



**Amendment of the Annual Gas
Balancing Planning for 2015**

November 2015

Taking into account the DESFA no. 01657291/02.11.2015 email from the Authority to the Operator, with which it is necessary to re-submit the proposal of DESFA to amend the Annual Gas Balancing Planning for 2015, only for the part considering the amendment agreement, find attached the proposal for the amendment of the Annual Gas Balancing Planning for 2015

1. Introduction

This proposal is related to the amendment of section 6 of the Annual Gas Balancing Planning for 2015, that was approved by RAE's Decision no. 422/2014 (Official Gazette B' 2294) entitled: «1. Approval of the Annual Gas Balancing Planning of the National Natural Gas Transmission System (NNGTS) for the Year 2015, 2. Approval of the NNGS Capacity booked by DESFA for Gas Balancing for the Year 2015». The amendment above is based in the provision of paragraph 2.c. of Article 68 of the Law 4001/2011, according to which the National Natural Gas Transmission Operator (DESFA) S.A. is responsible for the Gas Balancing of the National Natural Gas System (NNGS) as laid down in his Network Code and submits to the Regulating Authority of Energy the Annual Gas Balancing, and any amendment thereto, under the terms of subparagraph A of Paragraph 1 of Article 46 of the NNGS Network Code.

The proposed amendment of the Annual Gas Balancing Planning for 2015, is found necessary due to that the procedure of pre-contractual control over the tender process of the no. 464/14/DDP bid was not finalized until 31.12.2014, that the Operator proclaimed for the supply of the Gas Balancing for the Year 2015, while the procedure of Article 32, Paragraph 2 and 9 in conjunction with Article 49A, Paragraph 6 of the Parliament Rules for the signing of the abovementioned contract, following the no. 464/14/DDP bid, was finalized on 16.03.2015.



6. Load Balancing Contract

Aiming at the orderly, economical and efficient operation of the NNGS, during the Year 2015 and taking into account:

1. The provisions of Paragraphs 1 and 2 of Article 47 of the NNGS Network Code, according to which: *“1. The Operator, in the framework of his authorities, according to the provisions of paragraph 2.c, article 68 of the Law, is allowed to enter agreements with Users or third parties for the supply and delivery to the NNGTS or the sale and receipt from it of Natural Gas Quantities, in the framework of the realization by the Operator of Balancing Actions (Gas Balancing Agreements). 2. The Gas Balancing Agreements are entered following approval by RAE of the Annual Gas Balancing Planning, either following a relevant competition conducted by the Operator, or according to the provision of paragraph 1, article 91 of the Law.”*, and
2. The fact that the pre-conducted control over the tender process of the no. 464/14/DDP bid, that the Operator proclaimed for the supply of the Gas Balancing for the Year 2015, was not completed by 31.12.2014, and
3. The fact that the procedure of Article 32, Paragraphs 2 and 9 in conjunction with the Article 49A, Paragraph 6 of the of the Parliament Rules for the signing of the abovementioned contract, following the no. 464/14/DDP bid, was finalized on 16.03.2015.

The Operator proposes the Natural Gas supply for Load Balancing purposes for the Year 2015, to take place as follows:

- A) by extending the duration of the Balancing Gas Supply contract – framework no. 648/2013, concluded between the companies DEPA S.A. and DESFA S.A. for the Balancing Gas Supply for the Year 2014, using the contractual right of DESFA, as it is expressly provided for in Article 4 thereof, for the period from 01.01.2015 08:00 to 18.03.2015 08:00.
- B) by contract – framework between the Operator, after concluding the procedure of Article 32, Paragraphs 2 and 9 in conjunction with the Article 49A, Paragraph 6 of the of the Parliament Rules, and the company DEPA S.A., which was selected under the no. 464/14 international bid, as defined in paragraph 2.c. of Article 68 of the Law 4001/2011 and in Paragraph 2 of Article 47 of the NNGS Network Code, for

the supply of Gas Balancing for the period from 18.03.2015 08:00 to 01.01.2016 08:00. The supply of Gas Balancing will take place in the context of a request fulfillment issued by the Operator to the prequalified Shipper.

Furthermore, taking into consideration:

- the restricted Storage Area of LNG Facility,
- the increasing demand (from Users' sides) for access to the LNG Facility,
- the requirements in the Network Code of NNGS and particularly in Chapter 11 for the terms of access to the LNG Facility (Temporary LNG Storage Period, Minimum Regasification Capacity),
- the size of LNG vessels that are available in the LNG Market,

in the LNG supply Contract-Framework for Gas Balancing, the authority of the Operator to specify the LNG quantity and the time delivery for balancing purposes will be established, so that the smooth operation of the Greek Natural Gas market is not upset, in accordance with the requirement of the Network Code of NNGS. Given the lack of confirmation of the Operator's estimations relating to the Natural Gas Quantities demanded for the Year 2015, for Balancing purposes and the procedure of choosing the final Shipper, the abovementioned agreement will not contain imposing restrictions such as minimum supply quantity or payment clauses irrespective of LNG off-takes.

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