



**REGULATIONS  
OF THE GAS BALANCING PLATFORM  
(PB-GAS)<sup>(\*)</sup>**

We inform you that, pending directions from Autorità per l'energia elettrica e il gas (AEEG), we have suspended the operational kickoff of the new functionality of the G-1 Segment of the PB-GAS, initially scheduled on Saturday 1 February 2014.

*(\*) Please note that this translation is provided for convenience only. In case of discrepancies, the Italian text shall govern.*

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**TITLE I**  
**GENERAL PROVISIONS**

***Article 1***  
***Text and Annexes***

- 1.1 This document (hereafter "Regulations") and its annexes, which are an integral and essential part thereof, lays down the rules governing the organisation and operation of the Gas Balancing Platform (hereafter "PB-GAS"), adopted in compliance with Decision ARG/gas 45/11 of 14 April 2011 of "Autorità per l'energia elettrica e il gas" (hereafter "AEEG"), as subsequently amended and supplemented, and implementing the provisions AEEG's Decisions 446/2013/R/GAS of 10 October 2013, 520/2013/R/GAS of 14 November 2013 and 552/2013/R/GAS of 28 November 2013.

***Article 2***  
***Definitions***

- 2.1 For the purposes hereof, reference shall be made, where applicable, to the definitions given in Article 1 of AEEG's Decision ARG/gas 45/11:
- 2.2 In these Regulations:
- a) ***Accepted Bid/Offer*** shall mean a technically adequate bid/offer for which the PB-GAS Participant acquires the right to receive the requested service or the obligation to supply the offered service, at prices established in accordance herewith;
  - b) ***AEEG*** shall mean *Autorità per l'Energia Elettrica e il Gas* (electricity & gas regulator), which was set up in compliance with Law no. 481 of 14 November 1995;
  - c) ***AEEG's Decision ARG/gas 45/11*** shall mean the decision adopted by AEEG on 14 April 2011 concerning rules on merit-order balancing of natural gas, as subsequently amended and supplemented;

- c bis)* **AEEG's Decision 552/2013/R/GAS** shall mean the decision adopted by AEEG on 28 November 2013 concerning urgent measures on merit-order balancing of natural gas;
- c ter)* **AEEG's Decision 520/2013/R/GAS** shall mean the decision adopted by AEEG on 14 November 2013 amending Decision ARG/gas 45/11 and approving a proposal for updating the network code of the company Snam Rete Gas S.p.A.;
- d)* **AEEG's Decision 538/2012/R/GAS** shall mean the decision adopted by AEEG on 13 December 2012 concerning provisions on merit-order balancing of natural gas;
- e)* **AEEG's Decision 446/2013/R/GAS** shall mean the decision adopted by AEEG on 10 October 2013 concerning provisions on merit-order balancing of natural gas;
- f)* **Applicable Period** shall mean the time period, equal to the gas-day, to which an individual bid/offer entered into the PB-GAS shall refer;
- g)* **Authorised User** shall mean the party mentioned in Article 1, para. 1 k) of AEEG's Decision ARG/GAS 45/11;
- h)* **Balance Responsible Entity** shall mean the company *Snam Rete Gas*;
- i)* **Balancing User** shall mean the party referred to in Article 1, para. 1 l) of AEEG's Decision ARG/GAS 45/11 and holding one or more flexible resources;
- j)* **Electricity Market Participant** shall mean a natural person (individual) or legal person (organisation) admitted to trading in the Electricity Market organised and managed by GME;
- k)* **Exclusion from the PB-GAS** shall mean the loss of the status of PB-GAS Participant;
- l)* **Expected System Imbalance** shall mean the additional gas requirements or the gas surplus on the network (expressed in energy) expected on the following gas-day and calculated under the criteria set out in Article 7bis of AEEG's Decision 45/11;
- m)* **Flexible Resources** shall mean the gas resources admitted to trading in the G-1 Segment by Snam Rete Gas and specified by GME on its website;
- n)* **Gas-day** shall mean the period of 24 consecutive hours beginning at 06:00 of each calendar day and ending at 06:00 of the following calendar day;

- o) **GME** shall mean *Gestore dei Mercati Energetici S.p.A.*, the company (*società per azioni*) that is vested, among others, with the economic management of the Electricity Market under Article 5 of Legislative Decree 79/99, with the economic management of the Gas Market under Article 30 of Law no. 99 of 23 July 2009, with the management of the Platform for the trading of bids/offers of natural gas (*Piattaforma di Negoziazione per l'Offerta di Gas*) under the Decree of the Minister of Economic Development of 18 March 2010, as well as with the organisation and management, on behalf of Snam Rete Gas, of the Gas Balancing Platform in compliance with AEEG's Decision ARG/gas 45/11;
- p) **G-1 Segment** shall mean the Segment of the PB-GAS where the locational market session takes place in accordance with Article 1, para. 1.1 m) of AEEG's Decision ARG/GAS 45/11; the latter session, introduced under AEEG's Decision 538/2012/R/GAS, is dedicated to the trading of demand bids and supply offers of flexible resources pertaining to each gas-day immediately following the day of the session, pursuant to AEEG's Decisions 446/2013/R/GAS, 520/2013/R/GAS, as well as 552/2013/R/GAS;
- q) **G+1 Segment** shall mean the Segment of the PB-GAS dedicated to the trading of demand bids and supply offers of gas held in storage pertaining to each gas-day immediately preceding the day of closing of the session, pursuant to AEEG's Decision ARG/gas 45/11;
- r) **Identification Code of the Offer Point** shall mean the alphanumerical code uniquely identifying an offer point;
- s) **Identification Code of the PB-GAS Participant** shall mean the alphanumerical code uniquely identifying a party in view of participation in the PB-GAS;
- t) **Identification Code of the Session** shall mean the alphanumerical code uniquely identifying a session of the PB-GAS;
- u) **Identification Code of the Storage Company** shall mean the alphanumerical code uniquely identifying a storage company for which an authorised user may submit bids/offers on the PB-GAS;
- v) **Law no. 99 of 23 July 2009** shall mean the law concerning provisions on development and internationalisation of companies, as well as on energy matters;

- w) **Legislative Decree 164/00** shall mean Legislative Decree no. 164 of 23 May 2000 implementing Directive 98/30/EC concerning common rules for the internal market in natural gas, as per Article 41 of Law no. 144 of 17 May 1999, published in *Gazzetta Ufficiale* no. 142 of 20 June 2000;
- x) **Legislative Decree 79/99** shall mean Legislative Decree no. 79 of 16 March 1999 implementing Directive 96/92/EC concerning common rules for the internal market in electricity, published in *Gazzetta Ufficiale* no. 75 of 31 March 1999;
- y) **MGAS Participant** shall mean a natural person (individual) or legal person (organisation) admitted to trading in the Gas Market organised and managed by GME;
- z) **Multiple bid/offer** shall mean a bid/offer consisting of a set of simple bids/offers submitted by a same Participant for the same applicable period and of the same type, i.e. demand bids or supply offers and, if submitted into the G-1 Segment of the PB-GAS, in respect of a same offer point;
- aa) **Network Code** shall mean the rules on access to and provision of the natural-gas transmission service, prepared by *Snam Rete Gas* under Article 24, para. 5 of Legislative Decree 164/00 and approved by AEEG with its Decision no. 75 of 4 July 2003, as subsequently amended and supplemented;
- bb) **Offer Point** shall mean the offer point associated with each zone, to which the volume covered by demand bids and supply offers of flexible resources, admitted to trading in the G-1 Segment by Snam Rete Gas, refers;
- cc) **PB-GAS** shall mean the natural-gas balancing platform, consisting of the G-1 Segment and of the G+1 Segment;
- dd) **PB-GAS Participant** shall mean the individual (natural person) or organisation (legal person) authorised to trade on the PB-GAS;
- ee) **PB-GAS Segments** shall mean the G-1 Segment and the G+1 Segment;
- ff) **Predefined Bid/Offer** shall mean a bid/offer that is deemed to have been submitted by a Participant in each sitting of the PB-GAS in the cases covered by Articles 29 and 40 below. In particular, with regard to each session of the G+1 Segment of the PB-GAS, the submission of a predefined bid/offer expresses the Participant's willingness to enter a

simple bid/offer at the price quoted in the predefined bid/offer and with the volume defined in accordance with Article 40 below;

*gg) PSV* shall mean *sistema per scambi/cessioni di gas al Punto di Scambio Virtuale – Modulo PSV* (virtual trading point, hereafter “PSV”) referred to in AEEG’s Decision 22/04, as subsequently amended and supplemented, and organised and managed by Snam Rete Gas;

*hh) PSV Code* shall mean the code that Snam Rete Gas has assigned to the PB-GAS Participant for access to the PSV;

*ii) Remuneration Price* shall mean the remuneration price referred to in Articles 34 and 42 hereof;

*jj) Session* shall mean, for each of the PB-GAS Segments, the set of activities directly related to receiving and processing bids/offers, as well as determining the corresponding result;

*kk) Simple bid/offer* shall mean a bid/offer specifying a gas volume offered for purchase or sale and a unit price for the purchase or sale of gas for an applicable period and, if submitted into the G-1 Segment of the PB-GAS, in respect of an offer point;

*ll) Sitting* shall mean, for each of the PB-GAS Segments, the time period during which bids/offers must be submitted in order to be considered as valid;

*mm) Snam Rete Gas* shall mean Snam Rete Gas S.p.A., the company (*società per azioni*) established on 15 November 2000 and carrying out activities of gas transmission and dispatching;

*nn) Suspension of the Participant from the PB-GAS* shall mean the temporary prohibition for a PB-GAS Participant to submit bids/offers into the PB-GAS;

*oo) Technically Adequate Bid/Offer* shall mean a valid bid/offer that has been verified successfully as prescribed herein;

*pp) Valid Bid/Offer* shall mean a bid/offer submitted in accordance with the procedures and within the time limits indicated herein;

*pp bis) Utilisation Limit* shall mean the maximum volume of gas for purchase, net of sales, or of gas for sale, net of purchases, which may be traded in the G-1 Segment in respect of the reference zone;



qq) **Working Day** shall mean a day from Monday to Friday, with the exception of holidays recognised by the State for all civil purposes, as well as any other days indicated in the Technical Rules.

rr) **Zone** shall mean the set of offer points associated with one or more types of flexible resources in respect of which Snam Rete Gas may define the corresponding utilisation limits.

### **Article 3**

#### ***General Principles and Amendments to the Regulations***

- 3.1 GME shall organise and manage the PB-GAS on behalf of Snam Rete Gas under the criteria specified in AEEG's Decision ARG/gas 45/11 and the provisions of AEEG's Decision 446/2013/R/GAS, 520/2013/R/GAS, as well as 552/2013/R/GAS.
- 3.2 GME shall exercise its functions in transparent and non-discriminatory ways, so as to safeguard the proper operation of the PB-GAS.
- 3.3 With exception to the confidentiality obligations mentioned herein or in the participation agreement referred to in Article 15, para. 15.1 b) below, GME may at any time report to the competent authorities any behaviour that may directly or indirectly affect the proper operation of the PB-GAS.
- 3.4 GME shall put in place an organisational structure suitable for preventing real or potential conflicts of interest and put in place procedures for monitoring compliance both with these Regulations and with the Technical Rules.
- 3.5 In their activities on the PB-GAS, Participants are required to conform to common principles of correctness and good faith.

- 3.6 GME may propose amendments hereto and notify them to the parties concerned by posting them on its website or by other suitable means, allowing at least fifteen days for submission of comments, if any. Taking into account the comments received, GME shall submit the proposed amendments (and their rationale) to AEEG for approval.
- 3.7 The procedure referred to in para. 3.6 above shall not apply to urgent amendments hereto having the purpose of safeguarding the proper functioning of the PB-GAS. Any such amendment proposed by GME shall have effect as of the date of its publication on GME's website and be promptly submitted to AEEG for approval. In case of non-approval, the amendment shall cease to have effect as of the date of notification of AEEG's decision to GME. GME shall timely notify the outcome of the approval procedure to Participants by posting it on its website.

#### ***Article 4***

##### ***Technical Rules***

- 4.1 The implementing and procedural provisions hereof shall be set out in the Technical Rules (*Disposizioni Tecniche di Funzionamento* - DTF). In formulating the Technical Rules, GME shall adopt criteria of neutrality, transparency, objectivity and competition between or among Participants.
- 4.2 The Technical Rules shall be posted on GME's website and become effective as of the date of their publication.
- 4.3 GME may also make draft versions of the Technical Rules available to interested parties, setting a date by which such parties may submit their comments, if any.

## **Article 5**

### ***Units of Measurement and Rounding off***

- 5.1 For the purposes of the PB-GAS:
- a) for gas volumes, the unit of measurement shall be the GJ/day, specified with one decimal;
  - b) for monetary values, the unit of measurement shall be the Euro, specified with two decimals;
  - c) for unit prices of gas, the unit of measurement shall be the Euro/GJ, specified with two decimals.
- 5.2 For the purposes of the PB-GAS, all figures shall be rounded off according to the mathematical criterion. In particular, figures shall be rounded up or down to the nearest last decimal allowed and, if the result is halfway, they shall be rounded up.
- 5.3 If bids/offers are accepted under the *pro quota* criterion referred to in Article 34, para. 34.4 and Article 42, para. 42.4 below and if the application of the provisions of para. 5.2 above results into remainders, such remainders shall be assigned to the bid/offer with the highest time priority. For the purposes of this paragraph, predefined bids/offers shall always be considered to have a time priority lower than the one of the remaining types of bids/offers.

## **Article 6**

### ***Access to GME's Information System***

- 6.1 Access to GME's information system shall take place through the Internet, in compliance with the procedures and within the time limits defined in the Technical Rules or by any other means as defined therein.

## **Article 7**

### ***Fees for the Services Provided by GME***

- 7.1 For the service provided by GME on the PB-GAS, Participants shall pay:

- a) an access fee;
- b) a yearly fixed fee;
- c) a fee for the GJ traded.

7.2 If the PB-GAS Participant is at the same time an MGAS Participant, he/she/it shall not pay to GME the fees referred to in para. 7.1 a) and b) above. If the PB-GAS Participant is at the same time an Electricity Market Participant, he/she/it shall not pay to GME the fee referred to in para. 7.1 a) above.

7.3 On a yearly basis, GME shall determine the amount of the fees referred to in para. 7.1 above. The fees, approved by AEEG, shall have effect from 1 January of the subsequent year and be published on GME's website.

### ***Article 8***

#### ***Invoicing of Fees***

8.1 GME shall issue invoices for the fees covered by Article 7 above under the procedures and within the time limits established in the Technical Rules.

### ***Article 9***

#### ***Payment of Fees***

9.1 Participants shall pay the amounts invoiced under Article 8 above in accordance with the procedures and within the time limits established in the Technical Rules.

### ***Article 10***

#### ***Information about the PB-GAS***

10.1 The aggregated data and results of each session of the PB-GAS shall be of public domain and posted on GME's website. Participants shall have access to the data and results of the PB-GAS that directly concern them.

10.2 Unless laws, regulations or other instruments issued by authorities require the disclosure of information, GME shall publish the data of bids/offers submitted into the PB-GAS on the seventh day following the gas-day to which the same

data refer. For this purpose, GME shall publish, for each Participant and each session:

- a) name and surname, company name or registered name;
- b) volume offered for purchase and sale;
- c) price quoted in the bid/offer;
- d) where applicable, the storage company to which the bid/offer refers;
- e) where applicable, the offer point to which the bid/offer of flexible resources refers;
- f) where applicable, the day of delivery, at the PSV, of the offered gas volume.

10.3 GME shall only transmit to Snam Rete Gas the information that the latter requires for the activities falling under its responsibility pursuant to AEEG's Decision ARG/gas 45/11, as well as AEEG's Decision 538/2012/R/GAS implemented under AEEG's Decision 446/2013/R/GAS, 520/2013/R/GAS and 552/2013/R/GAS.

## ***Article 11***

### ***Communication and Publication of Data and Information***

11.1 Unless otherwise specified, the communication and publication of the data and information mentioned herein shall be carried out by electronic means. In particular:

- a) communication to a Participant shall take place by making available data and information in the section of GME's information system whose access is restricted to that Participant;
- b) publication shall take place by making available data and information in the section of GME's information system whose access is non-restricted.

11.2 Bids/offers submitted by Participants shall be deemed to have been received on the date and at the time recorded by GME's information system.

Any other communication shall be deemed to have been received:

- a) on the day and at the time of receipt, if it arrives between 08:00 and 17:00 of a working day;

- b) at 08:00 of the first working day following the day of receipt, if it arrives between 17:00 and 24:00 of a working day, or between 00:00 and 24:00 of a non-working day;
- c) at 08:00 of the day of receipt, if it arrives between 00:00 and 08:00 of a working day.

11.3 For determining the time of receipt of a communication, the time shall be obtained from GME's records. For electronic communications, the time shall be obtained from GME's information system.

***Article 12***  
***Security of Access***

12.1 Participants shall have access to the PB-GAS through special procedures defined in the Technical Rules. Such procedures shall guarantee the identification of Participants and authenticate their transactions.

12.2 Participants shall treat their access codes and any other data or device required to access GME's information system as confidential.

**TITLE II**  
**ADMISSION TO THE PB-GAS**

***Article 13***  
***Participants***

13.1 In compliance with the provisions laid down herein, Participants in the PB-GAS shall be the authorised users referred to in Article 2, para. 2.2 g) hereof, the balancing users referred to in Article 2, para. 2.2 i) hereof, as well as Snam Rete Gas.

***Article 14***  
***Requirements for Participation in the PB-GAS***

14.1 For admission to the PB-GAS, the parties referred to in Article 13 above shall have adequate experience and competence in the use of ICT systems and related security systems, or have employees or assistants with such experience and competence.

***Article 15***  
***PB-GAS Participation Application and PB-GAS Participation Agreement***

15.1 A party intending to participate in the PB-GAS must submit to GME (in accordance with the procedures and within the time limits established in the Technical Rules):

- a) a PB-GAS participation application (*Domanda di ammissione alla PB-GAS*) in the format of Annex A hereto, together with the documents indicated in Article 16 below;
- b) a signed copy of the PB-GAS participation agreement (*Contratto di adesione alla PB-GAS*) in the format of Annex B hereto.

## **Article 16**

### ***Documents to Be Enclosed to the PB-GAS Participation Application***

- 16.1 If the applicant is a legal person (organisation), the PB-GAS participation application, duly signed by its legal representative or other duly authorised person, shall be accompanied by a declaration in compliance with Decree no. 445 of the President of the Republic of 28 December 2000, certifying his/her powers of representation, or other equivalent documents based on which GME shall carry out a substantial equivalence evaluation.
- 16.2 If the documents referred to in para. 16.1 above are already held by GME, the applicant shall be exempted from submitting them, but he/she/it shall submit a declaration indicating this fact, specifying the date of submission of the documents to GME and certifying that the content of such documents is still current.

## **Article 17**

### ***Admission Procedure***

- 17.1 GME shall notify the applicant of his/her/its admission to the PB-GAS or of the rejection of his/her/its application (accompanied by the reasons for the rejection) within fifteen calendar days of receipt of the application, after verifying the regularity of the submitted documents. The notification shall be made in accordance with the modalities and within the time limits defined in the Technical Rules.
- 17.2 With a view to verifying the fulfilment of the requirements referred to in Article 14 above, GME may ask the applicant to provide appropriate documents.
- 17.3 In case of incomplete or irregular documents, GME shall - under the modalities defined in the Technical Rules - notify the applicant of the steps necessary to complete or regularise the documents, as well as of the date by which he/she/it shall do so. The notification shall suspend the time limit referred to in para. 17.1 above, which shall run again from the date upon which GME receives the completed or regularised documents.



17.4 Upon admission, the applicant shall acquire the status of PB-GAS Participant.

#### **Article 18**

##### ***By-Right PB-GAS Participants***

18.1 With exception to Article 17 above, Snam Rete Gas shall by right acquire the status of PB-GAS Participant.

#### **Article 19**

##### ***List of PB-GAS Participants***

19.1 The parties admitted to the PB-GAS as per Articles 17 and 18 above shall be entered into an appropriate List of PB-GAS Participants (*Elenco degli operatori ammessi alla PB-GAS*). The list shall be created and held by GME in compliance with Legislative Decree no. 196 of 30 June 2003, as subsequently amended and supplemented.

19.2 The List of PB-GAS Participants shall include the following data for each Participant:

- a) Participant's identification code assigned by GME;
- b) surname and name, company name or registered name, place of residence and place of domicile (if different from the place of residence) or registered office, taxpayer's code, VAT number, fax and telephone numbers, e-mail addresses, contact persons for communications, if any, and their contact details;
- c) status of the Participant on the PB-GAS: admitted, active, suspended, pending request for exclusion, excluded;
- d) where available, authorisation for storage services under AEEG's Decision ARG/gas 45/11;
- e) PSV code;
- f) where available, the identification code of the offer points to which the Participant is authorised to refer bids/offers;
- g) Participant's taxation scheme.

- 19.3 GME shall post the following data and information about Participants on its website:
- a) surname and name, company name or registered name;
  - b) place of residence or registered office.
- 19.4 Each Participant may access his/her/its own data and information contained in the List of PB-GAS Participants.

#### **Article 20**

##### ***Data and Information for Participation in the PB-GAS***

- 20.1 With a view to entering the data and information referred to in Article 19, para. 19.2 g) above, the Participant shall file a statement indicating his/her/its VAT taxation scheme with GME, as set forth in the Technical Rules.
- 20.2 After receiving the statement referred to in para. 20.1 above, GME shall update the List of PB-GAS Participants. The modification shall take effect within the second working day of receipt of the request by GME.
- 20.3 The entry of the data and information referred to in Article 19, para. 19.2 d), e) and f) above shall follow the notification referred to in Article 21 below.

#### **Article 21**

##### ***Data and Information about the PB-GAS***

- 21.1 For each of the sessions of the G-1 Segment to be held, GME shall - under the procedures and within the time limits established by GME and Snam Rete Gas in an appropriate agreement - daily acquire from Snam Rete Gas the estimated imbalance price referred to in Article 33 below, the possible utilisation limit associated with each zone, the cost functions referred to in Article 29, para. **Errore. L'origine riferimento non è stata trovata.** below and the updated list of balancing users; for each user, the list shall include at least the following data:
- a) identification data;

- b) PSV code;
- c) identification code of the offer points to which the user is authorised to refer bids/offers;
- d) the value of the maximum exposure, as well as the possible data and information referred to in Article 33 below.

21.2 For each of the sessions of the G+1 Segment to be held, GME shall - under the procedures and within the time limits established by GME and Snam Rete Gas in an appropriate agreement - daily acquire from Snam Rete Gas the updated list of authorised users; for each user, the list shall include at least the following data:

- a) identification data;
- b) PSV code;
- c) identification code of the storage company;
- d) minimum and maximum limits as per Article 40 below;
- d) maximum value of purchases as per Article 41 below.

21.3 The data referred to in paras. 21.1 and 21.2 above shall take effect on the dates indicated in the Technical Rules.

## ***Article 22***

### ***Request of Information***

22.1 GME shall enforce compliance with these Regulations and the Technical Rules, with a view to ensuring the proper functioning of the PB-GAS according to principles of neutrality, transparency, objectivity and competition between or among Participants. To this end, GME may request Participants to provide information or documents concerning their transactions on the PB-GAS and possibly convene them for a hearing.

22.2 GME shall verify whether Participants still meet the requirements for admission to the PB-GAS. To this end, GME may require additional documents or the updating of the already submitted documents.

**Article 23**  
**Notification Obligations**

- 23.1 Participants are required to notify GME promptly - and in any case within three working days of its occurrence - of any change in circumstances that may involve the change of any of the data and information referred to in Article 19, para. 19.2 b) and g) above, that they have declared and that have been entered into the List of PB-GAS Participants.
- 23.2 GME shall update the List of PB-GAS Participants taking into account the notifications mentioned in para. 23.1 above.

**Article 24**  
**Exclusion from the PB-GAS on Request**

- 24.1 For the purposes of exclusion from the PB-GAS, Participants shall - under the modalities and within the time limits defined in the Technical Rules - hand in or deliver to GME's registered office an appropriate written request indicating the date from which exclusion is requested.
- 24.2 Exclusion from the PB-GAS on request shall run from the later of the following dates:
- a) the second working day following the date of receipt by GME of the request referred to in para. 24.1 above;
  - b) the date indicated in the request referred to in para. 24.1 above.
- 24.3 Without prejudice to the provisions of the above paragraphs, the exclusion from the PB-GAS on request shall not exempt the Participant from fulfilling obligations arising from commitments made on the PB-GAS.
- 24.4 In compliance with the provisions of para. 24.2 above, GME shall notify AEEG of the exclusion if, based on the latest data obtained from Snam Rete Gas under Article 21, para. 21.1 above, the Participant requesting the exclusion is an authorised user.

**TITLE III**  
**OPERATION OF THE PB-GAS**

***Article 25***

***Structure and Purposes of the PB-GAS***

- 25.1 The PB-GAS shall consist of:
- a) the G-1 Segment, where – under AEEG’s Decisions ARG/gas 45/11, 446/2013/R/GAS, 520/2013/R/GAS, as well as 552/2013/R/GAS – balancing users may enter demand bids and supply offers of flexible resources. On this Segment, Snam Rete Gas may - as balance responsible entity and in accordance with AEEG’s Decision ARG/gas 45/11 - procure the flexible resources that it needs to cover the expected system imbalance, by submitting a single demand bid or a single supply offer in each session. For the purposes of the operation of the G-1 Segment, one or more zones shall be defined where to place the offer points corresponding to one or more types of flexible resources and, for each zone, Snam Rete Gas may - where necessary - define the corresponding utilisation limits. The identified zones shall be specified in the Technical Rules;
  - b) the G+1 Segment, where – under AEEG’s Decision ARG/gas 45/11 – authorised users shall enter demand bids and supply offers of gas held in storage. On this Segment, Snam Rete Gas shall - as balance responsible entity - procure the storage resources that it needs to cover the overall system imbalance, by submitting, in each session, a single demand bid, if the overall system imbalance is negative, or a single supply offer, if the overall system imbalance is positive.
- 25.2 Transactions on the PB-GAS shall take place under the auction-trading mechanism.
- 25.3 GME shall collect demand bids and supply offers of flexible resources, or of resources of gas held in storage, submitted by Participants and determine the results of the PB-GAS in accordance with the following articles of this Title III.

- 25.4 In the gas purchase and sale contracts made on the PB-GAS, Snam Rete Gas shall act as counterparty to Participants.
- 25.5 On the PB-GAS, the volumes and related unit prices shall refer to gas.
- 25.6 The opening and closing hours of the sittings and of the sessions of the PB-GAS Segments shall be established in the Technical Rules.
- 25.7 The session of the G-1 Segment of the PB-GAS shall be held on a daily basis and refer to the gas-day immediately following the one of closing of the session.
- 25.8 The session of the G+1 Segment of the PB-GAS shall be held on a daily basis and refer to the gas-day immediately preceding the one of closing of the session.
- 25.9 In each session of the G-1 Segment, Participants may - as balancing users - enter demand bids and supply offers in respect of their offer points, as notified by Snam Rete Gas under Article 21, para. 21.1 above.
- 25.10 In each session of the G+1 Segment, Participants shall - as authorised users - enter demand bids and supply offers in respect of their resources of gas held in storage, as notified by Snam Rete Gas under Article 21, para. 21.2 above.

## ***Article 26***

### ***Definitivity of Transactions***

- 26.1 The gas transactions concluded on the PB-GAS shall be definitive and binding - also in view of the obligations arising thereon - as of the time at which demand bids and supply offers are verified to be valid and technically adequate and accepted in the bidding system under Articles 34 and 42 below and transmitted to Snam Rete Gas under Articles 35 and 43 below.

## **Article 27**

### ***Emergency Procedure on the PB-GAS***

- 27.1 Emergency conditions shall be as follows:
- a) the case where GME is unable to receive the bids/offers submitted by Participants according to the modalities referred to in Articles 29, 30, 36 and 37 below;
  - b) the case where GME is unable to determine the results of a session of the PB-GAS;
  - c) the case where GME is unable to communicate the results of a session of the PB-GAS to Participants.
- 27.2 If the case referred to in para. 27.1 a) above occurs, GME shall - in accordance with the modalities stated in the Technical Rules - notify Snam Rete Gas and the other Participants of the occurrence of the emergency condition and of the new time of closing of the sitting of the PB-GAS. If, by the new time of closing of the sitting of the PB-GAS, the emergency condition persists, GME shall temporarily suspend transactions in the relevant session of the PB-GAS.
- 27.3 If the cases referred to in para. 27.1 b) and c) above occur, GME shall - in accordance with the modalities stated in the Technical Rules - notify Snam Rete Gas and the other Participants of the occurrence of the emergency condition.

## **Article 28**

### ***Suspension of the PB-GAS***

- 28.1 Upon emergency conditions in the gas system, i.e. gas shortage or unavailability, or under the exceptional conditions identified in the Network Code or other documents published by Snam Rete Gas, GME shall - at the request of Snam Rete Gas - suspend the PB-GAS or one or more sessions thereof.
- 28.2 Without prejudice to para. 28.1 above, if GME identifies or suspects abnormal trends of transactions on the PB-GAS, or irregular or unlawful behaviours by

one or more Participants, it shall timely notify AEEG thereof and, at the request of AEEG, it shall suspend transactions on the PB-GAS or one or more sessions thereof, even with immediate effect.

28.3 GME shall make known the suspension decision as per paras. 28.1 and 28.2 above by publishing it on its website.

28.4 GME shall make known the resumption of transactions on the PB-GAS, suspended as per paras. 28.1 and 28.2 above, by publishing an appropriate notice on its website.

## **SECTION I OPERATION OF THE G-1 SEGMENT**

### ***Article 29***

#### ***Submission of Bids/Offers by Participants***

29.1 During the trading sitting, Participants shall submit bids/offers in accordance with the procedures defined in the Technical Rules. The bids/offers shall contain at least following data:

- a) identification code of the Participant submitting the bid/offer;
- b) identification code of the session for which the bid/offer is submitted;
- c) identification code of the offer point to which the bid/offer refers;
- d) type of bid/offer (demand bid/supply offer);
- e) offered volume;
- f) unit price for the offered volume;
- g) where applicable, the gas-day of delivery, at the PSV, of the offered gas volume.

29.2 The volumes specified in demand bids and supply offers shall only have positive values.

29.3 Participants shall not enter bids/offers without a specified price.



- 29.4 The price referred to in para. 29.1 f) shall only have values higher than or equal to zero.
- 29.5 With a view to determining the result of the session, account shall be taken of any changes made to the submitted bids/offers, by applying the cost functions, defined by Snam Rete Gas under AEEG's Decisions 446/2013/R/gas and 552/2013/R/GAS, to the same bids/offers in accordance with the procedures established in the Technical Rules.
- 29.6 Participants may submit simple, multiple or predefined bids/offers. The Technical Rules shall define the maximum number of simple bids/offers making up a multiple bid/offer and the day of delivery for predefined bids/offers submitted in respect of zones for which the day of delivery may be specified in the same bids/offers. With a view to determining the result of the session, each multiple bid/offer shall be considered to be a set of simple bids/offers.
- 29.7 A predefined bid/offer shall contribute to determining the results referred to in Article 34 below, only if the Participant has not submitted, in the same session, a bid/offer having the same sign and in respect of the same offer point to which the predefined bid/offer refers.
- 29.8 If, for a given offer point, a Participant has already submitted:
- a) demand bids during a sitting, he/she/it shall not submit supply offers in respect of the same offer point at a price lower than or equal to the price of the already submitted demand bids;
  - b) supply offers during a sitting, he/she/it shall not submit demand bids in respect of the same offer point at a price higher than or equal to the price of the already submitted supply offers.
- 29.9 With a view to determining the result of the session under Article 34 below, the volumes quoted in demand bids or supply offers may also be partially accepted.

- 29.10 A valid bid/offer as per Article 31 below may be replaced with a new bid/offer until the end of the auction sitting.
- 29.11 A valid offer as per Article 31 below may be revoked until the end of the auction sitting.

### ***Article 30***

#### ***Submission of Bids/Offers by Snam Rete Gas***

- 30.1 Snam Rete Gas shall submit bids/offers in accordance with the procedures and within the time limits defined in the Technical Rules, specifying at least the following data:
- a) identification code of the session for which the bid/offer is submitted;
  - b) type of bid/offer (demand bid/supply offer);
  - c) offered volume;
  - d) unit price for the offered volume.
- 30.2 The volumes specified in demand bids and supply offers shall only have positive values.
- 30.3 With a view to determining the result of the session under Article 34 below, the volumes quoted in demand bids or supply offers may also be partially accepted.

### ***Article 31***

#### ***Validation and Priority Order of Bids/Offers***

- 31.1 GME shall verify the validity of bids/offers submitted by Participants into the PB-GAS as per Article 29 above, ensuring that:
- a) the Participant is not suspended from the PB-GAS upon receipt of the bid/offer;
  - b) the bid/offer has been submitted in compliance with the modalities referred to in Article 29 above;
  - c) the bid/offer specifies all the data referred to in Article 29 above.

- 31.2 GME shall verify the validity of bids/offers submitted by Snam Rete Gas into the PB-GAS, ensuring that they have been submitted in compliance with the modalities referred to in Article 30 above and that they specify all the data indicated therein.
- 31.3 GME shall verify the validity of received bids/offers within the time limit specified in the Technical Rules.
- 31.4 Supply offers submitted by Participants under Article 29 above and verified to be valid shall be ranked by non-decreasing price order, taking into account the provisions of Article 29, para. 29.5 above.
- 31.5 Demand bids submitted by Participants under Article 29 above and verified to be valid shall be ranked by non-increasing price order, taking into account the provisions of Article 29, para. 29.5 above.
- 31.6 If two or more bids/offers submitted by Participants under Article 29 above have the same price, they shall be ranked by time of entry. Predefined bids/offers having the same price as the other bids/offers shall have the minimum time priority. If two or more predefined bids/offers have the same price, they shall be ranked by time of entry.

## ***Article 32***

### ***Verification of Technical Adequacy of Bids/Offers***

- 32.1 At the end of the sitting, GME shall verify the technical adequacy of bids/offers submitted by Participants under Article 29 above and verified to be valid.
- 32.2 A bid/offer submitted by a Participant other than Snam Rete Gas shall be considered to be technically adequate if it meets the following requirements:
- a) the Participant is not suspended from the PB-GAS;
  - b) the Participant holds the offer point to which the bid/offer refers, based on the latest data received from Snam Rete Gas under Article 21, para. 21.1 above;
  - c) it is guaranteed under Article 33 below.

**Article 33**  
**Financial Verifications**

- 33.1 In accordance with Article 21, para. 21.1 above and with the Technical Rules, GME shall acquire from Snam Rete Gas the following data for each balancing user:
- a) the value of the maximum exposure that the same user may take on towards Snam Rete Gas and the estimated imbalance price, as determined by Snam Rete Gas itself, for the verification of the supply offers referred to in Article 32, para. 32.2 c) above;
  - b) the possible data and information identified by Snam Rete Gas itself, for the verification of the demand bids referred to in Article 32, para. 32.2 c) above.
- 33.2 In accordance with the modalities set out in the Technical Rules, a supply offer shall be considered to be fully or partially guaranteed as per Article 32, para. 32.2 c) above, if its offered quantity is lower than or equal to the maximum quantity given by the ratio of the value of the maximum exposure that the same user may take on towards Snam Rete Gas to the estimated imbalance price referred to in para. 33.1 a) above, decreased by the quantity covered by supply offers having higher priority and already verified to be adequate.
- 33.3 GME shall verify the adequacy of the entered demand bids only if Snam Rete Gas provides GME with the data and information referred to in para. 33.1 b) above. These data and information, needed to verify the adequacy of demand bids, and the related verification procedure shall be identified and regulated by GME in the Technical Rules.

**Article 34**  
**Result of the session**

- 34.1 GME shall identify the accepted bids/offers and the corresponding remuneration price in accordance with this Article.

- 34.2 GME shall accept the technically adequate bids/offers entered by Participants and determine the corresponding remuneration prices in accordance with what is specified in Annex C and in such a way that:
- a) the net value of the resulting transactions is maximum, provided that the utilisation limits are satisfied and that the gas volume of accepted supply offers is equal to the gas volume of accepted demand bids;
  - b) the remuneration price, in each zone, of the volumes covered by combined bids is equal to the price corresponding to the least cost of satisfying an increase in gas demand in the zone and for which the following bids/offers are accepted, provided that the utilisation limits are satisfied: all supply offers whose offered price is lower than the remuneration and only those whose price is not higher than the same price; and all demand bids whose offered price is higher than the remuneration price and only those whose price is not lower than the same price.
- 34.3 For the purposes of para. 34.2 above, net value of transactions shall mean the difference between the overall value of accepted demand bids and the overall value of accepted supply offers. These overall values shall be determined by valuing the gas volume specified in each accepted bid/offer, or the accepted volume in case of partial acceptance of the bid/offer, at the price associated with the same bid/offer.
- 34.4 If, pursuant to this Article and to Annex C hereto, bids/offers having the same price and, pursuant to Article 31, paras. 31.4 and 31.5 above, having the lowest price priority among accepted bids/offers are to be partially accepted, such bids/offers shall be accepted under the *pro quota* criterion for a volume proportional to the volume covered by the aforesaid bids/offers.

**Article 35**  
**Notification of Results**

- 35.1 Within the time limit defined in the Technical Rules, GME shall identify the accepted bids/offers and the corresponding remuneration prices under the modalities described in Article 34 above and define for each zone:
- a) the remuneration price of accepted supply offers and demand bids;
  - b) the overall gas volumes of accepted demand bids and supply offers;
  - c) the demand curve and the supply curve.
- 35.2 Within the time limit defined in the Technical Rules, GME shall publish the results for each zone, specifying at least the following data:
- a) the remuneration price referred to in para. 35.1 a) above;
  - b) the overall gas volumes of the accepted demand bids and supply offers referred to in para. 35.1 b) above;
  - c) the demand curve and the supply curve referred to in para. 35.1 c) above.
- 35.3 At the end of each session, GME shall transmit to Snam Rete Gas the data mentioned in para. 35.1 a) and b) above, as well as the data concerning the gas volumes corresponding to the accepted bids/offers for each Participant and each offer point, including (where applicable) the specification of the gas-day of delivery, at the PSV, of the gas volumes corresponding to the accepted bids/offers.
- 35.4 Within the time limit mentioned in para. 35.1 above, GME shall notify each Participant that has entered bids/offers into the G-1 Segment and only for such bids/offers:
- a) the bids/offers that have been submitted and accepted, specifying the accepted gas volume;
  - b) the bids/offers that have been rejected because they have been found to be invalid or technically inadequate during the verifications mentioned in Articles 31 and 32 above, specifying the reasons for the invalidity or inadequacy.

**SECTION II**  
**OPERATION OF THE G+1 SEGMENT**

***Article 36***  
***Submission of Bids/Offers by Participants***

- 36.1 During the trading sitting, Participants shall submit bids/offers in accordance with the procedures defined in the Technical Rules. The bids/offers shall contain at least following data:
- a) identification code of the Participant submitting the bid/offer;
  - b) identification code of the session for which the bid/offer is submitted;
  - c) type of bid/offer (demand bid/supply offer);
  - d) offered volume, except in case of predefined bids/offers;
  - e) unit price;
  - f) code of the storage company to which the bid/offer refers;
  - g) if a predefined bid/offer is submitted, specification of predefined bid/offer.
- 36.2 The volumes specified in demand bids and supply offers shall only have positive values.
- 36.3 Participants shall not enter bids/offers without a specified price.
- 36.4 The price associated with demand bids and supply offers shall only have values higher than or equal to zero and not exceed the price referred to in Article 5, para. 5.6 a) of AEEG's Decision ARG/gas 45/11.
- 36.5 Participants may submit simple, multiple or predefined bids/offers. The maximum number of simple bids/offers making up a multiple bid/offer shall be set in the Technical Rules. With a view to determining the result of the session, each multiple bid/offer shall be considered to be a set of simple bids/offers.
- 36.6 Predefined bids/offers shall be submitted with a specified price and without a specified volume. The price associated with predefined supply offers and

demand bids shall only have values higher than or equal to zero and not exceed the price referred to in article 5, para. 5.6 a) of AEEG's Decision ARG/gas 45/11.

- 36.7 Predefined bids/offers shall contribute to determining the result of the session, as set forth in Article 42 below, only if the requirements of Article 40, para. 40.5 below are satisfied.
- 36.8 If a Participant has already submitted:
- a) demand bids during a sitting, he/she/it shall not submit supply offers with a price lower than or equal to the price of the already submitted demand bids;
  - b) supply offers during a sitting, he/she/it shall not submit demand bids with a price higher than or equal to the price of the already submitted supply offers.
- 36.9 With a view to determining the result of the session under Article 42 below, the volumes quoted in demand bids or supply offers may also be partially accepted.
- 36.10 A valid bid/offer as per Article 38 below may be replaced with a new bid/offer until the end of the auction sitting.
- 36.11 A valid bid/offer as per Article 38 below may be revoked until the end of the auction sitting.

### ***Article 37***

#### ***Submission of Bids/Offers by Snam Rete Gas***

- 37.1 Snam Rete Gas shall submit bids/offers in accordance with the procedures and within the time limits defined in the Technical Rules, specifying at least the following data:
- a) identification code of the session for which the bid/offer is submitted;
  - b) type of bid/offer (demand bid/supply offer);
  - c) offered volume;



d) unit price for the offered volume, as set forth in paras. 37.3 and 37.4 below.

37.2 The volumes specified in demand bids and supply offers shall only have positive values.

37.3 Demand bids shall be entered at the price referred to in Article 5, para. 5.6 a) of AEEG's Decision ARG/Gas 45/11.

37.4 Supply offers shall be entered at a price equal to zero.

37.5 With a view to determining the result of the session under Article 42 below, the volumes quoted in demand bids or supply offers may also be partially accepted.

### ***Article 38***

#### ***Validation and Priority Order of Bids/Offers***

38.1 GME shall verify the validity of bids/offers submitted by Participants as per Article 36 above, ensuring that:

- a) the Participant is not suspended from the PB-GAS upon receipt of the bid/offer;
- b) the bid/offer has been submitted in compliance with the modalities referred to in Article 36 above;
- c) the bid/offer specifies all the data referred to in Article 36 above and satisfies the price limits indicated therein.

38.2 GME shall verify the validity of bids/offers submitted by Snam Rete Gas, ensuring that they have been submitted in compliance with the modalities referred to in Article 37 above and that they specify all the data indicated therein.

- 38.3 GME shall verify the validity of received bids/offers within the time limit specified in the Technical Rules.
- 38.4 Supply offers submitted by Participants pursuant to Article 36 above and verified to be valid shall be ranked by non-decreasing price order, from those with zero price to those with a price equal to the one of Article 5, para. 5.6 a) of AEEG's Decision ARG/gas 45/11.
- 38.5 Demand bids submitted by Participants pursuant to Article 36 above and verified to be valid shall be ranked by non-increasing price order, from those with a price equal to the one of Article 5, para. 5.6 a) of AEEG's Decision ARG/gas 45/11 to those with a price equal to zero.
- 38.6 If two or more bids/offers submitted by Participants under Article 36 above have the same price, they shall be ranked by time of entry. Predefined bids/offers having the same price as the other bids/offers shall have the minimum time priority. If two or more predefined bids/offers have the same price, they shall be ranked by time of entry.
- 38.7 With exception to paras. 38.4, 38.5 and 38.6 above, bids/offers submitted by Snam Rete Gas under Article 37 above shall have the maximum price priority with respect to bids/offers entered by Participants under Article 36 above.

### ***Article 39***

#### ***Verification of Technical Adequacy of Bids/Offers***

- 39.2 At the end of the sitting, GME shall verify the technical adequacy of bids/offers submitted by Participants other than Snam Rete Gas and verified to be valid.
- 39.3 A bid/offer submitted by a Participant other than Snam Rete Gas shall be considered to be technically adequate if it meets the following requirements:
- a) the Participant is not suspended from the PB-GAS;
  - b) the Participant is an authorised user based on the latest data received from Snam Rete Gas under Article 21, para. 21.2 above, in respect of the applicable period to which the bid/offer refers;

- c) the bid/offer satisfies the overall daily minimum and maximum limits of tradable volumes indicated in Article 6 of AEEG's Decision 45/11, as provided for in Article 40 below;
- d) the demand bid is guaranteed pursuant to Article 41, para. 41.2 below.

#### **Article 40**

##### ***Minimum and Maximum Limits of Tradable Volumes***

- 40.1 By the time of closing of each sitting, GME shall receive from Snam Rete Gas - under Article 21, para. 21.2 above - the overall daily minimum and maximum limits of purchase and sale of the gas volumes that each authorised user is required to bid on the G+1 Segment of the PB-GAS, in respect of each storage company with which he/she/it is authorised.
- 40.2 If GME does not receive the data referred to in para. 40.1 above within the time limits established therein, it shall postpone the time of closing of the sitting by the maximum period indicated in the Technical Rules and notify Participants thereof. If, by the new time of closing of the sitting, GME does not receive such data, it shall notify Participants thereof and hold the session considering - for the purposes of the technical adequacy verifications mentioned in Article 39 above - the latest minimum and maximum limits received from Snam Rete Gas or, failing the latter limits, considering the minimum and maximum limits to be equal to zero.
- 40.3 For demand bids entered by each Participant, in respect of each storage company with which he/she/it is authorised, GME shall - under Article 39, para. 39.2 c) above - ensure that the sum of the gas volumes specified therein:
- a) is not lower than the lower value between the overall daily minimum and maximum limit of gas that may be purchased in respect of the above-mentioned storage company;
  - b) is not higher than the overall daily maximum limit of gas that may be purchased in respect of the above-mentioned storage company.

- 40.4 For supply offers entered by each Participant, in respect of each storage company with which he/she/it is associated, GME shall – under Article 39, para. 39.2 c) above – ensure that the sum of the gas volumes specified therein:
- a) is not lower than the lower value between the overall daily minimum and maximum limit of gas that may be sold in respect of the above-mentioned storage company;
  - b) is not higher than the overall daily maximum limit of gas that may be sold in respect of the above-mentioned storage company.
- 40.5 If the Participant has submitted demand bids whose overall volumes are lower than the value indicated in para. 40.3 a) above or supply offers whose overall volumes are lower than the value indicated in para. 40.4 a) above and if the same Participant has submitted a corresponding predefined bid/offer, GME shall assign a bid/offer to the same Participant for a volume equal to the one needed to reach the value indicated in para. 40.3 a) or para. 40.4 a) above, and at a price equal to the one quoted in the predefined bid/offer. If the Participant has not submitted predefined bids/offers, GME shall not assign any additional bid/offer to the same Participant. GME shall notify the matter to AEEG.
- 40.6 If the daily maximum limits of bids/offers covered by para. 40.3 b) or para. 40.4 b) above are not satisfied, GME shall consider as technically adequate only the bids/offers (or portions thereof) whose volumes contribute - on the basis of their priority order - to reaching the overall daily maximum limit. GME shall reject the remaining bids/offers that have been submitted, or portions thereof, and notify AEEG thereof.

#### ***Article 41***

#### ***Financial Verifications***

- 41.1 With a view to carrying out the verifications mentioned in Article 39, para. 39.2 d) above, GME shall acquire from Snam Rete Gas – under the modalities set out in Article 21, para. 21.2 above and in the Technical Rules – the following data for each authorised user: the maximum value of purchases that he/she/it may

make on the G+1 Segment of the PB-GAS, as determined by Snam Rete Gas itself pursuant to AEEG's Decision ARG/gas 45/11.

41.2 In accordance with the modalities set out in the Technical Rules, a demand bid shall be considered to be fully or partially guaranteed, as per Article 39, para. 39.2 d) above, if its amount does not exceed the maximum value of purchases that the Participant may make on the G+1 Segment of the PB-GAS, pursuant to para. 41.1 above, decreased by the value of demand bids of higher priority and already verified to be technically adequate.

## ***Article 42***

### ***Result of the session***

42.1 GME shall identify the accepted bids/offers and the corresponding remuneration price in accordance with this Article.

42.2 GME shall accept the technically adequate bids/offers entered by Participants and determine the corresponding remuneration prices in accordance with what is specified in Annex C and in such a way that:

- a) the net value of the resulting transactions is maximum, provided that the gas volume of accepted supply offers is equal to the gas volume of accepted demand bids;
- b) the remuneration price of the volumes of combined bids/offers is equal to:
  - i. the price associated with the bid/offer of Snam Rete Gas, if the volumes of the Participants' bids/offers, which have been accepted, are lower than those associated with the bid/offer of Snam Rete Gas;
  - ii. in all other cases, the price corresponding to the least cost of satisfying an increase in gas demand and for which the following bids/offers are accepted: all supply offers whose offered price is lower than the remuneration price and only those whose price is not higher than the same price; and all demand bids whose offered price is higher than the remuneration price and only those whose price is not lower than the same price.

- 42.3 For the purposes of para. 42.2 above, net value of transactions shall mean the difference between the overall value of accepted demand bids and the overall value of accepted supply offers. These overall values shall be determined by valuing the gas volume specified in each accepted bid/offer, or the accepted volume in case of partial acceptance of the bid/offer, at the price specified in the same bid/offer.
- 42.4 If, pursuant to this Article and to Annex C hereto, bids/offers having the same price and, pursuant to Article 38, paras. 38.4 and 38.5 above, having the lowest price priority among accepted bids/offers are to be partially accepted, such bids/offers shall be accepted under the *pro quota* criterion for a volume proportional to the volume covered by the aforesaid bids/offers. Except in the case of para. 42.2 b) i. above, partial acceptance shall not apply to the bid/offer of Snam Rete Gas, which shall always have the maximum priority.

### **Article 43**

#### **Notification of Results**

- 43.1 Within the time limit defined in the Technical Rules, GME shall identify the accepted bids/offers and the corresponding remuneration price under the modalities described in Article 42 above and define:
- a) the remuneration price of accepted supply offers and demand bids;
  - b) the overall gas volumes of accepted demand bids and supply offers;
  - c) the demand curve and the supply curve.
- 43.2 Within the time limit defined in the Technical Rules, GME shall publish the results, specifying at least the following data:
- a) the remuneration price referred to in para. 43.1 a);
  - b) the overall gas volumes of the accepted demand bids and supply offers referred to in para. 43.1 b) above;
  - c) the demand curve and the supply curve referred to in para. 43.1 c) above.
- 43.3 At the end of each session, GME shall transmit to Snam Rete Gas the data mentioned in para. 43.1 a) and b) above, as well as the data concerning the gas volumes corresponding to accepted bids/offers for each Participant.

- 43.4 Within the time limit mentioned in para. 43.1 above, GME shall notify each Participant that has entered bids/offers into the G+1 Segment and only for such bids/offers:
- a) the bids/offers that have been accepted, specifying the accepted gas volume;
  - b) the bids/offers that have been rejected because they have been found to be invalid or technically inadequate during the verifications mentioned in Articles 38 and 39 above, specifying the reasons for the invalidity or inadequacy.
- 43.5 Where GME and/or Snam Rete Gas determine that they have committed material errors in carrying out activities of definition, compilation, loading and processing of data and information that are instrumental for executing a session, GME shall – also at the request of Snam Rete Gas – cancel such session and reopen the sitting for entry of bids/offers only if the material errors have concerned the data referred to in Articles 21, 40 and 41 above and, in any case, it shall redetermine the results under Article 42 above within the same day as the one of the cancelled session. GME shall timely notify Participants thereof.
- 43.6 GME shall publish the results of the session mentioned in para. 43.5 above and notify Snam Rete Gas thereof in accordance with the procedures and within the time limits referred to in paras. 43.2 and 43.3 above.

**TITLE IV**  
**SETTLEMENT OF PAYABLES/RECEIVABLES**

***Article 44***

***Reference to Other Provisions***

44.1 Payables and receivables pertaining to transactions concluded on the PB-GAS shall be settled between Snam Rete Gas and Participants in accordance with AEEG's Decision ARG/gas 45/11.



**TITLE V**  
**DISCIPLINARY MEASURES, COMPLAINTS AND DISPUTES**

**SECTION I**  
**BREACHES AND DISCIPLINARY MEASURES**

*Article 45*  
*Breaches of the Regulations and Technical Rules*

- 45.1 The following behaviours shall be considered as breaches of these Regulations and of the Technical Rules:
- a) negligence, imprudence and unskilfulness in the use of the systems of communication and submission of bids/offers;
  - b) vexatious use of the complaint procedures defined in Section II below of this Title;
  - c) disclosure to third parties of confidential information related to the Participant or third Participants, in particular as regards the codes of access to GME's information system, any other data pertaining to such access and the contents of bids/offers submitted by third Participants to GME, except in the fulfilment of obligations arising from laws, regulations or decisions of competent authorities;
  - d) attempted unauthorised access to restricted sections of GME's information system;
  - e) any use for fraudulent purposes of the systems of communication and submission of bids/offers;
  - f) any other conduct contrary to the common principles of correctness and good faith referred to in Article 3, para. 3.5 above.

*Article 46*  
*Disciplinary Measures*

- 46.1 If GME identifies the breaches referred to in Article 45 above, it shall - respecting the principles of equality and equal treatment and taking into account the severity of the breach and its possible recurrence - apply the

following disciplinary measures to Participants on the basis of the scale referred to in Article 47 below:

- a) private written notice of the breach;
- b) public written notice of the breach;
- c) pecuniary penalty;
- d) suspension of the Participant from the PB-GAS;
- e) exclusion of the Participant from the PB-GAS.

46.2 In case of disciplinary measures of suspension or exclusion from the PB-GAS, the Participant involved may - at the request of AEEG and under the supervision of GME - carry out new transactions on the PB-GAS, close transactions still in progress and carry out other transactions inevitably connected therewith, if any.

46.3 After identifying a breach, GME shall serve a notice to the Participant. The notice shall include:

- a) description of the alleged breach;
- b) deadline of at least ten days for the Participant to possibly submit pleadings and documents and to request a hearing.

46.4 If the Participant requests a hearing, GME shall set the date of the same and promptly notify the Participant thereof. If the Participant does not appear at the hearing and the hearing is not postponed to another date for justified reasons, GME shall make a decision based on the collected evidence.

46.5 Based on the collected evidence, GME shall apply the possible disciplinary measure or dismiss the case within thirty days of sending the notice specified in para. 46.3 above.

46.6 Where the breaches are such as to seriously impair the proper operation of the PB-GAS, GME shall, on a precautionary basis, suspend the Participant from the PB-GAS for the period of time needed to complete the disciplinary procedure. GME shall timely notify AEEG of the suspension.

467 The disciplinary measure and the related grounds or the decision to dismiss the case shall be notified to the Participant concerned and a copy of such notification shall be sent to AEEG and Snam Rete Gas.

#### ***Article 47***

#### ***Graduation of Disciplinary Measures***

- 47.1 Where the breaches are due to the fault of the Participant, GME may adopt the following disciplinary measures:
- a) private written notice of the breach;
  - b) public written notice of the breach;
  - c) suspension from the PB-GAS for a minimum period of five days and a maximum period of one month. In case of recurrence of the breach, the suspension from the PB-GAS shall be equal to one month.
- 47.2 If the breaches mentioned in para. 47.1 above have caused disturbances to the proper functioning of the PB-GAS, GME may adopt the following disciplinary measures:
- a) public written notice of the breach;
  - b) suspension from the PB-GAS for a minimum period of one month and a maximum period of one year. In case of recurrence of the breach, the suspension from the PB-GAS shall be equal to one year.
- 47.3 If the breaches are due to the Participant's intentional wrongdoing, GME may adopt the following disciplinary measures:
- a) suspension from the PB-GAS for a minimum period of six months and a maximum period of eighteen months. In case of recurrence of the breach, the suspension from the PB-GAS shall be equal to eighteen months.
  - b) exclusion from the PB-GAS.

- 47.4 If the breaches mentioned in para. 47.3 above have caused disturbances to the proper functioning of the PB-GAS, GME may adopt the following disciplinary measures:
- a) suspension from the PB-GAS for a minimum period of eighteen months and a maximum period of three years. In case of recurrence of the breach, the suspension from the PB-GAS shall be equal to three years.
  - b) exclusion from the PB-GAS.
- 47.5 As an alternative to the disciplinary measure of suspension from the PB-GAS referred to in paras. 47.1 c), 47.2 b), 47.3 a) and 47.4 a) above, GME may apply a pecuniary penalty of a minimum of twenty thousand/00 Euro and of a maximum of one hundred million/00 Euro; the amount of the penalty shall be determined on the basis of the extent and severity of the damage caused by the breach.

#### **Article 48**

##### ***Suspension for Non-Fulfilment of Notification Obligations and Non-Payment of Fees***

- 48.1 Apart from the cases provided for in Article 47 above, GME shall suspend the Participant from the PB-GAS or apply the pecuniary penalty referred to in Article 47, para. 47.5 above in the following cases:
- a) where the Participant does not fulfil his/her/its obligation of notification as per Article 23, para. 23.1 above. The suspension shall have effect until the date on which GME receives said notification;
  - b) where the Participant fails to pay the fees specified in Article 7 above, according to the provisions of Article 9 above. The suspension shall have effect until the date on which the Participant fulfils such obligation.

#### **Article 49**

##### ***Suspension for non-fulfilment of obligations towards Snam Rete Gas***

- 49.1 At the request of Snam Rete Gas, GME shall suspend the Participant from the PB-GAS, if he/she/it is in default towards Snam Rete Gas.

## ***Article 50***

### ***Notification and Publication of Disciplinary Measures***

- 50.1 GME shall timely notify AEEG of the adoption of the disciplinary measures referred to in Article 46, para. 46.1 c), d) and e) above, including those mentioned in Articles 48 and 49 above.
- 50.2 GME shall disclose the adoption of the disciplinary measures referred to in Article 46, para. 46.1 b), c), d) and e) above, by publishing the same on its website ten days after serving the notice of the disciplinary measure to the Participant concerned, unless the case has been brought before the Court of Arbitration. In the latter case, GME shall disclose the disciplinary measure, together with the award of the Court of Arbitration that has confirmed such measure, after receiving notice of such award.

## ***Article 51***

### ***Challenging Denial of Admission to the PB-GAS and Disciplinary Measures***

- 51.1 Without prejudice to Article 57 below, the Participant may file an appeal with the Court of Arbitration against the denial of admission to the PB-GAS or the disciplinary measures adopted under Article 46, para. 46.1 above. To be valid, the appeal must be filed within thirty days of notification of the denial or of the disciplinary measure.

## **SECTION II COMPLAINTS**

## ***Article 52***

### ***Submission Formalities and Minimum Complaint Contents***

- 52.1 To be admissible, complaints relating to the PB-GAS shall be submitted in electronic form within the time limits set forth in this Section and using the appropriate forms available in GME's information system.

- 52.2 To be admissible, each complaint shall include the following elements:
- a) identification code of the disputed bid/offer, as assigned by GME's information system, or any other reference univocally identifying it;
  - b) decision of GME being disputed;
  - c) concise description of the grounds for the complaint.

### ***Article 53***

#### ***Complaints about Results of Validation and Technical Adequacy Verification of Bids/Offers***

- 53.1 The Participant may dispute the results of the validation and verifications referred to in Articles 31, 32, 38 and 39 above, by sending a notification to GME by 16:00 of the second working day following the one on which such results have been made known to the Participant.

### ***Article 54***

#### ***Complaints about the Result of the PB-GAS***

- 54.1 The Participant may dispute the result of each session of the PB-GAS, namely the results of the process of acceptance of bids/offers and determination of the prices at which they have been valued, by sending a notification to GME by 16:00 of the second working day following the one on which such results have been notified to the Participant.

### ***Article 55***

#### ***Complaint Resolution***

- 55.1 GME shall notify the Participant concerned of the outcome of the verifications of the complaints as per Articles 53 and 54 above by 16:00 of the second working day following the deadline for submission of such complaints.
- 55.2 Where the Participant brings a complaint as specified in Articles 53 and 54 above, in respect of a bid/offer that has been deemed to be invalid, technically inadequate or rejected on the PB-GAS, and such complaint is upheld because GME is responsible for errors or omissions, and such bid/offer

would have been accepted without GME's decision being disputed, then GME shall only pay to the Participant a compensation commensurate with the damage actually sustained by the Participant (provided that such damage has been adequately documented by the same Participant) and anyway not higher than five per cent of the higher value of payables/receivables on the PB-GAS that would have resulted from the bid/offer without such error or omission, for a maximum amount of one hundred thousand/00 Euro.

- 55.3 The acceptance of GME's compensation pursuant to para. 55.2 above shall imply the Participant's waiver of the dispute resolution procedure mentioned in Section III below of this Title.
- 55.4 The limit specified in para. 55.2 above shall apply not only to the complaints indicated therein and to any dispute arising therefrom, but also to the decisions resulting from the arbitration procedures referred to in Articles 56 and 57, para. 57.2 below.
- 55.5 The acceptance of a complaint shall not modify the result of the session of the PB-GAS to which it refers.

### **SECTION III DISPUTES**

#### ***Article 56 Court of Arbitration***

- 56.1 Without prejudice to the provisions of Article 57, para. 57.1 below, any dispute arising between GME and Participants over the interpretation and application of these Regulations and of the Technical Rules shall be settled by a Court of Arbitration.
- 56.2 The Court of Arbitration shall be composed of three members: one appointed by GME, one appointed by the Participant and a third member, acting as President, appointed jointly by both parties or, in case of disagreement, by

the President of the Court of Rome, under Article 810 of the Italian Civil Procedure Code.

- 56.3 The Court of Arbitration shall render its decisions in accordance with the applicable laws and the arbitration procedure shall take place in compliance with Article 806 and subsequent articles of the Civil Procedure Code.
- 56.4 The Court of Arbitration shall be based in Rome at GME's registered office.

***Article 57***  
***Dispute Resolution***

- 57.1 Disputes concerning failure to make payments, in full or in part, for the following items shall be subject to the exclusive jurisdiction of Italian courts:
- a) fees referred to in Article 7, para. 7.1;
  - b) amounts referred to in Article 46, para. 46.1 c);
  - c) amount referred to in Article 47, para. 47.5.
- 57.2 Without prejudice to the provisions of para. 57.1 above, at the request of one of the parties concerned, disputes between GME and Participants and between Participants shall be settled by arbitration procedures as established by AEEG.



**TITLE VI**  
**TRANSITORY AND FINAL PROVISIONS**

**SECTION I**  
**TRANSITORY PROVISIONS**

*Article 58*  
*Combination of Bids/Offers*

- 58.1 Until a further decision by AEEG, GME shall combine bids/offers under Article 34 above, considering only the bids/offers submitted by Participants as per Article 29 above and having a sign opposite to the one of the bid/offer of Snam Rete Gas submitted as per Article 30 above.

**SECTION II**  
**FINAL PROVISIONS**

*Article 59*  
*Functioning of the Information System*

- 59.1 GME may suspend, postpone or close in advance a sitting or session of the PB-GAS in case of technical malfunctions of its information system.
- 59.2 With a view to guaranteeing and safeguarding the proper technical functioning, as well as an efficient use of GME's information system and, in general, the proper functioning of the PB-GAS, GME may impose limits to the submission, cancellation and change of bids/offers, as well as to the number of logons of each Participant or of specific categories of Participants to GME's information system.



***Annex A***

***PB-GAS Participation Application***

**Application for participation in the PB-GAS as per Article 15, para. 15.1 a)  
of the Regulations of the Gas Balancing Platform**

I, the undersigned...

*(name and surname)*

born in... on...,

residing in ...,

*(address)*

taxpayer's code ..., VAT number ...

telephone number ..., fax number ...

e-mail address ...

*or*

The company.../other...

*(company name or registered name)*

having its registered office in ...

*(address)*

taxpayer's code ..., VAT number ...

telephone number ..., fax number ...

e-mail address ...

represented by ...in his/her capacity of ...

*(legal representative or duly authorised person)*

**WHEREAS**

- the organisation, management and operation of the PB-GAS are governed by the Regulations of the Gas Balancing Platform (hereafter "Regulations"), approved by *Autorità per l'energia elettrica e il gas* (AEEG – electricity & gas regulator) with its Decision ARG/gas 145/11 of 28 October 2011, as subsequently amended and supplemented;
- the Technical Rules, referred to in Article 4 of the Regulations, are posted on GME's website and enter into force upon the date of their publication;
- with a view to complying with the obligations arising from this Application and, if such Application is accepted, with the obligations arising from the Regulations, GME shall - under Legislative Decree no. 196 of 30 June 2003, as subsequently amended and supplemented - process personal data with a secure electronic system protecting the privacy of such data, in accordance with the privacy statement issued under Article 13 of the aforementioned Decree and posted on GME's website.

**NOW, THEREFORE,**

I, the undersigned...

*or*

the company ... */other...*,  
represented by... in his/her capacity of ...,  
(*legal representative or duly authorised person*)

**APPLY/APPLIES**

for admission to the PB-GAS under Article 15 and the procedure referred to in Article 17 of the Regulations.

For this purpose, I/the company ... */other...* enclose/s the documents mentioned in Article 16 of the Regulations, which are an integral and essential part thereof, as well as a signed copy of the PB-GAS Participation Agreement referred to in Article 15, 15.1 b) of the Regulations, in the format annexed thereto.

I, the undersigned...

*or*

The company/*other* ...  
represented by ... in his/her capacity of ...  
(*legal representative or duly authorised person*)

- 1) declare/s that I/it have/has read and understood the Regulations and the Technical Rules and that I/it accept/s to be bound thereby without any condition or reservation;
- 2) declare/s that I/it am/is proficient in the use of ICT systems and related security systems or that I/it rely/relies on ICT-proficient employees or assistants;
- 3) authorise/s GME to process my/its personal data and disclose them to third parties, in compliance with the applicable legislation;
- 4) also authorise/s GME to transfer my/its personal data, including for statistical purposes, to other parties providing the services required for the performance of GME's activities;
- 5) designate/s Mr./Mrs..., whose contact details are .... as contact person for communications, if any;

- 6) designate/s the following party/parties to access GME's information system on behalf of the Applicant:
- a. Mr. /Mrs ..., born in ... on ..., residing in ..., taxpayer's code ... telephone number ...
  - b. e-mail address ...;
- 7) declare/s that the Applicant is one of the parties referred to in Article 1, para. 1 k) of AEEG's Decision ARG/gas 45/11 or a balancing user pursuant to Article 1, para. 1 l) of AEEG's Decision ARG/gas 45/11.

*Place, date*

...

Signature

....



***Annex B***

***PB-GAS Participation Agreement***

**Agreement for participation in the PB-GAS as per Article 15, para. 15.1 b) of the  
Regulations of the Gas Balancing Platform**

BETWEEN

*Gestore dei Mercati Energetici S.p.A.*, having its registered office in Rome, Largo Giuseppe Tartini, 3-4, taxpayer's code and VAT number 06208031002 (hereafter "GME"),

AND

*(name and surname) ... /the company/other ... (company name or registered name),*  
residing in/having its registered office in ... *(address),*  
taxpayer's code ..., VAT number ...  
represented by ..., in his/her capacity of ... (hereafter "Contracting Party"),

GME and the Contracting Party, hereafter defined individually as the "Party" and jointly as the "Parties",

WHEREAS

- A. GME is the company (*società per azioni*) which is vested, among others, with the economic management of the Electricity Market in accordance with Article 5 of Legislative Decree no. 79/99, with the economic management of the Gas Market under Article 30 of Law no. 99 of 23 July 2009, with the management of the Platform for the trading of natural gas bids/offers under the Decree of the Minister of Economic Development of 18 March 2010, as well as with the organisation and management – on behalf of Snam Rete Gas S.p.A. (hereafter "Snam Rete Gas") - of the Gas Balancing Platform pursuant to Decision ARG/gas 45/11 adopted by Autorità per l'energia elettrica e il gas (hereafter "AEEG") and to AEEG's Decisions 446/2013/R/GAS, 520/2013/R/GAS and 552/2013/R/GAS;
- B. Snam Rete Gas S.p.A. is the company which was established on 15 November 2000 to carry out natural-gas transmission and dispatching activities;
- C. the rules governing the Gas Balancing Platform are laid down in the Regulations of the Gas Balancing Platform that GME adopted in compliance with AEEG's Decision ARG/gas 45/11 and to implement the provisions of AEEG's Decisions 446/2013/R/GAS, 520/2013/R/GAS and 552/2013/R/GAS (hereafter "Regulations");

- D. with its Decision ARG/gas 145/11 of 28 October 2011, AEEG approved the Regulations, as subsequently amended and supplemented;
- E. pursuant to Article 15, para. 15.1 b) of the Regulations, a party intending to participate in the PB-GAS shall submit to GME a signed copy of the *Contratto di adesione alla PB-GAS* (PB-GAS participation agreement, hereafter "Agreement");
- F. the Technical Rules referred to in Article 4 of the Regulations shall be published on the website of GME and have effect as of the date of their publication;
- G. for the purposes and effects of AEEG's Decision 45/11, as well as of the implementing provisions of AEEG's Decision 446/2013/R/GAS, Snam Rete Gas shall act as counterparty to Participants on the PB-GAS;
- H. for the purposes and effects of Article 35, para. 35.3 and of Article 43, para. 43.3 of the Regulations, GME shall transmit to Snam Rete Gas the data concerning the gas volumes corresponding to the accepted bids/offers for each PB-GAS Participant;
- I. the Contracting Party is one of the parties referred to in Article 1, para. 1 k) of AEEG's Decision ARG/gas 45/11, as subsequently amended and supplemented, or a balancing user as per Article 1, para. 1 l) of AEEG's Decision ARG/gas 45/11, holding one or more flexible resources;

NOW, THEREFORE,

the Parties agree as follows:

### ***Article 1***

#### **Scope of the Agreement and Validity of the Preamble**

- 1.1 This Agreement defines:
  - a) the Contracting Party's rights and obligations towards GME;
  - b) the terms and conditions on which GME shall provide its services in connection with transactions on the PB-GAS (hereafter "Services").
- 1.2 The Preamble shall be an integral and essential part hereof.



## **Article 2**

### **Obligations of the Contracting Party**

- 2.1 The Contracting Party declares that he/she/it is aware of and accepts, without any condition or reservation, the Regulations, as they result from the applicable legislation. The Contracting Party also declares that he/she/it fully understands GME's support information system (hereafter "System") in its present configuration or that, in any case, he/she/it undertakes to do so.
- 2.2 The Contracting Party undertakes:
- a) to comply with the Regulations and the Technical Rules and to keep himself/herself/itself updated with any amendments thereto. It is understood that, where the Contracting Party does not intend to accept any amendments and additions to the Regulations or to the Technical Rules, he/she/it may withdraw herefrom, giving notice according to the procedures and to the address specified in Article 9, paras. 9.6 and 9.7 below. Fifteen days after the legal publication of such amendments, if the Contracting Party has not given notice of his/her/its intent to withdraw herefrom, such amendments shall be assumed to have been tacitly accepted. Any further transaction carried out on the PB-GAS before the end of the above period shall be understood as tacit acceptance of the new terms and conditions. In no case may such amendments constitute a valid reason for the Contracting Party to default on obligations acquired on the PB-GAS;
  - b) to adopt technological systems that are suitable for the trading activity and compatible with the System, as well as to update them as a result of any modification as GME may make to the same System;
  - c) to employ personnel with adequate professional skills and competence in the use of the technological systems referred to in subpara. b) above;
  - d) to notify GME timely and, where possible, in good time for GME to make any necessary corrective actions for the purposes of guaranteeing the proper operation of the PB-GAS, of any problem or operational malfunction of a technical nature or any other event which has resulted or might result into failure to provide or incorrect provision of the Services. In particular, the Contracting Party shall notify GME with the maximum speed and according to the procedures specified in Article 9, paras. 9.6 and 9.7 below, of the occurrence of any event actually or potentially

dangerous for the integrity and security of the System (including but not limited to the theft of confidential documents regarding access to the System or unauthorised access to the Contracting Party's premises where such documents are kept);

- e) to co-operate with GME or with third parties designated by GME, also permitting access of their employees or assistants to the Contracting Party's premises for carrying out any operations on the Contracting Party's hardware and software as may be necessary to ensure the proper functioning of the PB-GAS. It is understood that, pursuant to Article 2049 of the Italian Civil Code, GME shall be liable for any damage caused upon such operations;
- f) to respect GME's rights of ownership on the data transmitted through the System and on the trademarks registered or used by GME, as well as GME's or third-party suppliers' rights of ownership on the software programmes used for the provision of the Services;
- g) to maintain confidentiality and privacy as regards the devices referred to in Article 4, para. 4.1 below and use or permit their use by specifically designated parties solely for access to and trading on the PB-GAS. The Contracting Party shall thus be liable for any unauthorised access to the PB-GAS by third parties and hold GME harmless against any damage or danger to the integrity or security of the System that may result from the negligence of the Contracting Party or of his/her/its personnel in the safekeeping of such devices.
- h) to timely ask GME to disable the devices referred to in subpara. g) above and to assign new or different devices in all cases where the Contracting Party has reason to believe that unauthorised parties may make an improper use thereof;
- i) to hold GME harmless against any damage or cost as GME may incur, also as a result of actions of third parties, caused by the actions or conduct of the Contracting Party, as well as of his/her/its personnel members, assistants and consultants, if any, in violation of this Agreement, of the Regulations and of the Technical Rules and of any other legislative provisions or regulations, or instruments and provisions issued by GME or competent authorities.

- 2.3 a) the Contracting Party shall authorise GME – under Article 35, para. 35.2 and Article 43, para. 43.3 of the Regulations – to transmit to Snam Rete Gas the data concerning the gas volumes corresponding to the bids/offers accepted on the PB-GAS;

- a) if the Contracting Party has submitted predefined demand bids or supply offers into the G+1 Segment of the PB-GAS under Article 36 of the Regulations, he/she/it shall authorise GME - under Article 40, para. 40.5 of the Regulations - to assign him/her/it predefined bids/offers for a volume equal to the one required to reach the value referred to in Article 40, para. 40.3 a) and Article 40, para. 40.4 a) of the Regulations, respectively, and at a price equal to the one specified in the related predefined bid/offer;
- b) the Contracting Party shall hold GME harmless against any damage or cost as GME may incur as a result of the assignment of predefined bids/offers under subpara. b) above, including delays in the assignment of the same bids/offers.

### ***Article 3***

#### **GME's services**

- 3.1 GME shall supply the Services to the Contracting Party in compliance with this Agreement, the Regulations and the Technical Rules. The obligations of GME as regards the supply of the Services shall constitute "obligations of means".
- 3.2 GME shall give the Contracting Party the necessary co-operation for access to the System, namely in accordance with what is specified in the Technical Rules. It is understood that the carrying out of activities and the provision of the necessary means of access shall be the exclusive responsibility and at the sole expense of the Contracting Party.
- 3.3 GME may modify technical, functional, operational and administrative procedures for the supply of the Services, as a result of amendments or additions to the Regulations or Technical Rules.
- 3.4 Without prejudice to what is provided for in the Regulations and Technical Rules, if the supply of the Services is interrupted, suspended, delayed or subject to malfunctions caused by technical problems with the System, GME shall do whatever is necessary to overcome such inconveniences. It is understood that if the aforesaid events result from technical problems with the hardware or software used by the Contracting Party to access the System, the Contracting Party shall eliminate the relative causes with the maximum speed. GME and the Contracting Party shall co-operate, within the scope of their responsibilities, to identify the causes of interruptions, suspensions, delays or malfunctions and to restore the proper operation of the System as soon as possible.

- 3.5 GME shall be responsible for the correct processing and transmission of data and information entered by third parties into the System or arising on the PB-GAS. GME and the Contracting Party agree that GME's obligations shall not include the checking of the truthfulness, accuracy and completeness of data and information provided by third parties and made available to the Contracting Party as part of the provision of the Services.
- 3.6 GME and the Contracting Party agree that GME is not responsible for non-functioning or malfunctioning of lines of telecommunication (for example, telephone lines), as well as of access to the Internet.
- 3.7 The Contracting Party agrees that GME may resort to third parties designated by GME for the supply of the Services, while it is understood that in every case, the contractual relationship shall be exclusively established between the Contracting Party and GME.
- 3.8 GME undertakes to respect the Contracting Party's rights of ownership on the data transmitted through the System and on the trademarks registered or used by the Contracting Party and made known to GME.
- 3.9 GME shall hold the Contracting Party harmless against any damage or cost as the Contracting Party may incur, also as a result of actions of third parties, caused by the actions or conduct of GME or of its personnel members, assistants or consultants in the management and supply of the Services that are in violation of this Agreement, the Regulations and the Technical Rules, as well as of any other legislative provision or regulation applicable hereto.

#### ***Article 4***

##### **Means of access to the System**

- 4.1 To access the System, the Contracting Party shall use the technical security devices indicated by GME, such as, for example, the user code together with password, smart card or other means of strong authentication.
- 4.2 Access to the System shall take place in compliance with the provisions specified in the Technical Rules.

**Article 5**  
**Consideration**

- 5.1 For the Services supplied in accordance herewith, the Contracting Party shall pay the fees determined by GME under Article 7 of the Regulations, in accordance with the procedures and within the time limits defined in Article 9 thereof.

**Article 6**  
**Limitation of liability, force majeure and fortuitous events**

- 6.1 Without prejudice to what is provided in the Regulations, GME shall, in carrying out the Services, be liable for damages of a contractual and extra-contractual nature, exclusively when they constitute the immediate and direct consequence of wilful misconduct or gross negligence and, in the latter case, are predictable upon the date of signature of this Agreement. The Parties agree that there shall be no obligation of compensation for damages that are an indirect or unpredictable consequence of the conduct of GME, including but not limited to damages resulting from the loss of business opportunities, customers or profits.
- 6.2 The Contracting Party shall notify GME, under penalty of lapse, of any claim for damages relating to the supply of the Services within and not later than fifteen working days of the day on which the Contracting Party has come to know or should have known, using proper diligence, of the occurrence of the damaging event, providing at the same time a detailed report of the circumstances of the damaging event and of the damage so produced. The documents in support of the claim shall be transmitted to GME within and not later than twenty working days from the day on which the Contracting Party has come to know or should have known, using proper diligence, of the occurrence of the damaging event.
- 6.3 GME and the Contracting Party shall not be liable for default due to force majeure, fortuitous cases, or events beyond their control, including but not limited to wars, uprisings, earthquakes, floods, fires, strikes, interruptions in electricity supply or in operation of the dedicated data transmission lines which are part of the System, when such interruptions are exclusively the fault of third parties.
- 6.4 GME may, in cases of force majeure or fortuitous events, and, in general, in all cases where the activities of the Contracting Party may damage the integrity or security of the System, suspend access to the System without the necessity of prior notification of the circumstances giving rise to the suspension.

## **Article 7**

### **Duration**

- 7.1 This Agreement shall be executed by and upon the signature of the Contracting Party and the receipt of its original copy by GME. Its duration shall be unlimited. The Agreement shall have effect after GME has successfully verified the completeness and correctness of the documents submitted by the Contracting Party and the fulfilment of the requirements for admission of the Contracting Party to the PB-GAS. GME shall notify the Contracting Party of the outcome of the above verifications as per Article 17 of the Regulations.
- 7.2 This Agreement will cease to have effect upon the occurrence of one of the following events:
- a) exclusion of the Contracting Party from the PB-GAS;
  - b) total disabling of the System as a result of amendments to the applicable provisions;
  - c) Contracting Party's withdrawal herefrom.
- 7.3 The dissolution of the Agreement under this Article shall not impair any other right of either party under the Agreement or the applicable legislation, and any right or obligation of either party that has already arisen upon the date of dissolution.

## **Article 8**

### **Termination**

- 8.1 Any loss for whatever reason of the status of Participant, as acquired in accordance with Article 17 of the Regulations, shall constitute reason for *de jure* termination of this Agreement pursuant to Article 1456 of the Italian Civil Code, without prejudice to the right of GME to withhold the fixed fee specified in Article 7, para. 7.1 b) of the Regulations by way of indemnity and to any other further right to compensation for any additional damages.

## **Article 9**

### **General Clauses**

- 9.1 The invalidity or nullity of one or more of the clauses of this Agreement shall not impair the validity of the remaining clauses, which shall retain in every case their full force and effect.

- 9.2 This Agreement and the rights and obligations of the Parties resulting therefrom shall not be assigned to third parties unless otherwise specified herein.
- 9.3 Without prejudice to the provisions of Article 6, para. 6.2 above, failure or delay by either Party to exercise the rights arising herefrom shall not represent a waiver of such rights.
- 9.4 Any amendment hereto shall be made in writing.
- 9.5 For the purposes of this Agreement, the Parties elect domicile at the following addresses:  
- Gestore dei Mercati Energetici S.p.A., Largo Giuseppe Tartini 3-4 - 00198 Roma,  
- ...  
(address)
- 9.6 Any communication or notification to be made in accordance herewith shall be made in writing and delivered by hand or by courier or sent by registered letter with return receipt, or by fax or by e-mail with acknowledgment of receipt, to the following addresses:  
- Gestore dei Mercati Energetici S.p.A., Largo Giuseppe Tartini 3-4 - 00198 Roma, fax number +39 06 8012 4524; e-mail address info@mercatoelettrico.org;  
- ...  
(address)  
fax number ..., e-mail address ...
- 9.7 Communications shall be deemed to have been received upon the date of signature of their receipt of delivery, if delivered by hand, or when they reach the receiver's address, if sent by registered letter with return receipt, or upon the date of receipt recorded by the fax machine if sent by fax, or upon the date of receipt of the acknowledgement of receipt, if sent by e-mail.

**Article 10**  
**Governing Law**

- 10.1 This Agreement shall be governed by the Italian law.

**Article 11**  
**Disputes**

11.1 Any dispute arising between GME and the Contracting Party in connection herewith shall be settled in accordance with the provisions contained in Title V of the Regulations, which shall be deemed to be fully referred to and transcribed herein.

The Contracting Party

...

For the purposes and effects of Articles 1341 and 1342 of the Italian Civil Code, I hereby specifically approve the following clauses of the Agreement: Article 2.2 (a) (Regulations, Technical Rules and amendments thereto); Article 2.2 (j) (Disclaimer); Article 2.3 (a) (Authorisation for transmission of information); Article 2.3 (b) (Authorisation for assigning predefined bids/offers); Article 2.3 (c) (Disclaimer); Articles 3.5 and 3.6 (Limitation of liability); Article 6 (Limitation of liability, lapse, suspension of the service); Article 7 (Cease of effect of the Agreement); Article 8 (Termination); Article 9.2 (No assignment); Article 10 (Governing law); Article 11 (Disputes).

The Contracting Party

...

Rome, *(date)*





## *Annex C*

### *Determination of the Results of the PB-GAS*

## **Determination of the results of the PB-GAS**

Articles 34 and 42 of the PB-GAS Regulations set out the criteria under which GME shall identify the accepted bids/offers and the corresponding remuneration price.

The following are some graphs describing the volumes and clearing prices identified in the various cases of intersection between the aggregated demand curve and supply curve.

With particular regard to the G-1 Segment, governed by a zonal price mechanism, the figures shown in this Annex C represent the demand and supply curves pertaining to a set of zones connected between them which, in a given market session, have the same clearing price and thus represent, in such session, a single market zone.

### **1. General criterion**

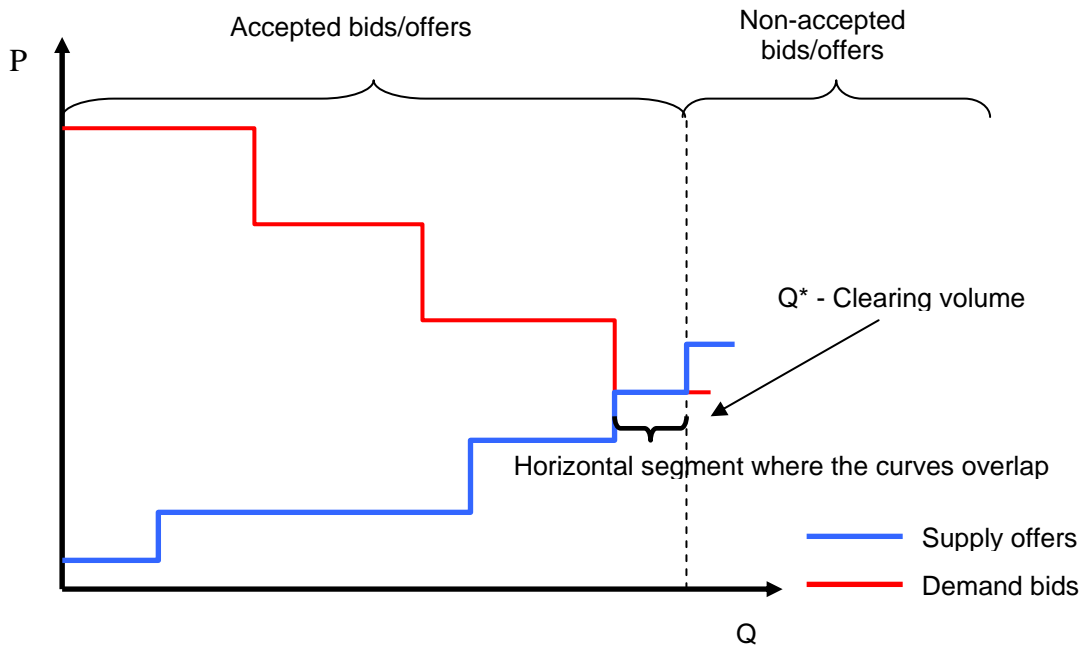
Under the general rule indicated in Articles 34.2 a) and 42.2 a) of the Regulations, the accepted bids/offers shall be identified in such a way that the net value of the resulting transactions is maximum, provided that the gas volume covered by the accepted supply offers is equal to the gas volume covered by the accepted demand bids.

The net value of transactions shall – pursuant to Articles 34.3 and 42.3 of the Regulations – mean the difference between the overall value of the accepted demand bids and the overall value of the accepted supply offers.

Therefore, under the general rule for acceptance of bids/offers, GME shall identify the accepted bids/offers in such a way that the accepted volumes for sale are equal to the accepted volumes for purchase and that the area included between the demand curve and the supply curve is maximised.

If the supply and demand curves intersect in the horizontal segment of both curves, as shown in Figure 1, any volume along the horizontal segment where the two curves overlap is compatible with the above-described criterion. In this case, as shown in Figure 1, GME shall identify the accepted bids/offers at the clearing volume ( $Q^*$ ) corresponding to the highest value of the volume range in the horizontal segment where the demand and supply curves overlap.

Figure 1



As regards the identification of the remuneration price of bids/offers, the general rule establishes that such price shall be determined under the criterion of the least cost of satisfying an increase in gas withdrawal.

The application of the above criterion involves that, if the demand and supply curves intersect:

- in a point or horizontal segment, the remuneration price shall be the one corresponding to such point or horizontal segment;
- in a vertical segment of the two curves, the remuneration price shall be equal to the minimum limit of such vertical segment.

In this way, the remuneration price shall be such as to guarantee that:

- all supply offers having a price lower than the remuneration price are accepted;
- all demand bids having a price higher than the remuneration price are accepted;
- demand bids and supply offers having a price equal to the remuneration price are accepted for their full or partial volume;
- only the supply offers and demand bids having a price higher than and lower than the remuneration price, respectively, are not accepted.

Figure 1b

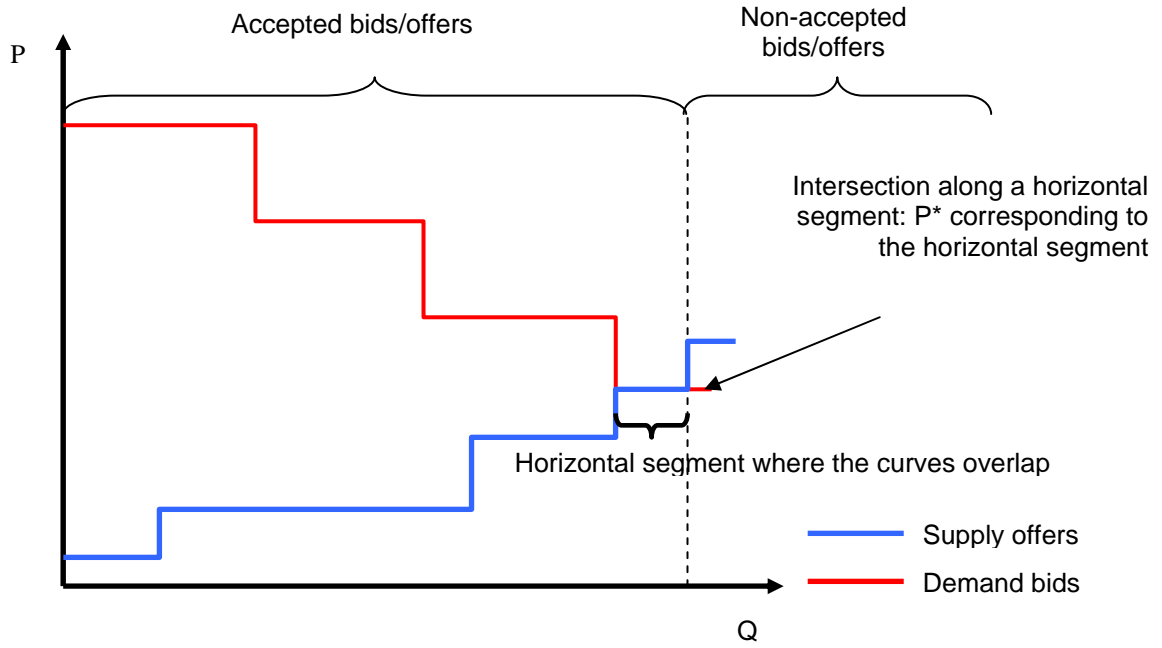


Figure 2a

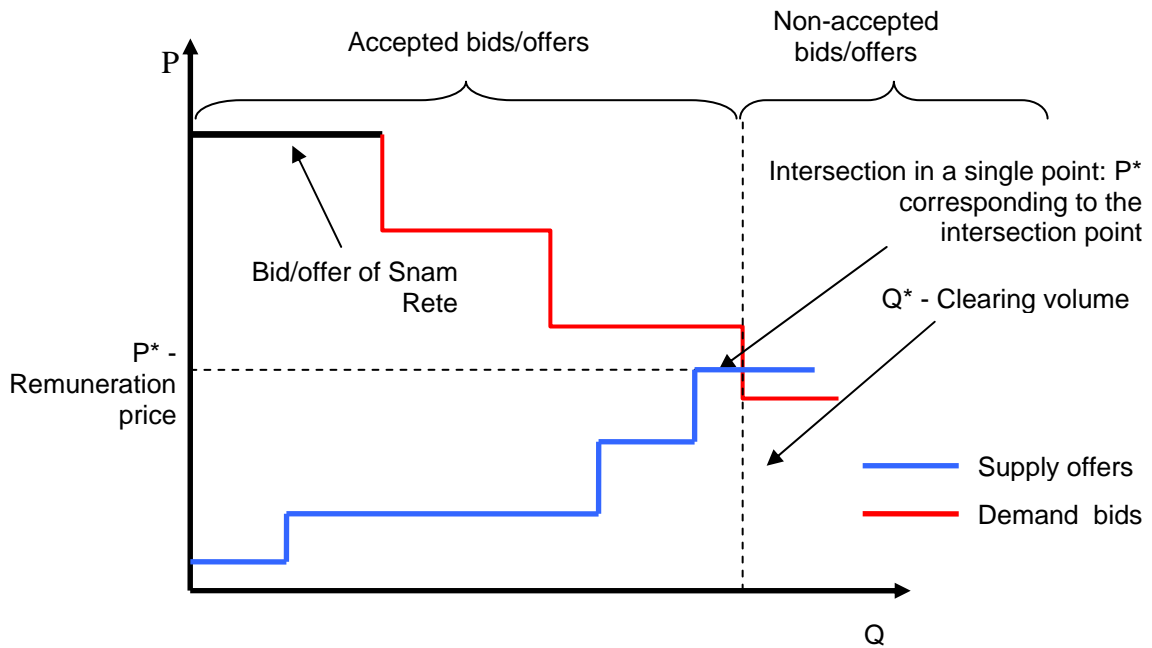


Figure 2b

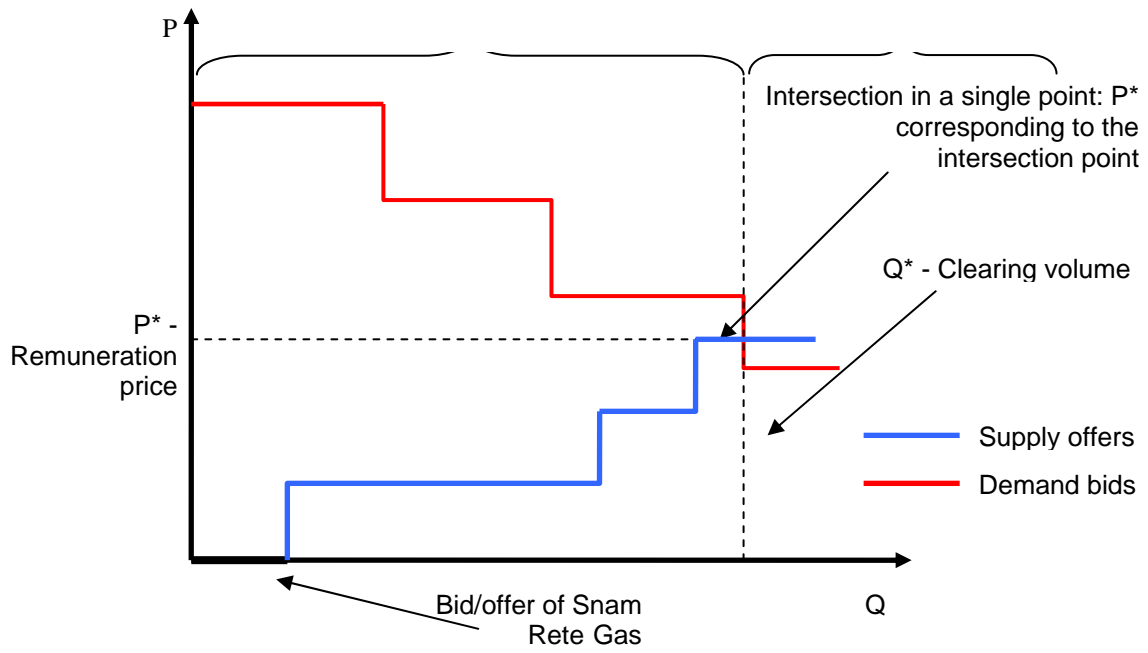


Figure 3a

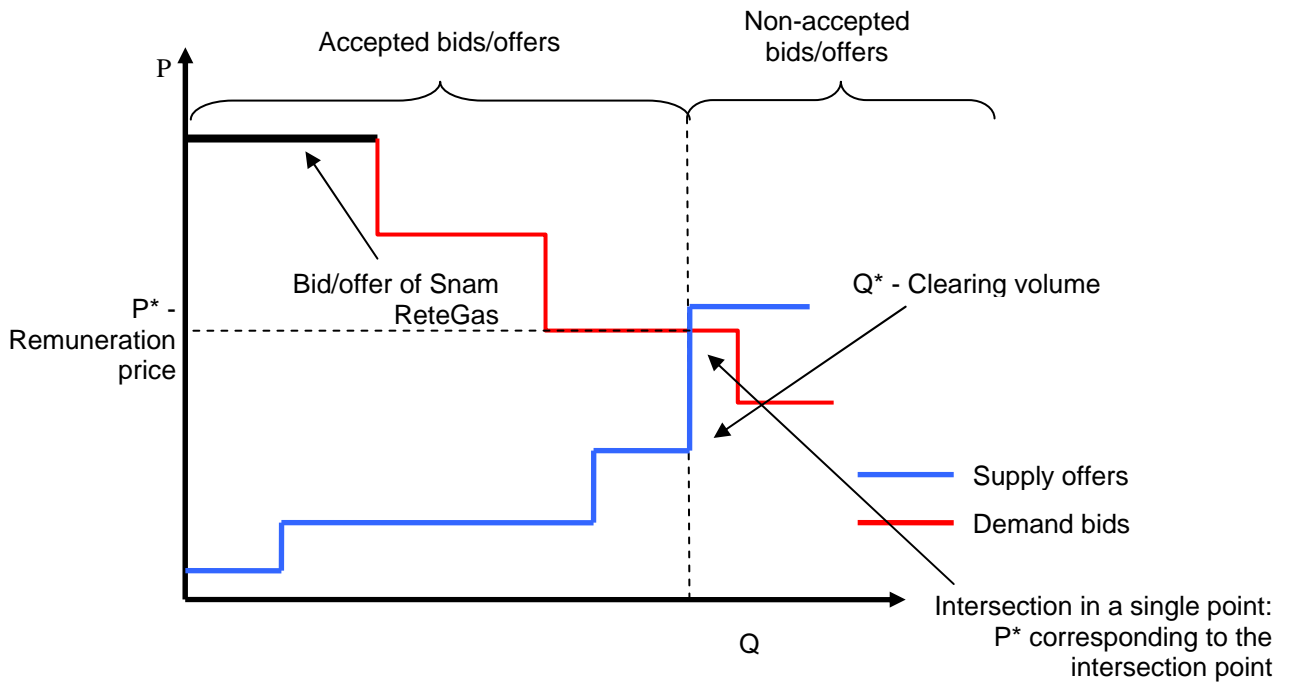


Figure 3b

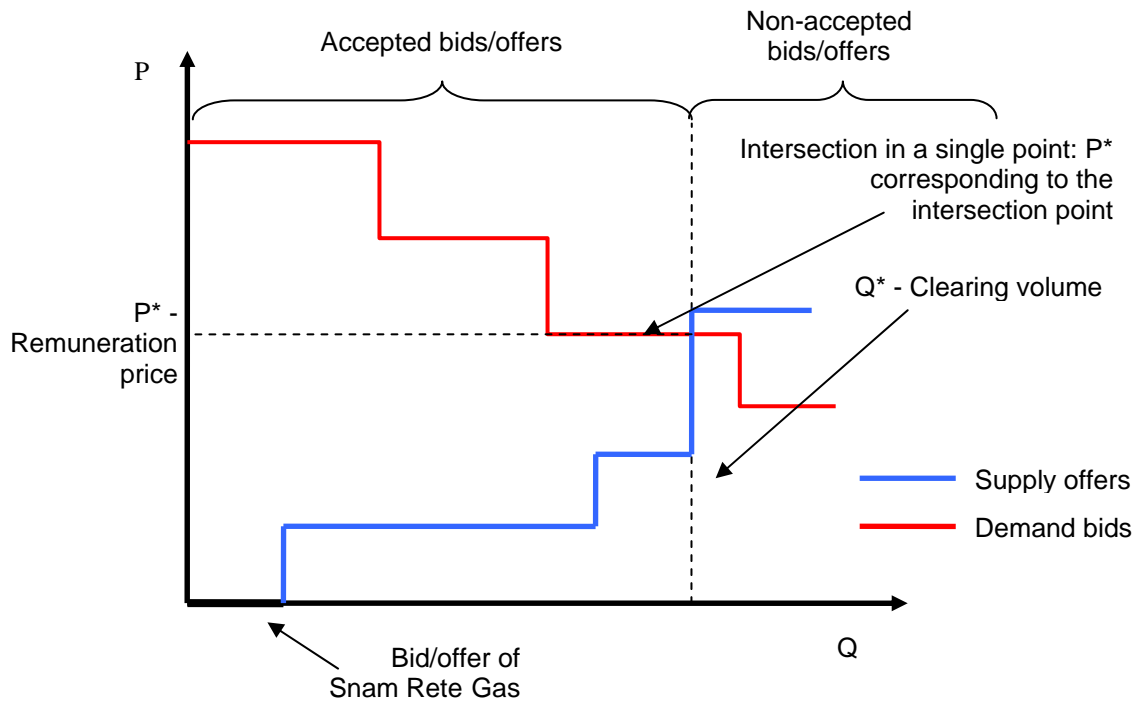


Figure 4a

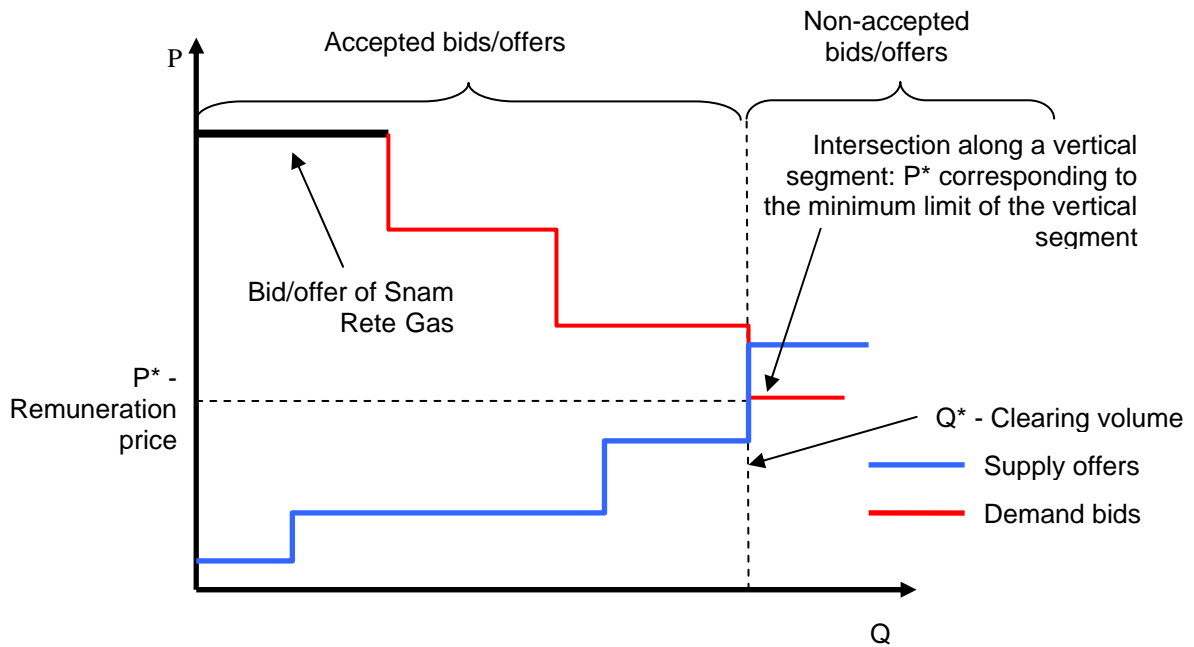


Figure 4b

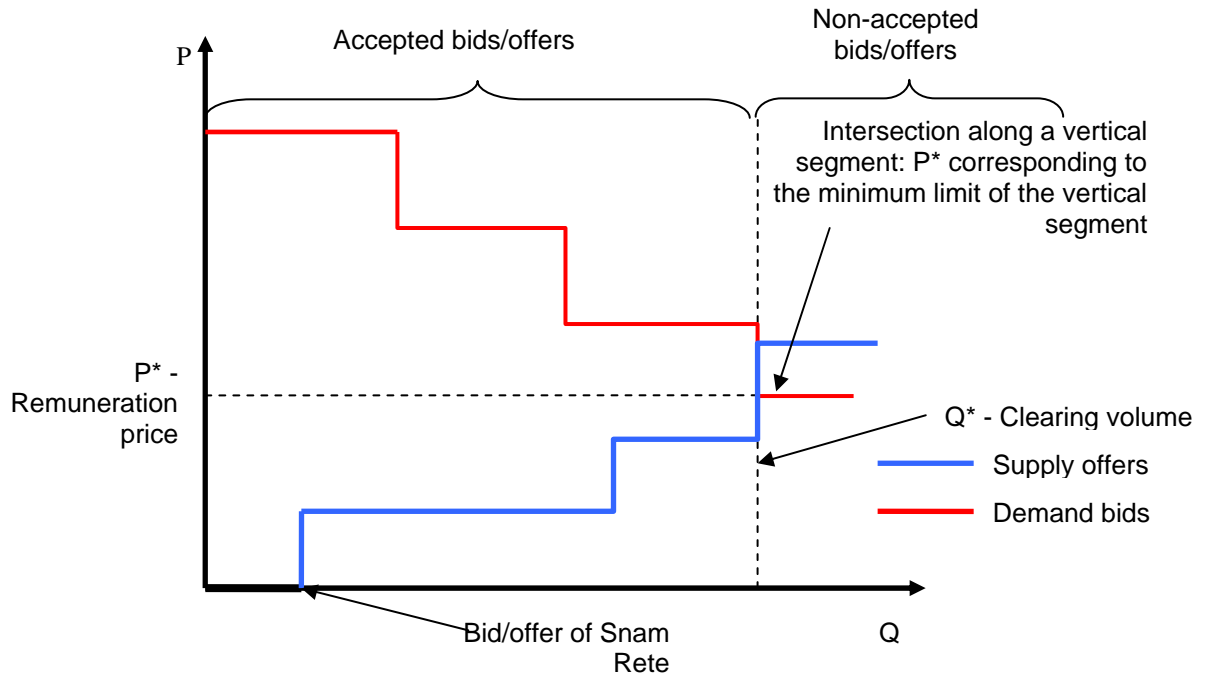


Figure 5a

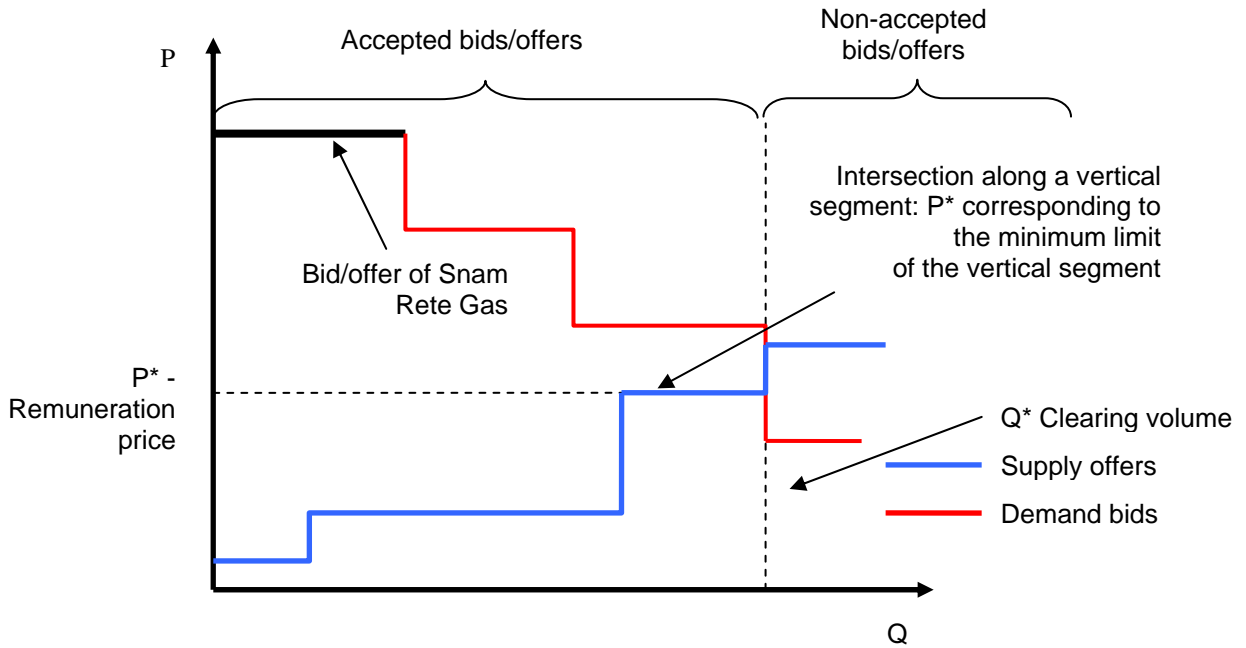


Figure 5b

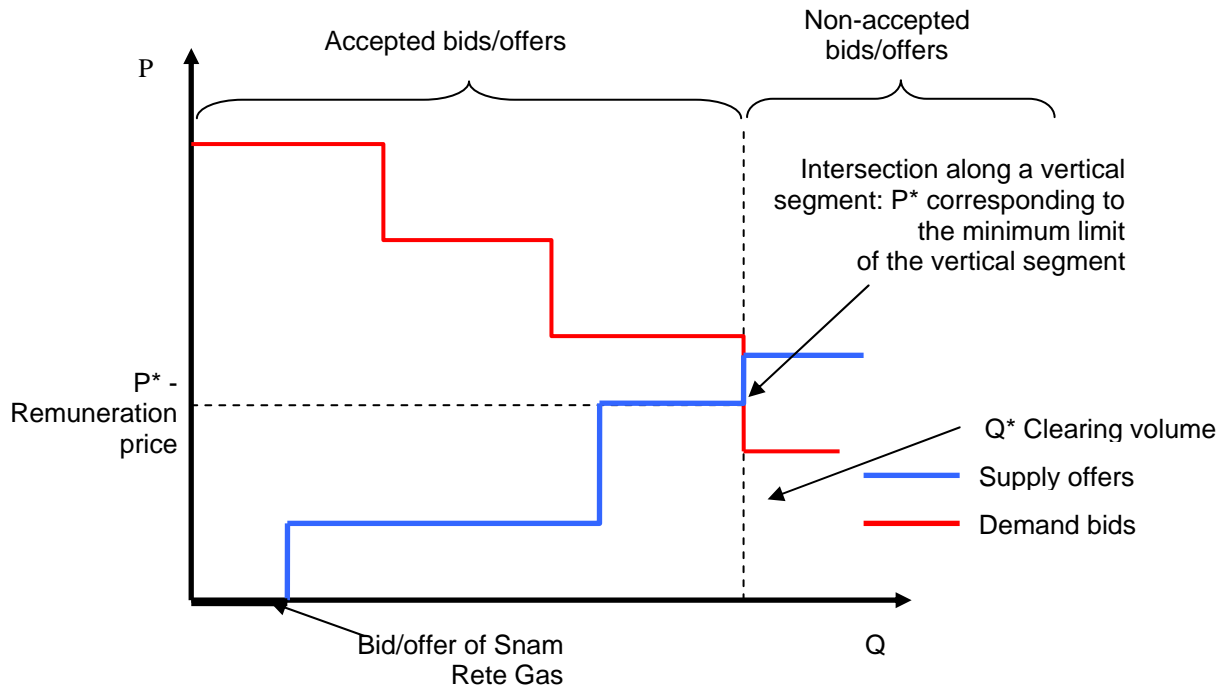




Figure 6a

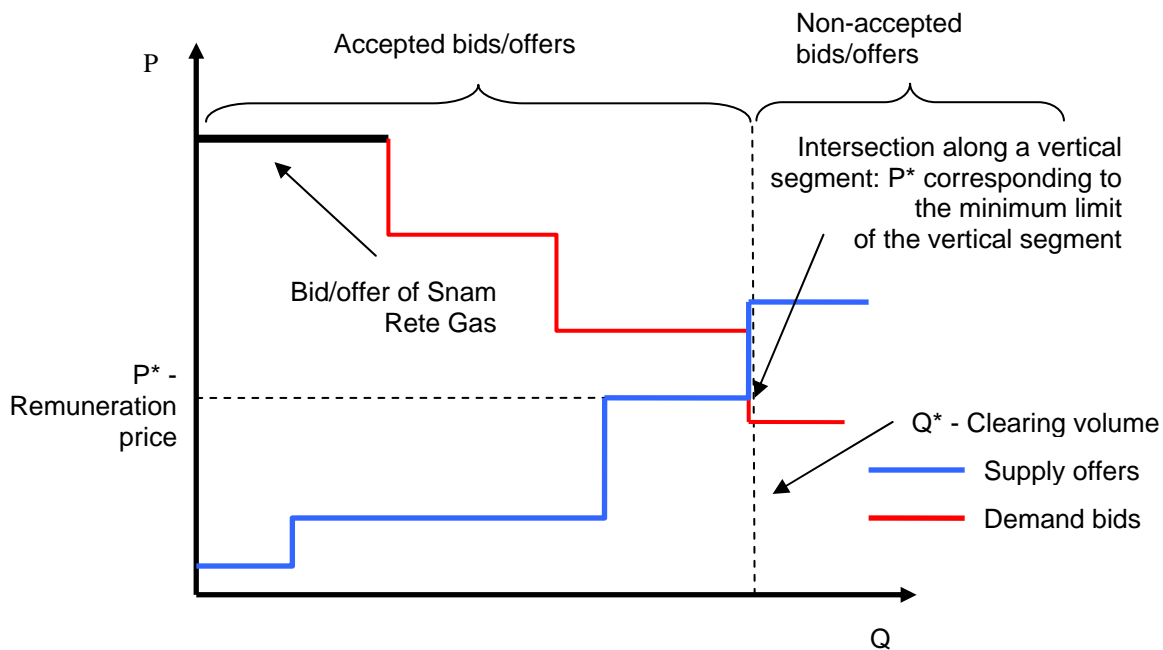
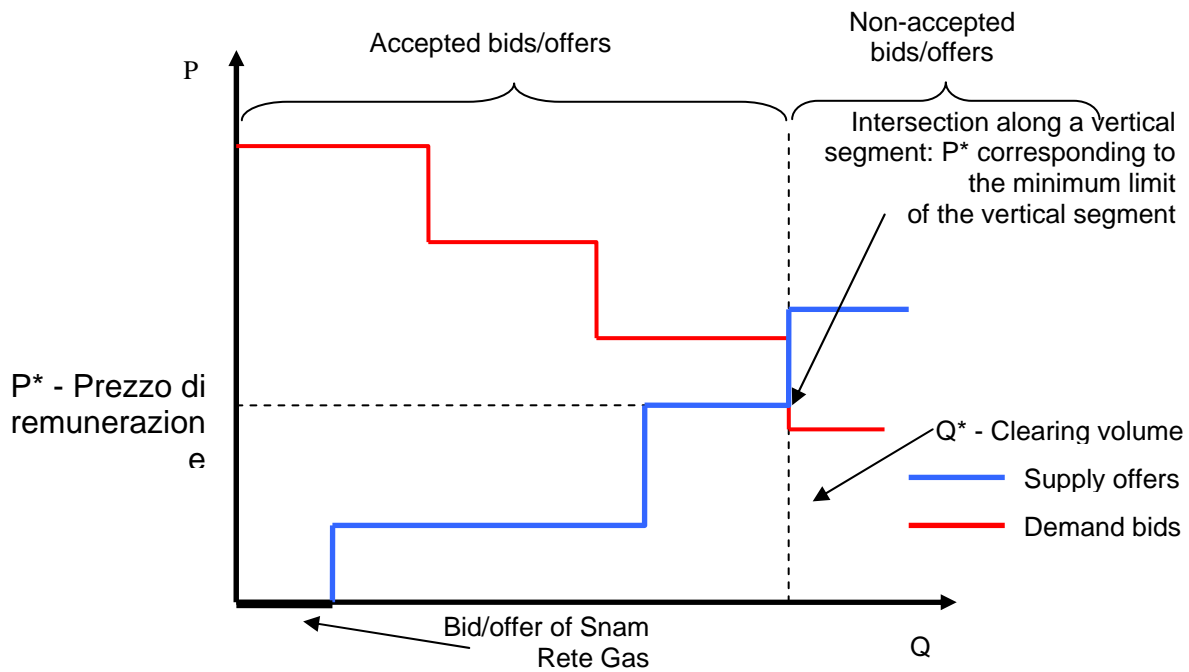


Figure 6b



## **2. Special cases**

The Regulations identify one special case of exception to the rules for determination of the price under the general criterion, i.e. when the sum of the volumes of bids/offers of Participants with a sign opposite to the one of the bid/offer of Snam Rete Gas is lower than the volume offered by Snam itself.

**2.1 Sum of the volumes of bids/offers of Participants with a sign opposite to the one of the bid/offer of Snam Rete Gas lower than the volume offered by Snam itself**

Where the sum of the volumes of bids/offers of Participants with a sign opposite to the one of the bid/offer of Snam Rete Gas is lower than the volume offered by Snam itself (article 34, para. 34.2 b) i. and Article 42, para. 42.2 b) i.), the remuneration price shall be equal to the price associated with the bid/offer of Snam Rete Gas, as shown in Figures 7a and 7b.

**Figure 7a**

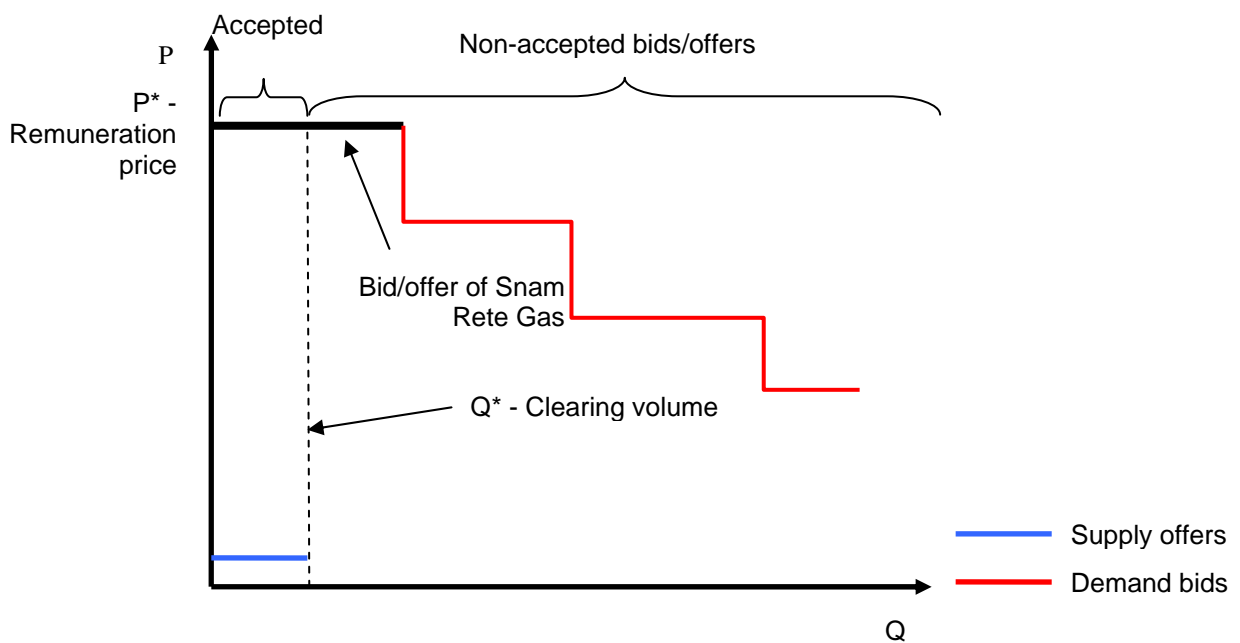
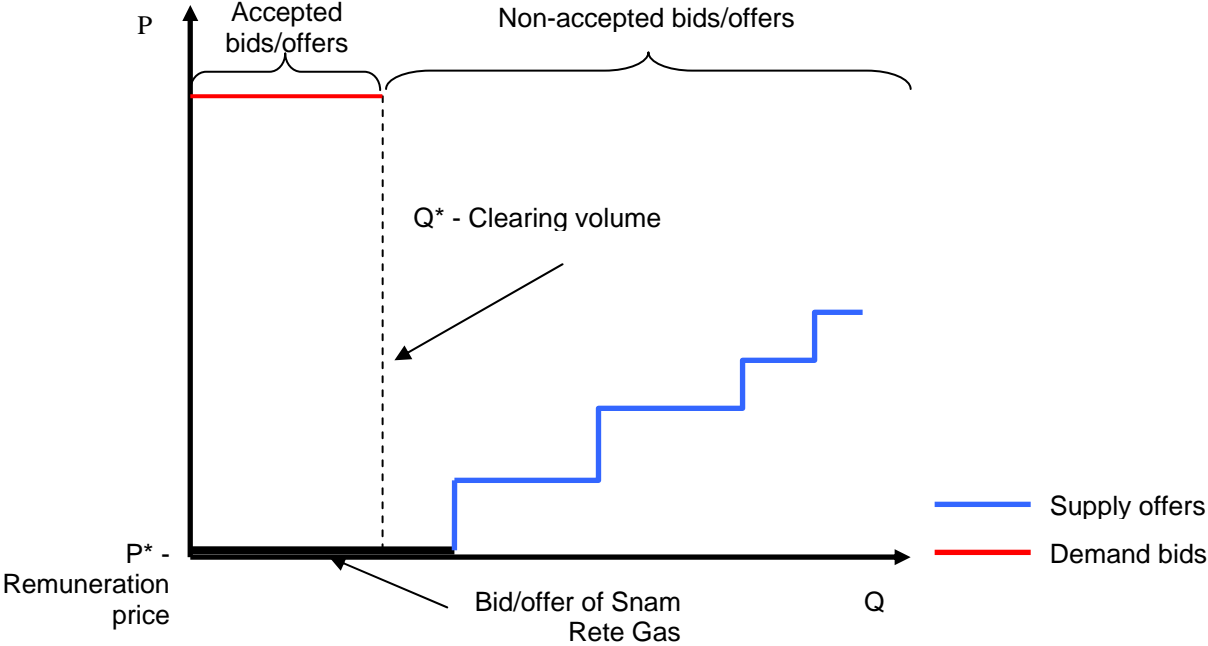


Figure 7b



### **3. Combination of bids/offers in the G-1 Segment in the transitory period**

Under Article 58 of the Regulations and until a further decision by AEEG, GME shall combine bids/offers in the G-1 Segment considering only the bids/offers of Participants having a sign opposite to the one of the bid/offer of Snam Rete Gas (transitory period).

In the latter transitory period, the application of the criteria for determining the price under Article 34 of the Regulations implies that (except in the case specified in para. 2 above of this Annex) the remuneration price is always equal to the price of the latest accepted bid/offer having a sign opposite to the one of the bid/offer entered by Snam Rete Gas, as shown in Figures 8a and 8b.

Figure 8a

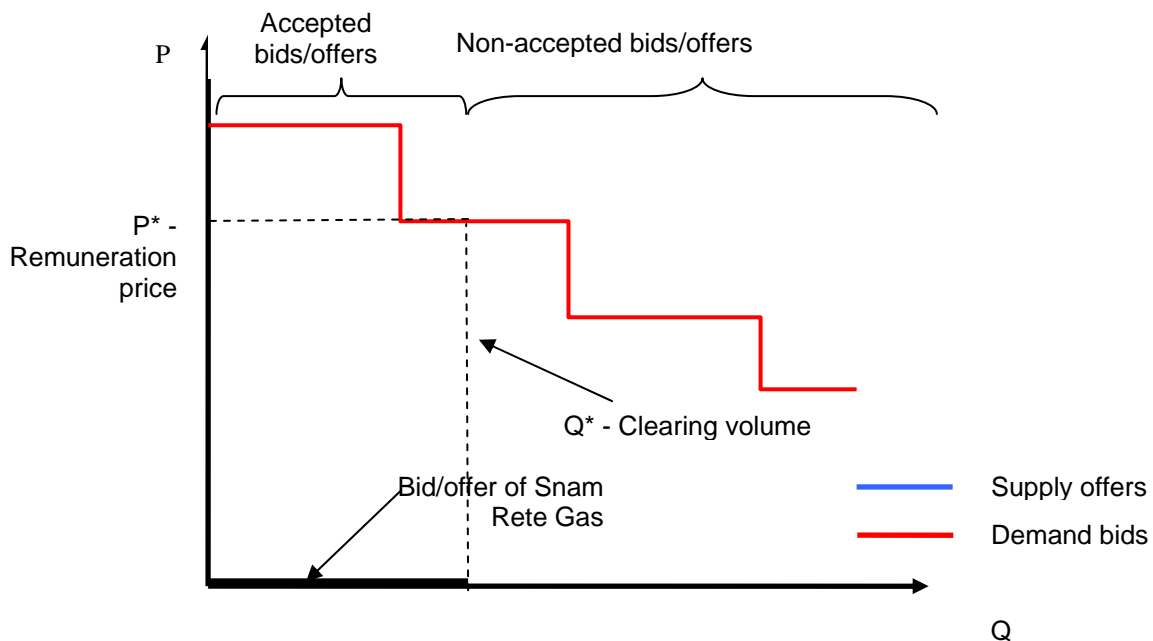


Figure 8b

