

EFET

European Federation of Energy Traders

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TTF APPENDIX

to the
EFET General Agreement
Concerning the Delivery and Acceptance of Natural Gas
Version 2.0/January 6, 2003 and Version 2.0(a)/May, 11 2007
(the “TTF Appendix”)

NOTICE & WAIVER: THIS TTF APPENDIX WAS PREPARED BY EFET MEMBERS EXERCISING ALL REASONABLE CARE. HOWEVER EFET, THE EFET MEMBERS, REPRESENTATIVES AND COUNSEL INVOLVED IN ITS PREPARATION AND APPROVAL SHALL NOT BE LIABLE OR OTHERWISE RESPONSIBLE FOR ITS USE AND ANY DAMAGES OR LOSSES RESULTING OUT OF ITS USE IN ANY PARTICULAR CASE AND IN WHATEVER JURISDICTION. IT IS THEREFORE THE RESPONSIBILITY OF EACH PARTY WISHING TO USE THIS TTF APPENDIX AND THE EFET AGREEMENT TO ENSURE ITS TERMS AND CONDITIONS ARE LEGALLY BINDING, VALID AND ENFORCEABLE AND BEST SERVE TO PROTECT THE USER’S LEGAL INTERESTS. USERS OF THIS TTF APPENDIX ARE URGED TO CONSULT RELEVANT LEGAL OPINIONS MADE AVAILABLE THROUGH EFET AS WELL AS THEIR OWN COUNSEL.

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TTF Appendix

to the

General Agreement

Concerning the Delivery and Acceptance of Natural Gas
Version 2.0/January 6, 2003 and Version 2.0(a)/May, 11 2007

TTF APPENDIX

dated as of _____
(the "TTF Appendix Effective Date")

Between

[_____]

and

[_____]

Check the following box and fill in date ONLY if you are using this TTF Appendix to modify and supplement a previously executed General Agreement between the Parties:

By executing this TTF Appendix in the signature block at the end hereof, the Parties hereby modify, supplement and amend the terms of that certain previously executed General Agreement entered into and dated as of _____, _____ to provide that the terms of this TTF Appendix shall be incorporated therein and shall be applicable to and thereafter govern all TTF Transactions (as hereinafter defined).

Check the following box ONLY if you are using this TTF Appendix to modify all previously executed TTF Transactions between the Parties:

All TTF Transactions (as hereinafter defined) concluded before execution of this TTF Appendix shall be governed by this TTF Appendix.

TTF APPENDIX

The provisions of the General Agreement are hereby amended and supplemented in accordance with the following:

1. **Transmission Service Conditions and Transmission Code**

Capitalised terms used in this TTF Appendix and not otherwise defined herein or in the General Agreement shall have the meanings given to them in the Transmission Service Conditions published by Gas Transport Services B.V. or any successor Entity (“GTS”) from time to time (inclusive of their Appendices and Exhibits) (the “TSC”). References to any particular article or provision of the TSC or the Transmission Code are references to the articles or provisions in the versions published at the date of publication of this Version 4.0 of the TTF Appendix and shall, if applicable, be read as references to such article or provision as renumbered or re-referenced from time to time.

For the purposes of this TTF Appendix and all TTF Transactions as defined in Clause 2 below, GTS shall be the relevant Network Operator.

2. **Applicability of this TTF Appendix**

This TTF Appendix to the General Agreement (inclusive of this TTF Appendix’s Annexes) modifies, amends and supplements certain provisions of the General Agreement and, together with the General Agreement, shall apply to and govern all Individual Contracts entered into by the Parties for and concerning the delivery and acceptance of Natural Gas at the TTF (each such Individual Contract a “TTF Transaction”, and collectively, the “TTF Transactions”). Any and all future Individual Contracts between the Parties that constitute TTF Transactions shall be automatically subject to the General Agreement, as it is modified, supplemented and amended by this TTF Appendix, without further action by the Parties, unless the agreed upon terms of such Individual Contract expressly provide that it shall not be subject to this TTF Appendix. In the event of any inconsistency between the General Agreement and this TTF Appendix, this TTF Appendix will prevail for purposes of all TTF Transactions. In the event of any inconsistency between the terms of a TTF Transaction (whether evidenced in a Confirmation or otherwise) and the provisions of either this TTF Appendix or the General Agreement (as amended by this TTF Appendix), the terms of the TTF Transaction shall prevail for the purpose of that TTF Transaction.

3. **Confirmations**

3.1 § 3.2 (*Confirmations*) of the General Agreement shall be amended by adding after the reference in the last line to “Annex 2a – d”, “and Annex 2 TTF (A) – (D)”.

3.2 Annexes 2 TTF (A) – 2 TTF (D) which are attached to this TTF Appendix shall be added to the General Agreement for use in TTF Transactions.

4. **Schedule**

The definition of “Schedule” in § 4.2 (*Definition of Schedule and Applicable Code*) of the General Agreement shall be amended by adding the following at the end:

“For the purposes of TTF Transactions, a Party’s obligations to “Schedule” shall include, without limitation, compliance with all obligations and requirements contained in the TSC and the Transmission Code.”

5. **Measurement of Natural Gas Deliveries and Receipts**

For the purposes of § 6.4 (*Measurement of Natural Gas Deliveries and Receipts*), the last confirmation issued by GTS in respect of a Time Unit shall be deemed to be an allocation statement from the relevant Network Operator for TTF Transactions whose Total Supply Periods contain that Time Unit.

6. **Force Majeure**

For the purposes of a TTF Transaction, § 7 (*Non-Performance Due to Force Majeure*) of the General Agreement shall apply but with the deletion of the words:

“unless this constitutes a Transportation Failure” from § 7.1 (*Definition of Force Majeure*).

Furthermore, if GTS exercises any of its rights under the TSC or the Transmission Code to refuse (re)nominations or to reduce confirmed (re)nominations of a Party at the TTF due to a restriction in the availability of the TTF which results in a Party being unable to fulfill in whole or in part any of its contractual obligations under a TTF Transaction and such action by GTS has not been caused in whole or in part by the Claiming Party, then this shall constitute a Force Majeure event with respect to that TTF Transaction.

7. **Remedies for Failure to Deliver or Accept the Contract Quantity**

7.1 For the purposes of TTF Transactions §§ 8.1 to 8.4 (*Underdelivery, Under Acceptance, Overdelivery and Over Acceptance*) inclusive shall be deleted and replaced with the following:

1. Underdelivery: If in respect of a Time Unit and a TTF Transaction, the Contract Quantity exceeds the Delivered Quantity by reason of Seller’s Default, the Seller shall pay to the Buyer as compensation an amount equal to:

- (a) the amount, if positive, by which the Buy Price calculated for such Time Unit exceeds the Contract Price multiplied by the Default Quantity; plus
- (b) the Linepack Flexibility Service Charge multiplied by the Default Quantity.

2. Under Acceptance: If in respect of a Time Unit and a TTF Transaction, the Contract Quantity exceeds the Delivered Quantity by reason of Buyer’s Default, the Buyer shall pay to the Seller as compensation an amount equal to:

- (a) the amount, if positive, by which the Contract Price exceeds the Sell Price calculated for such Time Unit multiplied by the Default Quantity; plus
- (b) the Linepack Flexibility Service Charge multiplied by the Default Quantity.

3. Overdelivery: If in respect of a Time Unit and a TTF Transaction, the Delivered Quantity exceeds the Contract Quantity by reason of Seller’s Default, the Seller shall pay to the Buyer as compensation an amount equal to:

- (a) the amount, if positive, by which the Contract Price exceeds the Sell Price calculated for such Time Unit multiplied by the absolute value of the Default Quantity; and
- (b) the Linepack Flexibility Service Charge multiplied by the absolute value of the Default Quantity.

4. Over Acceptance: If in respect of a Time Unit and a TTF Transaction, the Delivered Quantity exceeds the Contract Quantity by reason of Buyer’s Default, the Buyer shall pay to the Seller as compensation an amount equal to:

- (a) the amount, if positive, by which the Buy Price calculated for such Time Unit exceeds the Contract Price multiplied by the absolute value of the Default Quantity; and
- (b) the Linepack Flexibility Service Charge multiplied by the absolute value of the Default Quantity.

7.2 For the purposes of TTF Transactions the Tolerance shall be zero.

8. Off-Spec Gas

For the purposes of TTF Transactions the provisions of § 8a (*Off-Spec Gas*) shall not apply.

9. Annex 1 – Defined Terms

For the purposes of all TTF Transactions, Annex 1 of the General Agreement shall be amended by:

9.1. the insertion of the following definitions:

9.1.1 “**Balancing Action**” means the successful purchase or sale of Natural Gas by GTS on the Exchange within day market to balance the National Grid in accordance with the terms of the Transmission Code;

9.1.2 “**Buy Price**” shall be calculated:

- (a) for a Time Unit in a Gas Day during which GTS has in any hour taken Balancing Action for the purchase of Natural Gas, by taking the highest Transfer Price (Buy) that GTS has paid on the Exchange to buy Natural Gas during that Gas Day (or if there is only one Transfer Price (Buy) paid during such Gas Day, such Transfer Price (Buy)); or
- (b) for a Time Unit in a Gas Day during which GTS has not in any hour taken Balancing Action for the purchase of Natural Gas, as 120% of the Neutral Gas Price for that Gas Day (unless the Party not in default can show that the actual price it paid to replace the Default Quantity was higher than 120% of the Neutral Gas Price in which case the Buy Price shall equal such actual price paid provided that, in such circumstances, the Buy Price shall never exceed either: (i) the Transfer Price (Buy) that GTS pays on the Exchange the first time it takes Balancing Action for the purchase of Natural Gas on the next Gas Day or, if the next Gas Day is not a Gas Business Day, in the period from the start of the next Gas Day until the end of the next Gas Business Day; or (ii) if GTS does not take Balancing Action for the purchase of Natural Gas in the period(s) referred to in (i) above, 150% of the Neutral Gas Price for the Gas Day on which the Underdelivery or Over Acceptance occurred);

9.1.3 the term “**Delivery Point**” shall be read as being synonymous with the term TTF;

9.1.4 “**Exchange**” means the energy exchange on which GTS buys or sells Natural Gas to balance the National Grid, being at the date of this Version 4.0 of the TTF Appendix the ICE Endex exchange;

9.1.5 “**Gas Business Day**” means a Gas Day that starts on a Business Day;

9.1.6 “**Gas Day**” has the same meaning as “gas day” in the TSC;

9.1.7 “**GTS**” has the meaning set out in Clause 1 of this TTF Appendix;

9.1.8 “**Linepack Flexibility Service Charge**” means the service charge for the use of GTS's linepack flexibility expressed in Euros per MWh charged by GTS in accordance with the terms of the Transmission Code to shippers in the National Grid whose Portfolio is out of balance at the end of a Gas Day (as at the date of this Version 4.0 being the *tarief* for the *leidingbufferflexibiliteitsdienst* referred to in the Dutch language version of the Transmission Code);

- 9.1.9 “**National Grid**” has the same meaning as “national grid” in the TSC;
- 9.1.10 “**Neutral Gas Price**” means the “neutrale gasprij” as defined in and calculated pursuant to the Transmission Code;
- 9.1.11 “**Portfolio**” has the same meaning as “portfolio” in the TSC;
- 9.1.12 “**Sell Price**” shall be calculated:
- (a) for a Time Unit in a Gas Day during which GTS has in any hour taken Balancing Action for the sale of Natural Gas, by taking the lowest Transfer Price (Sell) that GTS has received in selling Natural Gas on the Exchange during that Gas Day (or if there is only one Transfer Price (Sell) received during such Gas Day, such Transfer Price (Sell)); or
 - (b) for a Time Unit in a Gas Day during which GTS has not in any hour taken Balancing Action for the sale of Natural Gas, as 80% of the Neutral Gas Price for that Gas Day (unless the Party not in default can show that the actual price it received for the Default Quantity was lower than 80% of the Neutral Gas Price in which case the Sell Price shall equal such actual price received provided that, in such circumstances, the Sell Price shall never be less than either: (i) the Transfer Price (Sell) that GTS receives on the Exchange the first time it takes Balancing Action for the sale of Natural Gas on the next Gas Day or, if the next Gas Day is not a Gas Business Day, in the period from the start of the next Gas Day until the end of the next Gas Business Day; or (ii) if GTS does not take Balancing Action for the sale of Natural Gas in the period(s) referred to in (i) above, 50% of the Neutral Gas Price for the Gas Day on which the Under Acceptance or Overdelivery occurred);
- 9.1.13 “**Transfer Price (Buy)**” means either the volume weighted average price paid by GTS in an hour for the purchase of Natural Gas or, in certain circumstances if an emergency has been called by GTS, the Neutral Gas Price for the Gas Day;
- 9.1.14 “**Transfer Price (Sell)**” means either the volume weighted average price received by GTS in an hour for the sale of Natural Gas or, in certain circumstances if an emergency has been called by GTS, the Neutral Gas Price for the Gas Day;
- 9.1.15 “**Transmission Code**” means the “Transportvoorwaarden Gas-LNB” published from time to time by the Autoriteit Consument & Markt;
- 9.1.16 “**TSC**” has the meaning set out in Clause 1 of this TTF Appendix;
- 9.1.17 “**TTF**” means the Title Transfer Facility as defined in the TSC; and
- 9.1.18 “**TTF Transaction**” has the meaning set out in Clause 2 of this TTF Appendix; and
- 9.2 by the amendment of the following definition:
- “**Time Unit**” means, in respect of a TTF Transaction, one hour.

ADDITIONAL PROVISIONS / AMENDMENTS TO THE TTF APPENDIX

To be executed by Parties that checked and completed the box on the first page hereof:

IN WITNESS whereof this TTF Appendix has been duly executed by the duly authorized representative(s) of each Party on the respective dates set out below with effect from the TTF Appendix Effective Date.

[Name of Party]

[Name of Party]

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

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ANNEX 2 TTF (A)
to the
TTF Appendix **-and-** **ANNEX 2E**
to the
General Agreement

CONFIRMATION OF INDIVIDUAL CONTRACT FOR TTF TRANSACTIONS (FIXED PRICE)

BETWEEN:

(1) _____ ("Seller"); and

(2) _____ ("Buyer").

concluded on [/ /], [:] hours

Delivery Point : **TTF**

[X] INTRA SYSTEM

Relevant System : **GTS transmission grid**

Contract Quantity : []

Time Unit : **1 hour**

Total Supply Period : From [] hours on [/ /]
to [] hours on [/ /]

Contract Price :

Tolerance : 0

This Confirmation confirms the Individual Contract entered into pursuant to the EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas between the Parties (General Agreement) and supplements and forms part of that General Agreement. In case of any inconsistencies between the terms of this Confirmation and the Individual Contract, please contact us immediately.

Date : _____

Signature : _____

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ANNEX 2 TTF (B)
to the
TTF Appendix

-and-

ANNEX 2F
to the
General Agreement

CONFIRMATION OF INDIVIDUAL CONTRACT FOR TTF TRANSACTIONS (FLOATING PRICE)

BETWEEN:

(1) _____ ("Seller"); and

(2) _____ ("Buyer").

concluded on [/ /], [:] hours

Delivery Point : TTF

INTRA SYSTEM

Relevant System : GTS transmission grid

Contract Quantity : []

Time Unit : 1 hour

Total Supply Period : From [] hours on [/ /]
to [] hours on [/ /]

Price Source :

Commodity Reference Price :

Alternate Commodity Reference Price :

Calculation Date :

Calculation Agent :

Calculation Method :

Tolerance : 0

Annex 2F-1

This Confirmation confirms the Individual Contract entered into pursuant to the EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas between the Parties (General Agreement) and supplements and forms part of that General Agreement. In case of any inconsistencies between the terms of this Confirmation and the Individual Contract, please contact us immediately.

Date : _____

Signature : _____

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ANNEX 2 TTF (C)
to the
TTF Appendix

-and-

ANNEX 2G
to the
General Agreement

CONFIRMATION OF INDIVIDUAL CONTRACT FOR TTF TRANSACTIONS (CALL OPTION)

BETWEEN:

(1) _____ ("Writer"); and

(2) _____ ("Holder").

concluded on [/ /], [:] hours

Option Details :

- (a) Option Type : Call
- (b) Option Style: American/European
- (c) Exercise Deadline :
- (d) Exercise Period: (if American Style Option)
- (e) Premium :
- (f) Premium Payment Date :

Delivery Point : TTF

INTRA SYSTEM

Relevant System : GTS transmission grid

Contract Quantity : []

Time Unit : 1 hour

Total Supply Period : From [] hours on [/ /]
to [] hours on [/ /]

Contract Price :

Tolerance : 0

Annex 2G-1

This Confirmation confirms the Individual Contract entered into pursuant to the EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas between the Parties (General Agreement) and supplements and forms part of that General Agreement. In case of any inconsistencies between the terms of this Confirmation and the Individual Contract, please contact us immediately.

Date : _____

Signature : _____

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ANNEX 2 TTF (D)

to the
TTF Appendix

-and-

ANNEX 2H

to the
General Agreement

CONFIRMATION OF INDIVIDUAL CONTRACT FOR TTF TRANSACTIONS (PUT OPTION)

BETWEEN:

(1) _____ ("Writer"); and

(2) _____ ("Holder").

concluded on [/ /], [:] hours

Option Details :

- (a) Option Type : Put
- (b) Option Style: American/European
- (c) Exercise Deadline :
- (d) Exercise Period: (if American Style Option)
- (e) Premium :
- (f) Premium Payment Date :

Delivery Point : TTF

INTRA SYSTEM

Relevant System : GTS transmission grid

Contract Quantity : []

Time Unit : 1 hour

Total Supply Period : From [] hours on [/ /]
to [] hours on [/ /]

Contract Price :

Tolerance : 0

This Confirmation confirms the Individual Contract entered into pursuant to the EFET General Agreement Concerning the Delivery and Acceptance of Natural Gas between the Parties (General Agreement) and supplements and forms part of that General Agreement. In case of any inconsistencies between the terms of this Confirmation and the Individual Contract, please contact us immediately.

Date : _____

Signature : _____