

✓ Pipeline Captieux-Laprade

✓ CS Sauveterre

✓ Pipeline Artère de Beauce

✓ CS Lussagnet reinforcement

Indicative investment program to be decided on the result of the OS:

✓ Pipeline Lussagnet-Captieux

✓ Compression Station Chazelles

✓ CS Sauveterre reinforcement

✓ CS Lussagnet reinforcement

III.2 2015 Capacities.

PERTHUS PROJECT:

A third interconnection point is foreseen on the Eastern side of the border between France and Spain, at Le Perthus.

Indicative investment program to be decided on the result of the OS:

✓ MidCat pipeline (from the border to the French network)

✓ Compression Station (Montpellier or Barbaira)

✓ Pipeline Artère du Midi

✓ Pipeline Artère du Rhône

✓ CS St Martin de Crau

✓ CS Etrez

✓ Pipeline Lupiac-Barran

✓ CS Martorell[8]

✓ Pipeline from Figueras to the border[8]

[8] Included in the Spanish Mandatory Planning, subject to the decision of investment on the French side.

Additionally in Spain, there are some investments already decided, related to this project, and specifically:

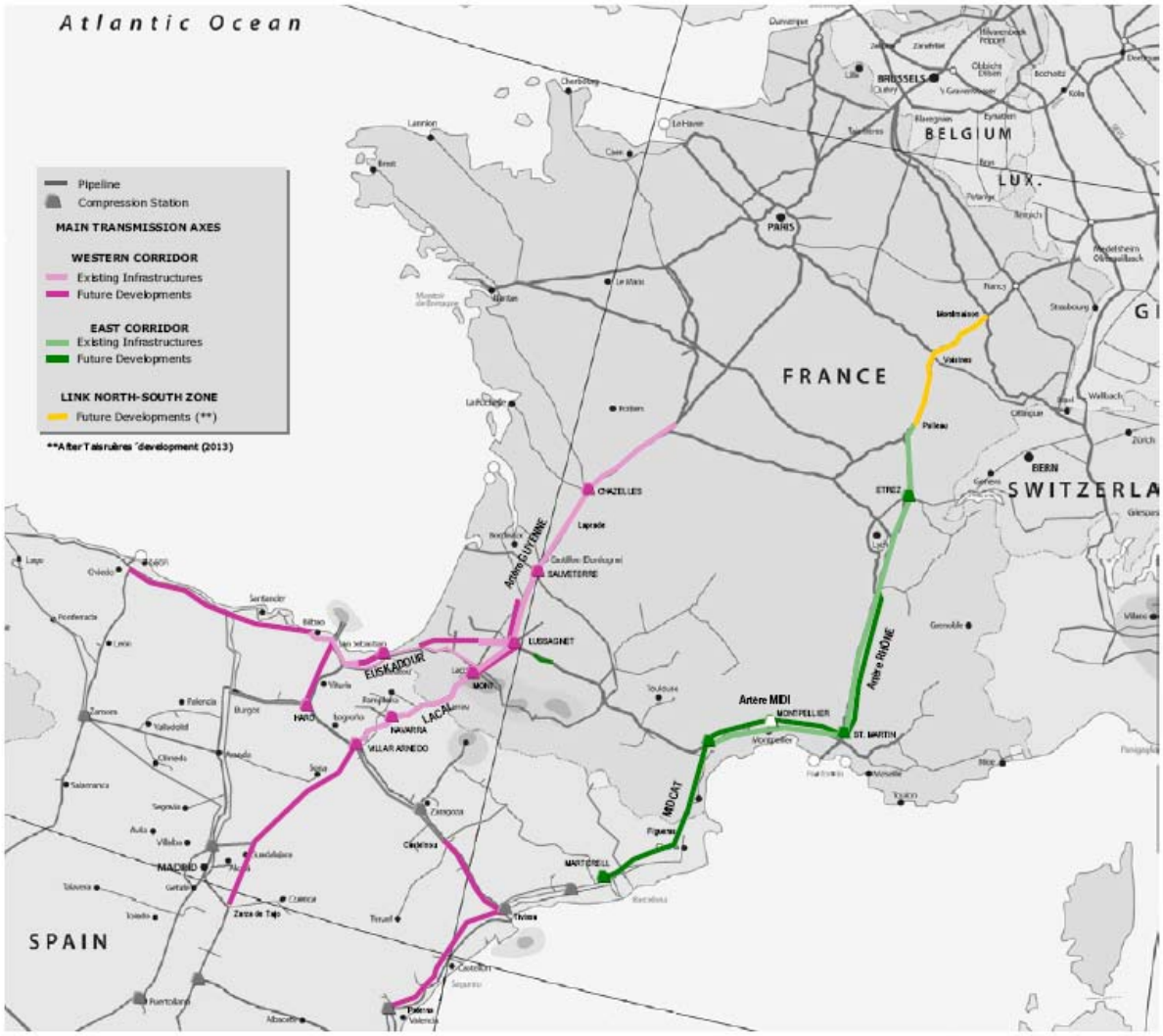
✓ Pipeline Martorell-Figueras (1st part of the pipeline to the French border)

GRTGAZ NORTH – GRTGAZ SOUTH LINK PROJECT:

Investments to be decided based on the result of the OS, since the program related to Open Season Taisnières H has been decided:

✓ Pipeline Morelmaison-Palleau

Figure 2: Infrastructures related to the development of new physical capacities.



Appendix IV: Interconnection capacity between France and Spain.

IV.1 Current situation.

Spain and France are very relevant gas markets; both of them account for nearly 17% of the gas consumption of the European Union. Besides, both markets are characterised by an almost negligible indigenous production.

Spain enjoys a high diversification of supply and entry and transmission over capacity in the Gas System, especially in LNG terminals, thanks to its Security of Supply policy.

France is a market enjoying a good diversification of supply thanks to interconnection with various European markets: NBP, Zeebrugge and TTF through Taisnières, EGT and Baumgarten through Obergaibach, Norvegian system Zone D through Dunkirk, Atlantic LNG market through the regas terminals.

On the contrary, both markets are lightly interconnected. Currently, there are two interconnection points (i.e. Larrau and Biriatou), which add up a capacity of around 3 bcm from France to Spain and 0.2 bcm from Spain to France. These capacities will be incremented, and a new interconnection point could be added, as a result of this Open Season.

Figure 3: Current interconnection points.

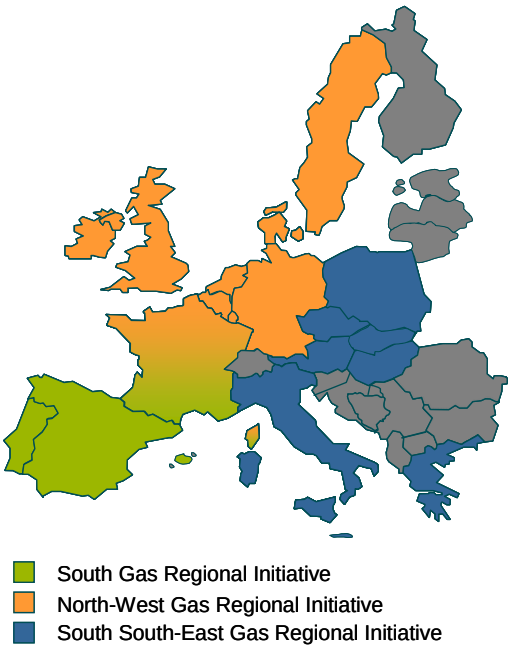
IV.2 The European will to develop the connection between these two markets.

The projects for developing interconnection capacities between France and Spain have been presented in the S-GRI composed by Portugal, Spain and France.

Gas Regional Initiatives (GRIs) were established by ERGEG, and their final goal is the development of liquid trading at, and between, gas hubs as the basis upon which regional markets will develop, and their eventual integration and convergence into a single European market. Enhanced cooperation between a limited number of participants, as it happens on a regional basis, ensures a higher degree of collaboration than it could be found at an EU-wide level, and can help removing obstacles to the development of a more liquid market.

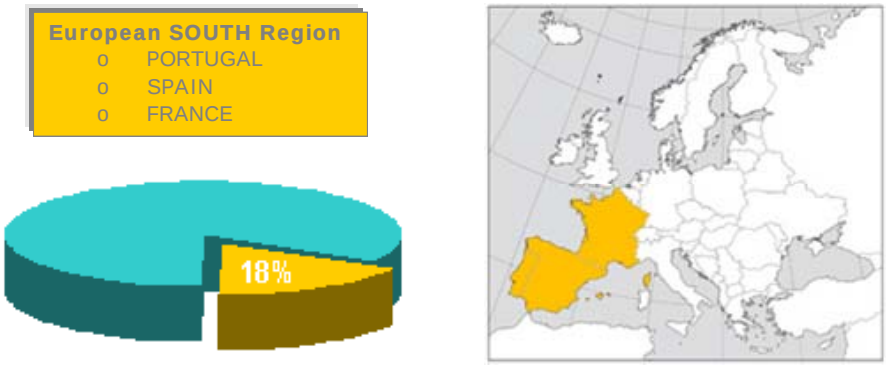
While the goal remains the establishment of a single EU market, it will start from the development of three Regional Energy Markets. To this end, on 25th April 2006, ERGEG launched the GRIs, made up of three gas Regional Energy Markets (REMs): North – West, South - South East and South.

Figure 4: Gas Regional Initiatives.



Within this context, the South Region plays an important role for European gas supply. It is both a significant gas market in itself with a consumption of nearly 88 billion cubic meters/year (18% of the EU25), and it contributes to the security of supply by the means of diversification, acting as one of the main entries for the natural gas coming from the north of Africa, and for the LNG coming from a diverse sources (88% of LNG supplied to EU25 enters by this region).

Figure 5: European South Region natural gas consumption.



Source: ERGEG South Gas Regional Initiative.

The South Gas Regional Initiative (S-GRI), led by the Spanish Energy Commission (CNE), has identified three key priorities: interconnection capacity, interoperability and transparency.

Interconnections are essential for the integration of the national markets and a major step for the final objective of creating a well-functioning internal energy market. In addition, they increase the security of supply and make possible the development of energy trade between countries, promoting competition. In line with the European Commission considerations, *"the*

pull of the EU internal market will also be strengthened if interconnection is improved and competition rules are fully respected."[9]

A new natural gas route in Europe from the South Gas Region would highly contribute to enhance Security of Supply in the European Union from the point of view of diversification of sources/suppliers, of routes, and of import capacity. To complete this, the investment in new interconnection capacity between Spain and France is crucial.

Other EU Members, which are highly dependent on Russian gas, would benefit from this diversification of supply and entry and transmission over capacity in the Gas System, if new interconnection capacity was developed between Spain and France. This would also contribute to the completion of the internal market and the enhancement of competition in natural gas supply.

The lack of interconnection capacity has been identified as one of the main obstacles to create a Gas Regional Market in the South Region, especially between Spain and France. The existence of sufficient accessible interconnection capacity between countries is a prerequisite to the market emergence. For this purpose it is necessary, both, to enhance investments in new interconnection capacity and to optimise the use of the existing interconnection facilities.

In any case, it has to be taken into account that the increase of the interconnection capacity has to be accompanied by the reinforcement of the transmission networks in both sides of the borders, in order to allow the transmission and distribution of the gas to the final customers, avoiding physical congestion.

Enagás, GRTgaz, Naturgás Energía Transporte and TIGF are taken the necessary steps to identify market demand, in a comprehensive, transparent and non-discriminatory manner, in order to establish the degree of reinforcement of their respective networks required to meet that demand.

The development of new interconnection capacity is also considered as a priority in the European Union's Trans-European Energy Networks (TEN) (Decision No. 1364/2006/EC of September 2006). (Further explanation at Appendix V.1 Trans-European Energy Networks.)

Furthermore, the Spanish–French interconnection has been identified as an eligible project in the EC's Recovery Action Plan proposal. To this end, 200M€ have been initially allocated to France in order to reinforce the so-called Mediterranean corridor (Africa-Spain-France), and 45M€ have been allocated to Spain for the "Gas Interconnection Western Axis Larrau Branch". (Further explanation at Appendix V.2 European Commission Recovery Action Plan.)

[9] Communication from the European Commission to the European Council. Informal European Council, Lahti, 20th October 2006.

Appendix V: European context.

V.1 Trans-European Energy Networks.

The European Union finances electricity and gas transmission infrastructure projects of European interest. A yearly budget of about 25 M€ is spent mainly for supporting feasibility studies. Most of the projects cross national borders or have an influence on several EU Member States.

The guidelines on Trans European Energy Networks specify which projects are eligible for funding. The financial rules specify the financial procedures involved.

The call for applications for funding is open in the first quarter of each year. Applications are made by promoters of eligible projects, like electricity and gas transmission companies, investors in LNG facilities and gas storages. Projects need to be supported by the Member States involved.

New guidelines for trans-European energy networks (TEN-E) list and rank, according to the objectives and priorities laid down, projects eligible for Community assistance, and introduce the concept of 'project of European interest'. They also strengthen project coordination and fully incorporate the new Member States.

Decision No. 1364/2006/EC of September 2006 lays down guidelines for trans-European energy networks and lists projects eligible for Community assistance. The “Algeria–Spain–France–northern continental Europe” project is included under the category of priority projects[10] and projects of European interest.

The interconnection, interoperability and development of trans-European networks for transporting electricity and gas are essential for the effective operation of the internal energy market in particular and the internal market in general.

TEN-E also play a crucial role in ensuring the security and diversification of supply. Interoperability with the energy networks of third countries (accession and candidate countries and other countries in Europe, in the Mediterranean, Black Sea and Caspian Sea basins, and in the Middle East and Gulf regions) is essential.

Access to TEN-E also helps to reduce the isolation of the less-favoured, island, landlocked or remote regions, thus strengthening territorial cohesion in the EU.

The interconnection of TEN-E also promotes sustainable development, in particular by improving the links between renewable energy production installations and using more efficient technologies, thus reducing losses and the environmental risks associated with the transportation and transmission of energy.

[10] Projects of common interest relate to the electricity and gas networks referred to in the Decision meeting the objectives and priorities laid down in it. They must display potential economic viability. The economic viability of a project is assessed by means of a cost-benefit analysis in terms of the environment, the security of supply and territorial cohesion. Projects of common interest are listed in Annexes II and III to the Decision.

Priority projects are selected from among the projects of common interest. To be eligible, they must have a significant impact on the proper functioning of the internal market, on the security of supply and/or the use of renewable energy sources. Priority projects, which are listed in Annex I to the Decision, have priority for the granting of Community financial assistance.

Certain priority projects of a cross-border nature or which have a significant impact on cross-border transmission capacity are declared to be projects of European interest. Also listed in Annex I, projects of European interest have priority for the granting of Community funding under the TEN-E budget and particular attention is given to their funding under other Community budgets.

Figure 6: Trans-European Networks: Gas Projects of European Interest.

V.2 European Commission Recovery Action Plan.

In the context of the sharp downturn faced by the European economy as a result of the financial crisis, the European Council at its meeting of 11th and 12th December 2008[11] endorsed the European Economic Recovery Plan[12], setting out how Member States and the European Union can coordinate their policies and provide new stimulus to the European economy, targeting that stimulus to the Community's long-term objectives

The European Economic Recovery Plan has been designed to create a basis for rapid agreement between Member States to get Europe's economy moving again, in order to restore consumer and business confidence, to restart lending and stimulate investment in our economies, creating jobs and helping the unemployed to find new jobs.

The objective of "Draft Regulation of the European Parliament and of the Council establishing a programme to aid economic recovery by granting Community financial assistance to projects in the field of energy"[13] is to establish a financing instrument, the European Energy Programme for Recovery, hereinafter referred to as "the EEPR", for the development of projects in the field of energy in the Community that contribute by providing a financial impulse to economic recovery, the security of energy supply and the reduction of greenhouse gas emissions.

[11] The conclusions of the Presidency of the European Council meeting in Brussels on 11-12 December 2008, 17271/08, point 9.
[12] http://ec.europa.eu/commission_barroso/president/pdf/Comm_20081126.pdf
[13] http://ec.europa.eu/energy/grants/docs/eepr/eepr_call_for_proposals_annex1.pdf

The Recovery Action Plan proposes to undertake a programme of investment measures during 2009 and 2010 comprising sub-programmes in the following fields:

- gas and electricity infrastructures (financial envelope: €2,365 million);
- offshore wind energy (€565 million);
- carbon capture and storage (€1,050 million).

The Draft Regulation details the conditions the projects might fulfil in order to be granted with the proposed budget, especial conditions are established for gas and electricity interconnection projects.

The eligible projects will have to promote gas interconnection having the highest Community added value and contribute to the following objectives:

- security and diversification of sources of energy, routes and supplies;
- optimisation of the capacity of the energy network and the integration of the internal energy market, in particular concerning cross-border section;
- development of the network to strengthen economic and social cohesion by reducing the isolation of the less-favoured and island regions of the Community;
- connection and integration of renewable energy resources; and
- safety, reliability and interoperability of interconnected energy networks, including enabling multidirectional gas flows.

The above-mentioned proposal assigns up to €200 million, if allocated to the Reinforcement of the French gas network, in relation with the Africa–Spain-France axis, and €45 million to the “Gas Interconnection Western Axis Larrau Branch”.

Appendix VI: Allocation rules.

APPENDIX VI OF THE INFORMATION MEMORANDUM

Open Season for the development of new gas interconnection capacity between Spain and France after 2012

ALLOCATION RULES FOR 2013 CAPACITIES

July 2009

INDEX OF APPENDIX VI: ALLOCATION RULES

1 Introduction.

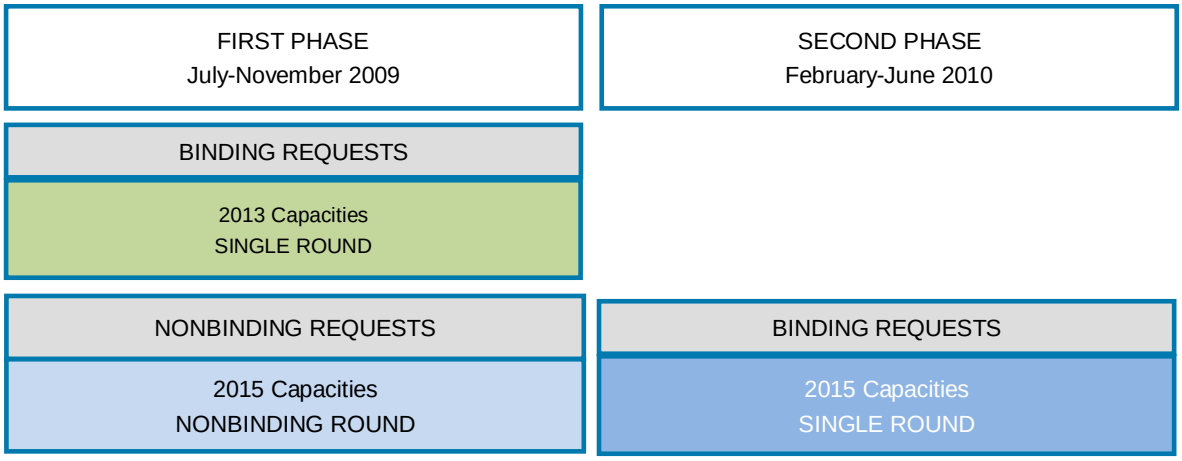
1.1 General overview.

The allocation rules contained in this document will be applied for the allocation of "2013 capacities", as described in the Information Memorandum. The rules will only be applicable to long-term transmission capacities. These capacities will be allocated during the First Phase of the Open Season for the development of new gas interconnection capacity between Spain and France which is expected to enter into service on 1st April 2013.

Long-term capacity requests for 2013 capacities are binding.

The allocation procedure for long-term transmission capacities corresponding to "2013 capacities" will comprise one single round made up of three allocation stages, as described in Section 4, "Allocation stages of the Single Round."

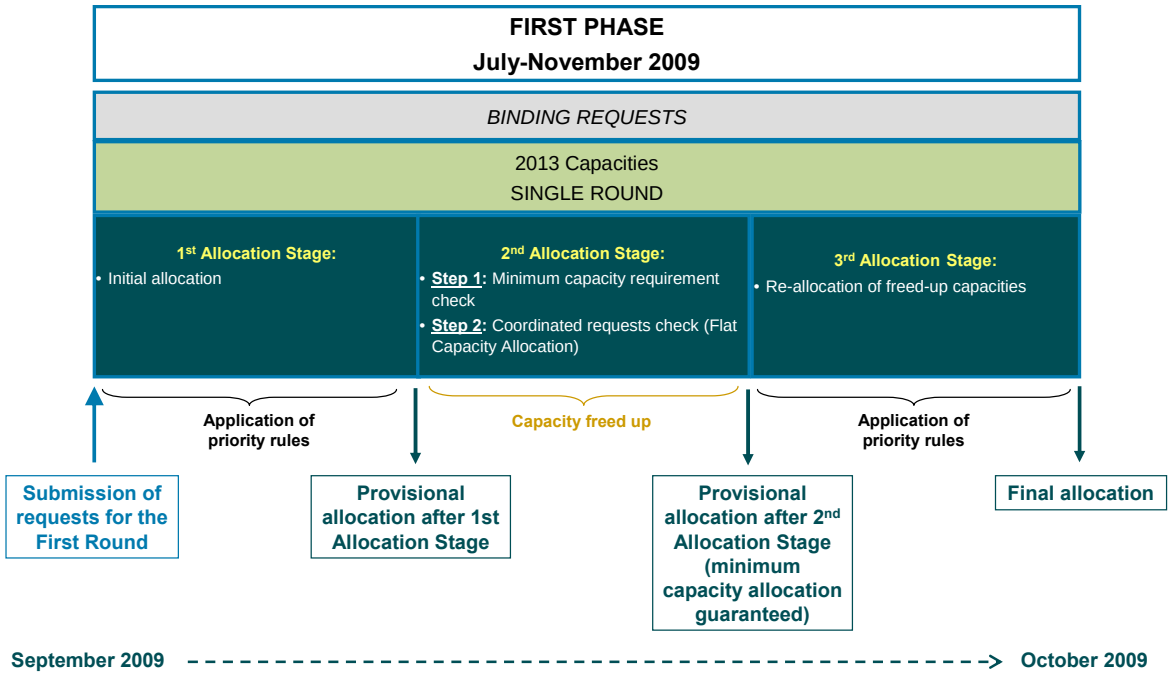
Figure 1: Open Season phases.



Rules for transmission capacities starting on 1st April 2013 which are not offered through the Open Season, but through different procedures such as future OSPs, will be defined in separate documents.

This document does not include rules for the allocation of "2015 capacities". A "Letter of Intent" and non-binding "Application form for 2015 capacities" for the expression of interest for "2015 capacities" during the First Phase of the Open Season have been developed as separate documents. Rules for the allocation of "2015 capacities" during the Second Phase will also be developed as separate documents. The "Letter of Intent" and non-binding "Application form for 2015 capacities" submitted by interested stakeholders for the expression of interest for "2015 capacities" will only be considered as indicative of the general interest by stakeholders on new interconnection capacity, and will not grant under any right or preference to respondents for the assignment of capacity during the Second Phase of the Open Season.

Figure 2: Single Round for 2013 capacities – Allocation Stages.



1.2 Definitions.

Duration. Period covered by the capacity request.

Application Form. Document containing the identification data of the requesting parties, and where the following information must be completed: type of capacity request (multiannual or multiseasonal), the allocation options, the amount of capacity requested per Interconnection Point, the minimum capacity required to accept allocation at each Interconnection Point, the duration for which capacity is requested at each Interconnection Point, the starting date of the service, the signature of the parties and the request date. An Application Form might contain up to 5 capacity requests. Up to 4 shippers may request capacity through a single Application Form.

Capacity request. Request for capacity at an Interconnection Point. The following data must be completed in each capacity request: amount of capacity requested, minimum capacity required to accept allocation, starting date, and duration.

Independent request. Capacity request whose capacity allocation is performed and accepted independently from the acceptance of other capacity requests.

Coordinated request. Capacity request whose capacity allocation is only accepted by the shipper(s) if the "minimum capacity required to accept the allocation" (as defined in Section 2.1.5) is reached at other Interconnection Points.

Interconnection Point. For the purpose of capacity allocation:

- Interconnection capacity between Spain and TIGF, allowing to transport gas from South to North, is referred as "Interconnection Point 1" or "IP1".

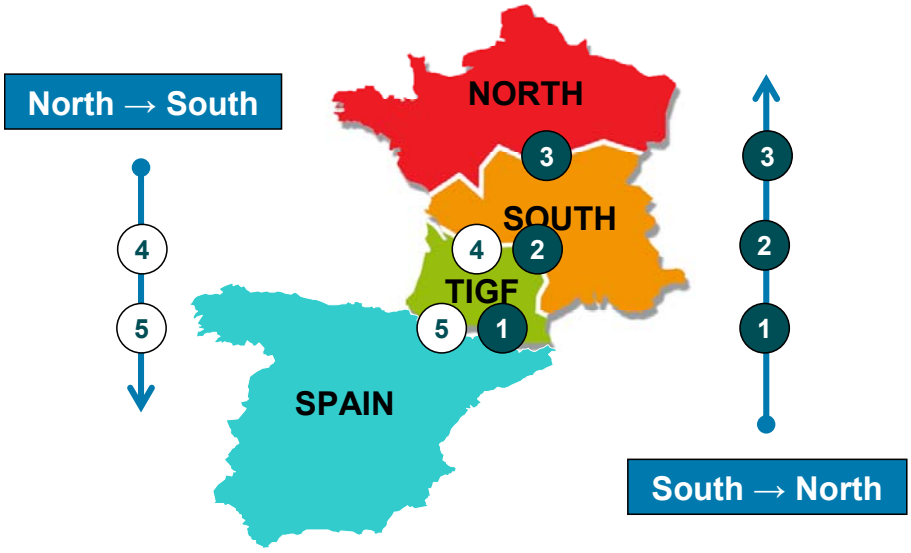
- Interconnection capacity between TIGF and GRTgaz South, allowing to transport gas from South to North, is referred as "Interconnection Point 2" or "IP2".

- Interconnection capacity between GRTgaz South and GRTgaz North, allowing to transport gas from South to North, is referred as “Interconnection Point 3” or “IP3”.

- Interconnection capacity between GRTgaz South and TIGF, allowing to transport gas from North to South, is referred as “Interconnection Point 4” or “IP4”.

- Interconnection capacity between TIGF and Spain, allowing to transport gas from North to South, is referred as “Interconnection Point 5” or “IP5”.

Figure 3: Interconnection points and flow direction.



Long-term capacity request. Request for 2013 capacities for a minimum period of 13 months or of two consecutive winter or summer seasons.

Long-term capacity. Capacity reserved for long-term capacity requests.

Multiannual capacity request. Long-term capacity request covering “n” consecutive months, being “n” equal to or higher than13, and equal to or lower than 240.

Multiannual capacity. Capacity reserved for multiannual capacity requests.

Multiseasonal capacity request. Long-term capacity request covering “n” consecutive winter or summer seasons, being “n” equal to or higher than 2, and equal to or lower than 20.

Multiseasonal capacity. Capacity reserved for multiseasonal capacity requests.

Shipper. Stakeholder taking part in the allocation of 2013 capacities through the Open Season. Shippers will be required, before the signing date of the transmission contract, to have a shipper licence for the gas networks where they are required to book capacity.

Starting date. Date from which the shipper requests the commencement of the service.

2 General principles.

2.1 Capacity requests.

2.1.1 Multiannual and multiseasonal requests.

Requests may be made either for multiannual capacity, or for multiseasonal capacity.

Multiannual and multiseasonal capacity cannot be requested though a single Application Form. If a shipper or group of shippers wish to submit both multiannual and multiseasonal capacity requests, two different Application Forms will be required.

2.1.2 Starting date.

The starting date of all multiannual capacity requests will be indicated by shippers in each Capacity request in the MM/YYYY format, and will be the 1st day of the referred month.

The starting date of all multiseasonal capacity requests will be the either the first date of a summer season (1st April. i.e. 04/YYYY) or the first date of a winter season (1st November, i.e. 11/YYYY), depending on the availability of multiseasonal capacity at each Interconnection Point. It will not be possible to specify a different starting date in the capacity request.

2.1.3 Duration.

Multiannual capacity requests will be made for at least 13 consecutive months.

Multiannual capacity requests will have a minimum duration of 13 months and a maximum duration of 240 consecutive months.

Multiseasonal capacity requests will be made for complete winter or summer seasons.

Multiseasonal capacity requests will have a minimum duration of 2 consecutive winter or summer seasons and a maximum duration of 20 consecutive winter or summer seasons.

The period covered by the capacity request ("Duration") must start not earlier than 1st April 2013 and must end not later than 31st March 2033.

2.1.4 Amount of capacity requested.

It shall be indicated in each capacity request the amount of capacity requested per point in MWh/day.

The amount of capacity requested at each Interconnection Point will be constant for the whole period covered by the request ("Duration").

The amount of capacity requested must be equal at all coordinated points in case of choosing Option B.II., "Flat Capacity Allocation" (see Section 3.2.2, "Types of coordination.").

2.1.5 Minimum capacity required to accept the allocation.

It shall be indicated in each capacity request, in MWh/day, the minimum capacity required to accept the allocation.

If the minimum capacity required to accept the allocation is not reached by the shipper through that request at an Interconnection Point after the 1st Allocation Stage, no capacity will be allocated to the shipper for that capacity request at that point. In case of coordinated requests, no capacity will be allocated to the shipper for the coordinated capacity request at the coordinated points.

The minimum capacity required to accept the allocation must be equal at all coordinated points in case of choosing Option B.II., "Flat Capacity Allocation" (see Section 3.2.2, "Types of coordination.").

In order to apply the "Minimum capacity requirement check" described in Section 4.2.1, capacity requests for capacity at the same Interconnection Point submitted through different Application Forms will be treated independently, i.e. the amounts of capacity allocated at an Interconnection Point through different capacity requests after the 1st Allocation Stage will not be aggregated in order to apply the rule.

If no capacity is indicated as the minimum to accept the allocation, 0 MWh/day will be considered as the default option.

2.1.6 Maximum amount of capacity requested at an Interconnection Point.

Shippers will be allowed to submit more than one capacity request at an Interconnection Point, through more than one Application Form, for the same or different duration and amount of capacity, provided that the total capacity requested in any given month (for multiannual capacities) or season (for multiseasonal capacities) by a single shipper or by a group of companies linked via a relationship of "control" as defined in EC Regulation 139/2004 articles 3.2 and 3.3, aggregating the amounts of capacity requested through different capacity requests at an Interconnection Point, are equal to or lower than 100% of the total amount of capacity offered at that Interconnection Point in that month (for multiannual capacities) or season (for multiseasonal capacities).

Otherwise, all multiannual or multiseasonal capacity requests at that Interconnection Point will be rejected.

If a capacity request for a coordinated point is rejected, all coordinated capacity requests contained in the same Application Form will be rejected.

2.1.7 Constant amount of capacity to be allocated.

The amount of capacity allocated to a shipper for a capacity request at each Interconnection Point will be constant for the whole period covered by the request ("Duration").

2.1.8 Booking of capacities.

Up to four shippers may request capacity through a single Application Form. These are identified in the Application Form as Shipper 1-SPA, Shipper 1-FRA, Shipper 2 and Shipper 3.

Once the allocation procedure has been completed:

- Capacity at IP1 will be booked by Shipper 1-SPA on the Spanish network and by Shipper 1-FRA on TIGF network.
- Capacity at IP2 will be booked by Shipper 2.

- Capacity at IP3 will be booked by Shipper 3.
- Capacity at IP4 will be booked by Shipper 2.
- Capacity at IP5 will be booked by Shipper 1-SPA on the Spanish network and by Shipper 1-FRA on TIGF network.

2.1.9 Relationship of "control" between shippers as defined in EC Regulation 139/2004.

CRE and CNE will monitor the relationship of "control" as defined in EC Regulation 139/2004 between the participants in the allocation of 2013 capacities before the capacity allocation.

2.2 Priority rules.

Capacity requests will be prioritised first according to the starting date of the service, and then to the duration of the request.

During the Single Round of the First Phase of the OS, for the purpose of capacity allocation:

- Capacity requests will be first ranked granting higher priority to capacity requests with an earlier date of commencement, being 1st April 2013 the earliest possible date.[1]
- Capacity requests with the same starting date will be ranked granting higher priority to capacity requests of longer duration.
    - Multiannual capacity requests with a duration equal to or higher than 120 months will be granted the highest priority between capacity requests with the same starting date. No differentiation will be made in terms of priority between multiannual capacity requests with a duration equal to or higher than 120 months.

[1] Or 1st November 2013 for multiseasonal capacity for winter seasons in case multiseasonal capacity for winter seasons was offered at any Interconnection Point

- Multiseasonal capacity requests with a duration equal to or higher than 10 seasons will be granted the highest priority between capacity requests with the same starting date. No differentiation will be made in terms of priority between multiseasonal capacity requests with a duration equal to or higher than 10 seasons.

Allocation of capacities between capacity requests with the same level of priority will be made on a pro-rata basis taking into account the amount of capacity requested.

The amount of capacity allocated to each request during the period covered by the request will be constant and equal to the amount of capacity allocated to the request during the first month or season.

For the sake of clarity, there is no prioritisation between multiannual and multiseasonal capacity requests: these requests are made for different types of capacity which are offered independently, and two parallel allocation processes are run. The amounts of capacity reserved at each Interconnection Point for each type of request is established in the Information Memorandum.

3 Allocation options.

Allocation options vary depending on the type of capacity request: multiannual or multiseasonal.

In the case of **multiannual capacity requests**, it will be possible in each Application Form to choose between independent allocation of capacity at each Interconnection Point ("Independent Allocation per Point") and coordinated allocation between Interconnection Points ("Coordinated Allocation"):

- **OPTION A. Independent Allocation per Point.**
- **OPTION B. Coordinated Allocation.**

If, in the case of multiannual capacity requests, an option is not chosen among the two allocation options in the Application Form, all capacity requests in the Application Form will be considered as independent requests (i.e. OPTION A is the default option).

In the case of **multiseasonal capacity requests**, capacity will be independently allocated at each Interconnection Point. Thus no option will be chosen, and an independent allocation per point will be performed.

If, in the case of multiseasonal capacity requests, an option is chosen among the two allocation options in the Application Form, the option will be ignored.

3.1 OPTION A. Independent Allocation per Point.

Under this option an independent allocation of capacity will be performed at each Interconnection Point for the capacity requests contained in the Application Form.

Within this option, it will be possible under the same Application Form to request a different amount of capacity, for a different duration, at each Interconnection Point.

Each capacity request will be treated independently during the allocation process. Thus, capacity will be allocated independently at each Interconnection Point.

If OPTION A is chosen, each capacity request contained in the Application Form will be referred to as "independent request".

3.2 OPTION B. Coordinated Allocation.

Under this option a coordinated allocation of capacity between two or more Interconnection Points is accepted.

It shall be indicated in the Application Form for which points a coordinated allocation is requested (a minimum of two points), and what type of coordination is requested (Option B.I. or B.II.). If no option is chosen, all coordinated requests contained in the Application Form will be considered as non-flat capacity coordinated requests (i.e. Option B.I. is the default option).

The capacity requested at each coordinated point must be the equal in terms of starting date duration. Otherwise, all coordinated requests in the Application Form will be invalid.

3.2.1 Coordinated points.

Under the "Coordinated Allocation" option, it shall be indicated in the Application Form for which Interconnection Points a coordinated allocation is requested. Only Interconnection Points in one single direction (IP1, IP2 and IP3, or a combination of them) or capacity between two balancing areas but in the two directions (IP1 and IP5, or IP2 and IP4) can be coordinated. A minimum of two Interconnection Points shall be chosen as coordinated.

- For the purpose of capacity allocation to capacity requests contained in that Application Form, the Interconnection Points for which a coordinated allocation is requested will be referred to as the "coordinated points". Capacity requests at the coordinated points will be referred to as the "coordinated requests".

- For the purpose of capacity allocation to capacity requests contained in that Application Form, the Interconnection Points for which a coordinated allocation is not requested will be referred to as "independent points". Capacity requests at independent points will be referred to as "independent requests".

If under the "Coordinated Allocation" option (OPTION B), two or more points for which a coordinated allocation is requested were not chosen, all capacity requests in the Application Form will be considered as independent requests.

3.2.2 Types of coordination.

Under the "Coordinated Allocation" option, one type of coordination allocation between the coordinated points shall be chosen in the Application Form among the two following options:

- ***Option B. I. Non-flat Capacity Allocation.***

  The allocation of different amounts of capacity at each coordinated point is accepted.

  Under Option B.I., different amounts of capacity might be requested between two or more coordinated points.

- ***Option B.II. Flat Capacity Allocation.***

  The same amount of capacity will be allocated at the coordinated points at the end of the Single Round.

  The amount of capacity allocated at all coordinated points will be the minimum amount of capacity allocated after the 1st Allocation Stage at any of the coordinated points.

  Under Option B.II., the capacity allocation after the 2nd Allocation Stage will be considered as the final allocation, i.e. capacity requests will not be considered during the 3rd Allocation Stage.

  Note that under Option B.II.:

  - the amount of capacity requested must be equal at all coordinated points (i.e. in all coordinated requests). If more than one minimum value is indicated, the smallest value will be considered as the amount of capacity requested for all the coordinated points.

- the minimum capacity required to accept the allocation must be equal at all coordinated points (i.e. in all coordinated requests). If more than a minimum value is indicated, the smallest value will be considered as the minimum capacity required to accept the allocation for all the coordinated points.

If under the "Coordinated Allocation" option (OPTION B), one option was not chosen among the two options of type of coordination between the coordinated points (Option B.I. or Option B.II.), Option B.I. will be considered as the default option.

4 Allocation stages of the Single Round.

The Single Round of the Open Season for 2013 capacities will be composed of three allocation stages.

4.1 1st Allocation Stage: initial allocation

During the 1st Allocation Stage, capacity will be allocated independently at each Interconnection Point, taking into consideration all the capacity requests as if all of them were independent requests.

The allocation will be performed following the Priority Rules described in Section 2.2.

According to the rules, the amount of capacity allocated to each shipper for each capacity request, at each Interconnection Point, will be constant for the whole period covered by the request.

4.2 2nd Allocation Stage: minimum capacity requirement check & coordinated requests check

During the 2nd Allocation Stage the renouncing options expressed *ex ante* by shippers in the request forms will be applied.

4.2.1 Step 1: Minimum capacity requirement check

If the minimum amount of capacity specified in a capacity request is not reached at an Interconnection Point at the provisional capacity allocation after the 1st Allocation Stage, the request at that Interconnection Point will be withdrawn from the process, and the capacity allocated at the provisional capacity allocation after the 1st Allocation Stage will be freed up.

In the case of Coordinated Points (OPTION B), if the minimum amount of capacity specified at each coordinated point is not reached at all of them at the provisional capacity allocation after the 1st Allocation Stage, the coordinated requests will be withdrawn from the process, and the capacity allocated to the coordinated points at the provisional capacity allocation after the 1st Allocation Stage will be freed up.

4.2.2 Step 2: Coordinated requests check (Flat Capacity Allocation)

In the case of Flat Capacity Allocation (Option B.II.) if the minimum amount of capacity specified at each Coordinated Point has been reached (Step 1), the provisional capacity allocation after the 1st Allocation Stage at each point might be reduced to ensure that the maximum flat capacity is achieved between coordinated points.

The amount of capacity provisionally allocated after the 1st Allocation Stage will be made equal at all coordinated points to the minimum amount of capacity provisionally allocated at any of the coordinated points.

Therefore, as a consequence of Step 2 of the 2nd Allocation Stage, part of the capacities provisionally allocated after the 1st Allocation Stage might be freed up.

4.3 3rd Allocation Stage: re-allocation of freed-up capacities

A 3rd Allocation Stage will be performed to re-allocate capacity freed up during the 2nd Allocation Stage.

The following requests will be considered during the 3rd Allocation Stage for the allocation of freed-up capacity:

- Independent requests qualified during the 2nd Allocation Stage to participate in the 3rd Allocation Stage.
- Coordinated requests under Option B.I. (Non-flat Capacity Allocation) qualified during the 2nd Allocation Stage to participate in the 3rd Allocation Stage.

Coordinated requests under Option B.II. (Flat Capacity Allocation) will not be considered for the allocation of freed-up capacity during the 3rd Allocation Stage. For coordinated requests under Option B.II., the capacity allocation after the 2nd Allocation Stage will be considered as the final allocation.

Each capacity request (including coordinated requests) will be treated independently during the 3rd Allocation Stage.

The allocation of capacities will be performed according to the Priority Rules in Section 2.2, based on the original capacity requests. The capacity to be allocated during the 3rd Allocation Stage will be equal to all the capacity originally offered minus the capacity already allocated to Coordinated requests under Option B.II. (Flat Capacity Allocation) after the 2nd Allocation Stage. I.e., it will be the sum of:

- the capacities provisionally allocated after the 2nd Allocation Stage to requests that are considered for the allocation of capacity during the 3rd Allocation Stage;
- the capacities freed-up during the 2nd Allocation Stage; and
- the capacities that have not been allocated during the 1st Allocation Stage.

The allocation methodology will ensure that the capacity allocated to each shipper for each capacity request at each point at the end of the Single Round will be equal to or higher than the capacity allocated to each shipper for each capacity request at each point after the 2nd Allocation Stage.

5 Renouncing options.

The Application Form does not contain explicit renouncing options.

The options to totally or partially renounce to capacity are expressed *ex ante* through the "minimum capacity required to accept the allocation" in the Application Form, in combination with the coordinated allocation options chosen.

There are no *ex post* renunciations.

5.1.1 Renouncing options for Independent Capacity Requests (multiannual capacity requests under OPTION A and multiseasonal capacity requests).

Shippers automatically renounce in the 2nd Allocation Stage to the total capacity allocated at an Interconnection Point for a capacity request if the minimum amount of capacity specified in the capacity request is not reached after the 1st Allocation Stage.

Under the "Independent Allocation per Point" option, if during the 2nd Allocation Stage the minimum capacity required to accept the allocation at an Interconnection Point is reached by a capacity request, it will be considered for the allocation of freed-up capacity during the 3rd Allocation Stage.

5.1.2 Renouncing options for Coordinated Capacity Requests (multiannual capacity requests under OPTION B).

Under **Option B.I., "Non-flat Capacity Allocation"**:

- The minimum capacity specified at each coordinated point in a non-flat coordinated request must be reached after the 2nd Allocation Stage to continue participating in the 3rd Allocation Stage. Therefore, the capacity allocation at each point after the 3rd Allocation Stage will be equal to or higher than the capacity allocation at each point after the 2nd Allocation Stage.

- The coordinated requests will be withdrawn from the allocation process if the minimum amount of capacity specified at each coordinated point is not reached at all of them after the 2nd Allocation Stage. Therefore no capacity will be allocated at any coordinated point after the 3rd Allocation Stage.

Under **Option B.II., "Flat Capacity Allocation"**:

- The coordinated requests will be withdrawn from the allocation process if the minimum amount of capacity specified at each coordinated point is not reached at all of them after the 2nd Allocation Stage.

- The allocation of capacity after 2nd Allocation Stage at all coordinated points will be accepted as the capacity to be allocated at the end of the Single Round if the minimum amount of capacity specified at each coordinated point is reached after the 2nd Allocation Stage. The amount of capacity allocated at the end of the Single Round at each coordinated point will be the minimum value of the capacity allocated after the 1st Allocation Stage at any of the coordinated points.

Appendix VII: Application forms.

- Letter of Commitment to subscribe gas transmission capacity by 2013.
- Application Form for 2013 Capacities.
- Letter of Intent to subscribe gas transmission capacity by 2015.
- Application Form for 2015 Capacities.

Joint Allocation Office
Enagás, DATR
Paseo de los Olmos, 19, 3A
28005
Madrid
Espagne/España

CONTACT

RE Letter of Commitment to subscribe gas transmission capacity by 2013

At …….. , on
……

Dear Sir,

I, the undersigned, _____, representing the company:

Name: ……
Legal form:……..
Registered capital:……
Head office:……..
Incorporation references [1],

within the framework of the open season on the increase of interconnection capacity between Spain and France 2013-2015 and regarding in particular the gas transmission capacity needs, ask for the reservation of the capacity stated in the Application Form For 2013 Capacities - Binding Capacity Requests For Long-Term Capacity)[2] to which the present Letter of Commitment is an annex:

- Between the Spanish gas transmission system and TIGF at Interconnection Points 1 and/or 5, as defined in the Information Memorandum and Allocation Rules, and/or
- between GRTgaz and TIGF at their Interconnection Point, and/or
- on the GRTgaz system from the South Zone to the North Zone at Interconnection Point 3, as defined in the Information Memorandum and Allocation Rules.

[1] For Spanish companies please indicate *Registro Mercantil*, *Volumen*, *Folio* and *Hoja.*; For French companies please indicate *RCS number and place of registration*

[2] The Letter of Commitment shall be mandatorily joined to the related Application Form duly filled in, being integral part of it

Once the Joint Allocation Office has received the requests of all shippers interested in subscribing transmission capacity, the Joint Allocation Office will allocate the capacity offered at each Interconnection Point, as defined in the Information Memorandum, pursuant to the priority and allocation rules for 2013 capacities published jointly by Enagás, GRTgaz, Naturgás Energía Transporte and TIGF, on July 15th, 2009 ("the Allocation Rules").

The company _____[3] hereby undertakes to subscribe the capacity allocated to it by the Joint Allocation Office in accordance with the previous paragraph and to comply with the following:

- Should capacity at Interconnection Point 3 be allocated to the company, the latter undertakes to sign with GRTgaz, a transmission contract or an amendment to the transmission contract on GRTgaz' transmission system. The date of signature of the transmission contract or the amendment must be no later than November 30th, 2009.

- Should entry and/or exit capacity at PIR Midi be allocated to the company, the latter undertakes to sign :

    - with GRTgaz, an agreement to reserve capacity on GRTgaz' transmission system. The date of signature of the agreement to reserve capacity must be no later than November 30th, 2009, and

    - with TIGF, an agreement to reserve capacity on TIGF's transmission system. The date of signature of the agreement to reserve capacity must be no later than November 30th, 2009.

- Should capacity at Interconnection Points 1 and/or 5 be allocated to the company, the latter undertakes to sign:

    - with TIGF, an agreement to reserve capacity on TIGF's transmission system. The date of signature of the agreement to reserve capacity must be no later than November 30th, 2009, and

    - with Enagás and/or Naturgás Energía Transporte, the required transmission contract(s) on their respective transmission infrastructures. The date of signature of the transmission contract must be in accordance with the Spanish regulation and no later than November 30th, 2009.

In respect thereof, the company hereby acknowledges being aware of the conditions of access to the relevant transmission system and in particular:

- the Allocation Rules published on July 15th, 2009

[3] *Name of the company.*

- the general terms and conditions of the transmission contract and the terms and conditions of the aforementioned agreement to reserve capacity on:
    - GRTgaz' s transmission system;
    - TIGF's transmission system;
    - Enagás' transmission infrastructures
    - Naturgas Energia Transporte's infrastrutures.

This Letter of Commitment remains valid until the signature of the aforementioned agreement to reserve capacity on the relevant transmission system(s) and/or transmission contract or of an amendment to the existing transmission contract.

The company represents having capacity to enter into the Letter of Commitment, which shall be binding and fully enforceable upon signature.

Any dispute not amicably settled shall be finally settled by the competent authority of the place of incorporation of the TSO involved having jurisdiction on the subject matter.

The content of this Letter of Commitment shall be considered as confidential information and subject to the binding rules regarding the confidentiality of commercially sensitive information under the European regulation as transposed in France and Spain. The content will be solely disclosed by the Joint Allocation Office to the TSOs involved in the related open season.

On behalf of the company_____[4]

[4] *Signature.*

APPLICATION FORM FOR 2013 CAPACITIES

BINDING CAPACITY REQUESTS FOR LONG-TERM CAPACITY

SINGLE ROUND

To be filled by the TSO

Request No.: Reception date: / /

Identification data of requesting parties

SHIPPER 1-SPA (Spain - Points 1 and 5)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax: _____ E-mail: _____

SHIPPER 1-FRA (France - Points 1 and 5)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax: _____ E-mail: _____

SHIPPER 2 (France –Points 2 and 4)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax: _____ E-mail: _____

SHIPPER 3 (France –Point 3)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax: _____ E-mail: _____

Type of capacity request

PLEASE CHOOSE ONE OPTION ONLY:

MULTIANNUALCAPACITY REQUEST

(13 or more consecutive months) ☐

MULTISEASONNALCAPACITY REQUEST

(2 or more consecutive winter or summer seasons) ☐

Note that if no option is chosen, all capacity requests contained in this Application Form will be considered as multiannual capacity.

Allocation Options for Multiannual Capacity Requests

SECTION TO BE FILLED ONLY FOR MULTIANNUAL CAPACITY REQUESTS

Note that, in the case of multiseasonal capacity requests, any option chosen in this section of the application form will be ignored.

PLEASE CHOOSE ONE OPTION ONLY:

☐ **OPTION A. Independent allocation per point**

☐ **OPTION B. Coordinated allocation.**

Note that if no option is chosen, all multiannual capacity requests contained in this Application Form will be considered as independent requests (OPTION A).

If you chose OPTION B ("Coordinated allocation") please tick the boxes which correspond to the Points which you wish to coordinate (a minimum of two points):

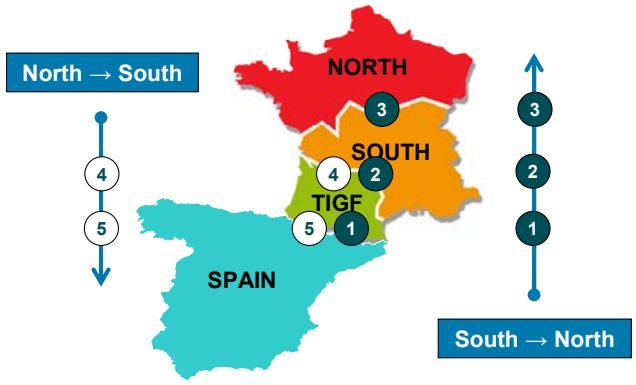
☐ **Interconnection Point 1**

☐ **Interconnection Point 2**

☐ **Interconnection Point 3**

☐ **Interconnection Point 4**

☐ **Interconnection Point 5**



Note that if OPTION B has been chosen but less than two points are chosen, all multiannual capacity requests contained in this Application Form will be considered as independent requests

Only Interconnection Points in one single direction (IP1, IP2 and IP3, or a combination of them) or capacity between two balancing areas but in the two directions (IP1 and IP5, or IP2 and IP4) can be coordinated.

Note that if OPTION A has been chosen, any point chosen in this section will be ignored.

If you chose OPTION B ("Coordinated allocation") please choose *ONE OPTION ONLY* between the following two:

☐ **Option B.I. Non-Flat capacity allocation.**

☐ **Option B.II. Flat capacity allocation.**

Note that if no option is chosen, all multiannual coordinated requests contained in this Application Form will be considered as non-flat capacity coordinated requests.

Note that if OPTION A has been chosen, any option chosen in this section will be ignored.

Amount of capacity and duration

IP1: SPAIN - TIGF INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from South to North)

Amount of capacity requested[1]		Minimum capacity required to accept allocation[2]	
	MWh/day		MWh/day

Starting date (MM/YYYY):[3] _____

Duration (number of months or seasons):[4] _____

IP2: TIGF - GRTgaz South INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from South to North)

Amount of capacity requested[1]		Minimum capacity required to accept allocation[2]	
	MWh/day		MWh/day

Starting date (MM/YYYY):[3] _____

Duration (number of months or seasons):[4] _____

1 The amount of capacity requested must be equal at all coordinated points in case of choosing Option B.II., "Flat Capacity Allocation". If more than one minimum value is indicated, the smallest value will be considered as the amount of capacity requested for all the coordinated points.

2 If no capacity is indicated as the minimum capacity required to accept the allocation, 0 MWh/day will be considered as the default option.

The minimum capacity required to accept the allocation must be equal at all coordinated points in case of choosing Option B.II., "Flat Capacity Allocation". If more than a minimum value is indicated, the smallest value will be considered as the minimum capacity required to accept the allocation for all the coordinated points.

3 The capacity requested at each coordinated point (OPTION B) must be the equal in terms of starting date duration. Otherwise, all coordinated requests in the Application Form will be invalid.

4 The number of months (multiannual capacity requests) must be equal to or higher than 13 and equal to or lower than 240.

The number of seasons (multiseasonal capacity requests) must be equal to or higher than 2 and equal to or lower than 20.

The period covered by the capacity request must start not earlier than 1st April 2013 and must end not later than 31st March 2033.

IP3: GRTgaz South - GRTgaz North INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from South to North)

Amount of capacity requested[1]		Minimum capacity required to accept allocation[2]	
	MWh/day		MWh/day

Starting date (MM/YYYY): [3] _____

Duration (number of months or seasons):[4] _____

IP4: GRTgaz South – TIGF INTERCONNECTION CAPACITY

NORSUD (transmission capacity from North to South)

Amount of capacity requested[1]		Minimum capacity required to accept allocation[2]	
	MWh/day		MWh/day

Starting date (MM/YYYY):[3] _____

Duration (number of months or seasons)[4] _____

IP5: TIGF - SPAIN INTERCONNECTION CAPACITY

NORSUD (transmission capacity from North to South)

Amount of capacity requested[1]		Minimum capacity required to accept allocation[2]	
	MWh/day		MWh/day

Starting date (MM/YYYY):[3] _____

Duration (number of months or seasons):[4] _____

Signature and request date

The Application Form must be signed by the same person who signs the Letter of Commitment

SHIPPER 1-SPA

Signature:

Date: _____

SHIPPER 1-FRA

Signature:

Date: _____

SHIPPER 2

Signature:

Date: _____

SHIPPER 3

Signature:

Date: _____

Submission of the Application Form

The Application Form shall be sent by registered letter with acknowledgement of receipt to the Joint Allocation Office:

Joint Allocation Office
Enagás, DATR
Paseo de los Olmos, 19, 3A
28005
Madrid
Espagne/España

Additionally, the Application Form may be sent by e-mail to the Joint Allocation Office for informative purposes only:[5]

e-mail: **openseason@enagas.es**

[5] Note that the electronic submission of the Application Form does not substitute the compulsory submission by registered letter with acknowledgement of receipt.

Annexes :Letters of Commitment

The Application Form for 2015 capacities shall be sent together with the related Letters of Commitment, integral part of it.

Each Shipper[6], party to this Application Form for 2015 capacities, shall mandatorily join to the Application Form the corresponding Letter of Commitment duly filled in.

The Application Form for 2013 capacities shall be deemed null and void should one Letter of Commitment of a shipper party to the Application Form be missing.

Confidentiality

The content of this Application Form together with the attachment(s) shall be considered as confidential information and subject to the binding rules regarding the confidentiality of commercially sensitive information under the European regulation as transposed in France and Spain. The whole content will be solely disclosed by the Joint Allocation Office to the TSOs involved in the related open season.

[6] A Letter of Commitment related to another Application Form shall not be valid. A shipper shall sign a Letter of Commitment per Application Form.

Joint Allocation Office
Enagás, DATR
Paseo de los Olmos, 19, 3A
28005
Madrid
Espagne/España

CONTACT

RE Letter of Intent to subscribe gas transmission capacity by 2015

At …….. , on
……

Dear Sir,

I, the undersigned, _____, representing the company:

Name: ……
Legal form:……..
Registered capital:……
Head office:……..
Place and number of registration in the companies registry[1]*,*

within the framework of the open season on the increase of interconnection capacity between Spain and France 2013-2015 and regarding in particular the gas transmission capacity needs, express my interest for a future reservation of the capacity stated in the Application Form for 2015 Capacities - Indicative Capacity Requests For Long-Term Capacity)[2] to which this letter is an annex:

- Between the Spanish gas transmission system and GRTgaz at the Interconnection Point Perthus, and/or
- between the Spanish gas transmission system and TIGF at the Interconnection Point Perthus, and/or
- between GRTgaz and TIGF at their Interconnection Point, and/or

[1] In the case of Spanish companies please indicate *Registro Mercantil*, *Volumen*, *Folio* and *Hoja*.

[2] *The letter of intent shall be mandatorily joined to the related Application Form duly filled in, being integral part of it*

- on the GRTgaz system at the link between the South Zone and the North Zone (North-South link).

This letter of intent shall not constitute a binding capacity request. The company _____[3] acknowledges to submit an indicative level of interest in good faith. The level of interest shall fairly reflect the capacity the company intends to request in the subsequent binding phase of the process.

Any dispute not amicably settled shall be finally settled by the competent authority of the place of registration of the TSO involved having jurisdiction on the subject matter.

The content of this Letter of Intent shall be considered as confidential information and subject to the binding rules regarding the confidentiality of commercially sensitive information under the European regulation as transposed in France and Spain. The content will be solely disclosed by the Joint Allocation Office to the TSOs involved in the related open season.

On behalf of the company_____[4]

[3] *Name of the company.*

[4] *Signature.*

APPLICATION FORM FOR 2015 CAPACITIES

INDICATIVE CAPACITY REQUESTS FOR LONG-TERM CAPACITY

To be filled by the TSO

Request No.: Reception date: / /

Identification data of requesting parties

SHIPPER 1-SPA (Spain - Points A, B, C and D)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax: _____ E-mail: _____

SHIPPER 1-FRA (France - Points A, B, C and D)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax: _____ E-mail: _____

SHIPPER 2 (France –Points E and F)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax: _____ E-mail: _____

SHIPPER 3 (France –Points G and H)

Name of the company requesting access: _____

PLEASE INDICATE CONTACT PERSON IN THE EVENT CLARIFICATION IS NEEDED

Address: _____ Nº: _____

Town: _____ Zip code: _____ Country: _____

Phone: _____ Fax:_____ E-mail: _____

Type of capacity request

PLEASE CHOOSE ONE OPTION ONLY:

MULTIANNUALCAPACITY REQUEST

(13 or more consecutive months) ☐

MULTISEASONNALCAPACITY REQUEST

(2 or more consecutive winter or summer seasons) ☐

Note that if no option is chosen, all capacity requests contained in this Application Form will be considered as multiannual capacity.

Allocation Options for Multiannual Capacity Requests

SECTION TO BE FILLED ONLY FOR MULTIANNUAL CAPACITY REQUESTS

Note that, in the case of multiseasonal capacity requests, any option chosen in this section of the application form will be ignored.

PLEASE CHOOSE ONE OPTION ONLY:

☐ **OPTION A. Independent allocation per point**

☐ **OPTION B. Coordinated allocation.**

Note that if no option is chosen, all multiannual capacity requests contained in this Application Form will be considered as independent requests (OPTION A).

If you chose OPTION B ("Coordinated allocation") please tick the boxes which correspond to the Points which you wish to coordinate:

☐ **Interconnection Point A**

☐ **Interconnection Point B**

☐ **Interconnection Point C**

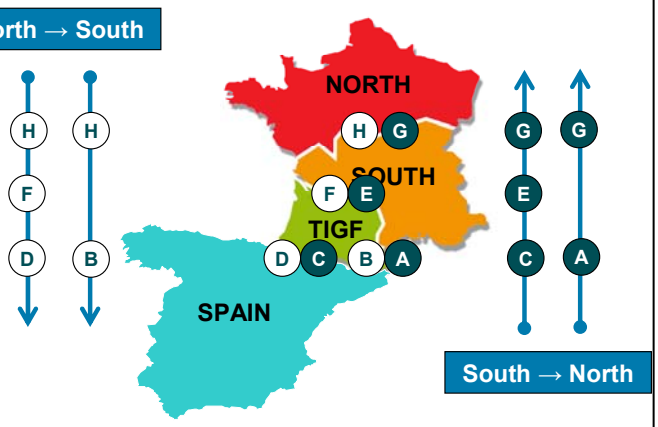
☐ **Interconnection Point D**

☐ **Interconnection Point E**

☐ **Interconnection Point F**

☐ **Interconnection Point G**

☐ **Interconnection Point H**



Note that if OPTION B has been chosen but less than two points are chosen, all multiannual capacity requests contained in this Application Form will be considered as independent requests

Under this application, all possible combinations for coordination are allowed.

Note that if OPTION A has been chosen, any point chosen in this section will be ignored.

If you chose OPTION B ("Coordinated allocation") please choose *ONE OPTION ONLY* between the following two:

☐ **Option B.I. Non-Flat capacity allocation.**

☐ **Option B.II. Flat capacity allocation.**

Note that if no option is chosen, all multiannual coordinated requests contained in this Application Form will be considered as non-flat capacity coordinated requests.

Note that if OPTION A has been chosen, any option chosen in this section will be ignored.

Amount of capacity and duration

IP C: SPAIN - TIGF INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from South to North)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[3] _____

IP E: TIGF - GRTgaz South INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from South to North)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[2] _____

IP G: GRTgaz South - GRTgaz North INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from South to North)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[2] _____

[1] The amount of capacity requested must be equal at all coordinated points in case of choosing Option B.II., "Flat Capacity Allocation". If more than one minimum value is indicated, the smallest value will be considered as the amount of capacity requested for all the coordinated points.

[2] The capacity requested at each coordinated point (OPTION B) must be the equal in terms of starting date duration.

[3] The number of months (multiannual capacity requests) must be equal to or higher than 13.

The number of seasons (multiseasonal capacity requests) must be equal to or higher than 2.

IP H: GRTgaz North - GRTgaz South INTERCONNECTION CAPACITY

NORSUD (transmission capacity from South to North)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[2] _____

IP F: GRTgaz South – TIGF INTERCONNECTION CAPACITY

NORSUD (transmission capacity from North to South)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[2] _____

IP D: TIGF - SPAIN INTERCONNECTION CAPACITY

NORSUD (transmission capacity from North to South)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[2] _____

IP A: SPAIN – GRTgaz South INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from South to North)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[2] _____

IP B: GRTgaz South - SPAIN INTERCONNECTION CAPACITY

SUDNOR (transmission capacity from North to South)

Amount of capacity requested[1]	
	MWh/day

Starting date (MM/YYYY):[2] _____

Duration (number of years or seasons):[2] _____

Signature and request date

SHIPPER 1-SPA

Signature:

Date: _____

SHIPPER 1-FRA

Signature:

Date: _____

SHIPPER 2

Signature:

Date: _____

SHIPPER 3

Signature:

Date: _____

Submission of the request

The Application Form shall be sent by registered letter with acknowledgement of receipt to the Joint Allocation Office:

Joint Allocation Office
Enagás, DATR
Paseo de los Olmos, 19, 3A
28005
Madrid
Espagne/España

Additionally, the Application Form may be sent by e-mail to the Joint Allocation Office for informative purposes only:[4]

e-mail: **openseason@enagas.es**

[4] Note that the electronic submission of the Application Form does not substitute the compulsory submission by registered letter with acknowledgement of receipt.

Annexes :Letters of Intent

The Application Form for 2015 capacities shall be sent together with the related Letters of Intent, integral part of it.

Each Shipper[5], party to this Application Form for 2015 capacities, shall mandatorily join to the Application Form the corresponding Letter of Intent duly filled in.

The Application Form shall be deemed null and void should one Letter of Intent of a shipper party to the Application Form be missing.

Confidentiality

The content of this Application Form together with the attachment(s) shall be considered as confidential information and subject to the binding rules regarding the confidentiality of commercially sensitive information under the European regulation as transposed in France and Spain. The whole content will be solely disclosed by the Joint Allocation Office to the TSOs involved in the related open season.

[5] A Letter of Intent related to another Application Form shall not be valid. A shipper shall sign a Letter of Intent per Application Form