

Technical Rule No. 06 rev. 01 MGAS

(under Article 4 of Natural-Gas Market Rules, approved by Ministerial Decree issued on March 6, 2013 by the Ministry of Economic Development, as subsequently amended and supplemented)

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| Title | Submission of Offers/Bids |
| Reference Legislation | Article 30, paragraphs 30.1 and 30.6, Article 35, paragraphs 35.1 and 35.6, Article 40, paragraphs 40.1, 40.5 and 40.6, Article 48, paragraphs 48.1, 48.4 and 48.5, Article 49, paragraph 49.1, Article 56, paragraphs 56.1 and 56.6 and Article 59, paragraph 59.8, of the Natural-gas Market Rules |

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1. Foreword

Article 30, paragraph 30.1 of the Natural-Gas Market Rules (hereafter “Rules”) provides that offers/bids shall be submitted to the MGP-GAS (Day-Ahead Gas Market) in accordance with the terms and conditions established by the Technical Rules.

Article 30, paragraph 30.6 of the Rules provides that market participants may submit offers/bids to the MGP-GAS in accordance with the terms and conditions established by the Technical Rules.

Article 35, paragraph 35.1 of the Rules provides that offers/bids shall be submitted to the MI-GAS (Intra Day Gas Market) in accordance with the terms and conditions established by the Technical Rules.

Article 35, paragraph 35.6 of the Rules provides that market participants may submit offers/bids to the MI-GAS in accordance with the terms and conditions established by the Technical Rules.

Article 40, paragraph 40.1 and Article 48, paragraph 48.1, of the Rules provide that offers/bids shall be submitted to the MPL (Locational Products Market) and the MGS (Gas Stored Market) in accordance with the terms and conditions established by the Technical Rules

Article 40, paragraph 40.6 and Article 48, paragraph 48.5, of the Rules provide that the maximum number of offers pairs needed to present a multiple offer on the MPL and MGS shall be specified in the Technical Rules.

Article 40, paragraph 40.5, of the Rules provides that the price of the offers presented to the MPL, as provided by Article 40 of the Rules, shall be higher or equal to zero and, in any case, below the maximum amount defined by the Technical Rules, if any.

Article 48, paragraph 48.4 of the Rules provides that the price of sale and purchase offers submitted to the MGS in compliance with Article 48 of the Rules shall be higher or equal to zero and, in any case, below the maximum amount defined by the Technical Rules, if any.

Article 49, paragraph 49.1 of the Rules provides that offers submitted to the MGS by Snam Rete Gas, presented for the purposes under Article 2, paragraph 2.5, Annex A of Resolution

312/2016/R/GAS and under Article 7, paragraph 7.1 of Resolution 312/2016/R/GAS, shall comply with the terms and conditions defined by the Technical Rules.

Article 56, paragraph 56.1 of the Rules provides that offers/bids shall be submitted to the MT-GAS (Forward Gas Market) in accordance with the terms and conditions established by the Technical Rules.

Article 56, paragraph 56.6, of the Rules provides that market participants may submit offers/bids to the MT-GAS in accordance with the terms and conditions established by the Technical Rules.

Article 59, paragraph 59.8 of the Rules provides that GME may allow market participants to register in the market all forward contracts concluded off the market in accordance with the terms and conditions established by the Technical Rules.

2. Submission of offers/bids on the MGP-GAS, MI-GAS and MT-GAS

2.1. Submission of offers

To submit offers, market participants shall:

- have at least one computer enabled to authenticate digital signatures using a *digital certificate* and access to the Internet;
- appoint one or more authorized users to submit offers/bids (“users”).

In order to be able to submit bids/offers in a particular market session, the user must first sign up using a special form available on SIMGAS using his/her digital signature.

This authorization remains valid until the end of the session in question.

No further digital signatures are required during the session than the initial authorization.

Offers/bids may be submitted in two ways:

- by filling out the forms (*web form*) available on the Gas Market Information System (SIMGAS);
- by uploading (*Upload*) a file whose structure is specified in the document “MGAS Implementation”, posted on GME’s website (www.mercatoelettrico.org).

Only authorised users may access these functions, as provided by Technical Rule No. 2 of the MGAS.

The uploading form of XML files containing offers/bids may be selected from the “upload” menu under the “messages” heading. This form enables users to submit XML files containing offers/bids for the market specified inside the file. In particular, the XML file allows users to submit offers/bids for different markets and different sessions at the same time.

If the same XML file includes offers/bids specifying the same purchase or sale price, the system will assign the priority according to the list of offers/bids.

The receipt by GME of a valid offer submitted by a market participant during a session of one of the markets that constitute the MGAS, entails the replacement of previous offers with the new offer in case the “replacement” field is present and has been selected i.e. the market participant expressed the intention to replace the offers/bids previously submitted to the same market session.

If the “replacement” field is not present, has not been selected or is blank, then a valid bid/offer submitted by the Market Participant will add to the offers/bids, if any, that the Market Participant may have already submitted for the same market session.

2.2. Withdrawal of offers/bids

Offers/bids may be withdrawn only during the submission session. To this purpose, the user shall mark as “da revocare” (to be withdrawn) one or more offers/bids in the “Ordini aperti” (pending orders) form and then select the “Ritira” (withdraw) button.

2.3. Types of offers on the MGP-GAS, MI-GAS and MT-GAS

Market Participants may submit to the MGP-GAS, MI-GAS and MT-GAS the following types of offers/bids:

- a) valid until cancellation: the bid/offer is executed, even partially, for the available volumes and on the price terms specified by the Market Participant.

Any unexecuted volume shall be re-submitted to the Order Book until the end of the session, in compliance with the provisions set out by the Rules (more specifically, Article 30, paragraph 30.7, Article 37, paragraph 37.5 and Article 59, paragraph 59.5)

The unexecuted volume will be automatically deleted at the end of the session;

- b) valid until expiration: the bid/offer is executed, even partially, for the available volumes and on the price terms specified by the Market Participant. Any unexecuted volume shall be re-submitted to the Order Book within the expiration time, in compliance with the provisions set out by the Rules (more specifically, Article 30, paragraph 30.7, Article 37, paragraph 37.5 and Article 59, paragraph 59.5). The unexecuted volume will be automatically deleted after the expiration time.
- c) execute and cancel: the bid/offer is executed, even partially, for the available volumes and on the price terms specified by the Market Participant. Any unexecuted residual volume will be automatically deleted;
- d) execute or cancel: the bid/offer is only executed for the entire volume and on the price terms specified by the Market Participant. If this is not possible when the offer/bid is submitted to the Order Book, then the bid/offer will be automatically deleted.

3. Submission of offers/bids on the MPL and MGS

3.1. Submission of offers/bids

To submit offers, market participants shall:

- have at least one computer enabled to authenticate digital signatures using a *digital certificate* and access to the Internet;
- appoint one or more authorized users to submit offers/bids (“users”).

Offers/bids shall be submitted:

- by filling out the forms (web form) available on the SIMGAS;
- or
- by uploading (Upload) a file whose structure is specified in the document “PB-GAS Implementation Guide”, published on GME’s website (www.mercatoelettrico.org).

3.2. Withdrawl of the offers

Offers/bids may be withdrawn only during the submission session.

To withdraw offers/bids, market participants shall:

- fill out the forms (web form) available on the SIMGAS;
- or
- upload (Upload) a file whose structure is specified in the document “PB-GAS Implementation Guide”, published on GME’s website (www.mercatoelettrico.org).

3.3. Number of multiple offers

Multiple Offers may be composed by a maximum of 10 pairs of simple offers/bids. On the MPL, such number refers to each Offer Point submitted by Balancing Users.

3.4. Terms of submission of offers/bids by Snam Rete Gas on the MGS

To participate in a session of the MGS, Snam Rete Gas shall:

- to the purposes under Article 2, paragraph 2.5, Annex A of Resolution 312/2016/R/GAS, submit to GME only one purchase or sale offer/bid no later than 10:00 a.m. of the gas-day following the trading day;
- to the purposes under Article 7, paragraph 7.1 of Resolution 312/2016/R/GAS submit offers/bids according to the terms defined by the Rules and to the same conditions as other market participants, as established by this Technical Rule.

3.5. Maximum price of offers/bids

The maximum price of offers/bids, as pursuant to Article 40, paragraph 40.5, and Article 48, paragraph 48.4 of the Rules, shall be equal to the price applied in case of emergency caused by gas shortage as provided by Article 5, paragraph 5.4, Annex 4 of Resolution 312/2016/R/GAS.

3.6. Submission of offers/bids by GME on behalf of the Market Participant

If, under extreme and urgent circumstances, Market Participants are unable to submit offers/bids through the SIMGAS, they may ask GME to submit offers/bids on their behalf. GME may provide market participants with such support only in accordance with trading times and for a limited number of times.

GME will take into consideration market participants’ requests for support after receiving a liability waiver statement in original copy – the document may be sent in advance via fax – signed by the applicant’s legal representative. The document shall exempt GME from any

liability and shall be drawn up in accordance with the model shown in Annex A of this Technical Rule.

The request for submission of offers/bids by GME shall be presented on behalf of the Market Participant by one of the Market's users, as pursuant to point 4 of the Market Participation Application or to subsequent requests for amendments and additions, and send by e-mail to the address salamercato@mercatoelettrico.org. The request shall:

- a) specify the reason for the request
- b) enclose the XML files of offers/bids to be submitted

The data stored in the database of GME's email server shall prove the receipt of the instructions given.

3.6.1 Transitional Provisions

Market Participants who submitted to GME the "Liability Waiver Statement under Technical Rule No. 05 of the Natural-Gas Market Rules" – in compliance with the terms and conditions set out thereby – before the publication of the present Technical Rule No. 6, may replace such statement with a Liability Waiver Statement drawn up in accordance with the model shown in Annex A of this Technical Rule No. 06, no later than June 1, 2017. After that date, the "Liability Waiver Statement under Technical Rule No. 05 of the Natural-Gas Market Rules" shall automatically lose any effect. Please note that providing a valid and effective liability waiver is fundamental to receive GME's support as specified in the previous paragraph 3.6 and on the conditions set out thereby.

Annex A¹

¹ The statement shall be submitted using the applicant's letterhead.



LIABILITY WAIVER STATEMENT UNDER TECHNICAL RULE NO. 06 MGAS

The Company/other..... (company name or registered name), having its registered office/residing intax code.....and VAT number..... represented byin his/her capacity of

WHEREAS

The Company/other..... (hereafter the “Applicant”), Gas Market Participant under article 13, paragraph 13.1, subparagraph b) of the Natural-Gas Market Rules (hereafter “Rules”), has signed the Gas Market Participation Agreement drawn up according to the model attached to the Rules on (date).....

THE APPLICANT SHALL:

- exempt Gestore dei Mercati Energetici S.p.A. (hereafter “GME”) from any and all claims or liabilities for damages of any kind which may arise from the explicit requests - submitted in accordance with paragraph 3.6 of Technical Rule no. 06 MGAS - for submission by GME of offers/bids to the SIMGAS on behalf of the Applicant, as well as from any possible delay of submission..
- acknowledge that the requests for submission of offers/bids sent to GME from the email addresses of the users authorized to access the Information System of GME on behalf of the Applicant, as pursuant to point 4 of the Market Participation Application or to subsequent requests for amendments and additions, will be taken into consideration for the purposes specified by paragraph 3.6 of Technical Rule No. 06 MGAS. Therefore, the applicant shall exempt GME from any and all liabilities for requests or communications received as described above sent by unauthorised users.

GME shall remain responsible or liable for any inaccuracy, incompleteness, non-timeliness or, anyway, take any other responsibility or liability arising from the execution of the aforementioned requests only in case of gross negligence and wilful default.

Date.....

Signature

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