BBLC Implicit Allocation Guidance Document

Introduction

The *BBLC Implicit Allocation Guidance Document* together with Exhibit I of the *BBL Company* General Terms & Conditions (*Implicit Allocation*), sets out the rules that apply to the *Implicit Allocation* of *Transmission Capacity IA*.

In the *BBL Company* General Terms & Conditions (GTC) the terms defined shall have the same meaning when used in this *BBLC Implicit Allocation Guidance Document*.

BBL Company and partners in the *Implicit Allocation* process

BBL Company will appoint an *Implicit Allocation Partner(s) (IAP)* to offer *Transmission Capacity IA* on behalf of *BBL Company* in combination with an equivalent quantity of *Gas.*

BBL Company in cooperation with the *IAP* will also appoint an *Implicit Allocation Platform (IAPM)* to ensure that offered *Transmission Capacity IA* sold through the *IAP* is displayed in a clear and transparent manner.

The process involving both the *IAP* and *IAPM* for the purchase of *Transmission Capacity IA* through the *Implicit Allocation* is shown below.

BBL Company submits the available *Transmission Capacity IA* to the *IAPM* and also publishes availability on the *Website*. *IAP(s)* are also made aware of the availability. The capacity file contains *Transmission Capacity IA* availability and relevant pricing.

The *Transmission Capacity IA* will automatically align on the *IAPM* with the appropriate *Gas* products for matching and the *IAP* will market the available *Transmission Capacity IA.*

The *Gas Transaction* (either purchasing or selling) is agreed between two counterparties with *IAP* as broker. *IAP* inputs details for *Transmission Capacity IA* purchase and executes the *Gas* trade and the *Transmission Capacity IA* purchase for the *Shipper* at the same time.

The *IAPM* automatically updates the revised available *Transmission Capacity IA.*

A notice regarding the *Gas Transaction* is sent to both the *Shipper* and to the seller or buyer of the *Gas* product by the *IAP*. Also, a *Transmission Capacity IA* notice is sent to the *Shipper* and *BBL Company* by the *IAP.* confirm for the trade is sent to both the buyer and the seller. Also, a capacity confirm is sent to the buyer and BBLC.

The *Transmission Capacity IA* notice is entered into the *BBL Company* system and this capacity is deducted from the available registered *Transmission Capacity IA*. *BBL Company* then confirms (provided all BBL shipper criteria have been met) to the *Shipper* the allocation of the *Transmission Capacity IA* (within 2-4 hours) and creates the *Transmission Capacity IA Contract* and the *Implicit Allocation*.

<u>Requirements for *Shippers* to be able to participate in the *Implicit Allocation* process</u>

Shippers who wish to buy *Transmission Capacity IA* products through *Implicit Allocation* must:

1) Become a formal *BBL Shipper* and need to sign the *BBL Company* General Terms & Conditions
2) Conclude a contractual agreement with the *Implicit Allocation Partner*
3) Obtain access to the *Implicit Allocation Platform*.

<u>Transparency in regards to available capacity and products offered through *Implicit Allocation*</u>

BBL Company will make *Transmission Capacity IA* products (see Table 1) available for sale through the *Implicit Allocation* process. *BBL Company* will offer a maximum of 90% of the available technical capacity via *Implicit Allocation* for capacity products up to and including the fifth (5th) *Gas Year*. From the sixth (6th) *Gas Year* onwards *BBL Company* will offer a maximum of 80% of the available technical capacity via *Implicit Allocation.* All *Transmission Capacity IA* will be offered as firm, unbundled capacity.

After the monthly Prisma auction has taken place, *BBL Company* will offer an additional maximum of 90% of the remaining available capacity for *Transmission Capacity IA* that is available for the applicable month

All *Transmission Capacity IA* products offered through *Implicit Allocation* will be available for sale at the *BBL Exit Point* (firm forward flow) and *Entry Point Reverse Flow* at Bacton.

The quantity of *Transmission Capacity IA* that will be made available for sale through *Implicit Allocation* each *Gas Day* will be published in an up-to-date, actual overview on the *BBL Company Web Site.*

BBL Company makes sure that the *IAP* and the *IAPM* will also be provided with an up-to-date overview on available *Transmission Capacity IA* and the relevant capacity tariffs.

BBLC will offer following *Transmission Capacity IA* products via *Implicit Allocation*:

- Monthly, Quarterly, Seasonal, Annual, Balance of the Month, Weekend, Working days next week, Daily.

Table 1: Overview of tenors and relevant available *Transmission Capacity IA*

Implicit Allocation Offer			**Restrictions**	
Product Length	**Period**	**Availability**	**Max. Available Capacity (%)**	**Profiling**
annual	Gas Year (GY)	8 front GYs	80-90	none
Seasonal	2 contiguous quarters	15 front GYs	80-90	none
quarterly	calendar quarter	15 front GYs	80-90	none
monthly	calendar month	15 front months	90+90 of the remaining available capacity after the monthly *Prisma* auction	none
Balance of the Month	Remainder of the calendar month	Not applicable	90+90 of the remaining available capacity after the monthly *Prisma* auction	
Weekend, Working Days next week, Daily	As stated	Not applicable	90+90 of the remaining available capacity after the monthly *Prisma* auction	

BBLC will publish all available transmission capacity and all sold transmission capacity (via *Implicit Allocation* or via *PRISMA* auctions) on the *BBL Company Web Site.*

Capacity tariffs for *Transmission Capacity IA*

BBL Company will publish the tariffs of *Transmission Capacity IA* for any potential product at the *BBL Company Web Site.* Tariffs of *Transmission Capacity IA* are in line with the *BBL Company* charging methodology. *Transmission Capacity IA* will be sold on a First Come First Serve base and therefore only involves the reserve price and no additional ¨surcharge¨.

Product compatibility between *PRISMA* products and *Transmission Capacity IA*

Transmission capacity IA will not be offered at the same time as capacity on the *PRISMA* platform. There will be no overlap of capacity being offered at a certain moment in time to make sure no transmission capacity will be sold twice. Before the start of a *PRISMA* auction all offered *Transmission capacity IA* will be removed for sale from the Implicit Allocation Platform. Unsold transmission capacity can be offered for sale via *Implicit Allocation* again after the *PRISMA* auction has taken place.

BBL Company will provide a forward view on the *BBL Company Web Site* as to when *Implicit Allocation* will be suspended due to the *PRISMA* auction process.

The matching process of *Implicit Allocation*

Transmission Capacity IA may only be allocated by the *Implicit Allocation Partner*(s) in tandem with and simultaneously to the execution of a *Gas Transaction* (either purchasing or selling) for a corresponding quantity of *Gas.* Furthermore, the following criteria must be met :

1) The purchase/sale of the *Gas* must be made between a seller/buyer of *Gas* (who is also client of the *Implicit Allocation Partner(s))* and the *Shipper*

2) The *Gas* product must be physically settled

3) The tenor of the purchased/sold *Gas* product must correspond directly with the tenor of the purchased *Transmission Capacity IA*

4) The volume of the *Gas* product must correspond directly with the volume of the purchased *Transmission Capacity IA*

5) The *Gas* product must be purchased/sold at a delivery point or hub within North West Europe, including delivery points and hubs in Europe

The *Transmission Capacity IA* and the *Gas* product form the *Matched Product*.

The matching will result in two transactions:

- *Gas transaction* (Commodity deal between the *Shipper* and the seller/buyer of the *Gas* product)
- *Implicit Allocation Transaction* (*Transmission Capacity IA* between *BBL Company* and the *Shipper)*

Miscellaneous

Please be aware that *Transmission Capacity IA* products, *Gas* products and the conditions described in this *BBLC Implicit Allocation Guidance Document* may be amended by *BBL Company* from time to time.