

CHAPTER 7

CAPACITY AND GAS TRANSACTIONS

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7.1 AUTHORISED PARTIES

Capacity and/or Gas transactions (sales or purchases) may take place between Shippers of the Storage Service. Although there is nothing that prevents Shippers who have committed capacity from signing agreements with requesting users that are not authorised, these parties must obtain the qualification of Shipper of the Storage Service as a prerequisite for accessing the service.

In any case, the Shipper selling Capacity remains responsible in relation to the Storage Company for fulfilment of the payment obligations assumed following the transfer of the capacity sold.

7.2 CAPACITY AND GAS SALES AND PURCHASES

The sale and/or purchase of Capacity assigned to Shippers as well as the sale and/or purchase of Gas placed in storage are carried out based on procedures defined by the Storage Company, until such time as ARERA approves any specific measures.

The sale and/or purchase may involve the following products:

1. Space Capacity (S) and corresponding portion of Injection Capacity (CI) as well as Withdrawal Capacity (CE);
2. Injection Performance (PI);
3. Withdrawal Performance (PE);
4. Gas.

These transactions may take place only in favour of Shippers and/or Requesting Users that fulfil the requirements for access to the type of performance that is being sold. For example, capacity for the Peak Modulation Service can only be sold between parties that satisfy the requirements set forth in paragraph 5.2 of chapter 5, "Assignment of Storage Capacity".

7.3 PROCEDURE TO REQUEST SALE AND PURCHASE

7.3.1 Request for sale and/or purchase of Capacity

Requests for the sale and/or purchase of Capacity (Space (S) and the corresponding Injection Capacity (CI) and Withdrawal Capacity (CE)) must be communicated by Shippers to the Storage Company according to the

procedures envisaged in paragraph 7.3.4 below and using the forms published on the Storage Company's website.

These requests shall contain the following information:

1. the Space Capacity subject to sale and/or purchase (kWh)¹;
2. the start date of the sale and/or purchase, which must coincide with the first day of the month that the sale or purchase is effective.

The transaction is completed following confirmation via e-mail, no later than the second working day prior to the start date of the transfer, from the Storage Company that it received the form published on the Storage Company's website, signed by the seller and buyer.

The form referred to in the previous paragraph is sent to the Storage Company with signatures from both the seller and the buyer no later than the fifth working day preceding the start date of the transfer.

The sale of Space Capacity (S), together with the corresponding Injection Capacity (CI) and Withdrawal Capacity (CE), is valid from the date indicated in the request until the end of the relative Thermal Year.

Sales of Space Capacity and related Injection Capacity and Withdrawal Capacity are permitted only if the selling Shipper has stock that is lower than the Space assigned less the quantity to be sold, otherwise the sale of Space must be combined with a sale of Gas.

The Storage Company will perform a single verification regarding the consistency of the quantities sold on the effective day of the transfer of capacity. If the capacities sold are not consistent with what is actually available on said date, the Storage Company will only transfer the quantities actually available (e.g., if a Shipper commits to sell 100 kWh of Space - and related Injection Capacity and Withdrawal Capacity - of 1,000 kWh available with a stock of 920 kWh, it will only be possible to transfer 80 kWh of Space).

By 6:00 pm on the Gas-Day prior to (Gas-Day G-1) the effective Gas-Day of the sale (Gas-Day G), the Storage Company informs the parties involved of any difference with respect to the capacity sold.

This communication is carried out based on the best data available in the system (e.g., scheduling, other sales of capacity or gas).

¹ It is sufficient to specify only the Space Capacity (kWh). Upon transfer of the product from the selling Shipper to the purchasing Shipper, the Storage Company will also transfer the corresponding Injection Capacity (CI) and Withdrawal Capacity (CE).

During the Gas-Day from which the sale is valid, the Storage Company makes the quantities sold available to the parties involved on the Escomas IT portal.

The transactions referred to in this chapter have no effect on the invoicing by the Storage Company of the prices for the Storage Services referred to in paragraph 8.8 to the capacities transferred through the procedures referred to in paragraphs 5.8 and 5.9, as envisaged in chapter 16 of this Code, that is, the selling Shipper will be invoiced for all capacities originally assigned to it.

7.3.2 Request for sale and/or purchase of Performance

The request for sale and/or purchase of Performance as described in points 2) through 3) of paragraph 7.2 of this chapter must be entered in the Escomas IT portal in accordance with the procedures defined in paragraph 7.3.4 below and must contain the following information:

1. the Performance subject to sale and/or purchase with daily details (kWh/day);
2. starting date of the sale and/or purchase;
 - this date must at least correspond to Gas-Day G if the request is entered by 6:00 pm of Gas-Day G-1
 - this date must at least correspond to Gas-Day G+1 if the request is entered after 6:00 pm of Gas-Day G-1;
3. the ending date of the sale and/or purchase.

It is not permitted to sell Performance that exceeds the available value, therefore, if the selling Shipper has consumed the Gas held in storage or has filled up the space that it was assigned, that Shipper cannot sell, respectively, Withdrawal Performance or Injection Performance.

The Storage Company will perform a single verification regarding the consistency of the quantities sold on the effective day of the transfer of Performance.

By 6:00 pm of each Gas-Day prior to (Gas-Day G-1) the effective Gas-Day of the sale, the Storage Company informs the parties of any difference between the amount available and the Performance sold. If the period consists of several days, the consistency verification will be carried out each day for the following day.

This communication is carried out based on the best data available in the system (e.g., scheduling, other sales, other).

If at 6:00 am on Gas-Day G the selling Shipper is in default and does not have all or part of the Performance indicated, the Performance actually available will be transferred to the purchasing Shipper.

On the days in which the transactions between Shippers is in place, the purchasing Shipper will have a daily Performance as determined by applying the adjustment coefficients, increased for the amount sold by the seller, and conversely, the selling Shipper will have its Performance decreased by the portion sold.

The transactions referred to in this chapter have no effect on the invoicing by the Storage Company of the prices for the Storage Services referred to in paragraph 8.8 to the capacities transferred through the procedures referred to in paragraphs 5.8 and 5.9, as envisaged in chapter 16 of this Code, that is, the selling Shipper will be invoiced for all capacities originally assigned to it.

7.3.3 Request for sale and/or purchase of Gas

The request for sale and/or purchase of Gas, referred to in point 4) of paragraph 7.2 of this chapter, is entered in the Escomas IT portal in accordance with the procedures defined in paragraph 7.3.4 below and must contain the following information:

1. the quantity of Gas subject to sale and/or purchase, with daily details;
2. the effective date of the sale and/or purchase, corresponding at least to Gas-Day G if the request is entered by 6:00 pm of Gas-Day G-1 and at least Gas-Day G+1 for requests entered after 6:00 pm of Gas-Day G-1.

A Shipper cannot sell Gas if the selling Shipper's stock would be less than zero following the transaction.

Furthermore, the execution of the sale will be restricted in the event in which the purchasing Shipper, as a result of the sale, exceeds its available Space based on the data contained in paragraph 8.2 of this Code.

The Storage Company will perform a single verification regarding the consistency of the quantity sold until the physical transfer of said quantities by the selling Shipper to the purchasing Shipper at 6:00 pm of Gas-Day G-1.

By 6:00 pm on the Gas-Day prior to (Gas-Day G-1) the Gas-Day on which the sale should be effective (Gas-Day G), the Storage Company informs the parties involved in the Gas sale of the quantity of Gas for which the stock of the selling Shipper, reduced for any quantity of Gas provided as guarantee in favour of the Responsible for Balancing as described in paragraph 8.2.1.2, of any quantity as described in paragraph 16.4.4 and any quantity described in paragraph 5.9.4 subject to the Deposit Service referred to in paragraph 3.3.1, is less than the Gas being sold, based on data contained in chapter 6 and chapter 8 of this Code relative to Gas-Day G and referred to in this paragraph for a possible purchase of Gas on the same effective date.

Similarly, the Storage Company informs the parties involved in the Gas sale of the quantity of Gas for which, due to the Gas purchase, the stock of the purchasing Shipper for Gas-Day G exceeds the assigned Space, based on data contained in chapter 6 and chapter 8 of this Code and referred to in this paragraph for an additional purchase of Gas on the same effective date.

If at 6:00 am on Gas-Day G the selling Shipper is in default and does not have all or part of the Gas to be transferred and/or the purchasing Shipper does not have sufficient residual Space for the amount to be transferred, only the quantity of Gas that satisfies both conditions will be transferred.

The quantities sold are shown in the daily allocation in the Shipper's balancing equation referred to in paragraph 8.2.1.1 of this Code (term ST_k).

7.3.4 Terms and effectiveness of the transaction request

Requests for the sale and/or purchase of Performance or Gas referred to in this chapter must be entered by Shippers in the appropriate section of the Escomas IT portal, according to the procedures envisaged in this paragraph.

The effective date of the sale and/or purchase of Performance or Gas described in the request corresponds at least to Gas-Day G if the request is entered by 6:00 pm of Gas-Day G-1 and at least Gas-Day G+1 for requests entered after 6:00 pm of Gas-Day G-1.

For Performance transactions, the request must include the number of days of the transfer's period of validity.

Requests for the sale and/or purchase of Space and Capacity referred to in this chapter must be communicated to the Storage Company using the forms published on the Storage Company's website.

The effective period for the sale and/or purchase of Space and Capacity shown in the request begins on the first Gas-Day of the month indicated in the forms and until the end of the relevant Thermal Year.

The selling Shipper forwards to the Storage Company the form signed by both parties, no later than 5:00 pm on the fifth working day prior to the transfer's start date, specifying the quantity (kWh), the purchasing Shipper, and the initial effective date for the transfer.