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## **RESOLUTION OF 2 AUGUST 2016, FROM THE SECRETARIAT OF STATE FOR ENERGY, APPROVING THE RULES FOR MANAGING GUARANTEES IN THE GAS SYSTEM**

Act 8/2015, of 21 May 2015, amending the Oil and Gas Industry Act (Act 34/1998, of 7 October 1998), regulating certain tax and non-tax measures related to the oil and gas exploration, investigation and production, introduces two new articles in Act 34/1998, of 7 October 1998, establishing the bases for the creation of an organised natural gas market. Also, article 70.2 of Law 34/1998 of 7 October, related with the hydrocarbon sector, establishes that the Government shall regulate in due form the conditions for third parties to access the installations.

Royal Decree 984/2015 of 30 October, which regulates the organised gas market and third party access to natural gas installations, in Title I, modifies the system used for contracting capacity established in the year 2001 by Royal Decree 949/2001 of 3 August, which regulates third-party access to gas installations and establishes an integrated financial system for the natural gas sector. Title II explains the operation of the Organised Gas Market and Title III establishes the centralised management of guarantees.

The guarantees for contracting infrastructure capacity with regulated third-party access, the guarantees for contracting capacity at international interconnections, the guarantees for participating in the Organised Gas Market and the guarantees for settling imbalances in the Virtual Balance Point (Spanish acronym: PVB) as well as in re-gasification plants, are managed jointly by the Organised Gas Market Operator, who also acts as Manager of Guarantees in accordance with article 21.3.4 of Royal Decree 984/2015 of 30 October, respecting the end-purpose of each of them.

The aforementioned activities take place on different platforms.

The single data transmission Platform for requesting and contracting capacity is managed by the System Technical Manager and this is where the requests, contracting and calculation of the guarantee requirements of the installation capacity contracts included in the regulated system for third-party access are processed.

The SL-ATR Platform is also managed by the System Technical Manager and is where we calculate the balance in the PVB and publish the rates and settlements of imbalances applicable to the users.

The Organised Market Platform for gas, which is managed by the Market Operator, is where the negotiations of the Organised Market take place.

Finally, the Guarantees Management Platform, which is also managed by the Market Operator, is where the parties contract and manage the guarantees,

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including the provision, assignment, query and reception of notifications related with the system of guarantees.

Article 33.4 of said Title II of royal Decree 984/2015 of 30 October, by ruling of the State Secretariat for Energy, as a minimum will approve: a standardised model for providing guarantees, the amount of the guarantees, the valid instruments for contracting the guarantees, the communication protocol with the Guarantees Manager and the procedures to follow in case of non-compliance.

In accordance with the Resolution dated 4 December 2015, the Secretariat of State for Energy approved the market rules, the adhesion contract and the resolutions of the Organised Gas Market. Section 6 of the Market rules, included in Appendix I of said Resolution dated 4 December 2015, stipulates the principles that govern the system of guarantees in the Organised Gas Market. Section 3 of the Market Resolution regarding turnover, collections and payments and guarantees in Appendix III of the Resolution dated 4 December 2015, describes the methodology used for calculating and managing the guarantees required for participating in the Organised Gas Market, and incorporates the standardized provision of guarantees contract form in Appendix A.

Likewise, the second final stipulation of the Royal Decree 984/2015 of 30 October, determined that the Guarantee Manager and the Technical Manager of the System will formulate a joint proposal regarding the guarantee management process included in article 33.4 for guarantees related with the contracting of infrastructure capacity with regulated third-party access as well as for guarantees related with participating in the Organised Gas Market and for settling imbalances.

Based on the above, on 3 February 2016, companies MIBGAS, S.A. and ENAGAS GTS, S.A.U., respectively as Market Operator and System Technical Manager, sent a joint proposal to the Ministry of Industry, Energy and Tourism regarding the process for managing guarantees mentioned in article 33.4 of royal Decree 984/2015 of 30 October, which has been used as a basis for drafting this resolution.

This resolution approves the Rules for Managing Guarantees, including the communications protocol with the Guarantees Manager and the procedures to follow in case of non-compliance as well as the document for acceptance and adhesion to said rules, bank guarantee forms, credit line contracting forms and surety insurance certificate forms, company data forms as well as the form used for enforcing guarantees. The resolution also approves the amounts and period of validity of the guarantees required for imbalances in the Virtual Balance Point and for contracting capacity.

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Finally, the Resolution dated 4 December 2015 from the Secretariat of State for Energy is modified to adapt it to the Rules for Managing Guarantees in the Gas System approved by this resolution and to adapt them to the proposals provided by the Market Agents Committee.

In accordance with articles 15 and 16 of Royal Decree 984/2015, dated 30 October, this resolution was issued to inform the National Commission for Markets and Competition. The Regulatory Oversight Department of said Commission, in their meeting held on 16 June 2016, approved said report, for which a hearing procedure was requested from the members of the Hydrocarbons Advisory Council in accordance with the tenth transitory provision of Law 3/2013 dated 4 June, which created the National Commission for Markets and Competition. Said report was taken into account when drafting this resolution.

In light of the foregoing, this Office of the Secretary of State rules as follows:

#### **One.**

Approve the Rules for Managing Guarantees included in the following appendices:

APPENDIX I. Rules for Managing Guarantees in the Gas System.

APPENDIX II. Document of Acceptance and Adhesion to the Rules for Managing Guarantees in the Gas System.

APPENDIX III. Bank guarantees form.

APPENDIX IV. Line of credit contract form.

APPENDIX V. Surety insurance certificate form.

APPENDIX VI. Company data.

APPENDIX VII. Enforcement of guarantees form.

#### **Two.**

Approve the amount and period of validity of the guarantees required for imbalances in the Virtual Balance Point included in appendix VIII.

#### **Three.**

Approve the amount and period of validity of the guarantees required for the contracting capacity included in appendix IX.

#### **Four.**

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Modify appendix I, appendix III, appendix VI, appendix VII and appendix VIII of the Resolution dated 4 December 2015 from the Secretariat of State for Energy, which approves the market rules, the adhesion contract and the resolutions of the Organised Gas Market, which are drafted under the following terms:

**One. Appendix I is replaced by the following appendix:**

### **APPENDIX I: RULES ON THE ORGANISED GAS MARKET**

#### **1 GENERAL PRINCIPLES AND REGULATIONS**

##### **1.1 Purpose and scope**

In accordance with the terms of Royal Decree 984/2015 of 30 October 2015, governing the Organised Gas Market and third-party access to natural gas facilities, the present Rules of the Organised Gas Market, hereafter the “Rules”, contain the procedures, terms and conditions applicable to the organisation and operation of the Organised Gas Market, and in particular, its technical and economic management.

The scope of application of these Rules affects the following entities:

- i. Mibgas, S.A., in its capacity as the Operator of the Organised Gas Market (hereinafter, the Market Operator) and Guarantees Manager.
- ii. Enagás GTS, S.A.U. in its capacity as the Technical Manager of the Spanish Gas System.
- iii. REN Gasodutos, S.A. in its capacity as the Global Technical Manager of the Portuguese Gas System.
- iv. All the other Market Agents.

##### **1.2 Language**

The Market Rules have originally been drawn up in Spanish. Nevertheless, the Market Operator shall post English and Portuguese versions of the same on its website following their approval and amendment. In the event of any discrepancy, the Spanish version shall prevail as the legally binding text, with the English and Portuguese versions being provided for informative purposes.

The documents exchanged between the Market Operator and the Agents, or prospective ones, may be drafted in Spanish, Portuguese or English. In these two latter cases, and if the Market Operator requests it, the Agent shall be required to provide an official translation into Spanish of any documents submitted in a different language.

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English is the language to be used on the Trading Platform.

Communications made by telephone, data transmission or e-mail between the Market Operator and the Agents, or prospective ones, may be drafted in Spanish or English.

### 1.3 Concepts, acronyms, and definitions

For the observance of these Rules, the acronyms and definitions made forthwith, provided their initials are written in upper case, shall have the following meanings, except when specifically stated otherwise:

- i. ACER: Agency for the Cooperation of Energy Regulators.
- ii. Balancing Portfolio: As per the definition provided in Commission Regulation (EU) No. 312/2014.
- iii. Trading Portfolio: Instrument through which Agents conduct their purchase or sales operations of products on the market.
- iv. CNMC: Spain's Markets and Competition Commission.
- v. EIC (Energy Identification Code): Code enabling unique identification of participants on energy markets, according to the terms laid down in "The Energy Identification Coding Scheme (EIC) Reference Manual" issued by the European Network of Transmission System Operators for Electricity (ENTSOe).
- vi. Adhesion Contract: A contract establishing the Agent's adhesion to the Market Rules.
- vii. Market Assignment Account: Account uniquely linked to a single consolidation Account and belonging to the owner, where said owner assigns the amount of the implemented guarantees to cover his/her participation in the market in accordance with the Rules for Managing the Guarantees in the Gas System (Spanish acronym: NGGSG).
- viii. Guarantees Account: Account where the guarantees formulated by its owner are recorded before the Guarantees Manager in accordance with the NGGSG.
- ix. DGPEyM: Spain's Directorate General for Energy Policy and Mining.
- x. Spanish gas day: Delivery period for gas currently in force for the Spanish gas system.
- xi. Portuguese gas day: Delivery period for gas currently in force for the Portuguese gas system.
- xii. Working day: Understood to be any working day from Monday to Friday in Madrid (Spain), with the exception of 24 and 31 December.
- xiii. Banking day: A banking day is any day not declared to be a non-working day by the Banco de España (Spanish Central Bank).
- xiv. ERSE: Portugal's Energy Services Regulatory Authority.
- xv. Natural gas: Gas delivered in the Spanish gas system according to the specifications required in the Natural Gas Transmission System (NGTS)

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- and gas delivered in the Portuguese gas system according to ROI (see below).
- xvi. Technical Managers: Term that encompasses both the GTS and the GTG.
  - xvii. Business group: A series of entities that form a group of companies as provided for in article 42 of Spain's Code of Commerce.
  - xviii. GTS: Technical Manager of the Spanish Gas System.
  - xix. GTG: Global Technical Manager of the Portuguese Gas System.
  - xx. Agent Configuration Guide: Descriptive document on the technical requirements and procedures for accessing the Market Platform.
  - xxi. Order Book: Detail of valid orders received on the Trading Platform and which have not been matched yet.
  - xxii. Operating Limit: Value associated with a Consolidation Account that at any given moment presents the amount of guarantees available, as yet unused, for responding to new commitments that the Agent may acquire on the market.
  - xxiii. Continuous Market: This is one of the types of trading permitted, with its characteristics being outlined in the Rule "Continuous Market".
  - xxiv. MAOTE: Portugal's Ministry of the Environment, Spatial Planning and Energy.
  - xxv. MINETUR: Spain Ministry of Industry, Energy and Tourism.
  - xxvi. NGGSG: Spanish Rules for Managing Guarantees in the Gas System.
  - xxvii. NGTS: Rules on the Technical Manager of the Spanish Gas System.
  - xxviii. Notification: Information sent by the Market Operator to the Technical Managers on the acquisitions and conveyances of gas associated with the Trades arranged in the market with delivery on the following Gas day, or on the same day for the Intraday Product, and they may not be rejected if they have been pre-notified.
  - xxix. Guarantees Management Platform: Electronic platform provided and managed by the Guarantees Manager by which the owners of the Consolidation Account can implement the guarantees to cover their obligations on the market.
  - xxx. Trading Platform: An electronic platform provided and operated by the Market Operator, which facilitates the interaction between Agents and the Market Operator. Through the Platform, Agents may trade by posting and accepting purchase and sales orders and, as appropriate, modify and withdraw them.
    - a. For information purposes, the "Trading Platform", as per the definition provided in Commission Regulation (EU) No. 312/2014, whereby a network code is established on the balancing of gas in the transmission networks, is the same as the concept "Trading Platform" defined in these Rules.
  - xxxi. Platform for Registrations and Consultations: An electronic platform provided and operated by the Market Operator that permits Agents to

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- register and update the data for their market participation, as well as carry out different actions, mainly involving the consultation and downloading of information on their market participation and its results.
- xxxii. Market Platform: This consists of the Trading Platform and the Platform for Registrations and Consultations.
  - xxxiii. Pre-notification: Information sent each day by the Market operator to the Technical Managers on the purchase and sale of gas linked to the Trades undertaken in the Trading Sessions on that day.
  - xxxiv. Spanish Virtual Balancing Point (PVB-ES): Virtual exchange point on the Spanish transmission and distribution system for Natural gas Trades.
  - xxxv. Portuguese Virtual Balancing Point (PVB-PT): Virtual exchange point on the Portuguese transmission and distribution system for Natural gas Trades.
  - xxxvi. REMIT: Regulation (EU) No. 1227/2011, of 25 October 2011, on Wholesale Energy Market Integrity and Transparency.
  - xxxvii. Delegate: A legal entity acting in the name and on behalf of an Agent. If the Delegate is not itself an Agent, it must register on the Organised Gas Market as a Delegated Entity.
  - xxxviii. ROI: “Regulamento de operação das infraestruturas de setor do gas natural” (Regulations on the operation of Natural gas infrastructures in Portugal).
  - xxxix. Available Operating Balance: is the balance calculated by the Guarantees Manager under the terms established by the NGGSG.
    - xl. Trading Session: Period of time during which Agents may interact on the Trading Platform, as described in the Rule “Trading Sessions, Calendar and Timetable”.
    - xli. SL-ATR: Spanish initialism for “Logistics System for Third-Party Access to the Network”.
    - xlii. Accredited Party: Party that has met the requirements stipulated by the GTS or the GTG for allowing the reception of Notifications in their Trades.
    - xliii. Trade: Transfer of ownership over a product following a matched purchase or sales order on the market.

Unless indicated otherwise, all the references to times in these Rules, Market Resolutions and Instructions are stated in Central European Time (CET).

### 1.4 Duties of the Market Operator

The Market Operator is responsible for managing the Organised Gas Market. It manages the different Trading Sessions, lists the products to be traded, receives purchase and sales orders, and manages them, as well as the annotations corresponding to the matches made in that market.

It is the Market Operator's duty to organise and manage the Organised Gas Market, being responsible for undertaking the due and proper tasks to ensure it

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operates in an appropriate manner and for the economic management of its services, upholding the principles of efficiency, effectiveness, transparency, objectivity, non-discrimination and independence, in particular:

- i. Process and accept the admission of prospective Agents.
- ii. Define the products to be accepted for trading, which are to be approved via a Market Resolution.
- iii. Receive sales and purchase orders on gas and whatsoever products related to the gas supply chain that may ultimately be traded, validating and managing them, according to these Rules.
- iv. Match the different orders received according to these Rules.
- v. Calculate the prices of the products traded for each Trading Session, in response to market matches.
- vi. Guarantee the proper operation of the Market Platform.
- vii. Inform the Agents, at its earliest possible convenience, of any possible incidents or contingencies that may affect the market's operation.
- viii. Provide Agents with the documents associated with the market's operation, and in particular with the Market Platform, as well as with any amendments and new versions that may be issued, with sufficient prior notice on their time of application.
- ix. Publish daily the prices and volumes traded for each one of the market's products, as well as all the information of a public nature as specified.
- x. Publish daily the reference prices, including those to be used for the settlement of imbalances.
- xi. Answer any questions or claims made by Agents.
- xii. Provide each Technical Manager with the Pre-notifications and Notifications arising from the transfer of ownership of gas in the Organised Gas Market to be delivered in the gas system of its responsibility, arising from the purchase and sale orders matched of products with delivery in that system.
- xiii. Provide each Technical Manager, or those parties as applicable, with the information linked to the Trades of all the other products traded, which shall be required for the undertaking of their functions.
- xiv. Perform directly or through a third party, acting as a counterparty, the settlement of the market processes, invoicing and the processes of collections and payments.
- xv. Report and disclose to the Agents the economic results of their Trades.
- xvi. Inform the Market Agents Committee of any incidents that may have occurred in the market's operation, upholding the confidentiality requirements laid down in these Rules.
- xvii. Send the ACER platform the information pursuant to REMIT that is the Market Operator's responsibility, according to current legislation.
- xviii. Notify the relevant public authorities of any behaviour contrary to correct operation of the market, such as any manipulation or attempted



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- manipulation of the market or performance of operations with insider information.
- xix. Draw up and disclose the Market Operator's code of conduct.
  - xx. Uphold the secrecy of the confidential information disclosed to it by the Agents, in observance of the rules applicable.
  - xxi. Undertake directly, or through a third party, the duties of Manager of Guarantees in the Natural gas system.
  - xxii. Whatsoever other duties contained in the regulations or provided for in these Rules.

## **2 AGENTS**

### **2.1 General Principles**

#### **2.1.1 Definition of Agent**

An Agent is a legal entity that, having acquired the status of Accredited Party, has subscribed the Adhesion Contract and fulfilled the requirements laid down in these Rules, and is therefore authorised to trade on the market.

Depending on which requirements have been met, Agents may be entitled to trade in products delivered in the Spanish gas system, in the Portuguese gas system, or in both systems.

For informative purposes, the term "Trading participant", as per the definition provided in Commission Regulation (EU) No. 312/2014, whereby a network code is established on the balancing of gas in the transmission networks, is the same as the concept "Agent" defined in these Rules.

#### **2.1.2 Parties eligible to become Agents.**

The following parties, registered in Spain or Portugal, may become Agents:

- i. Natural gas retailers
- ii. Natural gas transmission and distribution companies
- iii. Direct market consumers, understood to be those consumers that have contracted access capacity to the transmission or distribution facility to which they are connected for their own consumption, regardless of whether or not they have also subscribed an ordinary contract with a retailer.
- iv. The Technical Manager of the Spanish Gas System (GTS)
- v. The Global Technical Manager of the Portuguese Gas System (GTG)
- vi. CORES – A Spanish public company responsible for maintaining the strategic reserves of oil products and controlling oil product and natural gas industry stocks in Spain (CORES).
- vii. Any other party that undertakes operations involving the purchase or sale of gas with all the other market agents without accessing third-

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party facilities, with the limitations laid down in Law 34/1998, of 7 October, on the Hydrocarbons Industry.

#### **2.1.3 Agent's rights and obligations**

Without prejudice to any other rights laid down in applicable legislation and in these Rules, each Agent is entitled to the following:

- i. Conduct operations involving the products accepted for trading for which it fulfils the requirements laid down in each product's specifications.
- ii. Have access, under objective and non-discriminatory conditions and without prejudice to the observance of the corresponding confidentiality requirements, to all the documents and information related to the market's operation, and specifically to its involvement on it.
- iii. Be kept duly informed about market-related matters, as well as about the operations it has undertaken through the platform provided by the Market Operator with this purpose.
- iv. Collect any monies due as a result of the invoicing of the operations conducted in the market when the balance of the same is in the Agent's favour.
- v. Make consultations and claims according to these Rules.
- vi. The confidentiality of that information disclosed to it through its involvement in the market, as well as that shared with the Market Operator.
- vii. Be informed in a timely and formal manner of any modification made either to the market's regulations or to their interpretation that might have a bearing on its involvement.
- viii. Submit proposed changes to the rules to the Market Agents Committee, the Secretary of State for Energy or the CNMC (Markets and Competition Commission).

Without prejudice to the other obligations laid down in applicable legislation and in these Rules, each Agent is required to observe the following on an ongoing basis:

- i. Fulfil the admission requirements, which constitute objective and non-discriminatory conditions.
- ii. Respect the market's operating procedures, in particular the obligation to make orders pursuant to the provisions of these Rules. Accordingly, the Agent, through the subscription of the Adhesion Contract, declares full knowledge and acceptance of the content of the Rules and Market Resolutions in force at any given moment, as well as knowing the rules applicable and the Instructions and guidelines issued.

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- iii. Uphold the confidentiality of any information obtained as a result of its involvement on the market, through the Market Operator.
- iv. Deploy the necessary means for the market's proper operation and fulfil the requirements of its technical operation, as provided for in these Rules.
- v. Ensure the data on the Agent are duly updated on the Platform for Registrations and Consultations. The Agent is solely responsible for keeping its data up to date at all times.
- vi. Honour any financial obligations arising from its involvement in the market.
- vii. Notify any failure to comply with the requirements of market access, as well as any change foreseen in the Agent's circumstances that may stop it from fulfilling market access requirements.
- viii. Report the existence of any kind of process involving protection from creditors or receivership, whether requested by the Agent or which, at the request of a third party, has been declared admissible.

### **2.1.4 Agent data**

The Agent is solely responsible for keeping its data up to date at all times.

Through the Platform for Registrations and Consultations, the Market Operator shall provide the Agents with the electronic means to update the data required for their participation in the market.

Whatsoever change to the Agents' data shall only be effective following the corresponding electronic communication of that modification by the Agent to the Market Operator and the latter's verification and acceptance of said modification.

### **2.1.5 Market Makers**

With a view to fostering the liquidity of the products accepted for trading on the market, the Market Operator may enter into Market Making Agreements with Agents under conditions of transparency, objectivity, and non-discrimination.

The reference framework for these agreements shall be disclosed via a Market Resolution.

Such agreements are to be approved by a Resolution of the DGPEyM, with a prior report made by the CNMC.

## **2.2 Market Access**

The Market Operator shall use its public website to post an "Agent Configuration Guide", which shall include the requirements to be met and documents to be submitted for accessing the market, pursuant to the provisions of these Rules.

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Through the Platform for Registrations and Consultations, the Market Operator shall provide the interested entities with the electronic means for acquiring the status of Market Agent.

#### **2.2.1 Requirements to become an Agent**

In order to acquire the status of Market Agent, candidates are to meet the following requirements:

- i. Have already acquired the status of Accredited Party in the Spanish or Portuguese systems, or in both. Those Agents that have acquired the status of Accredited Party solely in the Spanish or Portuguese system may only trade in products with delivery in the Spanish or Portuguese system, respectively.
- ii. Having previously been considered a Guarantees Account User in the Guarantees Manager and have sufficient guarantees in the Market Assignment Account as stipulated in the applicable Market Resolutions.
- iii. Have provided the Market Operator with all necessary information for the processes of invoicing, collections and payments.
- iv. Have expressly adhered to these Rules through the corresponding subscription of the Adhesion Contract.
- v. Perform the required technical qualification tests, as per the provisions of the “Guide on Accessing the Organised Gas Market”.
- vi. Submit the documents required by the Market Operator and listed in the Rule “Procedure for accessing the market”.

#### **2.2.2 Agent registration procedure**

Any entity seeking to acquire the status of Market Agent is to submit the following documents:

- i. The Agent’s basic details: company name, tax identification number or equivalent document of the entity submitting the application, and its registered address.
- ii. Documentary proof, with the necessary official endorsement, of the powers of the person signing the application and the signatory of the Adhesion Contract.
- iii. Those documents required by the Market Operator in the performance of its duties for the processes of invoicing, collections and payments, and as specified in the Market Resolution.
- iv. Whatsoever other documents that may be required pursuant to applicable legislation.

In addition, the applicant is to provide the information required in the Rule “Agent’s reference data”.

The status of Market Agent shall be acquired when the Market Operator has verified compliance with each and every one of the requirements made. The

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Market Operator shall then include the entity in the register of Agents and authorise its full access via digital certificate to the Market Platform as of the effective date of registration as an Agent. The Market Operator shall notify the Agent of said date.

#### **2.2.3 Agent's data reference**

During the Agent registration process, the candidate is to provide the following information through the electronic means put in place by the Market Operator:

- i. Contact persons with the Market Operator's various departments, with contact phone numbers and e-mail addresses.
- ii. The Agent's basic details: company name, tax identification number or equivalent document, registered address and EIC.
- iii. Users authorised to access the Market Platform, with specification of the permissions granted.
- iv. Trading Portfolios, with specific indication of the gas delivery system associated with them.
- v. Agent Accounts, as per the definition provided in the Rule "Agent Accounts".
- vi. Whatsoever other information as required for the proper performance of its market operations.

Furthermore, the Agent may place restrictions on the posting of orders for different products, with a view to avoiding mistakes. For each product, the Agent may establish the maximum increment in price and the maximum quantity permitted in its orders.

#### **2.2.4 Procedure for accessing the market through a representative in the form of a legal entity**

When proceeding through the figure of a representative in the form of a legal entity, application shall be made of the preceding Rules, with the following additional requirements:

- i. Such a Representative is to accredit its status through the corresponding powers of attorney.
- ii. The Representative is to provide all the documents requested by the Market Operator for the purpose of authorising it to proceed in that capacity.

The Represented party shall assume full responsibility for all the actions the Representative undertakes on the market in its name.

In the event the Representative is not an Agent, it is to register as a Representative Entity. Accordingly, it is to submit the following reference data:

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- i. Contact persons, with contact phone numbers and e-mail addresses.
- ii. Basic details: company name, the entity's tax identification number or equivalent document, and registered address.
- iii. Users authorised to access the Market Platform, with specification of the permissions granted.
- iv. Whatsoever other information as required for the proper performance of its market operations.

### **2.3 Withdrawal of a Market Agent**

An Agent shall be withdrawn from the market in the event of any one of the following circumstance:

- i. At the Agent's request.
- ii. In the event of termination of the Agent's entitlement to operate on the market, as per the provisions of the Rule "Types of Agents".
- iii. In the event that the Agent has ceased to be an Accredited Party.

In the first of these cases, and before proceeding to the withdrawal, the Market Operator is to ensure that the Agent has cleared all its positions on the market and honoured all its commitments to the market.

During the withdrawal process, the Market Operator shall suspend all the Agent's Trading Portfolios in application of the Rule "Suspension of an Agent's Trading Portfolios".

### **2.4 Suspension of an Agent's Trading Portfolio**

In the event of the occurrence of any one of the following circumstances, the Market Operator shall suspend an Agent's Trading Portfolios, as per the following detail:

- i. When the Agent withdraws.
- ii. When the GTS or the GTG notify the Market Operator of the suspension of the Agent as Accredited Party in the Spanish or Portuguese system, respectively.
- iii. When the Market Operator has suspended the Agent's Consolidation Account in accordance with these Rules and the applicable Market Resolution.

In the first and third of these cases, all the Agent's Trading Portfolios shall be suspended. In the second case, this suspension shall apply solely to the Trading Portfolios that are associated with the delivery in the gas system in which it has lost the status of Accredited Party.

The Market Operator shall proceed to suspend the affected Trading Portfolios of that Market Agent in the Trading Sessions held during the period the aforementioned circumstance persists, as of the moment it becomes aware of

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that situation and/or receives said communications, cancelling any orders associated with that Agent's Trading Portfolio that might be included in the Order Book for those sessions or for products whose period of delivery includes a day in which that circumstance persists. In such cases, the Market Operator shall immediately inform the CNMC, the Technical Managers and all other Agents. Likewise, it shall immediately inform the same parties if the suspension has been lifted.

Furthermore, as regards those Trading Sessions held between the time the Market Operator becomes aware of that situation and the Trading Session in which the Trading Portfolio is suspended, that Trading Portfolio may be used solely for trading in products whose delivery period is included in the period in which the Trading Portfolio is fully in force, rejecting those orders for products that do not comply with the aforesaid.

## **2.5 Exceptional action by the Market Operator in the event of suspension of Trading Portfolios.**

In the event of suspension of an Agent's Trading Portfolios associated with a gas system, due to one of the following circumstances:

- i. When the Agent has lost its status as an Accredited Party in said gas system.
- ii. When the Market Operator has suspended the Agent's Consolidation Account in accordance with these Rules and the applicable Market Resolution.

The Market Operator will make purchases of energy equivalent to the Agent's net seller balance delivered in said gas system at time of the suspension, thus completely closing the Agent's position. As an exception in this case, acting diligently and making their best effort, the Market Operator will use the mechanisms and products that are available in the market itself, and will act on behalf of the Agent. For this purpose, the Market Operator will have collection rights as well as the processed guarantees applicable to the Guarantees Account in the Guarantees Manager associated with the Agent that are not required for covering the pending payment obligations in the organised Gas Market or other additional guarantee requirements, which will be made available to the Market Operator by the Guarantees Manager.

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### 2.6 General principles on Agents operations

Without prejudice to compliance with all the other duties and obligations provided for in these Rules, the Agents are required at all times to observe the following:

- i. Maintain high standards of integrity, fair treatment and behaviour on the market.
- ii. Act with due competence, care and diligence.
- iii. Follow the Market Operator's instructions, as provided for in the Rules as well as those issued by the corresponding supervisory bodies.

The orders posted by the Agents are to comply with the following:

- i. Apply an economic rationale.
- ii. Have the sole purpose of being matched, with no posting of orders designed to influence the price or behaviour of other Agents.
- iii. Be posted solely in the Agent's own interest.

Agents are, at all times, to refrain from the following:

- i. Act dishonestly.
- ii. Reveal confidential information to which they have had access through their market participation, according to the Rule "Confidentiality of market information", except when current legislation or a court order requires its disclosure.
- iii. Commit or attempt to commit fraud.
- iv. Undertake or attempt to undertake any act of collusion between Agents or third parties.
- v. Perform any action that may be considered in non-compliance with the REMIT regulation, and specifically, manipulate or attempt to manipulate the market or be in breach of the obligations on the disclosure of privileged information.
- vi. Disclose or attempt to disclose, directly or indirectly, false information that may lead to a variation in prices.
- vii. Perform or attempt to perform actions for the purpose of giving false or misleading signals regarding the supply, demand or price of products.

### 2.7 Agent accounts

The annotations corresponding to the Agents' economic results and amounts to be paid or collected are to be recorded in accounts. Therefore, an Agent's registration will not be finished until the Agent has established the structure of accounts that will be used for the processes following the matching.

The following types of accounts are identified:



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- i. Register Account: an account pertaining to an Agent that records the economic results corresponding to one or several Trading Portfolios belonging to that Agent.

All Agents are to have a single Register Account, which shall be opened by the Market Operator as part of the Agent registration process.

Any Trading Portfolio held by an Agent is to be univocally associated with the Register Account held by that Agent at any given moment.

- ii. Consolidation Account: an account held by an Agent that aggregates the annotations with effects on collections and payments and the Operating Limit of their Registration Accounts.

Each Agent shall have an associated Consolidation Account in their name.

All Consolidation Account Holders must be a Guarantees Account User in the Guarantees Manager and shall have the Guarantees Account unequivocally linked to the market Assignment Account.

## **2.8 Sharing information with the Technical Managers for the authorisations of Agents**

The communication of the Agents authorised by the GTS to transfer ownership of gas in the PVB-ES shall be carried out at least once a day, and in all cases prior to the start of trading. The delivery dates specified in that information are to be respected. Said transfers of ownership are subsequently to be notify to the GTS as laid down in the Market Resolution.

The communication of Agents authorised by the GTG to transfer ownership of gas at the PVB-PT shall be carried out according to the procedure agreed between the GTG and the Market Operator on the communication of users authorised to trade at the PVB-PT. The delivery dates specified in that information are to be respected.

Among the Technical Managers and the Market Operator, Agents shall be identified using the EIC code.

The GTS shall inform the Market Operator, without any undue delay, if there is any party that has lost the status of Accredited Party. In such a case, the party's Trades shall be understood as undelivered on the Gas days following the communication, without prejudice to the observance of the payment obligations associated to the market purchase Trade. In addition, application shall be made of the provisions of the Rules "Withdrawal of an Agent from the market", "Suspension of an Agent's Trading Portfolios" and "Exceptional action by the Market Operator in the event of suspension of Trading Portfolios".

## **3 PRODUCTS**

### **3.1 General principles**

The products accepted for trading by the Market Operator shall be quantities of gas to be physically acquired or delivered, and any other products related to the gas supply chain as may be decided, in time and form under the terms set out in Royal Decree 984/2015, of 30 October 2015.

The specifications that can be used to define a product are as follows:

- i. Product code: Code that univocally identifies the product.
- ii. Underlying: The commodity traded.
- iii. Place of delivery: The point where the underlying is delivered.
- iv. Period of delivery: Day or series of days upon which the delivery is to be made.
- v. Trading unit: Basic quantity of the product traded, expressed in energy per day.
- vi. Minimum amount to be traded: Minimum number of trading units that can be offered.
- vii. Minimum permitted increment in amount: Minimum jump in the number of trading units that can be offered for the same product.
- viii. Pricing unit: Unit used as a reference to set the prices included in the orders.
- ix. Minimum permitted increment in price: minimum jump in prices that may be included in two consecutive orders.
- x. Product volume: Total traded quantity of the underlying, calculated as the product of the trading unit multiplied by the number of days in the delivery period.
- xi. Trading type: Determines whether the product can be traded on the Continuous Market and in Auctions.

### **3.2 Procedure of creating new products**

The Market Operator, on its own initiative or at the behest of the Agents Committee, and always following a consultation process with the latter, may propose to the Ministry of Industry, Energy and Tourism the acceptance of new products to be traded, following a report from the Markets and Competition Commission.

## **4 MARKET OPERATIONS**

### **4.1 Trading Sessions, Calendar and Timetable**

## **Non binding unofficial translation**

Trading on the market is organised into Trading Sessions. One or more products may be traded in each session.

In turn, a Trading Session may involve two types of trading: Auction or Continuous Market.

The dates, times and types of trading corresponding to each Trading Session shall be disclosed via a Market Resolution.

### **4.1.1 Lists of products**

A product shall be listed on the Trading Platform from the moment it appears on said Platform for the first time until the end of the last Trading Session in which the product is traded.

### **4.1.2 Product trading status during a Trading Session**

As regards a specific moment in time, the trading of a product may be in any one of the following states:

- i. UPC (upcoming): Trading has yet to begin.
- ii. AUC (auction): Trading is open in Auction mode. Agents may post orders accordingly, and these shall be stored until the time of matching.
- iii. MAT (matching process): The period for receiving orders for the Auction has ended, and they are now being matched, with the subsequent publication of results.
- iv. CON (continuous trading): Trading is open in Continuous Market mode. Agents may post orders accordingly, which shall be matched immediately according to their conditions, as provided for in these Rules.
- v. INT (interrupted): Trading has been interrupted for exceptional reasons. Agents may not post orders on the product in question until the session re-opens, but they may withdraw the orders they have in the Order Book.
- vi. FIN (finalized): Trading has finished and, therefore, Agents may not post any more orders in that session.

Nonetheless, orders may be submitted at any time to future Trading Session Auctions that are accessible on the Trading Platform of all the products listed. These orders shall be stored until the start of the Auction involving the Trading Session for which the orders have been posted. These orders may be withdrawn as per the provisions of the Rule "Withdrawal of orders".

## **4.2 Trading Portfolio**

The Agents or their Representative shall post their purchase and sales orders of the different products through Trading Portfolios, which shall always be held by the Agent. Every Agent is entitled to hold one or more Trading Portfolios.

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Each Trading Portfolio shall be associated to a gas system (Spain or Portugal). A Trading Portfolio can only be used to trade products with delivery in its corresponding system.

Each Agent's Trading Portfolio of Natural gas products is to be associated with a single Balancing Portfolio.

### **4.3 General order characteristics**

#### **4.3.1 Firmness of orders**

Each purchase order posted by an Agent constitutes a firm commitment made by the Agent to acquire the product in question. In turn, each sales order posted by an Agent constitutes a firm commitment made by the Agent to deliver the product in question.

#### **4.3.2 Orders parameters**

The following information is to be specified for each order:

- i. Product tendered.
- ii. Quantity of product tendered, expressed as a whole number of trading units of the product in question.
- iii. Price, expressed in the pricing unit of the product in question, with the specified number of decimal points.
- iv. Whether it is a purchase or sales order.
- v. The terms and conditions applicable to the order.

All orders are to be posted through a Trading Portfolio.

#### **4.3.3 Process for posting orders**

Agents may post orders as long as the Trading Session is open.

Additionally, as described in the Rule "Product status during a Trading Session", Agents may submit orders for the Auctions associated to future Trading Sessions.

An Agent is to post an order via an electronic form, filing all the information required for its submission.

In addition, when trading on the Continuous Market, and with a view to simplifying the process, the Agent may select the most competitive order for a product with which it wishes to close a Trade, for the quantity and price featured on the Trading Platform. In this case, the Platform generates an order with these quantity and price parameters, being the Agent entitled, prior to its submission, to modify them and add conditions to its order.

#### **4.3.4 Validation of orders**

### **Non binding unofficial translation**

For the purposes of calculating guarantees, sale and purchase orders shall be valued in accordance with the rules for calculating guarantees described in the Rules and Market Resolution.

Before they are included in the Order Book, all orders received on the Trading Platform are to undergo a two-step validation process, with conditions applying to an order's acceptance and conditions applying to Agent's warnings.

Those orders included in these processes that do not meet the conditions for their acceptance shall be rejected and not taken into consideration.

The following validations shall be made for accepting orders:

- i. The status of the Trading Session permits the reception of orders.
- ii. The Agent is entitled to post orders for the product at the time of their validation.
- iii. The Agent has been entitled as an Accredited Party by the Technical Manager responsible for the gas system in which the delivery is made, and has been authorised to deliver gas on all the days in the product delivery period.
- iv. The order posted is compatible with the Trading Portfolio through which the Agent has posted said order.
- v. In turn, the Trading Portfolio must not be suspended for that Trading Session, nor shall it be suspended on any one of the days in the delivery period for the product.
- vi. The order does not exceed the Operating Limit of the Consolidation Account del Agent, at the start of its trading.
- vii. The order cannot be matched with another order posted by the same Agent, as described in the Rule "Matching orders on the Continuous Market".

As regards those orders included in this process that do not meet the conditions associated to the Agent's warning, a message shall be presented, indicating the non-compliance with this condition. If, despite this warning, the Agent decides to post the order, a new message shall appear indicating the situation. If after these two warnings the Agent confirms the submission of the order, the validation process shall continue, and the order may finally be submitted and accepted if it passes all the validations.

The following validations of the conditions of the Agent's warnings shall be made:

- i. With a view to avoiding unwanted errors in the market, the quantity and price of the order are to fall within the limits set by the Market Operator.
- ii. With a view to avoiding situations of excessive risk or errors by Agents, validation shall be made of the maximum operating limits set by the

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Agent itself according to the provisions of the Rule “Agent’s reference data”.

In the case of orders posted for future sessions or which were not matched in the previous session, but the Agent has requested that they extend their validity for subsequent sessions involving the same product, the order validation process shall be carried out again before they start being traded, with the information valid at that moment. Orders shall be validated in the order of precedence established by their time of posting. In this process, if an order does not meet the conditions for acceptance, the order shall not be included in the trading and shall be removed from the Order Book.

The values of the limits on quantity and price established by the Market Operator, as well as their method of application, regarding both these limits and the maximum limits defined by the Agent, are to be specified in the Market Resolution.

Specific types of orders or products may require additional validations that shall be defined in the corresponding Market Resolution.

#### **4.3.5 Acceptance of orders**

Without prejudice to the provisions of the Rule “Validation of orders”, an order shall be considered accepted when the Market Operator issues the respective electronic confirmation.

#### **4.3.6 Modification of orders**

Any order that has not been matched and remains in the Order Book may be modified by the Agent as long as the status of the Trading Session is such that it permits the posting of orders for that same product and session.

The order is understood to have been modified, when once the validations established in the Rule “Validation of orders” have been made, the Market Operator issues the respective electronic confirmation.

For the purposes of the Rule "Matching orders on the Continuous Market", the modification of an order shall imply the withdrawal of the original order and the inclusion of a new order with the new parameters and conditions introduced.

#### **4.3.7 Withdrawal of orders**

Any order that has not been matched and remains in the Order Book may be withdrawn by the Agent as long as the status of the Trading Session is such that it permits the posting of orders for that same product and session. In addition, once the session has ended (FIN), those orders whose validity extends to subsequent Trading Sessions may be withdrawn, and, when the session is interrupted (INT), all the orders may be withdrawn.

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The order is understood to have been withdrawn when the Market Operator issues the respective electronic confirmation.

Furthermore, in the event that any one of the circumstances as provided for in the Rule “Suspension of an Agent’s Trading Portfolios” should arise, the orders present in the Order Book shall be withdrawn by the Market Operator.

### **4.4 Types of trading**

#### **4.4.1 Auctions**

In Auction trading, Agents may post purchase and sales orders for a specific product, provided that the product is listed on the Trading Platform, as defined in the Rule “Product status during a Trading Session”.

At the end of an Auction, the Market Operator integrates all the purchase and sales orders received, creating, respectively, the aggregate purchase and sales curves for each product.

The crossing point on both curves provides the Auction’s marginal price, which is applicable to all the matched orders. This price shall be displayed on the register of Trades on the Trading Platform, being disclosed to all the Agents, regardless of whether or not they have taken part in the Auction.

The matching process is set out in the Rule “Matching orders at Auctions”.

##### **4.4.1.1 Types of Auctions**

- i. Opening Auctions: These are the ones held in the opening moments of the Trading Session for the different products. The products are traded prior to their trading on the Continuous Market, whereby the price set at the opening Auction becomes the price reference for the opening of the Continuous Market.
- ii. Auctions motivated by events: These are the ones motivated by certain specific events, such as the high price volatility of a given product, the sudden need to acquire or deliver a product in a regulated manner, etc. In these cases, the Market Operator may interrupt the trading of a product on the Continuous Market and launch an Auction. Once the Auction has ended, the process of continuous trading re-starts.
- iii. Closing Auctions: These are the ones held at the end of a product’s Trading Session, following the Continuous Market period.

##### **4.4.1.2 Procedure for creating new Auctions**

The Market Operator, on its own initiative or prompted by the Agents Committee, and always following a consultation process with the latter, may propose the definition of the Auctions for trading on the market and the events that may trigger their launch. The terms and conditions of these new Auctions are to be approved via a Market Resolution

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### **4.4.1.3 Characteristics of orders in trading through Auctions**

The orders that may be presented to Auctions have the following characteristics:

- i. They are simple orders, without conditions, or else they are orders whose conditions allow them to be included in the Auction.
- ii. Each order includes the quantity of product to be acquired or delivered and the price requested.
- iii. Orders from three sources may be included in the Auction:
  - Simple orders posted before Auctions to be held at future dates are automatically included at the start of the Auction.
  - Valid orders unmatched in the previous Trading Session at which this product was traded, and in which the Agent has indicated a wish for them to continue being valid in subsequent Trading Sessions, are included automatically at the start of the Auction
  - Simple orders posted during the process of receiving orders at the Auction.
- iv. Each order has the following options:
  - To be valid exclusively for the Auction, being withdrawn if the order is not matched at the matching process when the Auction is closed.
  - Extend its validity to the Continuous Market phase that follows the Auction, if it has not been matched at the Auction, remaining in the Order Book for the session. In addition, in this case an Agent may choose the option of extending its validity to subsequent Trading Sessions involving the same product.
- v. They accept the possibility of partial cassation.

### **4.4.1.4 Information provided on the Trading Platform during Auctions**

During a Trading Session, the information provided by the Market Operator to an Agent on the Trading Platform, for products that are being traded in Auctions mode, is at least the following:

- i. Products for which it is authorised to trade during the Trading Session and the time trading ends and indicator of the existence of bids, for purchasing or selling, at an auction in AUC status.
- ii. Order Book, which shows, for a chosen product, the purchase and sales orders posted by the Agent for the session, ordering the orders from most to least competitive, specifying price and quantity, as well as the aggregate quantity tendered by the Agent up to the price of each order.
- iii. Trades closed for the chosen product that show the orders matched at the end of the Auction, specifying price and quantity.
- iv. Agent's activity log for the Trading Session.



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- v. Operating Limit of the Agent's Consolidation Account, identifying both the amount used by its operations on the market and the amount free to be used and to cover new trades. This information shall be continuously updated.

#### 4.4.1.5 Matching during Auctions

The purchase and sales order matching process at an Auction for each product follows the simple matching method, which provides the auction marginal price and the quantity allocated to each Agent.

Each product's matching price shall be equal to the price at the crossing point of that product's aggregate purchase and sales curves.

For each product, an order of priority in the sales orders shall be established, starting from the lowest price order, and reaching up to the highest price order, with the curve continuing vertically until the maximum admissible price. When there are sales orders of the same price, they are understood to be in the same order of priority.

Each product shall be given an order of priority in the purchase orders starting from the highest price order, and reaching down to the lowest price order, with the curve continuing vertically until the minimum admissible price. When there are purchase orders of the same price, they are understood to be in the same order of priority.

The simple matching method involves the following operations:

- i. Identification of the crossing point on the sales and purchase curves, thereby obtaining the product's marginal price, which corresponds precisely to that crossing point.
- ii. Allocation to each Agent, for each sales order, of the corresponding quantity of product provided that the price of that order is equal to or lower than the marginal price, pursuant to the rules on distribution at a marginal price.
- iii. Allocation to each Agent, for each purchase order, of the corresponding quantity of product provided that the price of that order is equal to or higher than the marginal price, pursuant to the rules on distribution at a marginal price.

When the aggregate sales and purchase curves coincide on a horizontal section, the marginal price shall also be the price of the final sales and purchase order matched.

When the aggregate sales and purchase curves coincide on a vertical section of the sales and purchase curve, the price shall be calculated as the average value between the higher and the lower prices, being rounded up. The higher price shall be the lower price between the lower price of the purchase orders

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matched and the lower price of the sales orders unmatched. The lower price shall be the higher price between the higher price of the sales orders matched and the higher price of the purchase orders unmatched.

Once the marginal price has been obtained for each product, the quantities shall be allocated to the orders according to the following criteria:

- i. Acceptance shall be made, at the marginal price, of the total quantity tendered for a product, for those sales orders whose prices are below said marginal price.
- ii. Acceptance shall be made, at the marginal price, of the total quantity tendered for a product, for those purchase orders whose prices are above said marginal price.
- iii. As the aggregate sales and purchase curves are discrete by steps, their crossing point may lead to uncertainty in the allocation of quantities that calls for the application of a distribution criterion. Accordingly, and when the crossing of the aggregate sales and purchase curves occurs on a horizontal section of any one of them, the following process is to be applied:
  - a) In the event of a surplus in the sales order, this surplus shall be deducted proportionally from the quantities of the vendors' sales orders whose price coincides with the maximum price of the sales orders matched.
  - b) In the event of a surplus in the purchase order, this surplus shall be deducted proportionally from the quantities that appear in the tranche of the purchase orders whose price coincides with the minimum price of the purchase orders matched.
  - c) To avoid mistallied results due to the rounding up process after the application of the reduction of quantities in the event of a sales or purchase surplus at the marginal price, the following procedure is to be applied:
    - i. Initially, the amount assigned after the distribution that does not corresponding with a multiple value of the minimum negotiable amount of said product will be truncated to the multiple of said amount.
    - ii. A valuation is then to be made of mistally D (due to the difference with the total purchase quantity accepted when the reduction affects the sales orders or the total sales quantity accepted when the reduction affects the purchase orders). N is calculated as the unbalance D divided by the minimum negotiable amount, which indicates the number of bids that must increase its assignment in a number of trading units that

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is equivalent to the minimum negotiable amount for the applicable product to correct the imbalance.

- iii. Finally, the assignment is increased by a number of trading units equivalent to the minimum trade amount to a number N of bids included in the distribution, selecting first those with a higher residual value after the truncating of the lower whole value. When this residual value applies to more than one case, the orders chosen shall be the ones with the highest quantity allocated at marginal price. If there is still parity, the orders chosen shall be the ones posted earlier.

#### **4.4.2 Continuous Market**

In Continuous Market trading, orders may be posted to the Trading Session provided that the trading is in Continuous Market mode, as already specified in the Rule "Product status during a Trading Session".

Likewise, when the Agent has chosen the corresponding option, the unmatched orders from a prior Auction, or the orders that were not matched in the preceding session in which the same product was traded, shall be included in the trading at the start of the Continuous Market session, without prejudice to the provisions of the Rule "Validation of Orders".

Agents are to have access at all times to the prices and quantities of the orders submitted by all the other Agents and still available in the Order Book for the Trading Session under way. When an order is introduced, the matching takes place immediately, as long as the required conditions are met.

##### **4.4.2.1 Types of orders in the Continuous Market**

There may be two types of orders: simple or conditional.

The types of orders in the Continuous Market shall be specified via a Market Resolution.

##### **4.4.2.2 Procedure of modifying new orders or creating new types**

The Market Operator, on its own initiative or prompted by the Agents Committee, and always following a consultation process with the latter, may propose the modification or definition of new types of orders for the Continuous Market. These modification or new types of orders are to be approved via a Market Resolution

##### **4.4.2.3 Information provided on the Trading Platform in the Continuous Market**

During a Trading Session, the information available to an Agent on the Trading Platform regarding products traded in the Continuous Market is displayed

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anonymously, identifying solely those operations undertaken by the Agent itself. This information consists of, at least, the following:

- i. Products for which it is authorised to trade during the Trading Session and the time trading ends.
- ii. Most competitive purchase and sales order per product, specifying price and quantity, as well as the price of the last order matched.
- iii. Order Book that shows, on an anonymous basis, and for a chosen product, the purchase and sales orders submitted to the session by all the Agents with prices around the equilibrium point, classifying the orders from the most to least competitive, specifying price and quantity, as well as the aggregate quantity up to the price of each order.
- iv. Trades closed, which shows, on an anonymous basis, the latest orders matched for the chosen product, specifying price and quantity and ordering them by descending time of matching, and specifying whether they have been matched at Auctions or in the Continuous Market.
- v. The Agent's net position, calculated according to the matched sales and purchase orders for a product during the session.
- vi. Activity log for the session, for trading both in Auctions and in the Continuous Market.
- iv. Operating Limit of the Agent's Consolidation Account, identifying both the amount used by its operations on the market and the amount that is released to be used and cover new operations. This information is continuously updated.

#### **4.4.2.4 Matching orders on the Continuous Market**

Matches are made at the most favourable price, whereby a purchase order at the highest price and a sales order at the lowest price have priority over all the orders of the same type for the same product and Trading Session. When two orders in the Order Book have the same price, priority shall be given to the order that was posted earlier.

Orders are processed as they are posted on the Trading Platform, as provided for forthwith:

- i. If the order posted is competitive with other pre-existing orders of the opposite sign in the Order Book for that session, the order matches those orders and the Trade is considered firm.
- ii. If the order posted is not competitive with other pre-existing orders of the opposite sign in the Order Book for that session, the order is included in the Order Book.
- iii. If a pre-existing "All or None" type order is analysed during the matching process, a complete matching is not allowed, the order is ignored and the process continues analysing the next best competitive bid.

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The matching price between an order recently posted on the Trading Platform and a pre-existing order in the Order Book shall be the price of the pre-existing order.

In the case of conditional orders, besides the order of priority of orders, the conditions laid down for each order shall be taken into account.

An order that has been partially matched and remains in the Order Book maintains its order status for the unmatched quantity.

### **4.5 Effects of the matching**

Once an order has been matched, the Trade is considered firm, entailing, if it is a purchase order, an obligation to acquire the product, and if it is a sales order, an obligation to deliver the same, at the place of delivery indicated in the product specification, as well as a payment obligation and a collection right, respectively, at the Trading price.

The Trade shall be understood as completed at the moment of matching and executed when Notification is made by the Market Operator to the corresponding Technical Manager. The delivery of the product on each Gas day shall be understood as made at the moment of Notification.

The Trade shall be pre-notified to the corresponding Technical Manager for information purposes on the day upon which it has been completed.

In the event the status of Accredited Party has been lost at the moment of Notification, the delivery shall be understood as not made but notified, being subject to the rules on the settlement of imbalances and guarantees of the Organised Gas Market laid down in the Market Rules and the NGGSG and the “Undelivered Sales Trades” rule. Trades of all other Agents shall remain unaltered.

The collection rights corresponding to the sales Trade of a product that has not been delivered shall be placed at the disposal of the Market Operator in order to cover any possible default on the part of the Agent or of the owner in the Consolidation Account, as specified in the Rule “Undelivered sales Trades”.

The payment obligations corresponding to the purchase Trade of an undelivered product shall remain in force, being treated in the same way as all the other payment obligations.

### **4.6 Financial consequences of the matching**

The Market Operator shall determine the financial consequences for Agents according to the purchase and sales orders that have been matched in each one's Trading Portfolio, by product, Trading Session and type of trading.

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Accordingly, the Market Operator shall make the corresponding entries in each Register Account, with information on the Agent and the Trading Portfolio.

#### 4.6.1 Financial consequences of the matching at Auctions

As a result of the purchase and sales orders matched at Auctions, account entries are made for each Trade.

In each Register Account associated to a Trading Portfolio, for each matched sales order, an annotation shall be made of a right to collect (DCS) equal to the following:

$$DCS(cn,p,s,sb) = UNS(cn,p,s,sb) * PM(p,s,sb) * nd$$

In each Register Account associated to a Trading Portfolio, for each matched purchase order, an annotation shall be made of an obligation to pay (OPS) equal to the following:

$$OPS(cn,p,s,sb) = UNS(cn,p,s,sb) * PM(p,s,sb) * nd$$

Where:

cn: Trading Portfolio held by the Agent

nd: No. days in the delivery period for the product matched at Auction sb

p: Product matched at sb

s: Trading Session

sb: Auction code

UNS(cn,p,s,sb): Number of trading units matched in Portfolio cn, product p, at Auction sb in Trading Session s

PM(p,s,sb): Marginal price of product p, the result of Auction sb, in Trading Session s

#### 4.6.2 Financial consequences of the matching in the Continuous Market

As a result of the purchase and sales orders matched in the Continuous Market, account entries are made for each Trade. In each Register Account associated to a Trading Portfolio, for each matched sales order, an annotation shall be made of a right to collect (DCC) equal to the following:

$$DCC(i,cn,p,s) = UNC(i,cn,p,s) * PT(i,cn,p,s) * nd$$

In each Register Account associated to a Trading Portfolio, for each matched purchase order, an annotation shall be made of an obligation to pay (OPC) equal to the following:

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$$OPC(i,cn,p,s) = UNC(i,cn,p,s) * PT(i,cn,p,s) * nd$$

Where:

i: Trade code on the Continuous Market

cn: Trading Portfolio held by the Agent

nd: No. days in the delivery period for the product matched in Trade i

p: Product traded

s: Trading Session

UNC(i,cn,p,s): Number of trading units matched in Trade i, in Trading Portfolio cn, for product p in Trading Session s

PT(i,cn,p,s): Price of Trade i, in Trading Portfolio cn, for product p in Trading Session s

**4.6.3 Disclosure of the economic results**

The Market Operator shall provide each Agent, on each trading day, with the account entries corresponding to the financial outcomes of their Trades, upholding the anonymity of market trading, regarding both matching and settlement and its duties of confidentiality as laid down in these Rules. Likewise, it shall provide each Agent with aggregate information on the sum of annotations on its Trades by day of delivery, and the aggregate information on the sum of annotations on its Trades by day of trading.

For the purpose of annotations, it is established that payment obligations shall have a negative sign and collection rights shall have a positive sign. Likewise, the trading units matched in the purchase orders shall have a positive sign and those matched in sales orders shall have a negative sign. Aggregate values may be displayed with no sign provided that the item to which they correspond is indicated.

**4.6.4 Firmness of the financial consequences of the matching**

The financial consequences of the matching for an Agent shall be considered provisional for the following reasons:

- a) The existence of claims pending regarding the development of a Trading Session.
- b) The period is open for presenting claims to the economic results.
- c) The existence of claims pending resolution as regards the economic results.

The economic results shall be considered definitive unless there is concurrence of any one of the contingencies specified in the preceding paragraphs.

#### **4.7 Pre-notifications and Notifications to the Technical Managers**

Each day, the Market Operator shall send the corresponding Technical Manager the Pre-notifications associated with the Trades undertaken in the Trading Sessions on that day, with delivery in the gas system under its charge, which shall include the sum of all the energies corresponding to the purchase and sales Trades with delivery on each Gas day, for each party that has traded on the Organised Gas Market.

Each day, the Market Operator shall send the corresponding Technical Manager the Notifications associated with the Trades undertaken in the Trading Sessions with delivery on the following day in the gas system under its charge, which shall include, for each day, the sum of all the energies corresponding to the purchase and sales Trades with delivery on that Gas day, for each party that has traded on the Organised Gas Market.

In the case of Intraday Products, the Market Operator shall send the corresponding Technical Manager the Notifications associated with the Trades undertaken with delivery in the gas system under its charge.

The withdrawal of a party's right to send Notifications as of the moment of completion of the Trade through to its Notification is not an acceptable reason for rejecting that Notification.

The Market Platform shall provide Agents with all the information on the Pre-notifications and Notifications associated to their Trades that have been reported to the Technical Managers by the Market Operator, for the purpose of their verification and confirmation.

#### **4.8 Consultations and claims**

Agents may use the Market Platform to submit consultations on the results of the matching, which shall be studied and answered by the Market Operator with all due diligence.

Agents may present claims to the order validation process within a period of five minutes following the reception of electronic confirmation. If the claim is upheld, the Market Operator shall analyse and, where applicable, rectify the problem as soon as possible, keeping the Agent affected informed at all times.

Agents may present claims to the results of the matching process within a period of five minutes following their disclosure. In this case, the Market Operator shall study the claim at its earliest possible convenience, proceeding as follows:

- i. In the case of trading at Auctions, it shall notify the Agents immediately through the Trading Platform, being entitled, in the event the claim is upheld, to proceed to resolve the problem by repeating the Auction or



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annulling it, and, if necessary, delaying the start of the Continuous Market.

- ii. In the case of trading on the Continuous Market, it shall notify the counterparty of the Trade immediately, proceeding, in the event the claim is upheld, to cancel the Trades affected, and withdrawing the orders involved.

The holders of the Consolidation Accounts may appeal against the calculation of the Initial Operating Limit within thirty minutes of its being posted. The Market Operator shall respond to the appeal as soon as possible and with all possible diligence.

The Agents may present claims to economic results within a period of three Working days following their disclosure. The Market Operator shall analyse the appeal and where necessary, post the economic results with the revised information.

The Market Operator shall inform the Agents Committee and the CNMC of these circumstances.

## **5 MARKET OPERATION REGIME**

### **5.1 Market Operation Centre**

The Market Operator shall maintain an Operation Centre staffed by competent personnel, which shall be operational during the Trading Sessions.

### **5.2 Assistance**

Whenever there is a Trading Session open, the Market Operator shall provide the Agents with qualified assistance over the telephone. To this end, the Market Operator will include at least two telephone numbers for communication with Agents in the Guide on Accessing the Organised Gas Market.

This assistance shall, in all cases, be for information purposes. Any action by the Agent on the Market Platform shall be at its own liability.

### **5.3 Recording telephone conversations**

The Market Operator shall record the telephone conversations held with Agents over the phones in the Operation Centre, through the use of telecommunications equipment of whatsoever nature, to serve as proof of their existence, as well as for the purpose of market supervision carried out by the Market Operator or by the competent authorities.

The Agents expressly state their knowledge and acceptance of such recordings.

### **Non binding unofficial translation**

A Market Resolution shall explain to Agents how to exercise their right of access to these recordings, as well as the procedure for preserving and destroying these recordings.

#### **5.4 Operating conditions for Agents**

Agents are to operate on the Market Platform using its equipment and communication means according to the Agent Configuration Guide.

Agents are responsible for deploying the communication equipment and providing accesses that meet the specifications, and ensuring they remain permanently operational and updated to the versions specified by the Market Operator.

The Market Operator shall give reasonable notice to the Agents of all such changes as are required to be made in the communications equipment and accesses, in order to ensure that they can meet the obligation established in the previous paragraph.

Agents are likewise responsible for safeguarding and maintaining the validity of the digital certificates for accessing the Market Platform, applying for their renewal whenever necessary. Likewise, they are also required to request the revocation of the digital certificates associated with persons whose powers have been revoked.

#### **5.5 Availability of Agents**

Agents are to deploy competent staff in the operation of the Organised Gas Market.

Whenever there is a Trading Session open, these staff are to be accessible through the contact telephone numbers the Agent has communicated through the means provided by the Market Operator for this purpose.

#### **5.6 Communications to Agents**

The communications to Agents shall be done through the electronic means specified by the Market Operator. Depending on their content and confidentiality, communications may be addressed to a single specific Agent or to all the Agents as a whole.

During a Trading Session, the Market Operator may send messages to Agents through the messaging application included in the Market Platform. It is each Agent's responsibility to read and follow the instructions provided in those messages, always observing the provisions of the Market Rules.

## **5.7 Market operation schedules**

The Market Operator shall respect the schedules of the Trading Sessions as provided in the corresponding Market Resolution. Without prejudice to the above, faced with events or exceptional cases, and upon prior notification to the Agents through the Market Platform, the Market Operator may modify the trading schedules. All schedules modifications shall be notified to the CNMC.

## **5.8 Procedure in exceptional circumstances**

Whenever exceptional circumstances arise that may have a significant impact on the market, the Market Operator, always acting according to the principle of prudence, may adopt those measures strictly necessary for defending the integrity, proper operation, security and transparency of the market. The Market Operator must inform the CNMC, the Technical Managers and the Agents directly affected by this exceptional circumstance, or all Agents if this will affect the market in general, of the measures taken and the respective reasons for same.

## **5.9 Participation of Agents in test sessions**

The Market Operator may organise test sessions involving the Market Platform and their operation that require the involvement of the Agents. In this case, the Agents are to be informed via the contact data that have been submitted through the means provided by the Market Operator.

The Agents are responsible for taking part in these tests.

## **5.10 Maintenance of the Market Platform**

The proper operation of the Market Platform and any modifications made to it may sometimes require the undertaking of preventive or corrective maintenance tasks that impede its use by Agents over certain periods of time. Whenever these operations are foreseeable or programmed, the Market Operator shall provide the Agents with prior notice of the tasks to be performed and the estimated time the service will not be available. In the case of unforeseen circumstances, such notification shall be provided as soon as the situation has been detected, likewise providing the best estimate available on the time the service will be interrupted.

## **5.11 Emergency System**

The Market Operator is to have a back-up Market Platform, referred to as the Emergency System, located on a different site to the Main System, whereby in the event of the total or partial loss of the latter, the market's normal operation shall be assured.

### **Non binding unofficial translation**

This Emergency System is to be synchronised with the Market Operator's main system, whereby whenever its use is required, the relevant information from the main system will be replicated in the Emergency System.

Given that the process of switching from the Main system to the Emergency one takes some time, and that depending on the nature of the fault causing the changeover, it may be the case that not all the orders inserted in the Main System appear in the Emergency one, the necessary time shall be provided when switching from one system to another in order to enable Agents to review the orders posted in the Emergency System, so that they may withdraw the orders they no longer wish to maintain.

An Instruction is to be issued covering the processes of switching operations to the Emergency System and the protocols and proceedings laid down for emergency operation.

## **6 INVOICING, COLLECTIONS AND PAYMENTS, AND GUARANTEES**

### **6.1 General principles**

The processes of invoicing, management of collections and payments shall be provided by the Market Operator, which shall act as the selling counterparty as regards all the purchasers, and as purchasing counterparty as regards all the vendors.

The guarantees will be managed by the Guarantees Manager in accordance with the NGGSG.

Trades shall be subject to settlement according to the terms laid down in a Market Resolution, respecting the system of guarantees and liabilities provided for in the corresponding Market Resolution. The Market Operator will notify the Guarantees Manager of the requirements for managing the guarantees.

### **6.2 Invoicing**

Invoices shall be issued subsequent to delivery of the gas and shall be issued according to the frequency stipulated in a Market Resolution, and shall contain the economic results for the delivery days within the period stipulated by means of a Market Resolution, referred to as the invoicing period, together with the taxes applicable to them.

The Market Operator shall issue a sales invoice for each purchaser. Likewise, the Market Operator shall issue a sales invoice in the name of each vendor Agent in which the Market Operator shall be named as the purchaser.

## **Non binding unofficial translation**

### **6.3 Collections and payments**

On the same date of issue of the invoice, a credit or debit note shall also be issued based on the invoices and any other items that may be of application.

Those holders of a Consolidation Account with a debt position are to make the corresponding payments within the timeframes stipulated by a Market Resolution. Those holders of a Consolidation Account with a credit position are to receive the collections corresponding to them within the timeframes stipulated by a Market Resolution.

The Agents' payments and collections are aggregated in their Consolidation Account.

### **6.4 Undelivered sales Trades**

The collection rights of undelivered sales Trades, as per the provisions of the Rule "Sharing information with Technical Managers for the authorisation of Agents" shall remain at the disposal of the Market Operator, which shall use them according to the following order of priority:

1. They shall cover any payment obligations pending in the Organised Gas Market of the holder of the Consolidation Account that has lost the status of Agent.
2. They shall be placed at the disposal of the Gestor de Garantías for the amount required to cover the non-payments of the party that has lost the status of Agent for imbalances, as well as, subsequently, any other outstanding economic obligation to the gas system notified by the GTS, under the terms established in law, in particular, Article 29.8 of Royal Decree 984/2015 of 30 October 2015, governing the Organised Gas Market and third-party access to the facilities of the natural gas system

### **6.5 Guarantees**

Agents must provide guarantees to the Guarantees Manager to provide sufficient coverage to their operations on the market in accordance with the NGGSG.

The guarantee provided is also to cover any taxes applicable and any quotas that may be charged to the Agents when paying for their market acquisitions.

The Agents obligation to provide a guarantee shall be understood to have been satisfied through the assigning of guarantees by the holder of the Market Assignment Account linked to its Consolidation Account.

### **Non binding unofficial translation**

Pursuant to the provisions of these Rules, the guarantee to be provided by each Agent shall cover, with no limitation whatsoever, the obligations it assumes by virtue of its Trades on the Organised Gas Market.

These guarantees are to be valid for at least long enough to cover up to the last day of payment corresponding to the product to be acquired, plus a period that permits their enforcement if necessary.

### **Operating Limit**

The Market Operator shall dispose of the value of the Operating Limit of each Consolidation Account updated at all times, for consolidation in the validation of orders presented to the Trading Sessions. Said values shall be published through the Market Platform, as set out by means of a Market Resolution.

Within the time frames specified in the Market Resolution, the Market Operator shall calculate the Initial Operating Limit per Consolidation Account. To accomplish this, the following values regarding the Consolidation Account and the Market Assignment Account linked to said Consolidation Account shall be considered, as specified in the Market Resolution and which are in force at the time referred by said Initial Operating Limit:

- a) Available operating Balance in the Market Assignment Account
- b) Collection rights due and not collected, with the applicable taxes, which exceed the payment obligations that are due and not paid and the value of the purchasing bids that remain in the order book, with the limitations stipulated in the Market Resolution established by the specifications of the products.

As a consequence of the foregoing, an Initial Operating Limit may exist that is applicable to each product.

A Consolidation Account's Operating Limit shall be calculated at any given time by the Market Operator as the sum of the following items:

- a) Value of the last Initial Operating Limit.
- b) Modifications of the Operating Balance that is Available in the Market Assignment Account since the last Initial Operating Limit calculation.
- c) Collection rights due and not collected, with the applicable taxes, which exceed the payment obligations that are due and not paid and the value of the purchasing bids that remain in the order book, with the limitations stipulated in the Market Resolution established by the specifications of the products that have not been taken into account in the last Initial Operating Limit calculation.

As a consequence of the foregoing, there may be an Operating Limit applicable to each product.

## **Non binding unofficial translation**

### **6.6 The exchange of information between the Market Operator and the Guarantees Manager.**

The market Operator will send the Guarantees Manager the requirements stipulated for the process of registering the Agent in the Market Resolution "Invoicing, collections and payments and guarantees". When this requirement has been met, the Guarantees Manager will notify the Market Operator.

The Market Operator will notify the Guarantees Manager regarding the requirements for guarantees so that it may calculate the Available Operating Balance of the market activity as well as inform the Market Operator regarding the compliance with said requirements.

The requirements on guarantees to be communicated to the Guarantees Manager will be listed in the Resolution "Invoicing, collections and payments and guarantees".

The Guarantees Manager will request confirmation from the Market Operator regarding the requests for reducing the guarantees assigned to the Market Assignment Account. The Market Operator will confirm said reduction after having checked that said guarantee is not being used and will take this into account when calculating the Operating Limit.

The Guarantees Manager will notify the Market Operator regarding increases of guarantees assigned to the Market Assignment Account. The Market Operator shall take these into account when calculating the Operating Limit.

### **6.7 Non-compliance with the formalisation requirements of the guarantees**

If the Guarantees Manager notifies the Market Operator regarding the non-compliance by part of a Guarantees Account Holder with providing new guarantees as requested by the Market Operator or with maintaining the guarantee instruments, the Market Operator may suspend the related Consolidation Account.

### **6.8 Defaults payments regime**

In the event that a debit Consolidation Account fails to make payment, the Market Operator, after notifying the interested party, will ask the Guarantees Manager to ensure that the guarantee is enforced, and, if necessary, shall dispose of the collection rights proven by the holder. If the enforcement of the guarantees permits the collection of the full amount pending, the Market Operator shall pay the creditors.

If on the day when payment is due, the Guarantees Manager has not been able to make the deposit in the Market Operator's Account, in the amount executed to cover the entire owed amount, the collection rights of the holders of the

### **Non binding unofficial translation**

Consolidation Accounts with a credit position within the same invoicing period, shall be reduced proportionately.

The holder of a Consolidation Account in default shall be obliged to pay a penalty, as stipulated through a Market Resolution. Furthermore, the amounts due and pending shall accrue interest, to be counted from the date on which the payment was due, until the date when the amount pending has effectively been paid.

Once the debt has been settled, the Market Operator shall proceed to its clearance, paying the creditors the amount due plus the corresponding default interest.

The provisions of this Rule shall be described in greater detail in the corresponding Market Resolution.

MINETUR and CNMC are to be informed in the event of any default.

The Agents unconditionally and irrevocably authorise the conveyance to the Market Operator, in its capacity as counterparty, of all those collection rights pending payment in the market in which an Agent is a creditor.

These collection rights shall be understood as assigned to the Market Operator, in its capacity as counterparty, from the moment in which they have been used as collateral for market operations.

Without prejudice to the provisions of these Rules, these rights may be used by the Market Operator, in its capacity as counterparty, solely to offset any possible breach of the payment obligations involving the operations covered by them.

## **7 MARKET INFORMATION**

### **7.1 Confidentiality of market information**

For a period of five years, Agents undertake to uphold the confidentiality of the data regarding the method of access to the Market Platform, to safeguard their electronic passwords, and to notify the Market Operator of any incident affecting the security of said information.

The Market Operator undertakes to uphold the confidentiality of the data that the vendor and the purchaser have disclosed to it in an order, according to the provisions of these Rules.

The Agents shall have access to the data on other Agents solely when the information is provided in aggregate form.



### **Non binding unofficial translation**

The data corresponding to an Agent's economic results shall be considered confidential for all the other Agents.

## **7.2 Information for Agents**

The Market Operator shall provide the Agents with the information they need for undertaking the market processes through the Market Platform. Access to this system requires the use of the digital access certificates provided by the Market Operator. Depending on which Agent the person accessing the system belongs to, and the access permissions provided by the digital access certificate, the system shall provide the accessible data, in all cases upholding the criteria of confidentiality.

The information available shall include, among others, the following:

- i. Calendar and Timetable of Sessions
- ii. Updated information about the Agent's available guarantees Trades closed by the Agent
- iii. Trades closed on the market
- iv. Evolution of the prices for each product in the different Trading Sessions
- v. List of detailed entries by Trading Portfolio and product
- vi. Log record of matched orders

## **7.3 Information for supervisor bodies**

The Market Operator shall collaborate with the regulatory bodies and with the Agents Committee to ensure the transparency of the market and its results, without prejudice to the relevant market information that, pursuant to current legislation, is to be sent to ACER and CNMC, as energy market supervisors, and as appropriate, to MINETUR or to other competent authorities.

Accordingly, the Market Operator may draw up reports based on parameters that facilitate a better monitoring, observation and verification of the data on the Organised Gas Market. Regarding such reports, the Market Operator shall apply the pertinent criteria of confidentiality.

## **7.4 Public information**

The Market Operator shall use its website to publicly disclose, without the need for registering, the following information at least, as well as whatsoever other specific information stipulated by the regulation:

- i. Applicable legislation
- ii. Market Rules in force
- iii. Market Resolutions
- iv. Instructions
- v. User guides
- vi. List of Agents

## **Non binding unofficial translation**

- vii. Number and identity of Market Maker Agents.
- viii. Calendar of Working Days and Banking Days
- ix. Data on prices, volumes and amounts as specified forthwith:
  - a) Volumes and amounts traded daily
  - b) Volumes and amounts traded by Gas day and place of delivery
  - c) Price of daily Auction
  - d) Latest Daily Price
  - e) Daily Reference Price
  - f) Maximum Daily Price
  - g) Minimum Daily Price
  - h) Price Difference between Purchases and Sales
  - i) Price Index for the Gas day and place of delivery
  - j) Price and Volume for Operational Gas
  - k) The Marginal Purchase Prices and Marginal Sales Price necessary to calculate the imbalance rates.
  - l) Any other reference price defined in the regulation or required for the settlement of forward or future products

The method for calculating these data and their time of disclosure shall be stipulated by a Market Resolution.

## **8 MARKET AGENTS COMMITTEE**

### **8.1 Duties**

The Agents Committee for the Organised Gas Market is an advisory body whose purpose is to know and be informed of the market functioning and management of the market as undertaken by the Market Operator, and the drafting and channelling of proposals that may help to improve its performance.

The Agents Committee's specific duties are as follows:

- i. Know and be informed of the market's evolution and functioning and the development of the matching and settlement processes.
- ii. Know, through the Market Operator, of any incidents that have taken place during the market's operations.
- iii. Analyse the market functioning and propose to the Market Operator any amendments to the rules that may lead to a change or improvement in the market's operation procedures.
- iv. Report any new proposals on the Rules and Market Resolutions, including, as appropriate, the individual votes cast by its members.
- v. Advise the Market Operator on the resolution of any incidents that may arise in the Trading Sessions.

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## **8.2 Members**

The Agents Committee shall be made up of delegates from the Market Operator, the Agents, the CNMC, the Guarantees Manager, and the Technical Managers. In addition, both the Market Operator and the Agents Committee may invite delegates to speak, but not vote, from each one of the following groups: the market's transmission companies, distributors and consumers, and relevant associations with links to the sector.

## **8.3 Appointment of members and operating rules**

The Agents Committee shall approve its internal operating rules, which shall set out the mechanism for appointment of members, the frequency of its meetings, procedures for their convening, code of conduct, procedures for adopting agreements, and the timeframe for renewing its members.

The office of member of the Agents Committee shall not be remunerated.

The Chair and Deputy Chair of this body shall be elected by the Agents Committee from among its full members.

The duties of Secretary shall be permanently undertaken by the Market Operator.

The Market Operator shall post the Committee's agenda and any proposed amendments to the Market Rules or Market Resolutions to be discussed at the meeting on the market's publicly accessible website.

## **9 MARKET RESOLUTIONS AND INSTRUCTIONS**

The Market Operator may propose the approval of the Market Resolutions required for the development and application of the Rules. These Market Resolutions, which shall include those designed to define the Auctions and the products to be negotiated on this market, shall provide details on the different processes.

The Market Resolutions shall be approved by means of Ruling from the Secretary of State for Energy, following a report from the CNMC. Once they have been approved, they are of mandatory compliance for those Agents affected by their scope of application.

In those cases of urgency and when strictly necessary for the market's proper operation, and always according to a principle of prudence, the Market Operator may issue those Instructions that are strictly necessary to the need to introduce operational details of the Rules or Market Resolutions. Once published by the

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Market Operator, they are to be notified to MINETUR, CNMC and the Agents Committee.

Likewise, the Market Operator may prepare User Guides for the effective operation and proper use by the Agents of the IT systems and Market Platform associated to their normal operation.

Said User Guides shall be notified to the MINETUR, the CNMC and the Market Agents Committee.

## **10 DATA PROTECTION**

Pursuant to the provisions of the Organic Law 15/1999, on Data Protection, any personal data provided and those that the Agents may provide at any given moment, in observance of the relationship entered into with the Market Operator, shall be included in an electronic data file held by said operator and kept under its responsibility. The purpose of said file is to register and monitor the Agents, ensuring the connections within the market, as well as the security in the company's commercial relations.

Included among the aforementioned personal data, a security recording shall be made of the telephone conversations with the Operations Room made by those persons that are acting on behalf of the Agent at any given moment.

The Agent expressly authorises the Market Operator to send out commercial communications related to the Market Operator's scope of business, via electronic or other analogous means. The Agent may withdraw its permission by sending a letter to the company's registered address as specified below, or by writing to the following e-mail address: info@mibgas.es. Likewise, the Agent authorises the Market Operator to send the necessary data to the Guarantees Manager and to both Technical Managers for the pursuit of their duties.

The Agent may, at any time, access the aforementioned file for the purpose of exercising its rights to access, correct, cancel and contest its personal data. These rights may be exercised by means of a written communication sent to the registered address of Mibgas, S.A.

## **11 LIABILITY AND FORCE MAJEURE**

The Market Operator may not be held liable for the consequences of any actions involving the Agents or third parties, or those arising from the application of these Rules on the Organised Gas Market and of the information and communications systems of third parties used for sharing data with the Market Platform. Neither shall the Market Operator be held liable for the consequences arising from any circumstances that are beyond its direct control,

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involving cases of force majeure or of a fortuitous nature, for the indirect consequences of the actions and operations undertaken on the gas market or for the risks arising from its operations.

For the purposes of these Rules, events that could not have been foreseen or which although foreseen were inevitable, as established in Article 1105 of the Civil Code shall be considered as causes of force majeure.

For illustrative purposes only, the consideration of force majeure shall include the failure of the Market Platform due to any unforeseen circumstances or which, in the event that they could have been foreseen, are inevitable.

The Agents may not adduce reasons of force majeure in relation to their commitments on the delivery or withdrawal of gas acquired through the market, without prejudice to the measures the Government may take in the event of the declaration of a state of emergency, pursuant to the provision of article 101 of Spain's Law 34/1998.

## **12 APPLICABLE LEGISLATION AND THE RESOLUTION OF DISPUTES**

1. These Market Rules are governed by the law of the Kingdom of Spain.
2. Any disputes which may arise, regarding trading on the market and management of the market guarantees, shall be resolved as established in Article 12.1.b) of Act 3/2013, of 4 June, governing the establishment of the National Markets and Competition Commission.
3. The rulings of the National Markets and Competition Commission shall determine all issues raised, shall conclude administrative action and may be appealed before the contentious-administrative courts.
4. The Markets and Competition Commission shall ensure effective compliance of the rulings handed down by it, by virtue of the terms of this article.
5. Notwithstanding the above, any controversies, disagreements, claims or differences that may arise regarding this issue and which cannot be resolved using the conflict resolution procedure under the terms listed in the paragraph above, may be subject to arbitration by the National Commission for Markets and Competition in accordance with article 5.1.b of Law 3/2013 of 4 June.
6. The language used during the arbitration will be Spanish.
7. The arbitration shall take place in the city where the National Commission for Markets and Competition has its main office.
8. The arbitration decision issued by the National Commission for Markets and Competition will be final and of required compliance by the parties. In this regard, both Parties shall agree to accept and fully comply with the issued decision.

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9. Everything included in this clause shall be compatible with Law 3/2013 of 4 June and Royal Decree 657/2013 of 30 August, which approves the Organic Statute of the National Commission for Markets and Competition and, additionally, Law 60/2003 of 23 December regarding Arbitration.

### **13 AMENDMENTS TO THE MARKET RULES**

Under all circumstances, each Agent's adhesion to the Market Rules shall also apply to any amendments that may be made to the same by virtue of the provisions of this Rule.

**Two. Appendix III is replaced by the following appendix:**

#### **APPENDIX III: INVOICING, COLLECTION AND PAYMENTS AND GUARANTEES**

##### **1 PROCEDURE FOR INVOICING TRADES ON THE ORGANISED GAS MARKET**

###### **1.1 Previous considerations**

In matters referring to this Market Resolution, the parties with purchase trades who have lost their Agent status in the market for one of the reasons established in the Rule "Withdrawal of a Market Agent" shall be included within the term Agent without loss of generality.

###### **1.2 Agents to be invoiced**

Agents are to be invoiced for each one of their Register Accounts and associated Consolidation Account.

For the purposes of this Market Resolution, every Agent shall be considered a vendor Agent for their sales Trades. Likewise, every Agent shall be considered an acquiring Agent for their purchasing Trades.

Every vendor Agent shall appear as the supplier on the invoice for their sales to the Market Operator, which shall be the recipient. Every acquiring Agent shall be the recipient of the invoice for their purchases for which the Market Operator shall be the supplier.

Agents may therefore be both the suppliers and recipients of invoices over the same invoicing period.

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**1.3 Determination of purchase-sales Trades on the Organised Gas Market**

The determination of the Trades undertaken on the Organised Gas Market is necessary in order to perform the invoicing process in a due and proper manner.

In each sales Trade undertaken by an Agent, the Market Operator shall be the acquiring counterparty. In each purchase Trade undertaken by an Agent, the Market Operator shall be the vendor counterparty.

**1.4 Issuing an invoice**

The sales Trades undertaken on the Organised Gas Market shall be documented by the Market Operator in the form of invoices issued by that entity in the name and to the account of the vendor Agent.

The data for identifying the recipient of the operation shall be those corresponding to the Market Operator. The data for identifying the supplier of the operation shall be those corresponding to the vendor Agent

The Market Operator shall issue an invoice for purchase Trades to each acquiring Agent, in which the data for identifying the supplier shall be those corresponding to the Market Operator and the data for identifying the recipient of the invoice shall be those corresponding to the acquiring Agent.

**1.5 Items to be included on the invoice**

The invoice shall include, besides the data identifying the seller and purchaser, as specified under the point "Issuing an invoice", the following items:

- i. Series of invoice for each sales invoice of a vendor Agent and correlative numbering.
- ii. Series of invoice for each sales invoice of the Market Operator for its sales to an acquiring Agent, with correlative numbering.
- iii. Date of issue.
- iv. Due date. This shall be the payment date if the invoice is issued to an acquiring Agent, or the collection date if the invoice is issued to a vendor Agent, pursuant to the provisions of the point "Collections and payments" in this Market Resolution.
- v. In the case of an invoice issued to an acquiring Agent, the following parameters are to be provided in the header on the Agent's invoice, referring to the domicile of the economic activity or the fixed establishment to which the energy is delivered, when involving a taxable dealer whose main activity is reselling, as per Directive 2006/112/EC, or the parameters on the establishment located in the territory in which the energy is consumed in the case of other taxable persons: the Agent's registered address, the specific person to whose attention the invoice is

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issued, tax number (referred to in Spain as *código de identificación fiscal - CIF*), address, postcode, city, province/state, and country.

- vi. In the case of an invoice issued by a vendor Agent, the same parameters are to be included in the header of the invoice as specified for the invoice as purchaser.

The invoice shall include the value of the economic results of the Agent's purchase or sales Trades depending on the invoice involved, referring to products with delivery on the Gas days falling within the invoicing period. The value of the economic results shall be calculated by the Market Operator according to the Rules on the Organised Gas Market. The aggregate values per invoicing period specified on each Agent's invoice, together with all applicable taxes and quotas, shall be calculated on the day after the end of the invoicing period.

The invoice issued by the vendor Agent shall specify the amount to be collected for the sales Trades on deliveries according to the Rules on the Organised Gas Market. The acquiring Agent's invoice shall specify the amount to be paid for the purchase Trades that have been undertaken according to the Rules on the Organised Gas Market. Likewise, all mandatory quotas and taxes are to be included.

### **1.6 Applicable quotas and taxes**

Value Added Tax (VAT) and Fuel Tax (FT) shall be levied as per the specific regulations governing the delivery of gas, the VAT rate applied to the natural gas delivered through a network located in Community territory or any other pipelines connected to that network, and the consideration of "in bond" for the purpose of the special manufacturing taxes on the network of gas pipelines in Spanish territory.

The tax rate for FT shall be expressed in EUR/MWh.

The Agents shall notify the parameters regarding their establishment, as well as any changes made to them, which shall be used as the basis for determining the tax regime applicable.

### **1.7 Agent invoicing data**

An essential requirement for registering as an Agent shall include everything required for the Agent to be invoiced. Any recording or modification of these data is to be requested through the Platform for Registrations and Consultations, which shall be accepted by the Market Operator if the application is correct.

Any changes made to these data that affect the invoicing shall not have any effect on those dates for which an invoice has already been issued.



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**1.8 Invoicing period**

The invoicing shall be performed on the first Working day in the week for all the Gas days in the preceding week from Monday to Sunday.

**1.9 Electronic invoicing**

Invoices shall be issued electronically using the Market Operator's advanced electronic signature based on a recognised certificate created by a secure signature generating device.

Invoices issued electronically may be downloaded via the Platform for Registrations and Consultations, which in turn ensures confidentiality.

An electronic invoice shall be issued in XML format, following the structured format of the Facturae electronic invoice model, version 3.2 or higher, with an electronic signature that complies with the specifications of XML Advanced Electronic Signatures (XAeS). In addition, the content of the invoice is to be issued in a readily readable format.

Once the invoice has been received, Agents may use the signature verification mechanism to check the following:

- i. The authenticity of the invoices' origin, in other words, they have been issued by the Market Operator.
- ii. The integrity of their content, in other words, they have not been modified.
- iii. The Market Operator's signature creation certificate has not been revoked.

In order to uphold the obligation to keep the invoice, the Market Operator's database shall store the electronic invoicing files, which shall be permanently available to the Agent.

**1.10 Rectifying invoices**

In the event of an error in an invoice, according to the contingencies provided for in applicable legislation, the Market Operator shall issue a rectifying invoice, specifying the correction of the data in the case of any amendment made to amounts and/or energies, which shall state the differences with the previous ones.

**1.11 The Market Operator's tax obligations regarding invoicing**

The Market Operator shall provide a detail in its annual statement of operations with third parties, according to the terms provided for Royal Decree 1065/2007, of 27 July 2007, approving the General Regulation of the actions and procedures of tax management and inspection and of development of the common rules of the procedures of application in tax matters, on the operations undertaken by sellers and purchasers that have been documented as per the provisions of the point "Issuing an invoice", specifying for each seller and for

### **Non binding unofficial translation**

each purchaser the total amount of the operations undertaken during the period covered by the statement, in which purchases shall be the sale of energy attributable to each vendor and sales shall be the purchases of energy attributable to each acquirer.

In addition, the Market Operator shall proceed to settle for Value Added Tax, the Special Fuel Tax and whatsoever other taxes and quotas applied in the invoices, according to the terms laid down by law, as a taxable entity and taxpayer for those taxes.

#### **1.12 Obligations of the parties regarding invoicing**

For the purposes of invoicing, the Agents expressly acknowledge and declare they are fully aware of all their tax obligations regarding the activities for which the Market Operator is to issue an invoice in their name, in the case of sales, or is to place an invoice at their disposal, in the case of purchases. In particular, and for illustrative purposes only, observance shall be made of the regulations on Value Added Tax and the Special Fuel Tax, without prejudice to any other quotas or taxes that may be applicable. Under no circumstances and in no way may the Market Operator be held responsible by the Agents for any breach of the tax regulations that may be of application to them at any given moment.

The Agents shall provide the Market Operator with whatsoever information as necessary that is required of them for the proper operation of the invoicing system.

## **2 SYSTEM OF COLLECTIONS AND PAYMENTS**

### **2.1 Consolidation accounts**

Each Agent will have its own Consolidation Account

### **2.2 Collections and Payments**

There follows a definition of these parameters:

N: Day of disclosure of the collections and payments to be made. It shall coincide with the invoice's date of issue.

P: Payment day, it shall coincide with the second day that is a Working day and Banking day after day N. In those weeks that contain, from Monday to Friday, three non-working and non-banking days, the payment day shall be the Working day and Banking day after day N.

C: Collection day, it shall coincide with the Banking day after day P.

The Market Operator may issue an instruction to modify parameters N, P and C.

## **Non binding unofficial translation**

Unless they are holidays, day N shall fall on a Monday, day P on a Wednesday, and day C on a Thursday.

### **2.3 Characteristics of credit or debit notes**

#### **2.3.1 Disclosure of debit and credit notes**

On day N, the Market Operator shall disclose to each holder of a Consolidation Account, through the Platform for Registrations and Consultations, the credit or debit notes for each Consolidation Account, which shall specify the net amount to be paid or collected.

The credit or debit note shall include the following:

1. Invoices from the Consolidation Account holder during the invoicing period. Inclusion shall be made of the invoices issued by the Market Operator in the Agent's name for its sales, and those issued by the Market Operator to the Agent for its purchases.
2. Those invoices that have been modified due to the resolution of incidents, or for any other reason provided for in the Rules on the Organised Gas Market, such as the fact that the Working day prior to disclosure belongs to the invoicing period.
3. All those corrections that may arise during the normal arrangement of collections and payments, such as penalties, default interest or overpayments, corrections for movements in cash balances that the holders of Consolidation Accounts and of Guarantees may have paid, or any other cash movement that may need to be included in this note.
4. When the holder of a Consolidation Account has defaulted on the payment of a past invoicing period, and that payment has been covered in part by collection rights in future invoicing periods, once that invoicing period has arrived the payment of the collection rights, in the amount as required, shall not be made to the holder of the account, but instead used to pay the holders of the Consolidation Accounts that are creditors in the invoicing period in which the default occurred, raised by the default interest. This circumstance shall be documented in the credit notes of the holders of the Consolidation Accounts affected, regarding both the default debt and the creditors.
5. The withholdings required to be applied to a Consolidation Account holder in accordance with the "Criteria for determining the amount of the guarantees to be provided" and the "Rights of the holders of Consolidation Accounts that become creditors".
6. Any other known cause at the moment of disclosure of the credit or debit note for which the holder of the Consolidation Account has a restricted right to the collection of all or part of the collection rights.

### **Non binding unofficial translation**

The Market Operator shall disclose to the holders of Consolidation Accounts their debit or credit note, which is to feature, as appropriate, the following:

- i. Name of the holder of the Consolidation Account.
- ii. Name of the Consolidation Account.
- iii. Due date, which shall be day P if it is a debit, and day C if it is a credit.
- iv. Payment date and deadline.
- v. The Market Operator account into which the payment is to be made, as appropriate.
- vi. The account of the holder of the Consolidation Account into which the payment is to be made, as appropriate.

Furthermore, it shall contain a detail of each invoice of each Agent included, specifically:

- i. Reference to the invoice issued.
- ii. Result of that invoice.

Specification is likewise to be made of the total amount to be paid or collected resulting from the sum of all the items included on the note.

### **2.3.2 New disclosure of credit and debit notes**

In certain circumstances, which are specified forthwith, and upon prior notification to the holders of Consolidation Accounts, the Market Operator shall disclose a second version of the debit or credit note after day N. These circumstances are, amongst others, the following:

- i. If on the day of payment there is a situation of default that leads to the pro-rata payment of creditors, as provided for in the point “System of non-payments and default interest” in this Market Resolution, new credit notes shall be disclosed for each creditor Consolidation Account, which shall detail the pro-rata payment of the amount outstanding, and new notes shall subsequently be disclosed to consider the balance of the debt plus interest.
- ii. Whatsoever other cause known at the time of disclosure of the debit or credit note whereby the holder of the Consolidation Account has restricted rights on all or part of the collection rights.

### **2.4 Account specified by the Market Operator for collections and payments**

The Market Operator shall specify a cash account in a domestic bank or financial institution for the purposes laid down in this Market Resolution.

### **Non binding unofficial translation**

This account shall be held by the Market Operator, which shall use it for ordering the charges and payments in said account for Trades on the Organised Gas Market.

#### **2.5 Obligations of the holders of Consolidation Accounts with debit positions**

The holder of a Consolidation Account with debit positions is to pay in the amount outstanding, including any taxes due at any given moment. The costs incurred by the payments shall be payable by the holder of the Consolidation Account.

The deadline for the payment may not extend beyond 10 a.m. on payment date P specified in the point "Collections and Payments". The payment is to be made into the cash account specified by the Market Operator.

The Agents accept that all payments made to cover the obligations contracted on the Organised Gas Market are of an irrevocable nature.

A debtor shall only be released from its payment obligation when it has paid the full amount into the Market Operator's account.

Those Agents that order Bank transfers are to include in them, for their rapid identification by the bank, the code of the Consolidation Account that appears in the Market Operator database.

#### **2.6 Rights of the holders of Consolidation Accounts with credit positions**

The Market Operator shall issue instructions to the bank or financial institution in which it holds the cash account regarding payments in favour of the holders of Consolidation Accounts with credit positions. The Market Operator shall issue the payments to the creditors into the account they have previously specified.

The details of the bank account for collections by the Agent holder of the Consolidation Account may only be notified and modified by a request made through the Platform for Registrations and Consultations by a person empowered by the Agent, being accepted by the Market Operator if the data on the bank account are complete and free of errors. If the Agent so requires, the holder of the account need not be the Agent itself.

The day upon which the credit is to be paid shall be collection day C defined in the point "Collections and Payments" for the Agents holders of Consolidation Accounts with debit positions.

The payment against the aforementioned cash account shall be made by the bank on the same day and with the same value date specified in the preceding paragraph.

### **Non binding unofficial translation**

Notwithstanding the above, for the purpose of disposing of the collection rights in the calculation of the Initial Operating Limit, it shall be considered that those collection rights are considered collected and are no longer available for their use when calculating the amount to be collected and included in the credit note for the applicable invoicing period published on day N.

The Market Operator will withhold all or part of the accredited collections of a holder during an invoicing period if required for covering their guarantees requirement. Said amounts withheld will be reported in the credit or debit note and once effective, will be transferred to the Guarantees Manager as a cash guarantee of the Guarantees Account Holder and will be assigned to their Market Assignment Account.

### **2.7 System of non-payments and default interests**

In the event of non-payment or of delay in payment, the holder of the Consolidation Account with debit positions due and outstanding shall be required to pay a penalty of 0,01% of the default amount, with a minimum of EUR 400, for which the Market Operator shall invoice it. In the event of failure to pay the penalty, the Market Operator may either include it in the next credit or debit note or request the Guarantees Manager enforce their guarantees.

The amounts due and outstanding shall accrue default interest, to be counted as of the date upon which the amount was due, and no proof has been provided to date that the amount outstanding has in fact been paid, as determined forthwith:

If at 11 a.m. on the date of payment the Market Operator bank has not received firm notification of payment with a value date on the day of payment or the previous one, it shall issue a certificate, specifying the holder and the amount outstanding. After receiving this notification, the Market Operator shall act in accordance with the following procedure:

- If it hasn't been able to verify that the payment has been ordered, the Market Operator, after notifying the interested party, will ask the Guarantees Manager to enforce the guarantee in accordance with the "Criteria for acting against non-compliances".
- When the payment is being covered with future collection rights, these shall be used to offset the amount due and outstanding.
- If the Guarantees Manager deposits the payment in the Market Operator's Account prior to the payment due date or if the payment has been delayed until the payment due date, the Market Operator will execute all the scheduled payments.
- If on the day the payment is due, the Guarantees Manager has not been able to make the deposit of the executed amount to cover the entire owed amount in the Market Operator's Account or if payment has been

### Non binding unofficial translation

delayed beyond the scheduled payment date, the Market Operator will proportionally reduce the payments to Consolidation Account Holders that become creditors by the owed amount.

- The amount due and outstanding shall accrue default interest, with a minimum of EUR 400, to be charged to the account of the Agent in default. The total amount due and outstanding shall be the term D that is described in the formula presented below.
- In order to settle the amount payable by the default debtor, if it cannot be offset by the enforcement of the guarantees, the Market Operator shall withhold the collections that the debtor has accredited in future settlements up to the amount required for covering the amount due and outstanding plus the default interest.
- The Market Operator shall proceed to the corresponding settlement of creditors once the amount due and outstanding has been paid, paying the amount still outstanding plus the corresponding default interest to the creditors. Accordingly, it shall share the amount D on a pro-rata basis among the creditors in that invoicing period.

The amount D due and outstanding shall be calculated according to the following formula:

$$D = E + \text{Max}[E * i * P / 360; 400]$$

Where:

D: Amount due and outstanding, including default interest.

E: Amount due and outstanding, excluding default interest.

i: Applicable default interest rate.

P: Period for the settlement of interest, expressed in days.

The applicable default interest rate shall be the result of applying the interbank interest rate according to the average rate published daily by the Bank of Spain for one-day deposits (EONIA) raised by three percentage points.

Irrespective of the above, the debtor in default on the Organised Gas Market shall be liable for all losses and damages caused by the delay in payment.

## **2.8 Calendar of collections and payments**

On a yearly basis, and once the bank holidays have been announced for Spain as a whole and for the Autonomous Community of Madrid, as well as the non-working days for the Bank of Spain, the Market Operator shall present the Agents with a schedule of dates for payments and collections for the following year, which shall run from 1 January to 31 December, taking into account Working days and Banking days. This calendar shall likewise specify the date

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for the notification of debits and credits for each invoicing period. The Market Operator reserves the right to modify these dates, provided it gives prior notice of at least one month, and for a justified reason in all cases.

### **3 CALCULATION AND MANAGEMENT OF GUARANTEES FOR PARTICIPATION IN THE ORGANISED GAS MARKET**

#### **3.1 Arranging guarantees**

Agents are to have an associated Consolidation Account as stipulated in the Rules on the Organised Gas Market. This Consolidation Account is to be used to record all the Agent's responsibilities that are to be covered by guarantees as a result of its participation in the Organised Gas Market.

Each Consolidation Account will be linked to a Market Assignment Account, where its owner will assign the amount of the implemented guarantees to cover his/her participation in the market in accordance with the Rules for Managing the Guarantees in the Gas System (Spanish acronym: NGGSG).

The guarantee required from each Agent must be sufficient to cover the economic obligations arising from its Trades and the other obligations established in the Rules, at their price, as well as the other items included in the point "Applicable quotas and taxes", and on the same day upon which the corresponding period is settled.

#### **3.2 Enforcing guarantees**

The Market Operator will release the guarantee requirements as long as the Consolidation Account Holder it is associated with has complied with all obligations derived from their participation in the market, notwithstanding what is stipulated in the "Non-integrated sales transactions" Rule.

#### **3.3 Coverage of guarantees**

A guarantee requirement is understood to be the sum of each Agent's responsibilities that are to be covered by guarantees.

The coverage of the guarantee requirements is the responsibility of the holders of the Consolidation Accounts.

The requirement for the holder of a Consolidation Account to furnish guarantees to cover the guarantee requirements precedes su acceptance of the registration on the market como Agente. At such time as submits an order or makes a Trade, a guarantee requirement shall be produced which shall be registered in the Consolidation Account y será comunicado al Gestor de Garantías.

The Guarantee that must be provided by each Consolidation Account Holder will cover the obligations assumed under the valid accepted bids and their



### **Non binding unofficial translation**

transactions without limitations, pursuant to what is stipulated in the Organised Gas Market Rules.

The guarantee provided must cover any taxes in force and fees that may be due from the Agent, as well as any other outstanding economic obligation to the Spanish gas system notified by the GTS, under the terms established in law, in particular, in Article 29.8 of Royal Decree 984/2015 of 30 October 2015 governing the Organised Gas Market and third-party access to the facilities of the natural gas system.

The guarantee provided is also to cover any interest and penalties that may be due, in accordance with this Market Resolution, in the event of default.

This guarantee shall not cover those obligations contracted with customers, persons or entities other than the Agents that act in the Organised Gas Market.

### **3.4 Types of guarantee requirements**

The following types of guarantee requirements are to be considered for each Consolidation Account:

- i. An initial guarantee requirement for covering possible default payments and penalties, which shall amount to EUR 20,000 and is to be maintained at all times while the Consolidation Account is open.
- ii. A credit guarantee requirement that shall cover the payment obligations due and outstanding plus any taxes and the value of the valid orders accepted. The collection rights accrued and outstanding plus any taxes shall reduce the credit guarantee requirement by that amount with the limitations stipulated in the Market Resolution, which establishes the product specifications.
- iii. An additional guarantee requirement associated with the sales orders and sales Trades and with the net sales balance. The amount of said guarantee shall be specified in the Market Resolution that establishes the product specifications.
- iv. A supplementary guarantee requirement that Agents are obliged to present in those cases in which the Market Operator deems it necessary, either because the risk is higher than the guarantee's coverage, or for other special circumstances that objectively justify the demand for supplementary guarantees.

Accordingly, the Market Operator may call upon a credit rating agency to assess the risk of the holder of the Consolidation Account for the purpose of objectively justifying the demand for a supplementary guarantee requirement, with the cost being charged to that holder.

### **3.5 Formalising guarantees**

The Consolidation Account Holder will process the guarantees before the Guarantees Manager in accordance with the NGGSG.

### **3.6 System for determining the figure for guarantees**

#### **3.6.1 Criteria for determining the figure for the guarantees to be presented**

Based on the provisions of the point "Coverage of guarantees", the figure for the guarantees to be presented by each holder of a Consolidación Account at any given moment is to be determined by the Market Operator in response to its guarantee requirements.

Guarantees to cover the requirement of additional guarantees as established in "Types of guarantee requirements" must be furnished within a period of two Working and Banking days, in the event that the Operating Balance Available in the Market Assignment Account does not cover said requirement.

#### **3.6.2 Initial Operating Limit**

The value of the Initial Operating Limit (IOL) will be calculated by the Market Operator for each Consolidation Account each day after the Day trade Session has closed.

#### **3.6.3 Guarantee requirements calculation**

At each moment, the guarantee requirements will be the sum of the following items:

- a) Initial Guarantee requirement
- b) Credit Guarantee requirement. It will be comprised of the following items:
  - i. Economic results added by Consolidation Account of the obligations to pay for products with delivery after the first gas Day of the current invoicing period, in the part that affects said gas Days, plus its taxes rounded upward to the two nearest decimal places.
  - ii. Plus, the valuation of the valid accepted bids that remain on the Order Book.
  - iii. Minus the economic results added by Consolidation Account of the obligations to pay for products with delivery after the first gas Day of the current invoicing period, in the part that affects said gas Days, plus its taxes rounded downward to the two nearest decimal places, in the part that does not exceed the amounts of paragraphs i. and ii above, with the limitations defined in the Market Resolution, which establishes the specification of the products.
  - iv. Plus the amount of the payments pending per debit Consolidation Account of the previous invoicing period. For this purpose, we

### **Non binding unofficial translation**

consider that all payments have been made once the Daily Trading Session of the payment date has ended.

- v. Minus the amount of the payments pending per credit Consolidation Account of the previous invoicing period. For this purpose, we will consider that the collection rights will be available based on the deadlines established in paragraph "Rights of the Consolidation Account Holders that are creditors"
- c) Additional guarantee requirement for the seller net balances by product derived from the Transactions as described in the market Resolution, which establishes the specification of the products.
- d) Supplementary guarantee requirement if applicable.

### **3.7 Information on guarantees placed at the disposal of Agents**

Agents may access the Market Platform at any time to consult the following information:

- i. Value of the Operating Limit available in their Consolidation Account.
- ii. Detail of their own entries that have been recorded in su Consolidation Account.

### **3.8 Criteria for dealing with non-compliances**

Two types of non-compliances are considered:

- i. Non-compliance with payment:  
If the holder of a Consolidation Account should default, in part or in full, on any one of its payment obligations arising from the Trades undertaken on the Organised Gas Market, the Market Operator will request the Guarantees Manager, with the utmost diligence and at its earliest possible convenience, enforce the guarantees arranged and, if necessary, it shall dispose of the collection rights accredited by the holder, in order to ensure the party in breach fulfils its obligations, as per the provisions of the point "System of non-payments and default interest".
- ii. Non-compliance with the coverage of the sum of guarantees required  
If for any reason, the guarantees provided by the holder of the Consolidation Account are less than the guarantees required, within the periods indicated in "Criteria for determining the amount of the guarantees to be furnished" the Guarantees Manager shall notify the Market Operator, to immediately suspend the Consolidation Account and temporarily suspend their Agent status. Once the holder of the Consolidation Account has sufficiently replaced the guarantees, the Guarantees Manager shall notify the Market Operator.

The Market Operator shall submit regular reports on cases of non-compliance and the enforcement of guarantees to the Directorate General for Energy Policy

**Non binding unofficial translation**

and Mining, the CNMC, the corresponding Technical Manager and the Market Agents Committee.

## 4 CLAIMS

Agents may present claims regarding the processes of invoicing and collections and payments within the three Working days following their disclosure.

Under no circumstances shall the presentation of a claim release an Agent from its payment obligations.

**Three Appendix VI is replaced by the following appendix:**

### APPENDIX VI: PRODUCT SPECIFICATIONS

#### 1. TRADING SESSIONS

##### Daily Trading Session

The Daily Trading Session is defined as a Trading Session that is held every day throughout the year, according to the following timetable:

Start	End	Status	Comments
00:00	8:30	UPC	Trading has not started yet.
8:30	9:30	AUC	Trading is open in Auction mode. Agents may post orders accordingly, and these will be stored until the time of matching.
9:30	9:35	MAT	The period for receiving orders for the Auction has ended, and they are now being matched.
9:35	17:00	CON	Trading is open in Continuous Market mode. Agents may post orders accordingly, which will be matched immediately according to their conditions, as provided for in the Rules on the Organised Gas Market.
17:00	00:00	FIN	Trading has finished and, therefore, Agents may not post any more orders in that session.

##### Intraday Trading Session

The Intraday Trading Session is defined as a Trading Session that is held every day throughout the year according to the following timetable:

Start	End	Status	Comments
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**Non binding unofficial translation**

00:00	8:30	UPC	Trading has not started yet.
8:30	9:30	AUC	Trading is open in Auction mode. Agents may post orders accordingly, and these will be stored until the time of matching.
9:30	9:35	MAT	The period for receiving orders for the Auction has ended, and they are now being matched.
9:35	21:00	CON	Trading is open in Continuous Market mode. Agents may post orders accordingly, which will be matched immediately according to their conditions, as provided for in the Rules on the Organised Gas Market.
21:00	00:00	FIN	Trading has finished and, therefore, Agents may not post any more orders in that session.

## **2. DEFINITION OF PRODUCTS**

### **Intraday Product in the Spanish zone**

#### **Product specifications**

<b>Product code</b>	GWDES ddYYMMDD
<b>Underlying</b>	Natural gas, to be purchased or physically delivered during the delivery period as defined in the Spanish gas system
<b>Place of delivery</b>	Spanish Virtual Balancing Point (PVB-ES)
<b>Delivery period</b>	1 Day of Spanish gas, with this date being identified by the product code ddYYMMDD*
<b>Trading unit</b>	1 MWh/day
<b>Minimum amount to be traded</b>	1 MWh/day
<b>Minimum permitted increment in amount</b>	1 MWh/day
<b>Pricing unit</b>	€/MWh with two decimals
<b>Minimum permitted increment in pricing</b>	0.01 €/MWh
<b>Product volume</b>	1 MWh
<b>Trading days</b>	To coincide with the product delivery date
<b>Trading type</b>	Opening Auction and Continuous Market
<b>Trading Session</b>	Intraday

\*The code "GWDES ddYYMMDD" is used to identify the product delivery period. For example: "GWDES Mo150316" refers to the product to be purchased or delivered at the PVB-ES on Monday 16 March 2015.

## **Non binding unofficial translation**

### **Trading Sessions at which the product is traded**

The product is traded at Intraday Trading Sessions.

However, bids may be issued at any time for future Trading Sessions Auctions of all products that are listed on the Trading Platform. Said bids will be saved until the opening of the Trading Session Auction where the bids have been sent.

### **List of products on the Trading Platform**

This product will be listed on the Trading Platform 4 days prior to it being delivered.

As an exception, on certain gas Days we may extend the days during which it will be listed to a maximum of six days. With enough advance notice, the Market Operator will publish the affected Intraday Products and the days during which it will be listed.

### **Valuation of the order**

Pursuant to the rule “Validation of orders”, purchase orders shall be valued as the product of the amount tendered by the price of the order, plus any taxes and quotas as applicable.

The resulting figure shall be rounded up to the nearest number with two decimal points.

Sales orders shall be valued at zero.

### **Considerations for calculating the Operating Limit, the Initial Operating Limit and the guarantee requirements**

No guarantees shall be required for Sales Trades of the Intraday product.

- Operating Limit: In calculating the Operating Limit applicable to the Intraday product in the Spanish zone (“Daily Operating Limit”) as well as the applicable guarantee requirements during the Trading Session, the collection rights of the Intraday and Daily products in the Spanish zone shall be taken into account without limitations. Of the collection rights of all other products, only the part that serves exclusively to cover payment obligations and valuation of purchase orders of the same product shall be taken into account.
- Initial Operating Limit: Calculation of the Initial Operating Limit applicable to the Intraday product in the Spanish zone as well as the applicable guarantee requirements shall maintain the criterion established in the previous paragraph, except with regard to the amount of the collection rights for the Rest of Month product in the Spanish zone corresponding to the next day of delivery, which may be used without limitations.

**Non binding unofficial translation**

**Daily Product in the Spanish zone**

**Product specifications**

<b>Product code</b>	GDAES ddYYMMDD
<b>Underlying</b>	Natural gas, to be purchased or physically delivered during the delivery period as defined in the Spanish gas system
<b>Place of delivery</b>	Spanish Virtual Balancing Point (PVB-ES)
<b>Delivery period</b>	1 Day of Spanish gas, with this date being identified by the product code ddYYMMDD*
<b>Trading unit</b>	1 MWh/day
<b>Minimum amount to be traded</b>	1 MWh/day
<b>Minimum permitted increment in amount</b>	1 MWh/day
<b>Pricing unit</b>	€/MWh with two decimals
<b>Minimum permitted increment in pricing</b>	0.01 €/MWh
<b>Product volume</b>	1 MWh
<b>Trading days</b>	Series of days falling between day D-3 and day D-1, where D is the product delivery date**
<b>Trading type</b>	Opening Auction and Continuous Market
<b>Trading Session</b>	Daily

\*The code “GDAES ddYYMMDD” is used to identify the product delivery period. For example: “GDAES Sa150131” refers to the product to be purchased or delivered at the PVB-ES on Saturday 31 January 2015.

\*\*Trading days may be extended on an exceptional basis up to a maximum of six days. The Market Operator shall issue, with sufficient prior notice, the list of Daily Products affected and their trading days.

**Trading Sessions at which the product is traded**

The product is traded at Daily Trading Sessions.

Nevertheless, orders may be posted at any time for future Trading Session Auctions of all the products listed on the Trading Platform. These orders will be stored until the opening of the Trading Session Auction to which the orders have been submitted.

**List of products on the Trading Platform**

This product will be listed on the Trading Platform 4 days prior to it being delivered.



### **Non binding unofficial translation**

As an exception, on certain gas Days we may extend the days during which it will be listed to a maximum of six days. With enough advance notice, the Market Operator will publish the affected Daily Products and the days during which it will be listed.

### **Valuation of the order**

Pursuant to the rule “Validation of orders”, purchase orders shall be valued as the product of the amount tendered by the price of the order, plus any taxes and quotas as applicable.

The resulting figure shall be rounded up to the nearest number with two decimal points.

Sales orders shall be valued at zero.

### **Considerations for calculating the Operating Limit, the Initial Operating Limit and the guarantee requirements**

No guarantees shall be required for Sales Trades of the Daily product.

- Operating Limit: In calculating the Operating Limit applicable to the Daily product in the Spanish zone (“Daily Operating Limit”) as well as the applicable guarantee requirements during the Trading Session, the collection rights of the Intraday and Daily products in the Spanish zone shall be taken into account without limitations. Of the collection rights of all other products, only the part that serves exclusively to cover payment obligations and valuation of purchase orders of the same product shall be taken into account.
- Initial Operating Limit: Calculation of the Initial Operating Limit applicable to the Daily product in the Spanish zone as well as the applicable guarantee requirements shall maintain the criterion established in the previous paragraph, except with regard to the amount of the collection rights for the Rest of Month product in the Spanish zone corresponding to the next day of delivery, which may be used without limitations.

### **Balance of Month Product in the Spanish zone**

#### **Product specifications**

<b>Product code</b>	GBoMES YYMM-DD
<b>Underlying</b>	Natural gas, to be purchased or physically delivered during the delivery period as defined in the Spanish gas system
<b>Place of delivery</b>	Spanish Virtual Balancing Point (PVB-ES)
<b>Delivery period</b>	Series of days falling between the day after its trading and the last day of the current month, with

**Non binding unofficial translation**

	this month being identified by the product code YYMM*
<b>Trading unit</b>	1 MWh/day
<b>Minimum amount to be traded</b>	10 MWh/day
<b>Minimum permitted increment in amount</b>	10 MWh/day
<b>Pricing unit</b>	€/MWh with two decimals
<b>Minimum permitted increment in pricing</b>	0.01 €/MWh
<b>Product volume</b>	1 MWh/d * Number of product delivery days
<b>Trading days</b>	From Monday to Friday, series of days falling between the first day of the current month and the fifth day before the start of the following month, both inclusive
<b>Trading type</b>	Opening Auction and Continuous Market
<b>Trading Session</b>	Daily

\*The code “GBoMES YYMM-DD” is used to identify the product delivery period. For example: “GBoMES 1509 - 05” refers to the product to be acquired or delivered at the PVB-ES over the number of days remaining in the current month, in this case, September 2015. This product shall be traded on the 4<sup>th</sup> of September 2015.

**Trading Sessions at which the product is traded**

The product is traded, from Monday to Friday, at Daily Trading Sessions.

**Valuation of the order**

For the purposes of the “Validation of orders” rule, the purchase orders shall be valued as being the result of the amount offered by the price of the order and by the number of days of the delivery period, plus any applicable taxes and fees.

Sales orders shall have a valuation of 10% of the product of the amount offered by the price of the order and by the number of days of the delivery period, plus any applicable taxes and fees.

In both cases, the resulting value shall be rounded up to the nearest two decimal places.

**Non binding unofficial translation**

**Considerations in the calculation of the Operating Limit, the Initial Operating Limit and the guarantee requirements**

Sale Trades of this product shall accrue a demand for guarantees equivalent to 10% of the collection rights corresponding to this Trade, plus any applicable taxes and fees. The resulting value shall be rounded up to the nearest two decimal places.

- Operating Limit: For calculating the Operating Limit applicable to purchase orders of the Balance of Month product in the Spanish zone during the Trading Session (“Balance of Month Operating Limit”) and the applicable guarantee requirements the following criterion shall be used:
  - The collection rights of the Intraday and Daily Products in the Spanish zone and of the product itself shall be used without limitations.
  - The part of the collection rights of other products exceeding their obligations of payment and the valuations of their purchase orders shall not be taken into account.

The sales orders shall be validated against the Daily Operating Limit.

- Initial Operating Limit: In calculating the Initial Operating Limit applicable to the Balance of Month product in the Spanish zone and the applicable guarantee requirements, the criterion established in the previous paragraph shall be followed.

Once the Spanish zone Month-ahead product has ceased to be traded, the collection rights of said product shall be incorporated into the collection rights of the Balance of Month product in the Spanish zone which is beginning trading.

For the net sales balance of the energy corresponding to Trades of this product, excluding the next day of delivery, an additional guarantee shall be required. This shall be equal to the difference of the following:

- The product of said balance by 110% of the Daily Reference Price of the same product as defined in the Market Resolution: “Calculation of Prices and Volumes traded”. Should said price not exist for that session, the price of the previous session shall be used, and so on.
- The balance of collection rights, following deduction of the payment obligations corresponding to said product. If the balance is negative, the value shall be nil.

If this difference is negative, no additional guarantee shall be required.

Any applicable taxes and fees will also be included in this calculation. The resulting value will be rounded up to the nearest two decimal places.

**Month-ahead Product in the Spanish zone**

**Non binding unofficial translation**

**Product specifications**

<b>Product code</b>	GMAES YYMM
<b>Underlying</b>	Natural gas, to be purchased or physically delivered during the delivery period as defined in the Spanish gas system
<b>Place of delivery</b>	Spanish Virtual Balancing Point (PVB-ES)
<b>Delivery period</b>	Series of days falling in the month ahead, with this month being identified by the product code YYMM*
<b>Trading unit</b>	1 MWh/day
<b>Minimum amount to be traded</b>	10 MWh/day
<b>Minimum permitted increment in amount</b>	10 MWh/day
<b>Pricing unit</b>	€/MWh with two decimals
<b>Minimum permitted increment in pricing</b>	0.01 €/MWh
<b>Product volume</b>	1 MWh/d * Number of product delivery days
<b>Trading days</b>	From Monday to Friday, series of days falling between the first and last day of the previous month, both inclusive
<b>Trading type</b>	Opening Auction and Continuous Market
<b>Trading Session</b>	Daily

\*The code "GMAES YYMM" is used to identify the product delivery period. For example: "GMAES 1509" refers to the product to be purchased or delivered at the PVB-ES in September 2015.

**Trading Sessions at which the product is traded**

The product is traded, from Monday to Friday, at Daily Trading Sessions.

**Valuation of the order**

For the purposes of the "Validation of orders" rule, the purchase orders shall be valued as being the result of the amount offered by the price of the order and by the number of days of the delivery period, plus any applicable taxes and fees.

Sales orders shall have a valuation of 10% of the product of the amount offered by the price of the order and by the number of days of the delivery period, plus any applicable taxes and fees.

In both cases, the resulting value shall be rounded up to the nearest two decimal places.

**Non binding unofficial translation**

**Considerations in the calculation of the Operating Limit, the Initial Operating Limit and the guarantee requirements**

Sale Trades of this product shall accrue a demand for guarantees equivalent to 10% of the collection rights corresponding to this Trade, plus any applicable taxes and fees.

- Operating Limit: For calculating the Operating Limit applicable to purchase orders of the Month-ahead product in the Spanish zone during the Trading Session (“Month-ahead Operating Limit”) and the applicable guarantee requirements, the following criterion shall be used:
  - The collection rights of the Spanish zone Intraday and Daily Products and of the product itself shall be used without limitations.
  - The part of the collection rights of other products exceeding their obligations of payment and the valuations of their purchase orders shall not be taken into account.

The sales orders shall be validated against the Daily Operating Limit.

- Initial Operating Limit: In calculating the Initial Operating Limit applicable to the Month-ahead product in the Spanish zone and the applicable guarantee requirements, the criterion established in the previous paragraph shall be followed.

For the net sales balance of the energy corresponding to Trades of this product, an additional guarantee shall be required. This shall be equal to the difference of the following:

- The product of said balance by 110% of the Daily Reference Price of the same product as defined in the Market Resolution: “Calculation of Prices and Volumes traded”. Should said price not exist for that session, the price of the previous session shall be used, and so on.
- The balance of collection rights, following deduction of the payment obligations corresponding to said product. If the balance is negative, the value shall be nil.

If this difference is negative, no additional guarantee shall be required.

Any applicable taxes and fees will also be included in this calculation. The resulting value will be rounded up to the nearest two decimal places.

**3. START OF TRADING**

An Instruction shall be issued to notify the start date for the trading of each product.

**Four. Appendix VII is replaced by the following appendix:**

## APPENDIX VII. ORDER TYPES

### Simple orders

Simple orders have the following characteristics:

- They include the amount of product to be acquired or delivered, as well as the requested price.
- The possibility of partial matching is allowed.
- The unmatched amount remains in the Order Book at the price included in the order.
- Regarding their temporal validity, they may be valid solely for the Trading Session, being cancelled if they are not matched at the end of that session, or their validity may be prolonged to Trading Sessions of the same product held over the following days.
- An order or the partial order that remains in the Order Book following partial matching may be withdrawn while the Trading Session's status permits the posting of orders for the same product.

### Conditional orders

Conditional orders are classified according to the different conditions of execution to which they are subject. These orders may only be sent for trading on the Continuous Market.

### **Market Order**

Market Order orders have the following characteristics:

- They include solely the amount of product to be acquired or delivered.
- They match with the most competitive orders in the opposite direction that appear in the Order Book, regardless of their price.
- The price of the Trade is that of the order(s) with which it matches (pre-existing).
- They cater for the possibility of partial matching.
- The unmatched amount is cancelled and does not remain in the Order Book.
- They are carried out as soon as they are introduced, they are never held over, which means, furthermore, that they cannot be withdrawn by the Agent.

### **Fill and Kill**

Fill and Kill orders have the following characteristics:

- They include the amount of product to be purchased or delivered, as well as the requested price.

### **Non binding unofficial translation**

- They match with the most competitive orders in the opposite direction that appear in the Order Book, in the event the prices are acceptable, as defined in the Rule "Matching orders on the Continuous Market".
- The possibility of partial matching is allowed.
- The unmatched amount is cancelled and does remain in the Order Book.
- They are carried out as soon as they are introduced, they are never held over, which means, furthermore, that they cannot be withdrawn by the Agent.

### **Fill or Kill**

Fill or Kill orders have the following characteristics:

- They include the amount of product to be acquired or delivered, as well as the requested price.
- They match with the most competitive orders in the opposite direction that appear in the Order Book, in the event the prices are acceptable, as defined in the Rule "Matching orders on the Continuous Market".
- The possibility of partial matching is not allowed, so if the whole amount is not matched, the entire order is withdrawn.
- They are carried out as soon as they are introduced, they are never held over, which means, furthermore, that they cannot be withdrawn by the Agent.

### **Iceberg**

Iceberg orders have the following characteristics:

- They include the full amount of product to be acquired or delivered, the reduced part of that amount that is to be shown, as well as the requested price and optionally, a variation in the price of each new bid that is processed.
- The Order Book only shows the other Agents a reduced part of the overall amount and the price of the order.
- When posting an Iceberg order with an uncompetitive price, that order is included in the Order Book, showing both the reduced part of the full amount and the price specified. In addition, the Agent submitting the order may also see the full amount of that order, the initial price and the change in price that is entered.
- When the visible part of the reduced order is matched in full, a new order is immediately generated automatically in the Order Book, being the amount the reduced part of the full amount, and the price, that of the visible order pre-exists in the Order Book increased or reduced (based on if it is a sale or purchase order) as per the price change specified in the order request.
- When posting an Iceberg order with a competitive price, the amount to be considered shall be the full amount of the Iceberg order, registering

### **Non binding unofficial translation**

one Trade for each order countering the one it matches. Furthermore, if the full amount is not matched, the visible amount shown in the Order Book shall at the most be the reduced part specified when making the order, even though the matched amount has not been a multiple of that reduced part.

- If, when there is an Iceberg order in the Order Book, a countering order is posted with a competitive price and for an amount that exceeds the visible amount of the Iceberg order, different Trades shall be conducted for each instantiation of the Iceberg order, each one at the time it is made and at its price. The visible amount of the Iceberg order in the Order Book shall be the amount that has remained unmatched following the last instantiation.
- They are valid exclusively for the Trading Sessions they have been ordered for.
- Besides the validations provided for in the rule "Validation of orders", a check is to be made to ensure that the reduced part to be seen is equal to or less than the total amount of product tendered.
- The possibility of being withdrawn is allowed whenever the withdrawal of the unmatched part of orders is permitted.

### **All or None**

All or None orders have the following characteristics:

- They include the amount of product to be purchased or provided as well as the requested price.
- The possibility of conducting a partial matching is not permitted.
- They are matched with the opposite competitive bids that exist in the Order Book if the prices are acceptable, as defined in the order Matching Rule in the Continuous Market".
- If the entire amount is not matched, the order is saved in the Order Book.
- Once in the Order Book they may be matched as per the application of the Orders Matching rule in the Continuous Market". Also, they may be matched if selected directly in the Orders Book by another agent, regardless of if more competitive bids exist.
- They are valid exclusively for the Trading Sessions they have been sent to.
- The possibility of being cancelled when orders may be cancelled is allowed.

**Five. Appendix VIII is replaced by the following appendix:**



## APPENDIX VIII: CALCULATION OF PRICES AND VOLUMES TRADED. METHOD FOR CALCULATING PRICES AND VOLUMES TRADED

### Public data on the trading day

Publication is to be made on each and every trading day of the following information on the Trades arranged during the day; product type, period and place of delivery (e.g., disclosure of the Daily Volume Traded of the Intraday Product with delivery on 15 July 2015 at the Spanish Virtual Balancing Point – PVB-ES in Spanish).

### **Daily Reference Price**

This is the average weighted price of all the Trades arranged in a Trading Session for a specific product.

It is calculated, for product p, according to the following formula:

$$\text{Daily Reference Price} = \frac{\sum_i^{N_p} (P_i \times Q_i)}{\sum_i^{N_p} Q_i}$$

Where:

Np: number of Trades arranged in that Trading Session for said product p

P: Trade price

Q: Quantity of product matched in the Trade

This price will be rounded up to the second decimal point.

In the event there has not been a product Trade in the Trading Session, no price will be published.

### **Daily Auction Price**

This is the Auction matching price in a Trading Session for a specific product, which is calculated according to the rule “Matching orders at Auctions”.

In the event there has not been a product Trade at the Auction, no price will be published.

### **Last Daily Price**

This is the price of the last Trade of a product in a Trading Session.

### **Non binding unofficial translation**

In the event there has not been a product Trade in the Trading Session, no price will be published.

### **Maximum Daily Price**

This is the highest price of all the Trades arranged during a Trading Session for a specific product.

In the event there has not been a product Trade in the Trading Session, no price will be published.

### **Minimum Daily Price**

This is the lowest price of all the Trades arranged during a Trading Session for a specific product.

In the event there has not been a product Trade in the Trading Session, no price will be published.

### **Price Difference between Purchases and Sales**

This is the average price difference between the purchase and sales orders existing in the Order Book for a given product, calculated as follows:

- i. Between 10 a.m. and 4 p.m. on the day of trading, every 15 minutes, cases are identified in which there is at least one purchase order and one sales order in the Order Book for said product.
- ii. For each case identified in the previous point, the price difference, as a percentage, is determined as the difference between the lower sales price and the higher purchase price, divided by the higher purchase price for said product and case, multiplied by 100 ignoring the differences in price that are equal to or less than 0.
- iii. The Price Difference between Purchases and Sales is calculated as the arithmetic mean of the price differences calculated in the previous point.

This difference is rounded off to the nearest two decimal places.

### **Daily Volume Traded**

This is the sum of the volume of product in the Trades arranged in a Trading Session for a specific product.

### **Daily Amount Traded**

This is the sum of the economic results in the Trades arranged in a Trading Session for a specific product.

### **Price of Operational Gas**

This is the average weighted price of all the transactions made by the GTS to purchase Operating Gas at a Trading Session for a specific product.

### Non binding unofficial translation

It is calculated for product p using the following formula:

$$\text{Price of Operating Gas} = \frac{\sum_i^{N_p} (P_i \times Q_i)}{\sum_i^{N_p} Q_i}$$

Where:

Np: number of transactions made by the GTS to purchase Operating Gas at said Trading Session for said product p.

P: price of the transaction.

Q: amount of product matched in the transaction.

This price will be rounded to the second decimal point.

If no Transaction has been made for the product during the Trading Session, no price will be published.

### Volume of Operational Gas

This is the sum of the volume of product in the transactions made by the GTS to purchase Operating Gas at a Trading Session for a specific product.

### Price of Cushion Gas

This is the average weighted price of all the transactions made by the person responsible for purchasing Cushion Gas during a Trading Session for purchasing said gas in a specific product.

It is calculated for product p in accordance with the following formula:

$$\text{Price of Cushion Gas} = \frac{\sum_i^{N_p} (P_i \times Q_i)}{\sum_i^{N_p} Q_i}$$

Where:

Np: number of Transactions made by the person responsible for purchasing Cushion Gas during said Trading Session for purchasing said gas in said product p.

P: price of the transaction.

Q: amount of product matched in the transaction.

## Non binding unofficial translation

This price will be rounded to the second decimal point.

If no Transaction has been made for the product during the Trading Session, no price will be published.

### Volume of Cushion Gas

This is the sum of the volume of product in the transactions made by the person responsible for purchasing Cushion Gas at a Trading Session for purchasing said gas in said specific product.

### Price of Heel Gas

This is the average weighted price of all the transactions made by the person responsible for purchasing Heel Gas during a Trading Session for purchasing said gas in a specific product.

It is calculated for product p in accordance with the following formula:

$$\text{Price of Reserva Gas} = \frac{\sum_i^{N_p} (P_i \times Q_i)}{\sum_i^{N_p} Q_i}$$

Where:

N<sub>p</sub>: is the number of purchasing transactions made by portfolios assigned by the person responsible for purchasing Heel Gas during said Trading Session for purchasing said gas in said product p.

P: price of the transaction.

Q: amount of product matched in the transaction.

This price will be rounded to the second decimal point.

If no Transaction has been made for the product during the Trading Session, no price will be published.

### Volume of Heel Gas

This is the sum of the volume of product in the transactions made for purchasing Heel Gas at a Trading Session for purchasing said gas in said specific product.

**Non binding unofficial translation**

## **Indices and public data on the Gas Day**

On each and every trading day, upon conclusion of the Intraday Trading Session, the following data are to be disclosed on all the Trades arranged for products with delivery on that same day.

### **MIBGAS-ES Index**

This is the average weighted price of all the Trades arranged for the same Gas day with delivery at the Spanish Virtual Balancing Point (PVB-ES in Spanish) in all the Trading Sessions that have already concluded. The calculation takes into account all the daily and intraday products corresponding to the Gas Day with delivery at the PVB-ES that is being calculated.

It is calculated, for Gas Day d, according to the following formula:

$$MIBGAS - ES Index = \frac{\sum_i^{N_d} (P_i \times Q_i)}{\sum_i^{N_d} Q_i}$$

Where:

$N_d$ : number of Trades arranged for daily and intraday products with delivery at the PVB-ES corresponding to Gas Day d.

P: Trading price

Q: Quantity of product matched in the Trade

This price will be rounded up to the second decimal point.

In the event there has not been a Trade for that same Gas Day and delivery at the PVB-ES, the preceding MIBGAS-ES Index shall be published, and so on successively.

### **MIBGAS-ES Volume**

This is the sum of the volume of product of the Trades of all the products with delivery on the same Gas Day at the PVB-ES.

### **MIBGAS-ES Amount**

This is the sum of the economic results of the Trades of all the products with delivery on the same Gas Day at the PVB-ES.

### **Other information**

The Market Operator will publish the Reference Price and the Volume of any other regulated gas that is traded on the Market Platform as well as any other information stipulated by the Regulation, after publishing the calculation methodology in a Market Instruction.

## **PUBLICATION OF INFORMATION**

The Market Operator shall proceed to the public disclosure on its website of the prices, volumes and amounts traded corresponding to the trading days described under point 2.1 in this Market Resolution, before 30 minutes have elapsed since the end of the corresponding Trading Session.

The Price Indices, volumes and amounts traded referring to a Gas Day shall be published before 30 minutes have elapsed since the end of the Intraday Trading Session on the day in question.

The Daily Auction Price shall be published before 30 minutes have elapsed since the end of the Auction.

Fifth

The Directorate General for Energy Policy and Mining is authorised to issue the necessary provisions applicable to this resolution.

Sixth.

The applicability of the provisions of this resolution will be conditioned to the approval and entry into force of the Framework Contracts or standard forms for accessing gas system installations.

Seventh.

This resolution will become effective on the day following its publishing in the «Official State Gazette».

The guarantees for contracting capacity and for covering an imbalance in the Virtual Balance Point shall be payable after 1 October 2016. Until 30 January 2017, the *dusu* parameter defined in Appendix VIII will have an initial value of 0.05.

The Guarantees Management Platform shall be available beginning on 1 October 2016. The guarantees that are in force as of 30 September 2016 and established in favour of MIBGAS to cover the trades made on the Organised Gas Market shall be considered valid in the Guarantees Manager and will be assigned to the Market Assignment Account until 30 November 2016, after which they will no longer be in force.

Within a maximum period of two months from when this resolution comes into force, the market Operator shall implement the modifications of the Gas Market

**Non binding unofficial translation**

Rules. With at least a three day advance notice, market Agents will be notified via a market instruction of the date when said modifications become effective.

This resolution exhausts the administrative channel in accordance with article 109 of Law 30/1992 dated 26 November, regarding the Legal Status of Public Administrations and the Common Administrative Procedure, in relation to the additional fifteenth provision of Law 6/1997, dated 14 April, regarding the organisation and Operation of the Central State Administration. An administrative appeal may be filed against this resolution before the Administrative Chamber of the National High court, within two months from the day after this resolution is published in accordance with Law 29/1998 of 13 July, which regulates the contentious-administrative jurisdiction. An appeal for reversal may also be filed before the Secretariat of State for Energy within one month from the day following the publication, which means that if an appeal for reversal is filed, then a contentious-administrative appeal may not be filed until a ruling has been issued on the appeal for reversal or it is dismissed.

Madrid, 2 August 2016 - The Secretary of State for Energy, Alberto Nadal Belda.

## **APPENDIX I. SPANISH RULES FOR MANAGING GUARANTEES IN THE GAS SYSTEM**

### **1. GUARANTEES ACCOUNT AND ACTIVITIES ASSIGNMENT ACCOUNT**

#### **1.1 Guarantees Account.**

The guarantees for contracting infrastructure capacity with regulated third-party access, the guarantees required for participating in the Organised Gas Market and the guarantees for settling the balances, both at the Virtual Balance Point as well as at re-gasification plants, will be managed jointly by the Guarantees Manager.

Each user will be associated with a unique Guarantees Account, where the processed guarantees required for their participation in the aforementioned activities will be recorded. Only one user may be associated to each Guarantees Account.

The surplus of the holder's Guarantees Account will be calculated as the difference between the amount of the deposited guarantees and the sum of the guarantees assigned for covering the holder's obligations.

#### **1.2 Activities Assignment Accounts.**

Each Guarantees Account User will have an Assignment Account for each one of the activities they are registered for, where the following will be continuously recorded:

- The amount of the processed guarantees that have been assigned by the user to cover his/her obligations in the Activity.
- The guarantee requirements associated with the user as communicated by the person responsible for the Activity.
- The balance of the user's guarantees available for the Activity (available balance per activity) will be calculated as the difference between the amount of the guarantees assigned to said account and the guarantee requirements of said activity, taking into account the validity of said guarantee requirements. A guarantee is allocated to an Activity when cancelling its assignment results in a negative guarantees balance being available for the activity at any given time in the present or future.



## **2. GUARANTEES ACCOUNT USERS**

### **2.1 Definition of Guarantees Account User.**

The Guarantees Account User is a legal entity that has signed the Document of Acceptance and Adhesion to the Rules for Managing Guarantees in the Gas System and is associated with a Guarantees Account.

### **2.2 Entities that may acquire the condition of Guarantees Account User.**

The following entities may acquire the condition of Guarantees Account User:

- i. Parties Accredited by the System Technical Manager.
- ii. Agents of the Organised Gas Market.
- iii. Parties with access rights to the gas system installations as defined below:
  - Natural gas retailers and direct market consumers.
  - Natural gas transport companies and distributors
  - The System Technical Manager and the Spanish Corporation of Strategic Reserves of Oil-based Products (CORES).
- iv. All other entities as stipulated in the regulation.

### **2.3 Rights and obligations of Guarantees Account Users.**

Notwithstanding other rights stipulated in the applicable regulation, each Guarantees Account User has the right to:

- i. Implement guarantees to cover their obligations in the gas system.
- ii. Assign the amount of its guarantees that are not allocated to the Activities Assignment Accounts.
- iii. Have access to information about its processed guarantees, the surplus in the Guarantees Account, the Available Operating Balance per activity and the guarantee requirements in their Activities Assignment Accounts.
- iv. Initiate queries and claims in accordance with the present Regulations.
- v. Confidentiality of information exchanged with the Guarantees Manager.
- vi. Receive timely information and in due form regarding any modification of the Guarantees Manager regulation as well as of all those that may condition their participation.
- vii. Notwithstanding other obligations stipulated in the applicable regulation, each Guarantees Account User must:
- viii. Provide the guarantees they are required to provide as a result of the obligations acquired in the performance of their activity.
- ix. Satisfy the admission requirements.

### **Non binding unofficial translation**

- x. Maintain the confidentiality of the information obtained as a result of their relationship with the Guarantees Manager.
- xi. Have the resources required for a proper operation of the Guarantees Manager and comply with the requirements in the technical operation.
- xii. Keep their data duly updated on the Guarantees Management Platform.
- xiii. Respond to requests from the Guarantees Manager in the performance of its duties.
- xiv. Communicate the failure to comply with any of the requirements for access to the Guarantees Manager.
- xv. Communicate the existence of any type of pre-arrangement or arrangement with creditors, either requested by the Guarantees Account Holder or when requested by a third party, it has been admitted for processing.

#### **2.4 Registration procedure for the Guarantees Account User.**

Any entity that wishes to acquire the condition as a Guarantees Account User must send an electronic request, using means that guarantee its authenticity as well as the integrity of the information, to the Guarantees Manager including the following documentation:

- i. Basic information about the Guarantees Account user: corporate name, tax identification number or equivalent document of the entity submitting the request and the corporate address.
- ii. Accrediting documentation, with the necessary proof of authenticity, of the powers of the person signing the request and the person signing the Adhesion Document.
- iii. Any other additional documentation required by the Guarantees Manager in the performance of its duties.
- iv. Basic information about the Guarantees Account User: corporate name, tax identification number or equivalent document, corporate address and EIC code.
- v. Contact persons.
- vi. Users authorised to access the Guarantees Management Platform, indicating the permissions that have been granted.
- vii. Confirmation of the associated Guarantees Account.
- viii. Details of the bank account.

Acquiring the condition as a Guarantees Account User will occur when the Guarantees Manager has verified compliance with the stipulated requirements. The modification of the data and the documentation provided to the Guarantees Manager will be considered in effect after it has been verified and accepted.

During the Guarantees Account User registration process, the Guarantees Manager will generate a Guarantees Account in their name. Via the Guarantees

### **Non binding unofficial translation**

Management Platform, the User may confirm the association with said account and become a Guarantees Account Holder.

#### **2.5 Temporary Suspension of a Guarantees Account User.**

In the case of repeat or substantial actions being committed that are contrary to what is stipulated in these Regulations upon review of the Guarantees Account User's history, we reserve the right to temporarily suspend guarantee assignments and returns.

#### **2.6 Removal of a Guarantees Account User.**

A Guarantees Account User will be removed under any of the following circumstances:

- i. When requested by the Guarantees Account User.
- ii. When the entity is no longer complying with the conditions for being a Guarantees Account User.

In both cases, prior to the removal, the Guarantees Manager shall ensure that the Guarantees Account User does not have any current guarantee requirements and will confirm with the System Technical Manager and with the Market Operator that the user's positions have been closed and that he or she has no pending commitments.

### **3. GUARANTEES MANAGEMENT PLATFORM**

Using a digital certificate, the Guarantees Management Platform will allow Users to:

- i. Register and update their data.
- ii. Assign guarantees to the Activities Assignment Accounts.
- iii. Process the guarantee instruments they provide.
- iv. Receive notifications regarding new guarantee requirements as well as of the enforcement processes when there is a non-compliance.
- v. Review the guarantee requirements requests made by the System Technical Manager, the re-gasification plant operator or the Market Operator and the subsequent confirmations of acceptance or rejection of the requirement by part of the Guarantees Manager.
- vi. Initiate queries and claims.

The Guarantees Manager will ensure User Guides are available for an efficient operation and a proper use of the Guarantees Management Platform.

## **Non binding unofficial translation**

The Guarantees Management Platform will allow electronically signing all requests whenever possible as well as signing the different guarantee processing forms as required.

### **3.1 Information provided on the Guarantees Management Platform.**

Via the Guarantees Management Platform, the following interested parties may use a digital certificate to access the following information:

- i. Guarantees Account Users: detailed information about the guarantees processed in their associated Guarantees Account, the guarantee requirements of their associated Assignment Accounts and the Operating Balance that is available per activity.
- ii. System Technical Manager and re-gasification plant operators: Requirements of the Assignment Accounts of each one of the activities under their responsibility. This information may be consulted for the current date as well as for a past date not to exceed 16 months.

### **3.2 Interaction with other platforms.**

Among others, the Guarantees Manager will interact with the Organised Gas Market Platform, the SL-ATR Platform and the single data transmission Platform for requesting and contracting capacity.

Unavailability or failure in the systems or in the exchange of information between the Guarantees manager and the persons responsible for the Activities may in no case interrupt the managing of the guarantees of the remaining activities.

#### **3.2.1 Mechanisms for exchanging information between the Guarantees Manager and the System Technical Manager and the re-gasification plant operators.**

Exchanged information associated with the guarantees management processes will be carried out using the means and the method established in the documents published on the Guarantees Manager and the System Technical Manager's Websites «Technical Specifications of the guarantees management process agreed to between the System Technical Manager and the Guarantees Manager» and «Technical Specifications of the guarantees management process between the re-gasification plant operators and the Guarantees Manager»

Also, on the Guarantees Manager's Website you can find the «Technical Specifications of the guarantees management process between the re-gasification plant operators and the Guarantees Manager».

### **Non binding unofficial translation**

All automatic exchange of information will be carried out in XML format through the Web Services.

Communications regarding guarantee requirements as well as the confirmation of acceptance or rejection will be electronically signed.

Guarantee enforcement requests will be communicated via email with the guarantees enforcement form attached and duly signed; the original document will be sent immediately afterwards.

## **4. ESTABLISHING OF GUARANTEES**

### **4.1 Registration, cancellation and modification.**

Guarantees Account Users must request the registration, cancellation or modification of guarantees as well as modifying the amounts of the guarantees assigned to the Assignment Accounts of each one of the activities via the Guarantees Management Platform.

Said requests will be verified, accepted or denied by the Guarantees Manager; however, the Guarantees Manager may consult with re-gasification plant operators, the System Technical Manager or the Market Operator before making a decision.

Confirmation of the acceptance of requests will be received through the Guarantees Management Platform.

The processing times for these requests will be published on the Guarantees Management Platform.

### **4.2 Processing guarantees.**

The processing of guarantees by the User of a Guarantees Account must be made for the Guarantees Manager using the following instruments:

- i. Cash deposits. The Guarantees Manager will designate a treasury account at a financial institution residing in a Member State of the European Union where the cash deposits will be made. The Guarantees Manager will only be able to order debits and credits to this account for managing guarantees.
- ii. Guarantee of a joint nature loaned by a bank residing in a Member State of the European Union that does not belong to the group of the secured or backed-up entity, in favour of the Guarantees Manager and deposited in the banking institution, where the guarantor acknowledges that their obligation to pay the guarantee is at first request, completely abstract,

### Non binding unofficial translation

without the guarantor being able to raise any objection to prevent paying the Guarantees Manager and especially, none originating from the underlying relationships between the guarantor and the guaranteed party.

- iii. Irrevocable authorisation for using a line of credit from a banking institution residing in a Member State of the European Union. The lines of credit considered in this section are of a final nature and must be used exclusively as guaranteed lines of credit for covering the contracted obligations pursuant to their obligations as a result of their participation and operations in the gas system.
- iv. Joint Surety Insurance Certificate provided by an insurance company residing in a Member State of the European Union, authorised by the General Directorate for Insurance that does not belong to the insured party's group, in favour of the Guarantees Manager as the insured, where the insurance company acknowledges that their obligation to pay the guarantee is at first request, completely abstract, without the insurance company being able to raise any objection to prevent paying the Guarantees Manager and especially, none originating from the underlying relationships between the insurance company and the insured party. In particular, the Certificate will expressly mention that the failure to pay the premium will not give the insurance company the right to terminate the contract nor will the contract be cancelled or the insurance company's coverage be suspended, nor will the insurance company be freed from its obligation in the case of a delinquent payment by part of the insured party.

Payment charged to the executed guarantee must be made in a manner that the Guarantees Manager can execute payment upon the first request in Madrid and within a maximum period of one working day following the moment when payment from the guarantor is required.

The Guarantees Manager will reject guarantees, lines of credit or surety insurances that do not meet the following conditions:

- i. The banking institution, or the insurance company if applicable, must receive at least an «Investment Grade» rating from agencies such as Standard & Poor's, Moody's or Fitch.
- ii. The banking institution, or the insurance company if applicable, is rated below «Investment Grade» by agencies such as Standard & Poor's, Moody's or Fitch and the entity complies with the additional conditions consisting in providing an additional cash guarantee of 33% of the total guarantee and lines of credit established in the Guarantees Manager's account.
- iii. The banking institution or the insurance company if applicable, is rated two points below «Investment Grade» by agencies such as Standard & Poor's,

### **Non binding unofficial translation**

Moody's or Fitch and the entity complies with the additional conditions consisting in providing an additional cash guarantee of 66% of the total guarantee and lines of credit established in the Guarantees Manager's account.

In these two last cases, the cash receipt will be rounded to the highest €1,000 multiple. Also in these two last cases, guarantors will be required to submit the form signed by a representative from the entity beforehand to the Guarantees Manager.

The Guarantees Manager reserves the right to reject guaranties from entities that have not complied with the terms and conditions stipulated in this Resolution in previous cases.

#### **4.3 Validity of processed guarantees.**

Guarantees Account Users must replace their processed guarantees when their expiration date is near. Otherwise this will be considered a non-compliance with maintaining the guarantee instruments, with the consequences described in Regulation «Procedures to follow in case of a non-compliance».

For the purpose of complying with the obligations for processing guarantees with the Guarantees Manager mentioned in the previous paragraph, the established guarantee is in force from its acceptance by the Guarantees Manager, to the 5th Working Day prior to the guarantee expiration date, notwithstanding all the Guarantees Manager's rights and entitlements up until the expiration date.

#### **4.4 Amount and validity period of the required guarantees.**

- i. Contracting the capacity of infrastructures with third party access.  
The amount and validity period of the guarantees required for contracting the capacity of the infrastructures with regulated third party access will be those stipulated in Appendix IX.

The calculation of the required guarantees will be conducted by the System Technical Manager. The result of this calculation will be reported to the affected user and to the Guarantees Manager.

The System Technical Manager will enable a simulator on the SL-ATR that will provide parties with a non binding calculation of the required guarantees as well as the details of the calculations associated with the calculated guarantees.

- ii. Imbalances in the Virtual Balance Point.  
The amount and period of validity of the guarantees required for covering imbalances in the Virtual Balance Point will be those stipulated in Appendix VIII.

### **Non binding unofficial translation**

The calculation of the required guarantees will be conducted by the System Technical Manager. The result of this calculation will be reported to the affected user and to the Guarantees Manager.

The System Technical Manager will enable a simulator on their Website that will provide parties with a non binding calculation of the required guarantees as well as the method used for carrying out said calculation.

iii. **Imbalances in the Re-gasification Plants.**

The amount and validity period of the guarantees required for covering imbalances in the re-gasification plants will be approved by a Resolution by the Secretary of State for Energy.

The calculation of the required guarantees will be conducted by the installation operator in accordance with the formulation and within the time period stipulated in the System's Technical Management Regulations.

The installation operator will enable a simulator on their Website that will provide parties with a non binding calculation of the required guarantees.

iv. **Organised Gas Market.**

The amount and the expiration date of the guarantees required for registering as agents and for trading on the Organised Gas Market will be stipulated in the Organised Gas Market Rules and Regulations.

The Market Operator will use information about the Available Operating Balance of the activity of the Organised Market for the purpose of calculating the Operating Limit in accordance with the details included in said Organised Gas Market Rules and Regulations.

## **5. GUARANTEE REQUIREMENTS**

The System Technical Manager will report to the Guarantees Manager, the guarantee requirements and their expiration date regarding the contracts for accessing the installations and also those related with imbalances in the Virtual Balance Point associated with each Guarantees Account User. The requirements will be recorded respectively in the Capacity Assignment Account and the Assignment Account for Imbalances in the Virtual Balance Point of the associated Guarantees Account Holder.

Re-gasification plant operators will report to the Guarantees Manager, the requirements regarding guarantees and their expiration date, related with imbalances in the re-gasification plant associated with each Guarantees Account User. The requirements will be recorded in the Imbalances Assignment Account of each Re-gasification Plant of the associated Guarantees Account Holder.



### **Non binding unofficial translation**

The Market Operator will ensure the Guarantees Manager is informed about the guarantee requirements and their expiration date, regarding the organised Gas Market associated with each Consolidation Account Holder, as defined in the Organised Market Rules themselves and which will be recorded in the Market Assignment Account of said account holder.

If several requests are pending acceptance as a result of a lack of guarantees, the newly provided guarantees will be assigned to satisfy the requirements in order of compliance date; from earliest to oldest.

#### **5.1 Contents of the notification of requirements.**

Said notification shall include the following details:

- i. The User code of the Guarantees Account.
- ii. The associated Activity.
- iii. The required amount.
- iv. The validity period.
- v. Deadline for complying with the requirement.
- vi. A unique identifier that facilitates its traceability.

#### **5.2 Deadline for complying with the requirement.**

- i. If the deadline for complying with the requirement is immediate.  
The Guarantees Manager will check if any guarantees are available in the Guarantees Account and if so, will accept the requirement, decrease the available guarantees from that moment in the Guarantees Account, assign the amount to the Activity Assignment Account and report the results to the re-gasification plant operator, the System Technical Manager or the Market Operator.

If no guarantees are available in the Guarantees Account, the Guarantees Manager will notify the re-gasification plant operator, the System Technical Manager or the Market Operator that the requirement has not been accepted.

- ii. If the deadline for complying with the requirement is not immediate.  
The Guarantees Manager will check if any guarantees are available in the associated Guarantees Account and if so, will accept the requirement, decrease the available guarantees from that moment and will report the result to the re-gasification plant operator, the System Technical Manager or the Market Operator.

If no guarantees are available in the Guarantees Account, the Guarantees Manager will notify the re-gasification plant operator, the System Technical Manager or the Market Operator that the requirement has not been accepted and the Guarantees Account Holder will be

## **Non binding unofficial translation**

notified. Once the guarantee has been received, will accept the requirement, decrease the available guarantees from that moment and will report the result to the re-gasification plant operator, the System Technical Manager or the Market Operator. If the requirement compliance date is reached and the guarantee has not yet been implemented, the Guarantees Manager will notify the re-gasification plant operator, the System Technical Manager or the Market Operator as applicable.

### **5.3 Release of guarantees.**

If the requirement has an expiration date, the guarantee will be released once said date is reached. If the guarantee requirement does not expire, the re-gasification plant operator, the System Technical Manager or the Market Operator will notify the Guarantees Manager, when required, regarding the release of the required guarantees once they are no longer enforceable. In any case, the guarantees will be released under the following circumstances:

- i. The releasing of required guarantees in the case of the cancellation of users with a balance portfolio in the Virtual Balance Point will be reported by the System Technical Manager to the Guarantees manager when the user has met all his obligations and has paid all his debts as stipulated in the framework contracts for accessing gas system installations.
- ii. The releasing of imbalance guarantees required for re-gasification plants will be reported by the re-gasification plant operator to the Guarantees manager when the user has complied with all his obligations and paid all his debts.
- iii. Guarantees will be released on the Organised Gas Market as long as the Consolidation Account Holder it is associated with has complied with all the obligations derived from the participation of their associated Agents in the market, notwithstanding what is stipulated in the Organised Gas Market Rules.

## **6. PROCEDURES IN THE CASE OF NON-COMPLIANCES**

In accordance with what is stipulated in article 35.1 of Royal Decree 984/2015 of 30 October, the following are considered non-compliances:

### **6.1 Non-compliance as a result of a delay in payment.**

In the case of delinquent payment related with contracts for accessing the installations, the installation operator will notify the System Technical Manager, who will in turn notify the Guarantees Manager.

### **Non binding unofficial translation**

In the case of delinquent payment related with the imbalances system, the System Technical Manager or the re-gasification plant operator will notify the Guarantees Manager.

In the case of delinquent payment related with the Organised Gas market, the Market Operator will notify the Guarantees Manager.

If said delinquent payment results in the need to execute the guarantees, the re-gasification plant operator, the System Technical Manager or the Market Operator if applicable, will request the Guarantees Manager enforce the guarantees.

### **6.2 Non-compliance in providing newly required guarantees.**

The Guarantees Manager will verify that the guarantee requirements communicated by the re-gasification plant operator, the System Technical Manager and by the Market Operator have been met and will notify them as soon as possible.

A non-compliance will exist when the Guarantees Account User does not have sufficient guarantees available for satisfying the requirements within the maximum allotted time in the contract or applicable regulation, except in the case of new contract requests, which will not be authorised.

The Guarantees Manager will notify the Directorate General for Energy Policy and Mining, the National Markets and Competition Commission, the System Technical Manager, the Market Operator and if applicable, the re-gasification plant operator, regarding the non-compliances and the executed amounts.

### **6.3 Non-compliance related with maintaining the guarantee instruments.**

If having reached the fifth working day prior to the expiration date of the guarantee, it has not been replaced with a guarantee that has a validity period longer than the next five working days, this will be considered a non-compliance in the processing of the guarantee and the amount necessary for covering the pending requirements will be released, and you will be required to pay a fine as stipulated in the «Guarantee enforcement procedure» regulation.

Regarding the guarantees, lines of credit or surety insurances provided to the Guarantees Manager that do not comply with the established requirements or those that no longer comply because their rating has been lowered, the Guarantees Manager will require they be replaced with another valid guarantee within five working days.

If the guarantor or insurance company is in suspension of payments, is declared bankrupt or their administrative authorisation for carrying out their activity is no

### **Non binding unofficial translation**

longer in effect, the entity required to provide the guarantee must replace said guarantee with another one of the same type or with another of the ones listed in this paragraph within five working days following the date in which the situation of the guarantor or insurance company changed.

If the time frame stipulated in the previous paragraphs has elapsed and the guarantees have not been replaced, the guarantees will be released in the amount required for covering the requirements of the guarantees that are non-compliant.

## **7. GUARANTEES ENFORCEMENT PROCEDURE**

Guarantees will be enforced by the Guarantees Manager upon request by the re-gasification plant operator, the System Technical Manager or if applicable, by the Market Operator.

As a minimum, the guarantees enforcement request shall include the following information:

- i. Identifier of the non-compliant user.
- ii. Regulatory precept that was not complied with.
- iii. Identifier of the guarantee requirements associated with the enforcement.
- iv. Cash amount.
- v. Indicate if said guarantee requirements are still in effect after the guarantees have been enforced.

When a request is submitted, the Guarantees Manager will release the following amounts from the guarantees until covering the total requested amount whenever possible and in accordance with the list provided below:

1. The amount of the guarantee corresponding to the identifier of the request.
2. The amount of the Available Operating Balance for the activity.
3. The surplus in the Guarantees Account.
4. The amount of the Available Operating Balance for other activities.

The released amounts will be assigned first to cover the delinquent payments for the imbalances of said party and subsequently, to cover any other pending economic obligation with the gas system in a manner that is proportional between all the pending payments by the user on the date in which the holder is suspended and lastly, to cover delinquent payments generated after the suspension, if applicable.

The Guarantees Manager will notify the applicant regarding the total amount released and what the guarantees were used for. The re-gasification plant operator, the System Technical Manager and the market Operator will notify the

### **Non binding unofficial translation**

parties affected by the enforcement of said guarantees on the same day they are enforced.

The re-gasification plant operator, the System Technical Manager and the market Operator will be responsible for the accuracy of the information included on the guarantees enforcement request submitted to the Guarantees Manager; notwithstanding the responsibility of the Guarantees Manager to ensure the process is carried out properly.

The enforcement request to the guarantor will be carried out no later than the next working and banking day from the reception of the enforcement request. The amount, once deposited by the guarantor, will be deposited in the account indicated by the enforcement requester no later than the working or banking day following the deposit.

The release of any type of guarantee will entail paying a penalty of 0.01% of the released amount, with a minimum of EUR 400, which will be paid to the Guarantees Manager.

The working and banking days calendar will be published by the Guarantees Manager on his or her Website.

## **8. QUERIES AND CLAIMS**

The Guarantees Account User may submit queries and claims via the Guarantees Management Platform, which shall be reviewed and answered by the Guarantees Manager within 5 working days.

The Guarantees Manager will review and, if applicable, will correct the problem as soon as possible and will keep the affected Guarantees Account User informed at all times.

The Guarantees Account User may submit claims within 3 working days after the publishing of the associated information.

## **9. DATA PROTECTION**

Pursuant to the provisions of Organic Law 15/1999, on Data Protection, any personal data provided as well as those that Guarantees Account Holders may provide at any given moment, in observance of the relationship entered into with the Guarantees Manager, shall be included in an electronic data file held by MIBGAS and kept under its responsibility. The purpose of said file is to register

### **Non binding unofficial translation**

and monitor Guarantees Account Users, ensuring the connections within the market, as well as the security in the company's commercial relations.

The Guarantees Account User expressly authorises MIBGAS to send out commercial communications related to the Guarantees Manager's scope of business, via electronic or other similar means. The Guarantees Account User may withdraw its permission by sending a letter to the company's registered address as specified below, or to the following email: [infogarantias@mibgas.es](mailto:infogarantias@mibgas.es). Likewise, the Guarantees Account User authorises the Guarantees Manager to send the necessary data to the Market Operator, the System Technical Manager and the re-gasification plant operator as required for performing their duties.

The Guarantees Account User may, at any time, access the aforementioned file for the purpose of exercising its rights to access, correct, cancel and contest its personal data. These rights may be exercised by means of a written communication sent to the registered address of MIBGAS.

## **10. APPLICABLE LEGISLATION AND THE RESOLUTION OF DISPUTES**

These Market Rules are governed by the laws of the Kingdom of Spain.

Any disputes which may arise, regarding the managing of guarantees, shall be resolved as stipulated in Article 12.1.b) of Law 3/2013, of 4 June, governing the establishment of the National Markets and Competition Commission.

The rulings of the National Markets and Competition Commission shall determine all issues raised, shall conclude administrative action and may be appealed before the contentious-administrative courts.

The National Markets and Competition Commission shall ensure effective compliance of the rulings handed down by it, pursuant to the terms of this article.

The parties agree to submit whatever differences they may have between them, which for reasons of legal imperative may not be subject to arbitration, to the Courts and Tribunals of the city of Madrid (Spain), with waiver of any other judge or tribunal that might be competent.

## **11. MODIFICATIONS TO THE RULES FOR MANAGING GUARANTEES IN THE GAS SYSTEM**

**Non binding unofficial translation**

The adhesion of each Guarantees Account User to the Rules for Managing Guarantees in the Gas System shall also apply to the modifications that may be made to said rules.

**APPENDIX II. DOCUMENT OF ACCEPTANCE AND ADHESION TO THE RULES FOR MANAGING GUARANTEES IN THE GAS SYSTEM.**

Mr. ...., holder of ID/ Passport number ..... in the name and on behalf of ..... with Tax ID (CIF) or equivalent number ..... and corporate address at ..... with powers that are expressly declared valid, in force and sufficient for signing this document (hereinafter «Guarantees Account Holder/Guarantees Account User»).

**HEREBY DECLARES**

I. In accordance with what is stipulated in Royal Decree 984/2015 of 30 October, governing the organised gas market and third-party access to natural gas facilities, the guarantees for contracting infrastructure capacity with regulated third-party access, for participating in the Organised Gas Market and for settling imbalances, both at the Virtual Balance Point as well as at re-gasification plants will be managed jointly by MIBGAS S.A. as the Guarantees Manager.

II. In accordance with applicable regulations, in order to register as a User with the System Technical Manager, access the purchasing of capacity of infrastructure with third-party access or participate in the Organised Gas Market requires registering guarantees with the Guarantees Manager.

III. For these purposes, the Guarantees Account Holder/Guarantees Account User will expressly adhere to the Rules for Managing Guarantees in the Gas System and will expressly sign this document of adhesion in accordance with the following

**CLAUSES**

**One. *Acceptance and adhesion.***

### **Non binding unofficial translation**

The Guarantees Account Holder/Guarantees Account User irrevocably and unconditionally acknowledges and willingly accepts the Rules for Managing Guarantees in the Gas System approved by the applicable Resolution issued by the Secretary of State for Energy and undertakes to comply with them without reservations, restrictions or constraints.

Particularly and notwithstanding all other obligations which, if applicable, are required of the Guarantees Account Holder/Guarantees Account User in accordance with applicable regulations, the signing party declares that they are fully aware and agree to comply with what is stipulated regarding guarantees in the applicable scopes of action included in Paragraph I above as well as the format and the means for communicating for processing, managing and releasing said guarantees as well as the applicable administrative and tax obligations that that may be derived from their release.

### **Two. Confidentiality**

The Guarantees Account Holder/Guarantees Account User is obligated to maintain the confidentiality of information of a personal nature as well as of any information they may have had access to as a consequence of the actions carried out with the Guarantees Manager under the terms and within the scope described in the applicable Rules for Managing Guarantees in the Gas System.

### **Three. Liability and force majeure.**

The Guarantees Manager may not be held liable, except in cases of intentional or gross negligence for the consequences of any actions involving Guarantees Account Holders/Guarantees Account Users, or those arising from the application of the Rules for Managing Guarantees in the Gas System and of the information and communications systems of third parties used for sharing data with the management platform.

Neither shall the Guarantees Manager be held liable for the consequences arising from any circumstances that are beyond its direct control, involving cases of force majeure or of a fortuitous nature, for the indirect consequences of the actions and operations undertaken on the gas market or for the risks arising from its operations. For these purposes, events that could not have been foreseen or which although foreseen were inevitable, as established in Article 1105 of the Civil Code shall be considered as causes of force majeure.



**Non binding unofficial translation**

For illustrative purposes only, the consideration of force majeure shall include any failure of the Guarantees Management Platform due to any unforeseen circumstances or which, in the event that they could have been foreseen, are inevitable.

Guarantees Account Holders/Guarantees Account Users may not adduce reasons of force majeure in relation to their commitments regarding the release of guarantees, without prejudice to the measures the Government may take in the event of the declaration of a state of emergency, pursuant to what is stipulated in article 101 of Spanish Law 34/1998 of 7 October for the Gas sector.

Document of Acceptance and Adhesion to the Rules for Managing Guarantees in the Gas System.

In ....., dated ..... of 20..... P.p.

Signed:.....

### APPENDIX III BANK GUARANTEE FORM

In ....., dated ..... of 20.....

..... (Data of the financial institution)  
with corporate address at .....,  
represented at this act by Mr..... with  
sufficient authority to sign pursuant to ....., dated  
.....

#### GUARANTEES

Unconditionally and irrevocably to cover (the Guarantees Account Holder), as the Guarantees Account Holder, before MIBGAS S.A. (Guarantees Manager), as Guarantees Manager, up to a maximum amount of Euro..... to cover any non-compliance and each one of the contracted economic obligations as a result of their participation and operations in the gas system in accordance with the Rules for Managing Guarantees in the Gas System, including all current taxes, interest on arrears, penalties as well as any applicable fees.

..... (financial institution) is established jointly with the main debtor for paying all amounts due by it pursuant to what is stipulated in the previous paragraph, with an express waiver of the benefits of order, excussion and if applicable, division and where this guarantee has an abstract nature and therefore the guarantor cannot object to avoid paying and especially, may not raise any objection derived from the underlying relationship between the guarantor and the guaranteed party.

Payment will be made when initially requested, after the Guarantees Manager has notified the Guarantor in writing regarding the non-compliance by part of the guaranteed party, indicating in this written notification the current account where the applicable payment must be deposited, in a manner that, if the Guarantees Manager requests payment from the Guarantor, then the Guarantor may settle the payment no later than the next working day following the payment request from the Guarantor.

The validity period of this guarantee is extended until the Guarantees Manager authorises its cancellation/ to and including the following date ....., 20..., (select one of the two alternatives) and will be null and void after this date. After this date, the Guarantor will not be liable for anything related with the Guarantee, even though the guarantee originates from obligations contracted or applicable prior to the established valid-to-date and without requiring to return the original guarantee document.

**Non binding unofficial translation**

Any time the guarantor has this document in their possession, it will be understood that there are no pending responsibilities arising from the described guarantee and therefore, said guarantee may be cancelled.

Prior to the fifth working day in Madrid prior to the expiration of the guarantee, (the guarantees account holder) must replace the guarantee in force with a new guarantee before the Guarantees Manager from the ones allowed in the Rules for Managing Guarantees in the Gas System. If the fifth working day in Madrid prior to the expiration or non-renewal of this guarantee has passed (the guarantees account holder) has not replaced it with another of the guarantees listed in the Rules for Managing Guarantees in the Gas System, the Guarantees Manager will release this guarantee in the amount required to cover the obligations of the Guarantees Account Holder in accordance with Rules for Managing guarantees in the Gas System.

Exclusively, Spanish law will be applicable when interpreting and executing what is stipulated in this document.

..... (financial institution) agrees to submit themselves to the courts of the capital of Madrid and expressly waive their right to any other jurisdiction they may be entitled to for resolving any conflicts that arise in the application of this guarantee.

Signed by ..... (financial institution)

**APPENDIX IV LINE OF CREDIT CONTRACT FORM**

Party of the first part, ....., (hereinafter the creditor),  
(Include identifying data of the creditor and its proxies).

and the

Party of the second part, (include identifying data of the guarantors and their proxies)

All the listed companies, (referred to hereinafter in this contract as the Credit receiving party or parties, as a generic reference to all indiscriminately and alike) and also company....., will be referred to as the Guarantees Account Holding Company. (To be added in the case of more than one Credit receiving Party) All parties, in representations of their respective parts, acknowledge each other's sufficient capacity to enter into this credit contract, for which they

**HEREBY DECLARE**

I.- That the Credit receiving party or parties have requested the Creditor open a line of Credit in the amount of Euro.....) as guarantee to cover any non-compliance as well as each one of the contracted economic obligations as a result of their participation and operations in the gas system in accordance with the Rules for Managing Guarantees in the Gas System, including all current taxes, interest on arrears, penalties and any applicable fees required to be settled at the time of the payment and having both parties agreed to the request..

II.- That the lending party jointly guarantees with the Credit receiving party, all the obligations contracted by the latter as per this contract.

**AGREE TO THE FOLLOWING**

Enter into this credit contract by virtue of which the Creditor provides the companies aforementioned in this document as the Credit receiving parties, credit with a maximum limit of .....Euro (.....,Euro), requiring the Credit receiving parties, in a manner that will be mentioned later, to reimburse the amounts they have available in their account as well as interests, commissions, taxes and expenses, even ones of a legal nature, which are generated as a consequence of this contract, until they are fully settled as per the following

## CLAUSES

### **One. *Limit.***

The maximum limit of the credit will be .....Euro (....., Euro), during the duration of the credit, and the Credit receiving party or parties accept the amounts made available to them by the Creditor, with the commitment to repay said credit within the time frames and in the manner and conditions agreed to in this document.

### **Two. *Duration***

This credit will have a duration that is between the date of this contract and..... (To be drafted as agreed freely by the parties)

Extensions to the contract shall be reported to the Guarantees Manager as Manager of the Guarantees.

Notwithstanding the agreed duration, the creditor has the right to consider the credit has matured, and will notify the Credit receiving party/Guarantees Account Holding company and the Guarantees Manager at least five days prior to the date set by the Creditor as the anticipated maturity date of the credit, requiring at this time to settle all pay obligations contracted with the Credit receiving party or parties when any of the following circumstances occurs:  
.....

The setting in these cases of a maturity date that is after the communication date is a result of the final nature of this credit and is granted to provide guarantee coverage of the obligations entered into by the Credit receiving party or parties as a result of their participation in the gas system.

In this sense, the Guarantees Manager, prior to the maturity and in accordance with this document, may provide the amounts in the authorisations that are in force even if one or several of the Credit receiving parties, as a result of legal proceedings or any other circumstance, are not in full control of their assets.

### **Three. *Distribution of the credit (To be added in the case of more than one Credit receiving party).***

The limit of the amount of credit may be set, indiscriminately and individually, by one, several or all of the Credit receiving parties, establishing only that the total amount to be used and authorised by the Credit receiving party or by each

**Non binding unofficial translation**

Credit receiving party to the Guarantees Manager, plus what is actually set by the Guarantees manager in favour of the Credit receiving party or each Credit receiving party and not reimbursed to the creditor, may not exceed the total amount of the Credit.

**Four. Accounts (To be added in the case of more than one Credit receiving party).**

The amount of the Credit made available for each Credit receiving party will be respectively deposited in the credit accounts opened by the creditor. These accounts are in the name of each one of the Credit receiving parties and are listed below:

- Company A., acct.. no. 10-xxxxxx-x
- Company B., acct.. no. 10-xxxxxx-x
- Company C., acct.. no. 10-xxxxxx-x

In each account, we have debit and credit items respectively, on the one hand we have the amounts made available and charged to said credit if applicable, the interests that are accrued as per this contract and the commissions and expenses that the Credit receiving parties must settle and on the other hand, those provided for settling the remaining balance.

(The Credit receiving parties from this moment forward expressly agree for the Creditor to be able to modify the number of operating accounts mentioned above, as long as said modifications are made for operating, accounting or organisational reasons internal to the creditor or due to changing the office where each one of the Credit receiving parties operates from, without said modification entailing any renewal of the rest of the contractual conditions nor of the obligations agreed to in this contract by the parties) Inclusion selected by the Participant.

The aforementioned modification, which in no case shall incur any cost for the Credit receiving parties, will be communicated by the creditor to the affected Credit receiving party and to the Guarantees Account Holder via any type of notification as long as there is proof of receipt. The notification shall specify the new account number and the date when said account will be active.

Each Credit receiving party will be liable to the Creditor for the amounts that have been deposited in their account as mentioned above, and each of them will be obligated to repay the creditor the account balance at all times as agreed and especially at the maturity date of the contract.

**Non binding unofficial translation**

None of the Credit receiving parties will be liable before the creditor to repay the balance of the accounts for other Credit receiving parties.

**Five Provisions (Drafted based on one or more Credit receiving parties).**

Taking into account the destination of the credit, the Credit receiving party/each Credit receiving party, irrevocably authorise, only the Guarantees Manager to have access to the credit, through the persons and in compliance with the conditions that will be described further along in this document.

To this aim, the Credit receiving party or parties, via the Guarantees Account Holder, will notify the Creditor of the amount made available to the Guarantees Manager, by means of the Creditor issuing an irrevocable authorisation to provide the amount requested by the Credit receiving party/each Credit receiving party, to the guarantees Manager, in the manner mentioned in Appendix A.

The total amount requested by the Credit receiving party/all the Credit receiving parties, plus what is made available by the Guarantees Manager and not reimbursed to the Creditor, may not exceed the total limit of the credit.

In order for the Guarantees Manager to make the provision, notwithstanding what is stipulated in the «Maturity Guarantee» clause, the following is required:

The provision must be made to settle the obligations contracted by the Credit receiving party/any of the Credit receiving parties in accordance with what is stipulated in the Rules for Managing Guarantees in the Gas System.

The provision order must be accompanied by a written letter sent by the Guarantees Manager to the Creditor, communicating the delinquent deposits of the amounts due by the Credit receiving party or parties, in the manner described in Appendix B.

One or several cash provisions may be applied to each authorisation that is in force, in such a manner that the total sum of the provisions applied under an authorisation may in no case exceed the amount of said provisions as long as it remains current and as long as the circumstances for initiating a provision as described in this contract are met.

Likewise and prior authorisation from the Guarantees Manager, you may modify the amount of an authorisation by initiating a new provision authorisation from the creditor to the Guarantees Manager as requested by the Credit receiving party/Guarantees Account Holding company or you may remove the existing authorisation after having processed the guarantees that the Guarantees

### **Non binding unofficial translation**

Manager requires at each moment via the authorised methods listed in the Rules for Managing Guarantees in the Gas System.

If the Guarantees Manager has the line of credit available, once the circumstances described for said provision as listed above have been met, or in accordance with the «Maturity Guarantee» clause, the Credit receiving party or parties will be required to replace the funds made available by the Guarantees Manager to the Creditor no later than 5 working days after the date in which the provision became effective or after the contract maturity date if sooner. The Credit receiving party/each Credit receiving party will have the same number of working days to reimburse the Creditor for any other charge, which in accordance with the agreement has been made against their account.

#### **Six.**

Accrual, calculation and payment of interest (Drafting to be agreed freely by the parties).

#### **Seven.**

Time limits (To be drafted as agreed freely by the parties).

#### **Eight.**

Default interests (To be drafted as agreed freely by the parties).

#### **Nine.**

Commissions (To be drafted as agreed freely by the parties).

#### **Ten.**

Insurance (To be drafted as agreed freely by the parties).

#### **Eleven.**

Charging of payments and Compensation (To be drafted as agreed freely by the parties).

#### **Twelve.**

Expenses and taxes (To be drafted as agreed freely by the parties). Thirteen.

Executive power (To be drafted as agreed freely by the parties).



**Fourteen.**

Maturity guarantee. (*Drafted based on one or more Credit receiving Parties*).

Prior to the fifth working day prior to the contract maturity date, either if it occurs resulting from a notification of non-extension or due to a final maturity or early maturity and especially when the circumstances described in the second clause occur, the Credit receiving party or parties shall replace the authorisations that are in force with any other guarantee before the Guarantees Manager of those listed in the Rules for Managing Guarantees in the Gas System. If prior the fifth working day prior to the maturity or non renewal of this contract, the Credit receiving party/any Credit receiving party has not replaced the authorisations that are in force with other guarantees included in the Rules for Managing Guarantees in the Gas System, the Creditor, upon request from the Guarantees Manager, in the manner listed in Appendix C, must deposit the amount requested by the Guarantees Manager, with a maximum of the amount of the authorisations in force, less the provisions that against said authorisations may have been processed, in the account indicated in the Guarantees Manager's request.

The Creditor may notify the Credit receiving party/Guarantees Account Holder Company, regarding the receipt of said request when it is received.

These deposits will hereby constitute a guarantee from the Credit receiving party before the Guarantees Manager. This guarantee is included in the Rules for Managing Guarantees in the Gas Market.

Any time the Credit receiving party has been required to deposit the amount of the authorisation in force as a result of any of the causes mentioned in this section, the Credit receiving party, in which name the deposit has been made before the Guarantees Manager, must reimburse, on the same date in which the deposit has been made, the same amount to the Creditor in the account mentioned in the FIRST provision or in the provision that replaces it.

**Fifteen.      *Time and location of the payment and compliance (Drafted based on one or more Credit receiving parties)*.**

The Credit receiving party or parties will reimburse the Creditor, any amount paid to the Guarantees Manager as well as any agreed interests, commissions and expenses no later than ... working days from the date it was debited from the special credit account or if applicable, at the maturity of the contract, and this without needing any prior requirement.

**Non binding unofficial translation**

For this purpose, the Credit receiving party or parties expressly authorise the Creditor to debit these amount from the current accounts they have opened in the Creditor's Office .....

We hereby expressly declare that the location of the payment and compliance with all obligations derived from this contract is the Creditor's Office ..... (Office.....), located at.....

The credit receiving party or parties expressly agree that, for administrative or organizational reasons, the Creditor may modify the number of the office and its location, always in the same city where the initial office was located, and in this regard, the parties accept the new location as the place to make payments and comply with the obligations stipulated in the contract, without this modification entailing any renewal of the rest of the contractual conditions nor of the obligations agreed to in this contract by the parties.

The mentioned modification will be communicated by the Creditor to the Credit receiving party/ Guarantees Account Holder Company by any means, as long as there is proof of reception, which shall specify the new office number and if applicable, the address if it has changed and the date when said change will be in effect.

**Sixteen. Guarantees Account Holder Company (Drafting to be added in the case of more than one Credit receiving party).**

Notwithstanding the joint nature of the obligations of Credit receiving parties under this contract, it is stipulated that in the development and operation of this contract, the Guarantees Account Holder will also act as an irrevocable special representative for the rest of the Credit receiving parties, to carry out its duties as such under this contract. Consequently in this regard, the decisions and actions of the Guarantees Account Holder shall be considered as if they were being made by all the Credit receiving parties.

Likewise, the Credit receiving parties empower the Guarantees Account Holder to act in their name when notifying the Creditor of their wish to cancel or terminate the contract as well as to receive communications from the Creditor regarding its wish to terminate the contract as well.

Unless stipulated otherwise, any notification sent or received by the Guarantees Account Holder will have the same effect as if it had been sent or received by all the Credit receiving parties.

**Non binding unofficial translation**

The Companies entering into this agreement unanimously appoint ..... as the Guarantees

Account Holder

The Guarantees Account Holder Company, for all intents and purposes regarding notifications, requests and communications related with this contract, designates the address listed in the following clause.

***Seventeen. Notifications, method and addresses (Drafted based on one or more Credit receiving parties).***

For communication purposes between the Creditor, the Credit receiving parties and the Guarantees Manager, unless otherwise stipulated in the contract, the parties agree to use any communication method that leaves a record of the messages that are sent and received. The notification requirement shall be considered met after an email is sent, with enough advance notice in each case, to ....., where the original fax shall be considered valid proof of reception as indicated.

The Credit receiving parties designate and expressly authorise the Guarantees Account Holder company to receive and send communications related with this credit in their name (To be added in the case of more than one Credit receiving party).

If special circumstances arise that substantially modify the existence and validity of this credit, the Creditor, with enough advance notice, will notify the Guarantees Manager of said modifications as an authorised party in this contract.

For these purposes, the following are considered special circumstances that modify this credit: the maturity date, early maturity and termination.

Any change or modification of addresses or indicators listed in the following section must be communicated to the other party using the aforementioned method; however, the notification will not be considered made until the other party acknowledges receipt of said notification of change or modification.

For notification purposes, Saturdays, Sundays and holidays in the city of Madrid as well as the 24th and 31st of December are considered non-working days.

For the purpose of setting requirements and sending or receiving notifications or communications, either judicial or extra-judicial, the addresses and faxes are listed for the following parties:

**Non binding unofficial translation**

**1. CREDITOR**

- Address:
- Fax:
- City:

**2. THE GUARANTEES ACCOUNT HOLDER COMPANY:**

- Address:
- Fax:
- City:

(To be added in the case of more than one Credit receiving party).

**3. AUTHORISED PARTY: Guarantees Manager.**

Person: \_\_\_\_\_ Mr.

Address: C/ Alfonso, XI,6, 4.<sup>a</sup> planta

Telephone: ..... • Fax: .....  
City: 28014 Madrid.

Any notification sent to any of the aforementioned addresses will be contractually valid unless the other parties have been notified, beforehand and in writing, of a new address, which shall only be in effect after said notification has been received by the addressees.

**Eighteen. Transfer.**

Given the characteristics of this credit, the Credit receiving party may not transfer this credit.

**Nineteen. Applicable legislation and jurisdiction.**

This contract is fully subject to Spanish law.

**Non binding unofficial translation**

The contracting parties agree to subject to the Judges and Courts of the city of Madrid and expressly waive their right to any other jurisdiction they may be entitled to. The courts of Madrid will be the only competent courts to hear the actions and claims that may be derived from this contract.

The Creditor as well as the Credit receiving party or parties and the Guarantees Account Holder Company (to be added in the case of more than one Credit receiving party) agree to the this contract under the terms, conditions and responsibilities stipulated in this policy and as evidence of this fact and in compliance with the agreement, sign three copies of this contract, of which one will be kept by the Creditor, one by the Credit receiving party or parties, which is provided to the Guarantees Account Holder Company and one is kept by the Guarantees Manager for their information. (Drafted based on one or more Credit receiving parties).

In ....., dated ....., 20..... THE CREDITOR

P.p.

THE CREDIT RECEIVING PARTY OR PARTIES P.p.

**APPENDIX A**

(Drafted based on one or more Credit receiving parties).

In ....., dated ..... Dear Sirs or Madams:

Pursuant to the Credit dated ..... that was signed by ..... and the Creditor

....., in accordance with the notifications made by the Credit receiving parties through the Guarantees Account Holder Company under the terms stipulated in the Fifth Clause of the Credit Contract and any time the conditions and requirements stipulated in said Fifth Clause are met, authorises the Guarantees Manager to release, after the date listed in this document, for each company (To be added in the case of more than one Credit receiving party) the amount indicated below:

**Non binding unofficial translation**

Company A.....Euro

(To be added in the case of more than one Credit receiving party).

Company B.....Euro

Company C.....Euro

The deadline for making the provision related with the notified authorisation will in all cases end when the credit matures or if the Creditor has issued a new authorisation and upon receipt and acceptance of the new authorisation by the Guarantees Manager.

Sincerely,

Signed:.....

**APPENDIX B**

In ....., dated ..... Dear Sirs or Madams:

We hereby notify you that in accordance with the documentation that is in the possession of this company, as of the present date it has been noted that there has been a non-compliance with the obligations by part of .....

....., in the amount of .....Euro

Pursuant to the above and in accordance with provision... of the Credit Contract dated ....., 20..., granted by ..... and signed by the Guarantees Account Holder of the non-compliant market and in the release authorisation dated ....., 20..., this provision order is executed for

..... to immediately pay the amount of .....Euro, by means of a deposit in current account numb. .... opened in the name of the Guarantees Manager in Bank.....

In accordance with the terms stipulated in the aforementioned contract, said deposit must be made no later than the working day following the date in which payment was requested from the Creditor.

Sincerely, Signed:.....

Appendix. - Notification from Bank ..... regarding the transactions of account

**Non binding unofficial translation**

numb. ...., on the value day dated ....., 20....

**APPENDIX C**

In ....., dated ..... Dear Sirs or Madams:

We hereby notify you that the Guarantees Account Holder ..... currently has cash provision authorisations in force (less the provisions processed against said authorisations) in a total amount in Euro of ....., authorisations issued to guarantee coverage for non compliances with obligations pursuant to the credit Contract dated ....., granted by ..... and signed by .....

Upon termination of the credit contract mentioned in the previous section and which would occur on .....as communicated by....., resulting in the issuance of the provision authorisations that are in force and given that said authorisations have not been replaced by any other guarantee, of those allowed by the rules for Managing Guarantees in the Gas System, this provision order is processed in order to deposit the amount of Euro -..... on value date ----- pursuant to and in accordance with the aforementioned contract Termination Guarantee clause, by means of a deposit in current account numb....., which has been opened in the name of the Guarantees Manager in Bank .....

The amount deposited, as guarantee, will in this way replace the provision authorisation that is in force, which may in this way be considered fully terminated by the establishing of a cash deposit as the guarantee for agent .....before the guarantees Manager. this guarantee is listed in the rules for Managing Guarantees in the Gas System.

Sincerely, Signed:.....

**APPENDIX V SURETY INSURANCE CERTIFICATE FORM**

In ....., dated ....., 20.....

..... (Insurance company) (Hereinafter «the insurance provider»), with registered address at....., .....], duly represented by Mr. ....

**Non binding unofficial translation**

..... with D.N.I. (ID numb.) ....., with sufficient authority for signing in this act, which he declares to be valid and in force,

**HEREBY DECLARES**

I. That ..... (the Consolidation Account Holder) (hereinafter «the Insured Party»), as Guarantees Account Holder, has signed the document of adhesion to the Rules for Managing Guarantees in the Gas System (hereinafter «Adhesion Document»).

II. That article 33.1 of Royal Decree 984/2015 Of 30 October, governing the organised gas market and third-party access to natural gas installations establishes the need of provide sufficient guarantee to the Guarantees Manager in compliance with each and every one of the economic obligations contractually agreed to as a result of their participation and operations in the gas system as stipulated in the Rules for Managing guarantees in the Gas System, including any current taxes, interests on arrears, penalties and any applicable fees required to be settled at the time of the payment.

III. That the Rules for Managing guarantees in the Gas System establish the possibility of implementing the required guarantee by providing a joint surety insurance certificate issued by the an insurance company established in Spain or by a branch office in Spain of a non resident company authorised by the General Directorate for Insurance, in favour of the Guarantees Manager.

By which the Insurance Provider

**PROVIDES INSURANCE COVERAGE FOR**

The Insured Party, in an unconditional and irrevocable manner, before MIBGAS S.A., (hereinafter referred to as the Guarantees Manager) in the amount of Euro....., as joint guarantee to ensure compliance with each and every one of the obligations contractually agreed to by the Insured Party as a result of their participation in the gas system, including any current taxes and applicable fees required to be settled at the time of the payment, as stipulated in the Rules for Managing guarantees in the Gas System and rest of applicable regulations.

The Insurance Provider is established jointly with the main debtor for paying all amounts due by it as a result of said participation, with an express waiver of the benefits of order, excussion and if applicable, division and where this guarantee has an abstract nature and therefore the Insurance Provider cannot object to



**Non binding unofficial translation**

avoid paying and especially, may not raise any objection derived from the underlying relationship between the Insurance Provider and the Insured Party.

Delinquent premium payment by the Insured Party, whether it is the only one, first or subsequent, will not give the Insurance Provider the right to terminate the insurance contract, nor will the contract be considered terminated, nor the coverage provided suspended, nor will the Insurance Provider be released from their obligation if required to make any payment.

Payment will be made when initially requested, after the Guarantees Manager has notified the Insurance Provider in writing regarding the non-compliance by part of the Insured Party, indicating in this written notification the current account where the applicable payment must be deposited, in a manner that, if the Guarantees Manager requests payment from the Insurance Provider, then the Provider may settle payment with the creditor no later than the next working day in Madrid, following the payment request from the Insurance Provider.

The validity period of this surety insurance is extended until the Guarantees Manager authorises its cancellation/ to and including the following date ....., 20..., (select one of the two alternatives) and will be null and void after this date. After this date, the Insurance Provider will not be liable for anything related with the Surety Insurance, even though it originates from obligations contracted or applicable prior to the established valid-to-date and without being required to return the original document.

Any time the Insurance Provider has this document in their possession, it will be understood that there are no pending responsibilities arising from the described guarantee and therefore, said guarantee may be cancelled.

In case of a discrepancy, contradiction or inconsistency between the terms and conditions stipulated in this document and the applicable insurance contract signed between the Insurance Provider and the Insured Party, this document will take precedence over what is stipulated in the aforementioned insurance contract.

Exclusively, Spanish law will be applicable when interpreting and executing what is stipulated in this document.

The Insurance Provider agrees to submit themselves to the courts of the capital of Madrid and expressly waive their right to any other jurisdiction they may be entitled to for resolving any conflicts that arise in the application of this document.

**By ..... (The Insurance Provider)**

**APPENDIX VI Company data**

..... company with registered address in ....., calle  
..... nº ....., with C.I.F. (Tax ID)..... and on behalf of Mr.  
....., with D.N.I. (ID numb.) ..... pursuant  
to ....., (Agreement from the Administrative Council,  
powers, proxy or others) which he declares to be in force, valid and sufficient for  
signing this document

**HEREBY DECLARES**

For the purpose of properly communicating, as stipulated in Rule «Guarantee  
implementation instruments» of the «Rules for Managing Guarantees in the Gas  
System», I hereby communicate the following information:

**Contact person**

Name ..... and ..... surnames:  
..... Address:  
..... CP (Postal Code): ..... City:  
..... Telephone: ..... Fax:  
.....

Email: (we recommend using a generic email address)

**Financial institution for making payments**

Name ..... of ..... the ..... financial ..... institution:  
..... Account Holder:  
..... Address:  
..... CP (Postal Code): ..... City:  
..... Country: .....

Bank SWIFT Code .....

International bank account number IBAN: .....

In ....., dated ..... of 201.....

**Non binding unofficial translation**

By the Company

**APPENDIX VII GUARANTEES EXECUTION FORM**

Mr. .... on behalf of  
....., pursuant to powers  
he declares are valid, sufficient and in force for signing this contract,

REQUIRES MIBGAS, S.A. in their capacity as Guarantees Manager, to proceed under the terms and amounts included in this notification, to execute the guarantees established by the applicable Guarantees Account Holder to cover the obligations of the party/Guarantees Account User....., for the purpose of covering the delinquent payments resulting from its operations (Contracting capacity/ settling of imbalances in PVB/settling of imbalances in LNG plants).

This requirement derives from the non-compliance by part of ..... regarding the regulatory precepts stipulated in ..... (enter the infringed regulation).

Based on the aforementioned, we require executing the guarantees corresponding to the identifying data described below:

Corporate name of the user:  
..... NIF (TAX ID):  
.....

Details: <list the executed guarantee requirements>

Id of the guarantee requirement: ..... Amount.  
.....

Does it need to be replaced? (YES/NO)

The deposit of the executed amount must be made in the following bank account: Account Holder:

IBAN: P.p.

**APPENDIX VIII AMOUNT AND PERIOD OF VALIDITY OF THE GUARANTEES REQUIRED FOR IMBALANCES IN THE VIRTUAL BALANCE POINT**

### Non binding unofficial translation

1. Any party that wishes to become eligible for making notifications related with transactions in the balance area in PVB must provide the following guaranteed for imbalances.

$$Garantía_{USU} = \delta_{USU} * \frac{\sum salidas_{USU} RT + \sum cesiones_{USU} PVB}{365} * D * \bar{P}$$

where:

- I.  $\delta$  usu: deviation of the outlets and the risk derived from gas transfer operations in the PVB with respect to the inlets and gas purchases in the PVB.
- II.  $\sum RT$  usu outlets: total outlets of the transport network conducted by the user in the last 12 months.
- III.  $\sum PVB$  usu transfers: gas transfers in the PVB conducted by the user in the last 12 months.
- IV. D is the risk period that must be covered by the guarantee. The initial value of this parameter will be 19 days, which equates to two invoicing cycles for Settling the Surcharges due to provisional Imbalances exceeding 5 days. If the invoicing cycle is modified, the value of D will be adjusted accordingly.
- V.  $\bar{P}$  is the price of gas calculated using the following criteria:
  - A purchasing imbalance fee will be used as defined in the calculation Methodology for the highest imbalance tariffs for the calendar week prior to conducting the calculation of the guarantees.
  - If for any reason the aforementioned price cannot be calculated, the last average price of the monthly price applied to the published operating gas will be used

The validity period for requesting these guarantees must be limited. The guarantee instruments may expire after one year, with the corresponding obligation by part of users to renew them annually.

2. The System Technical Manager will conduct a bi-monthly update of the guarantees for imbalances, for which the following calculation process will be carried out:

- i. The last 364 days immediately prior to the moment when guarantee is updated are used.
- ii. They are divided into 4 periods comprised of 91 days each.
- iii. For each one of the periods, a calculation of the guarantee is carried out using the aforementioned formula, replacing 365 with 91 days.
- iv. The amount of the guarantee to be provided will be the maximum value of the four amounts of the guarantees calculated for each period, with a

### Non binding unofficial translation

minimum of €150,000, which is also applicable to new users that do not have a demand or transfer of gas in the PVB during the previous calendar year in the last 364 days immediately prior to the moment when the guarantee was updated.

- v. Parameter D will be calculated using the following formula:

$$\delta_{USU} = \left| \frac{\sum \text{entradas}_{USU RT} + \sum \text{adquisiciones}_{USU PVB}}{\sum \text{salidas}_{USU RT} + \sum \text{cesiones}_{USU PVB}} - 1 \right|$$

where:

- $\sum$ RT usu outlets: total outlets of the transport network conducted by the user during the calculation period, on days with a negative imbalance.
- $\sum$ PVB usu transfers: gas transfers in the PVB conducted by the user during the calculation period, on days with a negative imbalance.
- $\sum$ RT usu inlets: inlets to the transport network conducted by the user during the calculation period, on days with a negative imbalance.
- $\sum$ PVB usu purchases: gas purchases in the PVB conducted by the user during the calculation period, on days with a negative imbalance.
- In the case of new users that have had no demand or transfer of gas in the PVB during the last 12 months will be applied a value of 0.05.

This amount will be communicated to the Guarantees Manager.

If the amount obtained after the review is greater than the amount deposited, the user will be required to update the amount no later than within three working days. If the amount decreases after the review, the user must determine if they wish to maintain the guarantee or modify it.

The guarantees for imbalances will be released upon receipt of the new updated guarantees.

## APPENDIX IX AMOUNT AND PERIOD OF VALIDITY OF THE GUARANTEES REQUIRED FOR CONTRACTING CAPACITY

### 1. Amount and validity period of the guarantees.

Any party that wishes to contract underground storage capacity in the re-gasification plant or in the Virtual Balance Point must provide the following guarantees for each one of the contracts and for each one of the services or products contracted at each installation:

Service		Product	Guarantee	
			Service	Validity
AAS	AA	Annual.	Tf	

**Non binding unofficial translation**

Re-gasification plant	Re-gasification.	Annual.	$(Tf \times Qa + Tv \times Qa)$	
		Quarterly.	$(Tf \times Qa + Tv \times Qa \times 30) \times FT$	$(2 \times Tf \times Qa + Tv \times Qa \times 30) \times FT$
		Monthly.	$(Tf \times Qa + Tv \times Qa \times 30) \times FM$	$(2 \times Tf \times Qa + Tv \times Qa \times 30) \times FM$
		Daily / Intraday	$(0,06 \times Tf \times Qa + Tv \times Qa) \times FD$	$(0,1 \times Tf \times Qa + Tv \times Qa) \times FD$
	Loading of tanks.	Annual.	$(Tf \times Qa + (Tv+IEH) \times Qa \times 30) \times FA$	
		Quarterly.	$(Tf \times Qa + (Tv+IEH) \times Qa \times 30) \times FT$	$(2 \times Tf \times Qa + (Tv+IEH) \times Qa \times 30) \times FT$
		Monthly.	$(Tf \times Qa + (Tv+IEH) \times Qa \times 30) \times FM$	$(2 \times Tf \times Qa + (Tv+IEH) \times Qa \times 30) \times FM$
		Daily / Intraday	$(0,06 \times Tf \times Qa + (Tv+IEH) \times Qa) \times x$	$(0,1 \times Tf \times Qa + (Tv+IEH) \times Qa) \times x$
	Unloading ships.	Daily.	$(Tf \times n \text{ ships} + Tv \times x)$	
	Transfer for LNG (Ship - ship or Plant-Ship).	Daily.	$(Tf \times n \text{ operation} + Tv \times Qa) \times FD$	
	Cooling.	Daily.	$(Tf \times n \text{ operation} + Tv \times Qa) \times FD$	

Se rvi ce	Product	G		
		Su m	Win dow	
PVB.	Entry to transport and entry for CI (not intraeuropean).	Annual.	$Tf \times x$	
		Quarterly.	$Tf \times Qa \times x$	$2 \times Tf \times Qa \times FT$
		Monthly.	$Tf \times Qa \times x$	$2 \times Tf \times Qa \times FM$
		Daily / Intraday	$0,06 \times Tf \times Qa \times FD$	$0,1 \times Tf \times Qa \times FD$
	Outlet through CI (not intraeuropean).	Annual.	$(Tf \times Qa + Tv \times Qa \times x)$	
		Quarterly.	$(Tf \times Qa + Tv \times Qa \times 30) \times FT$	$(2 \times Tf \times Qa + Tv \times Qa \times 30) \times FT$
		Monthly.	$(Tf \times Qa + Tv \times Qa \times 30) \times FM$	$(2 \times Tf \times Qa + Tv \times Qa \times 30) \times FM$
		Daily / Intraday	$(0,06 \times Tf \times Qa + Tv \times Qa) \times FD$	$(0,1 \times Tf \times Qa + Tv \times Qa) \times FD$
	Inlet through CI intraeuropean (VIP Pyrenees and VIP Portugal).	Annual.	$(Tf+Auction)$	
		Quarterly.	$(Tf+Auction \text{ premium}) \times Qa \times FT$	$(2 \times Tf + Auction \text{ premium}) \times Qa \times x$
		Monthly.	$(Tf+Auction \text{ premium}) \times Qa \times FM$	$(2 \times Tf + Auction \text{ premium}) \times Qa \times x$
		Daily / Intraday	$(0,06 \times Tf + Auction \text{ premium}) \times Qa \times x$	$(0,1 \times Tf + Auction \text{ premium}) \times Qa \times x$
	Outlet through CI Intraeuropean (VIP Pyrenees and VIP Portugal).	Annual.	$(Tf+Auction \text{ premium})$	
		Quarterly.	$(Tf+Auction \text{ premium}) \times Qa \times FT$	$(2 \times Tf + Auction \text{ premium}) \times Qa \times x$
		Monthly.	$(Tf+Auction \text{ premium}) \times Qa \times FM$	$(2 \times Tf + Auction \text{ premium}) \times Qa \times x$
		Daily / Intraday	$(0,06 \times Tf + Auction \text{ premium}) \times Qa \times x$	$(0,1 \times Tf + Auction \text{ premium}) \times Qa \times x$
	Outlet through transportation component	Annual - Group 1, Group	$(Tf \times Qa + Tv \times Qa \times 30) \times FA$	
		Quarterly - Group 1, Group 2 and Toll 3.5.	$(Tf \times Qa + Tv \times Qa \times 30) \times FT$	$(2 \times Tf \times Qa + Tv \times Qa \times 30) \times FT$
		Monthly - Group 1, Group 2 and Toll 3.5.	$(Tf \times Qa + Tv \times Qa \times 30) \times FM$	$(2 \times Tf \times Qa + Tv \times Qa \times 30) \times FM$
		Daily/intraday - Group 1, Group 2 and Toll 3.5	$(0,06 \times Tf \times Qa + Tv \times Qa) \times FD$	$(0,1 \times Tf \times Qa + Tv \times Qa) \times FD$
Annual - Toll 3.1 3.2, 3.3 and		$(Tf \times No.C + Tv \times Qm) \times FA$		
Quarterly - Toll 3.1, 3.2, 3.3 and		$Tf \times N^{\circ}C + Tv \times Qm) \times FA$		

**Non binding unofficial translation**

		Monthly - Toll 3.1 3.2, 3.3 and	$Tf \times N^{\circ}C + Tv \times Qm) \times FA$
MS capacity	Treatment transfers of capacity	Buyer (person that purchases capacity).	Origin contract guarantee (buyer daily amount / seller original daily amount)
		Seller (person that transfers capacity).	Origin contract guarantee (buyer daily amount / seller original daily amount)

Where:

- i. The guarantees must be established at the moment the capacity is contracted or the start date of the binding reserve in the case of download/ transfer of LNG from/to ships and no later than 24 hours later on the working day after the cash receipt, verified, from the total toll or fee invoiced for the contracted service.  
The establishing of guarantees for contracted capacity with a service start date that will occur in a period exceeding one year from when the service was contracted will occur six months prior to the start date of the contractually established services.
- ii. T : Fixed term of the toll or fee or price resulting from the auction (if applicable). In interruptible contract, is the interruptible toll in force.
- iii. T : Variable term of the toll or fee or price resulting from the auction (if applicable).
- iv. Q : natural gas flow to be invoiced or contracted storage capacity v.
- v. FA: Annual product risk factor. Takes on a value of 2.
- vi. FT: Quarterly product risk factor. Takes on a value of 2. vii
- vii. FM: Monthly product risk factor. Takes on a value of 1. viii
- viii. FD: Daily product risk factor. Takes on a value of 1.
- ix. IEH: It is the Special Hydrocarbons Tax that is in force
- x. N°C and Qm. Are respectively the average number of clients and the Unit Consumed of natural gas in each tariff subgroup for the last 12 months listed in the natural gas retail market supervisory report issued by the National Markets and Competition Commission, for the party wishing to contract capacity. The amount of the guarantee to be provided will be a minimum of €50,000, which is also applicable to new users that did not have clients during the previous 12 month period.

**2. Execution of the guarantees.**

Payment by the Guarantees Manager to the ordinary activity owners of the execution requirement will be made no later than the bank business day following the collection date by the Guarantees Manager of the executed guarantees.

The recipient of said payment will be:

**Non binding unofficial translation**

- i. The System Technical Manager in the case of underground storage capacity.
- ii. The transport network manager or the independent network manager of the transport installations  
The re-gasification plant owners or distributors of the installations.