ACCESS RULES TO FRANCE-ITALY, SWITZERLAND-ITALY, AUSTRIA-ITALY, SLOVENIA-ITALY, GREECE-ITALY INTERCONNECTIONS

(Capacity Allocation Auction Rules)

xx 2010

(draft version - 3rd November 2009)

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Section I. Introduction

Article 1.01 General Context

In accordance with Regulation (EC) n° 1228/2003 of the European Parliament and of the Council, of 26th of June 2003 on conditions for access to the network for cross-border exchanges in electricity as well as Commission decision n°2006/770/CE of 9th November 2006 amending the appendix to the Regulation and for the Swiss border in accordance with the relevant Swiss law, the Auction Rules set out the terms and conditions governing the allocation of available Interconnection Capacity via Auctions in both directions on the Interconnections between Italy and France, Switzerland, Austria, Slovenia and Greece.

Concerning the interconnection between:

Italy and France: RTE EDF Transport S.A. (RTE) the French Transmission System Operator and TERNA Rete Elettrica Nazionale Spa (TERNA) the Italian Transmission System Operator have commissioned Auction Operators to allocate the ATC for the year 2010, on that interconnection in both directions;

Italy and Switzerland: swissgrid the Swiss Transmission System Operator and TERNA Rete Elettrica Nazionale Spa (TERNA) the Italian Transmission System Operator have commissioned Auction Operators to allocate the ATC for the year 2010, on that interconnection in both directions;

Italy and Austria: VERBUND-Austrian Power Grid AG (APG) the Austrian Transmission System Operator and TERNA Rete Elettrica Nazionale Spa (TERNA) the Italian Transmission System Operator have commissioned Auction Operators to allocate the ATC for the year 2010, on that interconnection in both directions;

Italy and Slovenia: Elektro Slovenija d.o.o. (ELES) the Slovenian Transmission System Operator and TERNA Rete Elettrica Nazionale Spa (TERNA) the Italian Transmission System Operator have commissioned Auction Operators to allocate the ATC for the year 2010, on that interconnection in both directions.

Italy and Greece: HTSO, the Hellenic Transmission System Operator S.A. and TERNA Rete Elettrica Nazionale Spa (TERNA) the Italian Transmission System Operator have commissioned Auction Operators to allocate the ATC for the year 2010, on that interconnection in both directions.

The ATC on each interconnection is offered by the respective Auction Operator in form of Physical Transmission Rights (PTRs). The auctioning of Interconnection Capacity is not a commercially motivated activity but one aimed at providing a transparent market based method of congestion management. The importance of the interconnections for the liberalization of the electricity market requires a strict policy with regard to the collection of payments and default consequences.

Article 1.02 Auction Procedure

As described specifically in the Appendix I, TERNA and RTE have decided that the activities related to Allocation of PTRs with delivery from 1st January 2010 in the direction from France to Italy will be gradually managed by TERNA which already manages the opposite direction.

Thus, TERNA will become the Auction Operator for both directions of the France – Italy border.

Consequently, for the Allocation of ATC on the France-Italy Interconnection, Switzerland-Italy Interconnection, Austria-Italy Interconnection, Slovenia-Italy Interconnection and Greece-Italy Interconnection for the year 2010:

- for the direction from France to Italy:
    - for PTRs delivered from 1st January 2010 to 31st of March 2010[1], RTE operates as Auction Operator on behalf of both TSOs (RTE and TERNA) and TERNA operates as Auction Administrator
    - for PTRs delivered from 1st April 2010: TERNA operates as Auction Operator on behalf of both TSOs (RTE and TERNA).
- swissgrid operates, as Auction Operator, the Auctions of PTRs for the direction from Switzerland to Italy on behalf of both TSOs (swissgrid and TERNA);
- APG operates, as Auction Operator, the Auction of PTRs for the export from Austria to Italy on behalf of both TSOs (APG and TERNA);
- ELES operates, as Auction Operator, the Auctions of PTRs for the export from Slovenia to Italy on behalf of both TSOs (ELES and TERNA);
- HTSO operates, as Auction Operator, the Auctions of PTRs for the export from Greece to Italy on behalf of both TSOs (HTSO and TERNA).
- for the direction from Italy to France, Switzerland, Austria, Slovenia and Greece: TERNA operates, as Auction Operator, the Auctions of PTRs on behalf of TERNA and the respective TSO of each interconnection.

All relevant information is made available on the specific Auction Websites of the respective Auction Operator according to the Auction procedures.

Article 1.03 Definitions

In these Auction Rules (including any Annexes, Appendices, Attachments and Forms) the terms defined below (where appropriate in plural) shall, for all purposes of these Auction Rules have the meanings specified in this article (unless the context requires otherwise).

Annex:	Document attached to these Auction Rules valid for all Interconnections.
Appendix:	Document attached to these Auction Rules specific for each Interconnection.
APG:	VERBUND-Austrian Power Grid AG ("APG") with registered office in A-1220 Wien, Wagramer Straße 19, IZD-Tower and with the number of the commercial register FN 177696 v: The Austrian Transmission System Operator responsible for the handling of the yearly, monthly and daily auction procedures for interconnection capacity from Austria to Italy.
Allocated PTRs:	Capacity (MW) that the User gains by notification of the auction results in form of Physical Transmission Rights.
Allocation	The process by which the Auction Operator attributes Capacity to the User in response to a Bid Notified by the User.

[1] IMPORTANT NOTICE: everywhere in the present Auction Rules, the target date for activities transfer from RTE to TERNA is 1st April 2010. However, due to the real progress of this transfer, this target could be modified by TERNA and RTE. In this case, users will be timely informed.

Attachment:	Documents attached to the Appendices of these Auction Rules.
Auction:	Yearly, Monthly and/or Daily Auction held under these Auction Rules. The mechanism used to allocate Capacity via explicit Yearly, Monthly and/or Daily Auctions.
Auction Administrator:	Legal entity which operates the Auction Tool.
Auction Operator:	Legal entity which operates the Auctions and Secondary PTR Market. In the following document Auction Operator means the respective Auction Operator for the relevant Interconnection.
Auction Rules:	These Auction Rules valid for the access to France-Italy, Switzerland-Italy, Austria-Italy, Slovenia-Italy, Greece-Italy Interconnections.
Auction Specification:	Information on a specific Auction provided on the Auction Website.
Auction Tool:	IT system used by Auction Operator and operated by Auction Administrator, if any, to receive Bids from Users, process them and return the results of the Auction.
Auction Website:	Websites of the Auction Operators with the content as listed in Article 2.06 of these Auction Rules.
Auctioning Day:	All calendar days, on which Auctions take place. Bids can be submitted till a specific deadline on this day.
Available Transmission Capacity ("ATC"):	Part of the NTC available, for each phase of the allocation procedure, for further commercial activity and which shall be offered in the Yearly, Monthly and Daily Auction procedures.
Bank Guarantee:	Bail in form of an irrevocable and directly enforceable bank guarantee valid for a limited period waiving any exceptions or set-offs. Under this term it is also covered any amendment of the initial Bank Guarantee, duly signed, approved by the Auction Operator, when filed by the PTR Holder, in order to comply with the obligations arising from the results of the auctions or in order to extend the validity of the initial Bank Guarantee or in order to perform all obligations arising from the Auction Rules.
Beneficiary:	User that acquires a PTR as a result of a PTR Transfer.
Bid:	An offer submitted by a User to purchase rights to use capacity pursuant to and in compliance with these Auction Rules; such an offer consists of two values per product: a capacity in MW and a price in Euro (€) per MWh.
Bid File:	Set of Bids submitted to the Auction Operator by a User for a given Auction in electronic form.
Block:	A quantity of MW made available at Daily Auction over one hour.
Capacity Price:	Price expressed in Euro (€) payable by a PTR Holder as a result of the successful Bid in the Auction, being Clearing Price times Allocated PTR times number of hours the PTR refers to.

Capacity Usage Authorisation:	Formal sending from certain TSO in order to give to PTR holders the exact amount of periodic PTR for their periodic nomination; Capacity Usage Authorisation takes into account results of periodic auctions, secondary PTR market and possibly curtailments.
Clearing Price:	Price expressed in Euro (€) per MWh resulting from an Auction.
Congestion Management Rules on the Italian Interconnection:	Rules describing the provisions governing congestion management on the interconnection grid, including also application procedures, terms and conditions to assign virtual production/consumption units to the signatory of Dispatching Contract. These rules are issued by TERNA and displayed on its website.
Counterparty:	Legal entity, which has been designated by the PTR Holder as its counterparty regarding nomination of schedules according to the Auction Rules.
Curtailment:	Reduction of already Allocated PTRs as described in Article 2.04.
Daily Auction:	PTR auctioning for the respective following day.
Day of Execution:	Day on which electricity transports using the Allocated PTRs take place.
Daily ATC:	Part of ATC to be allocated in the Daily Auction as described in relevant Articles.
Dispatching Contract:	Contract which sets out rights and obligations related to the dispatching service according to the Italian Regulator (AEEG).
Exchange schedule:	The accepted Nomination according to the provisions set in these Auction Rules and the matching process made by TSOs.
EIC-Code:	ENTSO-E identification code, which univocally identifies Users in a cross-border trade (see http://www.entsoe.eu/resources/edi/library/eic/cds/area.htm).
ELES:	ELEKTRO-SLOVENIJA, d.o.o. ("ELES") with registered office in 1001 Ljubljana, Hajdrihova 2, Slovenija. ELES is the Slovenian Transmission System Operator. ELES is the Auction Operator for the interconnection capacity from Slovenia to Italy according to these Auction Rules.
Equivalent Day:	100% Curtailment for 24 hours.
ENTSO-E ("European Network of Transmission System Operators for Electricity"):	International Association with membership of European Transmission System Operators with the aim to promote the reliable operation, optimal management and sound technical evolution of the European electricity transmission system in order to ensure security of supply and to meet the needs of the Internal Energy Market..
Force Majeure:	As defined in Article 10.06.
French Import/Export Rules (« Règles d'Accès au RPT pour des Importations	Rules describing the conditions to access RTE's Transmission System for exports and imports. The French Im-

et des Exportations »):	port/Export Rules are published on RTE's website.
HTSO:	Hellenic Transmission System Operator S.A. with registered office at 72 Kastoros Street, 18545 Piraeus, Greece. HTSO is the Auction Operator for the interconnection capacity from Greece to Italy according to these Auction Rules.
Individual Block:	Bid submitted by a User in the Daily Auction. It refers to multiple, consecutive hourly blocks, which have been defined by the Auction Operator. The price in Euro (€) per MWh applies to every hour of the defined Individual Block.
Interconnection:	Set of single and/or double circuit lines between the Italian and neighbouring countries' transmission systems which connects the control areas of each TSO synchronously or through a DC link in the Greek-Italy border.
Maintenance Period:	Period of time during which a Product has to be adjusted due to planned maintenance.
Monthly Auction:	PTR auctioning for the respective following month.
Monthly ATC:	Part of ATC to be allocated in the Monthly Auctions as described in the relevant Articles.
Net Transfer Capacity ("NTC"):	Maximum exchange program between two control areas compatible with security standards applicable in both areas and taking into account the technical uncertainties on future network conditions. The Net Transfer Capacity on the northern Italian border is determined jointly by the French, Italian, Swiss, Slovenian and Austrian Transmission System Operators. The Net Transfer Capacity can be reduced due to security problems. In this case a common procedure is applied on the whole northern Italian border.
Nomination:	Notification to the TSOs by a PTR Holder and its Counterparty of his schedules relating to the power expressed in integer value of MW which he wants to use within the capacity defined by the PTRs awarded to him.
On Behalf of Traders (OBOT):	In case of technical difficulties due to which the Auction Participant is not able to enter bids into the Auction System, the Auction Participant may assign on certain borders the Auction Operator to put bids in its name to Auction Tool.
Party:	Designates a TSO, an Auction Operator or a User.
Payment on Advanced Invoice/ pro forma invoice:	Invoice issued to the PTR Holder directly after the conclusion of the Yearly and/or Monthly Auction, which must be settled no later than timeframes indicated in these Auction Rules or in the invoice.
Physical Transmission Right (PTR):	Right to use Interconnection capacity for electricity transports expressed in MW.
Periodic:	Yearly and Monthly.
Product:	Whole or part of the Yearly, Monthly or Daily ATCs offered in an Auction with reference to a specific period of time.
PTR Holder:	User that has obtained a PTR in the Auction or via Secon-

	dary PTR Market.
PTR Transfer:	Mechanism by which a PTR Holder may transfer a PTR to a Beneficiary.
PTR Resale:	Mechanism by which a PTR Holder may resell a PTR back to the Auction Operator.
Reseller:	PTR Holder that resells PTR to Monthly Auctions in respect of a Resale Notification.
RTE:	RTE ("RTE EDF Transport S.A.") with registered office at Tour Initiale, 1, terrasse Bellini, TSA 41 000, 92919 La Défense Cedex, and commercial register number 44619 258 RCS Nanterre – the French transmission system operator, acting, as the case may be, as Auction Operator and Secondary Market Operator on the French/Italian Interconnection in compliance with these Rules.
Resale Notification:	Information about a PTR Resale submitted to the Auction Operator by a Reseller in electronic form.
Secondary Market Notification File:	File transmitted to Auction Operator by a PTR Holder in the context of Secondary PTR Market.
Secondary PTR Market:	Mechanism that permits transfer and resale by a PTR Holder of the PTRs acquired at Yearly and/or Monthly Auctions according to these Auction Rules.
swissgrid:	swissgrid with registered office at Werkstrasse 12, 5080 Laufenburg Switzerland and commercial register number CH-400.3.026.187-4 – the Swiss transmission system operator and Auction Operator for the interconnection capacity from Switzerland to Italy according to these Auction Rules.
TERNA:	TERNA with registered office at Via Egidio,Galbani 70 00156 Roma Italy and commercial register number 05779661007– the Italian transmission system operator and Auction Operator according to these Auction Rules.
Transfer Notification:	Information about a PTR Transfer submitted to the Auction Operator by a Transferor in electronic form.
Transferor:	PTR Holder that executes a PTR Transfer to a Beneficiary in respect of a Transfer Notification.
Transmission System Operators (TSOs):	APG, TERNA, RTE, HTSO, swissgrid, ELES.
User:	Legal entity, participating in an Auction and/or Secondary PTR Market.
Working Day:	Every day except for Saturdays, Sundays and any official holiday of the respective countries as listed in Annex VI and in the respective Attachment to each Appendix.
Yearly Auction:	PTR auctioning for the following year.
Yearly ATC:	Part of ATC to be allocated in the Yearly Auctions in form of PTRs.

Article 1.04 General aspects of the Auction Rules

The Auction Rules comprise:

a. Article 1 to Article 10
b. Annexes applying to all Interconnections
c. Specific Appendices per Interconnection and their Attachments which are:
    - Appendix I for the Auctions on French-Italian border;
    - Appendix II for the Auctions on Swiss-Italian border;
    - Appendix III for the Auctions on Austrian-Italian border;
    - Appendix IV for the Auctions on Slovenian -Italian border;
    - Appendix V for the Auctions on Greek-Italian border.

Each Appendix supplements, amends or details specific provisions regarding a single Interconnection. These Appendices are to be used exclusively for the relevant border.

In case of discrepancies between points a) and c), the Appendices prevail.

These Auction Rules describe (among other aspects) the requirements that Users must fulfil to participate in the Yearly, Monthly and Daily Auctions, the Auction proceedings, the awarding of PTRs, the conditions to access Secondary PTR Market and the utilisation of Allocated PTRs.

Common parts of these Auction Rules (Articles 1-10 and all the Annexes referring to Articles 1-10) are to be amended based on the approval of all the TSOs and approval or review of all the Regulators, depending on their respective national prerogatives. Specific rules for each border (Appendices) are to be amended based on the approval of the involved TSOs and on the approval or review of the involved Regulators, depending on their respective national prerogatives.

The Auction Rules make reference to the Congestion Management Rules on the Italian Interconnection published on TERNA's website. Any changes in the Congestion Management Rules on the Italian Interconnection or any changes on the congestion management rules issued by the TSOs, which can impact the Interconnection congestion management and these Auction Rules, will be subject to prior agreement between the relevant TSOs.

Each TSO agrees to perform its respective obligations and publish common part of the Auction Rules (point a) and b) of this Article) and Appendices from point c) of this Article, which refer to the border of the relevant TSO.

Article 1.05 Legal qualification of the awarding of PTRs pursuant to an Auction

The auctioning and the Secondary PTR Market are in respect of Interconnection Capacity only. The auctioning, Secondary PTR Market and awarding of PTRs and the financial settlement of the Auction results do not involve electricity transports or any rights, liabilities or financial aspects pertaining to electricity transports.

A successful Bid for Interconnection capacity binds the TSOs involved on that Interconnection for that Auction and the User to fulfil their respective duties. TSOs are obliged to make ATC for electricity transports available to the PTR Holder while the PTR Holder is under the obligation to pay the Capacity Price to the respective Auction Operator as well as to file all necessary financial guarantees described thereto.

Article 1.06 Collection of debts

Each Auction Operator collects all debts resulting from the Auction of PTRs for the Auctions performed by it on the respective Interconnection as defined in Article 1.02 on behalf of both TSOs on that Interconnection if not differently provided in the following articles or in the relevant Appendix.

Section II. General

Article 2.01 Yearly, Monthly and Daily Auctions

Separate Auctions are held for PTRs in each direction for each Interconnection, that means from Austria, France, Greece, Slovenia, and Switzerland to Italy and from Italy to each border (Austria, France, Greece, Slovenia and Switzerland).

The following Auctions take place for each Interconnection in each direction:

a. Yearly Auctions in respect of PTRs for Yearly ATC from 1st of January through 31st of December 2010

b. Monthly Auctions in respect of PTRs for Monthly ATC from the first day through the last day of a calendar month within the year 2010;

c. Daily Auctions in respect of PTRs for Daily ATC for each hour of a calendar day of the year 2010.

Article 2.02 ATC for Yearly, Monthly and Daily Auctions

1. The NTCs which are the basis for auctioning in form of PTRs are agreed between:
   - Austria, France, Slovenia, Switzerland and Italy according to the criteria defined by ETSO and agreed by means of the Pentalateral Agreement between TERNA, APG, swissgrid, RTE and ELES;
   - Italy and Greece according to the criteria defined by ETSO, applicable laws and regulations;
2. The NTCs and ATCs for the respective Interconnection and direction are published on the Auction Websites.
3. Users shall be timely informed of the Interconnection Capacity for each Auction by publication on the relevant Auction Websites.

Indicative and not binding *NTC* values on the France, Switzerland, Austria, Slovenia and Greece to Italy Interconnection in MW [to be updated with the result of TTF]

		Winter		***Summer***	
PERIOD	BORDER	Period 1 7h-23h	Period 2 23h-7h	Period 1 7h-23h	Period 2 23h-7h
Monday until Saturday	France	2.350	2.535	2.400	2.250
	Switzerland (*)	3.250	3.750	3.460	3.140
	Austria	220	210	200	190
	Slovenia	430	395	395	310
	Greece	500	500	500	500
Sunday and Holidays	France	2.182	2.535	2.182	2.250
	Switzerland (*)	3.750	3.750	3.226	3.140
	Austria	210	210	182	190
	Slovenia	395	395	300	310
	Greece	500	500	500	500

2009's values

to be updated later with 2010's values

Note: (*) The Swiss border includes the NTC values related to the Merchant Lines
- Mendrisio-Cagno (380 kV)
- Tirano-Campocologno (150 kV)
assessed as follows:
- Winter peak 350 MW
- Winter off-peak 350 MW
- Summer peak 300 MW
- Summer off-peak 350 MW

Indicative and not binding *NTC* values on Italy to France, Switzerland, Austria, Slovenia and Greece Interconnection in MW [to be updated with the result of TTF]

		Winter		*Summer*	
PERIOD	BORDER	Period 1 7h-23h	Period 2 23h-7h	Period 1 7h-23h	Period 2 23h-7h
Monday until Saturday	France	[illegible]	1.160	870	1.055
	Switzerland (*)	1.910	1.910	1.440	1.660
	Austria	85	100	[illegible]	90
	Slovenia	160	[illegible]	[illegible]	145
	Greece	[illegible]	[illegible]	500	500
Sunday and Holidays	France	1.160	1.160	1.055	1.055
	Switzerland (*)	1.910	1.910	1.660	1.660
	Austria	100	100	90	90
	Slovenia	180	180	145	145
	Greece	500	500	500	500

2009's values

to be updated later with 2010's values

Note: (*) The Swiss border includes the NTC values related to the Merchant Lines
- Mendrisio-Cagno (380 kV)
- Tirano-Campocologno (150 kV)
assessed as follows:
- Winter peak 350 MW
- Winter off-peak 350 MW
- Summer peak 300 MW
- Summer off-peak 350 MW

Where:

- Winter period includes the following months: January, February, March, April, October, November and December, including particular conditions if necessary, defined in the Auction Specifications.
- Summer period includes the following months: May, June, July, August and September, including particular conditions for August or other month, if necessary, defined in the Auction Specifications.
- Holidays are the Italian holidays (cf ANNEX VI).

The values in the table above named "*NTC values*" represent the maximal values which have previously been agreed upon between the TSOs and have to be considered as indicative and not binding.

In no case any of the TSOs can be held liable by the Users or third parties for not confirming the maximal values as indicated in the table above in the Auctions.

Article 2.03 Basis on which ATC is offered for Auction

1. PTRs are offered in units of 1 MW;
2. For Yearly, Monthly and Daily Auctions, PTRs are offered as Products defined, by the relevant TSOs. The Products can be offered according to the following definitions:
    a. Yearly Base: flat 00:00-24:00 from 1st January 2010 to 31st December 2010.
    b. Yearly Base without August or with Maintenance Period: flat 00:00-24:00 from 1st January 2010 to 31st December 2010 with the exception of August or the Maintenance Period.
    c. Monthly Base: flat 00:00-24:00 from 1st Day of the Month to the last Day of the Month.
    d. Monthly Peak: 08:00-20:00 from Monday to Friday of the first Day of the Month to last Day of the Month

e. Monthly Off Peak: 00:00-08:00 and 20:00-24:00 from Monday to Friday; 00:00-24:00 on Saturday and Sunday, from the first Day of the Month to the last Day of the Month.

f. Daily product: hourly Blocks.

The products c. d. e. could have maintenance periods as well

These Products(*)[2] are published in the Auction Specifications on the Auction Website in accordance with these Auction Rules.

Article 2.04 Firmness of PTRs

1. Yearly and Monthly PTRs are offered on a firm basis except for cases where Curtailments are necessary due to circumstances that constitute Force Majeure as defined in Article 10.06 or due to the network security reasons and after all other available measures according to relevant national and European legislation have been taken.

   In case of PTR Curtailments for network security reasons, the PTR Holder is compensated at 100% of the Clearing Price paid corresponding to the hours of curtailed PTRs. However, PTR Curtailment for network security reasons is allowed up to 35 Equivalent Days or 840 hours. PTRs acquired through Yearly and Monthly Auctions are curtailed on a 'pro rata' basis. Beyond this limit, the PTRs are guaranteed.

   PTRs acquired through Yearly and Monthly Auctions are curtailed on a 'pro rata' basis. The curtailed share for a PTR Holder is calculated separately for each product based on the amount of PTRs he has acquired of that product.

2. Daily PTRs are offered on a firm basis except for cases where Curtailments are necessary due to circumstances that constitute Force Majeure.

3. In the event of a failure to make Capacity available to the extent of PTRs offered firm, the Auction Operators shall only be obliged to pay a refund in accordance with paragraph (1) or (2); it shall not be liable to a PTR Holder for any incidental, indirect of consequential damages caused by such failure.

Article 2.05 Guarantee of schedules

TSOs guarantee the realisation of the Exchange Schedules corresponding to firmly Allocated PTRs, except Force Majeure.

For the sake of clarification the following will be applied by TSOs to curtail PTRs:

a. If the decision for the curtailments is taken before the deadline for binding nominations of Yearly and/or Monthly PTRs, then the TSO is permitted to perform these curtailments (of Yearly and/or Monthly PTRs).

b. If the decision for the curtailments is taken in D-1 after the deadline for nominations of Yearly and/or Monthly PTRs and before the publication of the Daily ATC, then the TSO cannot curtail Yearly and/or Monthly PTRs, but only to perform redispatching. The TSO could additionally reduce the Daily ATC.

c. After the publication of the Daily ATC curtailments are not possible; PTRs are offered on a firm basis except force majeure.

Article 2.06 Auction Website

Each Auction Operator operates and maintains, as part of its website, an Auction Website. On these Auction Websites the following publications are made:

a. Auction Rules, and any alterations thereof;

b. Announcements pursuant to these Auction Rules;

c. Auction Specifications;

d. Names, fax and telephone number(s), e-mail address (es) of Auction Operator or relevant TSOs' contact persons;

e. Formats of documents related to the Auction to be downloaded and used by Users;

f. NTC;

[2] (*)Note: The Peak and Off-peak on Greece-Italy border have the following shape:
- peak: 06:00-22:00 from Monday to Saturday
- off-peak 00:00-06:00 and 22:00-24:00 from Monday to Saturday and 00:00-24:00 on Sunday

g. Auction Results (Clearing Price, allocated quantity for all products);

h. Number of Users with successful Bids and overall number of Users;

i. The name of the PTR Holder (Yearly and Monthly Auction, Transfer) in respect of Annex I;

j. Aggregated nominations results (i.e. total capacity used following nomination of Yearly and Monthly PTRs);

k. Planned Curtailments;

l. Maintenance Periods;

m. Indicative calendars for Yearly and Monthly Auctions;

n. Other relevant information.

Article 2.07 Conduct of Users

1. Prior to, during and after an Auction, Users must refrain from any action or behaviour which adversely affects or threatens to adversely affect competition in the bidding proceedings or which aims at gaming or which in any other way disrupts or threatens to disrupt the Auction proceedings, or the transparency, cost-effectiveness or fairness thereof.
2. Auction Operators are entitled to report data to the competent authorities so they can take appropriate measures against those who act or behave or have acted or behaved in violation of the first paragraph, who misuse any right or position obtained pursuant to an Auction or who do not comply with any other provision of these Auction Rules.

Article 2.08 Currency

Financial securities, price settlement and payments in respect of the Auctions as well as financial information are in Euro (€).

Article 2.09 Timing

All timings set in these Auction Rules make reference to the Central European Time [CET].

Article 2.10 Fallback procedure in case of IT Systems disturbance

Serious disturbance to the functioning of the IT System or devices used by the Auction Operator may be the reason for changing, canceling or suspending any procedures regarding these Auction Rules. The Auction Operator shall also publish information on its Auction Websites about the implementation of downgraded mode, interruption etc, if available.

Therefore, in case of IT system disturbances (as defined above) the Auction Operator performs the following fallback procedures and actions:

1. If the electronic mail server of the Auction Operator is in operation, then the Auction Operator informs the Users (via e-mail) that the Auction shall be performed via e-mail (the Bid Files shall be send via e-mail by the Users).
2. If the electronic mail server of the Auction Operator is completely or partially out of operation, then the Auction Operator informs the Users (via phone or fax) that the Auction is cancelled.
3. The Auction Operator informs the Users if any other measures have to be taken.

The Auction Operator shall also publish information on its Auction Websites about the implementation of postponement, downgrade mode, interruption etc, if available.

Section III. Participation requirements

Article 3.01 Registration requirements

In order to participate in the Auctions at a specific Interconnection the applicant has to fulfil the requirements specified in Articles 3.02 and 3.03 below and in the applicable Appendix.

Qualification to apply for Auction participation:

1. The applicant is not in any default regarding invoices arising from its participation in the Auctions performed on the same Interconnection on which it applies for the Auction participation.
2. The applicant at the time of its registration is not excluded from further Auctions and Secondary PTR market and from the nomination by any Auction Operator according to Article 3.04.

Procedure to apply for Auction participation:

1. The applicant must submit a completed and signed Statement of Acceptance form given in Annex I to the relevant Auction Operator. The original form has to be submitted via mail to the address reported in Annex III. However, the Statement of Acceptance could be sent in advance via fax.
2. By signing the Statement of Acceptance, the User undertakes to comply with all the provisions contained in these Auction Rules relevant for the specific Interconnection and direction.

Notwithstanding the right of the relevant Auction Operator to request a renewal of the registration and/or the documents to be submitted., the User has to inform the Auction Operators forthwith of any changes.

The applicant must allow at least two (2) working days for the processing of the Statement of Acceptance after the Auction Operator has received such form by mail or fax, duly completed by the Applicant. The applicant shall be informed about the admission or rejection by electronic mail or fax. In case of rejection of its registration request, the Auction Operator shall inform the Applicant of the reasons for the rejection by electronic mail or fax.

In order to facilitate Transfers regarding the Secondary PTR Market, the User agrees, that its name is included in the list of possible Beneficiaries accessible only to PTR Holders.

Article 3.02 Financial guarantees

a. Auctions in direction from Italy to Austria, France, Greece, Slovenia and Switzerland and Auction in direction from France to Italy

For all Auctions the User is required to provide TERNA with a Bank Guarantee or to deposit the equivalent amount of money to an account kept by TERNA, covering all outstanding debts resulting:

- from the Auction of PTRs from Italy to Austria, France, Greece, Slovenia and Switzerland
- from the Monthly and Daily Auctions from France to Italy operated by TERNA as Auction Operator;
- from the Yearly Auction of PTRs from France to Italy for the residual amounts to be invoiced related to the period from 1st April to 31st December 2010. ,

The Bank Guarantee is valid for duration at least up to end of March 2011 and waiving any exceptions or setoffs. The Type of Bank Guarantee is provided in the Annex II. It must be subject to Italian law and be provided by a bank with a registered office located in a member state of the European Union having a subsidiary duly established in Italy.

The minimum amount of the Bank Guarantee is fifty thousand (50.000) Euros.

The amount of the Bank Guarantee of a PTR Holder has to cover 1/12 of all outstanding debts resulting from Yearly Auctions and all outstanding debts resulting from Monthly Auctions and all outstanding debts resulting from Daily Auctions on a monthly base.

If the amount is not sufficient to cover outstanding debts, TERNA shall ask the PTR Holder to increase the amount of the bank guarantee within the date communicated by TERNA and not later than ten (10) working days.

The Capacity Price from Yearly and Monthly Auctions will be settled on a monthly basis using Payment on advanced invoices (payment in advance of use of PTRs), as described in the Article 9.02.

In case the payments are not made as specified above, the Bank Guarantee is forfeited and PTRs not paid by the User are considered by TERNA as Capacity available for Allocation in the subsequent Auctions. However the PTR Holder is not relieved from its payment obligations concerning the capacities that had been reallocated due to the User´s non compliance with the financial terms described herein.

In order to start participating again in the Auctions held by TERNA the User has to submit a new Bank Guarantee of equal amount than the forfeited one and with equal format and expiry date.

The User may not participate in the Auction during the ninety (90) calendar days before the expiry date of its Bank Guarantee, unless it has first provided to TERNA a new Bank Guarantee with a longer validity period. This new Bank Guarantee must have been accepted by TERNA.

b. Auctions in direction from Austria, France, Greece, Slovenia and Switzerland to Italy

Yearly, Monthly and Daily Auctions shall be settled, according to the specific provisions set in:

- Appendix I for the Auctions on French-Italian border;
- Appendix II for the Auctions on Swiss-Italian border;
- Appendix III for the Auctions on Austrian-Italian border;
- Appendix IV for the Auctions on Slovenian -Italian border;
- Appendix V for the Auctions on Greek-Italian border.

Article 3.03 Requirements in respect of grid access

In order to participate in the Auctions, the User must be compliant with the provisions set in:

- Appendix I for the Auctions on French-Italian border;
- Appendix II for the Auctions on Swiss-Italian border;
- Appendix III for the Auctions on Austrian-Italian border;
- Appendix IV for the Auctions on Slovenian-Italian border;
- Appendix V for the Auctions on Greek-Italian border.

Article 3.04 Deregistration, Suspension and Exclusion

Deregistration

Should the User not wish to participate in any further auctions, it may submit a written request for deregistration to the respective Auction Operator. The request will be granted on condition that:

- The User no longer possesses rights to use any Allocated PTRs and
- The User has fulfilled all its obligations towards the respective Auction Operator.

Users who have been deregistered may apply for readmission by completing the entire registration process pursuant to this Section III.

Temporary Suspension

Should the User in any manner:

a. be in default of its financial obligations or,

b. institute or has instituted against it a proceeding seeking a judgement of insolvency or any other relief under insolvency law. This provision will apply unless it is stated otherwise by the public order laws applicable to such situation or

c. not fulfil the requirements regarding grid access for a respective Interconnection,

then the User is temporary suspended by the relevant Auction Operator from further Auctions and Secondary PTR market on the respective Interconnection (import/export direction) on which the abovementioned events occured.

The suspension shall promptly be notified by the relevant Auction Operator to the User by both facsimile transmission and mail (with acknowledgment of receipt) and shall be in effect on the date of acknowledgment of receipt or in the date specified in the Notification, if any. The User shall be obliged to pay the Capacity Price for the already allocated PTRs.

In this case the Auction Operator will reallocate only the Yearly and Monthly PTRs acquired by the suspended User and/or the Bank Guarantee of the suspended User is forfeited or the money of deposit account are placed for the benefit of the Auction Operator.

Suspension does not free the User from its payment obligations as described in Section IX .

The user shall participate again in the Auctions and Secondary PTR market on the day after the Working Day on which the Auction Operator before 12:00:

- verifies that all the conditions set out in Articles 3.01, 3.02and 3.03 have once more been met and/or;
- receives full payment of invoices which are due and which have not yet been paid by the User and/or;
- the Auction operator is served by the User of a decision issued by the competent authority(ies) stating that the User may still participate in Auctions.

Exclusion

Should the User in any manner :

a. breach persistently and/or intentionally the Auction Rules following the prior notification from the Auction Operator;

b. declare itself dissolved or wound up or ;

c. be declared bankrupt, dissolved or wound up by a court ruling,

then the User can be excluded by the relevant Auction Operator from further Auctions and Secondary PTR market and from the nomination on all the interconnections (import/export direction).

This provision will apply unless it is stated otherwise by the public order laws applicable to such situation or a decision is issued by the competent authority(ies) and served by the User to the Auction Operator stating that the User may still participate in Auctions.

The exclusion shall promptly be notified by the relevant Auction Operator to the User by both facsimile transmission and mail (with acknowledgment of receipt) and shall be in effect on the date of acknowledgment of receipt or on the date specified in the Notification, if any. The User shall be obliged to pay the Capacity Price for already Allocated PTRs.

In this case the Auction Operator will reallocate only the Yearly and Monthly PTRs acquired by the excluded User and/or the Bank Guarantee of the excluded User is forfeited or the money of deposit account are placed for the benefit of the Auction Operator.

Exclusion does not free the User from its payment obligations as described in Section IX.

Section IV. Auction proceedings

Article 4.01 Auctions Specification

The Auction Specifications consist of information regarding:

- Products made available for Auctions:

  a. Annual Product: base load, and/or base load without August or Maintenance Period, and/or peak load and/or off-peak load;

  b. Monthly Product: base load, and/or peak-load and/or off-peak load;

  c. Daily Product: hourly Blocks and/or Individual Blocks.

  Not all Products are available at each Interconnection.

- ATC;
- Gate openings and closures;
- Timeframe for the publication of Auction results;
- Deadline to contest Auction results in accordance with Article 5.02;
- Other additional information.

Article 4.02 Yearly, Monthly and Daily Auctions

Yearly, Monthly and Daily Auctions shall be performed by Auction Operators.

(1) Yearly Auctions

For each Interconnection the Auction Specifications will be published by the respective Auction Operators on the Auction Website five (5) calendar days before the Auctioning Day of the Yearly Auctions.

a. Only those Bids submitted by Users, which meet the requirements of the Auction Rules in particular, those of Article 4.03 and 4.04 shall be considered in the Auction.

b. Each User is informed of the outcome of its Bid(s) no later than two (2) hours after the gate closure of the Yearly Auction. The results of the Auctions are announced on the Auction Websites shortly after the Users have been informed individually.

c. Detailed information about the Yearly Auction is published in the Auctions Specifications according to Article 4.01.

(2) Monthly Auctions

For each Interconnection the Auction Specifications will be published by the Auction Operator on the Auction Websites two (2) Working Days before the Auctioning Day of the Monthly Auction.

i. Only those Bids submitted by Users, which meet the requirements of the Auction Rules in particular, those of Article 4.03 and 4.04 shall be considered in the Auction. The Monthly ATC to be auctioned will consist of:

   – Part of total ATC foreseen to be allocated in the Monthly Auction

   – The Yearly Capacity already allocated by the Auction Operator to be resold via Secondary PTR Market as Monthly products;

   – The Yearly Capacity already allocated by the Auction Operator which had to be withdrawn from the PTR Holder;

   – The Yearly Capacity not allocated in the Yearly Auction.

ii. Each User is informed of the outcome of its Bid(s) no later than two (2) hours after the gate closure of the Monthly Auction. The results of the Auctions are announced on the Auction Websites shortly after the Users have been informed individually.

iii. Detailed information about the Monthly Auction is published in the Auctions Specifications according to Article 4.01.

(3) Daily Auctions

For each Interconnection and each direction, the Daily ATC takes into account:

- Part of the total ATC foreseen to be allocated in the Daily Auction;
- The Yearly and Monthly capacity that has not been allocated in the Monthly Auction;
- The Yearly and/or Monthly capacity already allocated by the Auction Operator, which had to be withdrawn from the PTR Holder;
- Yearly and/or Monthly PTRs which have not been nominated (see UIOSI principle in Section VIII);
- Netting effects based on Nominations in the respective counter direction.

(a) Daily Auctions in direction from Italy to Austria, France, Greece, Slovenia and Switzerland

TERNA, as Auction Operator, shall perform the joint Allocation for Daily ATC from Italy to France, Italy to Switzerland, Italy to Austria, Italy to Slovenia and Italy to Greece, seven (7) days a week.

The following steps are performed for the Daily Auction on the above mentioned Interconnections:

a. The Daily ATC for a Daily Auction on each border is published on the Auction Website of the Auction Operator no later than 07:50 on the Auctioning Day.

b. Daily Auctions are held on the day preceding the Day of Execution (D-1).

c. Bids must have reached TERNA between 07:50 and 08:20 on the Auctioning Day.

d. Only those Bids submitted by Users, which meet the requirements of these Auction Rules, in particular, those of Article 4.03 and Article 4.04 shall be considered in the Auction.

e. Each User is informed of the outcome of its Bid(s) no later than 08:30 on the Auctioning Day. The results of the Auctions are announced on the Auction Website shortly after the Users have been informed individually.

f. The above time schedules may be modified by the Auction Operator *via* Auction Specifications.

(b) Daily Auctions in direction from Austria, France, Greece, Slovenia and Switzerland to Italy

Daily Auctions taking into account the Daily ATC in direction from France to Italy, Austria to Italy, Greece to Italy, Slovenia to Italy and Switzerland to Italy shall be performed by the respective Auction Operator as set in:

- Appendix I for the Auctions on French-Italian border;
- Appendix II for the Auctions on Swiss-Italian border;
- Appendix III for the Auctions on Austrian-Italian border;
- Appendix IV for the Auctions on Slovenian-Italian border;
- Appendix V for the Auctions on Greek-Italian border.

Article 4.03 Format of Bids and Bid limitation

1. Bids are submitted by the User using a Bid File for each Auction described in Annex IV or via Auction Tool;
2. In Yearly, Monthly and Daily Auctions the User may submit a Bid File with a maximum of 10 Bids.
3. In all Auctions, for each Bid the requested Interconnection capacity shall not exceed the ATC available for the respective Auction.
4. For consideration each Bid must contain the following unambiguous and legible specifications:
   a. The value of the Bid in €/MWh (max. two decimals);
   b. The amount, in Blocks of integer quantity (MW) minimum 1 MW, of the required Interconnection Capacity.

Article 4.04 Submission of Bids for Yearly, Monthly and Daily Auctions

(a) *Submission of Bids for Yearly, Monthly and Daily Auctions performed by TERNA, acting as Auction Operator*

The User submits its Bid File to the Auction Tool in accordance with the formats defined in ANNEX IV. Bids that are not submitted in the required format will not be taken into account.

Bids are subject to functional acknowledgement of receipt or refusal. If the functional acknowledgement of receipt is not issued, the Bid in question is deemed as not submitted.

The Auction Tool enables the User to submit a Bid File for a specific Auction. The User accesses the Auction Tool according to the conditions set in ANNEX IV.

(b) Yearly, Monthly and Daily Auctions in direction from Austria, France, Greece, Slovenia and Switzerland to Italy

The rules for the submission of Bids for Yearly, Monthly and Daily Auctions for each Auction on each Interconnection in the relevant direction are set in:

- Appendix I for the Auctions on French-Italian border;
- Appendix II for the Auctions on Swiss-Italian border;
- Appendix III for the Auctions on Austrian-Italian border;
- Appendix IV for the Auctions on Slovenian-Italian border;
- Appendix V for the Auctions on Greek-Italian border.

Article 4.05 Fallback procedures and Cancellation of an Auction

In case of serious disturbance to the functioning of the IT System or devices used by Auction Operator Article 2.10 applies accordingly.

Additionally, if postponement of an Auction is not possible, according to downgraded mode, the Auction is conducted or cancelled according to the notice provided by the Auction Operator.

Bids submitted prior to the switch to downgraded mode are deemed invalid and must be submitted again according to the conditions stipulated in the event of downgraded mode being adopted.

If the conditions stipulated in the event of downgraded mode being adopted cannot be implemented in time for a given Auction, the Auction is cancelled and all Bids already submitted are automatically cancelled.

Section V. Determination of Auction results

Article 5.01 Awarding of PTRs

The ATC is auctioned in each direction by the TSOs under uniform terms and conditions (i.e. one Clearing Price for each direction) in form of PTRs.

For Auctions in direction from Italy to Austria, France, Greece, Slovenia and Switzerland as well as in direction from France to Italy, from Switzerland to Italy and from Greece to Italy the Bids, are classified as follows:

a) Case 1:

If the sum of all Bids submitted for a given Auction falls short of or equals the ATC for the respective Auction, no Clearing Price is charged to the PTR Holder.

b) Case 2:

If the sum of all Bids submitted for a given Auction exceeds the ATC, a Clearing Price is charged to the PTR Holder for each allocated MWh. For this purpose, the Bids are sorted out by the prices offered, starting with the highest price and ending with the lowest one.

The requested capacities of the Bids are added up to the Bid (marginal Bid), which represents the level above which the sum of the Interconnection capacity requested by the Users exceeds the ATC. The price of the marginal Bid is the Clearing Price. Each User who bided more than the Clearing Price receives the Interconnection capacity requested at the Clearing Price in form of a PTR. The remaining Interconnection capacity is allocated to the User of the marginal Bid.

If the ATC is reached with several Bids of the same price, the remaining Interconnection capacity is distributed pro-rata in proportion to the requested Interconnection capacity of the Bids.

The Clearing Price determined according to the above principle is used as a basis for calculating the charges for Capacity Price and apply to all PTR Holders.

For Auctions in direction from Slovenia to Italy, Austria to Italy, the Bids are classified as follows:

- Appendix III (Art. 4.1) for the Auctions on Austrian-Italian border;
- Appendix IV for the Auctions on Slovenian-Italian border;

PTRs are considered to have been awarded to a successful User at the moment that the PTR Holder has been informed by the respective Auction Operator provided that Article 4.05 does not apply.

The PTR Holder is not obliged to use the PTR allocated in an Auction; the Capacity Price, however, must be paid at any rate once the PTR has been allocated.

Article 5.02 Deadline for contesting results

The User is under the obligation to closely monitor the Auction results. The User may contest the Auction results according to the conditions and within the deadlines as follows:

- for Yearly and Monthly Auctions: no later than one (1) working day after the publication of Auction results;
- for Daily Auctions: no later than two (2) hours after the gate closure for the publication of the Auction results in the Auction website;
- The contest has to be marked as “contest” and it has to be sent by fax and confirmed by letter to the contact indicated in Annex III for the respective border.

The Auction Operator shall reply to the User no later than:

- one (1) working day after the reception of the claim for Yearly and Monthly Auctions;
- no later than two (2) hours after the reception of the claim for Daily Auctions.

If the User does not contest the Auction result within the deadline and under the condition specified above, the User loses the right to contest.

Article 5.03 Monitoring of other irregularities within Auctions

The User is under the obligation to closely monitor the Auctions. In the case of any other irregularities occurring that have no impact on the Auction results, the User may announce these irregularities to the contact indicated in Annex III within the deadline as set out in Article 5.02.

Section VI. Secondary PTR Market

The respective Auction Operator operates the Secondary PTR Market according to the provisions set in Section VI and relevant Appendixes..

Article 6.01 PTR Transfers

a. Characteristics of PTR Transfers

PTRs allocated through Yearly and Monthly Auctions or resulting from PTR Transfer may be transferred by a Transferor to a Beneficiary provided that the Transfer Notification is sent by the Transferor to Auction Operator according to point (c) of this Article.

The PTRs transferred must be indicated without taking account any programmed Curtailment, such as those described in Article 2.04.

The PTRs allocated through Daily Auctions cannot be transferred.

In the event of Curtailment the Auction Operator reserves the possibility of applying the conditions defined in Article 2.04.

The minimum volume for a PTR Transfer is 1 MW over one (1) hour.

b. Financial arrangements

The User which got awarded PTRs in the Auction remains responsible for the payment of the Capacity Price for the transferred PTRs without any additional fee, even in the case of multiple Transfers among several Users.

In case of Curtailment, possible indemnification up to 100% of the Capacity Price according to Article 2.04 shall be in favour of the Beneficiary.

c. Transfer Notification

A PTR Holder willing to execute a PTR Transfer has to access the Auction Tool and follow the instructions regarding Transfer as set out in the relevant instructions by the respective TSOs.

The PTR Transfer can only be initiated if the respective PTR is paid and the PTR Holder and the Beneficiary comply with these Auction Rules and the Transfer deadline is not exceeded. A successfully initiated PTR Transfer generates information to the Beneficiary. Within four (4) hours the Beneficiary has to accept or reject the PTR Transfer. If within four (4) hours the Beneficiary does not react, the PTR Transfer is evaluated as rejected.

Transfer deadline is D-2 (two days before execution) at 12:00 am.

Article 6.02 PTR Resale

a. Characteristics of PTR Resale

PTRs allocated through Yearly Auctions or resulting from PTR Transfers may be resold at Monthly Auctions.

Resale from Yearly and/or Monthly PTRs to a Daily Auction is only possible via “Use It Or Sell It” principle as described in Section VIII of these Auction Rules.

The PTRs must consist of a constant value of capacity (MW) throughout the corresponding Monthly product for the month concerned by the PTR Resale (for instance Yearly base on Monthly base).

The PTR Resale must be indicated without taking account of any programmed Curtailment, such as those described in Article 2.04.

In the event of Curtailment the Auction Operator reserves the possibility of applying the conditions defined in Article 2.04. In case of Curtailments before the Monthly Auction, PTR Resale is reduced proportionally throughout the complete month concerned by the PTR Resale.

The minimum volume for a PTR Resale through a Monthly Auction is 1 MW over 1 month.

b. Financial arrangements

The Reseller remains responsible for the payment of the Capacity Price for the resold PTRs without any additional fee.

The Reseller is compensated with the relevant Clearing Price for its resold PTRs. The Clearing Price for PTR Resale shall take place according to Article 5.01.

If due to network constraints, the respective ATC of the Auction, in which Capacity shall be resold, has to be curtailed in line with 6.02a, so that, in order to guarantee that the resold PTRs consist of a constant value of capacity (MW) throughout the corresponding Monthly product for the month concerned by the PTR Resale, the capacity that could be resold is less than the one offered for resale, this difference continues to be Yearly PTRs. For this reason the PTR Holder receives, for the hours affected by Curtailment, indemnification up to 100% of the Clearing Price of the Yearly Auction.

c. Resale Notification

A PTR Holder willing to execute a PTR Resale has to access the Auction Tool and follow the instructions regarding PTR Resale as set out in the relevant instruction by the respective TSOs. The PTR Resale can only be initiated, if the respective PTR is paid, the PTR Holder complies with this Auction Rules and the Resale deadline is not exceeded.

Monthly Resale deadline: five (5) working days before the Monthly Auction.

Article 6.03 Secondary PTR Market - downgraded mode

When downgrade mode is adopted according to Article. 2.10, Transfer Notification and Resale Notification are sent by fax.

In the downgrade mode it is not possible to cancel and/or replace a Resale Notification that refers to several Daily Auctions after the Resale Notification deadline for the first Daily Auction in the Resale Notification.

Date and time mentioned in the fax received by the Auction Operator are deemed authentic.

The Auction Operator processes Transfer and Resale Notifications:

- from 09h00 to 12h00 and 14h00 to 17h00 from Monday to Friday except on public holidays.

The Auction Operator answers to Transfer and Resale Notifications at the following times:

- seven (7) days before the Auction, excluding public holidays, at 17h00, for a Resale through a Monthly Auctions

As a last resort, adoption of downgrade mode in response to unplanned unavailability of the information system may result in the Secondary PTR Market being suspended.

The suspension shall not give rise to any indemnification.

Article 6.04 Fallback procedure for Secondary PTR Market

In case of serious disturbance to the functioning of the IT System or devices used by the Auction Operator Article 2.10 applies accordingly.

If a Monthly Auction including capacity based on Resale should be cancelled the Reseller may regain the PTR and thus cancel the PTR Resale. If however, the Monthly Auction is rescheduled for a later date then the Resale Notifications are conserved.

Section VII. Capacity usage rules

Article 7.01 Notification of the Counterparty to TSOs

Notification of the PTR Holders' Counterparty(ies) to the concerned TSOs is needed for the Nomination consistency check.

The PTR Holder designates his Counterparty as described in the:

- Appendix I for French-Italian border;
- Appendix II for Swiss-Italian border;
- Appendix III for Austrian-Italian border;
- Appendix IV for Slovenian-Italian border;
- Appendix V for Greek-Italian border.

Article 7.02 Usage of PTRs acquired through Yearly, Monthly and Daily Auctions

On each interconnection the use of Allocated PTRs is notified via the nomination of fixed schedules by the relevant User to the involved TSOs in compliance with the requirements of grid access in each control area.

Modalities for the use of allocated capacities are described in the following paragraphs.

a. Counterparty and PTR nomination for PTRs acquired through Yearly and Monthly Auctions

For PTRs nomination the PTR Holder can designate as its Counterparty(ies) a legal entity(ies) allowed to make nominations to the neighbouring TSO (A-to-N principle).

The PTR Holder has to communicate its Counterparty(ies) and nominates as described in the:

- Appendix I for French-Italian border;
- Appendix II for Swiss-Italian border;
- Appendix III for Austrian-Italian border;
- Appendix IV for Slovenian-Italian border;
- Appendix V for Greek-Italian border.

b. Counterparty and PTR nomination for PTRs acquired through Daily Auctions

For these nominations, the PTR Holder should designate itself or a Counterparty (A to B principle). These Counterparty designations can be changed every month; not later than five (5) working days until 12:00 before the start of the relevant month.

.The PTR Holder nominates PTRs on the relevant Interconnection as described in the:

- Appendix I for French-Italian border;
- Appendix II for Swiss-Italian border;
- Appendix III for Austrian-Italian border;
- Appendix IV for Slovenian-Italian border;
- Appendix V for Greek-Italian border.

Section VIII. Use it or Sell It (UIOSI)

Article 8.01 Characteristics of unused periodic PTR

For each day, all non-nominated long-term (Yearly and Monthly) PTRs, if paid according to Section IX, are automatically considered in the ATC for the Daily Auction (see Article 4.02, paragraph 3) and they are refunded to the PTR holders taking into account the respective Daily Auction Clearing Prices. (i.e. if the PTR holder "**A"** doesn't nominate, for the day "**X"**, 100 MW of Yearly Base product, this 100 MW will be reallocated on the Daily Auction of day "**X"** and the Clearing Prices of this Daily Auction will be reimbursed to the PTR Holder A)

Article 8.02 Financial arrangements

The PTR Holders are compensated to the respective Daily Auction Clearing Prices for the non-nominated long-term PTRs. The Clearing Prices for Daily Auction are defined by the clearing process described in Article 5.01.

If due to network security reasons, the NTC has to be reduced before the Daily Auction, the Daily ATC can be lower than the non-nominated long-term PTRs. In this case the non-nominated long-term PTRs are curtailed on a pro rata basis (ATC divided by the sum of all non-nominated long-term PTRs). PTR Holders of the non-nominated long-term PTRs are compensated taking into account:

- the Daily Auction Clearing Prices for the part of their non-nominated long-term PTRs that have been re-auctioned in the Daily Auction
- the provision in Article 8.03 for the curtailed non-nominated long-term PTRs.

Article 8.03 Fallback procedure

In case of serious disturbance to the functioning of the IT System or devices used by the Auction Operator, Article 2.10 and 4.05 apply accordingly.

In case:

a. Daily Auction is cancelled, or

b. if due to network security reasons the NTC is reduced before the Daily Auction,

the curtailed non-nominated long-term PTRs are compensated to the PTR's holder up to 100% (if not differently provided in the Appendices):

a. of the Clearing Price of the Auction at which the PTR was acquired (in case the non-nominated long-term PTRs are clearly identified)

or

b. of the weighted average of the Clearing Prices of Yearly and Monthly Auctions at which the non-nominated long-term PTRs were acquired (in case the non-nominated long-term PTRs cannot be clearly identified if they are Yearly or Monthly PTRs).

Section IX. Settlement / Payment

Article 9.01 Generality

Each Auction Operator shall invoice the PTR Holders the Capacity Price, if not differently provided in the following Articles or in the relevant Appendix.

The valuation is exclusive of tax and shall be increased to include taxes and levies at the official rates in force.

Article 9.02 Settlement of Yearly, Monthly and Daily PTRs

Auctions in direction from Italy to Austria, France, Greece, Slovenia and Switzerland

a) Issuance of invoices

(a1) Yearly PTRs

After the results of Yearly Auctions have been published, the Auction Operator shall issue Payment on Advanced Invoice to all the PTR Holders of the allocated Capacity. The Payments on Advanced Invoices shall be invoiced in twelve monthly amounts proportional to the amount of hours and the Capacity of the product within relevant months. Each amount is to be paid two months in advance. The first Payment on Advanced Invoice is issued for the period of the first two months (January and February) while the remaining Payment on Advanced Invoices are issued once a month (e.g. amount for March 2010 in January 2010, April 2010 in February 2010, ….). Liabilities arising from Allocated PTRs need to be settled by the PTR Holder within the set deadline and in the amount defined on Payment on Advanced Invoice, namely by remitting the outstanding amount onto the Auction Operator's bank account.

Payment deadline is set as indicated in the invoice and not later than five (5) working days before the date of publication of Auction Specification for PTRs referred to the same month of the not settled Yearly PTRs.

(a2) Monthly PTRs

After the results of Monthly Auctions have been published, the Auction Operator shall issue a Payment on Advanced Invoice to the User namely for the entire allocated period. Liabilities arising from Allocated PTRs need to be settled by the Users within the set deadline and in the amount defined on the Payment on Advanced Invoice, namely by remitting the outstanding amount onto the Auction Operator's bank account.

Payment deadline is set not later than two (2) working days before the date of publication of Auction Specification for the first Daily Auction referred to the same month of the not settled Monthly PTRs.

(a3) Daily PTRs

No later than the fifteenth 15th of each month M, TERNA sends to the PTR Holder an invoice including the amounts due for Capacities Allocated at Daily Auctions for use during month M-1.

Bids selected at Daily Auctions are invoiced all at once and grouped together on a single line per Daily Auction. The unit prices indicated on the Invoice are therefore average prices provided as an indication only.

Invoices are Notified to the PTR Holder at the address indicated in the Statement of Acceptance.

The PTR Holder Notifies TERNA of any changes in its invoicing address. Such change shall take effect on the first Day of month M+1, on the condition that Notification of the change has been received at least seven (7) Days before the end of Month M.

Issued invoices are sent in advance via fax or e-mail; in this case the delivery date shall be the date resulting from sending devices.

Payment deadline is set not later than two (2) working days before the date of publication of Auction Specification for the first Daily Auction referred to month M+1 of Monthly PTRs.

(a4) Resales/UIOSI and Curtailments

In case of Curtailments or Resales/UIOSI PTR Holders are compensated according to Section VIII and Articles 6.02 and 6.04 and obliged to issue separate invoices (one for curtailment if any and one for resale/UIOSI if any). Credits for Curtailments and Resales/UIOSI shall be credited to the PTR holders on monthly basis.

TERNA will communicate the amount of credits for curtailment and resale/UIOSI within the 15th of month M for the month M-1.

(a5)Invoice disputes

To be admissible, any claims made relative to an invoice must be notified by registered letter with acknowledgement of receipt to TERNA, within thirty (30) days of the invoice's date of issue. Beyond this period, the invoice shall be deemed to have been accepted by the PTR Holder. The above-mentioned registered letter must contain a precise and detailed description of the grounds for the objection to the invoice.

A claim in no way relieves the PTR's holder from the obligation to pay the invoice in accordance with the terms of paragraph (c).

b) Payment condition

The PTR Holder pays TERNA the sums invoiced within the date defined in the invoice which cannot be earlier than two (2) working days from its issuance, by bank transfer to the account specified in the invoice issued by TERNA.

Any bank charges relative to the settlement of the invoice are at the PTR Holder's expense.

The PTR Holder shall ensure that its bank transmits the corresponding invoice number with the payment order. In the event of a SWIFT transfer, the PTR Holder undertakes to ensure that the invoice number is specified on the line "Payment reason". The absence of an invoice number means that TERNA must identify the transfers made to its account manually. Such manual identification shall give rise to an administrative fee of 100 Euros, plus any duties and taxes in force.

TERNA shall pay the Beneficiary's invoice for Curtailment and the PTR Holder's invoice for Resale within fifteen (15) days from receipt of the invoice, whilst TERNA shall issue a credit note to PTR Holder for Curtailment. The credit note amount shall be withheld by the PTR holder from the payment of the first upcoming PTR auction invoice issued by TERNA.

c) Late payment

Payment is deemed to have been made on the day on which it appears on TERNA's bank statement, which is consulted every Working Day, provided the PTR Holder has specified a correct invoice reference number.

The PTR Holder is responsible for anticipating bank processing and payment registration times. TERNA shall make every effort to minimise these times, but may not be held responsible if a period of two (2) working days elapses between the point at which the PTR Holder makes payment (as defined in the paragraph above) and the point at which it is registered by TERNA.

If full payment is not received by the specified deadline, TERNA shall send the PTR Holder an official reminder (by notification).

Furthermore, if funds are not sufficient to cover debts or if the payment is not settled on the 5th working day after invoicing TERNA shall invoke the Bank Guarantee by right. If the amount of the Bank Guarantee is not sufficient to cover the debts TERNA withdraws from the obligation resulting from these Auction Rules and the PTR Holder looses the PTRs not paid.

The User shall be excluded from all following auctions until the date when he can submit a new Bank Guarantee. TERNA is allowed to adjust the amount of Bank Guarantee.

d) Interest on arrears

If the sums invoiced are not paid in full by the specified deadline, the said sums shall be subject to interest without any further notification of notice to pay being required.

The rate of interest, determined on the day on which the invoice is sent, is equal to the interest rate applied by the European Central Bank at its most recent refinancing operation, plus 5 points.

This interest is calculated from the first day following the expiry date, until the date on which the invoice is paid in full.

This interest shall be increased to include taxes and levies in force.

In case of late payments by Auction Operator the rate of interest, as determined above, will be applied.

Auctions in direction from Austria, France, Greece, Slovenia and Switzerland to Italy

Settlement of Yearly, Monthly and Daily PTRs allocated on each interconnection are described in:

- Appendix I for French-Italian border;
- Appendix II for Swiss-Italian border;
- Appendix III for Austrian-Italian border
- Appendix IV for Slovenian-Italian border;
- Appendix V for Greek-Italian border.

Article 9.03 Exclusion of set-off

A PTR Holder is in principal not entitled to offset any debts that arise in connection with an Auction to any claim on a TSO, whether or not arising out of an Auction. Claims of the TSOs can only be set off against claims of the User which are uncontested or legally enforced.

Although each Auction Operator collects these payments on behalf and in the name of both TSOs on that Interconnection, Users accept by participating in the Auctions that they can only be discharged of their debts through payment to the appropriate Auction Operator and that payment of a debt to the other TSO shall not release them from this obligation. Moreover, as payment by compensation would thwart the administrative structure of the co-operation between both TSOs, Users waive the right to offset any debts that arise in connection with an Auction to claims that those PTR Holders have on a TSO, whether or not arising out of an Auction.

Section X. Miscellaneous

Article 10.01 Information / Notices

Any notice given under these Auctions Rules is to be in writing and must be addressed to all relevant TSOs at the address mentioned in Annex III, except where these Auction Rules provide otherwise.

Article 10.02 Limitation of Liability

1. The respective TSOs, either jointly or severally, shall not be liable to a User for any damages resulting from a User's participating or not being able to participate in an Auction or in a PTR Transfer or in a PTR Resale, or from the results of the Auction and/or PTR Resale and/or PTR Transfer; or from an Auction not being held or cancelled and a User shall hold harmless and indemnify the TSOs, jointly and severally, in respect of claims regarding such damages coming from third parties.
2. The respective TSOs will provide the PTRs awarded by the Auction and/or the PTR Transfer and/or a PTR Resale within the scope of their possibilities. This provision is subject to the technical possibility of transmitting electricity, which can be affected by Force Majeure, unexpected external influences (e.g. extreme load flow changes) or other serious operational conditions (e.g. power plant outages on an unexpected scale). The impairment will only be remedied by technically/economically feasible and appropriate actions complying with the relevant national and international requirements.
3. The respective TSOs shall only be liable for damage or loss caused to Users if it is the result of intent or gross negligence or culpable dereliction of an essential duty under these Auction Rules. In all the above cases, the respective TSOs liability shall be limited to the direct (actual) and documented damages. There is no TSOs liability whatsoever for any consequential damages.
4. The User shall only be liable for damage or loss caused to the respective TSO if it is the result of intent or gross negligence or culpable dereliction of an essential duty under these Rules. In all the above cases, User´s liability shall be limited to direct (actual) and documented damages. There is no User's liability whatsoever for any consequential damages.
5. In no way shall the awarding of PTRs pursuant to these Rules be considered or construed to mean or imply that the User is entitled to have electricity transports carried out, or that transport failures or restrictions are or imply a failure to supply Interconnection Capacity which has been awarded in an Auction.
6. The respective TSOs, either jointly or severally, do not assume responsibility for the timely arrival of Bids and/or Transfer Notifications and/or Resale Notifications.
7. For the purpose of this section "limitation of liability", TSOs only means the respective Auction Operator for the relevant Interconnection. In no way shall a TSO, which does not participate in the Auctions at the relevant Interconnection where a claim from a User is raised, be considered or construed to be jointly or severally liable for that claim.

Article 10.03 Confidentiality

The TSOs shall treat all information disclosed to themselves pursuant to these Rule as confidential and they will refrain from disclosing such information to any third party without the prior consent of the User concerned. Confidential information shall include all information delivered in writing and designated as "Confidential", or commercially sensitive information disclosed other than in writing but expressly mentioned as "Confidential".

Paragraph above shall not apply to disclosure of information to European Union institutions, governmental, regulatory authorities and court having jurisdiction on the above matters insofar as such disclosure is mandatory, nor to the disclosure of information to a court-of-law or an arbitrator insofar as such disclosure is ordered by the court or the arbitrator or is necessary for supporting a claim or defending the TSOs against a claim.

The provisions of this article shall not apply to any information disclosed to the TSOs as contemplated by said article if:

a. before such disclosure it was public knowledge or, after such disclosure, becomes public knowledge through no fault of the TSOs;
b. it was known to the TSOs before that disclosure and was not covered by an obligation of secrecy;
c. after that disclosure the same information is received by the TSOs from a third party owing no obligation of secrecy to the respective User in respect to such information.

Article 10.04 Severability

If any part or provision of the Auction Rules and/or its Annexes are or become invalid, illegal, void and/or unenforceable, the remaining part(s) shall continue to be valid and enforceable and shall not be affected thereby. Any invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect as far as possible.

Article 10.05 Disputes and Applicable Law

1. All disputes arising out of these rules or related to their violation, termination or nullity shall be referred to and finally resolved by arbitration under the ICC rules, which Rules are deemed to be incorporated by reference into this Clause. The number of arbitrators shall be three. The place of arbitration shall be Lugano (Switzerland). The language to be used in the arbitral proceedings shall be English. The claimant shall nominate one (1) arbitrator and the respondent shall nominate one (1) arbitrator. The arbitrators nominated by each Party shall nominate the chairman of the arbitral tribunal within three business (3) days from the confirmation of the appointment of the second arbitrator by the ICC. If the nominated arbitrators by each Party cannot agree on the appointment of the chairman, the chairman shall be appointed by the ICC Court.
2. Notwithstanding the above, any Party to this Auction Rules shall have the right to have recourse to and shall be bound by the pre-arbitral referee procedure of the International Chamber of Commerce in accordance with its Rules for a Pre-Arbitral Referee Procedure.

   The provisions of this Clause constitute an irrevocable consent by the Parties to any proceedings in terms hereof and no Party shall be entitled to withdraw there from or claim at any such proceedings that it is not bound by such provisions.
3. These Auction Rules and Auctions that take place hereunder are governed by Belgian law, Rome Convention on the law applicable to the contractual obligations dated June 19th 1980 will be applied accordingly.
4. For the sake of clarity, Appendix II (Appendix ruling the Italian - Swiss Interconnection) prevails concerning applicable law on the Italian - Swiss Interconnection.
5. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

Article 10.06 Force Majeure

"Force Majeure" means any unforeseeable event or situation beyond the reasonable control of a Party, and not due to a fault of such Party, which cannot reasonably be avoided or overcome, and which makes it impossible for such Party to fulfil temporarily or definitively, its obligations hereunder in accordance with the terms of the Auction Rules.

The Party, which invokes Force Majeure, shall send the other Party notification describing the nature of Force Majeure and its probable duration.

The obligations, duties and rights of a Party subject to the Force Majeure, with the exception of confidentiality obligations defined in Article 10.03, shall be suspended from the beginning of the Force Majeure. The obligations, duties and rights shall be suspended for such period as it is reasonable having regard to the effect of the impediment on performance of the obligations, rights and duties under the Auction Rules.

The Party can in no circumstances be held responsible or held liable to pay any compensation for damage suffered, due to the non-performance or faulty performance of all or part of its obligations, when such non-performance or faulty performance is due to a Force Majeure.

The Party, which invokes Force Majeure, shall make the effort to limit the consequences and duration of the Force Majeure.

If a Force Majeure lasts for more than thirty (30) Days and adversely affects the essential obligations of the Parties under the present Auction Rules, the Auction Operator may suspend entitlement of the User and/or the User may request the withdrawal of its entitlement by sending notification by registered mail with acknowledgement of

receipt, with due explanation. The withdrawal or suspension of entitlement will take effect on the date of receipt of the said notification.

Article 10.07 Amendment of Rules

1. Subject to point 2) below this article, no modification of the Auction Rules between the Parties shall take effect unless it is in writing and signed by the authorized representatives of each Party.
2. These Auction Rules are subject to the technical and legal conditions at the time of their publication on TSOs respective websites. If these conditions change materially, in particular due to legal requirements, action by authorities or Rules imposed by the regulatory authority and/or agreements between the associations of the electricity industry at national or international level, or if the auctioning process is enhanced, the Rules will be amended. TSOs will publish such amendment on their respective websites after consulting with the Users and/or approval by the National Regulators in the relevant countries, if required by mandatory national regulation.

Subject that the Users have not notified the Auction Operator within a period of 5 (five) business days upon the publication of these alterations in the TSOs respective websites of their will to terminate the Statement of Acceptance, such amended rules will become effective upon publication by the TSOs on their respective websites.

APPENDIX I Specific Capacity Access Rules on French and Italian Interconnection

As introduced in the Section I Article 1.02, and pursuant to discussions related to European Regional Initiatives between TSOs of the Central South Europe (CSE), European Commission and Regulators, TERNA and RTE have decided to gradually centralize all activities related to the Allocation of PTRs with delivery from 1st January 2010 in the direction from France to Italy during 2010 as a first step towards the harmonisation within the CSE Region

This centralization will actually be implemented according to the following:

- As from the end of 2009 for the PTRs with delivery from the 1st January 2010, all the Auctions in the sense from France to Italy will be held with TERNA's Auction Tool (DAMAS);
- For the PTRs with delivery from 1st January 2010 to 31st of March 2010, RTE remains the Auction Operator in the direction from France to Italy, and thus keeps, *inter alia,* managing Users' Entitlement, operating Secondary PTR Market, capacity curtailments and manage the invoicing;
- For the PTRs with delivery starting from 1st April 2010[3], TERNA will fully become the Auction Operator on both directions on the France – Italy border; and thus will, *inter alia,* manage Users' Entitlement, operate Secondary PTR Market, capacity curtailments and manage the invoicing.

For Nomination, the present Appendix of the Auction Rules makes reference to the last version of the *"French Import Export Rules"* published on RTE's web site. Any changes in the French Import/Export Rules, which can impact the Italian French interconnection congestion management and these Auction Rules, shall be subject to prior agreement between RTE and TERNA.

In addition to the amendment procedure described in Article 1.04 of the common parts, .any amendment to the common parts of these Auction Rules (Articles 1 to 10 and all the annexes referring to Articles 1 to 10) and/or to Specific Rules for French-Italian border (Appendix I) will be submitted to a prior consultation of the Users by RTE...

1 Participation requirements

1.1 Financial guarantees for Auctions in direction from France to Italy

Regarding the Bank Guarantee to be provided:

- the User has to provide RTE with the requested Bank Guarantee in accordance with the provisions of 1.1 (a) and (b) below for the PTRs Allocated by RTE acting as Auction Operator. This provision shall not preclude the User from the obligation to provide TERNA with the Bank Guarantee required in Article 3.02, for the specific case of the outstanding debts resulting from the Yearly PTRs Allocated by RTE in December 2009, in order to cover the residual amounts to be invoiced and related to the period from 1st April to 31st December 2010 . ,
- The User has to provide TERNA with the requested Bank Guarantee in accordance with the provisions of Article 3.02 of the common parts for the PTRs Allocated by TERNA acting as Auction Operator and for the Yearly PTRs allocated by RTE for the residual amounts to be invoiced related to the period from 1st April to 31st December 2010.

a) Compulsory nature of the Bank Guarantee to be provided to RTE

For sake of clarity, the provisions set forth below will only apply to the Auctions managed by RTE acting as Auction Operator.

The Bank Guarantee to be provided to RTE shall be valid until at least the 30th of June 2010. RTE shall be entitled to suspend a User during the ninety (90) Days preceding the expiry of its Bank Guarantee unless the User has provided a new Bank Guarantee with a longer validity period, which has been accepted by RTE.

[3] IMPORTANT NOTICE: everywhere in the present Auction Rules, the target date for activities transfer from RTE to TERNA is 1st April 2010. However, due to the real progress of this transfer, this target could be modified by TERNA and RTE. In this case, users will be timely informed

The Bank Guarantee shall be delivered by a credit institution acknowledged as solvable, and located in a member State of the European Union or in Switzerland or in Norway. This credit institution shall not be the User itself or shall not control this User or be controlled by it under the meaning of corporation law.

The Bank Guarantee shall be issued by a credit institution which Long Term financial rate obtained from an international rating agency is at least A+ or A1.

If, during the execution of the present Agreement, the Long Term financial rate of the credit institution which issued the Bank Guarantee becomes lower than A+ or A1, RTE is entitled to require the User to provide, within thirty (30) days, a new Bank Guarantee complying with the criteria defined above.

The Bank Guarantee is accepted once RTE has Notified the User and the credit institution that issued it of its agreement with the terms of the said Bank Guarantee.

b) Amount of the Bank Guarantee to be provided to RTE

For sake of clarity, the provisions set forth below will only apply for the Auctions managed by RTE acting as Auction Operator.

The User has to provide RTE with a Bank Guarantee of 500 000 € in order to cover all debts resulting from the Auction of PTR from France to Italy (according to the model supplied in Attachment I-1) and from the participation in the Secondary PTR Market managed by RTE acting as the Auction Operator.

By derogation, a User can first choose to give a Bank Guarantee limited to 50.000 € in order to participate to the Auctions. But, as soon as this User obtains Capacity at the Yearly and/or Monthly Auctions, it shall increase the amount of its Bank Guarantee to 500.000 €, within five (5) Working Days. In the case the User does not comply with this requirement, the User shall lose the Allocated Capacity acquired at the Yearly and/or Monthly Auctions and won't be allowed to participate in further Auctions or in the Secondary PTR Market until it has provided a Bank Guarantee of the requested amount. RTE and TERNA will Allocate such lost PTR on next available Auctions.

If RTE is forced to invoke the Bank Guarantee or if two late payments (as defined in chapter 7.4) are observed in the rolling twelve months period, RTE is entitled to notify the User to provide, within 8 working days, a new Bank Guarantee which amount shall be equal to whichever of the following three values is highest:

- Total of all invoices issued under the present AR in the direction France to Italy and which have not yet been paid by the User, where this absence of payment can be observed the day after the day on which RTE invokes the Bank Guarantee or observes the second late payment.

- Five hundred thousand (500,000) Euros * (1+ NIP), NIP being the number of payment incidents (see chapter 7.4) observed over the last twelve sliding months, including the current month, when payment incidents have been observed on the part of the User;

- The highest Bank Guarantee amount actually required from the User during the previous six months, excluding the current month.

To revise the amount of its Bank Guarantee, the User must provide a new Bank Guarantee to RTE. This revision request is accepted once RTE has notified the credit institution and the User that they agree with the new terms of the Bank Guarantee.

RTE shall be entitled to suspend the User if the amount of either Bank Guarantee is less than five hundred thousand Euros (€ 500,000), or less than the last minimum Bank Guarantee amount required from the User in accordance with the present Chapter.

1.2 Requirements in respect of grid access

In order to participate in the Auctions and to the Secondary PTR Market, on the French and Italian Interconnection, the User has:

- To sign a Dispatching Contract and to be compliant with the Congestion Management Rules on the Italian Interconnection;

- To sign a French Import/Export Rules participation agreement; and therefore must be Responsable D'Equilibre or attached to;

- To declare the same registered EIC code with both TSO.

Only for the Allocation of Yearly products and for the Allocation of Monthly products for January 2010, in order to participate in the Auctions, the User:

a. Must have registered with the relevant Auction Operator by submitting a completed Statement of Acceptance form given in ANNEX I of the Auction Rules including the EIC Code;

b. Must declare the same registered EIC code with both TSO.

c. Must be signatory of French Import/Export Rules participation agreement and therefore must be Responsable D'équilibre or attached to and must have sent to TERNA a request to conclude a dispatching contract;

   or

   Must have signed a Dispatching Contract and be compliant with the Congestion Management Rules on the Italian Interconnection and must have sent to RTE the Annex I of French Import/Export Rules.

However, the User must be fully compliant with these two last conditions at least three (3) working days before the usage of PTR Allocated. If not, the User shall not be allowed to participate in the next Auctions, and in the Secondary PTR Market, and shall lose the PTR acquired in the previous Auctions. Consequently, all its Capacity Usage Authorizations shall be set at zero.

RTE and TERNA shall Allocate such lost PTRs on next available Auctions.

In case of discrepancy, the present Rules shall prevail on the French Import/Export Rules and on the Dispatching Contract and/or on Congestion Management Rules on the Italian Interconnection.

1.3 Temporary Suspension

If a User is temporarily suspended, it shall no longer take part in Auctions or in the Secondary PTR Market, the Allocated Capacity that has not yet been used shall no longer be Nominated, Transferred and/or Resold until it fulfils again the requirements stating that the User may still participate in Auctions, and this according to the Rules of the country in which the User is established.

In particular, for the direction France to Italy, the User is entitled once more on the day after the Working Day on which the Auction Operator, before 12:00:

- Observes that all the conditions set out in Articles 3.02 and 3.03, and Chapters 1.1 and 1.2 have once more been met;

- And registered full payment of invoices which are due and which have not yet been paid by the User.

When the User is entitled once more, unused Capacity Allocated prior to the suspension of the entitlement may be Nominated, Transferred or Resold and the User may take part in Auctions and the Secondary PTR Market.

The Beneficiary of a Transfer is not affected by suspension of the Transferor's entitlement.

– In case of temporary suspension, the Auction Operator shall offer the Capacities freed up as a result on a day to day basis at Daily Auctions.

– Suspension takes effect on the date indicated in the communication notifying suspension of entitlement.

– Suspension does not free the User from its payment obligations as described in Chapter 7, including any capacities lost. The User cannot claim for any compensation in the event that this stipulation is applied.

1.4 Exclusion

Exclusion of the User takes effect on the date indicated in the notification of the Exclusion.

If the Auction Operator excludes a User, the User concerned shall no longer participate in Auctions, or in the Secondary PTR Market on all the Interconnections (import/export direction), and the Allocated Capacity that has not yet been used shall no longer be Nominated, Transferred and/or Resold. The Beneficiary of a Transfer is not affected by exclusion of the Transferor's Entitlement.

The Auction Operator offers the Capacities freed up as a result at the next Auctions. In the specific case of bankruptcy as foreseen in Article 3.04 and regarding the direction from France to Italy only, the product of such Resale operated by the Auction Operator will be deducted from the total amount of the User's debt.

Exclusion does not free the User from its payment obligations as described in Chapter 7, including any Capacities lost. The User can not claim for any compensation in the event that this stipulation is applied.

2 Auction proceedings

2.1 Products offered in both directions

PTRs are offered as Products, according to the following definitions:

- **Yearly Base** (flat 00:00-24:00 from 1st January 2010 to 31st December 2010) for both directions;
- **Yearly Base without August or maintenance periods** (flat 00:00-24:00 from 1st January 2010 to 31st December 2010 with the exception of August or maintenance periods) for the direction from France to Italy;
- **Monthly Base** (flat 00:00-24:00 from 1st Day of the Month to the last Day of the Month) [4] for the direction from France to Italy and eventually in the opposite direction;
- **Monthly Peak** (08:00-20:00 from Monday to Friday of the first Day of the Month to last Day of the Month) for both directions;
- **Monthly Off Peak** (00:00-08:00 and 20:00-24:00 from Monday to Friday; 00:00-24:00 on Saturday and Sunday from the first Day of the Month to the last Day of the Month) for the direction from Italy to France;
- **Daily** (hourly blocks) for both directions.

2.2 Daily Auctions in the direction from France to Italy

(a) For the PTRs with delivery from the 1st January 2010 to 31st March 2010

TERNA is acting as Auction Administrator with its Auction tool DAMAS, while RTE is Auction Operator.

RTE, as Auction Operator, shall perform the joint Allocation on 100% of Available Interconnection Capacity from France to Italy, 7 days a week.

- The ATC available at the Daily Auction is published on the Auction Websites of the TSO no later than 07:50 on the Auctioning Day.
- Daily Auctions are held on the day preceding the Day of Execution (D-1).
- Bids must have reached TERNA acting as Auction Administrator before 08:20 on the Auctioning Day.
- Only those Bids submitted by Users, which meet the requirements of these Auction Rules, in particular, those of Articles 4.03 and 4.04 shall be considered in the Auction.
- Each User is informed of the outcome of its Bid(s) no later than 08:30 on the Auctioning Day. The results of the Auctions are announced on the Auction Websites shortly after the Users have been informed individually.

The above time schedules may be modified via Auctions Tool.

(b)For the PTR with delivery starting from the 1st April 2010

TERNA, as Auction Operator, shall perform the joint Allocation for Daily ATC from Italy to France seven (7) days a week with same timeframes described above.

2.3 Submission of Bids for Yearly, Monthly and Daily Auctions in the direction from France to Italy

As for the whole 2010 year, the Auction Tool in the direction from France to Italy is the one operated by TERNA (DAMAS), the provisions set in Article 4.03 and Article 4.04 (a) shall apply.

[4] In case of exceptional circumstances, the monthly base product can be not available all days of the month.

2.4 Auction Results for the direction France to Italy

Notification of Auction results

The results of Auctions are Notified to each User which participated in the Auction concerned, via the Auction Tool (DAMAS)for the whole 2010 year, at the following times:

- For Periodic Auctions: no later than two Hours after the Auction closes;
- For Daily Auctions: no later than ¼ Hour after the Auction closes.

Publication of Auction results

As it is set forth in Article 2.06, the Auction Operator will publish on the Auction Website the Auction Results. Nevertheless, even if TERNA will become the Auction Operator for the PTRs with delivery from 1st April 2010 , RTE will keep publishing on its website the data listed within Article 2.06.

The name of a User having acquired Capacity at Yearly and Monthly Auctions will be published on the Auction Website and also on RTE's Website for the period when RTE will not be the Auction Operator anymore), in order to facilitate the Secondary PTR Market.

2.5 Cancellation of an Auction after the deadline for contesting results for PTRs Allocated in the direction from France to Italy

When the Auction Operator is forced to cancel an Auction after the deadline for contesting results:

- The PTRs Allocated during this Auction shall be set to zero due to the cancellation of the Auction;
- No invoice will be provided for this Auction;
- Users who have acquired PTRs during this Auction will be compensated by the Auction Operator at 10% of the payment they would have made if the Auction had been validated.

3 Firmness of PTR and Guarantee of Schedules

For the whole 2010 year and only in the direction from France to Italy, the provisions set forth in Article 2.04 (1) are amended as follow:

(i) in case of PTR Curtailments for network security reasons on French Italian border the PTR Holder is compensated at 110% of the total payments effectuated for the hours of curtailed PTRs up to 35 Equivalent Days or 840 hours. PTRs acquired through Yearly and Monthly Auctions are curtailed on a 'pro rata' basis;

(ii) In case of PTR Curtailments under circumstances that constitute Force Majeure as defined in Article 10.06, the PTR Holder is not invoiced or, in the case that the invoice has already been issued, reimbursed at 100% of the Clearing Price paid by the PTR Holder and corresponding to the hours of curtailed PTRs.

Concerning the provisions set forth in Article 2.05, as of reception of the Capacity Usage Authorisation by the PTR Holder, the PTRs Allocated through Yearly and Monthly Auctions in the direction from France to Italy become firm except in case of Force Majeure.

For the sake of clarification the following will be applied by the Auction Operator to curtail PTR:

a) If the decision for the Curtailment is taken in **D-2 working days** (D is the day of execution) before the deadline for the sending of the Capacity Usage Authorisation for Periodic Schedules then the Auction Operator is entitled to perform the Curtailment of Yearly and/or Monthly PTR;

b) Except Force Majeure, none Curtailment will have effect on the Capacity Usage Authorisation for Periodic Schedules after their sending in **D-2 working days around 04:00 pm**. However the Auction Operator will reduce the Daily ATC if the Curtailments are known before the Daily Auctions (without changing the timetable of the Daily Auctions);

c) Once Daily PTRs have been awarded to a successful User, they become firm except Force Majeure.

4 Capacity usage Rules

4.1 Counterparty for PTRs acquired through Yearly, Monthly and Daily Auctions

(a)For the PTRs with delivery from the 1st January 2010 to 31st March 2010

Periodic PTR Allocated from France to Italy

For Periodic – Yearly and/or Monthly – PTR Nominations from France to Italy PTR Holder shall designate himself (A-to-A) or one Dispatching Contract signatory (A-to-B-and-only-one B) as Counterparty. This Dispatching Contract signatory shall need to abide by the Congestion Management Rules on the Italian Interconnection. The PTR Holder must notify its Counterparty to RTE for the week W no later than 12:00 on Wednesday of week W-1. In the event of a PTR Transfer, the new PTR Holder must notify its Counterparty following the above-mentioned criteria.

If the information is inaccurate, incomplete or not received by 12:00 on Wednesday of week W-1, the Auction Operator TSOs is entitled to reset the PTR Holder's schedules to 0 MW for all the week W.

Daily PTRs Allocated from France to Italy

For Daily PTRs from France to Italy, the PTR Holder should designate itself or one Dispatching Contract signatory (A to B principle); like Periodic PTR, this Dispatching Contract signatory shall need to abide by the Congestion Management Rules on the Italian Interconnection; the PTR Holder must notify its Counterparty to RTE for the week W no later than 12:00 on Wednesday of week W-1; if no declaration is done or if declaration is inaccurate, incomplete or not received by 12:00 on Wednesday of week W-1, a A to A principle will be used.

Periodic and Daily PTRs Allocated from Italy to France

For PTRs acquired through Yearly, Monthly and Daily Auctions Nominations from Italy to France, PTR Holder designates itself as Counterparty (A to A).

(b)For the PTRs with delivery starting from the 1st April 2010

Due to the setting up of the new RTE's scheduling tool (MORGAN), there will be no longer need to declare prior Counterparties before scheduling. Counterparties will be designated simultaneously when scheduling.

Since 1st April 2010, the following rules apply:

- Periodic PTR Allocated from France to Italy: A to N principle is set up.
- Daily PTR Allocated from France to Italy: A to B principle remains active
- Periodic and Daily PTR Allocated from Italy to France: A to A principle remains active.

4.2 Capacity Usage Authorisations and Guarantee of schedules

(a)For the PTRs with delivery from the 1st January 2010 to 31st March 2010

PTRs Allocated from France to Italy

In the direction from France to Italy, a Capacity Usage Authorisation designates for a given day:

- For Yearly and Monthly Auctions: the hourly aggregation of PTRs plus or minus PTR Transfer, minus the PTRs released in Secondary PTR Market from France to Italy, and takes into account eventual Curtailments;
- For Daily Auctions: the hourly PTRs acquired from France to Italy.

The following principles apply:

- RTE shall calculate and communicate to the PTR Holders their Capacity Usage Authorisation;
- The Capacity Usage Authorisation refers only to exchange programmes between RTE and TERNA;
- The User must respect these Capacity Usage Authorisations when nominating.

The Notification of Allocated capacity profiles and Capacity Usage Authorisation is described below:

– Following a Periodic Auction, as soon as possible after the results of the Auction and within 2 Worked Days maximum, RTE Notifies the User of the Allocated Capacity Profile by e-mail.

– After a Periodic Auction, RTE Notifies the Capacity Usage Authorisation to the User. This Capacity Usage Authorisation contains a consolidated list of the Capacities Allocated at the Periodic Auctions, and is sent:

  · Before 16:00 on Thursday for the following Saturday, Sunday and Monday

  · Before 16:00 on Friday for the following Tuesday

  · Before 16:00 on Monday for the following Wednesday

  · Before 16:00 on Tuesday for the following Thursday

  · Before 16:00 on Wednesday for the following Friday.

  These deadlines for the Notification of Capacity Usage Authorisations remain identical on public holidays.

– Following a Daily Auction, RTE only Notifies the User of its Capacity Usage Authorisation on D-1.

Only the last Capacity Usage Authorisation received by the User must be taken into account for Nominations.

Capacity Usage Authorisations take account of Transfers and/or Re-sales on the Secondary PTR Market, as well as any Curtailments of the kind defined in Chapter 3.

PTRs Allocated from Italy to France

For PTRs in direction from Italy to France, TERNA shall communicate through the Auction Tool, for a given day, the maximum amount of PTRs that can be nominated by each PTR Holder split among Yearly and Monthly PTRs according to the Italian Congestion Management Rules.

The maximum amount of PTRs, which can be nominated, designates:

– For Yearly Auctions: the hourly aggregation of PTRs plus/minus Secondary PTR Market (Transfer), minus the PTRs released in Secondary PTR Market from Italy to France (Resale);

– For Monthly Auctions: the hourly aggregation of PTRs plus/minus Secondary PTR Market (Transfer)

(b) For the PTR with delivery starting from the 1st April 2010

PTRs Allocated from France to Italy

RTE will continue to forward Capacity Usage Authorisation to the Users as for the first three months of 2010 with similar characteristics except that:

– RTE will no longer be in charge of Capacity usage calculation as TERNA will be in charge of all secondary trading activities (cf. chapter 5) and implementation of Curtailment calculation;

– RTE will no longer forward to users Allocated Capacity Profile by e-mail after periodic Auctions.

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PTRs allocated from Italy to France

For PTRs in direction from Italy to France TERNA shall communicate through the Auction Tool, for a given day, the maximum amount of PTRs which can be nominated by each PTR Holder split among Yearly and Monthly PTRs according to the Italian Congestion Management Rules.

The maximum amount of PTRs which can be nominated designates:

– For Yearly Auctions: the hourly aggregation of PTRs plus/minus Secondary PTR Market (PTR Transfer), minus the PTRs released in Secondary PTR Market from Italy to France (PTR Resale);

– For Monthly Auctions: the hourly aggregation of PTRs plus/minus Secondary PTR Market (PTR Transfer)

4.3 Usage of PTRs acquired through Yearly and Monthly Auctions

The TSOs guarantee the realisation of the Exchange schedules corresponding to firmly Allocated PTR, except Force Majeure.

For the PTRs with delivery from 1st January 2010 to 31st December 2010

PTRs Allocated from France to Italy

a. RTE shall communicate to the PTR Holders their Capacity Usage Authorisation as the result of the Yearly and Monthly Auctions, according to the modalities defined in the Chapter 4.2.

b. The PTR Holder and its Counterparties, must Nominate to RTE and TERNA according to the modalities defined in the French Import/Export Rules and in the Congestion Management Rules on the Italian Interconnection. The deadline for the Nomination is fixed at 07:00 AM on the day before the Day of Execution on RTE side and on TERNA side at 08:30 AM on the day before the Day of Execution.

c. The PTR Holder Nomination made to RTE is binding for PTR Holder and its Counterparties.

d. Unused PTRs shall be sold through the Daily Auctions with a **"Use It Or Sell It"** principle described in the chapter 6.

e. If the Nomination exceeds the Capacity Usage Authorisation, the PTR Holder receives an acknowledgement informing that its periodic Nomination has been rejected.

f. If no revised and valid Nomination is submitted in due time the Nomination of the PTR Holder shall be set to zero.

PTRs Allocated from Italy to France

a. The PTR Holder and its Counterparties, must Nominate to TERNA and RTE according to the modalities defined in the Congestion Management Rules on the Italian Interconnection and in the French Import/Export Rules. The deadline for the Nomination is fixed at 7:00 on the day before the Day of Execution on RTE side and according to the modalities defined in the Congestion Management Rules on the Italian Interconnection on TERNA side.

b. The PTR Holder Nomination made to TERNA is binding for PTR Holder and its Counterparties.

c. Unused PTRs shall be sold through the Daily Auctions with a "Use It Or Sell It" principle described in Section VIII .

d. If the Nomination exceeds the maximum amount of PTRs, PTR Holder shall be requested to revise its Nomination.

e. If no revised and valid Nomination is submitted in due time the Nomination of the PTR Holder shall be set to zero.

4.4 Usage of PTRs acquired through Daily Auctions

For the PTR with delivery from 1st January 2010 to 31st December 2010

PTRs Allocated from France to Italy:

a. RTE shall communicate to the PTR Holders their Daily Capacity Usage Authorisation as the result of Daily Auctions shortly after the Daily Auction gate closure according to the modalities defined in the Chapter 4.2.

b. The PTR Holders Nominate to RTE until 14:00 on the day before Day of Execution and to TERNA according to the Italian Congestion Management Rules the use of their PTRs acquired through Daily Auction for the respective Day of Execution.

c. The PTRs acquired through Daily Auction must be Nominated to RTE and to TERNA according to the modalities defined in the French Import/Export Rules and in the Congestion Management Rules on the Italian Interconnection.

d. In case of discrepancies between Nominations made by PTR Holders and its Counterparty to TSOs the minimum value shall prevail.

PTRs Allocated from Italy to France:

a. TERNA shall communicate to the PTR Holders their Daily PTRs acquired through Daily Auctions shortly after the Daily Auction gate closure according to the modalities defined in the Auction Tool.

b. The PTR Holders Nominate to RTE until 14:00 on the day before Day of Execution and to Terna according to the Italian Congestion Management Rules the use of their PTRs acquired through Daily Auction for the respective Day of Execution.

c. The PTRs acquired through Daily Auction must be Nominated to TERNA and to RTE according to the modalities defined in the Congestion Management Rules on the Italian Interconnection and in the French Import/Export Rules.

d. In case of discrepancies between Nominations made by PTR Holders and its Counterparty to TSOs the minimum value shall prevail.

5 Secondary PTR Market for PTRs Allocated from France to Italy

The present chapter deals with the following two situations:

- For PTRs with delivery from 1st January 2010 to 31st March 2010, RTE, remaining Auction Operator, operates Secondary PTR Market as described in the following chapter 5.1, 5.2 and 5.3 below; the User may assign responsibility for Notifying Transfers and/or Resales on its behalf to a proxy (cf. Attachment I-2), i.e. another User which has signed a Participation Agreement for French Import/Export Rules. The User sends RTE a power of attorney as per the model attached in Attachment 1-4.
- For PTRs with delivery starting from 1st April 2010, TERNA, becoming Auction Operator, operates Secondary PTR Market as described in Section VI with the exception of Transfer timing deadline and Curtailment .In case of Curtailment, the possible indemnification of the Capacity Price is calculated according to Chapter 3 of this Appendix.

5.1 PTR Transfer

(a) For the PTRs with delivery from the 1st January 2010 to 31st March 2010

The process described in Article 6.01 (c) of these Auction Rules does not apply specifically for the notification.

.The User Notifies the Capacity Transferred without taking into account any programmed Curtailment, of the kind described in Chapter 3.

The Auction Operator (RTE) reserves the possibility of applying the conditions defined in Chapter 3 in the event of a reduction before the Capacity Usage Authorisations are sent.

The minimum volume Transferable is one (1) MW over one (1) Hour.

Over a continuous Transfer period, only one Transfer Notification can be carried out by the PTR Holder.

A Transfer Notification must be notified to the Auction Operator (RTE) according to the Attachment I-3. Upon receiving a Transfer Notification, the Auction Operator shall verify:

- That the Transferor and the Beneficiary comply with Section III of these Auction Rules, up to the end of the Transfer period;
- That the Transferor is effectively the PTR Holder of the PTR to be Transferred as of Transfer Notification: to verify this, RTE calculates the Capacity Held on the Auction and Block concerned, taking account of any previous Transfers, and/or Resales accepted by RTE;
- That the Transfer Notification deadline as defined in the Annex Attachment I-3 has not been exceeded.

The Transfer Notification File is sent to RTE within the deadlines specified in the Attachment I-3.

After receiving the Transfer Notification, the Auction Operator sends:

- A message to the Transferor and the Beneficiary indicating its acceptance of the Transfer Notification, provided the Transfer Notification meets the above criteria and the checks conducted by the Auction Operator are positive;

  Or

- A message to the Transferor only, detailing the reasons for the rejection if the Transfer Notification has been rejected. The Transferor may then send a new file repeating its Transfer Notification, which incorporates the Auction Operator's comments and bears the same Transfer Notification code, and which cancels and replaces the previous file. This new Transfer Notification must not exceed the deadline for Transfer Notification as defined in the Attachment I-3

The Auction Operator needs approximately (1) one hour to respond to the Transferor and/or Beneficiary following a Transfer Notification, except downgraded mode.

The Capacity obtained via a Transfer may be the subject of other Transfers by the Beneficiary.

A Transferor may ask the Auction Operator to cancel a PTR Transfer in respect of template in the Attachment I-5. The cancellation is accepted under the following conditions:

- The Beneficiary is, at the time of the cancellation, PTR Holder of at least the same amount of PTRs as in the Transfer Notification to be cancelled;

- The cancellation notification respects the same deadlines as a Transfer Notification for the same Transfer period defined in the Attachment I-3;

- The Beneficiary has informed by fax or email the respective Auction Operator that the cancellation is acceptable. This notification must also respect the same deadlines as a Transfer Notification for the same period.

A PTR Transfer accepted by the Auction Operator may be cancelled and replaced by a new PTR Transfer if:

- The Transferor asks the Auction Operator to cancel the PTR Transfer, according to the conditions stipulated above;

- The Transferor then notifies a new PTR Transfer in accordance with the present Article;

This Transfer Notification is subject to verifications by the Auction Operator.

(b)For the PTRs with delivery starting from the 1st April 2010

As the Auction Operator (TERNA) operates Secondary PTR Market with its Auction Tool, the provisions set in Article 6.01 of the common parts shall apply except for the deadlines. The notification shall be sent as following:

- Before 12:00 on the Thursday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Saturday, Sunday or Monday;

- Before 12:00 on the Friday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Tuesday;

- Before 12:00 on the Monday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Wednesday;

- Before 12:00 on the Tuesday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Thursday;

- Before 12:00 on the Wednesday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Friday.

5.2 PTR Resale

Due to the “Use It or Sell It” principle (cf. chapter 6), the only PTR Resale possible is from a Yearly product to a Monthly Allocation.

Annual Capacity that may be Resold at a Monthly Auction must be a constant band of Capacity (MW) throughout the entire month concerned by the Resale, and may only be Resold at a band Monthly Auction.

If the Monthly Product is not a continuous band due to periods when the Available Capacity is nil, the Resale of Annual Capacities at this Monthly Auction will only be accepted if the Annual and Monthly Products are equal to zero during the same periods of the month.

(a)For the PTRs with delivery from the 1st January 2010 to 31st March 2010

Resale Notification in the direction from France to Italy

The process described in Article 6.02 (c) of these Auction Rules related to the notification does not apply.

.The User Notifies the Capacity concerned by a Resale Notification without taking account of any programmed reductions, such as those described in Chapter 3.

The minimum volume of Capacity that may be Resold is one (1) MW over one (1) Month.

Over a continuous Resale period only one Resale Notification shall be carried out by the PTR Holder.

A Resale Notification must only be notified to Auction Operator according to the provisions set in Attachment I-4.

Upon receiving a Resale Notification, the Auction Operator shall verify:

- That the Reseller complies with Section III, up to the end of the Resale period;
- That the Reseller is effectively the PTR Holder at the time of the Resale Declaration: to verify this, RTE calculates the Capacity Held on the Auction and Block concerned;
- That the Resale Notification deadline as defined in the Attachment I-4 for PTR Resale has not been exceeded;
- That, for a Resale Notification at a Monthly Auction, the Reseller notifies a constant capacity for the whole month concerned by the Monthly Auction.

The Resale Notification File is sent to RTE within the deadlines specified in the Attachment I-4

After receiving this file, the Auction Operator sends to the Reseller:

- A message accepting the Resale Notification, provided the Resale Notification meets the above criteria

  or

- A message to the Reseller, detailing the reasons for the rejection if the Resale Notification has been rejected. The Reseller may then send a new file repeating its Resale Notification, which incorporates the Auction Operator's comments and bears the same Resale Notification code, and which cancels and replaces the previous file. This new Resale Notification must not exceed the deadline for Resale Notification as defined in Attachment I-4.

The Auction Operator needs approximately (1) one hour to respond to the Reseller following a Resale Notification, except downgraded mode.

A Reseller may ask Auction Operator to cancel a Resale Notification. The cancellation is accepted provided that the cancellation notification respects the same deadlines as a Resale Notification for the same period as defined in Attachment I-6

An accepted Resale Notification may be replaced by a new one provided that the new Resale Notification fulfils all the requirements set in this Chapter.

Reduction of Capacities for Resale in the direction from France to Italy

In the case of a known reduction before a Monthly Auction, Users' Resale Offers are reduced proportionally throughout the complete month concerned by the Resale.

The reduction applied at the Monthly Auction may be revised by RTE before Capacity Usage Authorisations are sent. The reduction in effect at the time the Capacity Usage Authorisations are sent is the one taken into account for the purposes of calculating compensation.

Compensation is paid for the reduced portion of the Capacity based on the Capacity initially acquired by the Reseller, and is equal to the product of:

- A compensation co-efficient equal to 110% for a Reduction for Power System Safety reasons;

  Or

- A reimbursement coefficient equal to 100% for a Reduction in the case of Force Majeure in the event that Capacity Held has already been invoiced;

  and

  the Clearing Price of the initial Auction at which this Capacity was Allocated multiplied by the total monthly energy in MWh represented by all the reductions affecting the Capacity during the course of Month M.

(b)For the PTRs with delivery starting from the 1st April 2010

As the Auction Operator (TERNA) operates Secondary PTR Market with its Auction Tool, the provisions set forth in Article 6.02 of the common parts shall apply.

5.3 Downgraded mode

(a)For the PTR with delivery from the 1st January 2010 to 31st March 2010

The downgraded mode for sending Transfer and Resale Notifications by the User is fax, as defined in Attachments I-7 and I-8.

The date and time at which RTE receives the fax are deemed authentic.

RTE processes faxes on worked Days (Monday to Friday) excluding French public holidays (Attachment I-9) and during worked Hours (09:00 to 12:00 and 14:00 to 17:00).

In this case, RTE sends acceptances or rejections of Transfers and Resales on the Secondary PTR market at the following times:

- 7 Days before the Auction, excluding French public holidays, at 17:00, for a Resale at a Monthly Auctions
- D-2 worked days, excluding French public holidays, at 14:30, D being the Day of Delivery, for a Transfer.

As a last resort, adoption of downgraded mode in response to unplanned unavailability of the Information System may result in the Secondary PTR Market being suspended.

This suspension shall not give rise to compensation by RTE.

If the periods between the date of the Yearly Auctions and that of the Monthly Auctions are not compatible with the deadlines for receiving capacity Transfer and Resale Notifications, the Secondary PTR Market may be suspended.

(b)For the PTR with delivery starting from the 1st April 2010

The provisions set forth in Articles 6.03 and 6.04 of the common parts shall apply.

6 Use It Or Sell It (UIOSI) in the direction from France to Italy

All non-nominated long-term PTR are automatically considered in the ATC for the daily Allocation and refunded to the PTR holders taking into account the respective Daily Auction Clearing Prices.

The PTR holders are compensated to the relevant Daily Auction Clearing Prices for the non- nominated periodic PTRs.

If due to network security reasons, the NTC has to be reduced before the Daily Auction, the Daily ATC can be lower than the non-nominated long-term PTR. In this case the non-nominated long-term PTR are curtailed pro rata (ATC divided by the sum of all not-nominated long-term PTR). PTR holders of the non-nominated long-term PTRs are compensated taking into account:

- the Daily Auction Clearing Prices for the part of their non-nominated long-term PTRs that have been re-Auctioned in the Daily Auction
- and for the remaining part, the 110 % of a price calculated as the weighted average of the Clearing Prices of Yearly and Monthly Auctions at which the non-nominated long-term PTR were acquired, considering that.the Capacity Usage Authorization is a sum of all capacities acquired in yearly and monthly Auctions and consequently it's impossible to associate the periodic Nomination to a specific periodic product,

In case of Daily Auction cancellation due to serious disturbance to the functioning of the IT System or devices used by the Auction Operator, PTR holders are compensated up to 110 % of the price calculated as described above.

7 Settlement and Invoicing of PTRs Allocated from France to Italy

The present chapter deals with two situations

- For the settlement and the invoicing of PTRs with delivery from 1st January 2010 to 31st March 2010, RTE, remaining Auction Operator, settles as described in the following chapter 7.1, 7.2, 7.3 and 7.4;
- For the settlement and the invoicing of PTR with delivery starting from 1st April 2010, TERNA, becoming Auction Operator, settles according to the Article 9.02 of the common parts.

Due to the different approach of settlement, this way of sharing role between RTE and TERNA drives to the situation illustrated in the table below:

	SETTLEMENT AND INVOICING TIMING of PTRs ALLOCATED FROM FRANCE TO ITALY							
	… during Jan 2010	**… during feb-10**	**… during mar-10**	**… during apr-10**	**… during may-10**	**… during jun-10**	**… …**	**… during dec-10**
Yearly PTRs	Jan-10	feb-10 / Apr 2010 (1)	mar-10 / May 2010 (1)	Jun 2010 (1)	Jul 2010 (1)	Aug 2010 (1)	…	Oct 2010 (1)
Monthly PTRs	Jan-10	feb-10	mar-10 / Apr 2010 (2)	May 2010 (2)	June 2010 (2)	July 2010 (2)	…	Nov 2010 (2)
Daily PTRs		Jan-10	feb-10	mar-10	Apr 2010 (3)	May 2010 (3)	…	Jan 2011 (3)
Curtailments		Jan-10	feb-10	mar-10	Apr 2010 (3)	May 2010 (3)	…	Jan 2011 (3)
Re-sales (Yearly on Monthly)	Jan-10	feb-10	mar-10	mar-10	Apr 2010 (3)	May 2010 (3)	…	Jan 2011 (3)
UIOSI		Jan-10	feb-10	mar-10	Apr 2010 (4)	May 2010 (4)	….	Jan 2011 (4)
Compensation for daily auction cancellation		Jan-10	feb-10	mar-10	Apr 2010 (3)	May 2010 (3)	….	Jan 2011 (3)

Invoice sent by RTE

Invoice sent by TERNA

(1)	see Art.9.02 a) (a1)	Payment deadline is set as indicated in the invoice and not later than five (5) working days before the date of publication of Auction Specification for PTRs referred to the same month of the not settled Yearly PTRs.
(2)	see Art.9.02 a) (a2)	Payment deadline is set not later than two (2) working days before the date of publication of Auction Specification for the first Daily Auction referred to the same month of the not settled Monthly PTRs.
(3)	see Art.9.02 a) (a3)	Payment deadline is set not later than two (2) working days before the date of publication of Auction Specifica-tion for the first Daily Auction referred to month M+1 of Monthly PTRs.
(4)	see Art.9.02 a) (a4)	communication of the amount of credits for curtailment and resale/UIOSI within the 15th of month M for the month M-1

7.1 Invoices

(a)For the PTRs with delivery from the 1st January 2010 to 31st March 2010

No later than the 30th of each month M, RTE sends the User an invoice including the amounts due for:

- Capacities Allocated at Periodic Auctions for use during Month M;
- Capacities Allocated at Daily Auctions for use during month M-1;
- Any reductions applied during month M-1;
- Capacities Resold at Monthly Auctions for the month M;
- Reimbursements of non used periodic Capacities (UIOSI);
- Any compensation following cancellation of a Daily Auction, for month M-1.

Bids selected at Daily Auctions are invoiced all at once and grouped together on a single line per Auction. The unit prices indicated on the Invoice are therefore average prices provided as an indication only.

Bids selected at monthly Periodic Auctions are invoiced all at once.

Bids selected at annual Periodic Auctions are invoiced on a monthly basis: 1/12th of the Bid's gross valuation rounded down the nearest Euro cent each month for 11 months, with the balance the 12th month.

Invoices are sent to the User by registered mail with acknowledgement of receipt, with due explanation, at the address indicated on the Attachment I-10.

The User may Notify RTE of any possible change in its invoice address. This change will take effect on the 1st Day of month M+1, on condition that Notification of this change of address has been received at least 7 Days before the end of Month M.

(b)For the PTRs with delivery starting from the 1st April 2010

The provisions set forth in Article 9.02 (a1), (a2), (a3) and (a4) of the common parts shall apply.

7.2 Invoice disputes

(a)For the PTRs with delivery from the 1st January 2010 to 31st March 2010

Any claims made relative to an invoice shall be Notified by registered mail with acknowledgement to RTE within thirty (30) Days of the invoice's date of issue. If no claim is made by the end of this period, the invoice will be deemed to have been accepted by the User. The Notification of a claim does not suspend any obligation to pay the sums invoiced.

If the claim proves to be justified, the reimbursement is made as per the terms of Chapter 7.4.

(b)For the PTRs with delivery starting from the 1st April 2010

The provisions set forth in Article 9.02 (a5) of the common parts shall apply.

7.3 Payment conditions

(a)For the PTRs with delivery from the 1st January 2010 to 31st March 2010

The User pays RTE the sums invoiced within 30 Days of the date of issue of the invoice, by bank Transfer to the account specified by RTE in the Participation Agreement for French Import/Export Rules. If the User adopts a direct debit system, the sums invoiced will be debited on the thirtieth (30th) Day after the invoice's date of issue.

Any bank charges relative to the settlement of the invoice are at the User's expense.

In the event of payment by bank Transfer, the User will ensure that its bank transmits the corresponding invoice number with the payment order. In the event of a SWIFT Transfer, the User undertakes to ensure that the invoice number is specified on the line "Payment reason". The absence of an invoice number means that RTE must identify the Transfers made to its account manually. Such manual identification will give rise to an administrative fee of 100 Euros, plus any duties and taxes in force.

A payment is deemed to be made on the Day on which it appears on RTE's bank statement, which is consulted each worked Day, provided the User has specified an exact invoice number reference.

The User is responsible for anticipating the times needed by the bank to process transactions and register payments. RTE shall make every effort to minimize these times, but cannot be held responsible if a period of two worked Days expires between the point at which the User makes payment (as per the definition given in the preceding paragraph) and the point at which it is registered by RTE.

(b)For the PTR with delivery starting from the 1st April 2010

The provisions set forth in Article 9.02 (b) of the common parts shall apply.

7.4 Late payment

(a)For the PTR with delivery from the 1st January 2010 to 31st March 2010

If full payment is not received by the specified deadline, RTE (or respectively the User) will register a "payment incident", and will send the User (or respectively RTE) an official reminder (by Notification) including official notice to pay.

If payment owed by the User is not received in full by the specified deadline plus fifteen worked Days, RTE will invoke the Bank Guarantee by right.

(b)For the PTR with delivery starting from the 1st April 2010

The provisions set forth in Article 9.02 (c) of the common parts shall apply.

7.5 Interest on arrears

(a)For the PTR with delivery from the 1st January 2010 to 31st March 2010

If the sums invoiced are not paid in full by the specified deadline, the said sums will be subject to interest without any further Notification of notice to pay being required.

The rate of interest, determined on the Day on which the invoice is sent, is equal to the interest rate applied by the European Central Bank at its most recent refinancing operation, plus 7 points.

This interest is calculated from the first Day following the expiry date, until the date on which the invoice is paid in full.

This interest will be increased to include taxes and levies in force.

The minimum amount of this interest is fixed at 140 Euros plus tax.

(b)For the PTR with delivery starting from the 1st April 2010

The provisions set forth in Article 9.02 (d) of the common parts shall apply.

Precision related to following attachments:

Attachment I-1 Bank Guarantee model for Auctions in direction from France to Italy

To provide to RTE when RTE is Auction Operator

Attachment I-2 Conditions in which a User may appoint a proxy for Nominating Capacity Transfers and Resales

To provide if needed to RTE only for PTR with delivery from 1st January 2010 to 31st March 2010 while RTE is Auction Operator

Attachment I-3 Transfer Notification for PTRs From France to Italy

To provide if needed to RTE only for PTR with delivery from 1st January 2010 to 31st March 2010 while RTE is Auction Operator

Attachment I-4 Resale Notification for PTRs From France to Italy

To provide if needed to RTE only for PTR with delivery from 1st January 2010 to 31st March 2010 while RTE is Auction Operator

Attachment I-5 PTR TRANSFER CANCELLATION REQUEST

To provide if needed to RTE only for PTR with delivery from 1st January 2010 to 31st March 2010 while RTE is Auction Operator

Attachment I-6 PTR RESALE CANCELLATION REQUEST

To provide if needed to RTE only for PTR with delivery from 1st January 2010 to 31st March 2010 while RTE is Auction Operator

Attachment I-7 Notification of Capacity Transfers in Downgraded Mode

To provide if needed to RTE only for PTR with delivery from 1st January 2010 to 31st March 2010 while RTE is Auction Operator

Attachment I-8 NOTIFICATION Or MODIFICATION of capacity Resale at a monthly Auction in down-graded mode

To provide if needed to RTE only for PTR with delivery from 1st January 2010 to 31st March 2010 while RTE is Auction Operator

Attachment I-9 Public holidays 2010 in France

Attachment I-10 Contacts details for the User and RTE

Attachment I-1 Bank Guarantee model for Auctions in direction from France to Italy

Guarantee upon first request

To be returned to the following address:…

[_____](5) a company incorporated under [_____](6) law, its registered offices being located at [_____], represented by [_____](7) (the "Guarantor") undertakes, by virtue of the present document, irrevocably and unconditionally, by order and on behalf of [_____](8), company incorporated under [_____](9) (registration number [_____]) (the "Originator") to pay RTE EDF Transport SA, limited company with capital of €2,132,285,690, 1 Terrasse Bellini TSA 41000 92919 Paris La Défense Cedex, identified under the n°444 619 258 in the Nanterre Trade and Busines s Register, (the "Beneficiary"), independently of the validity of the legal effects of the Statement of Acceptance, signed by the Originator in accordance with the Access Rules to France Italy interconnection in force, upon first demand, in accordance with the conditions below and without asserting any exception or objection, resulting from the Agreement, any sum up to a maximum amount of:

[_____](10),

including interest, costs and ancillary charges, (the "Guaranteed Amount") in the event of failure by the Originator to respect any of its obligations with regard to the Agreement.

Modification or removal of factual or legal relations or links that may exist as of this day between the Guarantor and the Originator, may not discharge us from the present guarantee.

All the provisions of the present undertaking will retain their full effect, irrespective of any change in the financial or legal status of the originator.

The present guarantee may be invoked from the date of the present documents until [_____]inclusive (the "Expiry Date").

The request for payment must be sent to us by registered letter with acknowledgement of receipt (the "Letter of Invocation of Guarantee"). We must receive this letter no later than the Expiry Date.

The present guarantee will become null and void at the Expiry Date, irrespective of whether it has been returned to us or not by this date.

The Guarantor may only be dispensed from the obligations incumbent upon him under the terms of the present guarantee before the Expiry Date, if the Beneficiary gives its written consent.

Any payment must be made within the 10 working days following reception of the Letter of Invocation of Guarantee. The Guarantor will carry out this payment in compliance with the instructions contained in the Letter of Invocation of Guarantee.

Reasonable and duly justified costs relative to the present guarantee will be borne by the Guarantor.

The present guarantee is governed by French law. For interpretation and execution of the present document, the Commercial Court of NANTERRE will be competent.

Drawn up in ……., on……..

(5) Company name of the banking establishment issuing the Bank Guarantee.

(6) Nationality of applicable law.

(7) Name of the authorised representative.

(8) Company name of the User.

(9) Nationality of applicable law.

(10) Contract amount.

Attachment I-2 Conditions in which a User may appoint a proxy for Nominating Capacity Transfers and Resales

Only for the PTR with delivery from the 1st January 2010 to 31st March 2010

The User may appoint a proxy, i.e. another User, to act on its behalf, for Notifying Transfers and Resales of Capacities he has acquired on an interconnection, under its Participation Agreement. In this case, the User who has appointed the proxy may no longer Notify Transfers and/or Resales.

In this case, the User must send RTE a power of attorney as per the model below:

Power of attorney for the Notification of Capacity Transfers and Resales

Between:

Company:

_____

_____

having its registered offices at

_____

_____

registered under the number _____ represented by _____

acting in his/her capacity as _____,

Hereinafter referred to as the “Principal”

Of the first part,

Company:

_____

_____

having its registered offices at

_____

_____

registered under the number _____ represented by _____

acting in his/her capacity as _____,

Hereinafter referred to as the “Proxy”

Of the second part,

or by default, hereinafter referred to individually as a “Party” or jointly as the “Parties”,

The following has been agreed and decided upon:

Preamble

Each Party has signed a Participation Agreement for the Access Rules for Imports and Exports on the French Public Power Transmission System (Rules).

Under the Rules, a Party may appoint another Party to Notify RTE of its Capacity Transfers and Resales.

Consequently, the Parties have agreed upon the following.

Article 1 Purpose

The Principal appoints the Proxy to act on his behalf, for the purpose of Notifying his Capacity Transfers and Resales to RTE in accordance with the Rules.

The Principal may no longer Notify his Capacity Transfers and Resales.

Article 2 Framework

The Parties expressly acknowledge that this power of attorney is not intended to discharge them from any of the obligations incumbent upon them under the Rules.

Article 3 Term

The present power of attorney enters into force on .

It shall end:

- Automatically and immediately in the event that either of the Parties' Participation Agreements are terminated,
- At the initiative of one of the Parties, fifteen (15) calendar days after the other Party has received notification of the termination by registered letter with acknowledgement of receipt.

Signed in two original copies,

in _____, (date) _____.

For the Principal:	For the Proxy:
Name:	Name:
Position:	Position:

Attachment I-3 Transfer Notification for PTRs From France to Italy

Only for the PTR with delivery from the 1st January 2010 to 31st March 2010

The Notification of the Transfer is effectuated via the Notification File, which must contain the following information:

- A unique code for a given Transfer (defined by the TSO)
- The Transferor's EIC Code
- The Beneficiary's EIC Code
- The codes denoting the Auction and the Block at which the Capacity due for Transfer was Allocated
- The Transfer Period: dates concerned by the Capacity Transfer, including start and end dates
- The volume of Capacity Transferred: 24 hourly point (not including any programmed Curtailments)

The Notification File is sent to the TSO by email:

- Before 12:00 on the Thursday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Saturday, Sunday or Monday;
- Before 12:00 on the Friday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Tuesday;
- Before 12:00 on the Monday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Wednesday;
- Before 12:00 on the Tuesday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Thursday;
- Before 12:00 on the Wednesday, a Transfer may be Notified if the start date of the corresponding Transfer Period is no earlier than the following Friday.

Attachment I-4 Resale Notification for PTRs From France to Italy

Only for the PTR with delivery from the 1st January 2010 to 31st March 2010

With the UIOSI principle, the only Resale Notification possible concerns yearly products to monthly Allocations.

The Notification of the Resale is effectuated via the Notification File, which must contain the following information:

- A unique code for a given Resale;
- The Reseller's EIC Code;
- The codes denoting the Auction and the Block at which the Capacity due for Resale was Allocated;
- The Resale Period: dates concerned by the Capacity Resale, including start and end dates;
- The volume of Capacity Resold (excluding any programmed Curtailments): Constant band of Capacity (MW) throughout the entire month for a Resale at a band Monthly Auction;

For a Resale at a Monthly Auction, the Notification must be made by the Reseller no later than 7 days before the Day of the Monthly Auction, at 12:00.

In specific cases, for instance for Resale from the yearly product to a January Monthly Auction, due to the potential short time between these two Auctions, the time for notification can be shorter than 7 days. In these cases, the Auction operator will inform customers in due time to allow the secondary trading.

In case of exceptional circumstances, if the monthly base product for the Resale is not available all days of the month (cf. Appendix I, chapter 2.1), re sales cannot be accepted.

Attachment I-5.PTR TRANSFER CANCELLATION REQUEST

Number of Pages:

If you do not receive all pages, let us know immediately.

EXPÉDITEUR/FROM	DESTINATAIRE/TO
SOCIETE/COMPANY NAME :	ATTN : CNES
ADRESSE/ADDRESS :	
	FAX/FAX : (33) 1 41 66 72 65
TÉLÉPHONE/PHONE :	
FAX :	

According to the Participation Agreement n°AI_AAMM_ nnnn* signed between XXX and RTE.

SECONDARY MARKET: PTR TRANSFER CANCELLATION REQUEST

Transfer identification number ** : _____

*: AAMM is the year and the month of the beginning of the Agreement validity period, and nnnn is the User RTE number.

**: The Transfer identification number is indicated in the response that RTE sends after the initial Transfer Notification.

Attachment I-6 PTR RESALE CANCELLATION REQUEST

Number of Pages:

If you do not receive all pages, let us know immediately.

EXPÉDITEUR/FROM	DESTINATAIRE/TO
SOCIETE/COMPANY NAME :	ATTN : CNES
ADRESSE/ADDRESS :	
	FAX/FAX : (33) 1 41 66 72 65
TÉLÉPHONE/PHONE :	
FAX :	

According to the Participation Agreement n°AI_AAMM_ nnnn* signed between XXX and RTE.

Indicate if the PTRs are to be resold at a Monthly or a Daily Auction

SECONDARY MARKET : PTR RESALE CANCELLATION REQUEST

Resale identification number **: _____

*: AAMM is the year and the month of the beginning of the Agreement validity period, and nnnn is the User RTE number.

**: The Resale identification number is indicated in the response that RTE sends after the initial Resale Notification.

Attachment I-7Notification of Capacity Transfers in Downgraded Mode

To be used only on the instructions of RTE in the event of a failure in the Information System.

Number of pages: 1+

Please let us know immediately if you have not received every page.

EXPÉDITEUR/FROM	DESTINATAIRE/TO
SOCIETE/COMPANY NAME:	ATTN:
	CNES
ADRESSE/ADDRESS:	
	FAX/FAX : (33) 1 41 66 72 65
TÉLÉPHONE/PHONE:	
FAX:	

Under Participation Agreement ℅AI_YYMM_nnnn* signed between XXX and RTE.

*: YYMM denotes the year and month in which the Participation Agreement began and nnnn is the customer's RTE number.

SECONDARY MARKET: NOTIFICATION OF A CAPACITY TRANSFER

F R O M (reminder): _____

TRANSFEROR NAME	
TRANSFEROR'S EIC CODE	
BENEFICIARY NAME	
BENEFICIARY'S EIC CODE	
ID CODE of the AUCTION at which the Capacity to be Transferred was Allocated	
ID CODE of the AUCTION BLOCK at which the Capacity to be Transferred was Allocated	
TRANSFER START DATE *(format: day – month – year: dd-mm-yy)*	
TRANSFER END DATE *(format: day – month – year: dd-mm-yy)*	
HOURLY PERIOD	CAPACITY TO BE TRANSFERRED IN MW
0 – 1	
1 – 2	
2 – 3	
3 – 4	
4 – 5	
5 – 6	
6 – 7	
7 – 8	
8 – 9	
9 – 10	
10 – 11	
11 – 12	
12 – 13	
13 – 14	
14 – 15	
15 – 16	
16 – 17	
17 – 18	
18 - 19	
19 – 20	
20 – 21	
21 – 22	
22 – 23	
23 – 24	

Attachment I-8 NOTIFICATION Or MODIFICATION of capacity Re-sale at a monthly Auction in downgraded mode

To be used only on the instructions of RTE in the event of a failure in the Information System.

Number of pages: 1+

Please let us know immediately if you have not received every page.

EXPÉDITEUR/FROM	DESTINATAIRE/TO
SOCIETE/COMPANY NAME:	ATTN: CNES
ADRESSE/ADDRESS:	
TÉLÉPHONE/PHONE:	FAX/FAX: (33) 1 41 66 72 65
FAX:	

Under Participation Agreement %AI_YYMM_nnnn* signed between XXX and RTE.

*: YYMM denotes the year and month in which the Participation Agreement began and nnnn is the customer's RTE number

SECONDARY MARKET: NOTIFICATION OR MODIFICATION OF A CAPACITY RE-SALE AT A MONTHLY AUCTION

ID CODE of the RESALE **	
RESELLER NAME	
RESELLER'S EIC CODE	
ID CODE of the AUCTION at which the Capacity to be Resold was Allocated	
ID CODE of the AUCTION BLOCK at which the Capacity to be Resold was Allocated	
RESALE PERIOD *(format month – year)*	
CAPACITY TO BE RESOLD IN MW	

****: If a request to modify a Notification of Capacity Resale at a Monthly Auction is accepted by RTE, enter the ID code of the Resale in the table above.**

The ID code of the Resale is indicated in RTE's response to the initial Resale request.

Attachment I-9 11 Public holidays 2010 in France

Public French Holidays	
Date:	**Description:**
01.01. 2010	New Year's Day
05.04.2010	Easter Monday
01.05. 2010	Labour Day
08.05. 2010	Victory day 1945
13.05.2010	Ascension
23.05.2010	Pentecost
14.07. 2010	National day
15.08. 2010	Assumption Day
01.11.2010	All Saints' Day
11.11. 2010	Liberation Day
25.12. 2010	Christmas

Attachment I-10 Contacts details for the User and RTE

USER CONTACT DETAILS:

EIC CODE:

Invoicing:

Contacts:	
Invoice address:	
Telephone number:	
Fax number:	
Email:	

All correspondence

Contacts:	
Address:	
Telephone number:	
Fax number:	
Email:	

Auctions

Contacts:	
Address:	
Telephone number:	
Fax number:	
Email:	

Daily Import and Export Programme Supervisor

Contacts:	
Telephone number:	
Fax number:	
Email:	

RTE CONTACT DETAILS:

All correspondence

Contact:	
Address:	RTE – CNES Service Relations Clientèle Bâtiment La Rotonde 204, boulevard Anatole France 93206 Saint Denis Cedex 06 France
Telephone number:	
Fax number:	(33) 141 667 265
Email:	

Daily Import and Export Programme Supervisor (including IFA)

Contacts:	CNES Network and Interconnection Management Service
Telephone number:	(33) 1 41 66 72 40
Fax number:	(33) 1 41 66 70 75