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## PREAMBLE

Whereas:

- The TANAP and TAP Systems are interconnected at Kipoi.
  
- TANAP is the TSO of the TANAP System and as such is in charge of managing the transportation of gas as well as all commercial operations related to transportation activities.
  
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- TAP and TANAP (hereinafter the Parties) concur that the definition of a set of shared procedures among the Parties as well as the harmonisation of units and rules is appropriate for the Interconnection Point (IP), in order to facilitate efficient and reliable operations (both physical and commercial).

Now, therefore, it is hereby agreed among the Parties as follows:

## Definitions

The following terms, when used in this Agreement, shall have the following meaning:

**“Allocated Quantity”** means the allocation to each Shipper of that Shipper's portion of the daily quantities of Natural Gas delivered at the Interconnection Point.

**“Business Day”** means a day (excluding Saturday, Sunday and any other day which is a public holiday) when the banks are open for general business in Ankara, Turkey and Canton Zug, Switzerland.

**“Competent Authority”** means any national, supranational, regional or local government or governmental or administrative, fiscal, judicial or government-owned body, department, commission, authority, tribunal, agency, inspectorate, ministry, official or public or statutory Person having or asserting jurisdiction over any of the Parties or either of their assets/property or their operation.

**“Confirmed Quantity”** means, for a particular period of time, the quantity of Gas confirmed by a Party to its Shippers for that period of time as result of the Matching Process.

**“Contact List”** means the list of contact persons and details shared and updated by the Parties.

**“Daily Unbalanced Quantity”** means, for a particular Gas Day, the steering difference between the sum of the daily Allocated Quantities and the daily Measured Quantity. The Daily Unbalanced Quantity can be higher (representing an under-delivery from the TANAP System to the TAP System) or lower (representing an over-delivery from the TANAP System to the TAP System) than zero.

**“Emergency”** has the meaning given in Exceptional Events section 2.

**“Exceptional Event”** means any unplanned event that is not reasonably controllable or preventable and that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at the Interconnection Point, with possible consequences on interactions between Transmission System Operators as well as between Transmission System Operator and Shippers;

**“Gas Day”** means the period from 05:00 UTC on one calendar day to 05:00 UTC of the following calendar day for winter time and from 04:00 UTC on one calendar day to 04:00 UTC of the following calendar day when daylight saving time is applied.

**“Gas Month”** means a period of time beginning at 05.00 UTC during winter time (from 04:00 UTC when daylight saving time is applied) on the first day of a calendar month and ending at the same time on the first day of the next calendar month.

**“Gross Calorific Value”** means the amount of heat, which would be released by the complete combustion of one cubic meter of Natural Gas in air, in such a way, that the pressure (1,01325 bar absolute) at which the reaction takes place remains constant, and all products of the combustion are returned to the same specified temperature (15°C) as that of the reactants, all of these products being in the gaseous state except for water formed by combustion, which is condensed to the liquid state at the same specified temperature.

**“GTA”** means a Natural Gas transportation agreement entered into between a Shipper and either TANAP or TAP for the Shipper's use of the relevant System.

**“Initiating TSO”** means TANAP as the Transmission System Operator initiating the Matching Process by sending the necessary data to TAP as the Matching TSO.

**“Interconnection Point”** or **“IP”** means the point where the TANAP System and the TAP System are connected at the Turkish-Greek border (695,526.203 4,538,971.496 Meters – Greek Grid). The EIC Code for the IP is 21Z000000004758 (EIC NAME: Kipoi-Tap; Display Name: KIPI-TANAP-TAP).

**“Joule”** means the unit of energy as defined in the International System of Units

**“kWh”** means a three decimal six (3.6) million Joules.

**“Law”** means any supranational, national or local constitution, charter, act, law, statute, ordinance, statutory provision, regulation, order, communiqué, decree or circular or any other applicable legislative or administrative action of a Competent Authority or a final decree, judgment or order of a court, including any applicable anti-bribery and anti-corruption judgement, statute, law, ordinance, rule or regulation of a Competent Authority. For the avoidance of doubt, “Law” shall in respect of any Party include any host government agreement, intergovernmental agreement or government support/implementation agreement between that Party and any Competent Authority(ies).

**“Lesser Rule”** means that, in case of different Processed Quantities at either side of the Interconnection Point, the Confirmed Quantity will be equal to the lower of the two Processed Quantities.

**“Matching Process”** is the process of comparing and aligning the Processed Quantities of Gas for Shippers at both sides of the Interconnection Point, which results in Confirmed Quantities for the Shippers in accordance with *[Matching Process Section]*.

**“Matching TSO”** means TAP as the Transmission System Operator performing the Matching Process and sending the results to TANAP as the Initiating TSO.

**“Max OBA”** means the maximum level (absolute value) that the Operational Balancing Account is permitted to reach.

**“Measured Quantity”** means, for a particular period of time, the quantity of gas that, according to the relevant measurement equipment, has physically flowed across the Interconnection Point in that time period.

**“Metering Operating Manual”** means the document set out in Annex 2 to this Agreement, which defines the procedures related to the energy measurement and quality determination of Natural Gas and the necessary operational data to be exchanged between the dispatching centres in order to guarantee the management of the physical flow through the Interconnection Point.

**“Natural Gas”** or **“Gas”** means any hydrocarbons or mixture of hydrocarbons and non-combustible gases, which, when extracted from the sub-soil of the earth in its natural state, separately or together with liquid hydrocarbons, is predominantly in the gaseous state.

**“Nm<sup>3</sup>”** means one cubic metre of Gas at reference conditions of 273,15K (= 0°C) and 101.325 kPa (= 1,01325 bar).

**“OBA Balance”** means the level, at a specified point in time, of the Operational Balancing Account.

**“Operational Balancing Account”** means an account between the Parties, to be used to manage steering differences at the IP and which will be operated in accordance with *[Allocation Section]*.

**“Pair of Shippers”** means a pair of Shippers (who, for the avoidance of doubt, may be the same Shipper) who transfer Natural Gas, between each other, at the Interconnection Point.

**“Person”** means any individual or any company, corporation, limited liability company, partnership, limited partnership, joint venture, enterprise, association, trust or other juridical entity, organisation, whether of a supranational, governmental or private nature, established or organised under the Laws of any state or jurisdiction (including any Competent Authority).

**“Processed Quantity”** means, for a particular period of time, the quantity of Gas nominated, or, if applicable, re-nominated, by a Shipper as may be adjusted by the relevant Party in accordance with the contractual conditions for nominations defined under the relevant GTA.

**“Proportional Allocation Event”** has means the meaning given in *[Allocation Section 2]*.

**"Reasonable and Prudent Person"** means, when used to describe the standard of care to be exercised by a Party in performing its obligations under this Agreement, a Person seeking, in good faith, to perform its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced Person engaged in the same type of undertaking in the same or similar circumstances and conditions and having due consideration for the Law and the interests of the other Party and the expression "standard of a Reasonable and Prudent Person" shall be construed accordingly.

**“Shipper”** means a TANAP Shipper and/or a TAP Shipper.

**“Sm<sup>3</sup>”** means one cubic metre of Gas at reference conditions of 288,15K (= 15°C) and 101.325 kPa (= 1,01325 bar).

**“Start Date”** means the date of the start of commercial operations, being the time at which the Parties begin providing transportation services to Shippers at the IP.

**“System”** means the Gas transmission network of TANAP or TAP.

**“TANAP CMS”** means the metering station, owned and operated by TANAP, located in the Republic of Turkey, approximately 5 km from the Interconnection Point (the coordinates [E: 448295 – 448111, N:45367001 - 4536464]) which will be used as the stand-by (check) metering station only for the events defined in the Metering Operating Manual.

**“TANAP’s Reasonable Endeavour Nomination Process”** means a nomination process to be carried out between TANAP and its Shippers in respect of unutilised capacity and in respect of which TANAP has only a reasonable endeavours obligation to provide transport services.

**“TANAP Shipper”** means a Person delivering/receiving Gas at the IP, as the case may be, having a GTA with TANAP.

**“TAP FMS”** means the metering station, owned and operated by TAP, located at the vicinity of the city Kipoi (694,193.129 4,537,887.831 Meters – Greek Grid) at which Natural Gas shipped into the TAP System at the Interconnection Point is measured and analysed.

**“TAP Shipper”** means a Person delivering/receiving Gas at the IP, as the case may be, having a GTA with TAP.

**“Transmission System Operator”** means a transmission system operator, which carries out the function of transmission, is responsible for operation, ensuring the maintenance and, if necessary, developing the transmission system and is responsible for ensuring the long-term ability of the transmission system to meet reasonable demands for the transportation of Gas.

A reference in this Agreement to “winter time” or “daylight saving time” is a reference to winter time, or day light saving time, respectively, as observed in the European Union.

## **Transportation Programs**

### **1 Nominations**

The Parties acknowledge that TAP Shippers and TANAP Shippers will be submitting nominations in kWh/day.

TANAP Shippers and TAP Shippers shall be entitled to submit nominations for a particular Gas Day D to the respective Parties no later than the nomination deadline on the previous Gas Day (D-1). The nomination deadline is defined in the table in *[Matching Process Section 2]*.

The Parties acknowledge the existence of TANAP's Reasonable Endeavour Nomination Process.

### **2 Renominations**

The period during which renominations can be made by Shippers for a particular Gas Day starts from the confirmation of the nominations to the Shippers under Matching Process section 2 and ends three hours before the end of that Gas Day.

Each renomination cycle starts at the beginning of every hour within the renomination period and ends at the end of that hour, with all renominations received during that hour being processed at the end of that hour.

At the end of each renomination cycle within the renomination period, the Parties will process the renominations in accordance with the Matching Process.

The Confirmed Quantities resulting from a renomination will be applicable two hours after the end of the renomination cycle in which that renomination is received.

## **Matching Process**

The Parties agree that Matching Processes shall be performed in order to check the correspondence between the quantities nominated or renominated by each TANAP Shipper and TAP Shipper. For the purpose of defining the roles for the Matching Process, the Parties agree that TANAP shall be the Initiating TSO and TAP shall be the Matching TSO.

### 1 Matching Process for day ahead nominations

The Parties agree that the Matching Process will be performed in respect of each Gas Day. The Matching Process to be followed by the Parties for day ahead nominations at the IP shall be the following:

- (a) The Initiating TSO will calculate and send the Processed Quantities of each of its Shippers to the Matching TSO in accordance to the deadline defined in *[Matching Process Section 2]*.
- (b) The Matching TSO will calculate and send the Confirmed Quantities of each Shipper to the Initiating TSO in accordance to the deadline defined in *[Matching Process Section 2]*.
- (c) Each of the Parties will communicate to its Shippers the relevant Confirmed Quantities in accordance to the deadline defined in *[Matching Process Section 2]*.

### 2 Timeline for day ahead nomination and Matching Process

The timeline for day ahead nomination and the actions specified in *[Matching Process Section 1 paragraphs (a), (b) and (c)]* are defined in the table below:

Deadline	UTC winter time	UTC day light saving
Day ahead nominations	13:00	12:00
(a) Sending of Processed Quantities by Initiating TSO to Matching TSO	13:45	12:45
(b) Sending of Confirmed Quantities by Matching TSO to Initiating TSO	14:30	13:30
(c) Sending of Confirmed Quantities to Shippers	14:45	13:45

Without prejudice to the deadlines set out above, the Parties will use their reasonable efforts to reduce the duration of the period for the activities in paragraph (a) and (b) of *[Matching Process Section 1]* from the allocated 45 minutes to 30 minutes.

### 3 Matching Process for renominations

After the confirmation of the day ahead nomination to Shippers pursuant to *[Matching Process Section 1]*, the Parties agree that the Matching Process will be repeated for each renomination cycle of that Gas Day. Any Matching Process for a Gas Day that is repeated under this Section 3 will be performed according to the following timings:

- (a) The Initiating TSO will calculate and send the Processed Quantities of each of its Shippers received during a renomination cycle to the Matching TSO by no later than 45 minutes after the end of the renomination cycle.
- (b) The Matching TSO will calculate and send the Confirmed Quantities of each Shipper to the Initiating TSO by no later than 90 minutes after the start of the renomination cycle.
- (c) Each of the Parties will communicate to its Shippers the relevant Confirmed Quantities by no later than two hours after the starting of the renomination cycle.

Without prejudice to the deadlines set out above, the Parties will use their reasonable efforts to reduce the duration of the period for the activities in paragraph (a) and (b) of *[Matching Process Section 3]* from the allocated 45 minutes to 30 minutes.

#### **4 Delays and Exceptional Events**

If in any nomination or renomination cycle either Party is unable to meet any of the deadline for the exchange of information relating to the Matching Process described above, it will inform the other Party before the deadline, and will send the relevant data as soon as it is able to. The Party receiving the data will use reasonable endeavours to perform its activities as promptly as possible once the data is sent.

If the Matching TSO does not receive the Processed Quantities by the time required under *[Matching Process Section 2]* and either (a) no Processed Quantities are provided before the deadline for communication of the Confirmed Quantities to the Initiating TSO (the "**TSO Communication Deadline**") or (b) the Processed Quantities are provided late but, notwithstanding using its reasonable endeavours, it would be unable to perform the Matching Process using those Processed Quantities and meet the TSO Communication Deadline, then for the purpose of performing the Matching Process the Processed Quantities from the Initiating TSO will be deemed to be zero for each TAP Shipper.

If the Initiating TSO does not receive the Confirmed Quantities by the deadline for communication of the Confirmed Quantities to its Shippers, then the Initiating TSO will be entitled to communicate Confirmed Quantities equal to zero to each of its Shippers.

If, during a renomination cycle, the Matching TSO determines it has not received the Processed Quantities on time and notwithstanding using its reasonable endeavours, it would be unable to meet the deadline for the communication of the Confirmed Quantities to the Initiating TSO, then it will perform the Matching Process using the most recently received valid information on the Processed Quantities from the Initiating TSO for the Gas Day concerned.

If, during a renomination cycle, the Initiating TSO determines it has not received the Confirmed Quantities and, notwithstanding using its reasonable endeavours, it would be unable to meet the deadline for the communication of the Confirmed Quantities to its Shippers then it will communicate the most recently received valid information on the Confirmed Quantities from the Matching TSO for the Gas Day concerned.

Where a Party notifies an Exceptional Event to the other Party in accordance with *[Exceptional Events & Emergencies Section 1]*:

- (a) the affected Party may determine revised Processed Quantities that apply to its Shippers;
- (b) if the affected Party is the Initiating TSO, it will notify the revised Processed Quantities to the Matching TSO as soon as reasonably practicable and the Matching TSO will perform an updated Matching Process using the updated Processed Quantities as promptly as reasonably possible and communicate the revised Confirmed Quantities to the Initiating TSO; and
- (c) if the affected Party is the Matching TSO, it will notify the revised Confirmed Quantities to the Initiating TSO;

The Parties will notify the revised Confirmed Quantities to their Shippers as promptly as possible.

#### **5 Matching rules**

The Parties agree that the Matching TSO will perform each Matching Process according to the following rules:

- (a) If the same Pair of Shippers is notified to each of the Parties and the daily Processed Quantities in the TAP System is equal to the daily Processed Quantity in the TANAP System for the corresponding

Pair of Shippers, then there is a “Match” and the Confirmed Quantities will be the daily Processed Quantities.

(b) If the same Pair of Shippers is notified to each of the Parties but the daily Processed Quantities in the TAP System is not equal to the daily Processed Quantity in the TANAP System for the corresponding Pair of Shippers, then there is a “Mismatch” and the Confirmed Quantities will be defined according to the Lesser Rule.

(c) If the Pair of Shippers is not the same, then there is a “Mismatch” and in this case the Confirmed Quantities will be zero for both Shippers.

If a Shipper did not submit a day-ahead nomination to one of the Parties the Confirmed Quantity for that Shipper shall be zero (0). The Parties, acting as Reasonable and Prudent Persons, agree to cooperate and to use reasonable endeavours to resolve any Mismatch, missing Processed Quantities or missing day ahead nomination by communicating to their Shippers the Confirmed Quantities and if necessary by contacting each other and their relevant Shippers.

## **6 Information exchange**

The Parties agree that all quantities exchanged for the purposes of the Matching Process will be in kWh only.

The information that the Initiating TSO shall communicate for the purpose of the Matching Process shall include the following:

- (a) Interconnection Point identification;
- (b) TANAP Shipper identification;
- (c) identification of the TANAP Shipper delivering Gas to the TAP Shipper;
- (d) Gas Day;
- (e) Processed Quantities for each Pair of Shippers indicating the flow direction.

This information shall be sent by the Initiating TSO using the appropriate edig@s message; if edig@s is unavailable, the Initiating TSO will use the form in Annex 4(a) (Nomination Confirmation Notice).

The information that the Matching TSO shall communicate for the purpose of the Matching Process shall include the following:

- (a) Interconnection Point identification;
- (b) TAP Shipper identification;
- (c) identification of the TAP Shipper receiving Gas from the TANAP Shipper;
- (d) Gas Day;
- (e) Processed Quantities for each TAP Shipper indicating the flow direction;
- (f) Confirmed Quantities for each Pair of Shippers indicating the flow direction.

This information shall be sent by the Matching TSO using the appropriate edig@s message; if edig@s is unavailable, the Matching TSO will use the form in Annex 4(b) (Matching/Mismatching Notice).

## **Allocation**

## 1 Default Allocation: The Operational Balancing Account

### 1.1 Establishment of the Operational Balancing Account

The Parties agree to the establishment and operation of an Operational Balancing Account at the Interconnection Point. For so long as the OBA Balance is less than Max OBA, the Allocated Quantities will be equal to that Shipper's daily Confirmed Quantities, while the Daily Unbalanced Quantity will be allocated to the Operational Balancing Account held between the Parties.

### 1.2 Operation of the Operational Balancing Account

The Parties agree that:

- (a) TAP, being the Party in control of the measurement equipment, shall be responsible for monitoring the OBA Account Balance and communicating the updated OBA Balance in accordance with *[Allocation Section 3 and Section 4]*;
- (b) the Max OBA is as defined in Annex 5;
- (c) the Parties will use their reasonable endeavours to keep the OBA Balance as close as practically possible to zero;
- (d) without prejudice to the generality of paragraph (c) above, the Parties will, for each Gas Day, discuss in good faith to agree required adjustments to the Target Aggregate Flow<sup>1</sup> taking into account any correction required to minimise the absolute value of the OBA Balance; and
- (e) if the anticipated Daily Unbalanced Quantity would result in the OBA Balance exceeding the Max OBA, the Parties will discuss in good faith and use their reasonable endeavours to agree whether they are able to temporarily extend the Max OBA limit, such extension not to exceed the limit defined in Annex 5 in order to absorb the Daily Unbalanced Quantity and, if so, the amount and duration of the extension to the Max OBA limit.

### 1.3 OBA Balance

The OBA Balance is calculated at the end of each Gas Day D (OBA<sub>d</sub>) and shall be equal to the sum of:

- the OBA Balance on the previous Gas Day (D-1) (OBA<sub>d-1</sub>)
- the Daily Unbalanced Quantity for that Gas Day D (DUQ<sub>d</sub>)

$$OBA_d = OBA_{d-1} + DUQ_d$$

### 1.4 Agreement on Max OBA

The Parties will, in good faith, agree an amount in Sm<sup>3</sup> (with corresponding energy terms in kWh) to be the Max OBA which will be documented in Annex 5 to this Agreement before the Start Date. If no agreement on the Max OBA has been reached by the Start Date, then the Max OBA will be zero.

Without prejudice to the provisions of *[Allocation Section 1.2, paragraph (e)]*, any change to the Max OBA will take effect by way of an update of Annex 5 to be agreed in writing between the Parties in accordance with this Agreement.

## 2 Back up allocation rule

### 2.1 Suspension of the Operational Balancing Account and proportional allocation

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<sup>1</sup> The flow, as an outcome of the Matching Process and the operational conditions of the IP

If the allocation rule in *[Allocation Section 1]* would result in the OBA Balance exceeding the Max OBA and the Parties have not agreed that is possible to absorb the steering differences by extending the Max OBA (a "**Proportional Allocation Event**") the Parties agree that:

1. the operation of the Operational Balancing Account will be suspended and the proportional allocation regime set out in paragraph 2 below will be applicable for periods of one or more full Gas Days starting from the Gas Day in which the Proportional Allocation Event occurs;
2. the quantities of Natural Gas measured at the Interconnection Points shall be allocated for each Shipper (and hence each Pair of Shippers) according to the Measured Quantities multiplied by the ratio of the Confirmed Quantities of the Shipper to the sum of the Confirmed Quantities for all Shippers; and
3. each Party will be responsible for informing its Shippers about the modification of the allocation regime.

## 2.2 Resumption of the Operational Balancing Account

If the operation of the Operational Balancing Account is suspended then the Parties will meet to discuss and agree a protocol (which may include the transfer of Natural Gas between the Parties to reduce the OBA Account Balance) and timeline for the resumption of the Operational Balancing Account and the end of the proportional allocation regime set out in *[Allocation Section 2.1]*. Any resumption of the Operational Balancing Account will apply from the start of the Gas Day agreed between the Parties as being the Gas Day on which the default allocation regime will apply again. Each Party will be responsible for informing its Shippers about the resumption of the default allocation regime.

## 2.3 Changes to back up allocation

If TANAP believes that the introduction of a new TANAP Shipper at the IP will require a revision to the allocation regime set out in this Section 2 then the Parties agree to meet and discuss in good faith for an amendment to the regime in this Section 2.

## 3 Daily Allocation

TAP, on a daily basis, shall recalculate the OBA Balance based on the Measured Quantity for that Gas Day and the Allocated Quantities, and not later than 09:00 of each Gas Day shall communicate to TANAP:

- (a) the Allocated Quantities for the previous Gas Day detailed to each Pair of Shippers;
- (b) the Gross Calorific Value measured for the previous Gas Day at the TAP FMS;
- (c) for the previous Gas Day, (i) the sum of the Allocated Quantities, (ii) the Measured Quantities and (iii) the difference between the two values; and
- (d) the closing OBA Account Balance for the previous Gas Day.

This communication shall be sent using the appropriate edig@s message; if edig@s is unavailable TAP will use the form in Annex 4(c) (Daily Allocation Report). TAP will also inform TANAP if any Proportional Allocation Event occurred in the relevant Gas Day and its effect on the OBA Balance.

## 4 Monthly Allocation

By the fifth Business Day of each Gas Month, TAP shall communicate to TANAP:

- (a) the Allocated Quantity of each Pair of Shippers at the IP for each Gas Day in the previous Gas Month using the most up-to-date information available at that time;
- (b) for each Gas Day in the previous Gas Month, (i) the sum of the Allocated Quantities, (ii) the Measured Quantities and (iii) the difference between the two values; and

(c) the closing OBA Balance for each Gas Day of the previous Gas Month.

This communication shall be sent using the appropriate edig@s message; if edig@s is unavailable, TAP will use the form in Annex 4(e) (Monthly Allocation Report). TAP will also inform TANAP if any Proportional Allocation Event occurred in the previous Gas Month and its effect on the OBA Balance.

If, notwithstanding this allocation regime, either of the Parties notices any difference between the allocations made by each of them, the relevant Party will contact the other Party in order to confirm the reason for the discrepancy.

### Units of Measurements

The Parties undertake to adopt, in all of the communication exchanged and in the measurement process, the units of measurement listed in the following table:

Item	Unit
Reference time:	UTC
Pressure:	barg
Temperature:	°C
Volume:	Nm <sup>3</sup> for TAP FMS and Sm <sup>3</sup> for TANAP CMS
Energy:	kWh
Gross Calorific Value:	[kWh/ Sm <sup>3</sup> ] and [kWh/Nm <sup>3</sup> ]
Wobbe index:	[kWh/ Sm <sup>3</sup> ] and [kWh/Nm <sup>3</sup> ]

For the purpose of data exchange with TANAP, TAP will convert TAP FMS metered data from Nm<sup>3</sup> to Sm<sup>3</sup> according to ISO 13443.

### Exceptional Events & Emergencies

#### 1 Communication in case of Exceptional Events

Each Party shall inform the other Party upon becoming aware of an actual or expected Exceptional Event, by communicating to the references listed in the Contact List, in accordance with the following procedure. Should an Exceptional Event occur in the System of a Party:

- 1.1. the Party shall inform the other Party of the occurrence of the Exceptional Event in its System as soon as reasonably possible and by no later than in 1 (one) hour of that Party becoming aware of the occurrence of the Exceptional Event. The Party shall use its reasonable efforts to mitigate the impact of the Exceptional Event on its System.
- 1.2. As soon as reasonably possible and in any case by no later than in 24 (twenty-four) hours of that Party becoming aware of the occurrence of the Exceptional Event, the Party shall submit to the other Party a preliminary report including as a minimum the following:
  - i. description of the Exceptional Event and the causes of its occurrence;
  - ii. hour of occurrence of the Exceptional Event and the estimated time of its ceasing;
  - iii. available IP capacity until the Exceptional Event's elimination;

- iv. the estimated impact on the quantities and quality of Natural Gas that can be transported through the Interconnection Point
- v. the estimated impact on the Confirmed Quantities for the Shippers active at the Interconnection Point; and
- vi. operations necessary for the restoration of the IP capacity;

all as known and estimated by the Party at the time of the submission of the preliminary report.

- 1.3 The Party shall inform the other Party regularly about the developments of the Exceptional Event and the progress of any mitigation actions. The Parties may agree and implement joint mitigation actions.
- 1.4 Once the Exceptional Event ceases and the ordinary operation of the System is restored, the Party shall promptly inform the other Party.

The provisions of this Section 1, and all the other provisions of this Agreement applying when an Exceptional Event occurs, shall also apply when any unplanned event occurs, irrespective of whether it would have been reasonably controllable or preventable, that may cause, for a limited period, capacity reductions, affecting thereby the quantity or quality of gas at the Interconnection Point, with possible consequences on interactions between Transmission System Operators as well as between Transmission System Operator and Shippers.

## **2 Emergencies**

An “Emergency” means any circumstance where there is, or there is reasonable expectation of, danger, threat to or loss of life, or damage to property or equipment or the environment, and includes the following:

- (a) a significant Gas release;
- (b) an incident involving loss of life or serious injury to an employee, contractor, or third party;
- (c) serious property or equipment damage affecting operations;
- (d) damage to the environment; or
- (e) situations requiring the evacuation of operating personnel.

Each Party shall use its reasonable endeavours to immediately notify the other Party upon the occurrence of an Emergency and the related actions taken on its System. The Parties agree to cooperate and communicate with each other during an Emergency.

Contingency plans and emergency procedures (including details of information transfer) shall be prepared and maintained at all times during operational periods in accordance with the standard of a Reasonable and Prudent Person and the Laws governing or relating to the performance of the relevant obligations of each Party under this Agreement, and shall include all contacts for Emergency listed in the Contact List.

Each Party shall be entitled to take immediate action in cases of Emergency, as such Party may in good faith deem necessary, to protect its personnel, its equipment, the public or the environment.