

DECISION A1/A/5815

Natural Gas Licensing Regulation (Unofficial Translation)

THE DEPUTY MINISTER OF ENVIRONMENT, ENERGY AND CLIMATE CHANGE

Having taken into consideration:

1. Article 90 of the Legislative Code for the Government and the Governmental Bodies, which was ratified by the first article of Presidential Decree 63/2005 “Legislation Codification for the Government and the Governmental Bodies” (Government Gazette A’ 98).
2. Presidential Decree 381/1989 “Organization of Ministry of Industry, Energy and Technology” (Govt. Gazette A’ 168), as amended by PD 191/1996 (Govt. Gazette A’ 154), PD 134/2005 (Govt. Gazette A’ 93), PD 54/2006 (Govt. Gazette A’ 58), combined with PD 27/1996 “Merger of Ministries of Tourism, Industry, Energy and Technology and Commerce into the Ministry of Development” (Govt. Gazette A’ 19), as amended by PD 122/2004 “Re-establishment of Ministry of Tourism” (Govt. Gazette A’ 85), combined with PD 185/2009 “Re-establishment of Ministry of Finance, merger of the Ministry of Economy and Finance with the Ministries of Development, Commercial Shipping, Aegean and Insular Policy and its renaming to “Ministry of Economy, Competitiveness and Shipping”, conversion of the Ministry of Macedonia-Thrace to General Secretariat of Macedonia-Thrace and subordination to the Ministry of Interior of the General Secretariat of Macedonia-Thrace and the General Secretariat of Aegean and Insular Policy (Govt. Gazette A’ 213) and the PD 189/2009 “Determination and redistribution of the Ministries’ jurisdiction” (Govt. Gazette A’ 221/5.11.2009).
3. The Prime Minister’s and the Minister’s of Environment, Energy and Climate Change decision Nr 52167/21.12.2009 “Jurisdiction allocation from the Minister of Environment, Energy and Climate Change to the Deputy Ministers of Environment, Energy and Climate Change”, of 21.12.2009 (Govt. Gazette B’ 2514/22.12.2009).
4. The provisions of Directive 2003/55/EK “Regarding the common rules for the natural gas internal market and the abolition of Directive 98/30/EK (EU L176/57/15.07.2003).

5. The provisions of Law 3428/2005 “Deregulation of the Natural Gas Market” (Govt. Gazette A’ 313/27.12.2005) as it stands, in particular the provisions of article 13 of above law.
6. The provisions of Law 2773/1999 “Deregulation of Electricity Market – Regulation of matters of energy policy and other provisions” (Govt. Gazette A’ 286/22.12.1999) as it stands.
7. The Regulatory Authority’s for Energy Opinion Nr 363/29.09.2009, regarding the institution of a Natural Gas Licensing Regulation, according to article 34 of Law 3428/2005, which was communicated by RAE’s document Nr O-37660/04.11.2009.
8. RAE’s Opinion Nr 107/25.02.2010, regarding the institution of a Natural Gas Licensing Regulation, which was communicated by RAE’s document Nr O-40458/08.03.2010 and with which RAE’s Opinion Nr 363/29.09.2009 was amended.
9. The fact that the national budget is not burdened from the present decision,

Decides

Section 1

A Natural Gas Licensing Regulation is hereby instituted. Its content is as follows:

NATURAL GAS LICENSING REGULATION

CHAPTER A GENERAL PROVISIONS

Article 1 Definitions

The terms referred to in the present Regulation have the meaning assigned to them under Article 2 of the Law.

Article 2

Scope

1. The scope of this regulation covers the granting, the amendment and the revocation of the following licenses (Licenses):
 - a) INGS License;
 - b) INGS Operation License;
 - c) Natural Gas Distribution License (Distribution License);
 - d) Natural Gas Supply License (Supply License);
 - e) Ownership and Operation of the National Natural Gas System License.

2. The present Regulation does not govern:
 - (a) licenses that are granted or have already been granted for exercising the activity of distributing and supplying natural gas to non-Eligible Customers, according to the provisions of article 4, Law 2364/1995 and article 21, Law 3428/2005; and
 - (b) the INGS licenses provided under para. 6, article 21 of the Law.

CHAPTER B

SUBMISSION OF APPLICATIONS

Article 3

Right to submit an application for the issuance of a License

1. The following legal entities are entitled to submit applications for an INGS License: (a) those that are duly constituted and have their seat in a member state of the European Union, the European Economic Area and the Energy Community or in third countries if such right is derived from a bilateral agreement between the third country and Greece or the European Union; or (b) have established a branch in Greece.

2. The following are entitled to submit an application for an INGS Operation License, according to the case each time: the applicant for an INGS License or the holder of an INGS License or DESFA S.A., according to para. 3, article 18 of the Law.

3. The following legal entities or individuals are entitled to submit applications for a Distribution License: (a) those that are duly constituted and have their seat in a member state of the European Union, the European Economic Area and the Energy Community or in third countries if such right is derived from a bilateral agreement between the third country and Greece or the European Union; or (b) have established a branch in Greece.

4. The following legal entities or individuals are entitled to submit applications for a Supply License: (a) those that are duly constituted and have their seat in a member state of the European Union, the European Economic Area and the Energy Community or in third countries if such right is derived from a bilateral agreement between the third country and Greece or the European Union; or (b) have established a branch in Greece.

5. License holders to whom an exclusive right to exercise the activities of natural gas distribution and supply to non-Eligible Customers has been granted according to the provisions of article 4, Law 2364/1995 and article 21, Law 3428/2005, are not entitled to submit an application for the Licenses considered in the present Regulation, until the natural gas distribution licenses they have been granted expire.

Article 4

Submitting applications for a License

1. The application for the granting of a license is submitted to the Ministry of Environment, Energy and Climate Change and RAE in writing and electronically according to the Application Form given in Annex 1 of the present Regulation. The necessary documentation and data, as described for each case in the relevant Annexes, and the receipt of payment of the corresponding fees, are submitted along with the application.

2. The application is registered in a special Applications' Register maintained by RAE.

3. There is no time limit for the submission of the application unless such time limit is provided for by the Law or the present Regulation.

4. By virtue of a decision of the Minister of Environment, Energy and Climate Change following RAE's proposal, a specific time limit for the submission of an application may be set, for reasons of public interest or to deal with emergencies. In such a case, the term for submitting the application must begin at least three months following the publication of the decision.

5. The application for the granting of a license may be submitted before other necessary licenses and approvals have been granted. The granting of such License however, does not exempt its holder in any case from the obligation to obtain the other necessary licenses and approvals as may be required by the applicable legislation.

6. The granting of the License is a necessary condition in order for the applicant to proceed with the construction of works and infrastructure described in the relevant application, even if the applicant has already obtained any other necessary permits or approvals required by applicable legislation.

7. The fee paid for consideration of the application is not refundable.

Article 5

Supporting Documents of the Application

1. The application for the granting of an INGS License shall be accompanied by the documentation and data described in Annex II of the Regulation.

2. The application for the granting of an INGS Operation License shall be accompanied by the documentation and data described in Annex III of the Regulation.
3. The application for the granting of a Distribution License shall be accompanied by the documentation and data described in Annex IV of the Regulation.
4. The application for the granting of a Supply License shall be accompanied by the documentation and data described in Annex V of the Regulation.
5. If the application is not accompanied by the documentation and data required under the corresponding Annexes of the Regulation, the Minister of Environment, Energy and Climate Change, following RAE's opinion, shall reject the application.

Article 6 **Submission of additional documents**

1. Within thirty (30) days from the receipt of the application, RAE is entitled to ask the applicant to submit additional documents or clarifications concerning the documentation submitted, setting a time limit for their submission which may not be less than thirty (30) days. This additional data is also submitted to the Minister of Environment, Energy and Climate Change. If no additional documents are required within the above time limit, the application is considered to be formally complete.
2. If the applicant submits the requested additional documents within the above time limit, the application is considered to be formally complete; otherwise, the Minister of Environment, Energy and Climate Change, following RAE's opinion, shall reject the application.

Article 7 **Publication of applications**

1. Within fifteen (15) days from submitting the application, the applicant shall proceed to publish in two (2) daily newspapers of wide circulation issued in Athens, and, if the application concerns an activity carried out in a specific geographical area, in a newspaper published in that specific geographical area, the following:
 - a) Summary of the content of the application, including the applicant's information (name or corporate name, registered seat of business), the type of License applied for, a short description of the activity to be licensed, the location of the facilities or the geographical area for which the license is being requested, and, in case of an INGS License, a description of the application for exemption from the obligation to grant access to third parties, which may have been submitted with the application.
 - b) Announcement regarding the possibility of submission of justified objections before RAE, within the time limit of para. 1, article 8 of the present Regulation.
2. If submitting an application for the granting of an INGS license for the purpose of transiting natural gas via the country, the applicant shall also publish the data provided for in para. 1 in two (2) financial newspapers of wide circulation in the European Union, in the English language.

3. A copy of the publication shall be submitted to RAE. Following that submission, RAE publishes on its website the text of said publication.

4. If publication of the above paras. 1 and 2 is omitted, RAE shall offer a negative opinion to the Minister of Environment, Energy and Climate Change.

5. RAE shall take all necessary steps so that any interested party can be made aware of the application, its attached documents and any other relevant information, subject to the provisions for the protection of personal data and of commercially sensitive information. RAE, taking into account the view of the applicant, decides which documents or data are considered confidential and excludes access thereto, also taking into consideration the right of the interested parties to be informed.

6. The publication of para. 1 of the present article is not required for the additional data or clarifications submitted under para. 1, article 6.

Article 8 Objections

1. Anyone having a lawful interest may submit before RAE, within an exclusive term of thirty (30) days from the publication provided under paras. 1 and 2, Article 7, objections concerning the submitted application, accompanied by all necessary documentation justifying such objections. A copy of the objections is submitted to the Minister of Environment, Energy and Climate Change.

2. The submission of objections does not suspend the evaluation process.

3. RAE notifies the applicant of the objections submitted against its application within thirty (30) days. The applicant is entitled, within thirty (30) days from notification of the objections, to submit its views before RAE.

CHAPTER C EVALUATION OF APPLICATIONS

Article 9 Evaluation of Applications

1. After the time limit for submitting objections has expired, and without prejudice to the provisions of para. 4, Article 7 of the Regulation, RAE proceeds to evaluate the application.

2. Upon evaluating the application, RAE is entitled to:

a) Request from the applicant any supplementary documentation, information or clarification regarding the documentation already submitted.

- b) Request from operators of Natural Gas Systems or Distribution Networks who are involved in the application any information it deems necessary.
- c) Collaborate with the competent authorities of the EU or of other countries, when the application submitted contains elements the evaluation of which requires collaboration with such authorities.
- d) Proceed to public consultation regarding the application, as provided under para. 7, article 34 of the Law.

3. When more than one applications for an INGS License are being evaluated for the same Natural Gas System or Distribution License in the same geographical area of transportation or installation, RAE may propose to the applicants to amend, within a certain time limit, their requests in such a way that more than one applicants can be served by the same INGS or Distribution Network. If no agreement is reached, the separate evaluation of each application is resumed.

Article 10 **Opinion of RAE**

1. RAE offers its opinion as to every application to the Minister of Environment, Energy and Climate Change, within a term of four (4) months from the date on which the application was considered to be formally complete. RAE's opinion is notified to the applicant and posted on RAE's website.

2. If the application for an INGS License is accompanied by an application for exemption from the obligation to grant access to third parties (TPA), the term of para. 1 commences on the date on which the process provided under para. 2, Article 17 of the Law has been completed.

3. To form its opinion for the Minister of Environment, Energy and Climate Change, RAE evaluates whether the criteria provided under para. 3, article 34 of the Law are met. For that it takes into consideration the following:

- a) The application, the attached documents, the supplementary documents and any clarifications submitted to RAE.
- b) Any objections submitted.
- c) The conclusions of any public consultation that has been conducted.
- d) The result of the process provided under it. (b) and (c), para. 2, article 9.
- e) Any other additional information deemed essential.

4. RAE's opinion includes any additional terms, conditions or restrictions according to the provisions of paras. 4 and 5, Article 34 of the Law, any additional special terms and obligations deemed necessary and, in case of an INGS License, the terms and conditions under which a TPA exemption has been granted.

5. In the framework of evaluating the application, RAE may propose to the Minister of Environment, Energy and Climate Change to invite tenders for the granting of the License, according to the provisions of Articles 16 and 22 of the Law. In such a case, RAE opines that the application be rejected and notifies the applicant accordingly.

Article 11
Decision on the application

1. Within a term of two (2) months from receiving RAE's opinion, the Minister of Environment, Energy and Climate Change reaches a decision on the relevant application or on the tender process. Such term may be extended for one (1) month by decision of the Minister of Environment, Energy and Climate Change.
2. The decision to grant the License is notified to the applicant and to RAE, which enters it in the Licenses' Register it maintains.
3. The License takes effect as of the date of its issue unless a later date is set.
4. Decisions by the Minister of Environment, Energy and Climate Change to reject an application for a License are notified to the applicant and to RAE.

Article 12
Additional obligations for License Holders

1. The Minister of Environment, Energy and Climate Change, following RAE's opinion, imposes additional terms and conditions on License holders according to the provisions of paras. 4 and 5, Article 34 of the Law.
2. In case public service obligations (PSOs) are imposed, as provided under para. 4, Article 34 of the Law, RAE, in order to form its opinion, shall issue a draft opinion for public consultation and shall set a term of no less than fifteen (15) days, during which any entity having a lawful interest may object thereto or express its views.
3. The decision of the Minister of Environment, Energy and Climate Change is notified to the interested parties and to RAE. This decision sets a time limit within which License holders must comply with such obligations. RAE and the Minister shall post this decision on their websites.
4. Especially in the case of an INGS for which a TPA exemption is granted, the INGS License or the Operation License for this INGS includes further special or in deviation from the provided in the Regulation terms, so that the License to be granted complies with the terms of the exemption or the terms required for INGS operation as provided under it. (k), para. 2, article 3 of the Law.

Article 13
Extension of the Validity Period of the License

1. At the latest within one (1) year before the expiration of the License's validity period, the License holder is entitled to apply for an extension of its validity period. The following must be submitted together along with such application:
 - a) Statement regarding the duration of the proposed extension, which may not exceed the original duration, as provided under article 20.

- b) Affidavit by the applicant stating that all criteria for the grant of the License according to the provisions of Article 10 are still being met.
- c) Any other data that the applicant deems advisable for justifying the request.
- d) Receipt of payment of the corresponding fee.

CHAPTER D AMENDMENT AND REVOCATION OF LICENSES

Article 14 Amendment of the License

1. The License may be amended by decision of the Minister of Environment, Energy and Climate Change following RAE's recommendation, either upon request by the holder or *ex officio*.
2. In the event of amendment of the general terms set out in the provisions of article 21 or the special terms provided for each type of License, RAE, in order to form its opinion, issues a draft opinion for public consultation and sets a term of not less than fifteen (15) days, during which any entity having a lawful interest may express its views.
3. RAE notifies the License holders about the issue of the Ministerial Decision by virtue of which the terms and conditions of these Licenses are amended.

Article 15 Amendment of the License upon holder's request

1. The License holder must submit an application for the amendment of his License in the following cases:
 - a) Change of the trade name of the license holder, in the case of legal entities.
 - b) Change of the legal form of the License holder, or change in its shareholder composition. If the holder is a company with shares listed in an organised market, it must submit an application for amendment only in the case of changes in the shareholder composition that also cause a change in the control of the holder's company. If the change in control falls under the procedure of pre-merger control of articles 4(b) to 4(f), Law 703/77, the holder also submits to RAE a copy of the decision of the Competition Committee regarding the concentration being notified.
 - c) Change in the technical features of the licensed activity.
 - d) Change in the data concerning the project's financial viability.
 - e) When the License holder invokes special grounds that justify the amendment of the License or requires the extension of the License, according to article 13.
2. The License holder submits an application to RAE explaining in detail the reasons for the requested amendment, together with any other documentation that justifies his

request and receipt of payment of the corresponding fee. In case (c), para. 1, the License holder also submits a technical report and a feasibility study, with analysis of the impact on areas that are already being supplied or are expected to be supplied with natural gas, on the security of supply, and on the public service obligations which may be provided by the License holder. Upon submitting the application, the License holder also submits a summary description of the amendment requested.

3. RAE may invite in writing the License holder to provide additional documentation or clarifications within a specific time limit. If the deadline elapses without any action taken, the application is considered incomplete and RAE issues a negative opinion..

4. RAE publishes a summary of the submitted amendment application on its website. Within fifteen (15) days from the above notification, entities having a lawful interest are entitled to submit substantiated objections thereto. RAE notifies the License holder about any objections submitted against its application. The License holder is entitled to submit his views to RAE within thirty (30) days from the above notification.

5. Upon evaluating the application RAE may apply the provisions of para. 2, article 9 of the Regulations.

6. Upon forming its opinion for the Minister, RAE takes into consideration the provisions of para. 3, article 10 and any other information it considers necessary, and the impact that the requested amendment may have on meeting the related criterion of para. 3, article 34 of the Law; RAE shall forward its opinion to the Minister of Environment, Energy and Climate Change within a term of three (3) months from the date of which the application was considered to be complete. RAE'S opinion is also notified to the License holder and posted on RAE's website.

7. Within a term of thirty (30) days from the submission of RAE's opinion, the Minister decides on whether the License is to be amended. The Minister of Environment, Energy and Climate Change notifies his decision to RAE and the applicant. RAE enters the amendment into the Licenses' Register.

Article 16

***Ex-officio* Amendment of the License**

1. The Minister of Environment, Energy and Climate Change or RAE are entitled to instigate the process of amendment of a license *ex officio* when so required for reasons of public interest or for aligning the Licence's terms with national or community legislation.

2. RAE informs interested holders in writing about the instigation of the *ex officio* amendment process of the License and publishes a notice on its website that such procedure has commenced, referring to the content, the grounds for the amendment, the evaluation of any possible impact of the proposed amendment, and the deadline by which the License holders and entities having a lawful interest may submit justified objections.

3. RAE reviews the objections submitted and takes into consideration any other information it deems necessary, and, within three (3) months from the expiry of the term for submitting objections it submits its related opinion to the Minister of Environment, Energy and Climate Change. RAE's opinion is published on its website.

4. Within a term of thirty (30) days from the submission of RAE's opinion, the Minister decides on whether the License is to be amended. The Minister of Environment, Energy and Climate Change notifies his decision to RAE and the applicant. RAE enters the amendment into the License's Register.

Article 17 **Transfer of the License**

1. The License may be transferred upon a decision of the Minister of Environment, Energy and Climate Change following RAE's opinion and provided that the said transfer has been requested by the holder of the license.

2. The application includes:

- a) The name of the person to whom the License will be transferred and all related information, as required by the relevant paragraphs in the Annexes of the Regulation.
- b) Justification of the transfer.

3. A statement of acceptance of the transfer by the person to which the License will be transferred, plus receipt of payment of the corresponding fee, must be submitted along with the application.

4. The License may be transferred provided that the proposed new holder fulfils the requirements of article 3 hereof, the criteria set out in para. 3, article 34 of the Law, and the provisions of applicable legislation, especially those protecting free competition.

5. The transfer request is evaluated according to the provisions of paras. 3-7, article 15 of the Regulation.

Article 18 **License Revocation**

1. The License is revoked upon decision of the Minister of Environment, Energy and Climate Change following RAE's opinion, in the following cases:

- a. Breach of the Law, breach of regulatory acts issued by virtue of the Law, breach of the terms and obligations provided under the License.
- b. If the data submitted upon evaluating the License application was erroneous or misleading.
- c. Holder's bankruptcy or dissolution, or revocation of the permit of incorporation of the legal entity-License holder, or cessation of the licensed activity due to any reason.
- d. Conclusive failure to obtain the necessary permits and approvals or conclusive failure to build the infrastructure required to perform the licensed activity.

- e. When it is ascertained that the criteria set for granting the License are not being met.
 - f. In the cases provided under the general terms of article 21.
 - g. Upon application by the License holder.
2. Subject to clause (g) of the preceding paragraph, revocation of a License applies the provisions of applicable legislation regarding the right of administrative hearing for the entity involved.
3. The revocation of the License does not preclude administrative or penal sanctions as provided for in articles 35 and 36 of the Law.

CHAPTER E STRUCTURE AND CONTENT OF THE LICENSE

Article 19 License Structure

The Licenses granted according to the provisions of the present Regulation include:

- a. License holder's information.
- b. Type of License.
- c. Duration of the License.
- d. Milestones in accordance with the timetable submitted, along with the application for the construction and a description of the installations necessary for performing the contemplated activity, if applicable, noting the geographical area of the installations or transit facilities, their capacity and the points of interconnection with other Natural Gas Systems or Distribution Networks.
- e. The geographical area in which the License holder's operations are permitted, if applicable.
- f. Reference to Article 21 of the Regulation, which sets out the general terms applicable to all Licenses.
- g. Reference to the articles of the Regulation which provide for the special terms and obligations governing the licensed activity.
- h. Any additional term, condition or restriction under the provisions of paras. 4 and 5, article 34 of the Law, and any additional special terms and conditions deemed necessary.
- i. In the case of an INGS License, the terms under which any TPA exemption has been granted.
- j. In the case of an INGS Operation License, any operations that are assigned to third parties.

Article 20

Duration of Licenses

1. The initial duration of INGS, INGS Operation and Distribution Licenses is set at fifty (50) years.
2. The initial duration of the Supply License is set at twenty (20) years.
3. The initial duration of the NNGS Ownership and Operation License is set at fifty (50) years.

Article 21

General Terms

1. Throughout the duration of the License, the holder thereof must:
 - a. Comply with the provisions of the Law and regulatory acts issued by virtue thereof.
 - b. Comply with the terms and obligations included in the License and comply with any additional rule of law governing the holder's activities, especially safety rules and rules for the protection of the environment, and take all necessary steps to ensure that other permits required for his activities remain in force.
 - c. Exercise its activities in compliance with community or national legislation regarding competition.
 - d. Pay in due time the fees provided by the Law and provisions applying by virtue thereof.
 - e. Comply with obligations governing account keeping and access thereto, pursuant to articles 32 and 33 of the Law.
 - f. Publicise all accounts as provided by the Law and the company statutes, and provide to the Minister of Environment, Energy and Climate Change and RAE, within a set term, any information about the above accounts.
 - g. Provide RAE with the technical, financial, accounting, commercial and other documents or data requested within the framework of the holder's fees. In particular, the holder notifies RAE, within a set time limit and following a justified request by RAE, copies of the minutes of the shareholders' General Assembly, copies of Board minutes, annual financing plan, annual business plan, and data about the holder's activities in the energy sector that are not regulated by the License granted according to the Regulation.
 - h. Assist RAE at conducting audits, mainly on-site inspections at the facilities and audits of the accounting books, financial data and accounts.
 - i. Comply with obligations for providing public services (PSOs) and any other additional obligation by virtue of the License or by virtue of a later decision by the Minister of Environment, Energy and Climate Change, pursuant to paras. 4 and 5, article 34 of the Law 3428/2005, and take all necessary measures to fulfil such obligations. Should the License holder have alternative options to meet the public service obligations, he must select the option which least restricts competition. The License holder informs RAE about the initial enforcement of measures, and then every six (6) months about their results.
 - j. Maintain separate accounts for the expenses incurred upon providing the PSOs, pursuant to para. 2, article 32 of the Law.

2. The License holder shall notify the Minister of Environment, Energy and Climate Change and RAE of any change in control affecting his company, in the sense of article 4, Law 703/1977, and any change in its shareholding composition structure, within ten (10) days from the date on which such changes take effect. If the License holder is a company listed in an organised market, it needs only to notify changes of control. Should the change of control fall under the procedure of pre-merger control pursuant to articles 4b – 4f, Law 703/1977, the License holder also submits to RAE a copy of the decision issued by the Competition Committee regarding the concentration.
3. The notification obligation of the preceding paragraph also applies when the holder disposes of a significant asset, real estate or equipment of significant value used in performing the licensed activity.
4. If the above notification is not submitted, the administrative sanctions of para. 1, article 36 of the Law shall be applied.
5. If RAE ascertains that false statements have been submitted, the administrative sanctions of para. 1, article 36 of the Law are imposed in addition to any other penalties that may be provided under applicable legislation.

CHAPTER F SPECIAL PROVISIONS ON INGS

Article 22

Obligation to pay a consideration or imposition of special levy in favour of DESFA S.A.

1. Upon grant of the INGS License, there may be an obligation to pay a consideration to DESFA S.A. imposed upon the License holder, or there may be a payment of a special levy in favour of DESFA S.A. imposed upon INGS Users as provided under clause (a), para. 7, article 15 of the Law.
2. The amount of the consideration or the special levy and the time at which they will be imposed are determined so as to counterbalance fully any negative effect on the financial effectiveness of the NNGS, taking into consideration the following in particular: (a) the NNGS and INGS access tariffs in force each time; (b) the demand served or expected to be served by the INGS; and (c) the applicant's business plan and the project's technical parameters.
3. RAE, within the framework of forming its opinion, shall inform the applicant about its intention to impose the relevant obligation and to that end RAE may request from the applicant supplementary data pursuant to the provisions of clause (a), para. 2, article 9 of the Regulation.

4. If the consideration or special levy are imposed for reasons of public interest after the License has been granted, the provisions of article 16 of the Regulation shall apply.

Article 23

Special Terms for the INGS License

1. Timely construction of the project

1. The holder of the INGS License must complete the construction of the project in accordance with the construction timetable included in the License.

2. The License holder must report to RAE every six months about the progress of the project, particularly as to construction works, the grant of other approvals and permits that may be required, and the development of Natural Gas Systems and interconnections upstream and downstream of INGS which may be necessary for its operation. The report shall include at least a short description of the work completed, the remaining work and a timetable for its completion, any difficulties encountered and any other relevant information. The License holder will inform RAE about conducting tests and the date of commencement of INGS's operation at least six (6) months in advance of each such event occurring.

3. In case of expected delay of the construction of the project as compared to the timetable submitted for obtaining the license, the License holder notifies RAE about this development and submits a report about the reasons for the delay and the actions he intends to take in response. The holder must give to RAE any requested clarification.

4. If, from the data of para. 3, there appears a conclusive inability to obtain the required permits or a conclusive inability to construct the infrastructure, the provisions of article 18, re: License revocation shall apply.

2. Interoperability

During the construction of the INGS, the holder of the License shall take all necessary measures and shall comply with technical regulations and specifications so that the interoperability of the INGS with the NNGS or other INGSs or other Distribution Networks is secured, pursuant to the legislation in force, or, should there be no such legislation in place, with the rules, specifications and practices applied in the European Union.

CHAPTER G
ADDITIONAL PROVISIONS ON INGS OPERATION

Article 24
Conditions for the issuance of an INGS Operation License

1. The application for issuing an INGS Operation License is submitted at least one (1) year before the commencement of the INGS's commercial operation; such operation is determined in the INGS License.
2. Subject to the provision of para. 3, article 18 of the Law, the INGS Operation License is issued in favour of the holder of the respective INGS License if the latter, at the time of submitting the application, meets the terms of para. 5, article 18 of the Law regarding the legal form of the applicant.

Article 25
INGS Operation by DESFA S.A.

In the event of interconnection between the INGS and the NNGS, and if the conditions set by para. 3, article 18 of the Law are met, the following shall apply:

- (a) If the INGS is interconnected from the beginning with the NNGS, the application for the issuance of an Operation License is submitted by DESFA S.A. in accordance with the provisions of the present Regulation.
- (b) If the interconnection is effected at a time later than the issuance of the INGS Operation License, the License is transferred to DESFA in accordance with the provisions of paras. 1 and 2, article 17 of the Regulation. For this purpose, the holder of the INGS Operation License submits an application to RAE no later than three (3) months before the projected date of completion of the interconnection.
- (c) Within thirty (30) days from the approval of the INGS access tariffs, the INGS License holder and DESFA S.A. conclude an agreement in writing determining the consideration that DESFA S.A. as Operator of the INGS owes to the holder of the INGS License, taking into consideration the INGS access tariffs and DESFA S.A.'s reasonable operating costs. A copy of the agreement is notified to RAE.
- (d) In the event of disagreement as to determining the consideration, the difference may be submitted to RAE's arbitration following an agreement between the parties, as provided in RAE's Internal Operation and Management Regulation and in Presidential Decree 139/2001.

Article 26
Assignment of INGS operations to third parties

1. The application for the assignment of INGS-related operations to third parties is submitted by the holder of the INGS License to the Minister of Environment, Energy

and Climate Change and RAE, either concurrently with the submission of the INGS Operation License or after it has been granted.

2. The application must include in particular:

- (a) The proposed entity's information.
- (b) Full description of the operations that the holder of the INGS License intends to assign to the third party and the ways of ensuring the safe, effective and economically efficient management of the INGS ,if the application is accepted.
- (c) Data evidencing the technical qualifications of the proposed entity in connection to the operations referred to in the application, and the financial solvency of such entity.
- (d) A statement by the third party accepting the assignment of INGS operations, if the application of the holder is accepted.

3. If the application is accepted, the Operation License is amended by decision of the Minister of Environment, Energy and Climate Change after RAE's opinion.

4. The assignment of operations to third parties does not entail any exemption for the INGS Operation License holder to comply with the terms of the License and the provisions governing INGS Operation.

Article 27

Special terms of the INGS Operation License

1. Terms of exercising the operation

1. The holder of the License exercises the powers and duties provided under the provisions of article 19 of the Law, in accordance with the terms of the present License.

2. Within six (6) months from the issuance of the License, its holder submits to RAE:
- (a) A draft plan of the INGS Operation Code, regulating each issue related to the operation, maintenance, development and exploitation of the INGS, as provided under para. 2, article 20 of the Law.
 - (b) A draft Tariff Regulation, regulating every issue related to tariff setting for providing services to INGS Users.

3. Within three (3) months from the approval of the Tariff Regulation the holder of the License submits to RAE the tariffs for use of the INGS, as provided under para. 5, article 31 of the Law.

4. If the License is granted to DESFA S.A., the Operator provides to the holder of the INGS License any data that may be required for the exercise of its scope and duties.

5. The License holder monitors systematically the INGS Users' compliance with the Law and the regulatory acts issued by virtue thereof, and notifies RAE when it

ascertains or considers probable that a System User violates the applicable legislation or applies practices that are contrary to the rules of competition.

6. Subject to the provision of para. 5, article 18 of the Law, the License holder may exercise activities not falling under the scope of the License and use INGS's fixed assets, as long as another license has been granted for this reason, and as long as the safe, reliable and economically efficient operation of the INGS is not affected. Regarding other activities that are not regulated by such License, the holder must issue separate tariffs and maintain separate accounts.

2. Assignment of operations to third parties

In the event of initiating the hearing procedure provided under article 36 of the Law, the INGS Operation License holder may not invoke negligence or culpability of the third party to which such operations have been assigned.

3. Equal treatment of Users

1. Upon exercising its powers and duties, the License holder must ensure that third parties have access to the INGS in a direct and economic way and in accordance with the terms of the present License, complying with the principle of transparency and without discriminating between Users, User categories, and especially in favour of firms affiliated to the holder, their shareholders or subsidiaries.

2. The License holder maintains an INGS Users' Register and makes the required entries, amendments and registrations in such register, applying the criteria determined in the preceding paragraph, in accordance with the INGS Operation Code.

4. Operational independence of the INGS Operator

1. The License holder, if participating in a Vertically Integrated Undertaking, takes every measure required for ensuring its operational independence as against such Vertically Integrated Undertaking, and in particular:

(a) The Licence holder's Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the INGS, must, during their term of service, be independent and not be connected by any employment, project or assignment relationship or other business or professional relationship with other sectors or departments of the Vertically Integrated Undertaking or with any other enterprise active in the production, distribution and supply of natural gas or active in the electricity industry.

(b) The Licence holder's Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the INGS, must not, during the course of their term in office, hold shares representing more than 0.5% of the share capital of a company that is affiliated to the License holder in the sense of para. 5, article 42e, Codified Law 2190/1920 or of any

other firm active in the production, distribution and supply of natural gas or active in the electricity industry.

(c) Board members, general managers, managers and every other person that exercises management in other companies of the Vertically Integrated Undertaking may only exercise duties related to the approval of the annual financing plan or other equally-ranked means in the License holder and are not entitled to intervene in the management, the every-day operation and other decisions concerning the upgrade of the INGS, as long as the financing framework that has been approved has not been exceeded.

(d) The restrictions of sub-paras. (a) and (b) also apply to the spouses of the persons listed therein, their relatives by blood or by marriage to the second degree, and to the legal entities controlled by them.

(e) The fees of the License holder's Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the INGS may not be linked to the performance or profitability of a firm that is part of, or connected to, a Vertically Integrated Undertaking.

(f) The grounds for dismissing or replacing the Board members of the License holder on the initiative of a company that is part of the Vertically Integrated Undertaking must be set-out restrictively in its Articles of Incorporation.

(g) The transfer by the License holder of personnel to a company that is part of the Vertically Integrated Undertaking and vice-versa must be effected under conditions ensuring the independence of the persons so transferred, and in particular that: (aa) the personnel being transferred are supervised during their employment engagement with the License holder by the holder's management only; (bb) decisions regarding personnel payroll and promotion issues are made by the License holder only; and (cc) it is not permitted to predetermine that personnel will be recruited by a company that is part of the Vertically Integrated Undertaking after the termination of their service at a managerial position with the License holder. The Ethics Code drawn-up by the License holder, must, according to the provisions of term 5, include regulations ensuring that the transferred personnel of the License holder complies with the obligation of confidentiality.

(h) The License holder takes appropriate measures so that in its transactions with the public no impression is given that it constitutes a single legal or operational entity with the Vertically Integrated Undertaking or another firm producing and supplying natural gas. In particular, it must not use logos that could create such confusion, nor present in its website selective links to the websites of the above companies, and must not use as premises the same office buildings they use.

(i) The License holder must undertake all appropriate measures so as to avoid cross-subsidies with affiliated companies or with any of its shareholders or any of its affiliated companies' shareholders.

(j) The License holder makes decisions about the resources and investments required for the operation, maintenance and development of the INGS independently of the

Vertically Integrated Undertaking, without excluding the co-ordination procedures provided under para. 5(b), article 18 of the Law.

2. The License holder notifies RAE of the names of Board members and other persons exercising management functions, and any duties exercised by such persons in a company that is part of the Vertically Integrated Undertaking or other companies active in the production, distribution and supply of natural gas.

5. Ethics Code

1. If the License holder participates in a Vertically Integrated Undertaking it must, within three (3) months from the issuance of the License, submit to RAE for approval a draft Ethics Code, as provided under para. 6, article 18 of the Law.

2. The Ethics Code sets out the measures undertaken and the procedures applied by the License holder to ensure equal treatment of the Users, and in particular:

(a) The manner of ensuring that the personnel of the License holder complies with the confidentiality obligation concerning data and information of which they become aware upon exercising their duties, and which, if disclosed in a biased way, could potentially create a commercial advantage.

(b) The prohibition to the personnel of the License holder to make recommendations to third parties about the selection of a natural gas Supplier.

(c) Restriction of access to third parties to commercially sensitive information.

(d) The manner in which any company related to a Vertically Integrated Undertaking or any affiliated to the License holder company is excluded from access to commercially sensitive information, and especially information that may potentially give to this company a commercial advantage against its competitors, such as the information of actual or potential System Users.

3. The License holder undertakes measures to apply the Ethics Code, especially concerning the education and training of its personnel, obtains written acknowledgement by the personnel regarding compliance with the rules contained in the Ethics Code, and institutes sanctions in case of non-compliance thereto.

4. The License holder undertakes every measure required to supervise compliance with, and evaluate the application of the rules instituted with the Ethics Code. Up to January 31 of each year, the License holder shall submit to RAE and publish on its website a report describing the measures implemented for effective compliance with the Ethics Code.

CHAPTER H
SPECIAL PROVISIONS FOR THE DISTRIBUTION AND SUPPLY OF
NATURAL GAS

Article 28
Special terms of the Distribution License

1. General Obligations

1. The License holder must operate, maintain, develop and exploit a safe, effective and economically efficient Distribution Network, and provide to Suppliers, Eligible Customers and Operators of interconnected Natural Gas Systems and Distribution Networks (Network Users) access to the Distribution Network it operates, in the most economic, transparent and prompt way, without discrimination.
2. The License holder must exercise its activities exclusively in the geographical area for which the License is issued.
3. The License holder may exercise activities not falling under the scope of the License and make use of the Distribution Network's fixed assets, as long as this does not affect the uninterrupted, safe and reliable provision of services to consumers connected to the Distribution Network and its users. Regarding other activities that are not regulated by the Distribution License, the License holder must issue separate tariffs and maintain separate accounts.
4. The License holder must maintain insurance for the civil liability against third parties, which may arise from exercising his activities.

2. Development of Distribution Network

1. The License holder must develop the Distribution Network in accordance with the timetable attached to the License (Initial Development Plan). The first year of the Initial Development Plan is considered as being the year in which the Distribution License comes into force.
2. The License holder must notify RAE regarding the progress of the construction works for developing the Network and the compliance with the timetable as to obtaining the required permits and approvals. For this purpose, and up to the commencement of the Distribution Network's commercial operation, the holder shall submit to RAE every six months a progress report including a description of the works completed, the works remaining for the completion the project's main planning, an assessment of the time required to complete them, and any implementation difficulties.
3. In the event that a delay is expected in developing the Distribution Network as compared to the Initial Development Plan, the holder must specifically notify RAE of this fact and submit a report on the causes of the delay and the manner in which they

are being addressed. The holder must provide RAE with any other clarification that may be requested.

4. If the data of para. 3 indicate a conclusive inability to obtain the required permits and approvals or inability to build the infrastructure, the provisions of article 18, regarding License revocation shall apply.

5. Once five years from the issuance of the License have elapsed, its holder develops the Distribution Network in accordance with the Development Plans it submits on an annual basis to the Minister of Environment, Energy and Climate Change and to RAE, in accordance with Term 8.

6. The License holder chooses freely the specific areas in which he will develop the Network, within the geographical area for which the license is granted.

3. Operation and maintenance of Distribution Network

1. The License holder must operate and maintain the Distribution Network in accordance with the national technical regulations and specifications and, if no such national rules exist, in accordance with the regulations and practices applied in the natural gas industry in other Member-States of the European Union.

2. The License holder must conduct the required inspections, controls, repairs and replacements of the Distribution Network as per the above specifications.

3. The License holder undertakes all measures required for the safe operation of the Distribution Network and the prevention of any injury or property damage. For this purpose, the License holder must, in particular:

(a) Notify consumers, Network Users and upstream Natural Gas System Operators promptly of any malfunctions in the Distribution Network and the expected repair time.

(b) Inform consumers concerning potential hazards from using natural gas.

(c) Organise, in accordance with the provisions of para. 1 above, a telephone service to which emergencies, particularly gas leaks, can be reported.

4. Distribution Network Operation Code

Within one (1) year from the issuance of the License, the License holder must submit to the Ministry of Environment, Energy and Climate Change and to RAE a Distribution Network Operation Code which regulates in particular the following:

(a) Terms and conditions for connecting consumer facilities to the Distribution Network.

(b) Terms and conditions for Network User access to the Distribution Network and the services provided.

(c) Quality specifications and conditions of delivery and receipt of the Natural Gas transported through the Network.

- (d) The manner of measuring the quantity of natural gas delivered to the Distribution Network and received by it, the accuracy specifications of the meters used, and the way of resolving disputes arising in relation to measurements.
- (e) The procedures for planning the maintenance and development of the Distribution Network and notification thereof to consumers, Network Users and upstream Natural Gas System Operators.
- (f) The information and data related to the operation of the Distribution Network which are given to the consumers and Network Users, and the manner of providing such information.
- (g) The procedures for dealing with emergencies in the Distribution Network, and especially the priority order of suspending supply to connected consumers.

5. Connection of consumers to the Distribution Network

1. The License holder may not discriminate between consumers with regard to the terms for connecting their facilities to the Distribution Network. For this purpose, the License holder must:

- (a) Accept all applications for connections within a specific distance from the existing Distribution Network and complete the connections within a reasonable time-frame, in accordance with the Distribution Network Operation Code.
- (b) Provide specific grounds justifying each case where a connection has been refused.
- (c) Prepare and publish a standardised Connection Agreement of consumers' facilities to the Distribution Network for each type of connection, which will include the terms of connection in accordance with the Distribution Network Operation Code, the connection rates applying each time, and the rights and obligations of the contracting parties, including especially the procedure for dispute resolution.
- (d) Refrain from modifying unilaterally and on more unfavourable terms the Connection Agreements it concludes with consumers.
- (e) Prepare and publish on an annual basis a list of the rates that apply for connection with the Distribution Network, and not change this list throughout the respective year. The connection rates shall be set so that based on reasonable projections regarding the number and type of connections, the Licensee can recover on average the costs involved in each type of connection.

6. Third-party access to the Distribution Network

1. The License holder may not discriminate between Users in regards to the terms of access to the Distribution Network. For this purpose, the License Holder must:

- (a) Accept all applications for access to the Distribution Network and provide specific grounds justifying each case where access has been refused, in accordance with the Distribution Network Operation Code.
- (b) Prepare and publish a standardised Distribution Network Use Agreement, which will include the terms of using the Distribution Network in accordance with its Operation Code, the tariffs for use of the Network, and the rights and obligations of the contracting parties, including especially the procedure for dispute resolution.

- (c) Prepare in accordance with the Tariff Regulation and publish the access tariffs for use of the Distribution Network, as provided under para. 6, article 31 of the Law.
- (d) Publish a list of charges for additional services it provides to Users, and especially meter reading services.

7. Services Code

Six (6) months before the commencement of the commercial operation of the Distribution Network, the License Holder shall submit to RAE a Code on the provision of services to consumers which regulates in particular the following:

- (a) Specifications for providing services to consumers and especially to disabled persons.
- (b) Conditions for disconnecting consumers' facilities from the Distribution Network, especially in the case of overdue bills.
- (c) The procedure of submitting complaints and queries on the part of consumers, and the response specifications for the License holder.

8. Data to be submitted

1. Once five years from the issuance of the License have elapsed and up to October 31 of each year, the License Holder shall submit to the Ministry of Environment, Energy and Climate Change and to RAE a Development Plan for the Distribution Network for the next five years, which must include at least the following data for each year:

- (a) Assessments regarding Network development, with reference to the length of the new medium- and low-pressure Distribution Network, the areas in which it will be constructed, and the corresponding costs.
- (b) Estimations regarding the number of new consumers to be connected to the Distribution Network.
- (c) Estimations regarding the quantity of natural gas to be distributed through the Distribution Network for each consumer category.

2. Up to June 30 of each year, the License Holder shall submit to the Ministry of Environment, Energy and Climate Change and to RAE an Activity Report presenting information related to the activity of the License Holder during the past year regarding:

- (a) The length of the new Distribution Network constructed, the areas in which it was developed and the respective cost..
- (b) The number of new consumers who were connected to the Distribution Network during that year.
- (c) The quantity of natural gas distributed through the Distribution Network per consumer category.
- (d) Data on Network Users, and especially the number of consumers served by each Natural Gas Supplier within the Network and the respective natural gas quantity supplied to consumers.
- (e) The annual financial statements and the License holder's separate accounts in accordance with article 32 of the Law.

3. Within thirty (30) days from their drafting or review, the License holder submits to RAE:

- (a) The standardised Connection Agreement for connection to the Distribution Network.
- (b) The standardised Agreement for the Use of the Distribution Network.
- (c) The list of the connection rates to apply in the following year.
- (d) The access tariffs for the use of the Distribution Network.

9. Operational independence

1. The License holder, if serving more than 100,000 Customers connected to the Distribution Network and is part of a Vertically Integrated Undertaking, undertakes all measures required for ensuring its operational independence as against such Vertically Integrated Undertaking, and in particular:

(a) The Licence holder's Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the Distribution Network must be independent and not connected by means of any employment, project or work assignment or other business or professional relationship with other sectors of departments of the Vertically Integrated Undertaking or with other firms active in the production and distribution of natural gas or in the electricity industry.

(b) The Licence holder's Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the Distribution Network, must not, during the course of their term in office, hold shares representing more than 0.5% of the share capital of a company affiliated with the holder in the sense of para. 5, article 42e, Codified Law 2190/1920 or of any other firm active in the production and supply of natural gas or in the electricity industry.

(c) Board members, general managers, managers and every other person that exercises management in other companies of the Vertically Integrated Undertaking may only exercise duties related to the approval of the annual financing plan or other equally-ranked means in the License holder and are not entitled to intervene in the management, the every-day operation and other decisions concerning the upgrade of the INGS, as long as the financing framework that has been approved has not been exceeded.

(d) The restrictions of sub-paras. (a) and (b) also apply to the spouses of the persons listed therein, their relatives by blood or by marriage to the second degree, and to the legal entities controlled by them.

(e) The fees of the License holder's Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the Distribution Network may not be linked to the performance or profitability of a firm that is part of, or connected to, a Vertically Integrated Undertaking.

(f) The grounds for dismissing or replacing the Board members of the License holder on the initiative of a company participating in the Vertically Integrated Undertaking must be set-out restrictively in its Articles of Incorporation.

(g) The transfer by the License holder of personnel to a company of the Vertically Integrated Undertaking and vice-versa must be effected under conditions ensuring the independence of the persons so transferred, and in particular that: (aa) the personnel being transferred are supervised during their employment engagement with the License holder by the holder's management only; (bb) decisions regarding personnel payroll and promotion issues are made by the License holder only; and (cc) it has not been predetermined that personnel will be recruited by a company of the Vertically Integrated Undertaking after the termination of their service at a managerial position with the License holder. The Ethics Code prepared by the License holder, must, according to the provisions of Term 10, include regulations ensuring that the transferred personnel of the License holder complies with the obligation of confidentiality.

(h) The License holder takes appropriate measures so that in its transactions with the public no impression is given that it constitutes a single legal or operational entity with the Vertically Integrated Undertaking or another firm producing and supplying natural gas. In particular, it must not use logos that may create such confusion, nor present in its website selective links to the websites of the above companies, nor use as premises the same office buildings they use.

(i) The License holder must undertake all appropriate measures so as to prevent cross-subsidies related to companies with which it is affiliated or in connection with any of its or of any of its affiliated companies shareholders .

(j) The License holder makes decisions about the resources and investments required for the operation, maintenance and development of the Distribution Network independently of the Vertically Integrated Undertaking, without excluding the co-ordination procedures provided under para. 5(b), article 18 of the Law.

2. The License holder notifies RAE with the names of Board members and other persons exercising management functions and any duties exercised by such persons, directly or indirectly, in other sectors or departments of the Vertically Integrated Undertaking or other companies active in the production and supply of natural gas.

10. Ethics Code

1. If the License holder serves more than 100,000 consumers and is part of a Vertically Integrated Undertaking, it must, within three (3) months from the issuance of the License, submit to RAE for approval a draft Ethics Code, as provided under para. 5(c), article 22 of the Law.

2. The Ethics Code sets out the measures undertaken and the procedures applied by the License holder to ensure equal treatment of the Users, and in particular:

(a) The manner of ensuring that the personnel of the License holder complies with the confidentiality obligation concerning data and information of which they become

aware upon exercising their duties, and which if disclosed in a biased way could potentially create a commercial advantage.

(b) The prohibition to the personnel of the License holder to make recommendations to third parties about the selection of a natural gas Supplier.

(c) Restriction of third-party access to commercially sensitive information.

(d) The manner in which any company related to the Vertically Integrated Undertaking or any company affiliated to the License holder is excluded from access to commercially sensitive information, and especially information that may potentially give it a commercial advantage as against its competitors, such as the particulars of actual or potential Distribution Network Users.

3. The License holder undertakes measures to apply the Ethics Code, especially concerning the education and training of its personnel, obtains written acknowledgement by the personnel regarding compliance with the rules contained in the Ethics Code, and institutes sanctions in case of non-compliance thereto.

4. The License holder undertakes every measure required to supervise compliance with, and evaluate the application of the rules instituted with the Ethics Code. Up to January 31 of each year, the License holder submits to RAE and publishes on its website a report describing the measures implemented for effective compliance with the Ethics Code.

Article 29

Scope of Supply License

1. Holding a Supply License is a prerequisite for selling natural gas to Eligible Customers.

2. A Supply License is not required:

(a) For importing, exporting and selling natural gas to a Supplier.

(b) For the further resale of natural gas by Eligible Customers to other Eligible Customers as provided in article 27 of the Law.

(c) For the sale of natural gas from gas stations for end use in vehicle motors.

Article 30

Special Terms of the Supply License

1. Obligation to comply with special regulatory framework

1. The License holder must:

(a) Comply with the Supply Code issued by virtue of article 28 of the Law.

(b) Refrain from restricting or excluding the right of Eligible Customers to resell natural gas, as such right is determined in para. 1, article 27 of the Law.

(c) Adhere in its transactions with Customers to the maximum profit margin for Natural Gas Suppliers, as determined by joint decision of the Ministers of the Economy and Environment, Energy and Climate Change, as provided in article 30 of the Law.

2. If the License holder participates in a Vertically Integrated Undertaking, it must respect the rules of operational independence applying to other sectors or departments of the Vertically Integrated Undertaking.

2. Reporting obligations

1. By June 30 of each year, the License holder must inform RAE and the Operators of Natural Gas Systems and Distribution Networks to which the facilities of its Customers are connected, about the expected demand for Natural Gas, with reference to the total annual quantity and maximum daily quantity for each one of the following five (5) years.

2. The License holder provides RAE and the Operators of Natural Gas Systems and Distribution Networks, within a reasonable timeframe set by RAE, with all data required for planning the development of such Systems and Networks.

3. By January 31 of each year, the License Holder must submit to RAE a report including, at least, the following concerning the preceding calendar year:

(a) Change in the number of Customers per category, as such categories are defined in the Natural Gas Supply to Eligible Customers Code, analyzed by month.

(b) Data related to the quantity of natural gas it has supplied to Customers.

(c) Analysis of the number of applications for supply of natural gas submitted by Customer category, and the grounds on which some thereof were rejected.

(d) Statistical analysis of the disconnections of natural gas supply, with reference to the reasons thereof.

4. The License holder must submit to RAE, within a reasonable timeframe set by RAE, any data requested in connection with monitoring the security of the country's supply with natural gas as provided under para. 1, article 4 of the Law, particularly data concerning the contracts the holder has concluded with suppliers, such as duration, annual contractual quantity, and maximum daily contractual quantity of natural gas provided in such contracts.

3. Sufficient quantity of natural gas

The License holder must certifiably ensure a sufficient quantity of natural gas to cover the supply obligations it undertakes via the supply agreements it concludes with Customers.

4. Supply to household customers

1. Within three (3) months from the issuance of the License, and if the holder thereof supplies Household Customers, the holder must draw-up and submit to RAE a Household Customers' Services Manual which includes, at least, the following:

(a) The procedure for submitting complaints on the part of the Customers, and the term and procedure of providing service by the License holder.

- (b) Instructions for Household Customers concerning the correct use of Natural Gas, potential risks from such use, and safety measures that Customers shall take.
- (c) The specification of the services provided to disabled consumers, as such persons are defined in the standing legislation.

2. The License holder must maintain specialised personnel that is able to provide all information related to the supply of natural gas.

5. Published information

The License Holder must publish on its website the following data at least:

- (a) Full contact details.
- (b) Points of customer service and ways of paying bills, if the holder does not serve Major Customers only.
- (c) Information regarding the company profile and its activities.
- (d) Description of products and services offered.

6. Constant supply of natural gas

1. If an emergency arises caused by situations such as license revocation, cessation of payments, bankruptcy or a Supplier's exit from the market for any other reason, which may cause a suspension of supply to Customers not falling under the Major Customer category, any other Supply License holder must, subject to the conditions of the present term and following an order to that effect by DESFA S.A., provide immediately and on a continuous basis natural gas to such Customers, if this holder also supplies Customers of this category.

2. Licence holders who do not supply Major Customers exclusively must, within two (2) months from the issuance of the License, provide to DESFA S.A. information concerning the ability to fulfil the obligation of para. 1 above, and in particular the estimated quantity they can supply in an emergency, the Customer categories and the geographical areas in which they are, or intent to be, active. The License holder updates such information by the end of February each year and whenever so requested by DESFA S.A.

3. The License holder must without delay, and in every case within twenty four (24) hours from a notice in writing by DESFA S.A., confirm that it is in a position to fulfil the obligation of para. 1 or list in detail the grounds for any inability to do so, taking especially into consideration the need to serve existing contractual obligations against Customers other than Major Customers. Within twenty four (24) hours from receiving DESFA S.A.'s related order, the License holder announces to DESFA S.A. and RAE and posts on its website the special rates it intends to apply, which may not exceed 120% of the rates the holder applies to the same Customer category. RAE and DESFA S.A. shall publicise without delay, and by any available means, the order given to the License holder(s) and their data.

4. Every interested Customer may submit an application for entering into a supply agreement with a License holder falling under para. 3 which has confirmed that it is

able to fulfil the obligation of para. 1. The License holder promptly commences supplying such customer, even before the procedures for changing supplier or signing a contract have been completed. If within a term of ten (10) days from the commencement of the supply the customer fails to appear and sign the related supply agreement, the License holder may suspend supply.

5. When supply services are provided according to the above and the charges that arise from applying the rates do not cover the License holder's supply cost that arose from the specific supply action, the difference is paid to the License holder by DESFA S.A. within a term of two (2) months from the date of submitting the related evidence.

6. A License holder undertaking the obligation of para. 1 must:

- (a) Maintain separate accounts for activities coming under para. 1 and for any other activity of supplying natural gas.
- (b) Notify without delay the Customers it serves by virtue of para. 1 of the right to change supplier after two (2) months have elapsed from the commencement of such supply regime, without setting any other limitation.
- (c) Apply to these Customers, as soon as possible and in every case at the latest after two (2) months have elapsed from assuming the obligation, the rates applying for its customers.

CHAPTER I NNGS OWNERSHIP AND OPERATION LICENSE

Article 31 NNGS Ownership and Operation License

1. The Incorporated company under the registered name "Hellenic Gas Transmission System Operator" and the abbreviated title "DESFA S.A.", which has been established by virtue of Presidential Decree 33/2007 (Govt. Gazette A' 31) and is the exclusive owner of the National Natural Gas System (NNGS), must obtain an NNGS Ownership and Operation License.

2. Such License covers any future extension of the NNGS and especially every asset created through the development of the above system.

3. Subject to the provisions of articles 14, 15 and 16, Chapters B, C, D and E of the Regulation have no application over the NNGS Ownership and Operation License.

Article 32 Application for obtaining the License

1. To obtain the License, DESFA S.A. submits an application to the Minister of Environment, Energy and Climate Change, and notifies it to RAE.

2. The application for obtaining the License is submitted within a term of thirty (30) days from the publication of the present Regulation in the Government Gazette.
3. The application is entered in RAE's Register of Applications.

Article 33
Issuance of the License

1. The NNGS Ownership and Operation License is granted by decision of the Minister of Environment, Energy and Climate Change and is published in the Government Gazette.
2. The terms of the License are set out in article 36 of the Regulation.

Article 34
Obligation of a consideration payment to an INGS License holder

1. In order to impose upon DESFA S.A. the obligation to pay to an INGS License holder a consideration according to the provisions of para. 7(b), article 15 of the Law, the provisions of article 16 of the Regulation shall apply..

Article 35
Amendment of the License

The License is amended in accordance with the provisions of articles 14, 15 and 16 of the Regulation.

Article 36
Terms of NNGS Ownership and Operation License

1. General obligations

DESFA S.A. bears the following obligations:

- (a) To act in compliance with the Law and regulatory acts issued by virtue thereof.
- (b) To comply with the obligations included in its License and any other rule of law governing its activities, particularly the safety rules and environmental protection regulations applying each time, and to take any appropriate action so that other permits required for exercising its activities will remain in force.
- (c) To exercise its activities in a manner consistent with the legislation regarding fair competition. If it is ascertained, by an irrevocable court decision or a decision by the European Commission or an unappealable decision by the Competition Committee

that the License holder has violated community or national legislation regarding fair competition, the License is revoked as provided under article 18.

(d) To pay in due time the corresponding fees, according to the Law and the provisions applying by virtue thereof.

(e) To comply with the obligations of maintaining accounts and access thereto as provided in articles 32 and 33 of the Law.

(f) To publish its accounts as provided in the Law and its Articles of Incorporation, and to submit to the Minister of Environment, Energy and Climate Change and RAE, within a set term, any data or information related to such accounts.

(g) To submit to RAE technical, economic, accounting, commercial and other data or information requested by RAE in the context of exercising its duties and powers according to the law. In particular, to provide RAE, within a set term and following a justified request by the latter, with copies of the minutes of the shareholders' General Assembly, copies of the minutes of Board meetings, its annual financing plan, the corporate business plan, and data related to the holder's activities that are not covered by the scope of the License issued by virtue of the Regulation.

(h) To facilitate RAE in conducting audits, particularly on-site inspections of the facilities and audits of its books, financial data and accounts.

(i) To operate, maintain, develop and exploit the NNGS as provided under the Law and the NNGS Operation Code, in a manner that is economically efficient, safe and technically excellent, taking into consideration the needs of the Users.

(j) Upon exercising its powers and duties, to apply impartial, transparent and objective criteria and to refrain from discriminating between Users and categories of Users of the NNGS, and especially from discriminating in favour of firms affiliated to it and their subsidiaries and shareholders.

(k) Upon exercising its powers and duties and its activities, to provide all required information and guidelines to NNGS Users and to Operators of Natural Gas Systems or Distribution Networks interconnected with the NNGS.

(l) To exercise activities not falling under the scope of the License subject to the condition that this does not affect its safe, reliable, and economically efficient operation as owner and Operator of the NNGS. It must issue separate tariffs and maintain separate accounts for such activities.

2. Operational independence

1. DESFA S.A. undertakes every measure required for ensuring its operational independence as against DEPA S.A. or businesses affiliated thereto in the sense of para. 5, article 42(e), Codified Law 2190/1920, or other businesses active in the production, distribution and supply of natural gas and in the electric energy sector, and in particular:

(a) DESFA S.A.'s Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the NNGS, must be independent and not be connected by any employment, project or assignment relationship or other business or professional relationship with DEPA S.A. or a business affiliated thereto or with any other enterprise active in the production, distribution and supply of natural gas or active in the electricity industry.

(b) DESFA S.A.'s Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the NNGS, must not, during the course of their term in office, hold shares representing more than 0.5% of the share capital of DEPA S.A. or a company affiliated thereto, or in any other firm active in the production, distribution and supply of natural gas or active in the electricity industry.

(c) Board members, general managers, managers and every other person that exercises management in DEPA S.A. may only exercise duties related to the approval of the annual financing plan or other equally-ranked means in the DESFA S.A. and are not entitled to intervene in the management, the every-day operation and other decisions concerning the upgrade of the INGS, as long as the financing framework that has been approved has not been exceeded.

(d) The restrictions of sub-paras. (a) and (b) also apply to the spouses of the persons listed therein, their relatives by blood or by marriage to the second degree, and to the legal entities controlled by them. This restriction applies to the Board members, general managers, managers and every other person involved in management or decision-making, that may assume the above positions after the License has been granted.

(e) The fees of DESFA's Board members, general managers, managers and every other person involved in management or decision-making about the every-day operation of the NNGS may not be linked to the performance or profitability DEPA S.A. or of a firm that is affiliated thereto.

(f) The grounds for dismissing or replacing the Board members of DESFA S.A. on the initiative of DEPA S.A. or a company affiliated thereto, must, after ten years have elapsed from the establishment of DESFA S.A., be set-out restrictively in the License Holder's Articles of Incorporation.

(g) The transfer of personnel from DESFA to DEPA S.A. or a company affiliated thereto and vice-versa may only be effected under conditions ensuring the independence of the persons so transferred, and in particular that: (aa) the personnel being transferred are supervised during their employment engagement with DESFA S.A. by DESFA's management only; (bb) decisions regarding personnel payroll and promotion issues are made by DESFA S.A. only; and (cc) it has not been predetermined that personnel will be recruited by DEPA S.A. or a company affiliated thereto after the termination of their service at a managerial position with DESFA S.A. The Ethics Code prepared by DESFA S.A., must, according to the provisions of term 3 of the present License, include regulations ensuring that the transferred personnel of DESFA S.A. complies with the obligation of confidentiality.

(h) DESFA S.A. takes appropriate measures so that in its transactions with the public no impression is given that it constitutes a single legal or operational entity with DEPA S.A. or any other firm producing, supplying or distributing natural gas. In particular, it must not use logos that may create such confusion, nor present in its website selective links to the websites of DEPA S.A. or other companies producing, supplying or distributing natural gas, nor use as premises the same office buildings used by DEPA S.A. or by other companies producing, supplying or distributing natural gas.

(i) DESFA S.A. must undertake all appropriate measures to avoid cross-subsidies with affiliated companies or with any of its shareholders or any of its affiliated companies' shareholders.

(j) DESFA S.A. makes decisions about the resources and investments required for the operation, maintenance and development of the NNGS independently of DEPA S.A., as provided under para. 9, article 7 of the Law.

2. DESFA S.A. must notify RAE of the following:

(a) The names of Board members and other persons exercising management functions and any duties exercised by such persons in sectors or departments of DEPA S.A. or businesses affiliated thereto.

(b) All types of contract entered into between the entities referred to in sub-para. (g) of the present article and DEPA S.A. or companies affiliated thereto.

3. DESFA S.A. submits to RAE following the latter's request:

(a) All data whence it arises that the obligation to maintain operational independence is described in the present article is being complied with.

(b) Any type of commercial, accounting or economic data related to the holder's activities that do not come under the scope of the License.

3. Ethics Code

1. The Ethics Code prepared by DESFA S.A. within two (2) months from the issuance of the License sets out the measures undertaken and the procedures and measures applied to ensure equal treatment of the Users.

2. In particular, the Ethics Code determines:

(a) The manner of ensuring that DESFA S.A.'s personnel complies with the confidentiality obligation concerning data and information of which they become aware upon exercising their duties, and which if disclosed in a biased way would create a potential commercial advantage.

(b) The prohibition to DESFA S.A.'s personnel to make recommendations to third parties about the selection of a natural gas Supplier.

(c) Restriction of access to third parties to commercially sensitive information.

(d) The manner in which DEPA S.A. or a company affiliated thereto is excluded from access to commercially sensitive information, and especially information that may potentially provide a commercial advantage against its competitors, such as the particulars of actual or potential System Users.

3. DESFA S.A. undertakes measures to apply the Ethics Code, especially concerning the education and training of its personnel, obtains written confirmation by the personnel regarding compliance with the rules contained in the Ethics Code, and institutes sanctions in case of non-compliance thereto.

4. DESFA S.A. undertakes every measure required to supervise compliance with, and evaluate the application of, the rules instituted with the Ethics Code. Up to January 31 of each year, DESFA S.A. submits to RAE a report describing the measures implemented for effective compliance with the Ethics Code during the previous year.

4. Obligations regarding the supervision of NNGS Users

DESFA S.A. shall monitor systematically the compliance, on the part of NNGS Users, with the Law and the regulatory acts issued by virtue thereof, and notifies RAE when it ascertains or considers probable that a System User is violating applicable legislation or applies practices that are contrary to the rules of competition.

5. Public service obligations and additional obligations

1. DESFA S.A. complies with the obligations of providing public utility services and the additional obligations imposed by decision of the Minister of Environment, Energy and Climate Change in application of the provisions of para. 2(q), article 8 and paras. 4 and 5, article 34 of the Law.

2. When DESFA S.A. is able to select between alternative measures for complying with the obligation to provide public services, it must select the measures that least restrict competition.

3. DESFA S.A. maintains separate accounts for the expenses incurred in providing the imposed public services, according to the provisions of para. 2, article 32 of the Law.

6. Change in control or the shareholder structure

1. DESFA S.A. must notify the Minister of Environment, Energy and Climate Change and RAE of any change affecting its control and any change in its shareholder structure within a term of ten (10) days from the realisation of the above changes. If DESFA S.A. is converted into a company with shares listed in an organised market, it must only notify of changes in the company's control. For the purpose of this provision, the meaning of controlling a company is that given in article 4, Law 703/77 as applicable. If such a change in control comes under the procedure of pre-merger control as provided under articles 4(b) to 4(f), Law 703/77, DESFA S.A. also submits to RAE a copy of the decision of the Competition Committee regarding the merger notified thereto.

2. The notification obligation of the first paragraph also applies in the case of DESFA S.A. disposing of a significant asset, real estate or equipment of significant value used in exercising the activity for which the License is granted.

3. In the event of an omission to notify, the administrative sanctions provided under para. 1, article 36 of the Law are imposed.

7. Obligation to install an Electronic System of Natural Gas Transactions

Within six (6) months from the issue of the NNGS Operation Code as provided under article 9 of the Law, DESFA S.A. submits to RAE for approval a draft Electronic Natural Gas Transaction System as provided under para. 2(o), article 8 of the Law. Within twelve (12) months from the above approval, it shall install an Electronic Natural Gas Transaction System as provided under para. 2(p), article 8 of the Law.

8. Revocation of the License

1. The License is revoked by decision of the Minister of Environment, Energy and Climate Change following an opinion by RAE, in the following cases:

- (a) When DESFA S.A. violates the terms of the License.
- (b) When DESFA S.A. violates the Law and acts issued by virtue thereof, or legislation on competition.

2. For the revocation of a License the provisions of applicable legislation re: the right of administrative hearing for the entity involved apply.

3. The revocation of the License does not preclude the imposition of administrative or penal sanctions in accordance with the provisions of articles 35 and 36 of the Law.

ANNEXES TO THE NATURAL GAS LICENSING REGULATIONS

ANNEX I LICENSE APPLICATION FORM

1. Type of License requested.
2. Full name of the applicant or in case of a legal entity, its full corporate name.
3. The address of the applicant or in the case of a legal entity, its registered seat or the address of its head offices.
4. Name, full address and email address of the person appointed by the applicant as recipient or procedural representative, in order to receive all the documents that will be notified to the applicant during the licensing process.
5. Applicant's tax number (VAT number) and Tax Bureau.
6. Detailed data of any other license falling under the Law and held by the applicant (in particular, type of license, date of issue and registration number) or for which an application is or has been submitted by the applicant.

ANNEX II
DOCUMENTATION AND DATA THAT MUST ACCOMPANY THE INGS
LICENSE APPLICATION

PART A

1. A. If the applicant is a general or limited partnership or a limited liability company:
- (a) Manager's statement as to the organizational and management structure of the applicant and any affiliations with and / or participations in other companies or group of companies in Greece or abroad.
 - (b) The most recent consolidated Articles of Incorporation (or Memorandum and Articles of Association) of the applicant and any amendments thereof, ratified by the competent Secretary of the Court of First Instance, who must certify the number and date of entry in the Company Register, or certified by the competent authorities of the country involved.
 - (c) Certificate by the competent Secretary of the Court of First Instance as to entries made up to the date of issue in the Company Registers (for domestic companies), which must refer to the applicant's corporate changes up to the date on which the application is submitted.
 - (d) In the case of limited liability companies, the Govt. Gazette Incorporated and Limited Liability Company Bulletins in which summaries of the entries under para. (b) above were published.
- B. If the applicant is a Societe Anonyme (S.A.):
- (a) Statement of the legal representative of the company regarding the organizational and management structure of the applicant and any affiliations with and/or participations in other companies or group of companies in Greece or abroad.
 - (b) The most recent consolidated Articles of Incorporation (or Memorandum and Articles of Association) of the applicant certified by the competent Authority and the Government Gazette (Incorporated and Limited Liability Company Bulletins) referring to the company's incorporation and any amendment of the Articles of Incorporation.
 - (c) The representation of the company (Government Gazette Incorporated and Limited Liability Company Bulletin, for the formation of the BoD and representation).
 - (d) Government Gazette (Incorporated and Limited Liability Company Bulletin) certifying payment of the initial share capital and each subsequent equity issue, and if no Government Gazette (Incorporated and Limited Liability Company Bulletin) has been issued, the related announcement of the competent department of the Ministry of Environment, Energy and Climate Change or the competent Prefecture.
 - (e) Profit & Loss accounts and balance sheets for the last three fiscal years, if applying, accompanied by the Government Gazette (Incorporated and Limited Liability Company Bulletins) in which they were published, by the corresponding auditors' reports and audit certificates, and by copies of the Board's reports.
 - (f) Certificate from the competent department of the competent Ministry or Prefecture, regarding the non-resolution and non-revocation of the applicant's incorporation.

2. (a) Certificate to the effect that the applicant is not bankrupt, has not been placed under compulsory administration and has not been subjected to a settlement process.
- (b) Applicant's tax and insurance clearance certificates.

If documents under (b) are not issued by the Authorities of the country of the applicant's registered seat, an affidavit regarding the objective inability of the applicant to submit the above documentation and the non-existence of insurance or tax debts.

3. The organizational and management structure of the applicant and any affiliations with and/or participations in other companies or group of companies, with special reference to the affiliations of the applicant that are active in the sector of production or supply of natural gas or electricity.
4. Detailed data on other activities exercised by the applicant or its affiliates outside the natural gas sector.

PART B

1. The proposed date on which the license shall take effect and its suggested duration.
2. INGS description and definition of its initial capacity as well as any expected extension during the validity period of the license.
3. The proposed construction site or INGS transit within Greek territory, with special reference, according to the case each time, to:
 - (a) Entry and exit points (into and from Greece).
 - (b) Points of interconnection with the NNGS, upstream or downstream Natural Gas Systems or Distribution Networks.
4. Detailed timetable for the licensing process, completion of the financing process, construction, tests and commencement of the INGS's commercial operation.
5. Feasibility study including at least:
 - (a) Detailed technical description of the Project.
 - (i) Technical features of the INGS installations and location of the installations in relation to upstream and downstream Natural Gas Systems or Distribution Networks, the estimated capacity of the ancillary systems and every detail required for evaluating the capacity and the safety specifications of the INGS.
 - (ii) In the case of LNG installations: Capacity and technology of the storage tanks, gasification capacity, unloading capacity of LNG ships, and the size limits for LNG ships that can unload LNG at the facility.
 - (iii) In case of Storage Facilities: type of geological structure, estimated capacity and estimated Natural Gas injection and offtake rates from the Facility.
 - (iv) Technical specifications for the construction of the INGS and the corresponding certification bodies.
 - (b) Maps and plans sufficient for determining the location or transportation route of the facilities and indicative action-plan towards the applicant's obtaining appropriate land for constructing and operating the INGS.
 - (c) Estimated technical life cycle of the INGS.

(d) Preliminary estimation of the environmental impact of the construction and operation of the INGS.

(e) Capability to increase capacity or extend the INGS.

(f) Evaluation of the public interest being served and the impact of the INGS on strengthening competition in the natural gas market with reference to the following at least:

(i) The documentation of para. 2(a), article 15, Law 3428/2005.

(ii) The demand for natural gas that the proposed INGS is expected to cover.

(iii) Description of any synergies that according to the applicant's assessment arise between the proposed INGS and the NNGS or other upstream and downstream Natural Gas Systems or Distribution Networks.

(iv) The estimated impact of the INGS on the operation of the national, regional and European energy market.

(g) Subject to Part C of this Annex, a description of the proposed tariff system for use of the INGS, with reference to specific parameters for calculating the tariffs and an evaluation of their structure and rates and to their impact on tariffs for use of the NNGS.

(h) In case of initial and/or anticipated later interconnection with the NNGS, description and indicative timetable for actions towards reserving transit capacity for the offtake from, or the delivery of natural gas to the NNGS, and alternative ways of implementing the INGS if it is not rendered possible to reserve capacity.

(i) In the case of an INGS intended, *inter alia*, for importing or exporting or transporting natural gas, the following must also be submitted:

(i) Detailed description of new or existing Natural Gas Systems upstream and downstream of the INGS, to be used for the transit of natural gas from the countries of origin to the destination countries.

(ii) Data which confirm the capability of supplying and transporting natural gas via upstream and downstream Natural Gas Systems, particularly documents evidencing the intention of entering into a related collaboration, whether preliminary or final contracts which the applicant has concluded or is negotiating, and timetable of the time expected to be needed for completing the related actions.

(iii) Any data regarding interstate agreements concluded or potentially required to be concluded for realizing the natural gas transit via the INGS, and estimated timetable for the completion of the relevant actions.

(iv) Description of the activities of the applicant and the companies affiliated thereto in the natural gas and electricity markets of the countries of origin and destination of the natural gas transit, with reference to market shares and infrastructure that the applicant holds or operates.

(j) In the case of a Direct Line, any data evidencing refusal to grant the applicant access to the NNGS or other INGS.

6. Brief presentation of the applicant's business plan for the proposed duration of the license, which shall include at least the following:

(a) Estimated investment cost, proposed capital structure and estimated sources and method of project financing with reference to the assumptions on which the provided data is based.

(b) Annual operating costs' estimates of the INGS, listing fixed and variable costs separately.

(c) Annual estimates of the quantities of natural gas to be transported and the revenues from the operation of the INGS.

(d) Summary financial planning for the project, including the estimated cash flows per inflow and outflow category during the longest of the following periods:

- (i) Either during the financing period.
- (ii) Or during the technical life-cycle of the project.

7. Data that, according to international commercial practice, evidence the applicant's capability to finance the project, in accordance with its business plan.

PART C

1. In the case of an application for exemption of part or all of the INGS from the third party access obligation (TPA exemption) pursuant to article 17, Law 3428/2005, the applicant submits a report which includes at least the following:

(i) Determination of the provisions of Directive 2003/55/EC and the corresponding provisions of Law 3428/2005 from which it is requested that the INGS be exempted.

(ii) The part of the capacity of the INGS which the applied-for exemption concerns and the desired duration of the exemption.

(iii) Detailed statements about meeting each one the criteria of para. 1, article 22, Directive 2003/55/EC concerning the grant of the exemption.

(iv) Data regarding any request for exemption that the applicant has submitted or intends to submit to the competent Authorities of other Member-States in relation to interconnected Natural Gas Systems upstream and downstream of the INGS.

2. If the proposed INGS is part of new infrastructure for which a TPA exemption has already been granted according to the provisions of article 22, Directive 2003/55/EC, the applicant submits a copy of the TPA exemption decision granted by the competent Authorities of EU Member-States and the related decision of the European Commission.

PART D

1. An affidavit in which the applicant certifies that all data included in the application are true.

2. Receipt of payment for the fee provided under para. 1(a1), article 6, Law 2773/1999. This particular need not be submitted before the related decision of the Minister of Environment, Energy and Climate Change is issued.

ANNEX III
DOCUMENTATION AND DATA TO BE SUBMITTED ALONG WITH THE
APPLICATION FOR ISSUANCE OF AN I.N.G.S. OPERATION LICENSE

PART A

1. Registration Number of the INGS License or the application for issue of the INGS License corresponding to the application.
2. If the applicant is the holder of the respective INGS License or the entity that has submitted an application for being issued the respective INGS License:
 - (a) An affidavit in which the applicant certifies that the data submitted in the context of being granted the respective INGS License, in accordance with Part A, Annex II of the Licensing Regulation, are true. In the event of any change in the above data, the data of Part A, Annex II of the Regulation are submitted.
 - (b) Data whence it arises that the applicant has complied fully with the conditions set in para. 5, article 18 of the Law, regarding the legal structure of the applicant.

PART B

1. The licensee's plan for exercising its powers and duties and meeting its obligations as INGS Operator, including at least the following:
 - (a) Proposed administrative structure of the Operator, with reference to the main powers and duties of each administrative unit.
 - (b) Projected number of personnel, with reference to the special skills required.
 - (c) Description of the main infrastructure for monitoring and controlling the operation of the INGS.
 - (d) Description of the Operator's internal procedures for dealing with emergencies and ensuring the overall safety and effective operation of the INGS, with reference to the respective standards or regulations.
 - (e) Description of operations that may potentially be assigned to third parties, and justification thereof.
2. If the applicant is the holder of the respective INGS License or the entity that has submitted an application for the issuance of the respective INGS License, data, if any, of the applicant's previous experience in operating such facilities.
3. Brief description of the proposed main regulations of the INGS Operation Code, especially in connection to:
 - (a) The terms of the Agreements for Use of the INGS by third parties.
 - (b) The regulatory framework for allocating capacity, dealing with congestion, and balancing the load of the INGS.
 - (c) The preparation and publication of INGS maintenance and development plans.
 - (d) Data and information relating to the operation of the INGS which will be available to INGS Users and the operators of interconnected systems.
 - (e) INGS safety and response to emergencies.

4. Brief description of the proposed methodology for preparing the tariffs for third-party access to the INGS, the projected structure and rates of such tariffs, and the methodology for their review.

PART C

1. An affidavit in which the applicant certifies that all data included in the application are true.

2. Receipt of payment for the fee provided under para. 1(a1), article 6, Law 2773/1999. This particular need not be submitted before the related decision of the Minister of Environment, Energy and Climate Change is issued.

ANNEX IV
DOCUMENTATION AND DATA TO BE SUBMITTED ALONG WITH THE
APPLICATION FOR ISSUE OF A DISTRIBUTION LICENSE

PART A

1. A. If the applicant is an individual, certificate of commencing professional activity or change thereof for those who already were professionals, issued by the competent Tax Bureau.

B. If the applicant is a general or a limited partnership or a limited liability company:

- (a) Operator's certificate regarding the administrative and managerial structure of the applicant and any links or holdings in other companies or groups of companies in Greece and abroad.
- (b) Copies of the Articles of Incorporation (or Memorandum and Articles of Association) and any amendments thereof, ratified by the competent Secretary of the Court of First Instance, who must certify the number and date of entry in the Company Register, or certified by the competent authorities of the country involved.
- (c) Certificate by the competent Secretary of First Instance as to entries made up to the date of issue in the Company Registers (for domestic companies), which must refer to the applicant's corporate changes up to the date on which the application is submitted.
- (d) In the case of limited liability companies, the Govt. Gazette Incorporated and Limited Liability Company Bulletins in which summaries of the entries under para. (b) above were published.

C. If the applicant is a Societe Anonyme (S.A.):

- (a) Statement of the legal representative of the company regarding the organizational and management structure of the applicant and any affiliations with and/or participations in other companies or group of companies in Greece or abroad.
- (b) The most recent consolidated Articles of Incorporation (or Memorandum and Articles of Association) of the applicant certified by the competent Authority and the Government Gazette (Incorporated and Limited Liability Company Bulletins) referring to the company's incorporation and any amendment of the Articles of Incorporation.
- (c) The representation of the company (Government Gazette Incorporated and Limited Liability Company Bulletin, for the formation of the BoD and representation).
- (d) Government Gazette (Incorporated and Limited Liability Company Bulletin) certifying payment of the initial share capital and each subsequent equity issue, and if no Government Gazette (Incorporated and Limited Liability Company Bulletin) has been issued, the related announcement of the competent department of the Ministry of Environment, Energy and Climate Change or the competent Prefecture.
- (e) Profit & Loss accounts and balance sheets for the last three fiscal years, if applying, accompanied by the Government Gazette (Incorporated and Limited Liability Company Bulletins) in which they were published, by the corresponding auditors' reports and audit certificates, and by copies of the Board's reports, if any.

(f) Certificate from the competent department of the competent Ministry or Prefecture, regarding the non-resolution and non-revocation of the applicant's incorporation.

2. A. If the applicant is an individual, a no bankruptcy certificate, a certificate that no application for declaring bankruptcy, has been submitted, and tax and insurance clearance certificates.

B. If the applicant is a company:

(a) Applicant's no bankruptcy certificate, certificate that no application for declaring bankruptcy, liquidation, receivership, or bankruptcy settlement has been submitted.

(b) Tax and insurance clearance updates.

If documents under (b) are not issued by the Authorities of the country of the applicant's registered seat, an affidavit regarding the objective inability of the applicant to submit the above documentation and the non-existence of insurance or tax debts.

3. The organizational and management structure of the applicant and any affiliations with and/or participations in other companies or group of companies, with special reference to the affiliations of the applicant that are active in the sector of production or supply of natural gas or electricity.

4. Detailed data on other activities exercised by the applicant or its affiliates outside the natural gas sector.

PART B

1. The desired date on which the license shall take effect and its suggested duration.

2. Determination and limits of the geographical area in which the Distribution Network shall be developed (administrative limits of municipalities, prefectures, regions, etc.).

3. Detailed timetable for (a) obtaining all permits and approvals required for commencing the construction of the Network; and (b) developing the Distribution Network over the next five (5) years (Initial Development Plan) in which the following are stated for each one of the five years:

(a) Estimations about the Network's development with reference to the length of the new medium- and low-pressure Distribution Network, the areas in which it will be constructed, and the corresponding cost.

(b) Estimated number of new consumers to be connected to the Distribution Network.

(c) Estimated quantity of natural gas to be distributed via the Network by consumer category.

4. Date of commencement of the Network's commercial operation.

5. Feasibility study for the proposed Distribution Network, including at least:

(a) Technical description of the project, in which the basic planning of the project is analysed for at least the first five (5) years from the issuance of the License, and in particular:

(i) The points of connection to the Natural Gas System from which the Network will be supplied, and the number and type of counter and pressure regulating facilities at such points.

(ii) The manner of developing the network with reference to the main infrastructure of the medium-pressure network to be constructed, accompanied by maps and diagrams sufficient to determine its route.

(iii) The basic infrastructure for monitoring and controlling the Network's operation.

(b) Technical specifications for the construction of the Network and the corresponding certification bodies.

(c) Estimated technical life cycle of the Distribution Network.

(d) Approximate estimate of the investment cost based on the unit cost for developing medium- and low-pressure networks.

(e) Preliminary estimation of the environmental impact of the construction and operation of the network.

(f) Evaluation of the public interest being served, and in particular data related to the demand for natural gas which the Distribution Network is expected to serve in the area covered by the License, classified by consumer category and with reference to the fuel type being substituted in each instance.

6. Brief presentation of the applicant's business plan for the duration of the License, which shall include at least the following:

(a) Proposed capital structure and expected sources and method of project financing with reference to the assumptions on which the data provided is based.

(b) Annual estimates for capital expenses on network development and connecting consumer facilities, and Network operation costs, classified under fixed and variable costs.

(c) Annual estimates of revenues from operating the network.

(d) Summary financial planning for the project, including the estimated cash flows per inflow and outflow category.

7. Data that, according to international commercial practice, evidence the applicant's capability to finance the project, in accordance with its business plan.

8. Brief description of the services to be provided to consumers and third parties entitled to access the Distribution Network.

9. Brief description of proposed terms for third-party access to the Distribution Network and the terms of connecting consumers thereto.

10. Brief description:

(a) Of the proposed methodology for drafting tariffs for third-party access to the Network, of the estimated structure and rates of such tariffs, and the methodology of their review.

(b) The methodology for establishing connection rates by consumer category and the projected structure and amount thereof.

PART C

- 1.** An affidavit by which the applicant certifies that all data included in the application are true.
- 2.** Receipt of payment for the fee provided under para. 1(a1), article 6, Law 2773/1999. This particular need not be submitted before the related decision of the Minister of Environment, Energy and Climate Change is issued.

ANNEX V

DOCUMENTS AND DATA SUBMITTED WITH THE APPLICATION FOR ISSUE OF A SUPPLY LICENSE

PART A

1. A. If the applicant is an individual, certificate of commencing professional activity or change thereof for those who already were professionals, issued by the competent Tax Bureau.

B. If the applicant is a general or a limited partnership or a limited liability company:

(a) Operator's certificate regarding the administrative and managerial structure of the applicant and any links or holdings in other companies or groups of companies in Greece and abroad.

(b) Copies of the Articles of Incorporation (or Memorandum and Articles of Association) and any amendments thereof, ratified by the competent Secretary of the Court of First Instance, who must certify the number and date of entry in the Company Register, or certified by the competent authorities of the country involved.

(c) Certificate by the competent Secretary of First Instance as to entries made up to the date of issue in the Company Registers (for domestic companies), which must refer to the applicant's corporate changes up to the date on which the application is submitted.

(d) In the case of limited liability companies, the Govt. Gazette Incorporated and Limited Liability Company Bulletins in which summaries of the entries under para. (b) above were published.

C. If the applicant is a Societe Anonyme (S.A.):

(a) Statement of the legal representative of the company regarding the organizational and management structure of the applicant and any affiliations with and/or participations in other companies or group of companies in Greece or abroad.

(b) The most recent consolidated Articles of Incorporation (or Memorandum and Articles of Association) of the applicant certified by the competent Authority and the Government Gazette (Incorporated and Limited Liability Company Bulletins) referring to the company's incorporation and any amendment of the Articles of Incorporation.

(c) The representation of the company (Government Gazette Incorporated and Limited Liability Company Bulletin, for the formation of the BoD and representation).

(d) Government Gazette (Incorporated and Limited Liability Company Bulletin) certifying payment of the initial share capital and each subsequent equity issue, and if no Government Gazette (Incorporated and Limited Liability Company Bulletin) has been issued, the related announcement of the competent department of the Ministry of Environment, Energy and Climate Change or the competent Prefecture.

(e) Profit & Loss accounts and balance sheets for the last three fiscal years, if applying, accompanied by the Government Gazette (Incorporated and Limited Liability Company Bulletins) in which they were published, by the corresponding auditors' reports and audit certificates, and by copies of the Board's reports, if any.

(f) Certificate from the competent department of the competent Ministry or Prefecture, regarding the non-resolution and non-revocation of the applicant's incorporation.

2. A. If the applicant is an individual, a no bankruptcy certificate, a certificate that no application for declaring bankruptcy, has been submitted, and tax and insurance clearance certificates.

B. If the applicant is a company:

(a) Applicant's no bankruptcy certificate, certificate that no application for declaring bankruptcy, liquidation, receivership, or bankruptcy settlement has been submitted.

(b) Tax and insurance clearance updates.

If documents under (b) are not issued by the Authorities of the country of the applicant's registered seat, an affidavit regarding the objective inability of the applicant to submit the above documentation and the non-existence of insurance or tax debts.

3. The organizational and management structure of the applicant and any affiliations with and/or participations in other companies or group of companies, with special reference to the affiliations of the applicant that are active in the sector of Natural Gas Systems and Distribution Networks operation, or the electricity sector.

4. Detailed data on other activities exercised by the applicant or its affiliates outside the natural gas sector.

PART B

1. The desired date on which the license shall take effect and its suggested duration.

2. A. If the applicant intends to supply natural gas quantities through a Transmission System or a Distribution Network:

(a) Brief description of the applicant's business plan for the next five (5) years including at least the following:

(i) Data about the sources from which the applicant intends to procure natural gas.

(ii) Estimations regarding the type and category of Customer to be supplied, and the total demand to be served by the applicant

(iii) Annual projections of costs and revenues from natural gas sales.

(iv) Data on the applicant's sources of financing for exercising the licensed activity and evidencing thereof.

(b) Estimations of annual net cash flows for three (3) years after the five-year business plan, sufficient to prove the viability of the business plan given in the application.

B. If the applicant intends to supply natural gas outside the Transmission System or Distribution Network, the following data must be submitted in addition to the data under (A) above:

- (a) Data concerning the conditions of transporting the natural gas, especially in the case of compressed or liquefied natural gas.
- (b) Location of the loading facilities or the entry point of the natural gas into the country, and the expected points of delivery of natural gas.
- (c) Technical description of the loading, in cases other than imports, and unloading facilities.
- (d) Data on the means of transportation to be used, particularly number and capacity of vehicles or vessels, data regarding whether their use by the applicant is exclusive or not, and data about other permits which may need to be obtained for using such vehicles.
- (e) Affidavit that the above vehicles and facilities meet the requirements of applicable safety regulations.

3. Planning for meeting the obligation of para. 3, article 24, Law 3428/2005.

4. Affidavit by the applicant stating that if the license is granted, it will meet the requirements of article 32 of the Law regarding maintaining accounts, and detailed data of the planning to be applied towards meeting such requirements.

PART C

1. An affidavit by which the applicant certifies that all data included in the application are true.

2. Receipt of payment for the fee provided under para. 1(a1), article 6, Law 2773/1999. This particular need not be submitted before the related decision of the Minister of Environment, Energy and Climate Change is issued.

Section 2 Interim provisions

Applicants that have submitted an application for a License before the present decision comes into force, must, within three (3) months from its coming into force, submit all necessary information so that the application complies with the provisions of articles 4 and 5 of the Regulations.

Section 3 Final provisions

1. The provisions of the present decision are rendered enforceable upon the publication of this decision in the Government Gazette.

2. The present decision is to be submitted to the European Committee and to be published in the Government Gazette.

Athens, 30 March 2010

The Deputy Minister
IOANNIS MANIATIS