

**Gas Transport Services B.V.**

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Date	Telephone
3 February 2010	+31 50 521 22 50
Our reference	Your reference
LTF 10.0118	
Subject	
Combiflex Service 2010 fourth release (Q2 2010)	

Dear Madam or Sir,

In our letter LTF09.1595 dated 10 September 2009 we informed you about the planning of the six releases of flexibility services 2010. This letter concerns the fourth release (Q2 2010).

**Combiflex Service**

Due to the fact that the Combiflex B service with the ratio 1 : 1/3 has not been sold for the passed years, this ratio will not be offered any further. Combiflex A with the ratio 1 : 1 will be the remaining offered Combiflex Service.

The Combiflex A Service concerns Combiflex shortage and excess capacity and Combiflex volume. Combiflex shortage capacity and Combiflex excess capacity will be provided in a ratio of 1 : 1.

In case the ratio is 1 : 1 and one unit of Combiflex Service 2010 is contracted, the tolerance boundary of the portfolio for excess as well as shortage will be enlarged for the hourly tolerance with 1 m<sup>3</sup>, for the cumulative tolerance with 1 m<sup>3</sup> for the first hour of the gas day increased with 1 m<sup>3</sup> for every following hour and for the daily tolerance with 24 m<sup>3</sup>.

In both cases the tolerance boundaries are enlarged only when the volume in the Combiflex buffer is sufficient. The conditions of the TSC 2010-1 or its successors apply to the Combiflex Service 2010. The Combiflex Service will be awarded on the basis of a pro rata method. In Enclosure 1 the pro rata method is explained in more detail.

**Pricing**

The Combiflex tariff will be based on the offers made by the suppliers with whom GTS has signed a master agreement for 2010. There are two components of the Combiflex tariff that are established by the NMA: the transport capacity component for the storage entry and exit and the GTS tariff. The GTS tariff reflects the underlying costs of purchase and handling by GTS.

**Procedure fourth release Combiflex Service 2010**

If Combiflex A is offered to GTS the release procedure is as follows: in the first phase shippers have to request Combiflex A for the fourth release (Q2 2010). If there is sufficient Combiflex A offered by suppliers, these requests will be fully awarded and the release will be finished. Only when there are not sufficient offers in phase 1, phase 2 will start. Both phases will take place within the two week timeframe.

Phase 1 and 2:

1. Combiflex A (ratio 1:1) will be offered to shippers. Amount and price will be published on

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the GTS website before **Monday 15 February 2010, 10:00 LET**. Shipper can submit a booking request by sending the attached booking form (Enclosure 2), completed in all particulars, by fax (+31 50 360 3036) to GTS by **Wednesday 17 February 2010, 13:00 LET** at the latest. Requests received by GTS any later than the aforementioned deadline will not be considered. GTS will notify shippers before **Wednesday 17 February 2010, 17:00 LET**, which part of their request for Combiflex A has been awarded.

2. In case the sum of the requests of all shippers exceeds the offered capacity by the suppliers, GTS will contact the suppliers and ask for an additional bid in order to meet the requirements of the shippers. In case of a positive reply GTS will inform the shippers on **Wednesday 24 February 2010** about the outcome of this request. In case the price of the additional bid is equal or lower than the highest price for the Combiflex A service in phase 1, the remaining requests for Combiflex A will automatically be awarded to the requesting shippers. In case the price of the additional bid is higher, the individual shipper will have the right to partly or entirely reject the additional offer at the latest until **Thursday 25 February 2010, 16:00 LET**.

A participant in this capacity release should fulfil the GTS criteria to qualify as a party acting as a shipper in the transmission grid operated by GTS. Only requests submitted by means of the attached form (Enclosure 2), completed in all particulars, will be processed. Only one booking form per shipper per service will be accepted by GTS. In case more than one form per service is received by GTS, only the last complete booking form received by GTS before the deadline will be considered in the awarding process.

If you have any questions regarding Combiflex Service 2010 or the booking process please contact your account manager.

Yours sincerely,

GAS TRANSPORT SERVICES B.V.



Petra Smeets  
Manager Front Office  
Shipping & Grid Connections

Enclosures:

1. Pro Rata Method
- 2.3. Booking Form Combiflex A (fourth release)

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**Enclosure 1 to Letter LTF 10.0118**

**PRO RATA METHOD**

In case more capacity is requested than available, a pro rata method of awarding capacity will be applied as follows:

Each participating shipper makes a request for the desired maximum amount (M) of Combiflex. Furthermore, each shipper submits a request for the maximum desired quantity at each separate price level. If there is no scarcity each shipper will be awarded the desired maximum quantity at the lowest price level. In case of scarcity the available capacity at the lowest price level will be awarded pro rata.

In subsequent tranches (price levels) each shipper participates for the maximum of

- the difference between the requested maximum (M) and the awarded quantity at the lowest price (remaining request)
- the requested quantity in this tranche

This awarding process will be repeated until all available capacity has been awarded.

**Example:**

Combiflex A is available at prices P1, P2 and P3 (where  $P1 < P2 < P3$ ) in quantities of 600, 800 and 700, in total 2100 units. There are three participating shippers with the following requests:

	Shipper A	Shipper B	Shipper C
Maximum (M)	600	900	2100
P1	600	900	2100
P2	600	600	2100
P3	200	400	1500

P1 tranche:

Shipper A receives  $600/3600 * 600 = 100$  (remaining request 500)

Shipper B receives  $900/3600 * 600 = 150$  (remaining request 750)

Shipper C receives  $2100/3600 * 600 = 350$  (remaining request 1750)

P2 tranche:

Shippers now take part for the maximum of their remaining request and the maximum request in this tranche. Shipper A takes part for a maximum of 500, shipper B for 600 (maximum tranche P2), shipper C for 1750, in total 2850 units.

Shipper A receives  $500/2850 * 800 = 140$  (in total 240, remaining request 260)

Shipper B receives  $600/2850 * 800 = 168$  (in total 318, remaining request 582)

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Shipper C receives  $1750/2850*800 = 491$  (in total 841, remaining request 1259)

P3 tranche:

Shippers now take part for the maximum of their remaining request and the maximum request in this tranche. Shipper A takes part for a maximum of 200 (maximum tranche P3), shipper B for 400 (maximum tranche P3), shipper C for 1259, in total 1859 units.

Shipper A receives  $200/1859*700 = 75$  (in total 315)

Shipper B receives  $400/1859*700 = 151$  (in total 469)

Shipper C receives  $1259/1859*700 = 474$  (in total 1315)

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**Enclosure 2 to Letter LTF 10.0118**

**BOOKING FORM COMBIFLEX A (FOURTH RELEASE)**

**Period: 1-4-2010 up to and including 30-06-2010 (second quarter 2010)**

By returning this form, completed in all particulars, by fax to GTS before the deadline the undersigned undertakes to book the specified amount of Combiflex A under the standard conditions stated in Letter LTF 09.2234 and Appendix 10 of the TSC 2010-1 or its successors.

NAME SHIPPER : .....

PORTFOLIO CODE : GS.....

Maximum requested amount Combiflex A	.....m <sup>3</sup> (n; 35.17)/h
Combiflex A Price 1	.....m <sup>3</sup> (n; 35.17)/h
Combiflex A Price 2	.....m <sup>3</sup> (n; 35.17)/h
Combiflex A Price 3	.....m <sup>3</sup> (n; 35.17)/h
Combiflex A Price 4	.....m <sup>3</sup> (n; 35.17)/h
Combiflex A Price 5	.....m <sup>3</sup> (n; 35.17)/h

PLACE : .....

DATE : .....

SIGNATURE : .....

Please fax this form by **Wednesday 17 February 2010 (13.00 LET)** at the latest to GAS TRANSPORT SERVICES B.V.: +31 50 360 30 36 **for the attention of Antwa Munnik.**