

# **ATTACHMENT C3 – Subscription and allocation of services | Secondary Market**

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# **1. Introduction**

## **1.1. Interpretation of the attachment C3**

In this Attachment:

- 1) all references to a *clause*, unless specified otherwise, are references to a section in this Attachment; references to a *paragraph* are references to a *paragraph* in this Attachment;
- 2) all terms and names are to be interpreted according to the list of definitions in Attachment A of the Access Code for Storage;
- 3) the layout, heading and table of contents are only for the benefit of the reader and are inconsequential as regards the interpretation of content of this Attachment;
- 4) the description of rules, conditions and provisions only relates to the Storage Services offered at the Storage Installation.

## **2. Service Allocation and Subscription on the Secondary Market**

### **2.1. Generalities**

All Storage Services acquired on the Primary market may be traded between Storage Users respectively on the Secondary Market. The possible types and conditions have been specified in article 17.9 of annex 2 of the SSA.

A traded Storage Service may be traded again on the Secondary Market.

In order to acquire or trade Services on the Secondary Market, a party must be a "Storage User".

#### **2.1.1. Secondary Market**

The Storage Operator organizes the Secondary Market in such way that a Storage User has the possibility to post Storage Services that he wishes to trade (i.e. buy or sell) on the Secondary Market and that allows interested Storage Users for such Storage Service to respond to or to enter into contact with the party offering to trade Storage Services.

Regarding the Storage Services that can be traded on the Secondary Market, Storage Users have two options:

- the Storage Users can trade the Storage Services themselves via the OTC, with or without release as foreseen in article 17.9.1 point a) of annex 2 of the SSA. Where this is the case, the Storage Operator will be notified by both parties of the assignment by means of a SRFA.
- the Storage User can trade the Storage Services with partial release on the Secondary Market Platform in accordance with the terms and conditions of the Secondary Market Platform. This trade will occur with release for the assignor with the exception of the payment obligation as foreseen in article 17.9.1 point b) of annex 2 of the SSA.

##### **2.1.1.1. *Obligations of the parties to the assignment***

In the event of an agreement on an assignment, the assignor or the assignee has to submit a request for an assignment of Storage Services to the Storage Operator. This request can be completed (i) electronically via the Secondary Market Platform or (ii) by using a SRFA (Services Request Form for assignment), which has to be signed by both the assignor and the assignee and in which:

1. the details of the assignment are given (which Storage Services, for what amount and for what period and the price);
2. there is a reminder that the assignment means that all rights and obligations that arise out of the Service Request Form for assignment

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are assigned from the assignor to the assignee, during the assignment period;

3. the type of the assignment as described in article 17.9 of this attachment.

After receiving a Service Confirmation Form for assignment (SCFA) by the Storage Operator, both parties to the assignment have to sign the SCFA in which:

1. the details of the assignment are given (which Storage Services, for what amount and for what period and the price);
2. there is a reminder that the assignment means that all rights and obligations that arise out of the Service Confirmation Form for assignment are assigned from the assignor to the assignee, during the period of the assignment;
3. the type of the assignment as described in article 17.9 of this attachment

Both the type of assignment as well as the rights and obligations associated with the assigned Storage Services are determined in the relevant Service Confirmation(s) which are an integral part of the SSA. The document applying as a contract is the "Service Request Form for Assignment" (see 2.3.1.1)

Please note that next to the "Service Request Form for Assignment" (SRFA), the assignor and assignee can close an additional contract, where, for example, additional payments between them are defined. The Storage Operator does not take into account any additional contracts, and therefore takes into account only the Service Request Form for Assignment.

#### **2.1.1.2. Notification and publication procedure Secondary Market Platform**

The procedure for trading Storage Services on the Secondary Market Platform, in accordance with the terms and conditions of such platform, consists of:

- a) a possible assignor notifies the Storage Services that he no longer wishes to use over a certain period in time;
- b) a possible assignee notifies the Storage Services that he requests to use over a certain period in time;
- c) the offer or the request are published on the Secondary Market Platform either anonymously or not following the preferences indicated by both the assignor and assignee;
- d) The publication of the Storage Service(s) being offered is cancelled in each case upon expiry of the assignment period.

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If a Storage User is interested in a trade on the Secondary Market, by selecting the trade, the interested Storage User is sent a notice with the details of the party that is responsible for trading the Storage Service and its details are sent to this party at the same time.

#### **2.1.1.3. Functionalities**

Published offers of Storage Services on the Secondary Market Platform contain:

- ✓ the Storage Service(s),
- ✓ the type of Storage Service,
- ✓ the start date of the offer or request for Storage Services,
- ✓ the end date of the offer or request for Storage Services,
- ✓ the quantity offered or requested,
- ✓ the price,(unit price),
- ✓ contact details (optional – i.e. in case the trade is not anonymous).

## **2.2. Allocation Rules for Services on the Secondary Market**

Storage Services for trading on the Secondary Market Platform are confirmed according to the principle "*First Committed, First Served*". The Secondary Market Platform is open for all Storage Users.

## **2.3. Assignment procedures**

The following assignment procedures can be distinguished on the Secondary Market:

- there is the “over the counter” (OTC) Secondary Market, in which the Storage Operator is notified of the assignment without a prior publication of the Secondary Market offer (*assignment procedure 1: OTC Secondary Market*)
- there is Secondary Market Platform, provided by the Storage Operator, on which Storage Users can trade Storage Services which are published in accordance with the terms and conditions of the Secondary Market Platform.(*assignment procedure 2: Secondary Market Platform between Storage Users*)

### **2.3.1. Forms for Assigning Services**

#### **2.3.1.1. SRFA “Service Request Form for assignment”**

The SRFA is used for a binding request by Storage Users in order to enter into an assignment for a particular Service, and will be subject to the acceptance of the Storage Operator.

#### **2.3.1.2. SCFA “Service Confirmation Form for assignment”**

The SCFA is a binding confirmation between the Storage Users having requested an assignment and the Storage Operator.

### **2.3.2. Acceptance of the assignment by the Storage Operator**

For the Storage Services offered or requested on the Secondary Market, the Storage Operator analyses the SRFA for acceptance by following non-exhaustive criteria;

- ✓ in case of an OTC, verification if the assignee has signed a SSA;
- ✓ verification of the Storage Services subscribed to by the assignor;
- ✓ in addition, in case of no retained payment obligations:
  - verification of the debt situation of the assignor with respect to the Storage Operator. The assignor may not have any debts in relation to the Storage Operator associated with the assigned Storage Services, unless the assignee irrevocably and unconditionally undertakes to pay these debts to the Storage Operator;
  - Verification of the creditworthiness of the assignee as provided for in the SSA.

If the Storage Operator receives all the necessary documents in good time, duly signed by the assignor and the assignee, an assignment is considered to be completed by the Storage Operator.

Such completed assignment means: for the assignor, a reduction of the subscribed Storage Service(s), and for the assignee, an increase of the subscribed Storage Service(s). The assignee is entitled to nominate the first Day of the assignment period, within the Storage Service(s) assigned to it, as from two (2) Business Days before the start of the assignment period. On the first Day of the assignment period the quantities of Natural Gas nominated by the assignee can be effectively treated.

### **2.3.3. OTC Secondary Market (assignment procedure 1)**

If parties wish to trade Storage Services directly amongst one another on the Secondary Market then the following procedure applies:

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1. the assignee notifies the Storage Operator, as soon as reasonable possible, using a SRFA duly signed by both parties by e-mail or by fax of the Storage Services that are to be assigned to the assignor;
2. the Storage Operator checks whether the SRFA is complete, and sends within five (2) Business Days:
  - a confirmation of receipt, if this form is complete;
  - a request to complete it, if this form is incomplete.
3. after confirmation of receipt, the Storage Operator analyses whether the assignment of the Storage Service(s) can be accepted (see 2.4.2).
4. the assignor and the assignee are informed by mail or by fax of the result of the acceptance analysis within Ten (5) Business Days following confirmation of receipt, using a standard document:
  - ✓ if the assignment is refused in full, the assignor and the assignee both receive a refusal message, that states the reason for the refusal;
  - ✓ if the assignment is confirmed in full or in part, the assignor and the assignee both receive a SCFA in which the following is confirmed for each assigned Storage Service:
    - for what quantities the assignment takes place;
    - the assignment period in respect of which the assignment takes place.
5. if they agree, the assignor and assignee sign the SCFA and send it to the Storage Operator within ten (10) Working Days and no later than two (2) Working Days before the start of the assignment period, by fax or by e-mail. If the Storage Operator receives the duly signed document in good time, the assignment is completed.

#### **2.3.4. Secondary Market Platform between Storage Users (assignment Procedure 2)**

In the event agreement on a specific quantity and a specific period of the assignment can be found between the Storage Users through the Secondary Market Platform, the following steps apply:

1. both assignor and assignee send an electronic request to the Storage Operator;
2. the Storage Operator checks the request as foreseen in paragraph 2.3.2;

3. the Storage Operator confirms as soon as reasonable possible and within one (1) Business Day the result of the acceptance analysis towards the assignor and the assignee:
  - ✓ if the assignment is refused in full, the assignor and the assignee both receive a refusal message, that states the reason for the refusal;
  - ✓ if the assignment is confirmed in full or in part, the assignor and the assignee both receive a SCFA in which the following is confirmed for each assigned Storage Service:
    - for what quantities the assignment takes place;
    - the assignment period in respect of which the assignment takes place.
4. the assignor and assignee have to sign the SCFA and send it to the Storage Operator within ten (10) Working Days and no later than one (1) Business Day before the start of the assignment period, by fax or by e-mail. If the Storage Operator receives the duly signed document in good time, the assignment is completed.
5. the moment an assignment has been accepted and confirmed by the Storage Operator, the part of the offer of the assignor on the Secondary Market Platform which has been assigned, is no longer published. The assignor is then still entitled to trade its remaining Storage Services on the Secondary Market at an agreed price.
6. if the assignor should have sold specified Storage Services directly on the Secondary Market, it must warn the Storage Operator as quickly as possible. The publication of its Storage Services is only stopped when the Storage Operator has received a SCFA that has been signed by the assignor and the assignee.