

BALANCING SERVICE

1. Definitions

In addition to the definitions provided in the *general conditions*, for the purpose of this Appendix 7, except where the context expressly provides otherwise, the following terms shall have the meanings ascribed thereto below.

"Balancing position":

means the difference in any *hour* between the quantities of *entry gas* and the quantities of *exit gas* within the *portfolio*, expressed in m^3 (*n;35.17*).

"Capacity range":

means the range, expressed in m^3 (*n;35.17*) per *hour*, consisting of (a part of) the send-in and send-out capacity of the *source*.

"Cumulative Balancing position":

means the sum of the *Balancing positions* of all hours since the start of the gas day including the allocation to the source in previous hours.

"Source":

means a *gas storage facility*, a *gas* field or an *entry* and *exit point* related to such *gas storage facility* or *gas* field that can provide flexibility that allows for balancing measures for a *portfolio*.

2. The balancing service

The *gas conditions* and the *general conditions* apply to the balancing service except where, with respect to the *general conditions*, this Appendix 7 provides otherwise. The balancing service is the service, performed by *GTS*, to balance a *portfolio* by means of a *source* put under control of *GTS* by *shipper*, within the limits agreed upon between *Parties* and stated in this Appendix 7.

The balancing service can be contracted for a term of one or more *years*. *GTS* may accept a *start date* after 1 January; however the service can only end at 31 December. *Shipper* can request the contracting of the balancing service by email or submitting a written notice stating as far as possible the particulars required according to this Appendix 7.

In so far in any *hour* the *cumulative balancing position* of the *portfolio* is within the *capacity range* and the available volume in the buffer, the allocation of the *source* to the *portfolio* in that *hour* resulting from the balancing service shall be the opposite figure of the *cumulative balancing position*. Each *month* at the tenth *business day* *GTS* will provide *shipper* with the actual volume position at the start of that *gas month* based on fiscal and non-fiscal allocations in the preceding month(s). The basic balancing regime applies to remaining imbalances.

The *hourly* allocations to *GTS* will be based on the measured flow and allocation rules of the *entry* or *exit point* related to the *source*.

GTS will contract the balancing service on a first come first served basis.

3. Requirements with respect to the *source*

GTS will only accept a *source* as basis for providing the balancing service that meets the minimum technical specifications of *GTS*. *GTS* shall assess the properties regarding the *source*, such as:

- a. the speed at which the flow to or from the *source* can be increased and decreased;
- b. the location of the *source*;
- c. the **gas** quality of the *source*;
- d. in case of a **gas storage facility**, the available working volume and its initial level;
- e. the send-in and send-out capacity within which the *source* may be controlled by *GTS*;
- f. the availability of firm capacity at the **entry point** and the **exit point** for the *source*;
- g. the means – with respect to communication and authorisation – for *GTS* to control the *source*;
- h. limitations with respect to the freedom of *GTS* to operate the *source* related to periodical minimum volume offtake obligations.

All relevant parameters regarding the issues under a. up to and including h. will be specified in a *contract data sheet*.

4. Control of the *source*

From the *start date* **shipper** shall provide *GTS* with the control over the contracted part of the *source*, providing *GTS* with the authority to use the *source* within the *capacity range* and the working volume, including the related firm **entry** and **exit capacity**. If applicable, **shipper** shall make the necessary arrangements with the relevant *NNO*(s) to provide *GTS* with the required degree of control over the *source*. In as far *GTS* does not make use of the *capacity range* **shipper** may make use of such unused capacity including the **entry** and **exit capacity**, without the corresponding tolerance.

5. Unavailability of the *source*

If in any *hour* for any reason the *source* has not or could not have performed according to the agreed parameters, the *capacity range* will be deemed to be decreased to the extent the *source* is not available to *GTS*.

6. Volume settlement due to non physical use by shipper

At the end of each *year* the net volume during a *year* allocated to the *portfolio*, calculated as the difference between the volume position of the *source* based on fiscal allocations and the initial working volume, shall be settled as follows. In as far the difference is within 84 hours times the send-in (short position) or send-out capacity (long position) respectively, the difference will be settled at the average for the **gas month** December of the neutral **gas** price as referred to in Article 5.8 of the *general conditions*. The remaining difference in case of a short or long position will be settled at 110% or 85% respectively of the average for the **gas month** December of the neutral **gas** price as referred to in Article 5.8 of the *general conditions*.

7. Volume settlement due to physical use by GTS

At the end of each *year* the net volume during a *year* allocated to *GTS*, calculated as the difference between the volume position of the *source* based on fiscal allocations and the initial working volume, shall be settled as follows. In as far the difference is within 84 hours times the send-in (short position) or send-out capacity (long position) respectively, the difference will be settled at the average for the ***gas month*** December of the neutral ***gas*** price as referred to in Article 5.8 of the *general conditions*. The remaining difference in case of a short or long position will be settled at 110% or 85% respectively of the average for the ***gas month*** December of the neutral ***gas*** price as referred to in Article 5.8 of the *general conditions*.