

# EFET

## European Federation of Energy Traders

Amstelveenseweg 998 / 1081 JS Amsterdam  
Tel: +31 20 5207970

E-mail: [secretariat@efet.org](mailto:secretariat@efet.org)

Webpage: [www.efet.org](http://www.efet.org)

## IBP 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 “IBP Appendix”)

**WAIVER: THE FOLLOWING IBP APPENDIX WAS PREPARED BY EFET’S MEMBERS WHILST EXERCISING THEIR RESPECTIVE REASONABLE CARE AND DUE DILIGENCE. HOWEVER, EFET, EFET MEMBERS, REPRESENTATIVES AND COUNSEL INVOLVED IN ITS PREPARATION AND APPROVAL SHALL NOT BE LIABLE OR OTHERWISE RESPONSIBLE FOR ITS USE, OR FOR ANY DAMAGES OR LOSSES RESULTING FROM ITS USE, IN ANY INDIVIDUAL CASE OR JURISDICTION. IT IS THEREFORE THE RESPONSIBILITY OF EACH PARTY WISHING TO USE THIS IBP APPENDIX TO ENSURE THAT ITS TERMS AND CONDITIONS ARE LEGALLY BINDING, VALID AND ENFORCEABLE AND THAT THEY BEST SERVE TO PROTECT THE USER'S LEGAL INTEREST. USERS OF THIS IBP APPENDIX ARE URGED TO CONSULT RELEVANT LEGAL OPINIONS WHERE AVAILABLE AS WELL AS THEIR OWN COUNSEL.**

---

# EFET

## European Federation of Energy Traders

**IBP 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

### IBP APPENDIX

dated as of \_\_\_\_\_  
(the “**IBP Appendix Effective Date**”)

Between

[ \_\_\_\_\_ ]

and

[ \_\_\_\_\_ ]

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

By executing this IBP Appendix in the signature block, the Parties hereby supplement and amend certain provisions of that previously executed General Agreement entered into and dated as of \_\_\_\_\_, \_\_\_\_\_ to provide that the terms of this IBP Appendix shall be incorporated and shall be applicable to and govern all IBP Transactions (as hereinafter defined).

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

The provisions of the General Agreement are hereby supplemented and amended in respect of IBP Transactions as follows:

**1. Code of Operations and Incorporation of its Defined Terms**

Capitalised terms used in this IBP Appendix and not otherwise defined in this IBP Appendix or in the General Agreement shall have the meanings given to them in the Code of Operations. References to any particular section or provision of the Code of Operations shall be construed to be references to such section or provision as it is renumbered or re-referenced from time to time in subsequent revisions to the Code of Operations.

**2. Applicability of this IBP Appendix**

This IBP Appendix to the General Agreement 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 IBP (each such Individual Contract an “**IBP Transaction**” and collectively the “**IBP Transactions**”). Any and all future Individual Contracts between the Parties that constitute IBP Transactions shall be automatically subject to the General Agreement, as amended and/or supplemented by its Annexes, Election Sheet and this IBP Appendix, without further action by the Parties unless the terms of such Individual Contract expressly provide that it shall not be subject to this IBP Appendix. For all other types of Individual Contracts which are not IBP Transactions, the General Agreement shall remain unmodified by this IBP Appendix. In the event of any inconsistency between the General Agreement and this IBP Appendix, this IBP Appendix will prevail for purposes of all IBP Transactions. In the event of any inconsistency between the terms of an IBP Transaction (whether evidenced in a Confirmation or otherwise) and the provisions of either this IBP Appendix or the General Agreement, the terms of the IBP Transaction will prevail for the purposes of that IBP Transaction.

**3. General**

3.1 **Time:** For the purposes of complying with all Scheduling and similar requirements involving the IBP references to time shall be to the time prevailing at the IBP, being GMT in the winter and GMT plus one (1) hour in the summer.

3.2 **Energy Units:** Unless otherwise agreed by the Parties: (a) IBP Transactions shall be entered into Therms and (b) IBP Nominations and IBP Renominations shall be made to GNI in KWhs. Quantities in Therms shall be converted to KWhs in accordance with the following formula:

$K = 29.3071 \times T$  rounded to the nearest KWh, an exact half being rounded upwards, where “K” is the quantity expressed in KWhs and “T” is the quantity expressed in Therms.

**4. Confirmations**

4.1 § 3.2 (*Confirmations*) of the General Agreement shall be amended by adding after the reference in the last line to “Annex 2a – d” and “and Annex 2 IBP (A) – (D)”.

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

**5. Primary Obligations for Delivery and Acceptance of and Payment for Natural Gas**

In order to fulfil their obligations to Schedule each IBP Transaction in accordance with §4 of the General Agreement (*Primary Obligations for Delivery and Acceptance of and Payment for Natural Gas*), the Parties shall: (a) agree with each other a Window Period in which IBP Nominations will be made to GNI and (b) make their IBP Nominations to GNI within such agreed Window Period and, if a renomination of an IBP Transaction is agreed by the Parties, shall: (c) agree with each other a Window Period in which the IBP Renominations will be made to GNI; and (d) make their IBP Renominations to GNI within such agreed Window Period. If the Seller Schedules to GNI having not agreed a Window Period with the Buyer in accordance with this clause or,

having agreed such a Window Period, fails to Schedule to GNI within the Window Period and as a result GNI rejects the IBP Nominations or IBP Renominations a “**Seller's Default**” shall arise for the purposes of §8 of the General Agreement (*Remedies for Failure to Deliver or Accept the Contract Quantity*). If the Buyer Schedules to GNI having not agreed a Window Period with the Seller in accordance with this clause or, having agreed such a Window Period, fails to Schedule to GNI within the Window Period and as a result GNI rejects the IBP Nominations or IBP Renominations a “**Buyer's Default**” shall arise for the purpose of §8 of the General Agreement (*Remedies for Failure to Deliver or Accept the Contract Quantity*).

## 6. Force Majeure

For the purposes of an IBP 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*).

In addition if GNI rejects IBP Nominations or IBP Renominations or rejects or reduces Valid IBP Nominations or Valid IBP Renominations for reasons of force majeure or network security or safety in accordance with the Code of Operations which causes a Party to be unable to fulfill, in whole or in part, any of its obligations under an IBP Transaction and such action 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 IBP Transaction.

## 7. Remedies

7.1 For the purposes of IBP Transactions §§ 8.1 to 8.4 (*Remedies for Failure to Deliver or Accept the Contract Quantity*) inclusive shall be deleted and replaced with the following:

**1. Underdelivery:** If in respect of a Time Unit and an IBP Transaction, the Contract Quantity exceeds the Delivered Quantity by reason of Seller’s Default, the Seller shall pay to the Buyer as compensation for its resulting losses (if any) an amount equal to the product of:

- (a) the amount, if positive, by which the Short Price exceeds the Contract Price; and
- (b) the Default Quantity.

**2. Under Acceptance:** If in respect of a Time Unit and an IBP Transaction, the Contract Quantity exceeds the Delivered Quantity by reason of Buyer’s Default, the Buyer shall pay to the Seller as compensation for its resulting losses (if any) an amount equal to the product of:

- (a) the amount, if positive, by which the Contract Price exceeds the Long Price; and
- (b) the Default Quantity.

**3. Overdelivery:** If in respect of a Time Unit and an IBP Transaction, the Delivered Quantity exceeds the Contract Quantity by reason of Seller’s Default, the Seller shall pay to the Buyer as compensation for its resulting losses (if any) an amount equal to the product of:

- (a) the amount, if positive, by which the Contract Price exceeds the Long Price; and
- (b) the absolute value of the Default Quantity.

**4. Over Acceptance:** If in respect of a Time Unit and an IBP Transaction, the Delivered Quantity exceeds the Contract Quantity by reason of Buyer’s Default, the Buyer shall pay to the Seller as compensation for its resulting losses (if any) an amount equal to the product of:

- (a) the amount, if positive, by which the Short Price exceeds the Contract Price; and

(b) the absolute value of the Default Quantity.

7.2 For the purposes of clause 7.1, it shall be assumed that each Party has a tolerance in Transmission System equal to zero (0). References to the “Second Tier Imbalance Price” in the definitions of Short Price and Long Price shall, in the event that there is a single price for positive Final Daily Imbalance Quantities and a single price for negative Final Daily Imbalance Quantities charged by GNI under the Code of Operations, be deemed to be references to such respective single prices.

7.3 The Parties agree that, notwithstanding the fact that the Contract Price for an IBP Transaction may be agreed by them in pence per Therm, the amounts payable under §8 of the General Agreement (*Remedies for Failure to Deliver or Accept the Contract Quantity*) following a Seller's Default or a Buyer's Default shall be calculated and paid in Euros per KWh. The currency conversion methodology set out in the Code of Operations from time to time shall apply to convert pence to Euros for the purposes of §8 of the General Agreement as amended by this clause 7 and also, if so required, for the purposes of calculating a Termination Amount in accordance with §11 (*Calculation of the Termination Amount*) of the General Agreement.

7.4 For the purposes of IBP Transactions the Tolerance shall be zero (0).

#### **8. Off-Spec Gas**

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

#### **9. Invoicing and Payment**

Unless otherwise agreed by the Parties, and except as provided in clause 7, invoicing and payment for IBP Transactions shall be performed and made in pence and pounds sterling.

**Amendments to Annex 1  
to the  
General Agreement**

**Defined Terms**

For the purposes of all IBP Transactions, Annex 1 to the General Agreement shall be supplemented and amended by the insertion of the following definitions:

- “**Code of Operations**” means the GNI Code of Operations as published from time to time;
- “**Final Daily Imbalance Quantity**” shall have the meaning given to it in the Code of Operations;
- “**GNI**” means Gas Networks Ireland or any successor as the operator of the Transmission System;
- “**IBP**” means the Irish Balancing Point, a notional point in the Transmission System;
- “**IBP Nomination**” shall have the meaning given to it in the Code of Operations;
- “**IBP Renomination**” shall have the meaning given to it in the Code of Operations;
- “**IBP Transaction**” and “**IBP Transactions**” have the meanings set out in clause 2 of this IBP Appendix;
- “**Kilowatt Hour**” or “**KWh**” means point zero three six (0.0036) GJ;
- “**Long Price**” means the Second Tier Imbalance Price at which GNI buys positive Final Daily Imbalance Quantities from Shippers on the Day;
- “**Network Operator**” means GNI;
- “**pence**” and “**pounds**” shall mean pence sterling and pounds sterling respectively, being the legal currency of the United Kingdom;
- “**Second Tier Imbalance Price**” shall have the meaning given to it in the Code of Operations;
- “**Shipper**” shall have the meaning given to it in the Code of Operations;
- “**Short Price**” means the Second Tier Imbalance Price at which GNI sells negative Final Daily Imbalance Quantities to Shippers on the Day;
- “**Therm**” shall mean one hundred and five million five hundred and six thousand Joules (105,506,000J);
- “**Transmission System**” shall have the meaning given to it in the Code of Operations;
- “**Valid IBP Nomination**” shall have the meaning given to it in the Code of Operations;
- “**Valid IBP Renomination**” shall have the meaning given to it in the Code of Operations; and

**“Window Period”** shall mean the period specified in the Code of Operations from time to time in which the Seller and the Buyer must both make corresponding IBP Nominations or IBP Renominations to GNI, being at the date of this Version 1.0 of the IBP Appendix, one (1) hour.

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

IN WITNESS whereof this IBP 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 IBP Appendix Effective Date.

\_\_\_\_\_  
[Name of Party]

\_\_\_\_\_  
[Name of Party]

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# EFET

## European Federation of Energy Traders

### ANNEX 2 IBP (A) to the General Agreement

#### CONFIRMATION OF INDIVIDUAL CONTRACT FOR IBP TRANSACTIONS (FIXED PRICE)

**BETWEEN:**

(1) \_\_\_\_\_ (“Seller”); and

(2) \_\_\_\_\_ (“Buyer”).

concluded on [ / / ], [ : ] hours

**Delivery Point :** **IBP**

**[X] INTRA SYSTEM**

**Contract Quantity :** [ ] Therms

**Time Unit :** **one (1) Day**

**Total Supply Period :** From 0500 hours on [ / / ]  
to 0500 hours on [ / / ]

**Contract Price :** [ ] pence

**Tolerance :** **0**

This Confirmation confirms the IBP Transaction 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 IBP Transaction, please contact us immediately.

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

# EFET

## European Federation of Energy Traders

### ANNEX 2 IBP (B) to the General Agreement

#### CONFIRMATION OF INDIVIDUAL CONTRACT FOR IBP TRANSACTIONS (FLOATING PRICE)

**BETWEEN:**

(1) \_\_\_\_\_ (“Seller”); and

(2) \_\_\_\_\_ (“Buyer”).

concluded on [ / / ], [ : ] hours

**Delivery Point :** **IBP**

INTRA SYSTEM

**Contract Quantity :** [ ] Therms

**Time Unit :** **one (1) Day**

**Total Supply Period :** From 0500 hours on [ / / ]  
to 0500 hours on [ / / ]

**Commodity Reference Price :** [ ]

**Alternate Commodity Reference Price :** [ ]

**Calculation Date :** [ ]

**Calculation Agent :** [ ]

**Calculation Method :** [ ]

**Tolerance :** **0**

This Confirmation confirms the IBP Transaction 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 IBP Transaction, please contact us immediately.

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

# EFET

## European Federation of Energy Traders

### ANNEX 2 IBP (C) to the General Agreement

#### CONFIRMATION OF INDIVIDUAL CONTRACT FOR IBP 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 :** **IBP**

**INTRA SYSTEM**

**Contract Quantity :** [ ] Therms

**Time Unit :** **one (1) Day**

**Total Supply Period :** From 0500 hours on [ / / ]  
to 0500 hours on [ / / ]

**Contract Price :** [ ] pence

**Tolerance :** **0**

This Confirmation confirms the IBP Transaction 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 IBP Transaction, please contact us immediately.

Date : \_\_\_\_\_

Signature : \_\_\_\_\_

Annex 2 IBP (C-1)

# EFET

## European Federation of Energy Traders

### ANNEX 2 IBP (D) to the General Agreement

#### CONFIRMATION OF INDIVIDUAL CONTRACT FOR IBP 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 :** **IBP**

**INTRA SYSTEM**

**Contract Quantity :** [ ] Therms

**Time Unit :** **one (1) Day**

**Total Supply Period :** From 0500 hours on [ / / ]  
to 0500 hours on [ / / ]

**Contract Price :** [ ] pence

**Tolerance :** **0**

This Confirmation confirms the IBP Transaction 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 IBP Transaction, please contact us immediately.

Date : \_\_\_\_\_ Signature : \_\_\_\_\_