



TIGF

**Procedures for the commercialisation
of existing and committed capacity at
the cross border point of Larrau
between France and Spain**

**OPEN SUBSCRIPTION PERIOD (OSP)
AT LARRAU**

Long-term capacity from 1st April 2009 to 31st March 2013

Short-term capacity from 1st April 2009 to 31st March 2010

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1 Introduction.

1.1 Background.

Capacities have traditionally been primarily allocated on a “First Come First Served” (FCFS) basis in southern France and in Spain. However, due to the peculiarities of the regulatory framework in force in each country, and to the need of coordination between operators when systems of different countries and companies are involved, the “First Come First Served” (FCFS) principle is not always perfectly suited to the efficient allocation of capacities at cross-border points.

ENAGÁS and TIGF have committed to put in operation by 2009 new capacities in both directions at the cross border point of Larrau between France and Spain, and have agreed ERGEG’s South GRI proposal of evaluating shipper’s interest in existing (non-allocated) capacities and in new capacities at this point, and to allocate the referred capacities through Open Subscription Periods (OSPs), which will take place from 2008.

The competent regulatory authorities in both countries have taken the necessary steps to adapt the regulatory framework in force in order to allow the proposed OSPs to take place under the general principles agreed between the TSO and regulators.

The object of this document is to detail the 2008 OSP procedures for subscription and allocation of long-term capacities from 1st April 2009 to 31st March 2013, and of short-term capacities from 1st April 2009 to 31st March 2010, as well as to announce the basic principles under which further annual OSPs for the subscription and allocation of short-term capacities will be conducted.

1.2 Implementation of CBPs.

TSOs are working in the harmonisation of the exchange of information at the interconnection points between France and Spain (Larrau and Biriadou). Regulators have strongly recommended enhancing the way to transmit the information by adopting the Common Business Practices (CBP) recommended by EASEE-GAS at the European level.

The EASEE-GAS CBP n°2003-02 ("Harmonisation of the Nomination and Matching Process") is already implemented in France to support the future increase of volume information to exchange.

In Spain, the Group for the Modification of the Spanish System Code (NGTS) has finished a proposal of Detailed Procedure which allow for the application of the EASEE-GAS CBP n°2003-02 at the interconnection point of Larrau. The proposal has already been approved by the Monitoring Committee of the Gas System, and is ready for approval and publication by the Ministry of Industry, Tourism and Trade.

2 General principles.

2.1 Access contracts.

The OSPs are meant to organise the allocation of capacity on a coordinated manner through a coordinated allocation procedure.

Nevertheless, the capacities will be sold by ENAGÁS and TIGF respectively, and different contracts will be subscribed respecting the rules of each TSO.

2.2 Publication of results.

The main results of the OSPs will be published at the same time by TSOs at an aggregate level to preserve the confidentiality of information required in each system. The information regarding the availability of capacities after the OSPs will be made available to all shippers at the same time in the internet site of each TSO.

2.3 Terms and conditions not specified in the OSP procedures.

The terms and conditions, including technical rules, applicable to the capacities sold under the OSPs will not differ from the rules prevailing in each system at any particular time, unless otherwise stated in this document.

2.4 Requirements for participating in the OSPs.

In Spain, no shipper will be allowed to make a request for capacity if it is not licensed.

3 Capacities offered.

3.1 Capacity split: long-term and short-term capacities.

The firm capacity offered under the OSPs will be split in two types, in order to promote competition in the supply business:

Long-Term Capacity (LTC): 80% of the firm capacity offered under the OSP will be reserved for requests for multiannual and multiseasonal requests, and will be offered in 2008 for complete seasons.

- Multiannual capacity is a constant capacity request consisting of “n” consecutive seasons, with $n > 2$. For example, capacity from April 2009 to October 2010 would be considered as multiannual capacity, with $n = 3$.
- Multiseasonal capacity is a constant capacity request covering “n” consecutive winters or summers, with $n > 1$. For example, capacity for summer 2009 + summer 2010, would be considered as multiseasonal capacity.

Short-Term Capacity (STC): 20% of the firm capacity offered under the OSP will be reserved for requests of one year or less, and will be offered in 2008 for complete months.

LTC requests can only be made for consecutive seasons, or for consecutive winters or summers. The winter season runs from 1st November to 31st March, while the summer season runs from 1st April to 31st October.

STC requests can only be made for consecutive months.

3.2 Period covered by 2008 OSP.

The initial OSP for LTC will be developed in 2008 in order to allocate capacity from 1st April 2009 to 31st March 2013.

The initial OSP for STC will be subsequently developed in 2008 in order to allocate capacity from 1st April 2009 to 31st March 2010.

3.3 Future OSPs until 2013.

The TSOs intend to hold subsequent OSPs in each year “y” in order to allocate at least STC. Newly available capacities not included in the current procedures, resulting from already committed investments, will also be offered through the subsequent OSPs.

3.4 Allocation of spare capacities after the OSPs.

After the final allocation of capacities under each OSP for LTC, the remaining capacities for the period covered by the OSP for LTC, if any, will be allocated through the OSP for STC. I.e., OSPs for STC will include 20% of the firm capacity plus any capacities non-allocated through the OSP for LTC.

After the final allocation of capacities under each OSP for STC, the remaining capacities for the period covered by this OSP for STC, if any, will be allocated under the standard procedures in place in each system, unless otherwise stated in the OSP procedures. Current procedures outside the OSP do not require a coordinated allocation of capacities.

3.5 Non-firm capacities.

Only firm capacities will be sold in the OSP for LTC and in the OSP for STC. Further interruptible or conditional capacities might be offered by each TSO according to their own rules once the OSP has been completed. Current procedures outside the OSP do not require a coordinated allocation of capacities.

3.6 Existing contracts.

All capacities sold (subscribed and signed) by each TSO before the announcement to the market by the regulator(s) and/or the TSO(s) of the intention to hold an OSP for the allocation capacities at Larrau, will be fully respected and considered in the future.

3.7 Capacity booking requests during the OSP procedures.

From the referred date of communication to the market, and until capacities have been allocated under the OSP conditions, neither TSO shall accept new capacity booking requests for the concerned entry and exit points for the period of time covered by the OSP.

3.8 Calculation of capacities.

Capacities offered to shippers under the OSP will be the lesser value of the **capacities considered** by each shipper. The capacities considered derive from technical capacities and booked capacities.

The capacity considered will be the result of the following calculation:

$$\text{Capacities considered under the OSP} = \text{technical capacities} - \text{booked capacities}$$

Table 1 below details the capacities offered through the 2008 OSP for LTC, the minimum capacities offered through the 2008 OSP for STC, and the minimum capacities to be offered under subsequent OSPs for STC.

Table 1: Capacities offered through the OSP

Capacities in MWh/day	April-Oct 09	Nov 09 - March 10	April-Oct 10	Nov 10 - March 11	April-Oct 11	Nov 11 - March 12	April-Oct 12	Nov 12 - March 13
ENAGÁS → TIGF Code: LAR-SUDNOR	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Capacity offered under the OSP (common value)	0.00	0.00	0.00	30,000	50,000	30,000	50,000	30,000
OSP 2008 (LTC)	0.00	0.00	0.00	24,000	40,000	24,000	40,000	24,000
OSP 2008 (STC)	0.00	0.00						
Future OSPs (STC)			0.00*	6,000*	10,000*	6,000*	10,000*	6,000*
TIGF → ENAGÁS Code: LAR-NORSUD	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Capacity offered under the OSP (common value)	13,000	13,000	13,000	13,000	13,000	13,000	22,480	22,480
OSP 2008 (LTC)	10,400	10,400	10,400	10,400	10,400	10,400	17,984	17,984
OSP 2008 (STC)	2,600	2,600						
Future OSPs (STC)			2,600*	2,600*	2,600*	2,600*	4,496*	4,496*

(*) Short term capacities from 1st April 2010 will be sold yearly, in later OSPs, performed in November of each previous year. E.g. STC from 1st April 2010 to 31st March 2011 will be offered during the OSP to be held in November 2009.

3.9 Related infrastructures.

The availability of incremental capacities (non-existing capacities in October 2008) is linked to the entry into operation of infrastructures under development. Therefore, **the dates from which incremental capacities will be available are subject to revision, depending on the availability and the progress of the works on the new facilities.** Shippers granted capacity through OSP procedures will not receive any invoice from the TSOs for the time period between the starting date of the service according to the contract and the date of the effective provision of the capacity service.

Table 2 shows the infrastructures linked to the availability of incremental capacities. Unless otherwise stated, the increase of capacity provided by new infrastructures is made available to the market through the OSPs at the beginning of the subsequent season after the put in operation of the infrastructure. E.g., if an infrastructure is put into operation during the 4th quarter of 2009 (4Q-2009), the incremental capacity will be offered from the beginning of season April-October 2010.

Table 2: Summary of committed infrastructures and capacity added.

W: winter capacity

S: summer capacity (July and August are not considered)

		France → Spain (GWh/d)			Spain → France (GWh/d)		
		Exit TIGF	Entry Enagás	Common Value	Exit Enagás	Entry TIGF	Common Value
2Q-2009	CS Navarra	100 (45 bar at Navarra)	Max: 165 Min: 50 (W); 40 (S)	Max: 100 Min: 50 (W); 40 (S)	0	0	0
4Q-2009	Pipeline Lemona - Haro (duplicate) Reinforce CS Haro	100 (45 bar at Navarra)	Max: 165 Min: 30 (W); 20 (S)	Max: 100 Min: 30 (W); 20 (S)	0	0	0
4Q-2010	Pipeline Tivissa - Paterna (duplicate) Pipeline Tivissa - Castelnou (duplicate) and Reversibility of flow in TIGF network	100 (45 bar at Navarra)	Max: 165 Min: 0 (W); 0 (S)	Max: 100 Min: 0 (W); 0 (S)	W: 30 S: 50	W: 110 S: 100 (51 bar at Mont)	W: 30 S: 50
4Q-2012	Pipeline Zarza de Tajo - Villar de Arnedo CS Villar de Arnedo	100 (45 bar at Navarra)	Max: 165 Min: 0 (W); 0 (S)	Max: 100 Min: 0 (W); 0 (S)	165	W: 110 S: 100 (51 bar at Mont)	W:110 S:100
4Q-2012	Pipeline Lussagnet - Lacq (*) and CS Mont (*)	165 (45 bar at Navarra)	Max: 165 Min: 0 (W); 0 (S)	Max: 165 Min: 0 (W); 0 (S)	165	165 (51 bar at Mont)	165

(*): Under study, not yet decided

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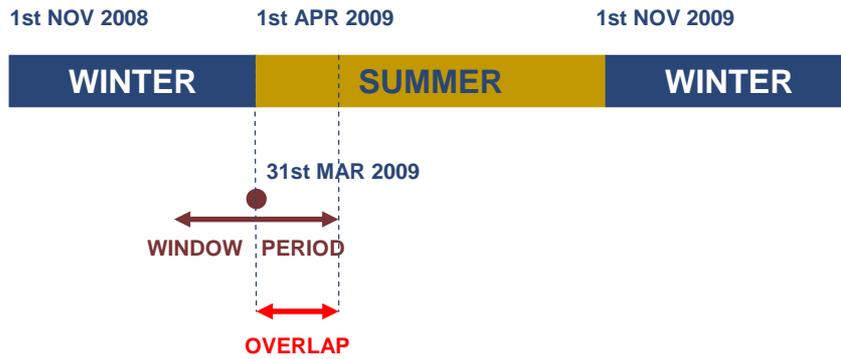
Note that capacity added depends on the order of entrance into operation of the infrastructures.

Source: TSO last information for the 5th SG meeting on 1st April 2008.

3.10 Availability of capacity during the first season (April 2009-October 2009).

The availability of 13,000 MWh/day of capacity from France to Spain from 1st April 2009 is linked to the entry into operation of the compression station in Navarre. The entry into operation of this facility is estimated for 31/03/2009, just one day before the summer season.

Although in principle the estimated date would allow Enagás to offer capacity from 1st April 2009, the referred date to put into operation the station is, as in the case of any other infrastructure, subject to a number of uncertainties. TSOs usually give a window period for the put into operation of facilities, and not an exact date.



Although Enagás does not expect any delay, taking into account the mentioned uncertainties, shippers need to bear in mind delays may happen, since 1st April 2009 lies within the window period to put the compression station in Navarre into operation. Shippers with capacity from 1st April 2009 will not receive any invoice from the TSOs for the time period between the 1st April 2009 and the date of the effective entry into operation.

4 Timing of the OSPs.

4.1 Allocation of LTC and STC.

The allocation of LTC and STC will be done subsequently, as described below, considering that it is advisable to:

1. Shorten the period between the allocation of short-term capacity and the starting date of the service, in order to allow shippers to better estimate their needs and therefore to encourage requests from shippers. This measure is required to provide a level playing field for all shippers, including new ones.
2. Allow shippers to make their requests for STC once the LTC has been allocated. STC is frequently a way to meet flexibility needs for shippers with capacity already contracted on a long-term basis. This measure also allows shippers to better estimate their requirements.

TSOs consider that it is advisable to offer STC around six months before the starting date of the thermal year in France, allowing shippers to better estimate their capacity requirements.

4.2 2008 OSP calendar.

The OSP for LTC in 2008, and also for STC in 2008, will follow the calendar below:

Table 3: Calendar of the OSP.

OSP for Long-Term Capacities	Starting date for First Phase submissions (LTC)	10 th October 2008	FIRST PHASE
	Closing date for First Phase submissions (LTC)	17 th Oct 2008	
	Initial allocation of capacities (LTC)	22 nd Oct 2008	
	Starting date for Second Phase submissions (LTC)	23 rd Oct 2008	SECOND PHASE
	Closing date for Second Phase submissions (LTC)	29 th Oct 2008	
	Final allocation of capacities (LTC)	4 th November 2008	
	Communication and approval by NRA's of final allocation (LTC)	7 th Nov 2008	
Publication of available capacities for the OSP STC		7 th Nov 2008	
OSP for Short-Term Capacities	Starting date for First Phase submissions (STC)	12 th Nov 2008	FIRST PHASE
	Closing date for First Phase submissions (STC)	19 th Nov 2008	
	Initial allocation of capacities (STC)	25 th Nov 2008	
	Starting date for Second Phase submissions (STC)	26 th Nov 2008	SECOND PHASE
	Closing date for Second Phase submissions (STC)	2 nd December 2008	
	Final allocation of capacities (STC)	9 th Dec 2008	
	Communication and approval by NRA's of final allocation (STC).	12 th Dec 2008	

4.3 Future OSPs calendar.

OSP for STC will be held in November of each year for yearly capacities starting in April of the following year, as shown in *Table 4*.

Table 4: Tentative calendar of OSPs to allocate STC in the future

	Communication to the market	September/October	
OSP for Short-Term Capacities	Starting date for First Phase submissions	First working day of November	FIRST PHASE
	Closing date for First Phase submissions	Five (5) working days after the starting date	
	Initial allocation of capacities	The ninth (9 th) working day	
	Starting date for Second Phase submissions	The tenth (10 th) working day	SECOND PHASE
	Closing date for Second Phase submissions	The sixteenth (15 th) working day	
	Final allocation of capacities	The last working day of November	
	Communication and approval by the NRA of final allocation.	Three (3) working days after the last working day of November	

The number of working days indicated in *Table 4* is only indicative, given that working days might not be the same in different jurisdictions. The exact dates will be established in September/October each year.

If an OSP for LTC is to be organized in the same year, the calendar will be adjusted to allow shippers know the result of the LTC allocation before making STC requests.

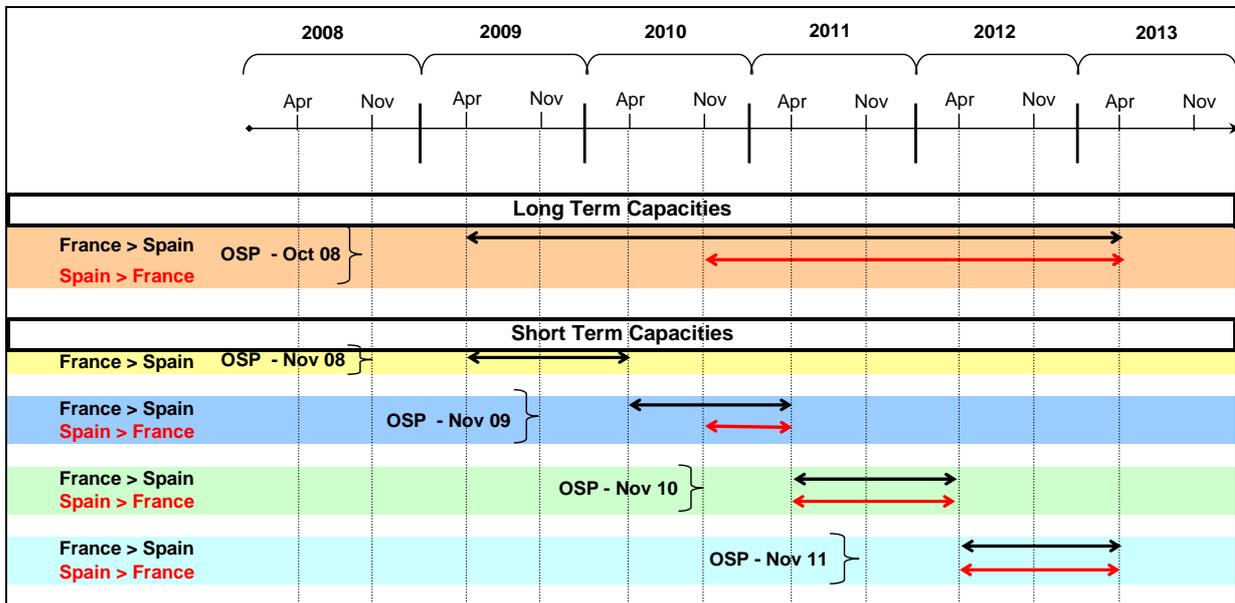
In order to clarify the dates of future OSPs see here after *Table 5* and *Table 6* that summarise all the OSPs intended to be held:

Table 5: Programme of OSPs at the interconnection point of Larrau.

Type	Direction	Open Subscription Period	Starting Capacities	Ending Capacities	Publication of OSP information	Publication of OSP rules
Long Term Firm Capacities	France - Spain	Oct-08	1-Apr-09	31-Mar-13	Jun-08	Sep-08
	Spain - France	Oct-08	1-Nov-10	31-Mar-13		
Short Term Firm Capacities	France - Spain	Nov-08	1-Apr-09	31-Mar-10	Jun-08	Oct-08
	France - Spain	Nov-09	1-Apr-10	31-Mar-11		Oct-09
	Spain - France		1-Nov-10	31-Mar-11		
	France - Spain	Nov-10	1-Apr-11	31-Mar-12		Oct-10
	Spain - France		1-Apr-11	31-Mar-12		
	France - Spain	Nov-11	1-Apr-12	31-Mar-13		Oct-11
	Spain - France		1-Apr-12	31-Mar-13		

Note: Dates are subject to revision, depending on the availability and the progress of the works on the new facilities.

Table 6: Chart of OSPs at the interconnection point of Larrau.



5 Allocation phases

Allocation of capacities with the same level of priority will be made on a pro-rata basis, as defined in the “Allocation rules” section. This may lead shippers to get capacities which are not suited to their needs.

To grant shippers more flexibility to choose the capacity finally allocated, each allocation process has been designed in two phases. The participation in the Second Phase is compulsory for all shippers participating in the First Phase, except for shippers whose provisional allocation in the First Phase exactly matches the shipper’s original request of the First Phase.

The same allocation rules will be applied in the First Phase and in the Second Phase.

5.1 1st. allocation phase

The First Phase runs from the “Starting date for First Phase submissions” to the “Initial allocation of capacities”.

Shippers shall submit their capacity requests from the “Starting date for First Phase submissions” to the “Closing date for First Phase submissions”.

A provisional allocation will be communicated to the shippers at the end of the First Phase (“Initial allocation of capacities”).

5.2 2nd. allocation phase

The Second phase starts the working day after the “Initial allocation of capacities”

The Second Phase runs from the “Starting date for Second Phase submissions” to the “Communication and approval by the NRA of final allocation”.

Shippers shall submit their capacity requests from the “Starting date for Second Phase submissions” to the “Closing date for Second Phase submissions”. During this period, shippers will have three possibilities:

1. **To accept the initial allocation of capacity and to renounce to participate in the allocation of capacities freed up by other participants during the Second Phase.**

Shippers choosing this option will be allocated at the end of the Second Phase the same capacity provisionally been allocated to them at the end of the First Phase.

2. **To accept the initial allocation of capacity and to choose to participate in the allocation of capacities freed up by other participants during the Second Phase.**

Shippers choosing this option will be allocated at the end of the Second Phase the capacity provisionally allocated to them at the end of the First Phase, plus a fraction of the capacities freed up by other participants during the Second Phase.

3. **To renounce to the total amount of capacity allocated to them at the end of the First Phase.**

Shippers choosing this option will lose any right over the capacity provisionally allocated to them at the end of the First Phase and will renounce to participate in the Second Phase of the OSP.

During this second phase, freed up capacity will be allocated to those shippers, who have chosen the second option, the allocation capacities will be done in a prorata basis, based in the original request of the First phase.

If the capacity allocated in the First Phase exactly matches the shipper's original request of the First Phase, a shipper will not be allowed to renounce to its assigned capacity or to participate to the Second Phase.

If having participated in the First Phase, any shipper failing to submit the capacity request form for the Second Phase within the defined period, will be considered accepting the initial allocation of capacity, and renouncing to participate in the allocation of capacities freed up by other participants during the Second Phase. Consequently, these shippers will be allocated at the end of the Second Phase the same capacity provisionally been allocated to them at the end of the First Phase.

According with these three options, capacity freed up by shippers after the First Phase will be allocated to those shippers that, having participated in the First Phase of the OSP, have accepted the initial capacities allocated to them, and have chosen to participate in the allocation of capacities freed up by other participants during the Second Phase.

As already stated, the same allocation rules will be applied in the First Phase and in the Second Phase.

In order to perform the allocation in the Second Phase, the initial capacity requests during the First Phase will be considered. The capacity to be allocated during the Second Phase will be the sum of:

- the capacities allocated to shippers that have chosen to participate in the allocation of capacities freed up by other participants during the Second Phase; plus
- The capacity freed up by other participants during the Second Phase.

This methodology ensures that shippers that have chosen to participate in the allocation of the Second Phase are allocated at the end of the Second Phase, season by season (LTC) or month by month (STC), at least the same capacity they had been provisionally allocated at the end of the First Phase.

The final allocation of capacities will be communicated to shippers at the end of the Second Phase, "Communication and approval by the NRA of final allocation".

6 Capacity Request.

6.1 Capacity request forms for LTC.

Shippers willing to participate in the OSP for LTC should fill in the Binding Transmission Capacity Request for Long-Term Capacity for the First Phase (see *APPENDICES* below). Shippers shall submit their capacity requests from the “Starting date for First Phase submissions (LTC)” to the “Closing date for First Phase submissions (LTC)”.

Once shippers have received the provisional allocation of LTC at the end of the First Phase, shippers shall fill in the Binding Transmission Capacity Request for Long-Term Capacity for the Second Phase (see *APPENDICES* below). Shippers shall submit their capacity requests from the “Starting date for Second Phase submissions (LTC)” to the “Closing date for Second Phase submissions (LTC)”. If a shipper failed to submit the capacity request form for the Second Phase within the defined period, the rules established in the “5.2” section will apply.

6.2 Capacity request forms for STC.

Shippers willing to participate in the OSP for STC should fill in the Binding Transmission Capacity Request for Short-Term Capacity for the First Phase (see *APPENDICES* below). Shippers shall submit their capacity requests from the “Starting date for First Phase submissions (STC)” to the “Closing date for First Phase submissions (STC)”.

Once shippers have received the provisional allocation of STC at the end of the First Phase, shippers shall fill in the Binding Transmission Capacity Request for Short-Term Capacity for the Second Phase (see *APPENDICES* below). Shippers shall submit their capacity requests from the “Starting date for Second Phase submissions (STC)” to the “Closing date for Second Phase submissions (STC)”. If a shipper failed to submit the capacity request form for the Second Phase within the defined period, the rules established in the “5.2” section will apply.

6.3 Submission and matching of capacity requests.

Capacity requests that are not matched in both systems (ENAGÁS and TIGF) will not be treated.

The capacity request forms must be submitted by registered letter with acknowledgement of receipt to both TSOs:

- Shippers licensed in the French system will submit their capacity request to TIGF within the period detail in the calendar above. This shipper will be identified in the capacity request form as SHIPPER 1, and its counterpart in the Spanish system will be identified in the capacity request form as SHIPPER 2.
- Shippers licensed in the Spanish system will submit their capacity request to ENAGÁS within the period detail in the calendar above. This shipper will be identified in the capacity request form as SHIPPER 2, and its counterpart in the French system will be identified in the capacity request form as SHIPPER 1.

In order to consider that two capacity requests are matched, they must be identical, except for the signature.

6.4 Request data in the Capacity request forms.

The requests made by shippers in the First Phase will include:

- The direction of the flow for which capacity is requested at the interconnection point. There will be 2 types of capacity:
 1. from North to South, i.e. exit from TIGF's transmission system and entry into ENAGÁS' transmission system (LAR-NORSUD); and
 2. from South to North, i.e. exit from ENAGÁS' transmission system and entry into TIGF's transmission system (LAR-SUDNOR);

Each capacity request form will be valid to request capacity only in one direction. The flow direction will be chosen by putting a cross in the corresponding box. Shippers willing to request capacity in both directions will need to submit separate capacity request forms.

- The starting date of the request. Only the month and year will need to be indicated.
- The duration of the capacity contract, expressed in seasons for LTC and in months for STC.
- The capacity requested, expressed in MWh/day. The capacity requested under each request must be constant. For information purposes, a non-binding indication of the expected annual utilization rate in GWh/year will be indicated.
- In case the LTC request is not made for consecutive seasons, but for consecutive winters (1st Nov-31st Mar) or summers (1st Apr-31st Oct), the request will be specified as "multiseasonal" by putting a cross in the corresponding box. Otherwise the request will be considered for "multiannual" capacity, and nothing will be specified.

The requests made by shippers in the Second Phase will include:

- The option chosen for the Second Phase. This will be indicated by putting a cross in the corresponding box.

For each request sent during the First Phase, shippers shall submit the corresponding request for the Second Phase.

6.5 Maximum capacities to be requested.

Shippers will be allowed to submit in the First Phase several requests with different starting dates and durations, provided that:

- For the OSP for LTC, the total capacity requested in any given season 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 capacities requested through different applications, must be equal to or lower than 100% of the total capacity offered in that season. Otherwise, all requests would be rejected.
- For the OSP for STC, the total capacity requested in any given month 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 capacities requested through different applications, must be equal to or lower than 100% of the total capacity offered in that month. Otherwise, all requests would be rejected.

In order to compute the total amount of capacity requested by a shipper or group of companies through different applications in the First Phase, the capacities requested at both sides of the border will be considered:

- E.g. if a shipper licensed in both countries makes one request in the Spanish system and then another different request in the French system (i.e. two capacity requests which are matched with other counterparties but not with the shipper's group of companies), it will be considered that the shipper has made 2 requests, even if the counterparties (shippers contracting capacity at the other network in each request) are different. Capacities from both requests will be aggregated to the rest of requests.
- E.g. if a shipper licensed in both countries makes one request in the Spanish system and then another matched request in the French system (i.e. the same shipper or group of companies is requesting capacity at both sides of the border, and these requests are matched), it will be considered that the shipper has made 1 request, and the capacity requested will be aggregated only once to the rest of requests.

6.6 Allocation of capacity under the priority rules.

After the deadline set to submit requests for the First Phase (Closing date for First Phase submissions), and after the deadline set to submit requests for the Second Phase (Closing date for Second Phase submissions), ENAGÁS and TIGF will meet together to allocate capacities on a coordinated manner.

6.7 Relationship of “control” between shippers as defined in EC Regulation 139/2004.

Before the close of business of the “Closing date for First Phase submissions”, CRE and CNE will submit TIGF and ENAGÁS the list of licensed shippers in each system, including the relationship of “control” between them as defined in EC Regulation 139/2004.

7 Allocation rules.

7.1 Allocation of Long–Term Capacities (LTC):

LTC will be allocated among the requests made by the shippers during each allocation phase following the priorities established accordingly to the rules that follow.

Rule 1

Priority will be given first to requests for capacity for multiannual capacity. These requests will be ranked according to priority rules 2 to 4.

Second priority will be given to requests for capacity for multiseasonal capacity. These requests will be ranked according to priority rules 2 to 4.

Rule 2

Once applied rule 2:

Priority will be given to requests for capacity for the higher number of seasons. Request for “n” seasons” will have priority over requests for “n-1” seasons; request for “n-1” seasons will have priority over requests for “n-2” seasons, and so on.

I.e. top priority will be assigned to request for multiannual capacity for all the period considered (8 seasons from France to Spain, and to requests for 5 seasons from Spain to France in the case of the 2008 OSP for LTC).

Requests for the same number of seasons will be ranked according to priority rules 3 to 4.

Rule 3

Once applied rule 2:

Priority will be given to requests for capacity with the earliest starting date.

Requests with the same starting date will be ranked according to priority rule 4.

Rule 4

Allocation of capacities with the same level of priority will be made on a pro-rata basis, season by season, taking into account the total volumes requested.

7.2 Allocation of Short–Term Capacities (STC):

STC will be allocated among the requests made by the shippers during each allocation phase following the priorities established accordingly to the rules that follow.

Rule 1

Priority will be given to requests for capacity for the higher number of months. Request for “m” months” will have priority over requests for “m-1” months; request for “m-1” months will have priority over requests for “m-2” months, and so on.

I.e. top priority will be assigned to request for capacity for all the period considered (12 months in the case of OSP to be held in November of each year to allocate capacities from 1st April that year to 31st March the following year).

Requests for the same number of months will be ranked according to priority rules 2 to 3.

Rule 2

Once applied rule 1:

Priority will be given to requests for capacity with the earliest starting date.

Requests with the same starting date will be ranked according to priority rule 3.

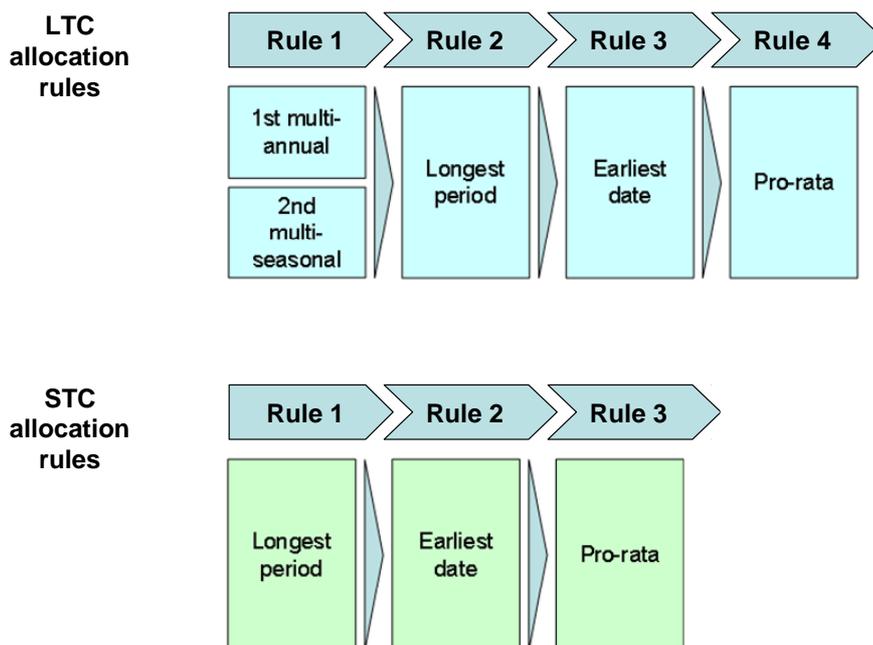
Rule 3

Allocation of capacities with the same level of priority will be made on a pro-rata basis, month by month, taking into account the total volumes requested.

7.3 Summary of Allocation Rules:

The table below summarizes the application of the allocation rules above for LTC and STC.

Table 7: Summary of allocation rules.



8 Signing of contracts.

Shippers shall sign the capacity contracts with the TSOs after the final allocation of capacities, according to the rules prevailing in each system.

9 Secondary Market.

Shippers with a valid transmission contract in the relevant system will be able to exchange capacity rights on the secondary market under the rules in force in each system. The exchange of capacity rights on the secondary market could be done independently in each system, when required by shippers.

The rules must specify, at least:

- What types of capacities can be exchanged.
- The information requirements for shippers in order to guarantee capacity matching.

10 Anti-hoarding mechanism.

There must be short-term and long-term anti-hoarding mechanisms in place in each system in order to avoid that established shippers take advantage of their dominant positions, and that the utilisation of the capacities is optimised.

APPENDICES

Appendix 1 - Capacities offered through the OSP.

Table 8: Capacities offered through the OSP

Capacities in MWh/day	April-Oct 09	Nov 09 - March 10	April-Oct 10	Nov 10 - March 11	April-Oct 11	Nov 11 - March 12	April-Oct 12	Nov 12 - March 13
ENAGÁS -> TIGF Code: LAR-SUDNOR	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Technical capacity EXIT ENAGÁS	0.00	0.00	0.00	30,000	50,000	30,000	50,000	30,000
Booked capacity EXIT ENAGÁS *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capacity considered EXIT ENAGÁS	0.00	0.00	0.00	30,000	50,000	30,000	50,000	30,000
Technical capacity ENTRY TIGF	0.00	0.00	0.00	110,000	100,000	110,000	100,000	110,000
Booked capacity ENTRY TIGF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capacity considered ENTRY TIGF	0.00	0.00	0.00	110,000	100,000	110,000	100,000	110,000
Capacity offered under the OSP (common value)***	0.00	0.00	0.00	30,000	50,000	30,000	50,000	30,000
OSP 2008 (LTC)	0.00	0.00	0.00	24,000	40,000	24,000	40,000	24,000
OSP 2008 (STC)	0.00	0.00						
Future OSPs (STC)			0.00**	6,000**	10,000**	6,000**	10,000**	6,000**
TIGF -> ENAGÁS Code: LAR-NORSUD	Summer	Winter	Summer	Winter	Summer	Winter	Summer	Winter
Technical capacity EXIT TIGF	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Booked capacity EXIT TIGF	87,000	87,000	87,000	87,000	87,000	87,000	77,520	77,520
Capacity considered EXIT TIGF	13,000	13,000	13,000	13,000	13,000	13,000	22,480	22,480
Technical capacity ENTRY ENAGÁS	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000
Booked capacity ENTRY ENAGÁS	82,750	82,750	82,750	82,750	82,750	82,750	73,270	73,270
Capacity considered ENTRY ENAGÁS	82,250	82,250	82,250	82,250	82,250	82,250	91,730	91,730
Capacity offered under the OSP (common value)***	13,000	13,000	13,000	13,000	13,000	13,000	22,480	22,480
OSP 2008 (LTC)	10,400	10,400	10,400	10,400	10,400	10,400	17,984	17,984
OSP 2008 (STC)	2,600	2,600						
Future OSPs (STC)			2,600 **	2,600 **	2,600 **	2,600 **	4,496**	4,496**

(*) During the period covered by the OSP (from April 2009 to March 2013), 34,700 MWh/day are booked under a number of contracts in place. These quantities do not interfere in the capacities offered under the OSP, since these booked capacities are backhaul flows, subject to the existence of an effective physical flow in the other direction.

(**) Short term capacities from 1st April 2010 will be sold yearly, in later OSPs, performed in November of each previous year. E.g. STC from 1st April 2010 to 31st March 2011 will be offered during the OSP to be held in November 2009.

(***) Any other available capacities not offered under the common value must be understood as conditional, and might be offered by each TSO under its own rules once the OSP has been completed.

Appendix 2 – Binding transmission capacity request form for LTC, 1st Phase.

See request form below.

Appendix 3 – Binding transmission capacity request form for LTC, 2nd Phase.

See request form below.

Appendix 4 – Binding transmission capacity request form for STC, 1st Phase.

See request form below.

Appendix 5 – Binding transmission capacity request form for STC, 2nd Phase.

See request form below.



TIGF

BINDING TRANSMISSION CAPACITY REQUEST

LONG-TERM CAPACITY

1st PHASE

LARRAU INTERCONNECTION POINT

To be filled by the TSO

Request No.:

Reception date:

Identification data of requesting parties

SHIPPER 1 (FRANCE)

Name of the company requesting access: _____

Address: _____ N°: _____

Town: _____ Province: _____ Zip code: _____

Phone: _____ Fax: _____ E-mail: _____

Requests capacity as: Shipper Eligible customer:

SHIPPER 2 (SPAIN)

Name of the company requesting access: _____

C.I.F: _____

Address: _____ N°: _____

Town: _____ Province: _____ Zip code: _____

Phone: _____ Fax: _____ E-mail: _____

Requests capacity as: Shipper Eligible customer:

Request data

FLOW DIRECTION (PLEASE CHOOSE ONE OPTION ONLY):

LAR-NORSUD (transmission capacity from France to Spain):

LAR-SUDNOR: (transmission capacity from Spain to France)

CAPACITY REQUESTED:

Capacity requested		Expected annual utilization rate	
	MWh/day		GWh/year

Period

Starting date (MM/YYYY):

Duration (number of seasons^{*}): _____

Multiseasonal:

Signature and request date

Signature:

Mr./Mrs.:

Position:

Date: _____

^{*} The number of seasons must be >2 for multiannual requests.
The number of seasons must be >1 for multiseasonal requests.

Submission of the request

This Capacity Request Form must be submitted by registered letter with acknowledgement of receipt:

- by SHIPPER 1 (shipper or eligible customer in France) to TIGF

TIGF S.A.

Att. : Direction Developpement et Commece – Gestion Commercial - Back Office

49, Avenue Dufau

BP 522 - 64010 Pau Cedex

France

- by SHIPPER 2 (shipper or eligible customer in Spain) to Enagás

Enagás, S.A.

Att. Fernando Impuesto Nogueras

Director de Gestión ATR

Paseo de los Olmos, 19

28005 Madrid

España



TIGF

BINDING TRANSMISSION CAPACITY REQUEST

LONG-TERM CAPACITY

2nd PHASE

LARRAU INTERCONNECTION POINT

To be filled by the TSO

Request No.:

Reception date:

Request No. of related request on the 1st Allocation Phase:

Identification of initial capacity request

Identification code of the Initial Allocation of Capacity (submitted by the TSO):

Identification data of requesting parties

SHIPPER 1 (FRANCE)

Name of the company requesting access: _____

Address: _____ N°: _____

Town: _____ Province: _____ Zip code: _____

Phone: _____ Fax: _____ E-mail: _____

Requests capacity as: Shipper Eligible customer:

SHIPPER 2 (SPAIN)

Name of the company requesting access: _____		
C.I.F.: _____		
Address: _____	Nº: _____	
Town: _____	Province: _____	Zip code: _____
Phone: _____	Fax: _____	E-mail: _____
Requests capacity as:	Shipper <input type="checkbox"/>	Eligible customer: <input type="checkbox"/>

Request data

Second Phase options (PLEASE CHOOSE ONE OPTION ONLY):

<input type="checkbox"/>	I accept the initial allocation of capacity and I do not wish to participate in the allocation of capacities freed up by other participants during the Second Phase.
	I understand that I will be allocated at the end of the Second Phase the same capacity that has provisionally been allocated to me at the end of the First Phase.
<input type="checkbox"/>	I accept the initial allocation of capacity and I wish to participate in the allocation of capacities freed up by other participants during the Second Phase.
	I understand that I will be allocated at the end of the Second Phase the capacity that has provisionally been allocated to me at the end of the First Phase, plus a fraction of the capacities freed up by other participants during the Second Phase.
<input type="checkbox"/>	I renounce to the total amount of capacity allocated to me at the end of the First Phase, and I renounce to participate in the Second Phase.

Signature and request date

Signature: _____
Mr./Mrs.: _____
Position: _____
Date: _____

Submission of the request

This Capacity Request Form must be submitted by registered letter with acknowledgement of receipt:

- by SHIPPER 1 (shipper or eligible customer in France) to TIGF

TIGF S.A.

Att. : Direction Developpement et Commece – Gestion Commercial - Back Office

49, Avenue Dufau

BP 522 - 64010 Pau Cedex

France

- by SHIPPER 2 (shipper or eligible customer in Spain) to Enagás

Enagás, S.A.

Att. Fernando Impuesto Nogueras

Director de Gestión ATR

Paseo de los Olmos, 19

28005 Madrid

España



TIGF

BINDING TRANSMISSION CAPACITY REQUEST

SHORT-TERM CAPACITY

1st PHASE

LARRAU INTERCONNECTION POINT

To be filled by the TSO

Request No.:

Reception date:

Identification data of requesting parties

SHIPPER 1 (FRANCE)

Name of the company requesting access: _____

Address: _____ N°: _____

Town: _____ Province: _____ Zip code: _____

Phone: _____ Fax: _____ E-mail: _____

Requests capacity as: Shipper Eligible customer:

SHIPPER 2 (SPAIN)

Name of the company requesting access: _____

C.I.F: _____

Address: _____ N°: _____

Town: _____ Province: _____ Zip code: _____

Phone: _____ Fax: _____ E-mail: _____

Requests capacity as: Shipper Eligible customer:

Request data

FLOW DIRECTION (PLEASE CHOOSE ONE OPTION ONLY):

LAR-NORSUD (transmission capacity from France to Spain):

LAR-SUDNOR: (transmission capacity from Spain to France)

CAPACITY REQUESTED:

Capacity requested		Expected annual utilization rate	
	MWh/day		GWh/year

Period

Starting date (MM/YYYY):

Duration (number of months*): _____

Signature and request date

Signature:

Mr./Mrs.:

Position:

Date:

* The number of months must be >0 and <13.

Submission of the request

This Capacity Request Form must be submitted by registered letter with acknowledgement of receipt:

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TIGF S.A.

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Paseo de los Olmos, 19

28005 Madrid

España



TIGF

BINDING TRANSMISSION CAPACITY REQUEST

SHORT-TERM CAPACITY

2nd PHASE

LARRAU INTERCONNECTION POINT

To be filled by the TSO

Request No.:

Reception date :

Request No. of related request on the 1st Allocation Phase:

Identification of initial capacity request

Identification code of the Initial Allocation of Capacity (submitted by the TSO):

Identification data of requesting parties

SHIPPER 1 (FRANCE)

Name of the company requesting access: _____

Address: _____ N°: _____

Town: _____ Province: _____ Zip code: _____

Phone: _____ Fax: _____ E-mail: _____

Requests capacity as: Shipper Eligible customer:

SHIPPER 2 (SPAIN)

Name of the company requesting access: _____	
C.I.F.: _____	
Address: _____	Nº: _____
Town: _____	Province: _____ Zip code: _____
Phone: _____	Fax: _____ E-mail: _____
Requests capacity as:	Shipper <input type="checkbox"/> Eligible customer: <input type="checkbox"/>

Request data

Second Phase options (PLEASE CHOOSE ONE OPTION ONLY):

<input type="checkbox"/>	I accept the initial allocation of capacity and I do not wish to participate in the allocation of capacities freed up by other participants during the Second Phase.
	I understand that I will be allocated at the end of the Second Phase the same capacity that has provisionally been allocated to me at the end of the First Phase.
<input type="checkbox"/>	I accept the initial allocation of capacity and I wish to participate in the allocation of capacities freed up by other participants during the Second Phase.
	I understand that I will be allocated at the end of the Second Phase the capacity that has provisionally been allocated to me at the end of the First Phase, plus a fraction of the capacities freed up by other participants during the Second Phase.
<input type="checkbox"/>	I renounce to the total amount of capacity allocated to me at the end of the First Phase, and I renounce to participate in the Second Phase.

Signature and request date

Signature: _____
Mr./Mrs.: _____
Position: _____
Date: _____

Submission of the request

This Capacity Request Form must be submitted by registered letter with acknowledgement of receipt:

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