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Operation of Electricity and Natural Gas Markets, Hydrocarbon Research, Production and Transmission Systems and other regulations

SECTION A

OPERATION OF ELECTRICITY AND NATURAL GAS MARKETS

(TRANSPOSITION OF DIRECTIVES 2009/72/EC AND 2009/73/EC AND OTHER PROVISIONS)

ORGANISATION OF THE ENERGY MARKETS

Article 1

Purpose and scope

The purpose of the present law is to transpose the provisions of Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (OJ L 211 of 14 August 2009) and Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211 of 14 August 2009).

The activities of generation, supply, purchase, transmission and distribution of natural gas and electricity and of storage and liquefaction of natural gas and of gasification of liquefied natural gas within the Hellenic Republic shall be performed in accordance with the provisions of this law. These activities are activities of general interest and shall be supervised by the State.

Article 2

Definitions

1. For the purposes of the present law, the terms used in the provisions thereof shall have the following meanings:

(a) Independent Transmission Operator: an operator certified in accordance with Chapter IV of Directive 2009/73/EC and Chapter V of Directive 2009/72/EC.

(b) Independent System Operator: an operator certified in accordance with Articles 14 and 15 of Directive 2009/73/EC and Articles 13 and 14 of Directive 2009/72/EC.

(c) Public sector: the sector defined in Article 14(1) of Law 2190/1994 (Government Gazette 28A).

(d) Interconnected system: a system comprising a number of electricity or natural gas transmission and distribution systems linked together by means of one or more interconnectors.

(e) Energy system operator: the legal entities that perform the functions, in accordance with the provisions of the present law, of operator of the National Natural Gas System or operator of the Independent Natural Gas System or operator of the Electricity Transmission System.

(f) Distribution system operator: the legal entities that perform the functions, in accordance with the provisions of the present law, of electricity or natural gas distribution system operator, including closed electricity or natural gas distribution system operators.

(g) Control: rights, contracts or any other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, in particular by:

(aa) ownership or the right to use all or part of the assets of an undertaking;

(bb) rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking.

(h) Energy-related activity: the generation, transmission, distribution and supply of electricity or natural gas and the use of a liquefied natural gas facility or the use of a natural gas storage facility.

(i) Energy poverty: the situation of consumers who find it difficult, due to their low income, as declared on their tax returns, in conjunction with their job status, family status and state of health, to meet the cost of reasonable electricity or natural gas requirements, as the cost accounts for a considerable proportion of their disposable income.

(j) Vulnerable customers: consumers who come under the category of customers described in Article 52 herein.

(k) Electricity distribution centres: enclosed substations (in a building) which reduce the voltage from high to medium voltage in areas inside a town plan and residential areas in general and in any other type of urban fabric, whose connection to high- and medium-voltage systems are completely underground.

(l) Closed energy distribution systems: the system of Athens International Airport and the distributions systems defined in Article 131.

(m) Transmission system: the electricity transmission systems and the natural gas transmission systems, including the independent natural gas systems.

(n) Customer or consumer: natural gas customers, including of the gas companies and/or electricity customers, with the exception of natural gas [transmission] system and distribution system operators and electricity transmission system or distribution system operators. For the purposes of this law, a distinction shall be made between wholesale customers and final customers, eligible and non-eligible customers and household and non-household customers.

(o) Wholesale customer: a natural or legal person purchasing natural gas or electricity for the purpose of resale inside or outside the system where they are established.

(p) Final customer: a natural or legal person purchasing natural gas or electricity for their own use only.

(q) Household customer: a customer purchasing natural gas or electricity for their own household consumption, excluding commercial or professional activities.

(r) Non-household customer: a customer purchasing natural gas or electricity not intended for their own household consumption, including wholesale customers and electricity producers.

(s) Eligible customer: a customer who is entitled to select a supplier or to purchase natural gas or electricity directly in accordance with the provisions herein.

(t) Development programme: the sixteenth natural gas and electricity transmission system development programme prepared in accordance with the provisions of Articles 69 and 108.

(u) Supply: the sale, including resale, of natural gas (including LNG) and electricity to customers.

(v) Supplier: a natural or legal person who performs the activity of supply of natural gas and/or electricity.

(w) Pricing of uncompetitive activities: the prices charged for basic natural gas activities and the prices charged for using the electricity transmission system and distribution system.

(x) Compliance officer: the natural or legal person appointed to verify compliance by the operator with the compliance programme, as and when required under the provisions hereof.

(y) Security: both security of supply and provision of natural gas and electricity and technical safety.

(z) Related undertaking: undertakings within the meaning of Article 42e(5) of Codified Law 2190/1920 (Government Gazette 37A).

2. Definitions relating specifically to natural gas:

(a) Independent natural gas system: a natural gas system which is not integrated into the national natural gas system, regardless of whether or not it is connected to that system.

(b) Maximum calorific value: the quantity of heat generated from full stoichiometric combustion, with air, of one (1) standard cubic metre of natural gas at a constant absolute pressure of 1.01325 bar, where the initial temperature of the fuel mixture and the final temperature of the combustion products are assumed to be zero (0) degrees Celsius and the water produced during combustion is condensed in the liquid state. A standard cubic metre means the mass of natural gas which, under conditions of absolute pressure of 1.01325 bar and temperature of zero (0) degrees Celsius, has a volume of one (1) cubic metre.

(c) Direct lines: natural gas pipelines complementary to the national natural gas system or other independent natural gas system constructed by natural gas companies to supply their eligible customers or by eligible customers to obtain a supply from natural gas companies, which are not integrated into the national natural gas system or an independent natural gas system. Direct lines constitute an independent natural gas system and may be supplied from the national natural gas system or another independent natural gas system or by the natural gas system in another country.

(d) Basic natural gas activities: the provision of natural gas transmission, natural gas distribution, LNG facility and natural gas storage facility services.

(e) Distribution of natural gas: the transport of natural gas through pipelines other than pipelines with a design pressure of over 19 barg, with a view to delivery to customers, but not including supply.

(f) Independent natural gas system operator: the holder of an independent natural gas system operator's licence.

(g) National natural gas system operator (DESFA SA): the operator of the national natural gas system, in accordance with the requirements of Article 67 (3).

(h) Unbundled natural gas transmission system operator: a natural gas transmission system operator which fulfils the requirements of Article 62 herein.

(i) Distribution system: the pipelines, decompression and metering installations and the control and maintenance equipment and facilities used for distribution or required in order to transport natural gas from the transmission system to consumer installations.

(j) Storage facility: a facility used for the stocking of natural gas. The parts of LNG facilities used for storage, but excluding the portion used for temporary storage, regasification and delivery of the LNG to a natural gas transmission system shall also qualify as storage facilities. This does not include facilities reserved for the natural gas system operator in carrying out their functions.

(k) LNG facility: a terminal used for the importation, unloading and gasification of LNG and for the liquefaction of natural gas, including ancillary services and temporary storage necessary for the regasification process and delivery to the transmission system. This does not include parts of the facility used solely for storage.

(l) National natural gas system: the natural gas system defined in accordance with the provisions of Article 67 herein.

(m) Gas supply companies: the companies incorporated in accordance with the provisions of Article 4(6) of Law 2364/1995 (Government Gazette 252A), as amended.

(n) Natural gas undertaking: a natural or legal person carrying out at least one of the following activities: production, transmission, distribution, supply, purchase, natural gas storage or temporary storage and regasification of LNG and responsible for commercial and technical duties and/or maintenance duties relating to those activities. This definition does not include customers who buy natural gas for their own use.

(o) Vertically integrated natural gas undertaking: a natural gas undertaking or a group of natural gas undertakings where:

(aa) the same person or persons are entitled, directly or indirectly, to exercise control and

(bb) the undertaking or group of undertakings in question performs at least one of the functions of transmission, distribution, LNG or storage and at least one of the functions of production or supply of natural gas.

(p) Single natural gas market operator: the legal person responsible for organising and operating the single natural gas market, as defined in Article 86.

(q) Major customer: a customer who is supplied with at least 100 000 MWh maximum calorific value per consumption site over a period of twelve (12) consecutive months in accordance with the provisions of Article 82(2).

(r) Transmission of natural gas: the transport of natural gas through a network of pipelines with a design pressure of over 19 barg with a view to delivery to customers, but not including supply.

(s) Integrated natural gas undertaking: an undertaking which is a vertically or horizontally integrated natural gas undertaking.

(t) Horizontally integrated natural gas undertaking: an undertaking performing at least one of the functions of production, transmission, distribution, supply, natural gas storage facility or temporary storage and regasification of LNG and (at least) one other (business) function which is a non-gas activity.

(u) Quantity of natural gas: the quantity of natural gas measured in megawatt hours (MWh) maximum calorific value, unless stipulated otherwise.

(v) Supplier: the natural or legal person who carries out the function of supply of natural gas in accordance with Article 81 herein.

(w) Natural gas transmission system: the pipelines and branches with a design pressure of over 19 barg, the metering, compression and decompression facilities and the control and maintenance equipment and installations required for the transmission of natural gas from the point of delivery to another natural gas system, distribution system or customer installation.

(x) Natural gas system: the transmission systems, the LNG facilities, the storage facilities and the facilities for taking delivery of compressed natural gas, including the control equipment and installations.

(y) Natural gas: the gaseous fuel extracted from geological formations consisting mainly of methane (at least 75% by molar ratio) and hydrocarbons of higher molecular weight and possibly small quantities of nitrogen, carbon dioxide, oxygen and traces of other compounds and elements, to which odorous substances may have been added. Natural gas means the above mixture in any state, by changing the physical conditions, such as compression, cooling or any other change, including liquefaction (liquefied natural gas - LNG).

(z) User: a natural or legal person entitled to enter into contracts for the use of the natural gas system.

3. Definitions relating specifically to electricity:

(a) Distributed generation: the production of electricity by generation plants connected to the distribution system.

(b) Renewable energy sources (RES): renewable non-fossil energy sources, such as wind, solar, wave, tidal, biomass, landfill gas, sewage treatment plant gas, biogases, geothermal and hydroelectric power used by hydroelectric plants.

(c) Direct line: either an electricity line linking an isolated generation site with an isolated customer or an electricity line linking an electricity producer and an electricity supply undertaking to supply directly their own premises, subsidiaries and eligible customers. Direct lines are not integrated into the transmission system or distribution system.

(d) Micro isolated system: an electricity system on a non-interconnected island with total annual consumption of less than 500 GWh in the year 1996.

(e) Autoproducer: a producer who generates electricity mainly for their own use and delivers any surplus electricity to the transmission system or distribution system.

(f) Tendering procedure: the procedure through which planned additional requirements and replacement capacity are covered by supplies from new or existing generating capacity.

(g) Distribution: the transport on high-voltage systems specifically defined as belonging to the distribution system and on medium-voltage and low-voltage distribution systems of electricity delivered from the interconnected transmission system and generation plants connected directly to the distribution system, with a view to its delivery to customers, not including supply.

(h) Interconnected system: a number of transmission and distribution systems linked together by means of one or more interconnectors.

(i) Interconnector: lines, equipment and meters used for electricity transmission by the Greek transmission system from or to the Hellenic Republic and the distribution system.

(j) Distribution system operator: a natural or legal person responsible for operating, maintaining, granting access to customers and producers linked to it and, if necessary, developing the distribution system in a given area and, where applicable, its interconnections with other distribution systems and transmission systems, and for ensuring the long-term ability of the system to meet reasonable demands for the distribution of electricity.

(k) Transmission system operator: a natural or legal person responsible for operating, maintaining and, if necessary, developing the transmission system in a given area and, where applicable, its interconnections with other systems, and for ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity.

(l) Athens International Airport system: the medium- and low-voltage distribution lines and electricity distribution equipment located within the boundaries of the property described under the first article of Law 2338/1995 (Government Gazette 202A) which, under the provisions of that law, are constructed, developed and operated by the company Athens International Airport SA, and future extensions thereof within that site; these form the Athens International Airport system and are not integrated into the system within the meaning of Article 2 of Law 2773/1999.

(m) Electricity-related activity: each of the business activities of generation, transmission, distribution, supply and purchase of electricity.

(n) Greek electricity distribution system: the electricity distribution system belonging to PPC SA installed in the Hellenic Republic and comprising medium- and low-voltage lines and electricity distribution equipment and high-voltage lines and equipment integrated into the system. The system, excluding the distribution system on non-interconnected islands, is connected to the Greek electricity transmission system via high-voltage and medium-voltage substations. The switching device on the high-voltage side of the substation power transformer, which is a component of the distribution system, marks the boundary between the transmission and distribution systems. In areas whose distribution system includes high-voltage lines, the boundary between the transmission and distribution systems is stipulated by decision of the RAE, at the recommendation of the Greek electricity transmission system and Greek electricity distribution system operators and owners.

(o) Greek electricity transmission system: the high-voltage lines, the interconnectors installed on land and at sea in the Hellenic Republic and all installations, equipment and control facilities required for the smooth, safe and uninterrupted delivery of electricity from a generation plant to a substation, from one substation to another or to and from any interconnector. Interconnection works on islands not interconnected with the Greek electricity transmission system form part of the Greek electricity transmission system. The transmission system does not include electricity generation plants, high-voltage lines and equipment integrated into the distribution system or the distribution systems on non-interconnected islands.

(p) Energy efficiency/demand-side management: a global or integrated approach aimed at influencing the amount and timing of electricity consumption in order to reduce primary energy consumption and peak loads, by giving precedence to investments in energy efficiency measures, or other measures, such as interruptible supply contracts, over investments to increase generation capacity, if the former are the most effective and economical option, taking into account the positive environmental impact of reduced energy consumption and the security of supply and distribution cost aspects related to it.

(q) Ancillary service: a service necessary for the operation of a transmission or distribution system, such as voltage regulation, frequency regulation, provision of reserve power, provision of idle power, restarting of transmission system following an outage and monitoring of load fluctuations.

(r) Electricity undertaking: a natural or legal person carrying out at least one of the following activities: production, transmission, distribution supply or purchase of electricity and responsible for commercial and technical duties and/or maintenance duties relating to those activities. This definition does not include final customers.

(s) Vertically integrated electricity undertaking: means an electricity undertaking or a group of electricity undertakings where the same person or the same persons are entitled, directly or indirectly, to exercise control, and where the undertaking or group of undertakings perform at least one of the functions of transmission or distribution, and at least one of the functions of generation or supply of electricity.

(t) Long-term planning: the planning of the need for investment in generation and transmission and distribution capacity on a long-term basis, with a view to meeting the demand of the system for electricity and securing supplies to customers.

(u) Transmission: the transport on the extra high-voltage and high-voltage system of electricity produced by generation plants connected directly to it and of electricity delivered to it from adjacent interconnected transmission systems, with a view to its delivery to final customers directly connected to the system, adjacent interconnected transmission systems or distribution systems, not including supply.

(v) Non-interconnected islands: the islands of the Hellenic Republic whose electricity distribution system is not connected to the transmission system and distribution system on the mainland.

(w) Micro isolated system: an electricity system on a non-interconnected island with total annual consumption of less than 3000 GWh in the year 1996, less than 5% of the annual consumption of which comes from interconnectors with other systems.

(x) Integrated electricity undertaking: a vertically or horizontally integrated undertaking.

(y) Horizontally integrated undertaking: an undertaking performing at least one of the functions of generation for sale or transmission or distribution or supply of electricity and another non-electricity activity.

(z) Electricity derivative: a financial instrument specified in points 5, 6 or 7 of Section C of Annex I to Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments (OJ L 145 of 30 April 2004), where that instrument relates to electricity.

(aa) Electricity producer: a natural or legal person generating electricity.

(ab) Access: connection to and use of the electricity transmission and distribution systems.

(ac) Electricity supply contract: a contract for the supply of electricity, not including an electricity derivative.

(ad) System user: a natural or legal person supplying electricity to, or being supplied by, a transmission or distribution system.

4. For the rest, the definitions in Law 2773/1999 (Government Gazette 286A), as amended, and the relevant provisions of current legislation and regulations issued pursuant thereto shall apply for the purposes of Part Four of the present law.

PART ONE

REGULATORY AUTHORITY FOR ENERGY (RAE)

CHAPTER A

GENERAL PROVISIONS

Article 3

State supervision and general principles

1. Energy-related activities shall be subject to supervision by the State, to be exercised by the Minister for Environmental Affairs, Energy and Climate Change and the Regulatory Authority for Energy (RAE), within the framework of their remits and Greece's long-term energy plan. The long-term energy plan shall take account of existing and projected energy reserves at national, regional and international level, the intra-Community border programme to develop electricity and natural gas systems and trends on the international energy market and is designed to:

(a) complete the single internal European energy market by increasing cross-border trade, in order to achieve competitive prices, higher standards of services, improved performance of the sector and, at the same time, strengthen security of supply and sustainability;

(b) safeguard Greece's security of energy supply and the application of a viable policy to combat climate change and strengthen competitiveness within the single European market;

(c) protect the environment, taking account of Greece's international obligations, including the provision of appropriate financial incentives to producers to invest in new, more efficient and environmentally-friendly energy production technologies and technologies for producing energy from renewable energy sources (RES) and in high-performance combined heat and power plants and to take appropriate measures to encourage consumers to make more efficient use of energy, provided that security of energy supply is safeguarded;

(d) achieve balanced regional development in Greece, with the primary objective of incorporating isolated systems into the Interconnected System and creating a single national and European market;

(e) improve the productivity and competitiveness of the national economy and achieve healthy competition, in a bid to reduce the cost of energy to all users and customers;

(f) combat energy poverty by formulating a National Action Plan.

The long-term energy plan shall be prepared on a ten-year rolling basis in the form of a decision by the Minister for Environmental Affairs, Energy and Climate Change, to be notified to the competent standing committee of the Hellenic Parliament. Before issuing his decision, the Minister for Environmental Affairs, Energy and Climate Change shall request opinions from the RAE and the Economic and Social Committee and may request opinions from producers and specialists.

2. The State shall ensure that all activities in the energy sector are modernised and developed, in order to guarantee that consumers are provided with technically reliable and affordable energy under conditions of healthy competition, combat energy poverty and apply the rules of the liberalisation of the electricity and natural gas markets.

3. Undertakings engaged in energy-related activities must:

(a) pursue their activities and provide their services in accordance with the provisions of current legislation and the acts issued pursuant thereto and the terms and conditions included in their licence;

(b) apply the principles of equal treatment, impartiality and non-discrimination between users and customers, especially for services provided under exclusive right regimes;

(c) operate and provide their services in a way that promotes healthy competition in the energy market, by discharging the general interest service obligations allocated to them;

(d) pursue their activities in a way that does not infringe customers' rights, as set out in the provisions hereof and the acts issued pursuant hereto;

(e) provide energy efficiency services in application of the provisions of Law 3855/2010 (Government Gazette 95A) and the acts issued pursuant thereto;

(f) apply measures to combat energy poverty and protect vulnerable customers;

(g) provide the competent authorities with the information requested of them during the performance of their duties, by the deadlines set under the specific provisions of the present law and the acts issued pursuant hereto.

4. The Minister for Environmental Affairs, Energy and Climate Change and the RAE shall exercise the responsibilities allocated to them under the present law, so as to:

(a) protect the natural environment from the impact of energy-related activities and safeguard energy efficiency, climate protection and viable and balanced growth;

(b) satisfy all Greece's energy needs and safeguard security of supply and an uninterrupted energy supply, in accordance with the economically optimum technologies available;

(c) verify if licence holders active in the energy market can finance the activities for which they have been granted a licence;

(d) promote the application of energy-efficient and economically effective methods and practices by licence holders and energy-efficient and economically effective use of energy supplied to customers;

(e) promote healthy competition in the energy market and its smooth operation, in accordance with current national and EU law;

(f) protect the interests of customers, especially vulnerable customers, in particular with regard to prices, pricing and charging transparency, terms of energy supply, security of supply, regular supply and the standard of energy supply services and allow customers to effectively exercise their right to select a supplier;

(g) take account of the expenditure incurred by licence holders for research, development and the application of new technologies, methods and processes during the pursuit of energy-related activities;

(h) protect the public from the risks inherent in energy-related activities and ensure that all those engaged in such activities comply with health and safety regulations;

(i) ensure that the measures adopted in the National Action Plan to combat energy poverty are implemented, in cooperation with all agencies involved, in both the public and private sectors.

CHAPTER B
STRUCTURE AND OPERATION OF THE REGULATORY AUTHORITY FOR ENERGY (RAE)

Article 4

1. The energy market shall be controlled, regulated and supervised, without prejudice to the competence of the Minister for Environmental Affairs, Energy and Climate Change, by the RAE, which was established under Law 2773/1999 and is the national regulatory authority for electricity and natural gas within the meaning of Directives 2009/72/EC and 2009/73/EC.

2. The RAE shall exercise the powers provided for in Chapter C of Part One and the additional powers vested in it under provisions at other points of the present law.

Article 5

Legal form of the RAE

The RAE is an independent regulatory authority based in Athens. It has a legal personality and appears independently before courts trying its acts or omissions or legal relations relating to it. The RAE shall only be subject to parliamentary and judicial control.

Article 6

Administrative and financial independence of the RAE

1. The RAE shall have administrative and financial independence and its own budget, which it shall implement fully independently.

2. The RAE budget shall be attached to the budget of the Ministry of Environmental Affairs, Energy and Climate Change and its implementation shall be monitored by the State Annual Accounts and State Budget Monitoring Committee, as stipulated in Parliament's Rules of Procedure.

3. The RAE shall draft an annual report, by 31 March each year, on its activities and the performance of its duties, listing the measures taken and the results achieved for each of its duties and responsibilities. This report shall be submitted to the Hellenic Parliament, the Minister for Environmental Affairs, Energy and Climate Change, the Agency for the Cooperation of Energy Regulators and the European Commission. It shall also be posted on the RAE's official website. The annual report referred to in the present paragraph shall also contain a review of the implementation of its budget.

4. The Court of Auditors shall carry out a corrective audit of RAE expenditure in accordance with current provisions.

Article 7

Composition of the RAE

1. The RAE shall comprise seven (7) members, including the chairman and two (2) vice-chairmen who are distinguished for their scientific training and professional aptitude, have specialist experience in matters for which the RAE is competent and can provide guarantees of independence and impartiality.

2. The members of the RAE shall be selected by the Minister for Environmental Affairs, Energy and Climate Change, following a notice published in at least four (4) national daily newspapers, and proposed to the Committee on Institutions and Transparency of the Hellenic Parliament for appointment. The notice shall be published no later than sixty (60) days prior to submission of the proposal by the Minister for Environmental Affairs, Energy and Climate Change to the aforementioned Committee and shall invite interested parties to file their candidature by a specific deadline, which must be no less than thirty (30) days. The number and details of candidates, other than those who have expressly requested that their details not be published, and the appointment proposal by the Minister for Environmental Affairs, Energy and Climate Change to the Committee on Institutions and Transparency shall be posted on the RAE's official website. The Committee shall issue an opinion on the proposal within thirty (30) days and post it on the RAE's official website. If the Committee issues a favourable opinion, the three (3) specific members proposed by the Minister for Environmental Affairs, Energy and Climate Change for the positions of chairman, first vice-chairman and second vice-chairman shall be appointed to those positions by act of the Council of Ministers. The other members on whom the Committee on Institutions and Transparency issued a favourable opinion shall be appointed by decision of the Minister for Environmental Affairs, Energy and Climate Change. The procedure for selecting members of the RAE set out in the present paragraph shall apply following expiry of the terms of office of each member serving on it when the present law enters the statute book.

3. The members of the RAE shall serve a five-year term of office. No member of the RAE may serve more than two (2) terms of office. Members of the RAE cannot be recalled during their term of office. If a member of the RAE vacates his seat during his term of office for whatsoever reason, a new member shall be appointed in accordance with the procedure described in paragraph 2 for a full term of office, provided that the member who vacated his seat had less than two (2) years left to serve in normal office. In all other instances, the new member shall be appointed for the remaining term of office of the member whose seat was vacated. The RAE shall continue to function, but for no more than six months, if any of its members are missing or leave for whatsoever reason, provided that the other members suffice to form a quorum at its meetings.

Article 8

Operation of the RAE

1. The RAE shall meet at the invitation of its chairman, as specified in its Rules of Procedure.
2. The RAE shall have a quorum if the chairman or at least one of the vice-chairmen and at least three (3) members attend the meeting and shall pass decisions by majority vote. If one of the items on the agenda is the imposition of a penalty, the RAE shall have a quorum if at least five (5) members are present, including the chairman or one of the vice-chairmen acting as chairman.
3. In the event of a tied vote, the chairman or, if he is absent, the vice-chairman acting as chairman, shall have the casting vote, except in cases where the decision taken involves the imposition of administrative penalties.
4. All other matters pertaining to RAE meetings shall be regulated by its Rules of Procedure.

Article 9
Powers of the chairman of the RAE

1. The chairman of the RAE shall represent the Authority in its relations with other administrative or independent authorities and third parties and before the courts and shall be responsible for its operation and for exercising duties for that purpose pursuant to the present law, the regulatory acts issued pursuant hereto and decisions passed by the RAE. In particular he shall:

- (a) head the secretariat and all the departments of the RAE and manage its work;
- (b) act as internal and disciplinary head of the staff employed under any employment relationship in the RAE secretariat;
- (c) issue individual notices relating to RAE secretariat staff matters, other than those for which the corresponding councils or the RAE are responsible;
- (d) prepare the agenda for and chair meetings of the RAE;
- (e) issue administrative notices for the application of RAE decisions and he may execute contracts of a value stipulated from time to time by decision of the RAE;
- (f) exercise any other powers delegated to him by decision of the RAE, as specified in its Rules of Procedure.

If the chairman of the RAE has a prior commitment or is absent, he shall be replaced by the first vice-chairman and, if he has a prior commitment or is absent, by the second vice-chairman. The chairman of the RAE or the vice-chairman acting for him may delegate powers to represent the Authority in or out of court for a specific act or action or category of acts or actions to another member of the RAE or to a member of its secretariat.

2. The RAE may, at the chairman's recommendation, issue a decision setting up committees and working parties to examine and investigate matters of special interest which come within the remit of the RAE. Persons who are not members of the RAE secretariat may participate in the committees and working parties set up in accordance with the previous sentence. The RAE decision shall specify the remit, duration and composition of each committee and working party. The proposals and recommendations of the committees and working parties referred to in the present paragraph shall be submitted to the chairman of the RAE, who may decide to post the results on the RAE's official website. The fee paid to the members of the committees and working parties referred to in the present paragraph shall be set by decision of the RAE, to be published in the Government Gazette. The expenditure generated from the application of the previous sentence shall be charged to the RAE budget.

3. The chairman of the RAE may issue a notice, to be published in the Government Gazette, delegating any of the powers vested in him in accordance with paragraph 1(a) to (e) to other members of the RAE or to members of its secretariat.

4. The chairman of the RAE may issue a notice, to be published in the Government Gazette, authorising other members of the RAE or members of its secretariat to sign acts which the chairman has powers to issue on behalf of and by order of the chairman.

Article 10
Legal status of RAE members

1. The members of the RAE are senior officers of State who enjoy full personal and operational independence in the exercise of their duties and are not subject to scrutiny or supervision by the government or other administrative bodies.

2. Members of the RAE shall be bound in the exercise of their duties by the provisions of the present law, must comply with the principles of independence and impartiality and must act independently of any economic interest. The members of the RAE shall neither seek nor accept direct instruction from the government or administrative bodies or from any other person or agency.

3. The chairman and vice-chairmen of the RAE shall work exclusively for the RAE on a full-time basis. The other members of the RAE shall work on a full-time basis, but may accept part-time teaching posts in higher education establishments. More importantly, the other members of the RAE may accept part-time teaching posts or jobs in higher education establishments, technical colleges, not-for-profit research agencies, other regulatory authorities or agencies or establishments providing education or services to officers of regulatory authorities. It is prohibited for members of the RAE to be partners, shareholders, board members, managers, employees, technical or other consultants or designers of an undertaking subject to direct or indirect control and supervision by the RAE during their term of office. Social security contributions for members of the RAE shall be charged to the RAE budget, unless more specific provisions stipulate otherwise.

4. It is prohibited for the members of the RAE to hold stocks or shares in undertakings subject to direct or indirect supervision by the RAE, with the exception of indirect holdings through mutual funds or pension schemes which invest in equities.

5. The members of the RAE must file a statement of interests in accordance with the provisions of Article 1 of Law 3213/2003 (Government Gazette 309A).

6. All manner of remuneration paid to members of the RAE shall be stipulated by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change. The expenditure generated from the application of the present paragraph shall be charged in its entirety to the RAE budget.

7. Without prejudice to paragraph 8, members of the RAE appointed from a public-sector agency under any employment relationship or retainer shall automatically return on expiry of their term of office to the position they held prior to their appointment. The term of office at the RAE shall count as actual service for all purposes and their promotion in terms of grade and salary shall not be suspended during it. If the position which they held or to which they have been promoted is not vacant or has been abolished, they shall return to a provisional post of equivalent grade in their sector, which shall be established automatically and abolished when they leave that agency.

8. Members of the RAE may not, for two (2) years after expiry of their term of office, be any manner of partner, shareholder, board member, technical or other consultant or employee (with or without pay, on a retainer or with any form of privity) of a company or undertaking whose activities were subject to direct or indirect control and supervision by the RAE during their term of office. A fine equal to fifteen times their total remuneration received as members of the RAE during their term of office shall be imposed on persons in breach of the provisions of the previous sentence by

decision of the disciplinary council referred to in Article 11, regardless of liability established under other provisions.

Article 11

Disciplinary procedure

1. Members of the RAE shall bear disciplinary liability for every infringement of their obligations pursuant to the present law. Liability shall be attributed in a fully reasoned decision by a special disciplinary council in accordance with the procedure set out in the following paragraphs of the present law.

2. The disciplinary council shall be established by decision of the Minister for Environmental Affairs, Energy and Climate Change for a five-year term of office and shall comprise two (2) Councillors of State and three (3) permanent university professors of any grade in the subject of public law, together with their deputies, to be appointed by lot held by the Council of State *en banc*. The most senior judicial officer among the members of the council shall be appointed as chairman. Members of the disciplinary council who retire from the body in which they were judicial officers or teachers shall retain their membership of the disciplinary council pending expiry of their term of office. The secretary and deputy secretary of the council, who shall be members of the RAE secretariat, shall be appointed in the above decision by the Minister for Environmental Affairs, Energy and Climate Change.

3. The fees paid to the chairman, members and secretary of the disciplinary council and their deputies shall be set by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change. The expenditure generated by the previous sentence shall be charged to the RAE budget.

4. Disciplinary proceedings before the disciplinary council may be instituted by decision of the Minister for Environmental Affairs, Energy and Climate Change, the Speaker of the House or the RAE, to be passed without the participation of the member being investigated.

5. The body which institutes disciplinary proceedings in accordance with paragraph 4 shall forward a full case file, the personal file of the accused and any other information needed to the chairman of the disciplinary council and shall notify a copy of the act initiating disciplinary proceedings to all regular and deputy members of the disciplinary council.

6. On receipt of the information referred to in the previous paragraph, the chairman of the disciplinary council shall order a summons to be served on the accused, notifying him of the complaint and advising him that he is entitled to inspect all the case documents up to the date of the first hearing.

7. The council shall meet in the presence of at least three (3) members and shall rule by an absolute majority of those present, having heard the accused, who shall be entitled to appear in proceedings before the disciplinary council with counsel.

8. The disciplinary council shall rule at first and last instance within ninety (90) days of the date on which proceedings were instituted and the full case file was forwarded to it. For the rest, provisions governing appeals by employees shall apply.

9. Members of the RAE who engage in acts or undertake work or projects which are not compatible with the principles of independence and impartiality which must govern the operation of

the Authority shall be punished by dismissal in accordance with the above procedure, regardless of any civil and/or criminal liability they may have.

10. Members of the RAE shall automatically forfeit their position if convicted in a final court judgment during their term of office of an offence which prevents appointment to or results in dismissal from the civil service in accordance with the provisions of the Civil Service and Public Corporation Staff Code (Law 3528/2007, Government Gazette 26A). Dismissal of members of the RAE following final court judgment shall be confirmed by decision of the disciplinary council, to be issued within no more than thirty (30) days of pronouncement of the final court judgment.

11. Members may be suspended by decision of the disciplinary council referred to in the previous paragraphs of the present article if disciplinary proceedings have been instituted against that member and must be suspended if a final referral order has been issued for an offence which prevents appointment to or results in dismissal from the civil service in accordance with the provisions of the Civil Service and Public Corporation Staff Code (Law 3528/2007), until such time as a final acquittal is handed down. If the member is suspended, a deputy member shall be appointed in accordance with the procedure described in Article 7(2) for a term of office equal to the suspension. However, the RAE shall continue to function, but for no more than six months, without the participation of the suspended member, provided that the remaining members suffice to form a quorum at its meetings.

CHAPTER C REMIT OF THE RAE

Article 12 Security of supply

1. The RAE shall monitor the security of energy supply, especially with regard to the balance between supply and demand on the Greek energy market, anticipated future demand, anticipated additional electricity and natural gas production, transmission and distribution potential already programmed or under construction, the standard and level of maintenance and reliability of transmission systems and distribution systems and the application of measures to cover peak demand and conditions on the energy market in terms of the facility to develop new production potential. The RAE shall therefore prepare a report by no later than the end of July every two (2) years for the electricity sector and by no later than the end of July every year for the natural gas sector, summarising the results of its monitoring of the security of supply, with due account for the regular forecasts made by energy transmission and distribution system operators. This report shall be published and notified to the Minister for Environmental Affairs, Energy and Climate Change, the Hellenic Parliament and the European Commission.

2. The RAE shall monitor the implementation of security measures taken in the event of a sudden crisis on the energy market or where the physical integrity or safety of persons, machinery or plant or the integrity of energy systems are at risk.

3. The RAE is hereby appointed as the competent authority for the application of the measures required under Regulation (EU) No 994/2010 of the European Parliament and of the Council of 20 October 2010 concerning measures to safeguard security of gas supply (OJ L 295). The RAE shall be responsible for the requirements of Articles 6 and 7 of Regulation (EU) No 994/2010 in its capacity as competent authority. In that capacity, the RAE may, when establishing and implementing

the Preventive Action Plan and Emergency Plan provided for in Article 4(4) of Regulation (EU) No 994/2010 at national and regional level, delegate specified duties relating to the above to three persons. The RAE shall monitor and supervise the performance of the delegated duties.

Article 13

Licensing

1. The RAE shall rule on whether or not licences to pursue energy-related activities should be granted, amended or withdrawn in accordance with the specific provisions of the present law, in keeping with the principles of transparency and equal treatment and taking account of the specific attributes of applicants, consumer protection, environmental protection and the need to safeguard healthy competition. When issuing licences, the RAE shall take any action needed to ensure that they are in keeping with long-term energy planning forecasts and any restrictions in the long-term plan or in a binding text submitted by the Hellenic Republic to the European Commission or to international organisations. If the RAE rejects applications for licences, it must ensure that the grounds for rejection are objective and impartial and that they are notified to applicants, so that they can appeal against the Authority's decision pursuant to Articles 32 and 33. If an application for a licence for an activity on the natural gas market is rejected, the RAE shall notify the European Commission of the grounds for the rejection.

2. The procedure for granting, amending and withdrawing licences for energy-related activities and the terms and conditions under which such activities may be pursued shall be stipulated in the Licensing Regulations issued in accordance with Article 90 for natural gas and Article 135 for electricity.

3. The RAE shall monitor and control the manner in which rights granted under such licences are exercised and compliance with their obligations by licence holders.

4. The RAE may collate and evaluate technical, economic, financial, commercial and other related details on interested parties in accordance with the provisions of Law 2472/1997 (Government Gazette 50A) during the licensing or certification procedure for energy-related activities.

Article 14

Development of infrastructures and monitoring of development plan

1. The RAE shall rule, following public consultation with existing and potential users, on amendments to the development plans prepared by the competent transmission operators. The RAE shall publish the outcome of public consultation and shall consider:

(a) if the development plan covers all the requirements identified during the above consultation procedure, especially investment requirements;

(b) if the development plan is in keeping with the corresponding non-binding Community-wide ten-year development plan for the electricity and natural gas transmission systems prepared in accordance with Regulations (EC) Nos 714/2009 and 715/2009 (OJ L 211)

and may then ask competent transmission operators to amend their plan accordingly. If there is any doubt as to whether or not the development programme is in keeping with the corresponding

Community-wide plan, the RAE shall consult the Agency for the Cooperation of Energy Regulators established under Regulation (EC) 713/2009.

2. Where projects integrated into the development programme are not implemented for reasons other than those which are beyond the control of the Hellenic Transmission System operator, the RAE shall act in accordance with Article 108.

3. The RAE shall monitor and evaluate the application of development programmes. The RAE shall also monitor the time needed for the transmission system and distribution system operators to connect users, effect repairs and provide services to system users. The RAE may set deadlines for the above and penalty clauses for the benefit of users if deadlines are missed.

Article 15

Prices of non-competitive activities

1. The RAE shall rule on the methodology used to calculate the prices of non-competitive activities, six (6) months prior to the date on which they take effect, in accordance with the provisions of Article 88 for natural gas and Article 140 for electricity and based on transparent criteria, such that these prices do not create distortions and reflect the cost of the services provided. The methodologies used and the prices of non-competitive activities shall be published on the websites of the RAE and the competent operators.

2. The RAE shall take account, during the performance of its duties in accordance with paragraph 1, of the need to introduce short-term and long-term incentives for transmission system operators and distribution system operators to improve the performance of transmission systems and distribution systems, to promote growth in the energy market, to safeguard the security of supply and to support research activities relating to their remit.

3. The RAE may issue a specifically reasoned opinion, asking the competent operators to amend the above prices, in accordance with the procedure set out in paragraph 1, if it considers that they do not guarantee proportionate and impartial prices for use of the transmission or distribution systems.

4. If there is a delay in setting energy transmission and distribution prices, the RAE may issue a decision setting provisional prices or methodologies for calculating such prices and decide on appropriate compensatory measures if the final prices or methodologies differ from the provisional prices or methodologies.

Article 16

Exemption from obligation to provide third party access and compulsory unbundling

The RAE shall rule on exemptions for all or part of the capacity of the natural gas system and for interconnections with electricity transmission systems in other countries from the obligation to provide access to third parties or from compulsory unbundling in accordance with the procedure and requirements set out in Article 76 for natural gas and Article 115 for electricity and shall cooperate with the regulatory authorities in other Member States, any third country involved, the Agency for the Cooperation of Energy Regulators and the European Commission for the purpose.

Article 17

Operation of closed distribution systems

1. The closed distribution systems within the Hellenic Republic and the persons who operate them shall be stipulated by decision of the RAE, to be published in the Government Gazette. The said decision shall stipulate the responsibilities, obligations and rights of closed distribution system operators and the terms, conditions and any details needed in order to regulate the way in which the above closed distribution systems are operated.

2. An exemption from the obligation whereby the costs of connecting to and using the closed distribution system operated and the methodologies used to calculate them must be approved by the RAE before they take effect may be granted by decision of the RAE, to be issued at the request of the closed distribution system operator. Every user of a closed distribution system granted an exemption in accordance with the above may apply for the RAE to approve the connection and user charges and the calculation methodology applied by the closed distribution system operator.

Article 18

Separation of operators/supervision of independent transmission operators

1. The RAE shall monitor communications between independent transmission operators and the vertically integrated undertakings to which they belong, in order to safeguard compliance with their obligations by independent transmission operators in terms of equal access for users to information and data.

2. The RAE shall have access to all data relating to commercial and financial relations, including loans, between independent transmission operators and the vertically integrated undertakings to which they belong, in order to ensure that these relations are compatible and are based on current market conditions. All financial and commercial agreements between independent transmission operators and the vertically integrated undertakings to which they belong shall be approved by decision of the RAE in accordance with the provisions of Article 101.

3. The RAE shall have unrestricted (including unannounced) access to the head office, branches and premises in general of vertically integrated undertakings and independent transmission operators, including to their computer systems and communication files, in order to confirm the integrity of data provided to the RAE so that it can perform its duties.

4. In the event of permanent infringement on the part of an independent transmission operator of the obligations incumbent upon it as an independent transmission operator under national and EU law, especially in the event of repeated biased conduct for the benefit of the vertically integrated undertaking to which it belongs, all or some of the duties of the Hellenic Transmission System operator, as specified in Article 94, may be allocated to an independent system operator by decision of the RAE in accordance with the provisions of Article 111.

5. The RAE may request justification from vertically integrated undertakings if the independent transmission operator's compliance officer reports issues with the implementation of the development programme, including in particular rebuttal of reports of biased conduct for the benefit of the said vertically integrated undertakings.

Article 19

Certification of transmission system operators

1. The RAE shall rule on certification of natural gas and electricity companies in accordance with the criteria and procedure set out in Article 64 for natural gas and Article 113 for electricity and, in the case of requests submitted by legal persons from a country that is not a Member State of the European Union, in accordance with the criteria and procedure set out in Article 65 for natural gas and Article 114 for electricity, so that these companies may be appointed as transmission system operators.

2. The RAE shall monitor permanent compliance on the part of transmission system operators with the criteria set out in Chapter B of Part Three and in Chapters B and C of Part Four and may therefore request any information or data from transmission system operators and undertakings performing any of the functions of production or supply of electricity or natural gas, with due regard for the confidentiality of commercially sensitive information.

3. The RAE may institute any procedure for verifying satisfaction with certification criteria, especially:

(a) following notification by the transmission system operator of a planned transaction which may make it necessary to reassess satisfaction of the criteria set out in Chapter B of Part Three and Chapters B and C of Part Four, as applicable;

(b) at its own initiative, when it comes to its knowledge that a planned change of control or in the method of decision-taking by the transmission system owners or operators may cause an infringement of Article 62 for natural gas or Article 110 for electricity;

(c) where it ascertains that Article 62 (for natural gas) or Article 110 (for electricity) have already been infringed;

(d) at the reasoned request of the European Commission.

Article 20

Compliance officer

1. The compliance officer of an independent transmission operator may only be placed or removed, in accordance with the provisions of Article 107 and the terms of the relevant instruction received from the supervisory board of the independent transmission operator, subject to prior approval by the RAE.

2. The RAE may only reject the proposed placement or request that the compliance officer be removed where his independence vis-à-vis the independent transmission operator is not guaranteed or where it is unable to confirm his professional aptitude in relation to the duties required of him.

Article 21

Access to interconnections

1. The RAE shall adopt, monitor and supervise the application of interconnection access rules, including related prices and the methodology used to calculate them, and capacity allocation and release and congestion management mechanisms, the provision of balancing services and the

procedure for the amicable resolution of disputes that arise during the application of the above and any other necessary details. The RAE shall ask the competent transmission system operators for their opinion for this purpose. The RAE shall cooperate, for this purpose, with the regulatory authorities in other interconnected states.

2. The RAE shall monitor publication of the necessary information by transmission system operators and, as regards interconnections, the operation of the transmission systems and the allocation of capacity to interested parties and may request any information relating to the performance of their duties from transmission system operators, with due regard for the confidentiality of commercially sensitive information.

3. Within the framework of its competences under paragraphs 1 and 2 and of Article 25, the RAE shall cooperate with the competent authorities of the Member States, of Participants of the Energy Community and of neighbouring countries and with bodies operating within the framework of the European Union, the Energy Community and the Euro-Mediterranean Cooperation.

4. The RAE shall issue a decision setting out the procedure for the amicable resolution of disputes that arise during the application of the rules adopted under paragraph 1 of the present article and the regulation on the open procedure for allocating transmission capacity in the submarine section of the Greece-Italy natural gas pipeline (Poseidon pipeline) in accordance with European Commission decision no SG-Greffe(2007) D/203046.

Article 22

Monitoring and supervision of the energy market

1. As part of its remit, the RAE shall monitor and supervise the operation of the energy market, prepare studies, draft, publish and submit reports, make recommendations, issue decisions or propose that the competent bodies take the necessary measures, including issuing regulatory acts and individual notices, especially for the purpose of compliance with competition rules and the regulatory obligations imposed under the present law, consumer protection, fulfilment of their obligations by general interest service providers, environmental protection, security of supply and the development of the EU internal energy market. The RAE shall therefore monitor and supervise, in particular:

(a) the extent and effectiveness of competition in the energy market, at wholesale and retail level;

(b) prices to household customers, including prepay systems, the percentage of change of supplier, the percentage of supplies cut off, the provision of maintenance services and related charges and customer complaints;

(c) the emergence of distortions of or restrictions on competition and restrictive practices, such as exclusivity clauses that might prevent customers from entering into contracts with more than one supplier simultaneously or restrict their facility to choose a supplier;

(d) the compatibility of terms of electricity and natural gas supply contracts with the facility to cut off the supply and of long-term supply contracts with national and European law;

(e) compliance with the special regulatory obligations incumbent upon undertakings performing energy-related functions in accordance with current provisions and the terms of the licences granted to them.

2. The RAE shall monitor the level of transparency, including of wholesale prices, and shall ensure that undertakings engaged in energy-related activities comply with their obligations in terms of transparency.

3. The RAE shall monitor the separation of accounts of undertakings engaged in energy-related activities in accordance with the specific provisions of Article 89 for natural gas and Article 141 for electricity and of transmission and distribution system operators, shall have access to them and shall ensure that there is no cross-subsidisation between energy production, transmission, distribution and supply activities and between natural gas transmission, distribution, supply, resale, storage and LNG facility activities.

4. Within the context of the above, the RAE may issue instructions and guidelines, which shall not be binding on third parties, on issues that come within its remit and the exercise thereof, in order to safeguard the proper and uniform application of the regulatory framework of this law and more comprehensive information for interested parties.

Article 23

Regulatory measures to safeguard the smooth operation of the energy markets

1. Without prejudice to the authority vested in other authorities under the relevant provisions of law, the RAE may, depending on the result it wishes to attain, impose measures and terms on undertakings engaged in energy-related activities which are deemed necessary in order to safeguard the application of the provisions of the present law, conditions of healthy competition and the smooth operation of the market. Within this context, the RAE shall exercise the authority to carry out the investigations referred to in Article 28 and shall cooperate in particular with the Competition Commission, in accordance with the specific provisions of Article 26, and the authorities responsible for supervising the financial sector.

2. The RAE shall publish an annual report on compliance of supply prices with general interest service obligations and, if it deems necessary, shall forward it to the Competition Commission.

Article 24

Consumer protection

1. The RAE shall supervise the application of consumer protection measures, in accordance with the provisions of Part Two.

2. The RAE may issue a decision requiring energy transmission system and distribution system operators to provide customer consumption data in electronic format free of charge.

3. The RAE shall only examine customer complaints inasmuch as they derive from or relate to matters of regulatory supervision provided for under the present law and specified in the regulatory decisions issued pursuant hereto. The RAE shall not examine matters relating to disputes of a civil or commercial nature.

Article 25

Regional cooperation/Agency for the Cooperation of Energy Regulators

1. The RAE may cooperate in any manner with bodies operating within the framework of the European Union, the Energy Community, international organisations or other bodies provided for under international agreements and conventions, with a view to developing a harmonised regulatory framework, strengthening security of supply, protecting customers, protecting the environment and strengthening competitiveness and thus helping to develop the internal energy market. In order to perform the above duties, the RAE shall participate in committees and working parties, attend conferences and summits of consultants and bodies and pay any manner of expenditure incurred in the performance of such duties.

2. The RAE shall contribute in all possible ways to the development of the internal energy market and of healthy competition in it, by cooperating with the regulatory authorities in the Member States of the European Union and other regulatory authorities, especially within the area of the Energy Community, the Black Sea and the Mediterranean, the Agency for the Cooperation of Energy Regulators, the European Commission, the bodies of the Energy Community and international organisations. In particular, it shall:

(a) notify the energy regulatory authorities in other Member States of the European Union and the Agency for the Cooperation of Energy Regulators of any information needed in order for them to perform their duties;

(b) monitor technical cooperation between the European transmission system operators and their counterparts in third countries, especially in countries in the Energy Community and in countries whose systems are interconnected with Greece's transmission systems;

(c) contribute to data exchange procedures for the most important market procedures at regional level.

3. The RAE may request the opinion of the Agency for the Cooperation of Energy Regulators and advise the European Commission of cross-border issues, especially in relation to decisions by the regulatory authorities in other Member States that may conflict with guidelines which refer to the relevant European legislation, within two (2) months of publication of such decisions.

4. The RAE shall apply the legally binding decisions by the Agency for the Cooperation of Energy Regulators and the European Commission and by the bodies of the Energy Community.

5. The RAE shall consult and cooperate on cross-border issues with the energy regulatory authorities of the Member States of the European Union and the Energy Community and of third countries whose systems are interconnected with Greece's transmission systems, with the Agency for the Cooperation of Energy Regulators and with the European Commission, especially for the purpose of:

(a) promoting operational arrangements that allow for optimum management of the system, the development of common electricity and natural gas exchanges and cross-border capacity allocation and for an adequate level of interconnection potential, including via new interconnections at regional level and between regions, thereby making it feasible to develop healthy competition and improve the security of supply, without discriminating between suppliers in various Member States;

(b) develop common rules on capacity allocation and congestion management at interconnections.

Article 26

Relations between the RAE and the Competition Commission

1. The RAE shall cooperate closely with the Competition Commission in order to address infringements of cooperation law which come within the Commission's area of jurisdiction. As such, the RAE may propose that the Competition Commission institute, in order of priority, an investigation to establish if general competition law has been infringed, where investigations by the RAE pursuant to Article 28 give cause to suspect that the provisions of general competition law are not being applied.

2. The RAE and the Competition Commission shall have a duty to inform each other of findings collated during the exercise of their auditing powers which may be crucial to the exercise of the powers of the regulatory authority which needs to be informed, by forwarding the relevant evidence.

3. If the RAE and the Competition Commission institute an auditing procedure in accordance with Article 28 and Article 39 of Law 3959/2011 (Government Gazette 93A) respectively, each of these two authorities may appoint an authorised servant as auditor, to participate in the procedure being conducted by the other authority.

4. The evidence and findings obtained from investigations conducted by the RAE and the Competition Commission in accordance with Articles 28 and 39 of Law 3959/2011 respectively may, once they have been forwarded to the other authority, be used by both regulatory authorities to substantiate infringements that come within each authority's respective remit.

5. During the course of information exchanges, the recipient authority shall safeguard the same level of confidentiality as the forwarding authority.

CHAPTER D

EXERCISE OF ITS POWERS BY THE RAE

Article 27

Evidence

1. The RAE may collect all manner of evidence, especially technical, economic, financial, commercial and other related evidence, in order to perform its statutory duties effectively.

2. The RAE may demand information from undertakings engaged in energy-related activities in connection with the performance of their obligations, including justification for any refusal to grant third parties access, and any information relating to measures needed to strengthen the energy transmission or distribution systems. If the information to be submitted is refused or delayed or inadequate, the RAE may impose the sanctions provided for in Article 38(3)(a) of Law 3959/2011.

Article 28
Investigations

The members of the RAE and its secretariat staff shall exercise the powers and rights provided for under Article 39 of Law 3959/2011 on the written instruction of the RAE, in order to detect infringements of the present law and the acts issued pursuant hereto and of competition rules in these sectors. If the RAE is obstructed in its work, the provisions of Article 39 of Law 3959/2011 on the imposition of penalties and sanctions shall apply.

Article 29
Consultation

1. The RAE shall conduct public consultation where expressly provided under the present law, as and when it deems necessary and in all cases prior to adopting decisions or regulatory measures that might have important repercussions on the relevant energy market, thereby giving interested parties the opportunity to formulate an opinion and submit their comments on the proposed measures. Public consultation shall be conducted over a reasonable period of time and the results of it and the RAE's conclusions from it shall be posted on its official website.

2. Issues pertaining to public consultation, minimum publication requirements, the content of and procedure for public consultation and any other related details shall be regulated in the RAE Rules of Procedure.

Article 30
Regulatory and law-making powers

1. Where legislation governing the electricity and natural gas markets makes provision for presidential decrees to be issued, the RAE shall take any action needed for the purpose and shall submit its opinions on the draft decrees to the ministers with material jurisdiction.

2. The RAE may refer proposed legislative regulations to advance and resolve issues in connection with the performance of its mission to the Hellenic Parliament and the minister with material jurisdiction. The Speaker of the House shall forward the proposals in question to the Standing Committee on Institutions and Transparency of the Hellenic Parliament, which may set out its views on the above referrals in writing to the Speaker of the House.

3. The RAE shall issue a decision, to be published in the Government Gazette, adopting the rules and codes provided for under the present law, where necessary on the advice of the competent operator.

4. The RAE may issue announcements, in a decision posted on its official website, as to how it interprets and applies the current regulatory framework within the scope of its remit.

Article 31
Contracts

1. The RAE may execute works, services, study and procurement contracts in connection with its objectives and operations. These contracts shall be executed and performed in accordance with

and otherwise governed by EU law in force at the time, the legislative acts harmonising national legislation with EU law and, additionally, the RAE Rules of Procedure.

2. The RAE may execute contracts with higher education establishments, university institutes and research institutes and with specialist scientists or technicians with expertise and experience in executing works or preparing studies as part of their remit in accordance with current provisions.

Article 32

Decisions by the RAE

1. Acts and decisions by the RAE provided for under the present law must be fully and specifically reasoned, entered in a special book, unless they concern national defence or public security, in which case they are entered in a special confidential book, and posted on its official website. Regulatory decisions by the RAE shall also be published in the Government Gazette.

2. Applications for review of individual executive acts by the RAE may be lodged within thirty (30) days of publication of notification of the decision. An application for review, which is an administrative appeal, must be lodged in order for the legal remedy referred to in Article 33 of the present law to be admissible.

Article 33

Judicial scrutiny of RAE decisions

1. Rulings on applications for review lodged in accordance with Article 32 may be contested before the Athens Administrative Court of Appeal using the legal remedy of an application for annulment of decisions granting, refusing, amending or withdrawing licences and of appeal in all other cases. Appeals against judgments by the Athens Administrative Court of Appeal on applications for annulment may be lodged before the Council of State. Appeals against judgments by the Athens Administrative Court of Appeal on appeals may be lodged before the Council of State. If the decision is of a regulatory nature, it may be contested in an application for annulment before the Council of State at first and last instance.

Article 34

Complaints to the RAE

1. Complaints against transmission system and distribution system owners or operators and against undertakings engaged in energy-related activities, for breach of their obligations pursuant to the present law, the regulatory acts issued pursuant hereto or the licences granted to them, may be filed with the RAE by anyone with a legitimate interest. The RAE shall rule on complaints within three (3) months. This deadline may be extended for a further three (3) months by reasoned act of the RAE, to be issued before the initial deadline expires, provided that an extension is needed in order to collate the information needed to reach a decision. The deadline may only be further extended with the complainant's consent.

2. The RAE decision may be contested before the courts in accordance with Article 33.

Article 35
Interim measures

1. Where the RAE, acting *ex officio* or pursuant to a complaint, has good cause to believe that current national or EU law governing the electricity or natural gas market may have been infringed, resulting in an immediate, serious and imminent threat to public security, public order, public health or conditions of healthy competition on the relevant electricity or natural gas market or causing serious economic or operational problems to other undertakings, it may issue a reasoned decision adopting appropriate interim measures in keeping with the principle of proportionality to address the situation, before passing a final decision. These interim measures must not aim towards full satisfaction of the right. The undertaking in question shall be granted the right to present its views, unless grounds of urgency do not permit, in which case the undertaking in question shall be invited to present its views within five (5) days of the date on which the interim measures were taken and to propose restorative measures. If they are considered adequate, the RAE shall recall the interim measures and ratify the restorative measures proposed by the undertaking.

2. RAE decisions on interim measures shall be immediately enforceable and shall only be open to appeal before the Athens Administrative Court of Appeal in accordance with Article 33. Appeals shall not stay enforcement of decisions imposing interim measures.

3. The RAE may impose a fine of between five thousand (5 000) euros and one hundred thousand (100 000) euros for each day's failure to comply with a decision imposing interim measures. Fines shall be assessed on the basis of the principle of proportionality.

Article 36
Administrative sanctions

1. The RAE shall issue a decision, following a hearing of interested parties, imposing a fine of up to 10% of their annual turnover on electricity and natural gas transmission system and distribution system owners and operators and undertakings engaged in energy-related activities which are in breach of the provisions of the present law or the acts issued pursuant hereto or the terms of their licences. The fine shall be in proportion to the severity and frequency of the infringement.

2. The method and individual criteria applicable to the fines referred to in the previous paragraph shall be specified by decision of the RAE, to be published in the Government Gazette.

3. The fact that a fine has been imposed shall not prevent other administrative penalties from being imposed under other provisions, especially under Law 3959/2011, for the same infringement.

4. RAE decisions issued in the above cases shall be posted on its official website and published in the press.

5. The fines provided for in the present article shall be collected in accordance with the Public Revenue Collection Code for and on behalf of the RAE and shall be remitted to it.

6. The RAE may withdraw the licences provided for in the present law in the event of systematic and repeated infringement of the legislative framework and the terms on which they were granted. Withdrawal may be ordered in parallel to a fine.

Article 37 Arbitration

1. A permanent arbitration tribunal is hereby established at the RAE, to which the following shall be referred for an award:

- (a) disputes between persons engaged in any manner of activity in the energy sector;
- (b) disputes between eligible customers, as defined herein, and undertakings engaged in energy-related activities;
- (c) any dispute that arises between the above persons from the application of the relevant national and EU legislation in force.

2. The above disputes may only be referred to arbitration if there is a written arbitration agreement between the parties.

3. Arbitration shall be governed by Articles 867 to 900 of the Code of Civil Procedure, unless stipulated otherwise in the present article. In the event of international commercial arbitration, as defined in Article 1(2) of Law 2735/1999 (Government Gazette 167A), the Code of Civil Procedure may apply, provided that there is express agreement to that effect between the parties.

4. Arbitration shall be conducted before a three-member panel of persons listed in the register of arbitrators and mediators compiled every two years by decision of the chairman of the RAE. This list shall include members of the RAE, members of technical chambers and law societies and professors of any grade of higher education establishments with specialist knowledge in disputes subject to arbitration by the RAE.

5. If the parties fail to appoint an arbitrator or mediator in accordance with Articles 873 and 874 of the Code of Civil Procedure, the provisions of Article 878 of the Code of Civil Procedure shall apply, except that the chairman of the RAE shall rule in lieu of the Single-Bench Court of First Instance. The chairman of the RAE shall also rule in lieu of the Single-Bench Court of First Instance in the instances referred to in Articles 880(2) and 884 of the Code of Civil Procedure.

6. The arbitration tribunal shall ensure that proceedings up to publication of the award are completed within six (6) months of the institution of arbitration proceedings.

7. The arbitration tribunal may issue a decision asking the RAE to formulate an opinion on matters in connection with its regulatory powers which are critical to resolving the dispute.

CHAPTER E RESOURCES/FINANCIAL MANAGEMENT OF THE RAE

Article 38

1. In order to exercise its powers, the RAE shall collect the following resources:

- (a) contributory fees levied on undertakings in the energy sector, especially:
 - (aa) a one-off fee for processing applications and recommending a decision for licences or certification to be granted or amended or extended or renewed for the purpose of engaging in activities in the electricity or natural gas sector;
 - (bb) annual fees for pursuing activities in the electricity, natural gas and liquefied fuel sector;

(b) subsidies, grants and funding for research programmes and any other revenue from the European Union or international organisations.

2. RAE resources shall be collected on its behalf and deposited in a bank account managed by the RAE in accordance with its Rules of Procedure.

3. The RAE shall issue a decision, to be published in the Government Gazette, stipulating the method to be used to calculate contributory fees for each activity and the practical procedure to be applied within the framework of the general performance of its duties. The method shall be designed with due regard for turnover from each activity and the extent of the administrative action and work required of the Authority, especially for the purpose of granting and monitoring licences, certifying activities and supervising the market, and shall also take account of the need to minimise the cost to consumers and safeguard equal and effective access to the relevant markets.

4. The contributory fees levied by the RAE, the method used and the bodies responsible for collecting them and any necessary details shall be stipulated by decision of the Minister for Environmental Affairs, Energy and Climate Change, with the assent of the RAE, based on the Authority's budget and the calculation method referred to in paragraph 3.

5. The RAE may collect subscriptions from persons attending conferences or similar events organised by it, in order to ensure that they are organised successfully and efficiently.

6. If the RAE's financial administration reports a profit (income minus expenditure) at the end of every two years which exceeds the expenditure for the previous financial year, up to eighty per cent (80%) of that profit may, by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change:

(a) be appropriated as revenue under the State budget or

(b) be used to reduce the contributory fees levied on undertakings in the energy sector by an equal amount across the board, so as to satisfy the criterion of cost-based contributory fees, in which case the method used to allocate this amount to the undertakings liable for it shall be stipulated in the above decision in a transparent, objective, impartial and non-discriminatory manner, with the assent of the RAE.

7. The RAE must keep accounts and files containing the results of the financial year and must publish annual accounts as stipulated in its Rules of Procedure.

8. The financial records, annual accounts and financial statements shall be audited by two (2) chartered accountants. These records and financial statements shall be published in two (2) daily newspapers with a broad circulation and the Government Gazette and submitted to the Hellenic Parliament and the Standing Committee on Institutions and Transparency of the Hellenic Parliament, together with the annual report referred to in Article 6(4) and the budget for the following year. Auditing costs shall be borne by the RAE.

CHAPTER F RAE SECRETARIAT

Article 39

Administrative and technical support shall be provided to the RAE by its secretariat established in accordance with Article 7(1) of Law 2773/1999.

Article 40
Secretariat structure

1. The RAE secretariat shall be divided into directorates and a Chairman's Office headed by the chairman of the Authority in accordance with the specific provisions of the RAE Rules of Procedure. The five (5) positions established under Article 37(2) of Law 3428/2005 shall be maintained in order to support the Chairman's Office in its work. The five (5) special associates shall have the same legal status as roving civil servants, with the exception of work-related matters, for which they shall have the same status as the rest of the RAE secretariat staff. Recruitment to these positions shall be by decision of the chairman and they may be filled by members of staff of RAE secretariat directorates, who shall continue in such cases to come within the scope of the legal status governing members of the RAE secretariat.

2. The responsibilities of the individual directorates and of the Chairman's Office and the allocation of staff positions shall be stipulated in the RAE Rules of Procedure drafted in accordance with Article 45.

3. Each directorate shall comprise departments to which directorate staff shall be allocated in accordance with the specific provisions of the RAE Rules of Procedure. The individual remits of the departments shall be stipulated and members of the RAE secretariat shall be placed in them, by directorate and department, by decision of the RAE, at the proposal of its chairman, or by decision of its chairman, provided that the relevant powers have been delegated to him pursuant to Article 8(5).

4. A head of each of the directorates and of each of the departments of the RAE secretariat shall be appointed, with a deputy acting as stipulated in the RAE Rules of Procedure. The heads of the directorates and departments and their deputies shall be selected from members of the RAE secretariat who satisfy the criteria set out in the RAE Rules of Procedure for a three-year term of office, which may be renewed more than once by decision of the RAE, at the chairman's proposal. The Directorate of Legal Affairs shall be headed by a lawyer admitted to the Supreme Court of Appeal selected and retained by the Authority at the chairman's proposal, with a deputy acting as stipulated in the RAE Rules of Procedure.

5. Information on the operational structure and organisation of the RAE and the appointment of heads of directorates and departments shall be posted on its official website.

Article 41
Secretariat staff

1. An additional twenty (20) specialist scientific staff positions, five (5) administrative staff positions and five (5) positions for retained lawyers shall be established, in addition to the positions provided for in Law 2773/1999 and other provisions in force this day, in order to staff the RAE secretariat, together with a further five (5) specialist technical staff positions. The members of the specialist technical staff shall provide infrastructure to support the secretariat, by providing specialist technical services which enable it to perform its work in a more integrated manner. The specialisms of the administrative, specialist scientific and specialist technical personal recruited and of the lawyers retained shall be stipulated in the RAE Rules of Procedure.

RAE secretariat staff positions may be increased by presidential decree issued at the proposal of the Minister for Environmental Affairs, Energy and Climate Change, with the assent of the RAE.

2. Positions shall be filled in accordance with the provisions of Law 2190/1994 (Government Gazette 28A), as amended, further to a notice issued by the RAE stipulating the formal and material qualifications required in accordance with the provisions of Presidential Decree 50/2001 (Government Gazette 39A).

3. Positions for retained lawyers may be filled, on application, by lawyers serving in specialist scientific staff positions by decision of the RAE, with the assent of the Staff Council. Lawyers recruited to specialist scientific staff positions at the RAE must stop practising. Article 24(2) of Law 1868/1989 (Government Gazette 230A), as amended by Article 37(1) of Law 2145/1993 (Government Gazette 88A) and then supplemented by Article 19(8) of Law 3232/2004 (Government Gazette 48A), shall apply *mutatis mutandis*, with the exception of the second sentence of Article 24(2) of Law 1868/1989, to lawyers serving with the RAE on a retainer, to lawyers serving with the RAE in a specialist scientific staff position who are required to stop practising and to lawyers recruited under a contract of limited term, from the date on which they assume their duties. The provision of the previous sentence shall also apply to members of the RAE who are lawyers. Remuneration for lawyers employed by the RAE on a retainer shall be governed by provisions in force at the time governing remuneration for special scientific staff of the RAE secretariat.

4. Staff from legal entities referred to in Article 14(1) of Law 2190/1994 (Government Gazette 28A), as amended, with the exception of undertakings in the energy sector, may be seconded to the RAE secretariat in order to meet its requirements. Staff shall be seconded by joint decision of the Minister for Environmental Affairs, Energy and Climate Change and the competent minister, at the proposal of the RAE, in derogation from current general and specific provisions, for a period of two (2) years, which may be extended in accordance with the Civil Service and Public Corporation Staff Code (Law 3528/2007). Secondments may only be reversed with the assent of the RAE. Individual secondments must be interrupted, at the recommendation of the RAE, if the requirements of its secretariat which the employee was seconded to meet can be met by its own staff. If the salary of a servant from a public-sector agency seconded to the RAE under any employment relationship is lower than the salary for the position held prior to the secondment, the salary shall automatically be maintained at the level of their operational position, taking account of pay rises and promotions. The expenditure generated from the application of the present paragraph shall be charged in its entirety to the RAE budget.

5. Staff serving in agencies in the public sector, as defined in Article 14(1) of Law 2190/1994, as amended, may be reclassified, in derogation from current provisions, by joint decision of the Minister for Environmental Affairs, Energy and Climate Change and the competent minister, at the proposal of the RAE, in order to fill operational positions at the RAE secretariat, provided that they have the formal qualifications required for appointment to such positions. If the RAE wishes to fill vacancies in its secretariat by reclassification, it shall issue a notice setting a deadline for applications and shall send it to all the ministries, which shall notify it to all the departments and public-law legal entities supervised by them. Applications for reclassification shall be examined by the RAE, which shall issue a decision once it has evaluated the suitability of candidates for the duties of the position in question, in application of the procedure described in paragraph 4 of the present article.

Article 42
Staff Council

A staff council shall be set up at the RAE secretariat, which shall also operate as a disciplinary council of first instance and shall exercise the powers provided for in the RAE Rules of Procedure, the Civil Service and Public Corporation Staff Code (Law 3528/2007) and Presidential Decree 410/1988 (Government Gazette 191A), as amended. The establishment, composition, term of office and *modus operandi* and any other matters relating to the staff council shall be regulated in the RAE Rules of Procedure. A disciplinary body of second instance shall be set up and shall operate in application, *mutatis mutandis*, of the provisions of the Civil Service and Public Corporation Staff Code.

Article 43
Secretariat staff remuneration and compensation

1. Remuneration, which shall include salaries, bonuses and overtime, and all manner of expenditure relating to additional compensation and travel expenses for staff working for the RAE under any employment relationship or retainer, including the five (5) special associates working in the Chairman's Office, shall be stipulated by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change.

2. The expenditure generated from the application of the present article shall be charged in its entirety to the RAE budget.

Article 44

RAE secretariat staff shall have the same duty of confidentiality and duty to protect business and other secrets as the members of the RAE in accordance with the provisions of the present law. Members of the RAE secretariat may accept part-time teaching or other posts in higher education establishments, technical colleges, not-for-profit research agencies, other regulatory authorities or agencies or establishments providing education or services to officers of regulatory authorities. It is prohibited for members of the RAE secretariat to be partners, shareholders, board members, managers, employees, technical or other consultants or designers in an undertaking subject to direct or indirect control and supervision by the RAE during their term of office.

CHAPTER G
RAE RULES OF PROCEDURE

Article 45

1. RAE Rules of Procedure shall be adopted by presidential decree issued at the proposal of the Minister for Environmental Affairs, Energy and Climate Change, the Minister for Administrative Reform and e-Government, the Minister for the Interior and the Minister for Finance, at the recommendation of the RAE.

2. The Rules of Procedure shall regulate, in particular:

- (a) the organisation of the RAE secretariat in individual directorates, departments and the Chairman's Office;
- (b) the remits of the individual directorates of the RAE secretariat and Chairman's Office;
- (c) the specialisms, qualifications, criteria and details for recruitment of RAE secretariat staff, their allocation to individual directorates, departments and the Chairman's Office and their terms of employment;
- (d) details relating to the works council and the method, procedure and any details needed to assess the RAE secretariat staff;
- (e) the selection criteria and procedure for the heads of the RAE secretariat directorates and departments;
- (f) the internal operation of the RAE, especially the procedure for meetings and decision-taking;
- (g) the way in which the RAE's resources, equipment and property are managed and any other matter relating to the financial administration of the RAE;
- (h) any matter relating to the supply of goods and services;
- (i) details relating to the disciplinary procedure applicable to members of the RAE;
- (j) matters relating to public consultation, minimum publication requirements and the content thereof, the procedure and any other details;
- (k) the code of conduct governing the members of the RAE and its secretariat staff and associates;
- (l) any other matter relating to the operation of the RAE and its secretariat.

**PART TWO
CONSUMER PROTECTION**

**CHAPTER A
GENERAL PROVISIONS**

Article 46

1. Without prejudice to the provisions of Law 2251/1994 (Government Gazette 191A), the provisions of Chapters A and B of the present Part Two regulate consumer protection in the electricity and natural gas supply sector. For the purposes of these chapters, any reference to customers shall be understood to mean eligible customers. The provisions of Chapters A and B shall not apply to gas companies as eligible customers.

2. The RAE shall supervise compliance with the provisions of Chapters A and B of this Part Two by suppliers supplying eligible customers and, in respect of Chapter C, by distribution network operators, and may impose administrative penalties in accordance with the provisions of Article 36 of the present law in the event of infringement.

**Article 47
Rights of eligible customers**

1. Eligible customers shall be entitled to select their supplier of choice. All eligible electricity customers connected to the high- and medium-voltage system and eligible natural gas customers may obtain energy from more than one supplier simultaneously. The procedure for switching supplier shall not involve a cost to the customer. Switching suppliers shall not release the customer from the need to comply with contractual obligations.

2. A supply may only be provided once a supply contract has been executed between the supplier and the customer. Supply contracts shall be executed following a supply quotation prepared and submitted to the customer by the supplier on request. The general and specific terms of the supply contract shall be compatible with the principles of good faith and business ethics and shall be made available to the customer before the supply contract is executed.

3. Household customers shall have fourteen (14) days in which to withdraw from a supply contract without incurring penalties, unless a longer deadline has been agreed, if the supplier fails to give the customer the information referred to in Article 48(1)(a), (b), (c) and (g) and the information referred to in Article 51(2), as specified in the Electricity Supply Code or the Natural Gas Supply Code.

Article 48 **Suppliers' obligations**

1. Electricity and natural gas suppliers must:

(a) advise their customers of the facility to switch supplier in accordance with the provisions of Article 47(1);

(b) provide customers with information about the right to be classified as a vulnerable customer and help customers obtain such classification, if they qualify, especially during the supply contracting procedure;

(c) provide customers with information about their right to the service of last resort, both for electricity and for the universal service;

(d) provide information about the facility to file complaints and out-of-court dispute settlement procedures;

(e) take appropriate measures to guarantee equal treatment of customers in remote areas;

(f) take appropriate measures to protect vulnerable customers;

(g) provide and safeguard easy and immediate access to the energy consumer questionnaire prepared by the European Commission or any information and forms recommended by the RAE;

(h) provide information on services of general interest required under the provisions of the present law.

2. Suppliers must provide customers with:

(a) comprehensible and clearly comparable data on the contribution of each energy source to each supplier's total fuel mix during the previous year;

(b) information on the environmental impact, at least in terms of CO₂ emissions, resulting from electricity generation from the supplier's total fuel mix during the previous year.

3. Suppliers must, for the duration of their function, establish and maintain a customer service department which is adequately staffed, depending on the number and classes of customers.

4. Every supplier must apply a procedure for managing customer complaints. The customer complaints procedure shall be designed to ensure optimum customer service during the procedure by providing any information required. The procedure shall be simple and free and shall not discriminate between different classes of customers. The RAE shall verify and monitor compliance by every supplier with their obligations in terms of customer complaint procedures.

5. Suppliers shall be entitled to refuse to supply specific customers with good cause, such as where the customer has overdue debts to a different supplier. The terms on which the supply may be refused or cut off must be clearly worded and provided to customers in advance, especially during negotiations to enter into a supply contract.

Article 49

Transparent charges and information

1. Customers shall have free, easy, non-discriminatory access to information which allows them to choose the most suitable supplier, especially each supplier's current charges and terms of supply for the classes of customers served, information on their consumption and information on total charges for the electricity and natural gas supply to each customer.

2. Suppliers must publish, at the very least on their website, all the terms and conditions included in supply contracts and corresponding price lists. The Electricity Supply Code and Natural Gas Supply Code may specify these rights and the corresponding obligations of market participants, especially of the competent transmission and distribution system operators and suppliers, so as to ensure that customers' rights are respected.

3. The RAE shall publish summary tables with each supplier's website, contact details and published tariffs, in accordance with the requirements of the supply codes.

4. Every supplier must comply with the principle of transparency and publish general statistics on its customers and activities. The RAE shall monitor and take all necessary measures to ensure that the information provided by suppliers to customers is reliable, especially the information referred to in Article 48(2), and that it is provided in a clearly comparable manner at national level.

Article 50

Dispute resolution procedures

1. Suppliers and customers must make every effort to resolve out of court any dispute or disagreement which arises in connection with the interpretation and validity of and compliance with the terms of supply contracts and the relevant provisions of the Electricity Supply Code and Natural Gas Supply Code.

2. Customers may refer any disagreement with a supplier to the Ombudsman in accordance with the provisions of Law 3297/2004 (Government Gazette 259A), as amended, or any other competent agency provided for under current legislation.

3. The Electricity Supply Code and Natural Gas Supply Code may regulate dispute resolution procedures in greater detail.

Article 51
Supply codes

1. The supply codes issued in accordance with the provisions of Article 85 for natural gas and Article 138 for electricity may regulate the provisions of the present chapter in greater detail and differentiate the above suppliers' obligations for different classes of customers, depending on the specific circumstances of those customers and their consumption patterns and their financial standing and negotiating power. The Electricity Supply Code and Natural Gas Supply Code shall regulate, in particular:

(a) the procedure for switching suppliers and the time needed to complete the switch, which shall not exceed three (3) weeks from receipt of the letter of change of representation by the operator, so as to facilitate the change of supplier at no charge to the customer and the supplier's and customer's obligations during the switching procedure;

(b) the terms and conditions of supply to customers;

(c) the rights and obligations of suppliers and customers, both during the negotiating and contracting stage and during the performance of their contractual obligations;

(d) consumer protection from illegal and misleading sales methods;

(e) the supply contracting procedure, especially:

(aa) the procedure for submitting a quotation for the supply service;

(bb) the minimum content of the quotation, which must include a draft supply contract with the tariffs proposed by the supplier and the general and specific terms of the contract, such as, but not limited to, the interruptible load for electricity and take-or-pay contracts for natural gas;

(cc) the terms of supply of additional services, such as energy efficiency services, provided that they do not conflict with the provisions hereof and/or the corresponding supply code, and the charges for such additional services;

(dd) the authority which customers may grant to suppliers;

(ee) the terms on which supply may be refused;

(f) the minimum content of supply contracts in accordance with paragraph 2;

(g) the minimum term of supply contracts and the terms and conditions for early termination of the contract;

(h) the facility to pay and return guarantees and the method used to calculate them;

(i) the terms and conditions on which customers can choose different payment methods, which must be fair and transparent;

(j) the minimum standard forms which each supplier must issue and provide free of charge, at least at customer service points and on their website, and the forms which must accompany supply contracts;

(k) the details and information which suppliers must notify to the RAE in order to discharge their obligations in accordance with Article 49(4);

(l) the RAE's obligations in terms of improving information to consumers and making it easy for them to select a supplier;

(m) the basic principles for setting supply tariffs, so as to ensure, *inter alia*, that they are comparable, taking account of the metering practices applied by transmission and distribution system operators;

(n) the procedure and terms of services provided by the supplier of last resort and, in the case of electricity, of the universal service provider in accordance with the provisions of Articles 57 and 58 and the criteria which customers must satisfy in order to qualify for these services.

2. Electricity and natural gas supply contracts shall, at the very least, include the supplier's details, a description of the services provided, the general and specific terms of supply, the supply tariffs and other charges, the method used to estimate or meter consumption, the method used to calculate charges based on estimated consumption or meter readings and any specific terms.

3. As regards fulfilment of contractual obligations pursuant to supply contracts, the supply codes shall stipulate:

(a) the supplier's obligations in terms of customer information, especially in connection with the tariffs applied, other charges and communication methods;

(b) the procedure for sending bills for services provided under the supply contract and the frequency with which bills are sent;

(c) the minimum content of bills;

(d) the alternative methods for sending bills;

(e) the procedure for correcting bills;

(f) the procedure and methods for paying bills;

(g) the procedure for handling overdue debts;

(h) the dispute resolution procedure;

(i) the procedure for amending the terms of the supply contract, including supply tariffs, in accordance with objective, transparency and verifiable criteria established in advance, and the consumer's rights in the event of unilateral amendment to the terms of the contract by the supplier;

(m) the procedure for terminating the supply contract;

(n) the cases in which the supply contract can be cancelled or transferred and the relevant procedure.

Article 52

Protection for vulnerable customers

1. For the purposes of the present law and the supply of electricity and natural gas, vulnerable customers shall be classified in the following classes of customers:

(a) financially weak household customers suffering from energy poverty;

(b) customers or their wives or persons of whom they have care and control under the law and who are living with them and depend to a large extent on a constant and uninterrupted energy supply. This class includes customers who use mechanical aids, especially persons who need a

constant power supply in order to operate appliances to support or monitor vital functions, such as breathing apparatus or heart support machinery, dialysis machines and any similar appliances;

(c) elderly customers at least seventy (70) years old, provided that they are not living with another person who is under that age;

(d) customers with serious health problems, especially persons with a serious physical or mental disability or who are mentally retarded or have serious audio-visual or mobility problems or multiple disabilities or a chronic illness, who are therefore unable to manage or negotiate their contract with the supplier;

(e) customers in remote areas, especially non-interconnected islands, who are entitled to special services both in terms of price and in terms of quality and security of supply and transparency of contractual terms and conditions compared with other customers.

2. Depending on the difficulties faced by each class, additional measures may be taken to protect them, especially by offering reduced tariffs or discounts on each supplier's published tariffs, installing prepay meters, offering more favourable terms of payment of bills, alternative methods of accessing bill payment services or prohibiting the supply from being cut off to such consumers at critical times.

3. The criteria, requirements and procedure for classifying customers in a class of vulnerable customers shall be stipulated by decision of the Minister for Environmental Affairs, Energy and Climate Change. With the exception of measures relating to supply tariffs and discounts, measures to protect individual classes of vulnerable consumers, both before the contract is signed and during the contract and when the contract with the supplier is terminated, shall be stipulated in the relevant provisions of the supply codes. The RAE shall verify and monitor compliance with obligations towards vulnerable customers and may impose the penalties listed in Article 36 in the event of failure to discharge them.

Article 53

Appropriate measures for tackling energy poverty, such as the national action plans to be prepared by 31 July 2012 by joint decision of the Minister for Environmental Affairs, Energy and Climate Change and the minister with material competence and social security benefits where required to safeguard energy planning for vulnerable customers and help improve energy efficiency, shall be adopted by decision of the Minister for Environmental Affairs, Energy and Climate Change or by joint decision of the Minister for Environmental Affairs, Energy and Climate Change, the Minister for Finance and any other jointly competent minister, depending on the circumstances.

Article 54

Customer service centres throughout the country shall act as single contact points to provide all manner of information on consumer rights and rights of recourse in the event of dispute under current legislation.

CHAPTER B SERVICES OF GENERAL INTEREST

Article 55

Services of general interest

1. Services of general interest for the purpose of vulnerable customer protection, security, including security of supply, regular supply and the standard and cost of supply, and environmental protection, including energy efficiency, energy from renewable sources and climate change, may be stipulated, in addition to the services referred to in Articles 57 and 58, by presidential decree, issued under the procedure described in the present article at the proposal of the Minister for Environmental Affairs, Energy and Climate Change and notified to the European Commission.

2. Obligations to provide services of general interest must be transparent, impartial and verifiable, must safeguard non-discriminatory access to electricity and natural gas undertakings and must not affect healthy competition. Therefore, before the proposal referred to in paragraph 1 is issued, an impact study shall be prepared by decision of the Minister for Environmental Affairs, Energy and Climate Change, published in the Government Gazette and posted on the ministry and RAE websites. This impact study shall at least cover:

- (a) the need to take the measure to impose services of general interest;
- (b) an analysis of the impact of the proposed measure on the competition;
- (c) specific reasoning of the proportionality of the measure in terms of the objective being pursued in relation to the least onerous measures for the competition;
- (d) the proposed deadline for imposing the measure and periodic review of the criteria by which it was imposed;
- (e) the measures for safeguarding transparency of the method for calculating the consideration and preventing infringement of the provisions of Article 106 of the Treaty on the Functioning of the European Union.

The Minister for Environmental Affairs, Energy and Climate Change may ask for the views of the RAE and the Competition Commission for the purposes of the present paragraph.

3. The Minister for Environmental Affairs, Energy and Climate Change shall issue a decision stipulating that services of general interest are to be provided:

- (a) either by all undertakings performing the function in question;
- (b) or by undertakings selected following an invitation for expressions of interest published by decision of the Minister for Environmental Affairs, Energy and Climate Change, on the advice of the RAE, based on the ability to provide the services in question at the lowest cost to society as a whole. The said decision shall also stipulate the procedure, terms, criteria and any related details in accordance with the provisions of Article 56.

4. If no interest is expressed, the Minister for Environmental Affairs, Energy and Climate Change shall issue a decision appointing the undertaking which can provide the said services at the best possible cost as the general interest service provider.

5. The presidential decree referred to in paragraph 1 may stipulate that the cost of providing services of general interest be apportioned for the entire country to each class of customer, including autoproducers in the case of electricity, in accordance with a method stipulated by decision of the RAE, to be published in the Government Gazette and notified to the

European Commission. This method shall apportion the costs based on coefficients differentiated by class of customer, so as to obtain a charge per unit consumed which offsets the financial impact between classes of customers and, at the same time, promotes energy savings and energy efficiency.

6. The arithmetic values of the coefficients referred to above and the unit charges imposed on customers, regardless of the supplier, shall be determined annually by decision of the RAE, to be published in the Government Gazette.

7. In the case of electricity, the annual charge to customers by consumption site shall not exceed the sum of EUR seven hundred and seventy-three thousand five hundred and thirty-one (773 531). This limit shall be revised by decision of the RAE in the first quarter of each year, based on the average annual change in the retail price index, as published by the Hellenic Statistical Authority (ELSTAT).

8. The Greek electricity transmission system operator and the operators of natural gas transmission systems shall keep a special separate account for services of general interest. The consideration granted to providers required to provide services of general interest shall be charged to this account as expenditure and the revenue from charges imposed on customers and collected by suppliers shall be credited as income. The mechanism for recovering these charges and remitting the consideration owed and any other specific details for the purposes thereof are described in Part Three of the present law for natural gas and in Part Four of the present law for electricity. The consideration referred to in Article 56(4) shall only be paid if accounts are unbundled in accordance with the requirements of paragraph 9.

9. Electricity and natural gas undertakings must keep separate accounts which are used to report at least the financial considerations granted to them for fulfilling general interest service obligations in accordance with the present article and with Articles 57 and 58 and the charges imposed on their customers in connection with general interest service obligations. The RAE shall verify compliance with the provisions of the present paragraph.

Article 56

Procedure for awarding services of general interest following an invitation for expressions of interest

1. Where the undertakings to provide services of general interest are selected following an invitation for expressions of interest, the selection procedure shall satisfy the following requirements:

(a) it shall be simple and transparent and shall not result in discrimination between undertakings;

(b) it shall ensure that the specific general interest service provider has the necessary financial and technical capacity;

(c) it shall cause the least possible cost to customers using the services of general interest and to other customers;

(d) it shall minimise distortions of the market, especially in terms of providing services at prices or on terms and conditions which differ from normal commercial terms;

(e) it shall ensure that no undertaking is excluded in advance and may appoint different undertakings or groups of undertakings to provide services of general interest for each different class of customer or to cover different areas of the country;

(f) it shall include a comparative evaluation of the proposed tariffs for each class of customer and the consideration demanded by each interested party for providing services of general interest.

2. Where it is decided that the services referred to in Articles 55, 56 and 57 are to be provided by all undertakings performing the relevant activity, the method used to calculate the cost and consideration owed for discharging general interest service obligations under Articles 55, 56 and 57 shall be stipulated by decision of the RAE, to be published in the Government Gazette and notified to the European Commission. The consideration shall not exceed what is necessary to cover the cost of discharging the general interest service obligation, based on the relevant income and a reasonable profit for discharging such obligations. The method used to calculate the consideration must be simple and transparent, must not distort the market, must cause the minimum possible cost to consumers and must be easily verifiable and auditable. The following criteria must be satisfied in order to ensure that the cost of providing services is calculated correctly:

(a) the cost of providing services of general interest must not exceed the difference between the net operating cost of a specified undertaking with general interest service obligations and the operating cost without any such obligations;

(b) costs which every specified undertaking would try to avoid if it did not have to provide services of general interest shall be disregarded for the purpose of estimating the cost correctly;

(c) the benefits to the undertaking from providing services of general interest shall be included when determining the cost.

3. If the provision of services is awarded directly to an undertaking, the cost shall be determined based on an analysis of the expenditure that an average undertaking with sound administration which is suitably equipped to satisfy requirements in terms of providing services of general interest would incur in discharging the above obligations.

4. In the case of electricity, PPC SA is hereby appointed as the universal service provider and supplier of last resort, until such time as the procedure to select the said provider and supplier has been completed in accordance with Articles 57 and 58 respectively. Each customer shall be classified in the corresponding tariff class of PPC SA and shall be billed at the supply tariffs published which apply to other PPC SA customers in the same class. The method used to calculate and cover any costs to PPC SA for providing these services shall be stipulated in accordance with the criteria of the present article by decision of the RAE, to be adopted following public consultation. RAE shall be responsible for verifying that the consideration has been calculated correctly and for preventing payment of overcompensation.

Article 57 **Supplier of last resort**

1. The supplier of last resort of natural gas and electricity must supply customers not represented by a supplier for reasons for which their most recent supplier, not the customer, is to blame. The supply shall be temporary and shall be provided for a maximum of three (3) months, in order to give customers sufficient time to negotiate a new contract with their supplier of choice.

2. Suppliers of last resort shall be selected:

(a) for natural gas: in accordance with Article 81(3);

(b) for electricity: in accordance with Article 56, following an invitation for expressions of interest by 31 July 2012. The procedure, terms, criteria and any related details shall be stipulated by decision of the RAE. If no expressions of interest are received, the supplier with the largest market share for each class of customer shall be appointed as the supplier of last resort by decision of the RAE.

Article 58

Universal electricity service provider

1. The universal electricity service provider shall supply household customers and small enterprises (supply of up to 25 kVA) which either fail to exercise their right to select a supplier or are unable to find a supplier on the liberalised market on their present commercial terms.

2. The universal service shall be provided to the customers referred to in paragraph 1 at reasonable, transparent prices which are easily and directly comparable with the prices of other suppliers and which do not discriminate between classes of customers. Charges must be distinguished for each activity and charges corresponding to competitive electricity generation and supply functions must reflect the cost, which may be revised based on changes to the underlying cost.

3. Suppliers must advise their customers with access to the universal service of their rights in connection with the universal service. The universal service supplier must remind customers of their right to switch supplier.

4. Universal service providers shall be selected following an invitation for expressions of interest by 31 July 2012. The procedure, terms, criteria and any related details shall be stipulated by decision of the RAE. If no interest is expressed, the RAE shall issue a decision appointing the undertaking with the largest market share for each class of customer as the universal service provider.

CHAPTER C

SMART METERING SYSTEMS

Article 59

Application of smart metering systems

1. The large-scale replacement of existing systems for metering final energy consumption in the distribution system with smart metering systems specifically designed to allow consumers to participate pro-actively in the energy market and to make it generally more efficient and economic shall be regulated by decision of the Minister for Environmental Affairs, Energy and Climate Change, on the advice of the RAE and at the proposal of the competent operators in accordance with paragraph 2.

2. The proposal by the competent distribution system operators, which shall be filed with the RAE within one year of the date on which the present law enters the statute book, shall seek to maximise the social benefit and shall include alternative proposals. Competent operators shall prepare their proposal with due account for the results of a cost-benefit study, which must be filed with the above proposal. The cost-benefit study shall be prepared by the competent operator and shall include alternative technical solutions for the application of smart metering systems in the distribution system, an estimate of the anticipated cost of each solution and of its benefits to the distribution function for the various classes of system users and suppliers and a feasible estimated implementation schedule.

3. The RAE shall adopt a decision regulating any details needed for the purpose of integrating the project into the electricity and natural gas system development plans, such as:

(a) the minimum operating requirements and specifications in terms either of the metering systems or of the relevant services provided to the energy market, broken down for the different classes of market participants;

(b) the minimum requirements in terms of standardisation, interoperability and extensibility of smart metering systems in relation, *inter alia*, to the facility to integrate the equipment of choice of distribution system users into the metering system;

(c) the project budget and terms for determining the expenditure integrated into the system's regulated asset base;

(d) a detailed timetable for implementing the project and a corresponding cashflow schedule;

(e) the method for apportioning expenditure between the competent operator and distribution system users.

4. For electricity, the target for completing the project shall be ten years, with at least 80% of customers equipped with smart systems by 2020.

PART THREE ORGANISATION OF THE NATURAL GAS MARKET

CHAPTER A POWERS OF THE RAE

Article 60 Powers of the RAE

In addition to powers vested in it under Part One herein, the RAE shall have additional regulatory powers on the natural gas market to:

(a) keep a register of the licences granted by it;

(b) keep the register of Greek natural gas system users in accordance with Article 72;

(c) stipulate the terms and conditions for the provision of load balancing services for the safe, efficient and reliable operation of the natural gas system and therefore to approve, *inter alia*, the annual load balancing programme;

(d) monitor and control the performance of their functions by the natural gas system operators, in order to ensure compliance with the terms of the present law and their licences and/or certification, and to require natural gas system operators to take any action needed and to amend the terms and conditions of access to the natural gas system during the provision of their services in order to maintain equal treatment;

(e) monitor the application of compliance management mechanisms and approve specific measures to eliminate congestion at the proposal of the natural gas system operator;

(f) monitor and supervise the operation of the Greek natural gas system in accordance with Article 86 and publish annual reports on the results of such monitoring.

CHAPTER B
UNBUNDLING OF NATURAL GAS TRANSMISSION SYSTEMS

Article 61
Natural Gas Transmission System Operators

1. Every undertaking which owns a natural gas transmission system shall perform the functions of the system operator in accordance with the provisions of the present law.

2. Exemptions from the provisions of Part Three of the present law may be granted for a limited period of time subject to the terms and conditions of Article 36 of Directive 2009/73/EC, or derogations may be granted subject to the terms and conditions of Article 49(4) and (5) of Directive 2009/73/EC, in accordance with the specific requirements of Article 76.

Article 62
Unbundled Natural Gas Transmission System Operators
(Article 9 of Directive 2009/73/EC)

1. The following preconditions must all be met in order to perform the duties of the natural gas transmission system operator:

(a) the same person or persons are entitled neither:

(aa) directly or indirectly to exercise control over an undertaking performing any of the functions of production or supply of electricity or natural gas, and directly or indirectly to exercise control or exercise any right over an electricity or natural gas transmission system operator or over an electricity or natural gas transmission system; nor

(bb) directly or indirectly to exercise control over an electricity or natural gas transmission system operator or over an electricity or natural gas transmission system, and directly or indirectly to exercise control or exercise any right over an undertaking performing any of the functions of production or supply of electricity or natural gas.

(b) the same person or persons are not entitled to appoint members of the supervisory board, the administrative board or bodies legally representing the undertaking, of a natural gas transmission system operator or a natural gas transmission system, and directly or indirectly to exercise control or exercise any right over an undertaking performing any of the functions of production or supply of electricity or natural gas; and

(c) the same person is not entitled to be a member of the supervisory board, the administrative board or bodies legally representing the undertaking, of both an undertaking performing any of the functions of production or supply of electricity or natural gas and a natural gas transmission system operator or a natural gas transmission system.

2. The rights referred to in paragraph 1(a) and (b) shall include, in particular:

(a) the power to exercise voting rights;

(b) the power to appoint members of the board of directors or bodies legally representing the undertaking; or

(c) the holding of a majority share in the company's share capital or authorised capital of a natural gas transmission system operator.

3. The obligation set out in Article 61(1) shall be deemed to be fulfilled in a situation where two or more undertakings which own natural gas transmission systems have created a joint venture which acts as a natural gas transmission system operator in two or more Member States for the natural gas transmission systems concerned. No other undertaking may be part of the joint venture, unless it has been approved under Article 14 of Directive 2009/73/EC as an independent system operator or as an independent transmission operator for the purposes of Chapter IV of Directive 2009/73/EC.

4. For the implementation of this article, where the person referred to in paragraph 2(a), (b) and (c) is the Greek State or another public body, organisation or State operator, two separate public bodies exercising control over a natural gas transmission system operator or over a natural gas transmission system on the one hand, and over an undertaking performing any of the functions of production or supply of electricity or natural gas on the other, shall be deemed not to be the same person or persons if they are not controlled by the same third-party public body.

5. Natural gas transmission system operators and their staff shall be subject to a duty of confidentiality in accordance with Article 66 herein in respect of commercially sensitive information obtained in the course of carrying out their duties. The said information shall not be transmitted to undertakings performing any of the functions of production or supply of electricity or natural gas.

6. Undertakings performing any of the functions of production or supply of electricity or natural gas shall not be entitled in any event to directly or indirectly take control over or exercise any right over unbundled natural gas transmission system operators in Greece or in other Member States in accordance with the provisions of the present article.

7. A vertically integrated undertaking which owns a transmission system shall not, under any circumstances, be prevented from taking measures to comply with the provisions herein.

Article 63

Acquisition of holding in unbundled natural gas transmission system operator

1. Any legal or natural person intending to acquire a holding, alone or in a joint venture with other persons, in an unbundled natural gas transmission system operator must first advise the RAE and notify it of the size of the holding. The same obligation shall also apply where an existing holding is increased, such that the share of voting rights or capital held by one person in the unbundled natural gas transmission system operator, including cases which, under national or EU law in force at the time, may be equated to voting rights held by the same person, is equal to or exceeds the minimum limits of 20%, 33% or 50% of all voting rights or capital or the unbundled natural gas transmission system operator becomes a subsidiary of the person who acquires the holding.

2. In the case of holdings acquired by legal persons, the RAE may request:

(a) information on the identity of the natural or legal persons who directly or indirectly control the legal persons who intend to increase or acquire a holding in an unbundled natural gas transmission system operator and

(b) require them to notify it of any subsequent change in the identity of such natural or legal persons.

3. Within three (3) months of notification of new or increased holdings, the RAE must:

(a) approve the holding or

(b) start the certification procedure in accordance with Article 19(3) herein, if it considers that, as a result of the holding acquired in the unbundled natural gas transmission system operator, compliance with the criteria of Article 62 needs to be reassessed or

(c) object, if the holding involves the direct or indirect acquisition of control or exercise of any right over unbundled natural gas transmission system operators which come under the responsibility of the undertakings performing any of the functions of production or supply of electricity or natural gas.

4. If a holding is acquired or an existing holding is increased without first notifying the RAE or without the approval of the holding, or if a change in the identity of the natural or legal person who controls a legal person with a holding in an unbundled natural gas transmission system operator is not notified to the RAE, the exercise of voting rights attaching to the holding shall automatically be null and void. Furthermore, the RAE may issue a decision imposing the penalties referred to in Article 36 on anyone who fails to discharge their obligation of prior notification of the acquisition of or increase in an existing holding.

Article 64

Designation and certification of natural gas transmission system operators

(Article 10 of Directive 2009/73/EC)

1. Every candidate natural gas transmission system operator must notify the RAE of its compliance with the provisions of the present law, by applying for certification. Operators shall submit their applications and take any necessary action in order to ensure the procedure and deadlines stipulated in Regulation (EC) No 715/2009 are complied with. Applications shall be accompanied by any documentation and information needed, including that referred to in Article 63 herein, and shall be entered in the register of applications kept by the RAE. The precise documentation and information required with the application by the candidate operator shall be stipulated by decision of the RAE. The RAE may ask the candidate operator, by a set deadline, for any information or data relating to the application filed.

2. The RAE may ask the candidate operator to submit, by a set deadline, any information or data relating to compliance with the terms of the present article and with Regulation (EC) No 715/2009 in terms of certification requirements and may ask, in a reasoned decision, for measures to be taken for the purpose of compliance with the provisions hereof. Once the candidate operator has notified compliance with its recommendations, the RAE shall take the action referred to in paragraph 3 below.

3. The RAE shall adopt a decision on the application by a candidate operator within no more than four (4) months from the date on which the application is submitted. In all cases, the application by the candidate operator shall be deemed to be granted if the RAE has not raised any objections, in accordance with paragraph 2, by the above deadline. The explicit or tacit decision by the RAE shall be notified without delay to the European Commission, together with all the relevant information, and shall become effective after the conclusion of the procedure set out in Article 3 of Regulation (EC) No 715/2009. The decision by the RAE and the opinion of the European Commission in accordance with Article 3(2) of Regulation (EC) No 715/2009 shall be published in the Government Gazette.

4. Every natural gas transmission system operator must notify the RAE without delay of every planned transaction which might make it necessary to re-evaluate its compliance with the requirements of this chapter.

5. The RAE shall preserve the confidentiality of commercially sensitive information obtained during the procedure to certify the natural gas transmission system operator.

Article 65

Certification in relation to third countries (Article 11 of Directive 2009/73/EC)

1. Where certification is requested by the owner or operator of a natural gas transmission system which is controlled by a person or persons from a third country or third countries, the RAE shall notify the European Commission. The RAE shall also notify to the European Commission without delay any circumstances that would result in a person or persons from a third country or third countries acquiring control of a natural gas transmission system or a natural gas transmission system operator.

2. The natural gas transmission system operator shall notify to the RAE any circumstances that would result in a person or persons from a third country or third countries acquiring control of the natural gas transmission system or the natural gas transmission system operator.

3. The RAE shall adopt a draft decision on the certification of the natural gas transmission system operator within four (4) months from the date of notification in accordance with paragraph 2 or the application referred to in paragraph 1 or the expiry of the deadline referred to in paragraph 4 and shall refuse the certification if it has not been demonstrated:

(a) if the acquisition of control involves infringement of the requirements of Article 62 herein and

(b) that granting certification will not put at risk the security of energy supply of the country or Member State or the European Union. In considering that question the RAE shall take into account:

(aa) the rights and obligations of the European Union with respect to that third country arising under international law, including any agreement concluded with one or more third countries to which the European Union is a party and which addresses the issues of security of energy supply;

(bb) the rights and obligations of Greece with respect to that third country arising under agreements which Greece has concluded with it, insofar as they are in compliance with Community law; and

(cc) other specific facts and circumstances of the case and the third country concerned.

4. The RAE may ask natural gas transmission system operators and undertakings engaged in any of the functions of production or supply of natural gas or electricity to furnish any information relating to the performance of their duties for the purpose of the certification procedure by a specified deadline.

5. The RAE shall notify the decision to the European Commission without delay, together with all the relevant information with respect to that decision.

6. Before the RAE adopts a decision on the certification, it shall request an opinion from the European Commission as to whether:

(a) subject to any exemption in accordance with Article 36 of Directive 2009/73/EC, the operator to be certified complies with the requirements of Article 62 of the present law following the change of control, and

(b) granting certification would put at risk the security of energy supply in the European Union.

7. The RAE shall, within two (2) months of expiry of the deadlines referred to in Article 11(6) of Directive 2009/73/EC, adopt its final decision on the certification. In adopting its decision, the RAE shall take due account of the European Commission's opinion. The RAE may refuse certification if it puts at risk Greece's security of energy supply or the security of energy supply of another Member State of the European Union.

8. The final decision by the RAE and the opinion of the European Commission shall be published in the Government Gazette. Where the final decision by the RAE diverges from the European Commission's opinion, it shall be published on the RAE website together with the decision and its underlying reasoning.

9. The RAE shall reserve the right to refuse certification of the natural gas transmission system operator, in accordance with the present article, if it finds during the course of its legal control in accordance with Community legislation that protection of legitimate public security interests in Greece are at risk.

Article 66

Confidentiality for natural gas system operators

(Article 16 of Directive 2009/73)

1. Without prejudice to Article 89 herein or any other provision stipulating a duty to disclose information, each natural gas transmission system operator shall preserve the confidentiality of commercially sensitive information obtained in the course of carrying out its activities and shall prevent information about its own activities which may be commercially advantageous from being disclosed in a discriminatory manner.

2. Natural gas transmission system operators shall not:

(a) disclose any commercially sensitive information to the remaining parts of the undertaking, unless this is necessary for carrying out a business transaction;

(b) use joint services, such as joint legal services and joint consultants and auditors with the remaining parts of the undertaking. Without prejudice to more specific provisions herein, this shall not apply to joint use of purely administrative or IT functions.

3. Natural gas system operators shall not, in the context of sales or purchases of natural gas by related undertakings, misuse commercially sensitive information obtained from third parties in the context of providing or negotiating access to the system.

4. Natural gas system operators must comply with the principle of transparency and must promptly publish on their website all the information needed for effective competition and effective access to and functioning of the market. Compliance with the principle of transparency shall be without prejudice to the obligation to preserve the confidentiality of commercially sensitive information in accordance with paragraph 5 below.

5. Without prejudice to the notification of information to the RAE, it shall be prohibited for persons who are or who were engaged in activities on behalf of a natural gas system operator, either as members of its board of directors or as its staff or as its employees with or without remuneration or retainer or any other form of legal relationship within the framework of the responsibilities of the natural gas system operator, to disclose to any natural or legal person or any public authority the information or data classified as commercially sensitive and/or business secrets.

6. The administrative provisions set out in Article 36 of the present law shall be imposed in the event of infringement of the provisions of the present article. Details pertaining to the application of the present article shall be regulated by decision of the RAE, to be published on its website and in the Government Gazette.

CHAPTER C OPERATION OF THE GREEK NATURAL GAS SYSTEM

Article 67 Greek Natural Gas System

1. The Greek natural gas system is the natural gas system which includes:

(a) the Greek natural gas transmission system within the Hellenic Republic at the time of promulgation of the present law, as defined in Article 3(2)(d) of Law 2364/1995 (Government Gazette 252A), as amended, comprising the central pipeline and branches and the planned extensions and improvements to the Greek natural gas system in accordance with ministerial decision no. D1/C/1588/2007 (Government Gazette 60B), the metering, regulation, compression and decompression facilities, the operating control, communications and remote control system, the operating and maintenance centres, the dispatching control centres and the facilities which are transmission system operating and support elements in general, together with the existing entry points of the Sidirokastro, Agia Triada (Megara, Attica) and Kipoi (Evros) metering stations. The internal space of the natural gas transmission system pipelines does not form part of the natural gas storage facility;

(b) the LNG facility on the island of Revythousa. The LNG tanks on Revythousa are not a storage facility and are used merely for temporary storage of LNG prior to regasification and delivery to the transmission system.

(c) works to extend and improve the Greek natural gas system, the facilities, infrastructures or areas used to store and redeliver natural gas to the Greek natural gas system being carried out under the approved Greek natural gas system development plan in accordance with the Greek Natural Gas System Operating Code. The works which form part of the Greek natural gas system are recognised as works of major national importance and are obviously works of public benefit and general public interest.

(d) Works integrated into the Greek natural gas system may also be implemented by a company administered by the Greek natural gas system operator in which it holds at least 51% of the share capital. If part of the Greek natural gas system has been constructed by a subsidiary of the Greek natural gas system operator in accordance with the foregoing, the part of the regulated income from the Greek natural gas system corresponding to that part shall be calculated in accordance with the requirements of Article 88. The provisions of Article 29(1), (7) and (8) of Law 3734/2009 (Government Gazette 8A) shall apply, *mutatis mutandis*, to the aforementioned subsidiaries of the Greek natural gas system operator. The restrictions in Article 62(1), (2) and (4) herein shall apply to other shareholders in the above subsidiaries, unless they are transmission system operators in accordance with Article 14 or Chapter IV of Directive 2009/73/EC. These parts of the Greek natural gas system shall be operated by the Greek natural gas system operator

2. The Greek natural gas system does not include facilities for compressing natural gas for final use by vehicle engines and other commercial applications.

3. Operation of the Greek natural gas system is hereby allocated to DESFA SA, whose activities shall be governed by the provisions of the present law. All provisions which refer to a Greek natural gas system owner's and/or operator's licence shall be understood as references to the relevant provisions of the present law.

4. DESFA SA shall be subject at all times to the direct or indirect control of the State. Where share transfers would result in a change in State control of DESFA SA, a clause shall be included in the articles of association stipulating that the company shall be administered by a majority of directors appointed by the State and/or that decisions of major importance relating to the operation of the system shall be subject to the assent of the State.

Article 68

Responsibilities of DESFA SA

1. DESFA SA shall operate, maintain, manage, utilise and develop the Greek natural gas system and its interconnections, such that the Greek natural gas system is a financially viable and technically integrated system which meets users' demand for natural gas in a safe, adequate, reliable and financially viable manner and safeguards the operation of a single natural gas market in the European Union with due regard for the environment.

2. Within the framework of the above obligations, DESFA SA shall:

(a) provide users with access to the Greek natural gas system in the most economic, transparent and direct manner and for as long as they want, without putting at risk the smooth and safe operation of the Greek natural gas system. To that end, it shall enter into transmission contracts, contracts for use of LNG facilities and contracts for use of storage facilities with users, in accordance with the standard contracts prepared and published by DESFA SA on its website following approval by the RAE. DESFA SA may refuse access to the Greek natural gas system only on the basis of lack of capacity, as described in greater detail in the Greek Natural Gas System Operating Code, or where access to the Greek natural gas system might prevent DESFA SA from carrying out the public service obligations assigned to it. Refusal to grant access shall be specifically reasoned and the interested user and the RAE shall be advised accordingly. Access may also be refused, provided that the procedure described in Article 48 of Directive 2009/73/EC has been complied with, on the basis of serious economic and financial difficulties with take-or-pay contracts. DESFA SA shall make the necessary improvements to the Greek natural gas system in order to provide access, where it is economic to do so or where a potential customer is willing to pay for them. DESFA SA shall ensure sufficient entry and exit capacity for the new connection in accordance with the specific provisions of the Greek Natural Gas System Operating Code;

(b) plan deliveries of natural gas to and from the Greek natural gas system, distribute the load to users and ensure that the quality of the natural gas is safeguarded;

(c) be responsible for load-balancing and compensation for natural losses and own consumption by the Greek natural gas system, in accordance with the requirements of the System Operating Code. For that purpose, it may enter into contract with suppliers, following a competition based on transparent and non-discriminatory procedures and market rules, for the supply and delivery of natural gas. It shall agree to these contracts following approval by the RAE of the annual load-balancing plan and the loss and own consumption compensation plan and shall charge users in order to cover its costs, as provided for in the Operating Code. DESFA SA shall keep a separate load-balancing and natural loss and own consumption compensation account;

(d) collect the security of supply fee from users and keep a separate account for such activities in accordance with the provisions of the present law;

(e) apply congestion management rules at entry and exit points, based where possible on market mechanisms and the transparent criteria set out in the Greek Natural Gas System Operating Code, in order to promote competition between users or classes of users on a non-discriminatory basis. It shall publish historic data and flow forecasts at every entry and exit point for forthcoming years, in order to provide users with information on potential congestion. It shall notify the RAE, in accordance with the requirements of the Greek Natural Gas System Operating Code, where requests to commit transmission capacity at an entry or exit point reasonably gives rise to the possibility of congestion at that point. It shall keep a separate congestion management account, the credit balance on which shall be included when determining the price for using the Greek natural gas system, as provided for in the pricing regulations;

(f) ensure that emergencies are addressed immediately and effectively in accordance with Article 73;

(g) draft and publish a detailed annual report on the operating of the Greek natural gas system, on changes to technical attributes of the Greek natural gas system, transmission capacity commitments, load-balancing, the level and standard of maintenance, congestion and congestion management and emergencies and how they were dealt with;

(h) keep a register of transmission capacity commitment holders;

(i) enter into agreement with independent natural gas system operators, distribution systems and natural gas systems installed outside the Hellenic Republic, with a view to improved interoperability between them, exchanges of information and mutual cooperation;

(j) provide its services in a transparent, impartial manner, without discrimination between users or classes of users of the Greek natural gas system or discrimination in favour of its related undertakings, its shareholders or its subsidiaries;

(k) provide independent natural gas system operators or distribution systems connected to the Greek natural gas system with the information needed for the safe, reliable and efficient operation of connected facilities, in accordance with the connection capacity management and distribution rules;

(l) provide all users of the Greek natural gas system with adequate information for use of the system and transmission capacity commitments and for the purpose of safeguarding free competition and efficient access to the Greek natural gas system and transmission of natural gas, in keeping with the safe, reliable and efficient operation of the Greek natural gas system and subject to preservation of the confidentiality of commercial information obtained by it during the course of its activities. It shall therefore keep and manage an online Greek natural gas system Information System in which the above information is published in accordance with its Operating Code;

(m) publish a list of Greek natural gas system user charges for the services provided to them, regardless of how the prices are adopted;

(n) notify the RAE of every infringement that comes to its attention of the provisions of the present law or of terms of a licence granted in accordance with the provisions of the said law;

(o) establish and operate an online natural gas trading system which records offers to enter into natural gas resale contracts, offers to enter into transmission capacity commitment transfer contracts, statements of acceptance of such offers and any other information needed in order to complete trades in the Greek natural gas system in accordance with its Operating Code;

(p) following approval by the RAE, draft the online natural gas trading system regulations, which shall be published in the Government Gazette. These regulations shall regulate all details relating to access to information in the online natural gas trading system, the terms and procedure for submitting and recording in the system offers to enter into natural gas resale contracts and transmission capacity commitment transfer contracts, statements of acceptance of such offers and matters of a technical nature relating to the design, maintenance and operation of the online natural gas trading system, so as to provide valid information to parties interested in entering into natural gas resale and transmission capacity commitment transfer contracts and facilitate the procedure for entering into such contracts;

(q) discharge obligations to provide public service obligations allocated to it in the general economic interest, in accordance with the provisions of the present law. In order to recover expenditure to DESFA SA from public service obligations in accordance with the present provision, separate charges shall be approved in accordance with the provisions of Article 88 herein;

(r) participate in the European Network of Transmission System Operators for Gas;

(s) participate in consortia, including with one or more natural gas transmission system operators, natural gas exchanges and other relevant actors, with a view to developing the creation of regional markets within the market liberalisation process;

(t) exercise any other powers in accordance with the law, the certification granted to it and current regulations and codes;

(u) prepare the Greek natural gas system development plan in accordance with the specific provisions of the Greek Natural Gas System Operating Code.

3. DESFA SA may only buy and sell natural gas in the following cases:

(a) in order to balance the load and compensate for natural losses and own consumption by the Greek natural gas system in accordance with paragraph 2(c) herein;

(b) in order to decongest the LNG facility in Revythousa in accordance with the Greek Natural Gas System Operating Code, in which case the natural gas shall be purchased and sold such that the relevant charges and credits to DESFA SA balance out for each purchase and sale.

4. It is prohibited for DESFA SA to enter into electricity sales contracts, with the exception of sales to the electricity transmission system operator of electricity produced from RES or natural gas-fired CHP on land or in facilities belonging to the Greek natural gas system which come under the scope of Law 3468/2006 (Government Gazette 129A) on autoproducers. The relevant investments, if implemented in accordance with the approved Greek natural gas system development plan, shall be included in the regulated asset base of the Greek natural gas system and the relevant income and expenditure shall be included when calculating Greek natural gas system user charges in accordance with the requirements of Article 88.

5. Users must provide DESFA SA with the information needed to achieve safe, reliable and efficient operation of the Greek natural gas system under conditions of free competition.

Article 69

Greek Natural Gas System Operating Code

1. The Greek Natural Gas System Operating Code shall be adopted by decision of the RAE, on the recommendation of DESFA SA. The Code, which shall be published in the Government Gazette, shall govern the operation, maintenance and development of the Greek natural gas system.

2. The Greek Natural Gas System Operating Code shall regulate, in particular:

(a) the terms, conditions, technical details and minimum operating specifications required for users to access the Greek natural gas system;

(b) the procedure, terms, preconditions and limitations relating to the commitment and release of Greek natural gas system capacity by users and transfers of transmission capacity commitments to other users;

(c) management of points of delivery of natural gas into the Greek natural gas system;

(d) the metering method and the quality specifications and the conditions of delivery and acceptance of natural gas;

(e) the procedure for distributing the metered quantities of natural gas to users at the points of entry and exit to the Greek natural gas system;

(f) the planning and maintenance of the Greek natural gas system and the relevant obligations of DESFA SA and users;

(g) the procedure for preparing the Greek natural gas system development plan and its approval by the RAE and for monitoring and verifying the implementation thereof and any details relating to the development of the Greek natural gas system. The Greek natural gas system development programme shall stipulate the works to develop, improve and interconnect the Greek natural gas system which need to be implemented over the ten (10) years following its adoption, the timetable and method for constructing such works and their budgeted cost. The Greek natural gas system development programme shall include a discretionary reference to works to develop, improve and interconnect the Greek natural gas system which it has been decided to implement and to new works to develop, improve and interconnect the Greek natural gas system which need to be started within the next three (3) years;

The Greek natural gas system development programme shall take into account:

(aa) information on the existing and forecast supply and demand of natural gas;

(bb) compliance with general interest service obligations and security of supply of natural gas in a reliable manner;

(cc) the need to improve the adequacy and efficiency of the Greek natural gas system and ensure that it operates properly, in the aim of preventing congestion, emergencies and access refusals;

(dd) the need to supply new areas with natural gas, in the aim of furthering regional development and providing access to new users;

(ee) environmental protection;

(ff) the Community-wide development plan and regional investment plan referred to in Article 8(3)(b) and Article 12(1) of Regulation (EC) No 715/2009;

(gg) the viability of works integrated into the programme and the ability to fund them, outside the development programme framework;

(h) the congestion management rules, the relevant obligations of users and DESFA SA and any details relating to the application of the said rules, in order to manage congestion at entry and exit points in the most economic way, based where possible on market rules, guarantee optimum use of the Greek natural gas system and allocated the existing transmission capacity to users of it;

(i) the procedure for load-balancing and compensating for natural losses and own consumption, especially in connection with contracts and calculation of the cost of load-balancing and compensation for natural losses and own consumption by the Greek natural gas system, the method for calculating charges to users so that DESFA SA can recover the cost and the procedure for taking other measures needed for the safe, reliable and economically efficient operation of the Greek natural gas system. The values of the parameters used when calculating the costs of load-balancing and compensating for natural losses and own consumption by the Greek natural gas system shall be approved by the RAE and published on DESFA SA's website;

(j) all matters relating to the resale of natural gas transmitted via the Greek natural gas system, such as the procedures for submitting, publishing in the online natural gas trading system maintained by DESFA SA and accepting offers to enter into resale contracts;

(k) the criteria for interrupting the supply to consumers on a priority basis for reasons of security of supply in an emergency;

(l) the procedure for the amicable resolution of disputes between users and DESFA SA, which may include arbitration by the RAE in accordance with the provisions of Article 37 herein;

(m) the rules governing transactions between DESFA SA and users, especially the accounts kept by DESFA SA on such transactions;

(n) the terms and conditions for holding the auctions provided for in Article 92(2) and the procedure for covering the cost of supplying quantities of LNG sold at auction, including the fixed and variable transmission costs of the quantities in question, where such quantities are subject to take-or-pay clauses under the security of supply account provided for in Article 73;

(o) all matters relating to action to deal with emergencies in the Greek natural gas system in accordance with the requirements of Article 73, such as the amount and preconditions for payment of a consideration to customers for interruptions, on a priority basis, to the natural gas supply in an emergency and, in particular, the precondition of proof of no fault on the part of the customers' supplier;

(p) any other matter relating to the regulation of the management, operation, maintenance and development of the Greek natural gas system.

3. The metering regulations prepared by DESFA SA in accordance with the Greek Natural Gas System Operating Code shall be approved by decision of the RAE. These regulations shall include the rules, the minimum precision specification for metering devices and the procedures, methods and any other details relating to the metering of natural gas.

4. Certification regulations for LNG carriers shall be approved by joint decision of the Minister for Environmental Affairs, Energy and Climate Change and the Minister for Maritime Affairs, to be published in the Government Gazette. These regulations shall be prepared by DESFA SA in accordance with the requirements of the Greek Natural Gas System Operating Code and shall include information on the necessary technical specifications for loading and unloading LNG carriers at LNG facilities and any technical or other attributes relating to the delivery of LNG to or from such facilities.

5. The methodologies, calculations, specific approvals and details required for the application of the Greek Natural Gas System Operating Code shall be regulated by decision of DESFA SA, following approval by the RAE.

Article 70

Technical rules

1. Technical regulations for external gas installations governing the study, materials, installation, inspection, tests, safety and operation of the transmission systems, LNG facilities and storage facilities shall be adopted and the supporting documentation and technical documents required in order to obtain installation and operating licences for transmission systems, LNG facilities and storage facilities shall be stipulated by decision of the Minister for Environmental Affairs, Energy and Climate Change, to be issued at the proposal of DESFA SA, taking account of any relevant recommendations by the Agency for the Cooperation of Energy Regulators.

2. Technical regulations for external distribution system installations and technical regulations for internal gas installations governing the study, materials, installation, inspection, tests, safety and operation of the transmission systems and consumer natural gas installations shall be adopted by decision of the Minister for Environmental Affairs, Energy and Climate Change, to be issued on the recommendation of a committee of experts set up by decision of the said minister.

3. The above regulations shall be issued in accordance with the information procedures provided for in Presidential Decree 39/2001 (Government Gazette 28A).

Article 71

Committed Greek natural gas system capacity

1. In order to commit Greek natural gas system capacity, contracts shall be executed between DESFA SA and users in accordance with the provisions of Article 68(2)(a). These contracts shall be executed within a reasonable period of time from submission of the relevant application by the user. DESFA SA shall process the applications submitted, in the order in which they were submitted. Contracts may also be executed for capacity to be committed in the future, in accordance with the approved Greek natural gas system development plan. These contracts may make provision for mandatory compensation for users if the capacity committed in the contract is not available at the time stipulated in the contract.

2. Contracts for interruptible committed capacity shall be valid. In such cases, the charges for use of facilities shall be set in accordance with the provisions of Article 88, taking account of the facility to interrupt access to the Greek natural gas system.

3. Part of the capacity of the Greek natural gas system, to be defined by decision of the RAE, at the recommendation of DESFA SA and in accordance with the procedure provided for in the Greek Natural Gas System Operating Code, shall be committed by DESFA SA for the purposes of load-balancing and compensation for natural losses and own consumption by the Greek natural gas system and the provision of public services in the general interest.

4. The maximum capacity which may be committed by the same user at a specific entry point to the Greek natural gas system may be laid down in the Greek Natural Gas System Operating Code. Provision may be made from this limitation in order to serve long-term natural gas supply contracts executed before Law 3428/2005 entered into force.

5. Capacity committed but not used may be released by reasoned decision of DESFA SA, in accordance with the provisions of the Greek Natural Gas System Operating Code. Release of capacity shall release the use from its financial liabilities towards DESFA SA which correspond to the capacity released. The decision by DESFA SA to release capacity shall be notified without delay to the RAE.

6. Rights pursuant to capacity commitment contracts may be transferred and corresponding obligations may be accepted under contracts between users, in accordance with the provisions of the Greek Natural Gas System Operating Code. Terms of capacity commitment contracts limiting or excluding the facility to transfer and subcontract are prohibited and are absolutely null and void. Transfer contracts and subcontracts must be executed in writing.

7. DESFA SA shall keep a register of capacity commitment holders in which users with capacity commitments are entered.

Article 72

Register of Greek natural gas system users

1. Persons entered in the Register of Greek natural gas system users shall be entitled to execute transmission contracts and contracts to use LNG facilities or storage facilities integrated into the Greek natural gas system with DESFA SA.

2. The following shall be entered in the Register of Greek natural gas system Users by the RAE, on request:

- (a) suppliers;
- (b) eligible customers, for the quantities of natural gas purchased and
- (c) anyone who provides sufficient guarantee of financial solvency and technical adequacy.

3. RAE shall issue regulations for the Register of Greek natural gas system Users. These regulations shall regulate all technical matters relating to the structure of the register, any guarantees of financial solvency and technical adequacy required for the purpose of registration, deletion from the register, access to it and any related details.

Article 73

Emergencies

1. DESFA SA shall prepare an Emergency and Crisis Management Plan. The plan shall be approved by the RAE. DESFA SA shall take the measures needed to deal with emergencies in accordance with the Greek Natural Gas System Operating Code.

2. A contract shall be executed between DESFA SA and major customers for interruption to the natural gas supply on a priority basis, in return for a consideration, in the event of an emergency.

This contract must be executed with natural gas-fired electricity generation licence holders required under the terms of their electricity generation licence to hold fuel reserves.

3. In order to discharge its obligations under the contracts provided for in the previous paragraph, DESFA SA shall collect a security of supply fee from all users. The amount of the unit security of supply fee and the maximum permissible limit of the security of supply account shall be set by the RAE.

4. In the event of an emergency in the Greek natural gas system, the supply shall be cut off in order of priority to:

(a) electricity generation licence holders and other customers with a contract with DESFA SA in accordance with paragraph 2;

(b) other customers which need to be cut off in order to safeguard the reliable and safe operation of the Greek natural gas system, in accordance with an interruption priority list prepared by DESFA SA and approved by the RAE.

CHAPTER D: INDEPENDENT NATURAL GAS SYSTEMS

Article 74

Independent natural gas system licence

1. Independent natural gas system licence holders shall be entitled to construct and own or, in the case of underground storage facilities, to use independent natural gas systems. Independent natural gas system licences shall only be granted to legal persons by decision of the RAE and, where the right to construct and own transmission systems is granted with the licence, only to the companies that come within the scope of Article 1 of Directive 2009/101/EC, in accordance with the provisions of the licensing regulations.

2. The main criteria for granting independent natural gas system licences are as follows:

(a) serving the public interest, especially areas with no natural gas supply, improving the security of supply in Greece or another Member State and protecting the environment;

(b) the applicant's specific attributes, especially technical and financial capacity which guarantees proper construction and the safe, reliable and economically efficient operation of the project;

(c) improving free competition on the natural gas market, especially access for third parties to the independent natural gas system in a direct and economic manner, in accordance with the principle of transparency, without discriminating between users or classes of users;

(d) the demand which the proposed investment is expected to serve and the financial performance and the technical integrity and reliability of the independent natural gas system;

(e) satisfaction of the criteria set out in Article 61(1) and Article 62, if the licence grants the right to construct and own a natural gas transmission system.

3. In order for an independent natural gas system licence to be granted for direct lines, access must first have been denied to the Greek natural gas system or another independent natural gas system.

4. The licence shall contain at least the following:
 - (a) the holder's details;
 - (b) a description of the independent natural gas system for which the licence is granted, with specific reference to the location or geographical area of the installation and the technical and operational attributes of the project;
 - (c) the period of validity of the licence;
 - (d) the rights granted with the licence and the terms and limitations governing the exercise of those rights.
5. Independent natural gas system licences shall be amended if the independent natural gas system is extended or otherwise changed, such as where there is a change to the technical attributes, in accordance with the licensing regulations.
6. An independent natural gas system licence shall not exempt the licence holder from the obligation to obtain all the permits or approvals provided for under current legislation, such as certification in accordance with the provisions of Articles 64 and 65, inasmuch as the licence grants the right to own a natural gas transmission system or establishment or operating licence.
7. Independent natural gas system licences may impose special terms and limitations on licence holders for a specific period of time for reasons of public interest, in accordance with the provisions of the licensing regulations, such as:
 - (a) the obligation to pay a consideration to DESFA SA or to impose a special fee on users of the independent natural gas system for the benefit of DESFA SA, inasmuch as use of the independent natural gas system benefits from the user charges imposed by DESFA SA and may adversely affect its financial performance. The amount of the consideration shall be set so that this adverse effect is fully compensated;
 - (b) the obligation for DESFA SA to pay the owner of the independent natural gas system a reasonable consideration, inasmuch as the independent natural gas system makes a material contribution to the financial performance of the Greek natural gas system.
8. DESFA SA shall keep a special account to manage the payments and charges provided for in paragraph 7(a) and (b). The balance on this account shall be taken into account when determining the charges for use of the Greek natural gas system, in accordance with the pricing regulations.
9. Works to construct or extend independent natural gas systems, depending on their purpose, may be qualified as general interest works in the licence granted for them.

Article 75

Independent natural gas system licence competitions

1. In order to grant an independent natural gas system licence, a public competition may be held in cases where:
 - (a) the specific independent natural gas system needs to be constructed for reasons of public interest, such as security of supply, environmental protection and balanced regional development;

(b) several applications for an independent natural gas system licence are submitted for the same geographical location or area;

(c) it is thought that granting an independent natural gas system licence for which an application is made might have an adverse impact on potential competition, within the framework of long-term energy planning, especially if it favours the creation of a dominant position on the market or acts as a deterrent, for a long period of time, to the development of other similar competitive investments, because they are financial unviable and unprofitable.

2. Competitions shall be held in the cases referred to in the previous paragraph by decision of the Minister for Environmental Affairs, Energy and Climate Change, at the recommendation of the RAE. This decision shall stipulate the object of the competition, invite interested parties to submit bids and set out the competition procedure, the terms and conditions of participation, the award criteria and any details needed. The decision may stipulate that no other independent natural gas system licence shall be granted for the same area or for a similar installation for a certain period of time.

3. A summary of the notice shall be published in the Government Gazette, in a daily national newspaper issued in the capital, in two daily or weekly newspapers in the location of the independent natural gas system, where there are any, on the RAE website and in the Official Journal of the European Union at least three (3) months before the deadline for submitting bids stipulated in the notice. The above deadline may be curtailed by decision of the Minister for Environmental Affairs, Energy and Climate Change, at the recommendation of the RAE, to no less than forty-five (45) days for reasons of public interest.

4. The documentation (obligations) and any other information provided for in the notice shall be made available to bidders in accordance with the invitation to tender. The documentation shall contain the general and specific terms and conditions for issuing the independent natural gas system licence, in accordance with the licensing regulations.

5. The person selected under the competition procedure must incorporate a company in the form stipulated in the notice, the sole object of which shall be to construct, own and operate the independent natural gas system, by the deadline stipulated in the invitation to tender, by which the relevant independent natural gas system licence shall be granted.

Article 76

Exemption from obligation to provide access for third parties to independent natural gas system and compulsory unbundling of ownership

1. Applications for exemption of part or all of the independent natural gas system from compulsory unbundling of ownership, in accordance with the provisions of Article 61 and 62, or from compulsory provision of access to third parties shall be filed with the application for an independent natural gas system licence or with the application for amendment to the said licence.

2. Exemption shall be granted by decision of the RAE, for a certain period of time, in accordance with the procedure and preconditions provided for under Article 36 of Directive 2009/73/EC.

3. The procedure in paragraphs 1 and 2 shall not be required for exemption from compulsory access for third parties to an independent natural gas system which forms a section of an interconnection for which an exemption from compulsory access for third parties has been granted in accordance with the provisions of Article 22 of Directive 2003/55/EC or of Article 36 of Directive 2009/73/EC, in which case the application for an independent natural gas system licence shall be accompanied by any information relating to the exemption granted. The independent natural gas system licence shall include the terms under which the exemption was granted.

Article 77

Independent natural gas system operator

1. Independent natural gas systems may be operated and utilised by holders of an independent natural gas system operator's licence. Where a natural gas transmission system is operated, utilised and developed, the operator's licence shall not absolve the holder from compulsory certification in accordance with the provisions of Articles 64 and 65.

2. An independent natural gas system operator's licence shall be granted on application by decision of the RAE, in accordance with the licensing regulations. An independent natural gas system operator's licence may allow a third person to carry out independent natural gas system operations, further to a request submitted by the licence holder.

3. In the case of natural gas transmission systems for which no exemption has been granted in accordance with Article 36 of Directive 2009/73/EC, the independent natural gas system operator's licence shall be granted solely to the corresponding independent natural gas system licence holder. In all other cases, the independent natural gas system operator's licence shall be granted, on the basis of criteria of performance and economic equilibrium, to a person other than the independent natural gas system licence holder, in which case the independent natural gas system licence holder shall enter into contract with the independent natural gas system operator's licence holder, setting out the consideration owed for operating the independent natural gas system out of the total revenue which accrues to the independent natural gas system based on its published user charges.

4. Independent natural gas system operators shall legally exercise the basic natural gas activities set out in the independent natural gas system operator's licence.

5. Operators of independent natural gas systems which constitute a natural gas transmission system for which no exemption has been granted in accordance with Article 36 of Directive 2009/73/EC must comply with the provisions of Article 61(1) and Article 62. Where an operator of an independent natural gas system which constitutes an LNG facility or storage facility participates in a vertically integrated electricity or natural gas undertaking, it must be independent of other sectors or parts of that undertaking in terms of legal form, organisation and decision-taking. For that purpose:

(a) the persons who administer the independent natural gas system operator must not participate in any way in sectors or parts or other related undertakings of the vertically integrated electricity or natural gas undertaking or have interests which prevent them from performing their duties in an independent and objective manner;

(b) independent natural gas system operators shall take decisions on the resources and investments required in order to operate, maintain and develop the independent natural gas system, independently of the vertically integrated electricity or natural gas undertaking. This decision-taking shall not preclude coordination procedures to ensure that business supervision by the parent company in connection with the return on investments is protected. The parent company may itself approve the annual funding plan or other equivalent means, without acquiring any right of intervention in the administration, day-to-day operation or individual decisions relating to the upgrading of the independent natural gas system, provided that the financial framework approved is not exceeded.

6. If the independent natural gas system operator forms part of a vertically integrated electricity or natural gas undertaking, in order to safeguard equal treatment of users of the independent natural gas system, the operator shall prepare a compliance programme setting out the measures taken to prevent any discrimination in favour of the vertically integrated electricity or gas undertaking and to safeguard due monitoring of adherence to the programme. The compliance programme shall set out the specific obligations of employees of the independent natural gas system to meet those objectives. This programme shall be subject to approval by the RAE, which shall be presumed to have been tacitly granted if the RAE has not raised any objections within three (3) weeks of the date on which the programme was submitted for approval.

7. The approved compliance programme, referred to in paragraph 6, shall be posted on the independent natural gas system operator's website within five (5) days of approval thereof. Without prejudice to the powers of the RAE, as set out in Article 20 herein, compliance with the programme shall be subject to independent control by the manager or organ of the independent natural gas system operator responsible for monitoring the compliance programme (compliance officer). The compliance officer shall have access to any information relating to the operator or its subsidiaries needed for the performance of his duties. The compliance officer shall file annual written reports, by 31 March each year, with the RAE describing the measures taken to adhere to the compliance programme, which shall be posted on the RAE website within five (5) days of submission. Based on the compliance officer's reports, the RAE shall evaluate the independence and impartiality of the independent natural gas system operator every year and may issue a decision requiring amendments to be made to the compliance programme, in order to safeguard the independence of the natural gas system operator, and recommending appropriate measures. The independent natural gas system operator must comply with the RAE's recommendations and submit a new compliance programme for approval in accordance with the provisions of paragraph 6 within fifteen (15) working days of notification of the RAE's decision. The RAE shall publish an evaluation report of the independent natural gas system operator's compliance programme on its website by 30 April each year.

Article 78

Independent natural gas system operator's responsibilities

1. Independent natural gas system operators shall operate, maintain, utilise and develop a technically integral, financially profitable and integrated independent natural gas system.

2. For that purpose, the independent natural gas system operator shall:

(a) grant another independent natural gas system operator, where both independent natural gas systems are interconnected, and users of the independent natural gas system access to it in the most economic, transparent and direct manner, for as long as they request. To that end, it shall enter into independent natural gas system user contracts with users entered in the register of independent natural gas system users, in accordance with the standard contracts prepared and published by the independent natural gas system operator following approval by the RAE. Independent natural gas system user contracts shall stipulate the services provided to the counterparty and the charges owed in accordance with the published list of charges. Access to the independent natural gas system may be refused only on the basis of lack of capacity, in accordance with the Independent Natural Gas System Operating Code, or where access to the system might prevent the independent natural gas system operator from carrying the public service obligations assigned to it, unless it has been granted an exemption in accordance with the provisions of Article 76. In any event, the independent natural gas transmission system operator shall make the necessary improvements to the system in order to provide access where it is economic to do so or where a potential customer is willing to pay for them;

(b) provide its services in a transparent, impartial manner, without discrimination between users of the independent natural gas system or discrimination in favour of its related undertakings, its shareholders or its subsidiaries.

(c) publish a list of all charges to users for services relating to the independent natural gas system;

(d) prepare and publish an annual maintenance programme, which shall be approved by the RAE, and maintain the independent natural gas system on the basis of that programme;

(e) keep a register of independent natural gas system users, which shall be published on its website;

(f) ensure that load-balancing rules for the independent natural gas system are adhered to, in accordance with the Operating Code, and make the relevant charges to users of the independent natural gas system. The method for setting charges for load-balancing the independent natural gas system shall be approved by the RAE in accordance with Article 15;

(g) provide any other natural gas system operator or distribution system interconnected with the independent natural gas system with adequate information for the safe and effective operation of the interconnected natural gas systems and distribution systems;

(h) preserve the confidential nature of commercially sensitive information obtained during the performance of its duties, prevent information about its own activities which may be commercially

advantageous to third persons from being disclosed in a discriminatory manner and refrain from abusing the commercial sensitive information obtained from third parties during the provision or negotiation of the provision of access to the independent natural gas system;

(i) take the security of supply measures provided for in the Independent Natural Gas System Operating Code and advise the RAE and, where necessary, DESFA SA accordingly;

(j) prepare an emergency and crisis management plan, to be approved by the RAE;

(k) plan new investments to improve and expand the independent natural gas system, in accordance with the Independent Natural Gas System Operating Code;

(l) submit a written report to the RAE by 31 March each year on the operation of the independent natural gas system and the level and standard of maintenance carried out the previous year. This report shall state the existing transmission capacity of the independent natural gas system and any changes to its technical attributes.

3. Independent natural gas system users must provide the operator with sufficient information to safeguard its safe and effective operation under conditions of free competition.

Article 79

Independent Natural Gas System Operating code

1. Every independent natural gas system shall be operated in accordance with an Independent Natural Gas System Operating Code prepared by the independent natural gas system operator, approved by the RAE and published in the Government Gazette.

2. The Independent Natural Gas System Operating Code shall mainly regulate the following, depending on the specific attributes of each independent natural gas system:

(a) the terms, conditions, technical details and minimum operating specifications required for users to access the independent natural gas system;

(b) the terms and conditions of natural gas transmission contracts or contracts for use of facilities and the procedure for transferring users' rights under those contracts;

(c) the operation of interconnections to the independent natural gas system and cooperation and exchanges of information with natural gas system operators interconnected to the independent natural gas system;

(d) the metering method and the quality specifications and conditions of delivery and acceptance of natural gas;

(e) the procedure for distributing the metered quantities of natural gas to users at points of entry and exit to the independent natural gas system;

(f) the planning, implementation and monitoring of maintenance and development of the independent natural gas system;

(g) the procedure for taking the necessary measures, including load-balancing measures and measures to compensate for natural losses and own consumption for the safe, reliable and economic operation of the independent natural gas system and allocation of the relevant cost to users of the independent natural gas system;

(h) the criteria based on which the supply to consumers can be interrupted, on a priority basis, for reasons of security of supply in an emergency;

(i) the procedure for the amicable resolution of disputes between users and the operator of the independent natural gas system, which may include arbitration by the RAE in accordance with the provisions of Article 37 herein;

(j) the rules governing transactions between the operator and users, especially the accounts which the operator must keep for the purpose;

(k) any other matter relating to the regulation of the management, operation, maintenance and development of the independent natural gas system.

3. The methodologies, calculations, specific approvals and details needed for the application of the Independent Natural Gas System Operating Code shall be regulated by decision of the RAE.

4. The independent natural gas system operator may only buy and sell natural gas for the smooth, safe and efficient operation of the independent natural gas system and, in particular, for load-balancing and compensating for natural losses and own consumption by the independent natural gas system. Contracts for sales and purchases of natural gas by the independent natural gas system operator shall be executed following approval of the relevant procedure by the RAE in accordance with the Independent Natural Gas System Operating Code.

5. It is prohibited for the independent natural gas system operator to enter into electricity sales contracts, with the exception of sales to the electricity transmission system operator of electricity produced from RES or natural gas-fired CHP on land or in facilities belonging to the independent natural gas system which come under the scope of Law 3468/2006 (Government Gazette 129A) on autoproducers. The relevant investments, if implemented in accordance with the Independent Natural Gas System Operating Code, shall be included in the regulated asset base of the independent natural gas system and the relevant income and expenditure shall be included when calculating independent natural gas system user charges in accordance with the requirements of Article 88.

CHAPTER E DISTRIBUTION OF NATURAL GAS

Article 80 Natural gas distribution licence

1. Distribution systems shall be constructed, operated and managed, except in the cases provided for in Article 21 of Law 3428/2005, by distribution licence holders only, in accordance with the provisions of this article. Distribution licences shall be granted by decision of the RAE, in accordance with the licensing regulations.

2. A competition shall be held, by decision of the Minister for Environmental Affairs, Energy and Climate Change, on the recommendation of the RAE, for the purpose of granting a distribution licence in cases where:

(a) a subsidy is granted from national or Community resources in order to construct the distribution system;

(b) several applicants declare an interest in obtaining a distribution licence for a certain geographical area. The decision to hold a competition shall be published in the Government Gazette and a summary of the decision shall be published in two widely read daily newspapers issued in Athens. The RAE shall evaluate the proposals submitted in the competition and shall grant the relevant licence or declare the competition unsuccessful.

3. A distribution licence may be refused for a certain geographical area if a distribution system has already been constructed or is planned in the same area under another distribution licence and the existing or planned capacity of the system has not been saturated.

4. Another natural gas distribution licence may be refused, in accordance with the provisions of this article, for the geographical areas referred to in Article 21(3) of Law 3428/2005.

5. Where the distribution licence holder participates in a vertically integrated natural gas or electricity undertaking, it must be independent of other sectors or parts of that undertaking, at least in terms of legal form, organisation and decision-taking. For that purpose:

(a) the persons who administer the distribution licence holder must not participate in any way in sectors or parts or other related undertakings of the vertically integrated electricity or natural gas undertaking or have interests which prevent them from performing their duties in an independent and objective manner;

(b) the distribution licence holder may take decisions on the resources and investments required in order to operate, maintain and develop the distribution system, independently of the vertically integrated electricity or natural gas undertaking. This decision-taking shall not preclude coordination procedures to ensure that business supervision by the vertically integrated undertaking in connection with the return on investments is protected. The parent company may itself approve the annual funding plan or other equivalent means, without acquiring any right of intervention in the administration, day-to-day operation or individual decisions relating to the upgrading of the distribution system, provided that the financial framework approved is not exceeded. The parent company may not issue instructions in connection with the day-to-day operation or individual decisions in connection with the construction or improvement of the distribution system which exceed the terms of the approved financing plan or any equivalent means;

(c) the natural gas distribution licence holder shall prepare and apply a compliance programme setting out the measures taken to prevent any discrimination in favour of the vertically integrated undertaking and to safeguard due monitoring of adherence to the programme. The compliance programme shall set out the specific obligations of employees to meet those objectives. This programme shall be subject to approval by the RAE, which shall be presumed to have been granted if the RAE has not raised any objections within three (3) weeks of the date on which the programme was submitted for approval. The approved compliance programme shall be posted on the natural gas distribution licence holder's website within five (5) days of approval thereof. Without prejudice to the powers of the RAE, as set out in Article 20 herein, compliance with the programme shall be subject to independent control by the manager or organ of the natural gas distribution licence holder responsible for monitoring the compliance programme (compliance officer). The compliance

officer shall have access to any information relating to the operator or its subsidiaries needed for the performance of his duties. The compliance officer shall file an annual written report with the RAE by 31 March each year, describing the measures taken in order to adhere to the compliance programme. This report shall be posted on the RAE's website within five (5) days of submission. The distribution system operator must comply with the RAE's recommendations and must submit a new compliance programme for approval, in accordance with the provisions of the present paragraph, within fifteen (15) working days of notification of the RAE's decision. The RAE shall post an evaluation report of the independent natural gas system operator's compliance programme on its website by 30 April each year;

(d) announcement by and the logos of the natural gas distribution licence holder must not cause confusion as to the separate identity of the supply sector of the vertically integrated natural gas or electricity undertaking.

6. The provisions of the previous paragraph shall not apply where the distribution licence holder serves fewer than 100 000 connected customers.

7. Derogations granted for the geographical areas and time periods stipulated in licences issued before 15 March 2002 in accordance with Directive 98/30/EC for the development and exclusive operation of distribution systems in those geographical areas shall remain in force, in accordance with the provisions of Article 49(8) of Directive 2009/73/EC.

CHAPTER F
SUPPLY OF NATURAL GAS
Article 81
Natural gas supply licence

1. Natural gas shall be sold to eligible customers by natural gas supply licence holders. All other activities to sell, purchase, import or export natural gas shall be exercised freely. Non-eligible customers shall be supplied in accordance with the terms and conditions of Article 21 of Law 3428/2005.

2. Gas supply licences shall be granted by the RAE, in accordance with the terms and conditions of the licensing regulations.

3. In an emergency, supply licence holders who do not only supply major customers must, on instructions from DESFA SA, provide an uninterrupted natural gas supply to customers which are not major customers. Supply licence holders shall be fully compensated for discharging this obligation, in accordance with their licence.

4. Supply licence holders must advise the RAE and the natural gas system operator of the estimated total demand for natural gas from their customers for the following year and their reasonable estimates for following years and must provide any information needed for the development of the corresponding natural gas system.

5. Undertakings duly performing the function of supply of natural gas in a Member State of the European Union in accordance with the relevant legislation shall be entitled to obtain a natural gas

supply licence in Greece in accordance with the specific procedure set out in the Natural Gas Licensing Regulations, thereby ensuring there is no discrimination between suppliers operating or wishing to operate in the Hellenic Republic.

Article 82

Eligible customers

1. Eligible customers are:

(a) electricity generation licence holders who use natural gas to produce electricity;

(b) non-household customers established outside the geographical areas for which the natural gas companies are responsible and outside the areas for which a derogation has been granted in accordance with the provisions of Article 28(4) and (5) of Directive 2003/55/EC and non-household customers established in the above areas, provided that they are major customers or obtain natural gas for the purpose of compressing it for final use in vehicle engines;

(c) household customers not located in a geographical area for which the natural gas companies are responsible or areas for which a derogation has been granted in accordance with the provisions of Article 28(4) and (5) of Directive 2003/55/EC;

(d) other customers of natural gas companies, from expiry of the period of validity of the licences granted to the said companies, as defined in Article 21(1) of Law 3428/2005;

(e) other customers established in areas for which a derogation has been granted in accordance with the provisions of Article 28(4) and (5) of Directive 2003/55/EC, from expiry of the derogation;

(f) the gas companies stipulated in Article 21(1) of Law 3428/2005 for quantities of natural gas over and above the annual contractual quantity stipulated for 2010 under the contract between each natural gas company and DEPA SA which applied when Law 3428/2005 entered into force, up to expiry of each contract. The gas companies stipulated in Article 21(1) of Law 3428/2005 shall become eligible customers for all quantities of natural gas on expiry of the said contracts;

(g) the natural gas companies incorporated after the present law enters into force, from their date of incorporation, in accordance with any terms and limitations stipulated by ministerial decision issued in accordance with Article 21(4) of Law 3428/2005 and Article 4(8) of Law 2364/1995.

2. In order to qualify as a major customer within the meaning of Article 2(2)(w), the quantity of natural gas supplied to the customer at each consumption site shall be determined:

(a) from the average fuel consumption over the last two twelve-month periods prior to the date on which a natural gas supply contract was executed or an existing natural gas supply contract was extended;

(b) in the case of new plants, from the installed power;

(c) in the case of an increase in the installed power of existing units, from the quantities calculated in accordance with subparagraph (a) and the new installed power.

3. The natural gas companies must grant suppliers access to the distribution systems which they operate, if so required for the purpose of supplying customers who become eligible customers in accordance with paragraph 1. Access may only be refused where access would involve

infringement on the part of the natural gas company of provisions of current legislation or the terms of the natural gas distribution licence or would put the safe operation of the distribution system at risk. The natural gas companies shall be paid a system user charge for access to the distribution system, the amount of which shall be set in accordance with Article 88.

Article 83

Suppliers with a large market share

1. Suppliers which satisfy 40% or more of the total annual quantity of natural gas supplied in Greece to eligible customers shall qualify as suppliers with a large market share.

2. Specific obligations for suppliers with a large market share may be laid down by decision of the RAE, to be published in the Government Gazette, such as:

(a) an obligation to prepare and publish a draft standard supply contract for all customers in the same class. The draft supply contract, which shall be approved by the RAE following public consultation, shall contain at least the general terms set out in the Supply Code. The parties may agree to additional terms, provided that they do not conflict with the general terms;

(b) an obligation to publish, in accordance with the Supply Code, the charging structure and the methods applied in order to calculate the charges included in supply contracts with eligible customers;

(c) maximum selling prices to eligible customers.

3. If the two largest suppliers account for 80% or more of the total quantity of natural gas supplied in Greece to eligible customers, the same obligations shall be imposed on the second largest supplier in the decision issued in accordance with the provisions of paragraph 2, even if it is not a supplier with a large market share.

4. The market shares expressed as a percentage in accordance with this article shall be calculated by the RAE based on sales data submitted by suppliers annually or at regular intervals, where the RAE considers that they have changed. The shares of suppliers controlled by the supplier within the meaning of Article 5(3) of Law 3959/2011 shall be taken into account in order to establish a supplier's share.

Article 84

Resale of natural gas

1. Eligible customers shall be entitled to resell all or part of the natural gas obtained to another eligible customer, provided that the natural gas resold is transmitted via the same interconnected natural gas system or natural gas systems. Terms in supply contracts limiting the right of resale shall be absolutely null and void.

2. The Operating Code for each natural gas system shall regulate individual matters relating to the resale of natural gas in accordance with the provisions of this article.

Article 85
Natural Gas Supply Code for Eligible Customers

1. The Supply Code for Eligible Customers, issued by decision of the Minister for Environmental Affairs, Energy and Climate Change, which shall be approved by the RAE and published in the Government Gazette, shall regulate the terms and conditions for the supply of natural gas to eligible customers.

2. Before the proposed Natural Gas Supply Code for Eligible Customers is submitted to the Minister for Environmental Affairs, Energy and Climate Change in accordance with paragraph 1, the RAE shall carry out a public consultation, during which interested parties shall be invited to express their opinion.

3. The Supply Code for Eligible Customers shall basically stipulate:

(a) the terms and conditions for the supply of natural gas and the provision of supply services and the general terms to be included in supply contracts;

(b) the cases in which the supply may be interrupted, especially where the customer is in arrears with payment of charges due;

(c) the reasons for and consequences of terminating a natural gas supply contract;

(d) any other details relating to the supply of natural gas to eligible customers.

4. The first, second, third and fifth sentences of Article 24(3) of Law 3175/2003 shall also apply to supply contracts between eligible customers and suppliers. The said provisions shall apply until 31 December 2013.

Article 86
Single natural gas market

1. A single natural gas market may be established by decision of the Minister for Environmental Affairs, Energy and Climate Change issued on the recommendation of the RAE, for the purpose of natural gas transactions with physical delivery, in order to promote free competition and protect consumers. The said decision shall stipulate, in particular, the date on which the single natural gas market starts operating, the trading framework, the type and nature of trades, the operational framework of the market and the single natural gas market operator.

2. DESFA SA may be appointed as the single natural gas market operator.

3. Single natural gas market operating regulations shall be issued by decision of the RAE, on the recommendation of the single natural gas market operator, and published in the Government Gazette. These regulations shall regulate all individual matters relating to the organisation and operation of the single natural gas market, such as conduct and settlement of trades, bid bonds, the maintenance of an online trading system, the market operating cost and any necessary details.

4. The single natural gas market operator shall enter natural gas suppliers, eligible customers and any interested party in the special register kept by it without discrimination, unless one of the reasons included in the closed list included in the operating regulations applies, especially non-

payment of the bid bond required. Every natural or legal person entered in the special register may trade on the single natural gas market.

5. All natural gas suppliers entered in the special register must offer a quantity equal to at least 5% of the quantity of natural gas supplied to customers over the previous twelve months for sale via the single natural gas market. This percentage may be increased by decision of the Minister for Environmental Affairs, Energy and Climate Change issued on the recommendation of the RAE.

6. The single natural gas market operator shall publish online all offers to buy and sell natural gas via the single natural gas market, without stating who submitted the offer.

7. The maximum prices and the terms for offers to sell natural gas on the single natural gas market may be laid down by decision of the RAE, in order to safeguard free competition and protect consumers.

8. The natural gas system operator shall give priority to the transmission of quantities of natural gas traded for physical delivery on the single natural gas market.

Article 87

Maximum profit margin of natural gas suppliers

1. A maximum profit margin for suppliers for all or some classes of customer may be set by decision of the RAE, in order to prevent prices for natural gas being set at levels which are not justified by the rules of free competition and the specific conditions on the international and domestic market. The above decision shall remain valid for as long as required under the circumstances or a maximum of two (2) months. The above decision by the RAE may be extended on expiry thereof for a further two months, if deemed necessary following re-examination of the conditions.

2. The maximum profit margin referred to in the previous paragraph shall be set with due regard for factors that affect the selling price of natural gas, such as the average weighted supply price of natural gas at the points of entry of the natural gas system, which shall be determined based on the supply contracts entered into by suppliers, the cost of using the natural gas system used to deliver the natural gas to individual classes of consumers and the tax payable on the natural gas.

CHAPTER G

SERVICE CHARGES/ACCOUNTS

Article 88

Charges for basic activities

1. The method of determining charges for each basic activity shall be regulated in charging regulations issued by the RAE, subject to paragraph 4, on the recommendation of the competent natural gas transmission system or distribution system operator and following public consultation.

2. The aim when regulating the method for charging for each basic activity shall be to:

(a) achieve price stability for the benefit of users;

- (b) obtain a reasonable return on the capital used by the natural gas system operator;
- (c) provide services, including public services, in the most reliable, economic and environmentally-friendly way possible;
- (d) cover the costs to the natural gas system operator of discharging the public service obligations assigned to it;
- (e) strengthen free competition on the natural gas market;
- (f) comply with the principles of transparency, equal treatment and non-discrimination;
- (g) provide short-term and long-term incentives for the profitable operation, consistent planning and development of the infrastructure needed in order to exercise the basic activity and to improve the security of supply and support research activities by operators in connection with their areas of competence;
- (h) take account of the specific characteristics of each market, such as any differences in costs due to the topology of the system;
- (i) provide incentives for charges relating to new consumers;
- (j) carry out new investments in natural gas systems in order to guarantee safe supply, viability and satisfaction of anticipated future demand.

3. The charging regulations may stipulate that all or part of DESFA SA's costs for servicing capital and operating and maintaining the basic LNG facility activity shall be covered via charges for DESFA SA's basic transmission activity. This decision shall be taken on the basis of the part played by the LNG facility in balancing the load in the Greek natural gas system, safeguarding security of supply and facilitating the entry of new suppliers to the natural gas market.

4. The distribution system access charges, for the purpose stated in Article 83(3), shall be prepared by each gas company, following approval by the RAE of the allocation rules set out in Article 89(4), shall be approved by decision of the RAE and shall apply from publication of that decision in the Government Gazette, without amending the charging provisions contained in natural gas distribution licences granted up to the date on which Law 3428/2005 entered into force. The said decision shall also stipulate the procedure for adjusting or amending these charges. Distribution system access fees stipulated in the natural gas supply contracts entered into between DEPA SA and the gas companies prior to 15 March 2002 shall continue to apply and to be collected until such time as the above charges are adopted.

5. With the exception of the independent natural gas system operators, who shall be granted an exemption in accordance with the provisions of Article 76, the charges based on which each natural gas system operator collects any consideration for each basic activity, including charges for declared transit, shall be set by each operator in accordance with the charging regulations and approved by decision of the RAE and shall apply from whichever is the later of the following:

- (a) either from the third (3rd) month following the month in which the above decision by the RAE was published in the Government Gazette
- (b) or from the seventh (7th) month following the month of publication of the charging regulations in the Government Gazette.

6. The charges for each basic activity may include a charge per unit of capacity and a charge per unit of natural gas. The charge per unit of capacity shall mainly be used to recover the fixed costs of the basic activity and shall comprise depreciation, working capital, the cost of capital used, including capital costs for new investments in accordance with the development plan for the Greek natural gas system or the corresponding plan for new investments for independent natural gas systems. The charge per unit of natural gas shall mainly be used to recover the variable costs of the basic activity. Charges shall not be used to recover the acquisition cost of fixed assets paid by suppliers or customers.

7. The charges for the basic activity of transmission shall be set separately for the entry and exit points from the natural gas transmission system. Account shall be taken when setting the charges for the basic activity of transmission of reasonable and proportionate costs incurred by the corresponding operator from participating in the activities of the European Network of Transmission System Network Operators for Gas.

Article 89

Accounts/unbundling of accounts

1. Legal persons performing the activities of supply, transmission, distribution, storage, liquefaction of natural gas and gasification of liquefied natural gas (LNG) within the Hellenic Republic, whatever their system of ownership or legal form, shall draw up, submit to audit and publish their annual financial statements in accordance with the provisions of Articles 42a et seq. of Codified Law 2190/1920.

2. The legal persons referred to in the previous paragraph shall keep separate accounts for the supply activities for eligible customers and supply activities for non-eligible customers and for costs incurred in discharging public service obligations assigned to them.

3. Integrated natural gas undertakings shall keep separate accounts for the activities of natural gas transmission, LNG facility, natural gas storage facility, natural gas distribution and other natural gas activities and a single account for any other activities outside the natural gas sector, as they do if the activities in question were carried out by separate undertakings, with a view to avoiding discrimination, cross-subsidisation and distortion of competition. The separate accounts provided for in the previous sentence shall include a balance sheet and a profit and loss account for each activity.

4. In order to prepare separate accounts, integrated natural gas undertakings shall apply set rules for the allocation of assets and liabilities and income and expenditure, which shall be submitted to the RAE for approval. These rules shall be amended, following approval by the RAE, only in exceptional cases.

5. The auditors of the integrated undertaking shall audit the separate accounts kept in accordance with the provisions of the previous paragraphs, as they would be required to do if the activities in question were carried out by different legal persons. They shall also audit proper application of the allocation rules and shall submit their audit report to the general assembly of the integrated undertaking and the RAE. The RAE shall be entitled to carry out extraordinary audits at any time, in order to ascertain compliance with the provisions of this article.

6. Integrated natural gas undertakings shall set out the current approved allocation rules, the separate financial statements for each activity, important transactions with related undertakings or undertakings with the same shareholders and the auditors' report on the separate accounts in the notes to their financial statements. The notes shall be published together with the integrated undertaking's financial statements.

CHAPTER H LICENSING REGULATIONS

Article 90 Licensing regulations

1. Licensing regulations shall be issued by decision of the Minister for Environmental Affairs, Energy & Climate Change at the recommendation of the RAE. The RAE shall hold public consultation before submitting its recommendation to the Minister for Environmental Affairs, Energy and Climate Change, during which interested parties shall be invited to submit their views. The licensing regulations shall set out the form and content of licence applications and the supporting documentation and other information which must accompany them. They shall also set out:

- (a) the method of publication of applications and beneficiaries and the appeal procedure;
- (b) the terms, conditions and limitations for exercising the rights granted in licences;
- (c) the terms, conditions and procedure for amending and withdrawing licences;
- (d) any necessary details relating to licences issued in accordance with the provisions of this law.
- (e) the procedure and conditions for changing the licence holder or its shareholders.

2. The main criteria for granting licences in accordance with the provisions of the present law are as follows:

- (a) the safety and protection of natural gas systems and of facilities and interconnected equipment;
- (b) the applicant's specific technical and financial attributes, especially his solvency;
- (c) consumer protection, with a view to providing a high standard of services and achieving optimum prices;
- (d) environmental and climate protection from the impact of natural gas activities and energy efficiency;
- (e) the safeguarding and strengthening of free competition on the natural gas market.

3. Public service obligations shall be assigned to licence holders in accordance with the provisions of the present law by decision of the Minister for Environmental Affairs, Energy and Climate Change issued at the recommendation of the RAE, published in the Government Gazette and notified to the European Commission.

4. Additional obligations may be assigned to licence holders in special circumstances and in emergencies, relating in particular to national defence and public security and during extreme

weather conditions, by decision of the Minister for Environmental Affairs, Energy and Climate Change, issued at the recommendation of the RAE and published in the Government Gazette.

5. The RAE shall monitor and control the performance of obligations which are assigned to licence holders in accordance with paragraphs 4 and 5 and form terms of their licence.

6. The Minister for Environmental Affairs, Energy and Climate Change and the RAE may invite interested parties to public consultation before granting a specific licence or class of licence in accordance with the provisions of the present law.

7. Licences granted in accordance with the present law shall not exempt the licence holder from the obligation to obtain other permits or approvals provided for under current legislation.

8. Decisions by the RAE rejecting applications for a licence shall be fully substantiated and shall be notified to the applicant and to the European Commission. Applicants shall be entitled to appeal against the decision by the RAE in accordance with the provisions of Article 33 of the present law.

CHAPTER I
OTHER PROVISIONS
Article 91
Existing contracts

1. DESFA SA may obtain natural gas from DEPA SA without bidding for the purpose of load-balancing and to compensate for natural losses and own consumption by the Greek natural gas system, provided that DEPA SA obtained the gas on the basis of LNG supply contracts entered into up to 1 July 2004. The price of the LNG shall be approved by the RAE, at the recommendation of DESFA SA, and shall cover the full cost of the LNG, which shall include the fixed and variable cost of transport by sea, the cost of using the LNG system and a reasonable operating cost. The LNG sold by DEPA SA in accordance with the previous sentences may be used before gas obtained by DESFA SA in accordance with Article 68(2)(c).

2. In order to improve security of supply and competition on the natural gas market, the RAE may decide to hold a competition to sell to suppliers and eligible customers quantities of LNG corresponding to long-term supply contracts entered into and applied up to 1 July 2004 up to expiry of the said contracts, provided that they contain take-or-pay clauses. Competitions shall be held by DESFA SA in accordance with the procedure and conditions set out in the Greek Natural Gas System Operating Code, without prejudice to the principles of transparency and equal treatment. The terms of such competitions shall be approved by the RAE.

3. The change made under the provisions of the present law to the legal framework governing natural gas supply contracts entered into between DEPA SA and its customers before the present law entered into force shall not constitute good cause for terminating the said contracts.

Article 92

The use of natural gas systems in accordance with the provisions of the present law shall also be allowed for the transmission of biogas (gas produced from biomass) and other types of gases, if

feasible from a technical point of view and provided that safety conditions are satisfied, bearing in mind quality standards and the chemical properties of such gases.

Article 93

Natural underground spaces converted to natural gas storage facilities may be integrated either into the Greek natural gas system in accordance with the procedure described in Article 67 or into an independent natural gas system in accordance with the procedure described in Article 74. Natural underground space belonging to the Hellenic Republic may be integrated into the Greek natural gas system or an independent natural gas system, subject to transfer of the right to use, develop and exploit it as a natural gas storage facility. The procedure and conditions to transfer the right to use, develop and exploit natural underground spaces as a natural gas storage facility shall be stipulated by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change.

If an application is submitted for an independent natural gas system licence to be granted for natural underground spaces for which the existing licence holder has granted a hydrocarbon exploitation licence and while the exploitation licence is valid, the application shall be reasoned and the independent natural gas system licence shall be granted on condition that the above joint ministerial decision has been issued and in accordance with the terms thereof, in which case the independent natural gas system licence granted shall replace the exploitation licence.

PART FOUR

ORGANISATION OF THE ELECTRICITY MARKET

CHAPTER A

TRANSMISSION OF ELECTRICITY

Article 94

Tasks of the Greek Electricity Transmission System Operator (Article 12 of Directive 2009/72/EC)

1. The Greek electricity transmission system operator shall operate, exploit, maintain and develop the Greek electricity transmission system, so as to safeguard security of supply in Greece in an adequate, secure, efficient and reliable manner.

2. The operator shall be responsible for:

(a) ensuring the long-term ability of the system to meet reasonable demands for the transmission of electricity, under economically viable conditions, with due regard for the environment;

(aa) preparing an annual and filing a three-year operational programme of actions and measures deemed necessary to perform its tasks, with the corresponding budget, with the RAE;

(bb) preparing and publishing regular reports on the effective operation of the system;

(b) contributing to security of supply through adequate transmission capacity and system reliability;

(c) providing access to the system to electricity production, supply or trading licence holders, to those legally exempted from the need to obtain such licences and to eligible customers;

(d) allowing the Greek electricity distribution system to connect to the Greek electricity transmission system in accordance with the Greek Electricity Transmission System Operating Code;

(e) managing electricity flows on the system, taking into account exchanges with other interconnected systems. To that end, the transmission system operator shall be responsible for ensuring a secure, reliable and efficient electricity system and, in that context, for ensuring the availability of all necessary ancillary services, including those provided by demand response, insofar as such availability is independent from any other transmission system with which its system is interconnected;

(f) preparing the distribution plan for generating units connected to the system, determining the use of interconnectors with other transmission systems and distributing the electricity load in real time to available generating units in accordance with the specific provisions of Article 96 of the present law;

(g) providing to the operator of any other transmission or distribution system with which its system is interconnected sufficient information to ensure the secure and efficient operation, coordinated development and interoperability of the system with the above systems;

(h) providing system users with the information they need for efficient access to the system;

(i) providing all manner of services based on transparent, objective and impartial criteria, in order to prevent any discrimination between system users or classes of system users, particularly in favour of its related undertakings;

(j) collecting system access fees and settling its credits and debits under the intertransmission system operator compensation mechanism in accordance with Article 13 of Regulation (EC) No 714/2009;

(k) granting and managing third-party access and giving reasoned explanations when it denies such access;

(l) participating in associations, organisations or companies whose object is to process and formulate rules for joint action to help create a single internal electricity market within the framework of EU legislation and, in particular, to allocate and grant rights to transmit electricity via the corresponding interconnectors and to manage such rights on behalf of the above operators, especially in the European Network of Transmission System Operators for Electricity (ENTSOE);

(m) preparing a ten-year Greek electricity transmission system development programme every year, following consultation with all present and future users of the Greek electricity transmission system, to be submitted to the RAE for approval and published on its website in accordance with the requirements of Article 108;

(n) keeping the necessary operating accounts for collecting interconnection congestion management rents or other charges from operating the Greek electricity transmission system in accordance with the provisions of the present law;

(o) publishing a list of all RAE-approved prices charged to system users on its website;

(p) calculating the ex-post marginal system price;

(q) clearing supply/demand imbalances and settling financial transactions during management of supply/demand imbalances in cooperation with the electricity market operator and the Greek electricity distribution system operator. In order to settle financial transactions, the Greek electricity transmission system operator may:

(aa) incorporate and invest in companies with the specific object of providing financial services;

(bb) delegate the above settlement to third parties with the assent of the RAE, especially in terms of managing and clearing financial transactions and managing the credit and transaction risk on the electricity market.

3. The operator may execute contracts to buy and sell electricity, including demand management contracts, following a competition, but only if necessary for the provision of ancillary services and in order to balance supply/demand imbalances during the operation of the system in real time and subject to the rules of the System Operating Code in accordance with Article 96 herein.

4. The operator shall cooperate with the electricity market operator in accordance with the provisions of the Transaction Code and the System Operating Code.

5. The operator may provide paid technical consultancy services on matters which come within its remit to transmission system operators or owners and may participate in research programmes and programmes financed by the EU, provided that this does not obstruct the proper performance of its tasks. A special management account shall be kept for these services and the revenue from such services and investments shall be used to reduce the operator's operating expenditure.

6. The operator's tasks shall be performed with a view to achieving the objective of converging the Greek electricity market with the European energy markets and integrating the single internal electricity market in the EU in accordance with the requirements of Directive 2009/72/EC and Regulation (EC) No 714/2009.

Article 95

Tendering for new capacity (Article 8 of Directive 2009/72/EC)

1. The Greek electricity transmission system operator shall execute generating capacity contracts in the interests of security of supply. Under generating capacity contracts, producers are obliged, in return for payment, to provide new capacity availability at a later date for a particular capacity and for a particular period of time.

2. The Greek electricity transmission system operator shall execute demand-side management and energy-efficiency contracts in the interests of security of supply.

3. The contracts referred to in paragraphs 1 and 2 may only be executed where, on the basis of the authorisation procedure, the generating capacity or the energy efficiency/demand-side management measures are insufficient to ensure security of supply.

4. The overall capacity of the contracts referred to in paragraphs 1 and 2 shall be set following a special study of capacity adequacy and reserve margin adequacy prepared by the Greek electricity transmission system operator, taking account of the ten-year Greek electricity transmission system development programme and long-term energy planning in Greece approved by the RAE.

5. The choice of agency to conduct the competition, the tendering procedure and the specific bidding terms and conditions, the selection criteria for identifying the most economically viable bid, which may include environmental protection criteria and criteria for promoting infant new technologies, the maximum and minimum bids, the procedure for executing the contract with the operator, the way in which the operator will recover the relevant cost and any other detailed needed shall be defined on the basis of objective, transparent and impartial criteria by the RAE and published in the Official Journal of the European Union at least six months prior to the closing date for tenders.

6. The tender specifications shall be made available to any interested undertaking established in the territory of a Member State, so that it has sufficient time in which to submit a tender. With a view to ensuring transparency and impartiality, the tender specifications shall contain a detailed description of the specifications of the procedure to be followed by all tenderers and an exhaustive list of criteria governing the selection of tenderers and the award of the contract, including any incentives, such as subsidies, which are covered by the tender.

7. Existing generating units which submit long-term guarantees of their ability to satisfy the terms of the notice may participate in the tendering procedure, provided that requirements for additional capacity in accordance with paragraph 4 can be met in this way.

Article 96
Greek Electricity Transmission System Operating Code
(Articles 5 and 41 of Directive 2009/72/EC)

1. The Greek electricity transmission system shall be operated in accordance with the provisions of the Greek Electricity Transmission System Operating Code prepared and submitted to the RAE by the Greek electricity transmission system operator. The RAE shall issue the final version of the System Operating Code, following public consultation and having made any amendments or addenda, in a decision published in the Government Gazette. The Code may be amended either at the initiative of the RAE or at the request of the operator or third parties with a legitimate interest, in application of the procedure described in the previous sentence.

2. The System Operating Code shall regulate in particular:

(a) the technical system design, operating and maintenance specifications, stipulating in particular the minimum technical specifications, the design and operational criteria and requirements in terms of connecting the system to user installations, including distribution systems, the degree of reliability of the services provided, directly connected consumers' equipment, interconnector circuits and direct lines. These technical rules shall ensure the interoperability of systems and shall be objective and non-discriminatory. They shall also define indicators for monitoring the efficiency of the system;

(b) the procedure for preparing the system maintenance programme, which shall include at the very least the maintenance work and maintenance timetable, in order to guarantee full and timely maintenance of the system;

(c) the conditions for submitting an application for access to the system, the supporting documentation required, the minimum technical and operational specifications for access to the system, especially in respect of connections, and the procedure for executing the relevant contracts. Those entitled to do so shall be granted access to the system in the most economic, transparent and impartial way, without discriminating between system users and classes of users. The transmission system operator may only refuse access to parties entitled to access the system on the grounds that the capacity to load the system has been exhausted. Refusal to grant access shall be specifically reasoned, on the basis of objective technical and financial criteria. If access is refused, the system operator must provide information on the measures needed to expand the system in return for a consideration that reflects the cost of the expansion in question, to be determined in accordance with the provisions of Article 140 of the present law;

(d) the deadline by which the system operator must respond to applications and the consequences of failure to do so;

(e) the criteria applied by the system operator for distribution of the load to available generating units and of ancillary services to available generating units and units providing demand-side management and energy-efficiency facilities and use of interconnectors. Criteria shall be defined on the basis, *inter alia*, of:

(aa) the scheduling of deliveries of electricity to and from the system and the provision of ancillary services for a given period of time in accordance with the requirements of the Electricity Transaction Code;

(bb) the technical attributes of the available generating units and interconnectors;

(cc) the technical restrictions on the system and on units that can provide demand-side management and energy-efficiency facilities;

(f) the method, extent, terms and conditions whereby the system operator gives priority when allocating the load to available generating units, to:

(aa) generating units using renewable energy sources and cogenerating units in accordance with Article 9 of Law 3468/2006;

(bb) generating units using primary energy from domestic fuels accounting for up to 15% of the total quantity of primary energy needed to generate the electricity consumed in the Hellenic Republic over a period of one (1) calendar year;

(g) the method, procedure and terms of management by the system operator of supply/demand imbalances between generation licence holders, suppliers, eligible customers and interconnector users. A uniform management system shall be used, in order to promote the availability of generating units and the cost shall, where possible, be divided between those which caused the imbalances;

(h) the method, procedure and terms of management of hydroelectric production and of management of water reserves in reservoirs, taking account of the arrangements in Law 3199/2003 (Government Gazette 280A);

(i) the obligations to submit guarantees of adequate capacity availability which must be discharged in order to obtain electricity from the Greek electricity transmission system and the way in which those obligations are discharged, especially under contracts. The preconditions and procedure for the system operator to provide incentives and impose sanctions, especially in connection with the availability of adequate generating capacity, including the maintenance of safe powers supply margins, the smooth operation of scheduling of deliveries to and from the system and dispatching and environmental protection;

(j) the method, procedure and terms of settlement of any payments for generating unit availability;

(k) the preconditions and procedure that the transmission system operator applies in order to execute contracts in accordance with Article 95(2) of the present law;

(l) the method of collating information on the primary form of energy used by those delivering electricity to the system and of the environmental impact, at least in terms of carbon dioxide emissions;

(m) the form and minimum content of generating unit/system connection contracts and any other related issues;

(n) the procedures for approving the construction of works to connect generating units with the system by licence holders and for inspection and acceptance of such works by the operator. Once they have been accepted, these works shall form part of the system and shall devolve upon ADMIE SA. If a new generating unit is connected to the Greek electricity transmission system via radial

cables in a substation or extra high voltage station, ownership and management of the high voltage connection works up to the substation or station in question may remain with the generation licence holder by decision of the RAE, at the proposal of ADMIE SA;

(o) the accounts which the Greek electricity transmission system operator must keep on charges incurred from operating the Greek electricity transmission system;

(p) the procedure for amicable settlement of disputes between users and the Greek electricity transmission system operator, which may include the submission of disputes to arbitration, to be conducted by the RAE in accordance with the provisions of Article 37;

(r) any other arrangement needed for the smooth, safe and efficient operation of the system.

3. The RAE shall rule on calculations and special approvals provided for in the System Operating Code, on the advice of the system operator. These rulings shall be published in the Government Gazette.

4. Manuals explaining the application of the System Operating Code in detail shall be issued by decision of the RAE in accordance with the procedure described in paragraph 1.

CHAPTER B ESTABLISHMENT, ORGANISATION AND OPERATION OF THE GREEK ELECTRICITY TRANSMISSION SYSTEM OPERATOR

Article 97

Object of the Greek Electricity Transmission System Operator

1. The Greek electricity transmission system shall be operated by a subsidiary of PPC SA registered as Independent Electricity Transmission Operator (ADIHE) SA, which shall be structured and shall operate as an independent transmission operator in accordance with the provisions of Directive 2009/72/EC, especially Chapter V thereof.

2. Ownership of the electricity transmission system shall be transferred from PPC SA to ADMIE SA by way of divestment and contribution of a division in accordance with the provisions of Article 98.

3. ADMIE SA shall exercise its powers and perform its tasks as system owner and operator in accordance with the provisions of the present law and the acts issued pursuant hereto.

4. ADMIE SA shall take all measures needed in order to obtain certification as an independent transmission operator by no later than 3 March 2012, in accordance with the provisions of Articles 113 and 114. Until such time as it obtains certification, ADMIE SA shall exercise its powers of operator pursuant to ministerial decision no. D5/HL/B/F1/7705 by the Minister for Development dated 25 April 2001 (Government Gazette 492B).

5. ADMIE SA shall be subject at all times to direct and indirect control by the State. Share transfers which change the public control of ADMIE SA may only be effected if measures are taken to ensure that the company continues to be administered by a majority of members appointed by the state and/or that decisions of major importance in terms of the operation of the Greek electricity transmission system are only taken with the assent of the State.

Article 98
Divestment of transmission division of PPC SA

1. PPC SA must complete legal and functional unbundling of electricity transmission system operation activities from the other activities of its vertically integrated undertaking by contributing the Directorate General of Transmission to its subsidiary registered as Independent Electricity Transmission Operator (ADMIE) SA within three (3) months of the date on which the present law enters the statute book.

2. The above contribution shall be effected by way of divestment, in accordance with the provisions of the present law, Articles 68 to 79 of Codified Law 2190/1920 and Articles 1 to 5 of Law 2166/1993 (Government Gazette 137A), of all PPC SA's assets allocated to operational activities performed by the Directorate General of Transmission at PPC SA, especially the fixed assets that constitute the electricity transmission system, as inventorised in the divestment statement of account.

3. The division contributed to ADMIE SA in accordance with the provisions of the previous paragraph shall be divested under the procedure and terms set out in Articles 1 to 5 of Law 2166/1993, with the following derogations:

(a) capital investment grants reported on PPC SA's balance sheet either as capital or under the capital investment grants account may be transferred to ADMIE SA;

(b) zero property transfer tax returns (including any returns claiming established use, different surface area or other title which cannot be conveyed) and vehicle transfer tax returns need not be filed with the local tax office;

(c) PPC SA and ADMIE SA shall be exempt from the obligation to pay *pro rata* and fixed notary fees for every deed which must be notarised, such as new or amended memoranda and articles of association and the divestment and contribution contract. Other notary fees provided for under current legislation shall be reduced by 50%. No lawyer need be present when the relevant deeds are drafted and signed;

(d) assets and liabilities, including rights *in rem* to property and vehicles and other movables shall be transferred automatically on registration of the divestment contract in the public limited companies register. No regulatory or administrative approvals, licences, confirmations, statutory declarations, certificates or diagrams need be attached for the purpose of conveying property, even property acquired by compulsory purchase or in border regions, in derogation from any other general or specific provisions. Conveyances and other entries in accordance with current legislation may be effected within two (2) years of registration of the divestment contract in the public limited companies register, without the need to pay any duty or third party fees, including remuneration, fixed and *pro rata* fees, bonuses or other duty paid to unpaid and paid mortgage registrars or land registry offices;

(e) fixed and other asset revaluation differences that accrue pursuant to the application of other laws shall be retained by PPC SA;

(f) ADMIE SA shall subrogate, irrespective of their date of accrual, to all rights, obligations and privity of contract in general of PPC SA in connection with the division contributed, including in

connection with staff who retire before 31 December 2011 and were employed in the Transmission Division and staff transferred in accordance with Articles 102, 103 and 104, and shall enjoy the tax privileges and relief enacted for the benefit of PPC SA. This transfer shall be tantamount to universal succession in title and PPC SA shall be exempt from any obligation towards any third party, including the State and insurance funds, with regard to which ADMIE SA shall subrogate to it in accordance with the foregoing as of the date on which the approval decision is registered in the public limited companies register. Similarly, it shall also be exempt from obligations, titles or rights which may be non-transferable by law or contract. Any accounting or tax measures taken by PPC SA in connection with the division from which future benefits or encumbrances accrue shall be transferred pursuant to the divestment to ADMIE SA to its benefit or detriment;

(g) trials pending shall automatically be continued by ADMIE SA, without any forced stay and without the need for any formality or declaration on its part in order to continue or resume them;

(h) any form of administrative licence or approval, expropriation, cessions or subsidies granted to PPC SA in connection with the division contributed shall automatically be transferred to ADMIE SA, in derogation from any other provisions;

(i) there shall be no obligation to monitor in separate accounts in PPC SA's books transactions and other acts effected after the date on which the statement of account is prepared in connection with the division contributed which cannot, by their very nature, be unbundled from related acts in connection with other divisions of PPC SA. These acts shall be unbundled during the transitional period, i.e. between the date on which the statement of account is prepared and the date on which the decision containing the regional commissioner's approval is entered in the public limited companies register, and shall be transferred following completion of the transformation works under a special summary entry in the books of the public limited company taking over the division, in accordance with the provisions of Article 2(6) of Law 2166/1993.

4. The share capital of ADMIE SA shall be increased for the purpose of the takeover by the book value of the above division contributed by PPC SA. Once the takeover of the division has been completed, ADMIE SA shall issue new shares, which shall be allotted to PPC SA. These shares shall grant PPC SA the right to a dividend from the acquiring company.

5. Decisions by the boards of directors and resolutions by the general meeting of shareholders of the contributing and acquiring companies already taken before the present law enters the statute book for the purpose of compliance by the vertically integrated undertaking (PPC SA) with obligations to unbundle transmission activities in accordance with the requirements of Directive 2009/72/EC shall be covered by the provisions of the present article.

6. Compulsory reporting to shareholders in accordance with the provisions of Codified Law 2190/1920 must not under any circumstances result in notification by ADMIE SA of commercially sensitive information to the vertically integrated undertaking (PPC SA). Resolutions by the general meeting of shareholders and decisions by the board of directors or supervisory board of ADMIE SA which conflict with the requirements of the present chapter shall, by law, be null and void. Action to contest their nullity shall not be subject to a deadline, in derogation from the requirements of Article 35b of Codified Law 2190/1920. Nullity may be contested by the RAE or by any shareholder or third party with a legitimate interest.

7. The provisions of Article 4(1) and (2) of Law 1468/1950 (Government Gazette 169A), of Article 36(1) and Article 37 of the Royal Decree of 28 January 1951 (Government Gazette 35A), of

Articles 12, 13 and 14 of Emergency Statute 1672/1951 (Government Gazette 36A) and of the articles of Law 4483/1965 (Government Gazette 118A), as amended, and the fiscal, procedural or other privileges or rights to expropriate property, establish easements, use roads, squares, pavements and line or cable runs, open underground tunnels, carry out overground or underground works, erect pylons and install substations in force on promulgation of the present law and needed for the purpose of constructing, maintaining, repairing, exploiting, developing and maintaining the functional and technical integrity of the electricity transmission system and for the purpose of power production and the provision of services and general interest activities in general shall remain in force and shall also apply *mutatis mutandis* to ADMIE SA.

8. Greek government guarantees for the benefit of PPC SA for loans transferred to ADMIE SA shall apply for the benefit of ADMIE SA.

Article 99 **Transfer of activities of DESMIE SA**

1. The public limited company registered as Greek Electricity Transmission System Operator (DESMIE) SA, which was incorporated under Presidential Decree 328/2000 (Government Gazette 268A) pursuant to the provisions of Article 14 of Law 2773/1999, shall transfer the transmission system management, operation, development and maintenance operational units and activities exercised by it, including the corresponding fixed assets and DESMIE staff engaged in the said activities, which constitute the Transmission Division of DESMIE SA, to ADMIE SA within three (3) months of the date on which the present law enters the statute book. The following activities shall be transferred:

- a) system operation and control activities;
- b) system development and maintenance activities;
- c) imbalance clearance activities;
- d) commercial and regulated activities, excluding the activities referred to in Article 118(2)(i);
- e) metering activities.

The deadline provided for in the first sentence may be extended by a further six (6) months by decision of the Minister for Environmental Affairs, Energy and Climate Change.

2. This transfer shall be tantamount, in terms of privity of contract, rights and obligations deriving from the units and activities to be transferred in accordance with paragraph 1, to universal succession in title and DESMIE SA shall be released from any obligation against any third parties, including the State and insurance funds, with regard to which ADMIE SA shall subrogate to it in accordance with the foregoing, as of the date on which the decision granting consent is entered in the public limited companies register. Similarly, it shall also be exempt from obligations, titles or rights which may be non-transferable by law or contract. Trials pending shall automatically be continued by ADMIE SA, without any forced stay and without the need for any formality or declaration on its part in order to continue or resume them.

3. The above contribution by DESMIE SA shall be effected by way of divestment, in accordance with the provisions of the present law, Articles 68 to 79 of Codified Law 2190/1920 and Articles 1 to

5 of Law 2166/1993, of all DESMIE SA's assets allocated to the activities referred to in paragraph 1, with the following derogations:

(a) capital investment grants reported on DESMIE SA's balance sheet either as capital or the under capital investment grants account may be transferred to ADMIE SA;

(b) zero property and vehicle transfer tax returns need not be filed with the local tax office;

(c) DESMIE SA and ADMIE SA shall be exempt from the obligation to pay *pro rata* and fixed notary fees for every deed which must be notarised, such as new or amended memoranda and articles of association and the divestment and contribution contract. Other notary fees provided for under current legislation shall be reduced by 50%. No lawyer need be present when the relevant deeds are drafted and signed;

(d) assets and liabilities, including rights *in rem* to property and vehicles and other movables shall be transferred automatically on registration of the divestment contract in the public limited companies register. No regulatory or administrative approvals, confirmations, statutory declarations, certificates or diagrams need be attached for the purpose of conveying property, even property acquired by compulsory purchase or in border regions, in derogation from any other general or specific provisions. Conveyances and other entries required in accordance with current legislation in order to transfer rights *in rem*, which shall be tantamount to acts of confirmation, shall be effected when the divestment contract is entered in the public limited companies register, without the need to pay any duty or third party fees, including remuneration, fixed and *pro rata* fees, bonuses or other duty paid to unpaid and paid mortgage registrars or land registry offices, in derogation from any current provisions;

(e) fixed and other asset revaluation differences that accrue pursuant to the application of other laws shall be retained by DESMIE SA;

(f) ADMIE SA shall subrogate to all rights, obligations and privity of contract in general of DESMIE SA in connection with the division contributed in accordance with the foregoing and shall enjoy the tax privileges and relief enacted for the benefit of DESMIE SA;

(g) any form of administrative licence or approval granted to DESMIE SA in connection with the Transmission Division shall automatically be transferred to ADMIE SA.

4. There shall be no obligation for the purposes of Law 2166/1993 to monitor in separate accounts in DESMIE SA's books transactions and other acts effected after the date on which the statement of account is prepared in connection with the division contributed which cannot, by their very nature, be unbundled from related acts in connection with other divisions of DESMIE SA. These acts shall be unbundled during the transitional period and shall be transferred following completion of the transformation works under a summary entry in the books of the public limited company taking over the division, in accordance with the provisions of Article 2(6) of Law 2166/1993.

5. The share capital of ADMIE SA shall be increased for the purpose of the takeover by the book value of the above division contributed by DESMIE SA. Once the takeover of the division has been completed, ADMIE SA shall issue new shares, which shall be allotted to DESMIE SA. These shares shall grant DESMIE SA the right to a dividend from the acquiring company.

6. PPC SA shall transfer all the shares it holds in the public limited company registered as Greek Electricity Transmission System Operator SA (DESMIE SA) incorporated under Presidential Decree 328/2000 (Government Gazette 268A) pursuant to the provision of Article 14 of Law

2773/1999 to the Greek State free of charge within three months of the date on which the present law enters the statute book.

7. DESMIE SA shall transfer all the shares it holds in ADMIE SA following the divestment and contribution to PPC SA, for a consideration equal to the nominal value of the shares, within three months of completion of the above divestment.

Article 100
Commercial relations between ADMIE SA and PPC SA
(Article 17(1), (4), (5) and (6) of Directive 2009/72/EC)

1. ADMIE SA may render services to PPC SA and its related undertakings within the meaning of Article 42e of Codified Law 2190/1920 as long as:

(a) the provision of those services does not discriminate against other users of the electricity transmission system, is available to all users on the same terms and conditions and does not restrict, distort or prevent competition in generation or supply; and

(b) the terms and conditions of the provision of those services are approved in advance by the RAE.

2. Without prejudice to decisions of the supervisory board pursuant to Article 106, in the event that ADMIE SA so requests, the shareholders of ADMIE SA must provide it with appropriate financial resources for the replacement of existing assets of the system and for future investment projects. Requests by ADMIE SA shall be notified to the RAE.

3. ADMIE SA shall not, in its corporate identity, communication, branding and premises, create confusion in respect of the separate identity of the vertically integrated undertaking PPC SA or any undertakings related to it within the meaning of Article 42e of Codified Law 2190/1920. Its registered name may be changed in accordance with the provisions of Codified Law 2190/1920, provided that there is no infringement of the provisions hereof.

4. It is prohibited for ADMIE SA to share IT systems or equipment, premises and security systems with any undertakings performing the function of generation or supply of electricity or natural gas or other undertakings related to them, especially with any part of the vertically integrated undertaking (PPC SA) and for ADMIE SA and PPC SA to jointly award contracts to or use the same services.

5. It is prohibited for the annual accounts of ADMIE SA to be audited by the chartered accountant who regularly audits the accounts of the vertically integrated undertaking (PPC SA) or of an undertaking related to it.

6. Vehicles belonging to ADMIE SA shall be insured in accordance, *mutatis mutandis*, with the provisions of Presidential Decree 764/1978 governing PPC SA.

Article 101
Independence of ADMIE SA
(Article 18 of Directive 2009/72/EC)

1. Without prejudice to the decisions of the supervisory body under Article 106, ADMIE SA shall have:

(a) effective decision-making rights, independent from the vertically integrated undertaking (PPC SA), especially with respect to resources necessary to operate, maintain or develop the transmission system and

(b) the power to raise money on the capital market, in particular through borrowing and capital increase.

2. ADMIE SA shall ensure that it has the resources it needs in order to carry out the activity of transmission properly and to develop and maintain an adequate, efficient, secure and economic transmission system.

3. Any subsidiaries of PPC SA performing functions of generation or supply of natural gas or electricity shall not have any direct or indirect holding in ADMIE SA. The acquisition of a holding in ADMIE SA by any other undertaking performing functions of generation or supply of electricity or natural gas shall not result in the acquisition of control by those undertakings or the direct or indirect exercise of any right to ADMIE SA. ADMIE SA shall not have any direct or indirect holding in undertakings performing the functions of generation and supply of electricity or natural gas, nor shall it receive dividends or any other financial benefit from such undertakings.

4. The overall management structure and the corporate statutes of ADMIE SA shall ensure its effective independence in compliance with this chapter. More importantly, PPC SA shall not determine, directly or indirectly, the competitive behaviour of ADMIE SA on the electricity market in relation to its day-to-day activities and management of the Greek electricity transmission system or in relation to activities necessary for the preparation of the ten-year network development plan of the Greek electricity transmission system prepared in accordance with Article 108.

5. In fulfilling its tasks in accordance with current legislation and, in particular, in accordance with Articles 14, 15 and 16 of Regulation (EC) No 714/2009, ADMIE SA shall not discriminate against different persons or entities and shall not restrict, distort or prevent free competition in generation or supply, especially for the benefit of its related undertakings.

6. Any commercial and financial relations between the vertically integrated undertaking (PPC SA) and ADMIE SA shall comply with market conditions and healthy competition. ADMIE SA shall keep detailed records of such commercial and financial relations and make them available to the RAE upon request.

7. ADMIE SA shall submit for approval by the RAE all commercial and financial agreements with the vertically integrated undertaking (PPC SA).

8. ADMIE SA shall inform the RAE of the financial resources, referred to in paragraph 2, available for future investment projects and/or for the replacement of existing system assets.

9. The vertically integrated undertaking (PPC SA) shall refrain from any action prejudicing ADMIE SA from complying with its obligations in this chapter, fulfilment of which shall not somehow depend upon it.

Article 102
Staff of ADMIE SA
(Article 17(1)(b) of Directive 2009/72/EC)

1. Staff employed by PPC SA under a contract of employment with the Directorate General of Transmission of PPC SA shall be transferred to ADMIE SA by decision of the board of directors of PPC SA, to be taken within three (3) months of the date on which the present law enters the statute book. The members of the basic operational staff of the Directorates General of Financial Services and Human Resources, of the basic operational staff which reports to the chief executive officer and of the Directorate of Internal Audits of PPC SA employed under a contract of employment or retainer shall also be transferred to ADMIE SA, in order to support the activities of the Directorate General of Transmission contributed by PPC SA. The staff recruited further to notice 1/2007 to meet the requirements of the Directorate General of Transmission shall likewise be integrated into ADMIE SA. The above staff shall be transferred in derogation from any general or specific provision of law, regulation, arbitration award or collective or individual contract of employment to the contrary.

2. The transfers and working conditions of the above staff shall be governed by the provisions of Presidential Decree 178/2002 (Government Gazette 162A) and labour and insurance rights provided for by law, in applicable collective agreements, in the PPC Staff Regulations and PPC SA rules of procedure in general and in individual contracts of employment shall continue to apply. Previous experience recognised by PPC SA shall be recognised in full for all rights pursuant thereto and the above transfers shall not change working conditions for the worse.

3. The procedure and any details in general relating to transfers of the above staff from PPC SA to ADMIE SA shall be stipulated by decision of the board of directors of PPC SA.

4. It is prohibited for staff or services to be provided to or by any other part of the vertically integrated undertaking (PPC SA), with the exception of technical services to the system operator and to specified installations of the vertically integrated undertaking (PPC SA), subject to prior approval by the RAE. Services in accordance with the previous sentence shall be provided on market prices and terms.

Article 103
Transfer of DESMIE SA staff

1. All manner of staff employed by DESMIE SA under a contract of employment or a retainer in operational units and activities contributed to ADMIE SA in accordance with Article 99 when the present law enters the statute book shall be transferred to ADMIE SA by decision of the board of directors of DESMIE SA, to be taken within three (3) months of the date on which the present law enters the statute book. The above staff shall be transferred in derogation from any general or specific provision of law, regulation, arbitration award or collective or individual contract of employment to the contrary.

2. The transfers and working conditions of the above staff shall be governed by the provisions of Presidential Decree 178/2002 and labour and insurance rights provided for by law, in applicable collective agreements, in DESMIE SA rules of procedure in general and in individual contracts of

employment shall continue to apply. Previous experience recognised by DESMIE SA shall be recognised in full for all rights pursuant thereto and the above transfers shall not change working conditions for the worse.

3. The staff of DESMIE SA transferred to ADMIE SA shall be governed, *mutatis mutandis*, by the PPC Staff Regulations, applicable collective agreements and PPC SA rules of procedure in general only as of the date of their transfer, unless they apply within one (1) month of the date on which the present law is passed to be exempt from the above regulations. The entry pay scale for the sector and category under which transferred employees would have been classified, based on their formal qualifications and type of employment at DESMIE SA, had they been recruited by PPC SA, shall be taken as the new pay scale. Pay scale 2 shall be taken as the new pay scale for employees recruited by DESMIE SA as special scientific personnel pursuant to Article 19 of Law 1920/1994. Employees transferred shall be assumed to have had a pay rise every three years based on the provisions of Rule 22 of the PPC Staff Regulations and their length of service at DESMIE SA for the purpose of determining salary status at the time of transfer. If employees transferred do not file the aforementioned application and if the regular salary which they were receiving at DESMIE on the eve of their transfer to ADMIE was higher than the salary obtained based on the above adjustment of their salary status by ADMIE SA, the excess shall be retained as a personal difference and shall be offset against any future pay rises (salary promotion, seniority bonuses, family benefits etc.).

4. The staff recruited by DESMIE SA further to notice 1/9M/2008, which is currently in progress, shall be recruited by ADMIE SA in order to meet its requirements.

5. The procedure and any details in general relating to transfers of the above staff from DESMIE SA to ADMIE SA shall be stipulated by decision of the board of directors of DESMIE SA.

Article 104

Transfer of DESMIE SA (originally PPC SA) staff

1. The availability of PPC SA staff made available to DESMIE SA on promulgation of the present law shall be terminated by decision of the board of directors of PPC SA, to be taken within three (3) months of the date on which the present law enters the statute book. The said staff shall be transferred to ADMIE SA under the above decision. The above staff shall be transferred in derogation from any general or specific provision of law, regulation, arbitration award or collective or individual contract of employment to the contrary.

2. The transfers and working conditions of the above staff shall be governed by the provisions of Presidential Decree 178/2002 (Government Gazette 162A) and labour and insurance rights provided for by law, in applicable collective agreements, in the PPC Staff Regulations and PPC SA rules of procedure in general and in individual contracts of employment shall continue to apply. Previous experience recognised by PPC SA shall be recognised in full for all rights pursuant thereto and the above transfers shall not change working conditions for the worse.

3. The above staff of ADMIE SA shall continue to be paid an amount corresponding to the difference between any manner of emoluments paid to them when they were made available to DESMIE SA and their emoluments on expiry thereof. This amount shall be retained as a personal difference and shall be offset against any future pay rises (salary promotion, seniority bonuses, family benefits etc.).

4. The procedure and any details in general relating to the transfer of the above PPC SA staff to ADMIE SA shall be stipulated by decision of PPC SA's board of directors.

Article 105
Independence of staff and management of ADMIE SA
(Article 19 of Directive 2009/72/EC)

1. Decisions regarding the appointment and renewal, working conditions including remuneration, and term of office of the members of the board of directors of ADMIE SA shall be taken by the supervisory board of DESFA SA appointed in accordance with Article 106 and shall be binding in accordance with paragraph 2.

2. The identity of, and the conditions governing the term, the renewal and the termination of office of the persons nominated by the supervisory board for appointment to the board of directors of ADMIE SA, and the reasons for any proposed decision terminating such term of office, shall be notified to the RAE. Those conditions shall become binding only if the RAE has raised no objections within three (3) weeks of notification. The RAE may object to the decisions referred to in paragraph 1 herein, where:

(a) doubts arise as to the professional independence of a person nominated for appointment to the board of directors of ADMIE SA;

(b) in the case of premature termination of a term of office, doubts exist regarding the justification of such premature termination.

3. The members of the board of directors of ADMIE SA or other collective body with executive powers may report termination of their contract or any other form of premature termination of their term of office to the RAE in accordance with the provisions of Article 34.

4. The majority of the members of the board of directors of ADMIE SA or any other collective body with executive powers shall have no professional position or responsibility, interest or business relationship directly or indirectly connected with PPC SA or any undertaking related to it, save the function of transmission of PPC SA and DESMIE SA, or with its controlling shareholders for a period of three (3) years to their appointment. The other members of the board of directors of ADMIE SA or any other collective body with executive powers shall have no professional position or responsibility, interest or business relationship, directly or indirectly connected with PPC SA or any undertaking related to it for a period of six (6) months prior to their appointment.

5. The members of the board of directors or other collective body with executive powers and the employees of ADMIE SA shall have no professional position or responsibility, interest or business relationship directly or indirectly connected with any other part of the vertically integrated undertaking (PPC SA) or its controlling shareholders.

6. The members of the board of directors or other collective body with executive powers and the employees of ADMIE SA shall hold no interest in or receive any financial benefit, directly or indirectly, from any part of the vertically integrated undertaking (PPC SA) other than ADMIE SA. Their remuneration shall not depend on the activities or results of the vertically integrated undertaking (PPC SA) other than the activities or results of ADMIE SA. Holdings in insurance

organisations supervised by the Ministry of Labour and Social Security which hold shares or other securities in PPC SA shall not constitute illegal financial benefit for the purposes hereof.

7. After termination of their term of office in ADMIE SA, the members of the board of directors of ADMIE SA or any other collective body with executive powers shall have no professional position or responsibility, interest or business relationship with any part of the vertically integrated undertaking (PPC SA) other than ADMIE SA or with the controlling shareholders of PPC SA for a period of four (4) years.

8. Paragraphs 3 to 7 shall apply to all persons with powers of representation and administration delegated by the board of directors and to persons directly reporting to them on matters related to the operation, maintenance or development of the system.

9. The prohibitions in paragraphs 3 and 8 shall also apply to any other undertaking performing functions of generation or supply of electricity or natural gas and to any undertaking related (horizontally or vertically) to them.

10. A fine of between EUR 50 000 and EUR 200 000 shall be imposed by decision of the RAE and in accordance with the provisions of Article 36, on persons who infringe the provisions of the present article.

Fines shall be assessed on the basis of the principle of proportionality.

Article 106

Responsibilities and composition of the supervisory board (Article 20 of Directive 2009/72/EC)

1. ADMIE SA shall have a supervisory board responsible for taking decisions that may have a significant impact on the value of the assets, in particular decisions regarding the approval of the annual financial plans, the level of indebtedness of ADMIE SA and the dividends distributed to its shareholders. The decisions falling under the remit of the supervisory board shall exclude those relating to the day-to-day activities of ADMIE SA, especially the maintenance and operation of the Greek electricity transmission system and activities necessary for the preparation of the ten-year development plan for the Greek electricity transmission system in accordance with Article 108.

2. The supervisory board shall comprise seven (7) members with specialist experience in the electricity sector, appointed by the general meeting of shareholders of ADMIE SA as follows:

- (a) four (4) members proposed by the shareholders of ADMIE SA;
- (b) two (2) members proposed by the Greek State;
- (c) one (1) member of the permanent staff of ADMIE SA.

3. The identity and terms governing the duration, the term of office and the end or renewal of the term of office and the reasons for any proposed decision to terminate the term of office of members of the supervisory board shall be notified to the RAE. The RAE may raise objections to members, which must satisfy the criteria of paragraph 6, within three (3) weeks of notification of the proposed members where:

(a) doubts arise as to the professional independence of the person appointed to the supervisory board;

(b) in the case of premature termination of a term of office, doubts exist regarding the justification of such premature termination.

The RAE may call the proposed members to a hearing by the above deadline.

4. Decisions to prematurely terminate the term of office of a member of the supervisory board shall be notified to the RAE and approved only if the RAE does not raise any objections based on doubts as to the grounds given for the premature termination of the member's term of office within three (3) weeks of the above notification.

5. The appointment and identity of members of the supervisory board and the grounds for their dismissal shall be subject to publication formalities in accordance with the provisions of Article 7b of Codified Law 2190/1920, as amended.

6. Article 105(2), first sentence, and (3) to (9) shall apply to at least half the members of the supervisory board, minus one. Article 105(2)(b) of the present law and Article 105(9) shall apply to all members of the supervisory board.

7. Details of the procedure for notifying proposed members of the supervisory board and the criteria for evaluating satisfaction of the preconditions herein in terms of the legal composition of the supervisory board shall be specified by decision of the RAE.

8. The provisions of Article 35a(3), second and third sentences, and (5) to (11) and of Articles 35b and 35c of Codified Law 2190/1920 shall apply, *mutatis mutandis*, to decisions by the supervisory board.

9. The memorandum and articles of association of ADMIE SA shall regulate the establishment of the supervisory board and the procedure for convening meetings and passing decisions, especially:

(a) the composition and remit of the supervisory board, appointment of board members and the election and duties of its chairman;

(b) all matters relating to the procedure for convening meetings and the attendance of the compliance officer at meetings;

(c) all matters relating to the procedure for decisions to be passed by the supervisory board, the validity thereof and notification thereof to the RAE, especially decisions on the matters referred to in paragraph 1(a) and decisions appointing the board of directors of ADMIE SA, which shall require a positive vote by the majority of the members appointed by PPC SA;

(d) the minimum content of the supervisory board's rules of procedure, which shall address the matters referred to in this paragraph in detail. The supervisory board's rules of procedure shall be adopted by decision of the supervisory board at its first meeting, shall be subject to approval by the RAE and shall be posted on its website and published in the Government Gazette.

Article 107
Compliance programme and compliance officer
(Article 21 of Directive 2009/72/EC)

1. As part of its responsibilities as Greek electricity transmission system operator, ADMIE SA shall establish and implement a compliance programme setting out the measures taken in order to ensure that discriminatory conduct is excluded and that compliance with that programme is adequately monitored. The compliance programme shall set out the specific obligations of employees of ADMIE SA to meet those objectives and shall be subject to approval by the RAE. Without prejudice to the powers of the RAE, as stipulated in Article 22 herein, compliance with the programme shall be independently monitored by a compliance officer.

2. The compliance officer shall be appointed by the supervisory board, subject to approval by the RAE, which may only be refused on the grounds of lack of independence or professional aptitude. The compliance officer may be a natural or legal person. Article 105 (2) to (9) shall also apply to the compliance officer.

3. The compliance officer shall be responsible for:

- (a) monitoring the implementation of the compliance programme;
- (b) preparing an annual report setting out the measures taken in order to implement the compliance programme and submitting it to the RAE;
- (c) reporting to the supervisory board and issuing recommendations on the compliance programme and its implementation;
- (d) notifying the RAE of any substantial breaches with regard to the implementation of the compliance programme;
- (e) reporting to the RAE on any commercial and financial relations between the vertically integrated undertaking (PPC SA) and ADMIE SA.

4. The compliance officer shall submit the proposed decisions on the investment plan or on individual investments in the Greek electricity transmission system to the RAE. The deadline for submitting the decisions referred to in the previous sentence shall be the date on which the board of directors of ADMIE SA submits the programme to the supervisory board.

5. Where the vertically integrated undertaking (PPC SA), at the general meeting of shareholders or by vote of the members of the supervisory board appointed by it, has prevented the adoption of a decision with the effect of preventing or delaying investments, which under the ten-year Greek electricity transmission system development plan, was to be executed in the following three (3) years, the compliance officer shall report this to the RAE, which then shall act in accordance with Article 108.

6. The conditions governing the mandate or the employment conditions of the compliance officer, including the duration of his mandate, shall be subject to approval by the RAE. Those conditions shall ensure the independence of the compliance officer, including by providing him with all the resources necessary for fulfilling his duties. During his mandate, the compliance officer shall have no other professional position, responsibility or interest, directly or indirectly, in the vertically

integrated undertaking (PPC SA) or any part thereof or in any related undertaking or its controlling shareholders.

7. The compliance officer shall report regularly, either orally or in writing, to the RAE and shall have the right to report regularly, either orally or in writing, to the ADMIE SA supervisory board. The compliance officer shall file a written annual report with the RAE by 31 March each year, describing the measures taken to adhere to the compliance programme. This report shall be posted on the DESFA SA website within five (5) days of submission to the RAE. The RAE shall evaluate the independence of ADMIE SA each year, based on the compliance officer's reports, and may issue a decision ordering the compliance programme to be amended, by recommending suitable measures to safeguard the independence and impartiality of ADMIE SA. ADMIE SA must comply with the RAE's recommendations and submit a new compliance programme for approval, in accordance with the provisions of paragraph 1, within fifteen (15) working days of notification of the RAE decision. The RAE shall post an evaluation report on the ADMIE SA compliance programme on its website by 30 April each year.

8. The compliance officer may attend all meetings, with no voting right, of the board of directors, the supervisory board and the general meeting of shareholders of ADMIE SA. The compliance officer shall attend all meetings that address the following matters:

(a) conditions for access to the system, as defined in Regulation (EC) No 714/2009, in particular regarding tariffs, third party access services, capacity allocation and congestion management, transparency, balancing and secondary markets;

(b) works undertaken in order to operate, maintain and develop the system, including investments in interconnections and connections;

(c) energy purchases or sales necessary for the operation of the system.

9. The compliance officer shall monitor the compliance of the Greek electricity transmission system operator with Article 116.

10. The compliance officer shall have access to all relevant data and to the offices of the independent electricity system operator without prior announcement and to all the information necessary for the performance of his duties.

11. After prior approval by the RAE, the supervisory board may dismiss the compliance officer. The supervisory shall dismiss the compliance officer at the RAE's request for reasons of lack of independence or professional aptitude within three (3) days of notification of the RAE's decision to that effect.

12. If the compliance officer is denied access to the files and premises of ADMIE SA, a fine of between EUR fifty thousand (50 000) and EUR one hundred thousand (100 000) shall be imposed by decision of the RAE, without prejudice to other administrative penalties in accordance with the provisions of Article 36.

13. The RAE may issue a decision, to be posted on its website, setting out guidelines and instructions for the performance of the compliance officer's duties.

Article 108

Development of the Greek Electricity Transmission and powers to make investment decisions (Article 22 of Directive 2009/72/EC)

1. ADMIE SA shall submit a ten-year Greek electricity transmission system development plan to the RAE by 31 March each year, after having consulted all the stakeholders. The plan, which shall cover the period commencing on 1 January of the following year, shall be based on existing and forecast supply and demand and shall contain efficient measures in order to guarantee the adequacy of the system and security of supply.

2. The ten-year Greek electricity transmission system development plan shall in particular:

(a) indicate the main transmission infrastructure that needs to be built or upgraded over the next ten (10) years, including the infrastructure needed for RES penetration;

(b) contain all the investments already included in previous development plans and identify new investments which have to be started in the next three years;

(c) provide a technical and financial cost-benefit study for important transmission works under subparagraph (b) above, especially for international interconnectors and connectors between islands and the transmission system, including a timeframe, estimated cashflow and financing requirements for all investment projects.

3. When elaborating the ten-year Greek electricity transmission system development plan, ADMIE SA shall make reasonable assumptions about the availability of production capacity and the evolution in demand and cross-border trade, taking into account investment plans for regional and Community-wide systems.

4. The RAE shall open the ten-year Greek electricity transmission system development plan to public consultation in an open and transparent manner, in accordance with the provisions of Article 29 of the present law. The RAE shall evaluate and post the result of the consultation process on its website.

5. The RAE shall examine whether the ten-year Greek electricity transmission system development plan covers all investment needs identified during the consultation process and whether it is consistent with the non-binding Community-wide ten-year network development plan (Community-wide network development plan) referred to in Article 8(3)(b) of Regulation (EC) No 714/2009. If any doubt arises as to the consistency with the Community-wide network development plan, the RAE shall consult the Agency for the Cooperation of Energy Regulators. The RAE may require ADMIE SA to amend its ten-year Greek electricity transmission system development plan.

6. The RAE shall monitor and evaluate the implementation of the ten-year Greek electricity transmission system development plan and shall prepare and publish a report on it.

7. In circumstances where the RAE establishes during the exercise of its powers in accordance with paragraph 6 that ADMIE SA, other than for overriding reasons beyond its control, is not executing an investment which, under the ten-year system development plan, was to be executed within three years, the RAE shall take at least one of the following measures:

(a) it shall require ADMIE SA to execute the investments in question;

(b) it shall organise an open procedure for the investment in question;

(c) it shall oblige ADMIE SA to accept a capital increase to finance the necessary investments and allow independent investors to participate in the share capital.

8. Where the RAE makes use of its powers under point (b) of the previous subparagraph, it may oblige ADMIE SA to agree to one or more of the following:

(a) financing of the investment by any third party;

(b) financing and construction of the investment by any third party;

(c) building the new assets concerned itself; or

(d) operating the new asset concerned itself.

9. ADMIE SA shall provide the investors with all information needed to realise the investment, shall connect the new assets to the Greek electricity transmission system and shall generally make its best efforts to facilitate the implementation of the investment project. The relevant financial arrangements shall be subject to approval by the RAE.

10. Where the RAE makes use of its powers under the paragraph 7, the relevant tariff regulations shall cover the costs of the investments in question, in accordance with Article 140.

Article 109

Connection of new power plant to the Greek electricity transmission system (Article 23 of Directive 2009/72/EC)

1. ADMIE SA shall establish and publish transparent and efficient procedures for non-discriminatory connection of new power plants to the Greek electricity transmission system. Those procedures shall be subject to the prior approval of the RAE.

2. ADMIE SA shall not be entitled to refuse the connection of a new power plant on the grounds of possible future limitations to available capacities in the Greek electricity transmission system, such as congestion in distant parts of the transmission system. ADMIE SA shall supply necessary information.

3. ADMIE SA shall not be entitled to refuse a new connection point on the grounds that it will lead to additional costs linked with necessary capacity increase of elements of the Greek electricity transmission system in the close-up range to the connection point.

4. ADMIE SA shall lay down the criteria based on which it may refuse access for a certain period of time due to lack of capacity. These criteria shall be approved by the RAE and posted on its website.

CHAPTER C

UNBUNDLING OF ELECTRICITY TRANSMISSION SYSTEMS AND ELECTRICITY TRANSMISSION SYSTEM OPERATORS

Article 110

Ownership unbundling of function of electricity transmission

1. Without prejudice to the provisions of Chapter B of the present Part Four and of Articles 111 and 112, each undertaking that owns the transmission system must satisfy all the following requirements in order to exercise the powers referred to in Article 94:

(a) the same person or persons shall not be entitled:

(aa) directly or indirectly to exercise control over an undertaking performing any of the functions of generation or supply of electricity or natural gas and directly or indirectly to exercise control or exercise any right over a natural gas or electricity transmission system operator or over a natural gas or electricity transmission system or

(bb) directly or indirectly to exercise control over a natural gas or electricity transmission system operator or over a natural gas or electricity transmission system and directly or indirectly to exercise control or exercise any right over an undertaking performing any of the functions of generation or supply of electricity or natural gas;

(b) the same person or persons shall not be entitled to appoint members of the administrative board or of bodies legally representing the transmission system operator or a transmission system and directly or indirectly to exercise control or exercise any right over an undertaking performing any of the functions of generation or supply of electricity or natural gas and

(c) the same person shall not be entitled to be a member of the administrative board or of bodies legally representing both an undertaking performing any of the functions of generation or supply of electricity or natural gas and an electricity transmission system operator or an electricity transmission system.

2. The rights referred to in paragraph 1(b) and (c) shall include, in particular:

(a) the power to exercise voting rights;

(b) the power to appoint members of the administrative board or of bodies legally representing the undertaking or

(c) the holding of a majority share in the undertaking or the electricity transmission system operator.

3. The obligation set out in paragraph 1 shall be deemed to be fulfilled where two or more undertakings which own electricity transmission systems have created a joint venture which acts as an electricity transmission system operator in two or more Member States for the electricity transmission systems concerned. No other undertaking may be part of the joint venture, unless it has been certified under Article 13 of Directive 2009/72/EC as an independent system operator or as an independent transmission operator for the purposes of Chapter V of Directive 2009/72/EC.

4. For the implementation of this article, where the person referred to in paragraph 1(a), (b) and (c) is the Hellenic Republic or another public-sector body or organisation or government officer, two separate public bodies exercising control over a natural gas transmission system operator or electricity transmission system operator, on the one hand, and over an undertaking performing any of the functions of generation or supply of electricity or natural gas, on the other, shall be deemed not to be the same person or persons.

5. The electricity transmission system operator and its staff shall have a duty of confidentiality with regard to commercially sensitive information which comes to their attention during the performance of their duties. The said information shall not be transferred to undertakings performing any of the functions of generation and supply of electricity or natural gas.

6. Undertakings performing any of the functions of generation or supply of electricity or natural gas shall not in any event have the right to directly or indirectly take control over or exercise any right over unbundled electricity transmission system operators in Greece or other Member States in accordance with the provisions of the present article, save the right to be paid a dividend.

7. Vertically integrated undertakings which own a transmission system shall not in any event be prevented by ADMIE from taking steps to comply with the provisions hereof.

Article 111

Appointment of third party independent system operator

1. In the event of systematic infringement by ADMIE SA of its obligations pursuant hereto, especially in the event of repeated biased conduct for the benefit of the vertically integrated undertaking (PPC SA), the RAE may issue a reasoned decision, having heard ADMIE SA, appointing a third party as an independent operator of the Greek electricity transmission system in accordance with the provisions of Directive 2009/72/EC, especially Article 13 thereof. ADMIE SA shall retain ownership of the Greek electricity transmission system. In such an eventuality, the necessary measures must be taken in the aforementioned RAE decision to ensure that:

(a) the candidate operator satisfies the requirements of Article 110(1);

(b) the candidate operator has the necessary financial, technical, physical and human resources to carry out its tasks under Article 94;

(c) the candidate operator complies with the ten-year system development plan monitored by the RAE;

(d) ADMIE SA complies, in its capacity as owner of the Greek electricity transmission system, with its obligations under paragraph 5. To that end, ADMIE SA shall provide the RAE with all the draft contracts with the candidate operator and any other relevant entity and

(e) the candidate operator is able to comply with its obligations under Regulation (EC) No 714/2009, including cooperation with transmission system operators at European and regional level.

2. If the candidate operator satisfies the requirements of paragraph 1 above and of Article 114, the certification procedure in either Article 113 and Article 3 of Regulation (EC) No 714/2009 or in Article 114 shall apply.

3. Each independent system operator appointed in accordance with the provisions of the previous article shall be responsible for granting and managing third-party access, including the collection of access charges, congestion charges and payments under the inter-transmission system operator compensation mechanism in compliance with Article 13 of Regulation (EC) No 714/2009, as well as for operating, maintaining and developing the Greek electricity transmission system and for ensuring the long-term ability of the system to meet reasonable demand through investment planning. When developing the Greek electricity transmission system, the independent system operator shall be responsible for planning (including licensing procedure), construction and commissioning of the new infrastructure. For this purpose, the independent system operator shall act as a transmission system operator in accordance with the provisions of Chapter C of the present

law. The owner of the Greek electricity transmission system shall not be responsible for granting and managing third-party access, nor for investment planning.

4. Where an independent system operator has been designated in accordance with the provisions of the present article, the electricity transmission system owner shall:

(a) provide all the relevant cooperation and support to the independent system operator for the fulfilment of its tasks, including in particular all relevant information;

(b) finance the investments decided by the independent system operator and approved by the RAE or give its agreement to financing by any interested party, including the independent system operator. The financing arrangements for the above works shall be subject to approval by the RAE, following consultation with the electricity transmission system owner and users in accordance with the provisions of Article 29;

(c) provide guarantees to cover liability relating to use of the network assets, excluding the liability relating to the tasks of the independent system operator and

(d) provide guarantees to facilitate financing any network expansions with the exception of those investments where, pursuant to point (b), it has given its agreement to financing by any interested party, including the independent system operator.

5. The RAE shall monitor compliance with its obligations by the owner of the Greek electricity transmission system and shall take any measures needed, in cooperation with the Competition Commission, to ensure that the owner complies with its obligations.

Article 112

Independence of transmission system owner

(Article 14 of Directive 2009/72/EC)

1. A transmission system owner, where an independent system operator has been appointed in accordance with the provisions of Article 111, which is part of a vertically integrated undertaking shall be independent at least in terms of its legal form, organisation and decision making from other activities not relating to transmission.

2. In order to ensure the independence of the transmission system owner referred to in paragraph 1, the following minimum criteria shall apply:

(a) the provisions of Article 105(2) to (9) shall apply *mutatis mutandis* and

(b) the electricity transmission system owner shall establish a compliance programme setting out measures taken to ensure that discriminatory conduct is excluded and that observance of it is adequately monitored. The compliance programme shall set out the specific obligations of employees to meet those objectives. The programme shall be subject to approval by the RAE. Without prejudice to the powers of the RAE, compliance with the programme shall be subject to independent control by the compliance officer in accordance with Article 107.

3. The RAE may pass decisions adopting guidelines issued by the European Commission in accordance with the provisions of Article 14(3) of Directive 2009/72/EC to ensure full and effective compliance of the transmission system owner with paragraph 2.

Article 113

Certification of the Greek electricity transmission system operator

1. As a candidate independent transmission operator in the Greek electricity transmission system, ADMIE SA shall notify the RAE of compliance with the provisions of Chapter B and shall request certification as an independent transmission operator in accordance with the provisions of Article 19. When filing its application, ADMIE SA shall take any action needed in order to comply with the procedure and deadlines of Regulation (EC) 714/2009. The application shall be accompanied by any documentation and information needed and shall be entered in the register of applications kept by the RAE. The RAE may issue guidelines and recommendations as to the form and content of applications. The RAE may ask the candidate operator for any information or data relating to the application filed by a set deadline.

2. The RAE may ask ADMIE SA for any information relating to compliance with the terms of Chapter B of the present law and may issue a reasoned decision asking for measures to be taken so that ADMIE SA complies with the provisions of Chapter B by a specific deadline. Once ADMIE SA has confirmed compliance with its recommendations in a substantiated notification, the RAE shall proceed in accordance with the requirements of paragraph 4.

3. If ADMIE SA repeatedly fails to comply with its recommendations in accordance with paragraph 2, the RAE may take the measures provided for under Article 18(4).

4. The RAE shall issue a decision on the application by ADMIE SA within no more than four (4) months of notification thereof. In all cases, the RAE's decision shall be presumed to be positive if it has not expressed any objections in accordance with paragraph 2 by the deadline referred to in the previous sentence. Approval by the RAE shall be notified immediately to the European Commission, together with all the relevant information and data.

5. The RAE shall issue its final decision on certification of ADMIE SA as an independent transmission operator within two (2) months of notification of the opinion of the European Commission, taking account of the European Commission's opinion, or within two (2) months of the Commission's tacit acceptance. The decision by the RAE and any opinion by the European Commission shall be published in the Government Gazette and in the Official Journal of the European Union and posted on the RAE's website.

6. If certified, ADMIE SA shall notify the RAE of any planned transaction, corporate change or incident which may require a reassessment of the terms on which certification was issued.

7. The RAE shall monitor continuous compliance by ADMIE SA with the requirements of Article 101 and may therefore, subject to confidentiality of commercially sensitive information, ask ADMIE SA and undertakings performing any of the functions of generation or supply of electricity and natural gas for any information and data.

8. RAE may open a procedure to ensure compliance with certification criteria at any time, especially:

- (a) upon notification by ADMIE SA pursuant to paragraph 7;
- (b) on its own initiative, where it has knowledge that a planned change in control or decision-making at ADMIE SA may lead or has led to an infringement of Article 101 or
- (c) upon a reasoned request from the European Commission.

9. The RAE shall preserve the confidentiality of commercially sensitive information provided by the system operator during the certification procedure.

Article 114

Certification of ADMIE SA in relation to third countries

(Article 11 of Directive 2009/72/EC)

1. Where following ownership unbundling in accordance with the provisions of Article 110 and in any other cases in which ADMIE SA may be controlled or is controlled by a person or persons from a third country or third countries, the RAE shall notify the European Commission accordingly. The RAE may issue guidelines and recommendations as to the form and content of certification applications.

2. ADMIE SA shall notify to the Commission any circumstances that would result in a person or persons from a third country or third countries acquiring control of the Greek electricity transmission system or the transmission system operator.

3. In the case of paragraph 1, the RAE shall adopt a draft decision on the certification of ADMIE SA within four (4) months from the date of notification by ADMIE SA in accordance with paragraph 2. The RAE shall refuse the certification if it is demonstrated:

(a) that the acquisition of control does not comply with the requirements of Article 9 of Directive 2009/72/EC and

(b) that granting certification will put at risk the security of energy supply of Greece and the Union. In considering that question, the RAE shall take into account:

(aa) the rights and obligations of the Union with respect to that third country arising under international law, including any agreement concluded with one or more third countries to which the Union is a party and which addresses the issues of security of energy supply;

(bb) the rights and obligations of Greece with respect to that third country arising under agreements concluded with it by Greece, insofar as they are in compliance with Community law and

(cc) other specific facts and circumstances of the case and the third country concerned.

4. The RAE shall notify the decision to the European Commission without delay, together with all the relevant information with respect to that decision.

5. Before adopting a decision on the certification, the RAE shall request an opinion from the European Commission on whether:

(a) ADMIE SA complies with the requirements of Article 9 of Directive 2009/72/EC following the change of control of it and

(b) granting certification will put at risk the security of energy supply to the Union.

6. The RAE shall, within a period of two (2) months after expiry of the deadlines provided for in Article 11(6) of Directive 2009/72/EC, adopt its final decision on certification. In adopting its decision, the RAE shall take due account of the European Union's opinion. The RAE may refuse certification if it puts at risk the security of supply of Greece or another Member State of the European Union.

7. The final decision by the RAE shall be published in the Government Gazette. Where the final decision by the RAE diverges from the European Commission's opinion, it shall be posted on the RAE website, together with that decision and the reasoning underlying such decision.

8. The RAE shall retain the right to refuse certification of the transmission system operator in accordance with the present article if it ascertains during its controls that the protection of Greece's legitimate public security interests is put at risk in accordance with Community legislation.

Article 115

Exemption from the obligation to provide access to third parties and from compulsory ownership unbundling (Article 17 of Regulation (EC) No 714/2009)

1. Applications for an exception, for some or all new interconnections with transmission systems in other countries, from compulsory ownership unbundling and from the obligation to provide access to third parties, especially via submarine cables, shall be submitted together with the application for an owner's and operator's licence or with the application to amend that licence following the extension of existing interconnections with a transmission system or with the application to increase their capacity.

2. The exemption shall be granted by decision of the RAE for a limited period of time, in accordance with the procedure and requirements set out under Article 17 of Regulation (EC) No 714/2009.

Article 116

Transparency and confidentiality

1. The transmission system operator and market operator must comply with the principle of transparency and must promptly post on their websites all the information needed to support healthy competition and effective access to the market and its operation. Information on the activities of the transmission system operator and the market operator which may be published shall be notified to third parties without discrimination. Compliance with the principle of transparency shall be without prejudice to the duty of confidentiality in respect of commercially sensitive information in accordance with the following paragraphs.

2. The transmission system operator and the market operator shall preserve the confidentiality of commercially sensitive information obtained in the course of carrying out their duties and shall, in particular, prevent information about their activities from being notified in a discriminatory manner which may be commercially advantageous to third parties. Information legally published, general information on the operation of the system and users or third parties and information on historic data and statistics shall not qualify as confidential information.

3. Without prejudice to the provisions of the present law and the acts issued pursuant hereto, it shall be prohibited, in order to preserve the confidentiality of commercially sensitive information, to:

- (a) disclose any commercially sensitive information to the vertically integrated undertaking;

(b) use joint services with the vertically integrated undertaking, such as joint legal services, joint consultants and joint auditors, which might result in breach of commercial confidentiality.

4. Where the provisions of Articles 111 and 112 are applied, the obligations listed in paragraphs 1 to 3 shall also be incumbent upon the owner of the electricity transmission system.

5. Infringements of the provisions of the present article shall be punished by the administrative penalties set out in Article 36 herein. The terms and procedure for informing third parties and publishing information on the monitoring of the operation and exploitation of the transmission system shall be standardised by decision of the operator, to be approved by the RAE, published in the Government Gazette and posted on the RAE website, in order to safeguard uniform and systematic transparency and confidentiality and the timely provision of information.

CHAPTER D ELECTRICITY TRANSACTION MARKET

Article 117 Independent Electricity Market Operator

1. Once the functions performed by DESMIE SA have been transferred in full to ADMIE SA, DESMIE SA shall be renamed Electricity Market Operator SA, trading as LAGIE SA (hereinafter market operator), and shall amend its memorandum and articles of association so that it can operate in accordance with private economy rules, in accordance with the provisions of Codified Law 2190/1920 and the provisions of the present law.

2. As stipulated in Articles 118 and 119, LAGIE SA shall perform the activities performed by DESMIE SA, with the exception of those transferred to ADMIE SA pursuant to Article 99. The assets used for the residual activities of DESMIE SA when the present law enters the statute book shall be retained by it.

3. The Greek government may limit shareholdings in the market operator. The procedure for offering and the size of each stake offered shall be stipulated by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change.

Article 118 Object/functions of market operator

1. The market operator shall apply the Electricity Market Operating Rules in accordance with the provisions of the present law and the acts issued pursuant hereto, especially the daily energy plan referred to in paragraph 2.

2. With the context of its above object, the market operator shall, in particular, perform certain functions, viz. it shall:

(a) be responsible for the daily energy plan, by:

(aa) planning deliveries of electricity to and from the Greek electricity transmission system in accordance with the Electricity Transaction Code;

(bb) calculating the system marginal price;

- (cc) clearing transactions within the framework of the daily energy plan;
- (b) cooperate with the Greek electricity transmission system operator in accordance with the specific provisions of the Electricity Transaction Code and the Greek Electricity Transmission System Operating Code;
- (c) keep a special register of electricity market participants and record participants in accordance with the specific provisions of the Electricity Transaction Code;
- (d) provide electricity market participants with the information needed in order to participate in the market in a timely and appropriate manner;
- (e) prohibit any discrimination between participants in the Electricity Transaction Market and provide its services based on transparent, objective and impartial criteria;
- (f) participate in joint ventures, especially with transmission system operators and electricity exchanges and similar bodies, with a view to creating regional markets within the internal market in electricity;
- (g) collect fees from participants for administering and operating the electricity market and keep the necessary accounts in accordance with the specific provisions of the Electricity Transaction Code;
- (h) participate in associations, organisations or companies to which electricity market operators and electricity exchanges belong, the purpose of which is to process and formulate rules for joint action designed, within the framework of EU legislation, to create a single internal market in electricity;
- (i) enter into electricity sales contracts in accordance with the requirements of Article 12 of Law 3468/2006 for electricity generated by RES or high-performance cogenerating units, provided that the generating units are connected to the system either directly or via the distribution system, and make the payments provided for under those contracts. The amounts paid to counterparties shall be recovered in accordance with the provisions of Article 143;
- (j) settle monetary transactions within the framework of the daily energy plan, in cooperation with the Greek electricity transmission system and Greek electricity distribution system operators. In order to settle monetary transactions, the market operator may:
 - (aa) incorporate or invest in companies with the specific object of providing financial services;
 - (bb) delegate the above settlement to third parties with the assent of the RAE, especially in terms of managing and clearing financial transactions and managing the credit and transaction risk on the electricity market.

3. During the performance of its duties pursuant to the present article, the market operator shall primarily facilitate the completion of the single internal market in electricity and shall therefore take any action needed, within the powers vested in it under the present law, in order to safeguard the application of the provisions of Regulation (EC) No 714/2009, of Directive 2009/72/EC and of all related guidelines and decisions adopted by the competent bodies of the European Union.

Article 119
Staff of LAGIE SA

1. The staff of LAGIE SA shall be recruited under private-law contracts of employment in accordance with the provisions of Article 1(3) of Law 2527/1997, as amended.

2. The staff of LAGIE SA remaining in it following the corporate transformation of DESMIE SA may apply within three (3) months of the date on which LAGIE SA starts trading to be governed, *mutatis mutandis*, by the regulations governing staff transferred from DESMIE SA to ADMIE SA in accordance with Article 103.

3. The terms and conditions of employment by LAGIE SA of ADMIE SA staff whose wages and insurance contributions are paid by LAGIE SA may be regulated by contract executed between ADMIE SA and LAGIE SA for a period of five (5) years from the date on which LAGIE SA starts trading, in order to help it fully develop its services. Account shall be taken, for the purpose of making this staff available, of their wishes and their previous employment in work similar to that on which they are to be employed at LAGIE SA.

4. The members of the board of directors of LAGIE SA may not, for a period of one (1) year after expiry of their term of office:

(a) act as members of the board of directors, managers, employees, technical or other consultants or designers or employees, for a fee or free of charge, on a retainer or under any other privity of contract, of an undertaking which performs any of the functions of generation or supply of electricity or of undertakings related to it;

(b) hold stocks or shares or other securities in undertakings performing any of the functions of generation or supply of electricity or of related undertakings or directly or indirectly hold any shares or voting rights, especially via legal entities or blood relatives in the direct line up to the third degree or in the collateral line or relatives by marriage up to the second degree, in the share capital of such undertakings. The voting rights attaching to stocks or shares held by members of the board of directors of LAGIE SA in breach of the present provisions shall automatically be suspended for the above period of time. The above ban shall not extend to direct holdings of stocks or shares in the undertakings referred to in the first sentence via mutual funds or pension schemes.

Members of the board of directors who infringe the provisions of the first subparagraph shall be fined between EUR fifty thousand (50 000) and EUR two hundred thousand (200 000) by decision of the RAE.

5. LAGIE SA may enter into contract, notwithstanding any general or specific provisions, with higher education establishments by decision of the rector and at the reasoned opinion of the governing board of the establishment, with technical colleges by decision of the president and at the reasoned opinion of the academic board of the college, with research agencies and with non-specialist scientists and technicians with specific knowledge and experience in the implementation of works and in preparing studies on matters which come within its remit.

Article 120

Electricity Transaction Code

1. The Electricity Transaction Code shall primarily set out the economic and technical rules governing planning and transactions to service the electricity load, in terms of the proper and safe operation of the Greek electricity transmission system and the facilities connected to it and preconditions to the creation and the operating rules of short-term and long-term electricity markets.

2. The electricity market shall be operated in accordance with the provisions of the Electricity Transaction code prepared by the market operator and submitted to the RAE. The RAE shall issue the Electricity Transaction Code, following public consultation with system users and market participants and having made any amendments or addenda, in a decision published in the Government Gazette. The Code may be amended either at the initiative of the RAE or at the request of the market operator or third parties with a legitimate interest, in application of the procedure described in the previous sentence.

3. The Electricity Transaction Code shall regulate in particular:

(a) the method, procedure and terms of cooperation between the Greek electricity transmission system operator and the market operator to ensure the proper functioning of the electricity market, in conjunction with the uninterrupted, reliable and economically efficient operation of the Greek electricity transmission system;

(b) the method, procedure and terms of daily dispatching of generating units and interconnectors, especially in accordance with the provisions of the Greek Electricity Transmission System Operating Code, of joint decisions by electricity transmission system operators in neighbouring countries or of other texts or decisions by the competent European organisations;

(c) the method, procedure and terms of calculation of the system marginal price and the method, procedure and terms of settlement by the market operator of payments for planned deliveries of electricity to the Greek electricity transmission system and of charges for planned deliveries of electricity from the Greek electricity transmission system;

(d) the period of time used as a basis for daily energy dispatch planning and for calculating the system marginal price;

(e) the type, amount and method of provision of guarantees or other security against payment of contributions by Greek electricity transmission system users, depending on the energy delivered to them from the system, in order to ensure that the Greek electricity transmission system operator's and market operator's costs are covered if users are unable to discharge their financial obligations pursuant to daily energy planning and dispatching in real time;

(f) the method and procedure for publishing the information needed for participation in and operation of the electricity market;

(g) the method and procedure for preserving confidentiality of participants' commercially sensitive information, especially during the course of cooperation between the market operator and the Greek electricity transmission system operator;

(h) the procedure for out-of-court settlement of disputes between market participants and the market operator, which may include arbitration conducted by the RAE in accordance with the provisions of Article 37;

(i) any other arrangement needed for the proper, transparent and efficient functioning of the market.

4. Without prejudice to the powers of the Competition Commission and any other competent authority, the RAE shall impose regulatory measures designed to ensure that the electricity market operates properly and to promote effective competition in it. These measures, as detailed in the Electricity Transaction Code, may relate to specific arrangements to counterbalance any dominant position on the relevant market, specific regulatory terms and rules to safeguard equitable participation in it and arrangements to improve liquidity in the market itself. The measures referred to in the previous sentence shall relate in particular to offers from generating units, which must at least reflect the minimum variable costs of the unit, and the establishment of virtual power plants used either to make available a certain volume of electricity or to grant access to part of the generation capacity for a certain period of time.

5. Calculations and specific approvals provided for under the Electricity Transaction Code shall be adopted by the RAE, on the advice of the market operator, in a decision published in the Government Gazette.

6. Manuals explaining in detail the application of the Electricity Transaction Code shall be issued by decision of the RAE, in accordance with the procedure described in paragraph 2.

Article 121

ADMIE SA advisory committee

1. An advisory committee of Greek electricity transmission system users shall be established at the initiative of ADMIE SA, in order to safeguard transparency in the functioning of the electricity market and the operation of the Greek electricity transmission system. The advisory committee shall therefore monitor the sectors in question and the provision of services by the Greek electricity transmission system operator to users on a long-term, medium-term and short-term basis.

2. The procedure for establishing and setting up the advisory committee, its rules of procedure, the procedure for selecting its members and accessing information on the functioning of the market and the operation of the Greek electricity transmission system shall be stipulated by decision of the RAE, on the advice of ADMIE SA and following public consultation.

3. The advisory committee shall send the RAE, the Greek electricity transmission system and Greek electricity distribution system operators and the market operator regular reports, proposals for new measures or proposals for amendments to the legislation passed pursuant hereto, in a bid to improve the functioning of the electricity market and ensure that the provisions of the System Operating Code and the Electricity Transaction Code and related manuals are applied effectively.

4. The advisory committee shall comprise at least ten (10) persons, including representatives of the Greek electricity transmission system and Greek electricity distribution system operators, the market operator, associations of users of the Greek electricity transmission system and Greek electricity distribution system and associations of electricity market participants. In order to perform

its duties, the advisory committee may set up working parties on specialised subjects with the participation of persons other than those named above.

5. Bodies responsible for water management in accordance with the provisions of Law 3199/2003 (Government Gazette 280A) shall sit on the advisory committee, especially on matters relating to the operation of hydroelectric generation and reservoirs.

CHAPTER E ELECTRICITY DISTRIBUTION

Article 122 Ownership of distribution system

1. The Greek electricity distribution system shall belong exclusively to PPC SA and PPC SA is hereby granted an exclusive system owner's licence. This licence shall also cover all future extensions to the Greek electricity distribution system.

2. The terms and conditions of the licence referred to in paragraph 1 shall be stipulated by decision of the RAE. The licence shall specify the rights and obligations of the owner of the Greek electricity distribution system, especially in terms of:

(a) franchising the operation of the Greek electricity distribution system to the distribution system operator;

(b) its role and responsibility towards the distribution system operator during the exercise of the powers vested in it under the provisions hereof;

(c) safeguarding the unbundling of accounts and operations relating to ownership activities of PPC SA and its other activities in the electricity sector.

3. As the owner of the Greek electricity distribution system, PPC SA shall be obliged, in particular, to ensure that financial and all other resources needed on its part in its above capacity, as defined in greater detail in the decision referred to in paragraph 2, are available for proper development of the distribution network in accordance with the schedule prepared by the system operator.

Article 123 Legal and functional unbundling of electricity distribution activities (Article 24 of Directive 2009/72/EC)

1. PPC SA must effect legal and functional unbundling of Greek electricity distribution system operation activities from the other activities of its vertically integrated undertaking within eight (8) months of the date on which the present law enters the statute book, by contributing its Distribution Division to its subsidiary registered as Greek Electricity Distribution System Operator (DEDDIE) SA.

2. The above division shall be divested in accordance with the provisions of the present law, Articles 68 to 79 of Codified Law 2190/1920 and Articles 1 to 5 of Law 2166/1993, in application *mutatis mutandis* of the derogations provided for in Article 98. 'Distribution Division', for the purposes hereof, shall mean the independently organised functional unit of the Directorate General

of Distribution at PPC SA and the Directorate of Island Operations at PPC SA, including PPC SA's assets and related accounts receivable and payable that come under the above units, with the exception of the property and fixed assets of the distribution system and non-interconnected island system.

3. DEDDIE SA shall subrogate, irrespective of their date of accrual, to all rights, obligations and privity of contract in general of PPC SA in connection with the division contributed, including in connection with staff who retire before 31 December 2011 and were employed by the Distribution Division and staff transferred in accordance with Article 125, and shall enjoy the tax privileges and relief enacted for the benefit of PPC SA. This transfer shall be tantamount to universal succession in title and PPC SA shall be exempt from any obligation towards any third party, including the State and insurance funds, with regard to which DEDDIE SA shall subrogate to it in accordance with the foregoing as of the date on which the approval decision is registered in the public limited companies register. Similarly, it shall also be exempt from obligations, titles or rights which may be non-transferable by law or contract or which relate to the fixed systems of which PPC SA retains ownership. Any accounting or tax measures taken by PPC SA in connection with the Distribution Division from which future benefits or encumbrances accrue shall be transferred pursuant to the divestment to DEDDIE SA to its benefit or detriment.

4. Trials pending shall automatically be continued by DEDDIE SA, without any forced stay and without the need for any formality or declaration on its part in order to continue or resume them.

5. Any form of administrative licence or approval or franchises granted to PPC SA in connection with the Distribution Division contributed shall automatically be transferred to DEDDIE SA. The provisions of Presidential Decree 764/1978 shall apply *mutatis mutandis* to insurance of DEDDIE SA's vehicles.

6. The share capital of DEDDIE SA shall be increased for the purpose of the takeover by the book value of the above division contributed by PPC SA. Once the takeover of the Distribution Division has been completed, DEDDIE SA shall issue new shares, which shall be allotted to PPC SA. These shares shall grant PPC SA the right to a dividend from the acquiring company.

7. Decisions by the boards of directors and resolutions by the general meeting of shareholders of the contributing and acquiring companies already taken before the present law enters the statute book, for the purpose of compliance by the vertically integrated undertaking (PPC SA) with obligations to unbundle distribution activities in accordance with the requirements of Directive 2009/72/EC, shall be covered by the provisions of the present article.

8. The provisions of Article 4(1) and (2) of Law 1468/1950 (Government Gazette 169A), of Article 36(1) and Article 37 of the Royal Decree of 28 January 1951 (Government Gazette 35A), of Articles 12, 13 and 14 of Emergency Statute 1672/1951 (Government Gazette 36A) and of the articles of Law 4483/1965 (Government Gazette 118A), as amended, and the fiscal, procedural or other privileges or rights to expropriate property, establish easements, use roads, squares, pavements and line or cable runs, open underground tunnels, carry out overground or underground works, erect pylons and install substations in force on promulgation of the present law and needed for the purpose of constructing, maintaining, repairing, exploiting, developing and maintaining the functional and technical integrity of the Greek electricity distribution system and for the purpose of power production and the provision of services and general interest activities in general shall remain in force and shall also apply *mutatis mutandis* to DEDDIE SA.

Article 124
Independence of Greek electricity distribution system operator
(Article 26 of Directive 2009/72/EC)

1. The members of the board of directors and administrative bodies of DEDDIE SA shall have no professional position or responsibility, interest or business relationship and shall not be in receipt, directly or indirectly, of any financial benefit or reward in connection with a public-sector undertaking or agency performing the functions of generation, supply or transmission of electricity or natural gas or with PPC SA or any undertaking related to it, save DEDDIE SA, or the controlling shareholders of the above undertakings. The above persons' fees, which shall include all manner of remuneration and benefits, shall not depend on the activities or results of the vertically integrated undertaking (PPC SA) or any part of it, other than the activities or results of DEDDIE SA.

2. Paragraph 1 shall apply to all persons with powers of representation and administration delegated by the board of directors and to persons directly reporting to them on matters related to the operation, maintenance or development of the Greek electricity distribution system.

3. A fine of between EUR 50 000 and EUR 200 000 shall be imposed by decision of the RAE and in accordance with the provisions of Article 36, on persons who infringe the provisions of the present article.

4. Members of the board of directors and administrative bodies of DEDDIE SA may give notice of premature termination of their employment at the RAE in accordance with the provisions of Article. The RAE may issue a reasoned decision dismissing a member of the board of directors and administrative bodies of DEDDIE SA who do not satisfy the requirements of paragraphs 1 and 2.

5. DEDDIE SA shall secure the human, technical, material and financial resources needed to operate, maintain and develop the Greek electricity distribution system and efficiently exercise its powers and duly discharge its duties in general. The capital and funds needed for that purpose shall be determined solely by DEDDIE SA, subject to the provisions of paragraph 6 and independently of the vertically integrated undertaking (PPC SA) and any part thereof.

6. The exclusive owner's licence issued in accordance with Article 122 shall stipulate the terms and conditions to protect the financial rights of the vertically integrated undertaking (PPC SA) and the rights of supervision of the management of DEDDIE SA in terms of the return on capital provided. The above terms may relate in particular to the right of the vertically integrated undertaking to approve the annual budget of DEDDIE SA and to set general limits on its level of borrowing. Under no circumstances may any part of the vertically integrated undertaking (PPC SA) be involved in or somehow affect the day-to-day activities of DEDDIE SA or its decisions to construct or upgrade the Greek electricity distribution system infrastructures, provided that it does not exceed the terms of its approved budget. Infringements of the present subparagraph shall be punished in accordance with Article 36.

7. DEDDIE SA shall implement a compliance programme designed to prevent any discrimination, biased corporate practices and distortion of competition during the exercise of its powers. The compliance programme shall set out the obligations of the staff and administration of DEDDIE SA, the measures taken by DEDDIE SA to prevent the above and to ensure that its staff implement the compliance programme and the method and means used by the compliance officer appointed in accordance with paragraph 8 to monitor the implementation of and verify compliance

with the said programme by DEDDIE SA. The compliance programme shall therefore adopt rules, procedures and obligations for the staff of DEDDIE SA, especially in terms of:

(a) the need to preserve the confidentiality of commercially sensitive information and to grant non-discriminatory access to information on its activities which might be commercially advantageous, in accordance with the provision of Article 127(4);

(b) identifying and grading all information covered by the above or laying down grading criteria and information management rules;

(c) the obligation of DEDDIE SA to ensure that the following are communicated clearly and in detail, directly or indirectly, to users of the Greek electricity distribution system:

(aa) unbundling of the corporate identity of DEDDIE SA and the services it provides from the other activities of the vertically integrated undertaking (PPC SA), especially the activities of generation and supply;

(bb) the obligation of DEDDIE SA to provide its services to users of the Greek electricity distribution system in accordance with current legislation, regardless of their privity of contract with other licence holders under the present law and, more importantly, without committing them directly or indirectly to other parts of the vertically integrated undertaking (PPC SA);

(d) informing the staff of DEDDIE SA about the compliance programme, the measures taken to apply it and the consequences of failing to abide by it and training them in its application;

(e) collating and recording data and the file on the implementation of the compliance programme kept by the compliance officer and the RAE;

(f) providing the compliance officer with unimpeded access to the premises of DEDDIE SA and to any data or information needed in order to perform his duties of verification of compliance with the programme.

The compliance programme shall be prepared by the compliance officer in cooperation with DEDDIE SA within three (3) months of legal and functional unbundling of the function of distribution and shall be subject to approval by the RAE, which may require amendments to be made to the programme. Without prejudice to the powers of the RAE, compliance with the programme shall be subject to independent control by the compliance officer.

8. The compliance officer, who may be a natural or legal person, shall be appointed by the board of directors of DEDDIE SA within two (2) months of its first meeting, subject to approval by the RAE. Paragraph 1 shall also apply *mutatis mutandis* to the compliance officer.

9. The RAE may only issue a decision refusing to approve the compliance officer on the grounds of lack of independence or professional aptitude and may order a compliance officer already appointed to be replaced on the same grounds, taking account of his efficiency in the performance of his duties. DEDDIE SA shall ensure that the compliance officer has unimpeded access to any necessary data or information kept by DEDDIE SA or any undertaking related to it and unannounced access to the premises of the above undertakings in order to perform his duties.

10. The compliance officer shall be responsible for:

(a) monitoring the implementation of the compliance programme and verifying compliance by DEDDIE SA with it;

(b) preparing an annual report and submitting it to the RAE by 31 January each year. The report, which shall be posted on the RAE website within five (5) days of notification, shall list the measures taken in order to implement the compliance programme, evaluate their adequacy and their application by DEDDIE SA in terms of achieving the objectives of the programme and contain proposals by the compliance officer on the compliance programme and its implementation;

(c) submitting quarterly reports on the implementation of the compliance programme to the RAE;

(d) notifying the RAE of any breaches with regard to the implementation of the compliance programme as and when they are identified and submitting proposals for immediate measures to be taken;

(e) reporting to the RAE on any commercial and financial relations between the vertically integrated undertaking (PPC SA) and DEDDIE SA.

The RAE shall evaluate the independence of DEDDIE SA each year and may issue a decision amending the compliance programme at any time and imposing additional measures to address discriminatory behaviour, biased practices and distortions of competition for the benefit of the vertically integrated undertaking (PPC SA) or its related undertakings.

11. DEDDIE SA must ensure that its logos and communication practices do not give rise to confusion as to the separate identity of the supply sector of the vertically integrated undertaking (PPC SA). RAE may issue a decision requiring any necessary measures to be taken in order to fulfil the above obligation.

Article 125

Staff of DEDDIE SA

1. Staff employed by PPC SA under a contract of employment with the Directorate General of Distribution at PPC SA and in the Directorate of Island Operations at PPC SA shall be transferred to DEDDIE SA on 31 December 2011. The members of the basic operational staff of the Directorates General of Financial Services and Human Resources and Organisation and of the Directorate of Internal Audits and of the basic operational staff which reports to the chief executive officer (with the exception of the Research/Testing and Standards Centre) employed under a contract of employment or retainer shall also be transferred to DEDDIE SA on the same date, in order to support the activities of the Directorate General of Distribution contributed by PPC SA. The staff recruited further to notice 1/2007 in order to meet the requirements of the Directorate General of Distribution and the Directorate of Island Operations at PPC SA shall likewise be transferred and integrated into DEDDIE SA. The above staff shall be transferred in derogation from any general or specific provision of law, regulation, arbitration award or collective or individual contract of employment to the contrary.

2. The transfers and working conditions of the above staff shall be governed by the provisions of Presidential Decree 178/2002 and labour and insurance rights provided for by law, in applicable collective agreements, in the PPC Staff Regulations and PPC SA rules of procedure in general and in individual contracts of employment shall continue to apply. Previous experience recognised by PPC

SA shall be recognised in full for all rights pursuant thereto and the above transfers shall not change working conditions for the worse.

3. The procedure and any details in general relating to transfers of the above staff from PPC SA to DEDDIE SA shall be stipulated by decision of the board of directors of PPC SA, to be passed within 30 days of the date on which the present law enters the statute book, with due regard for the opinion of the most representative staff trade union.

4. In order to help it fully develop its services, PPC SA may support the operation of DEDDIE SA for a period of five (5) years from the date on which DEDDIE SA starts trading, by providing services such as health and safety at work services and legal assistance, in return for a reasonable consideration to cover its costs. DEDDIE SA may only provide services to PPC SA within the context of the relationship created by PPC SA's ownership of fixed assets and the assumption of work by DEDDIE SA to develop and exploit those assets. ADMIE SA may provide services to DEDDIE SA during the course of the development and exploitation of related installations, in return for a reasonable consideration which reflects market conditions. Other than that, services may only be provided between DEDDIE SA and any competing part of the vertically integrated undertaking (PPC SA) within the framework of non-discriminatory relations between DEDDIE SA and all producers and suppliers on the market.

5. The staff of DEDDIE SA must act impartially and must preserve the confidentiality of commercially sensitive information, in keeping with the terms of the compliance programme.

Article 126

Distribution system operating licence

1. DEDDIE SA must obtain a Greek electricity distribution system operating licence, which shall also cover any future extensions to the system, within three (3) months of completion of the divestment procedure in accordance with the provisions of Article 123 hereof.

2. The licence shall be granted by the RAE and shall stipulate, *inter alia*:

(a) the Greek electricity distribution system operator's rights and obligations in connection with its system operating franchise, within the framework of its tasks, towards the owner of the Greek electricity distribution system;

(b) the terms and conditions governing the exercise of Greek electricity distribution system operating activities;

(c) the terms and conditions and the measures needed to safeguard the independence, functional unbundling, impartiality and non-discriminatory behaviour of the Greek electricity distribution system operator in accordance with the specific provisions herein.

Article 127

Tasks of the Greek electricity distribution system operator (Article 25 of Directive 2009/72/EC)

1. DEDDIE SA shall be responsible for developing, operating and maintaining the Greek electricity distribution system under economic conditions, in order to provide a secure, reliable and efficient electricity distribution system and ensure its long-term ability to meet reasonable demands

for the distribution of electricity, with due regard for the environment and energy efficiency, and for granting users access to the Greek electricity distribution system in the most economic, transparent, immediate and impartial manner, so that they can exercise their activities, in accordance with the Greek electricity distribution system operating licence granted to it in accordance with the provisions of the present law and the Greek Electricity Distribution System Operating Code.

2. In addition to the requirements set out in the Greek electricity distribution system operating licence, DEDDIE SA must, in particular:

(a) ensure the reliability and safety of the Greek electricity distribution system, while at the same time taking appropriate measures to protect the environment;

(b) ensure the technical integrity and economic efficiency of the Greek electricity distribution system;

(c) ensure compliance with the technical and design, operating and maintenance specifications and requirements of the system and attainment of the efficiency objectives of the distribution function, in terms, *inter alia*, of losses, reliability of supply, voltage quality and customer service levels, as set out in the Greek Electricity Distribution System Operating Code;

(d) safeguard access to the Greek electricity distribution system to generation licence holders, producers exempt from the need to obtain a licence, suppliers and customers, in accordance with the terms, conditions and prices set out in the Greek Electricity Distribution System Operating Code;

(e) connect anyone who so requests to the Greek electricity distribution system, in accordance with the terms, conditions and prices set out in the Greek Electricity Distribution System Operating Code;

(f) supply, install, maintain, repair and replace meters installed in the Greek electricity distribution system, in accordance with the provisions of the Greek Electricity Transmission System Operating Code, the Greek Electricity Distribution System Operating Code and the terms of the Greek electricity distribution system operating licence and take readings;

(g) provide Greek electricity distribution system users and the Greek electricity transmission system operator with the information they need for efficient access to the system, as stipulated in the Greek Electricity Distribution System Operating Code;

(h) refrain from discriminating between users or classes of users of the Greek electricity distribution system, particularly in favour of its related undertakings;

(i) cooperate with the Greek electricity transmission system operator, the operator of the Athens International Airport system and the operators of closed distribution systems in preparing and applying appropriate communication and cooperation protocols, so as to safeguard the proper and uninterrupted operation of their systems, the performance of their tasks and the functioning of the market;

(j) design, plan and implement Greek electricity distribution system developments, with due consideration for energy efficiency/demand-side management measures or distributed generation that might supplant the need to upgrade or replace electricity capacity.

3. Without prejudice to Article 141 or other provisions requiring information to be notified, DEDDIE SA shall preserve the confidentiality of commercially sensitive information acquired during the performance of its tasks. Information notified in connection with its activities which may confer

a commercial advantage shall be provided to all users of the distribution system in a non-discriminatory manner.

4. DEDDIE SA shall publish the method used to calculate system connection charges, unit costs and any information needed on the method used to calculate system connection charges. The charges in question shall be approved by the RAE in accordance with the provisions of Article 140(1).

5. DEDDIE SA shall pay an annual consideration to the owner of the Greek electricity distribution system for its operating franchise, which shall be approved by the RAE in accordance with the provisions of Article 22.

Article 128
Greek Electricity Distribution System Operating Code
(Article 41 of Directive 2009/72/EC)

1. The Greek electricity distribution system shall be operated in accordance with the provisions of the Greek Electricity Distribution System Operating Code prepared by DEDDIE SA and submitted to the RAE. The RAE shall issue the final version of the Greek Electricity Distribution System Operating Code, following public consultation and having made any amendments or addenda, in a decision published in the Government Gazette. The Code may be amended either at the initiative of the RAE or at the request of DEDDIE SA or third parties with a legitimate interest, in application of the procedure described in the previous sentence.

2. The Electricity Distribution System Operating Code shall set out:

(a) the technical specifications and design, operating and maintenance requirements of the Greek electricity distribution system and efficiency objectives of the distribution function, especially in terms of losses, reliability of supply, voltage quality and customer service levels;

(b) the terms, conditions and prices at which DEDDIE SA is required to grant access to the Greek electricity distribution system to generation licence holders, producers exempt from the need to obtain a licence, suppliers and customers, ensuring that those entitled to do so can access the Greek electricity distribution system in the most economic, transparent and immediate manner without discriminating between users or classes or users of the Greek electricity distribution system. DEDDIE SA must keep and publish a record of connection applications for this purpose;

(c) objective technical and financial criteria and conditions and the procedure for temporary refusal to provide a connection to the Greek electricity distribution system. Connections may only be refused on the grounds that the capacity to load the system has been exhausted and must be adequately reasoned. If a connection is temporarily refused, DEDDIE SA must give applicants information on the possibility that their request will be satisfied in the future, on any planned or scheduled developments, extensions and/or expansion of the Greek electricity distribution system which will allow them to be connected and the implementation timetable and cost thereof and on the facility to group outstanding connection applications in order to apportion the cost of the necessary expansion of the Greek electricity distribution system. The above information may be provided for a charge, the amount of which shall be set in accordance with the provisions of Article 140;

(d) the deadline by which DEDDIE SA must issue a reasoned decision on connection applications and advise applicants;

(e) the technical design and operating specifications of equipment on customers' premises and in generating units connected to the Greek electricity distribution system;

(f) the specifications for meters, the procedure used to install, check and manage meters, ownership of metering data and related responsibilities and the rules governing the provision of information and exchanges of data on meter readings and settlement, so as to guarantee accuracy, transparency, the unimpeded right to select a supplier, access for everyone with a legitimate interest to data free of charge and the ability to manage the load and identify faults in the Greek electricity distribution system;

(g) privity of contract between DEDDIE and users of the Greek electricity distribution system and their relevant commitments and the penalty clauses payable in the event of non-compliance with the provisions of the Code, especially in relation to service levels;

(h) the procedures and terms for development of the Greek electricity distribution system, taking particular account of changes in demand, the connection requirements of new users, the need to improve the efficiency, safe operation and service levels of the Greek electricity distribution system, the application of new technologies and, where possible, standard specifications and environmental protection. The basic plans for the Greek electricity distribution system over a timeframe of three to seven years shall be set out in the system development plan prepared by DEDDIE SA and approved by decision of the RAE. Works to extend the Greek electricity distribution system for the purpose of connections shall be legal, even if not planned in the approved Greek electricity distribution system development plan;

(i) the charges for connecting to and using the Greek electricity distribution system and the method and criteria for calculating such charges, taking account of:

(aa) the efficiency of DEDDIE SA in each sector of activity and

(bb) the Greek electricity distribution system development plan;

(j) the procedures used by DEDDIE SA for issuing invoices and keeping accounts and the procedures for clearing accounts;

(k) the procedure for addressing emergencies in connection with the operation of the Greek electricity distribution system;

(l) the procedures for applying demand/side management and energy-efficiency measures;

(m) the procedure for issuing internal technical guidelines for the purpose of compliance with the Greek Electricity Distribution System Operating Code;

(n) the methods used by DEDDIE SA to monitor changes in demand and the efficiency of the Greek electricity distribution system and distribution activities and its obligation to file the relevant reports with the RAE at regular intervals;

(o) the form and content of distribution system connection contracts between users and DEDDIE SA;

(p) any other details needed in order to regulate the operation of the Greek electricity distribution system.

3. Manuals for the application of the Greek Electricity Distribution System Operating Code provided for in the said Code shall be issued by decision of the RAE, at the proposal of DEDDIE SA.

4. Rules, calculations and specific approvals needed for the purpose of applying the Greek Electricity Distribution System Operating Code shall be adopted by decision of the RAE on the advice of DEDDIE SA. Details relating to the application of the Greek Electricity Distribution System Operating Code shall be regulated by decision of the RAE at the proposal of DEDDIE SA.

Article 129

Tasks of DEDDIE SA in connection with the operation of electricity systems on non-interconnected islands

1. DEDDIE SA shall be responsible for operating electricity systems on non-interconnected islands, which shall include generation management and the operation of the market and systems on such islands. In order to exercise this activity, DEDDIE SA shall obtain an operating licence for the electricity systems of non-interconnected islands within three (3) months of completion of the divestment procedure in accordance with the provisions of Article 123. This licence shall be granted by the RAE, on application by DEDDIE SA, and shall set out, *inter alia*:

- (a) the rights and obligations of DEDDIE SA in connection with the exercise of that activity;
- (b) the terms and conditions governing the exercise of that activity;
- (c) the measures needed in order to safeguard the impartiality and non-discriminatory behaviour of DEDDIE SA towards its producers and suppliers.

2. In addition to the requirements set out in the operating licence referred to in paragraph 1, DEDDIE SA must:

(a) monitor and ensure the reliability, economic efficiency and safe operation of generating units on non-interconnected islands, while at the same time taking measures to reduce the environmental impact;

(b) ensure the development, technical integrity and economic efficiency of generation on non-interconnected islands, in order to meet demand;

(c) refrain from discriminating between producers on non-interconnected islands, particularly in favour of its related undertakings;

(d) prepare a generation development plan for micro isolated systems by 31 March each year, to be approved by the RAE, and a substantiated annual report. These plans must include forecasts of changes in the demand for electricity and of the availability of existing production capacity, a programme to replace existing production capacity and install new production capacity and a programme to interconnect with another non-interconnected island. Forecasts of changes in load demand shall include energy-efficiency and demand-side management measures. The period of time covered by these programmes, which shall not exceed seven (7) years, shall be set by decision of the RAE. The said decision shall also stipulate how these programmes are to be published;

(e) prepare statements for non-interconnected islands by 31 March of each year, containing forecasts of generating capacity which may be connected to the Greek electricity distribution system, the need to interconnect with another non-interconnected island or micro isolated system and of the demand for electricity. The period of time covered by these forecasts, which shall not exceed seven (7) years, shall be set by decision of the RAE. The said decision shall also stipulate how these forecasts are to be published;

(f) ensure that the necessary sites are available to install new production capacity, to extend existing capacity or delivery components and to expand the Greek electricity distribution system to non-interconnected islands and micro isolated systems;

(g) enter into contract with licence holders governing deliveries of electricity to and from the system, the provision of ancillary services to the distribution systems of non-interconnected islands and the remuneration paid to the producers of that electricity and keep the necessary accounts of the remuneration paid to those producers, of charges to customers and suppliers for the electricity delivered to them and of other credits and debits on the special accounts stipulated in current legislation in accordance with the requirements of the Non-Interconnected Island Electricity System Operating Code;

(h) enter into contract to sell electricity produced in RES generating units and high-performance cogenerating units in accordance with the provisions of Article 12 of Law 3468/2006, provided that the generating units are connected to the distribution system of non-interconnected islands, and make the payments provided for in those contracts. The sums paid to counterparties shall be recovered in accordance with the provisions of Article 143.

Article 130

Non-Interconnected Island Electricity System Operating Code

1. Production on non-interconnected islands shall be managed in accordance with the provisions of the Non-Interconnected Island Electricity System Operating Code. This Code shall be prepared by DEDDIE SA and submitted to the RAE. The RAE shall issue the final version of the Non-Interconnected Island Electricity System Operating Code, following public consultation and having made any amendments or addenda, in a decision published in the Government Gazette. The Code may be amended either at the initiative of the RAE or at the request of DEDDIE SA or third parties with a legitimate interest, in application of the procedure described in the previous sentence.

2. The Non-Interconnected Island Electricity System Operating Code shall stipulate, in particular:

(a) the generating unit dispatching criteria applied by DEDDIE SA. These criteria shall be laid down with regard, *inter alia*, to:

(aa) scheduled deliveries of electricity to and from the non-interconnected island system over a given period of time. Schedules shall be prepared by DEDDIE SA according to the financial hierarchy of declarations of availability for deliveries of electricity from generating units, based on their variable costs;

(bb) the technical attributes of the available generating units;

(cc) the technical limitations of the electricity system on non-interconnected islands;

(b) the method, extent, terms and conditions on the basis of which DEDDIE SA gives priority during dispatching to generating units using renewable energy sources and combined heat and power plants in accordance with Article 9 of Law 3468/2006;

(c) the method, procedure and terms of settlement by DEDDIE SA of payments for scheduled deliveries of electricity to the distribution system of non-interconnected islands and of payments for generating unit availability. The generating price offered:

(aa) by units given priority in accordance with the Non-Interconnected Island Electricity System Operating Code;

(bb) by units integrated into the distribution system of non-interconnected islands solely to meet its requirements

shall be disregarded for the purpose of the above payments;

(d) the method used by DEDDIE SA to calculate and meter supply/demand imbalances over a given period of time and the method, procedure and terms of settlement of supply/demand imbalances between generation and supply licence holders. The method used for the above settlement shall promote the availability of generating units, apportion the cost to those responsible for the imbalances and ensure that the price is based on generating unit operating costs and the overall cost is kept to a minimum;

(e) the period of time taken as a basis by DEDDIE SA for dispatching purposes and the calculation and settlement of supply/demand imbalances;

(f) the conditions and procedure for penalties to be imposed and incentives provided by DEDDIE SA in order to maintain safe power supply margins, the availability of adequate electricity generation capacity and the proper functioning of delivery and dispatching schedules;

(g) the conditions and procedure which DEDDIE SA must apply when entering into contracts in accordance with Article 129(2)(g) and the terms of such contracts;

(h) the method used to calculate the remuneration paid to generating units. Arithmetic values for calculation variables may be set by the RAE;

(i) the method, procedure and terms of settlement by DEDDIE SA of supplier and customer charges for deliveries of electricity in the non-interconnected island distribution system;

(j) the type, amount and method of provision of guarantees or other security against payment of contributions by users of the non-interconnected island distribution system, depending on the electricity delivered by it, so as to ensure that DEDDIE SA's costs are covered if users are unable to discharge their financial obligations within the framework of the functioning of the electricity market on non-interconnected islands;

(k) the method and procedure for publishing the information needed to participate in the electricity market on non-interconnected islands and for its proper and non-discriminatory operation;

(l) the procedures for resolving disputes that arise between market participants and DEDDIE SA;

(m) the obligation to guarantee the availability of adequate capacity which must be discharged in order to obtain electricity from the distribution system on non-interconnected islands and the way in which such obligations are discharged, especially under contract;

(n) the format and minimum content of contracts to connect generating units with the distribution system on non-interconnected islands and any other relevant details;

(o) the technical design and operation specifications for equipment on the premises of generating units connected to the distribution system on non-interconnected islands;

(p) the procedure used by DEDDIE SA for issuing invoices and keeping accounts and the procedures for clearing accounts;

(q) the procedure for addressing emergencies in connection with the operation of electricity systems on non-interconnected islands;

(r) any other details needed in order to regulate the operation of electricity systems on non-interconnected islands.

3. Rules, calculations and specific approvals needed for the purpose of applying the Non-Interconnected Electricity System Operating Code shall be adopted by decision of the RAE on the advice of DEDDIE SA. Details relating to the application of the above Code shall be regulated by decision of the RAE at the proposal of DEDDIE SA.

4. PPC SA must keep separate accounts for the functions of generation and supply of electricity on non-interconnected islands in accordance with the provisions of Article 141. DEDDIE SA shall keep separate accounts for the function of distribution system operation for micro isolated systems and non-interconnected islands.

Article 131

Operation of Athens International Airport closed distribution system/closed distribution systems (Article 28 of Directive 2009/72/EC)

1. The medium- and low-voltage distribution lines and electricity distribution equipment located within the boundaries of the property described under the first article of Law 2338/1995 (Government Gazette 202A) which, under the provisions of that law, are constructed, developed and operated by the company Athens International Airport SA, and future extensions thereof within that site form the Athens International Airport (AIA) distribution system and are not integrated into the Greek electricity distribution system within the meaning of Article 2.

2. Athens International Airport SA is hereby granted an exclusive operation licence for the Athens International Airport system (Athens International Airport system operator). The Athens International Airport system operator shall be responsible for operating the system and for planning and maintenance and the development of the system in accordance with these provisions and the relevant provisions of Law 2338/1995. The Athens International Airport system operator must, in particular:

(a) ensure the reliability and safety of the AIA distribution system, while at the same time taking appropriate measures to protect the environment;

(b) ensure the technical integrity and economic efficiency of the AIA distribution system;

(c) ensure compliance with the technical design, operating and maintenance specifications of the AIA distribution system, especially in terms of voltage quality and reliable customer service levels;

(d) safeguard access to the AIA distribution system to suppliers and eligible customers, in accordance with the terms and conditions set out in the decision issued in accordance with paragraph 3;

(e) supply, install, maintain, repair and replace meters installed in the AIA distribution system;

(g) provide users of the AIA distribution system, DEDDIE SA and the owner of the Greek electricity distribution system with the information they need for efficient access to the AIA distribution system;

(h) refrain from discriminating between users or classes of users of the AIA distribution system.

3. The terms and conditions of the exclusive operator's licence for the AIA distribution system shall be stipulated by decision of the RAE. The said decision shall also regulate, in particular, the obligations of the AIA distribution system operator in terms of developing, expanding and maintaining the AIA distribution system, relations between the AIA distribution system operator and DEDDIE SA, third-party access, approval by the RAE of pricing methods applied by the AIA distribution system operator for third-party access and the method and the procedure for publishing applicable prices for use of the AIA distribution system, in order to ensure that:

(a) persons entitled to do so are granted access to the AIA distribution system in the most economic, transparent and immediate manner, without discriminating between users or classes of users of the AIA distribution system and

(b) the pricing criteria which apply in accordance with the provisions of Article 140 of the present law to the Greek electricity distribution system operator are also applied to the AIA distribution system operator, bearing in mind the actual operating conditions of the AIA distribution system.

4. Complaints against the AIA distribution system operator may be filed in accordance with the provisions of Article 34.

5. The RAE may issue a decision classifying a system that distributes electricity to a geographically limited industrial or commercial or common area and which, subject to paragraph 8, does not supply domestic consumers, as a closed distribution system if:

(a) the infrastructures and installations of the system in question are not integrated into the Greek electricity distribution system within the meaning of the definition in Article 2;

(b) for specific technical reasons or safety reasons, the activities or production processes of users of the said system are consolidated or

(c) the said system distributes electricity mainly to the owner or operator of the system or related undertakings.

6. The decision referred to in paragraph 5 shall stipulate the person who operates the closed distribution system (closed distribution system operator), its tasks, rights and obligations and the terms, conditions and any other details needed in order to regulate the operation of the closed distribution system in a similar manner to the operation of the Greek electricity distribution system, bearing in mind the specific attributes of the closed distribution system and the users served. The said decision may simultaneously classify more than one system as closed distribution systems.

7. The RAE may issue a decision, on application, exempting operators of closed distribution systems from the need to obtain approval by the RAE of their system access prices and the methods used to calculate them prior to commissioning. In order to obtain an exemption, the advisability of applying the access price approval procedure is considered, taking particular account of the nature of the relationship between users of the system, on the one hand, and between its owner and operator, on the other hand, and any interdependence between their activities. The procedure described in Article 140 for approval of access prices and the method used to calculate them shall be activated by the RAE at the request of the user of a closed distribution system granted an exemption in accordance with the foregoing.

8. The facility to classify a system as a closed distribution system and exempt the operator in accordance with paragraph 7 shall apply where the system is used occasionally by a small number of domestic consumers in an employment or similar relationship with the owner of the said system within the area served by it.

9. The provisions of paragraphs 5 to 8 shall not apply to the Athens International Airport distribution system.

CHAPTER F PRODUCTION AND SUPPLY AND ORGANISATION OF THE MARKET IN ELECTRICITY

Article 132 Electricity generation licences

1. The function of electricity production shall be permitted by persons in possession of an electricity generation licence or duly exempted from that obligation.

2. Without prejudice to more specific provisions governing generation licences for RES, electricity generation licences shall be granted in accordance with the terms and conditions provided for in the present law and the Licensing Regulations adopted by the RAE and published in the Government Gazette.

3. The Licensing Regulations referred to in Article 135 shall specify the evaluation criteria for the purpose of granting electricity generating licences, taking particular account of:

- (a) the safety in general of the electricity system, installations and equipment in question;
- (b) the protection of public health and safety;
- (c) environmental protection;
- (d) the right or the possibility of securing the right to use the project installation site;
- (e) the use of public land;
- (f) energy efficiency;
- (g) the nature of the primary sources;
- (h) the ability of the applicant or its shareholders or partners to implement the project based on its scientific and technical adequacy and the ability to raise the necessary funding;
- (i) compliance with measures relating to the provision of services of general interest and consumer protection;
- (j) the contribution of the production capacity to meeting the European Union's overall target of a 20% share of energy from renewable sources by 2020, as referred to in Article 3(1) of Directive 2009/28/EC on the promotion of the use of energy from renewable sources and
- (k) the contribution of the generating capacity to reducing emissions.

4. The licence must include at least the following information:

- (a) the person to whom the right is granted;

(b) the generating unit for which the licence is granted and its location and generating capacity and the fuel used;

5. The RAE may collate and evaluate technical, economic, accounting, commercial and other related information on interested parties and information that comes to its attention from any manner of authority during the licensing procedure, in order to investigate any matter which arises in connection with existing electricity generation licences and, for that purpose, may request the assistance of any authority, which must send the RAE the data in question or provide an opinion on a matter brought to its attention within one (1) month of receipt of the said request by the RAE. The above deadline for a response by the agency in question may be extended, with the RAE's consent, for a period not exceeding in total six (6) months.

6. The RAE may lay down specific terms and conditions in individual licences, in order to guarantee compliance with the evaluation criteria.

7. The RAE shall ensure when processing applications for generation licences that the terms of free competition, including questions of a dominant influence on the market, are complied with and shall include special counterbalancing terms or restrictions in licences and take any regulatory measures needed for that purpose.

8. Licences may be extended, if the production capacity is increased, or amended, if other details change.

9. The fact that a generating licence has been granted shall not exempt licence holders from the obligation to obtain any other licences or approvals required under current legislation, such as establishment and operating licences.

10. Generating licences shall only be granted for hydroelectric works which form part of an integrated hydroelectric development and energy management plan for the head of water in the hydrological basin in question in accordance with the provisions of Law 1739/1987 (Government Gazette 201A), as amended.

11. The following need not obtain a generating licence:

(a) hydroelectric units with a capacity of up to 20 KW;

(b) backup stations, regardless of their capacity, which only operate if there is a power outage due to malfunction in or restrictions on the transmission or distribution system. If these stations operate for other purposes, they must obtain a generation licence;

(c) stations with a capacity of up to 2 MW installed by education or research establishments for educational or experimental purposes only;

(d) stations established by the Renewable Energy Sources Centre for certification or measuring purposes, for as long as they are carrying out measurements or providing certification;

(e) persons in whose plants or units electricity is produced using unconventional methods and as a result of their main, non-generating, activity.

12. A register of exemptions shall be created by decision of the RAE, in order to record cases which are confirmed as satisfying the exemption criteria. The Licensing Regulations shall specify the procedure for confirming that the above criteria have been met.

Article 133

Licences to produce electricity on non-interconnected islands

1. Without prejudice to more specific provisions governing RES and production using high-efficiency cogeneration units and in cases where a derogation is granted from Article 44 of Directive 2009/72/EC, the RAE shall grant a generation licence for non-interconnected islands on application by the interested party, in accordance with the terms and specific conditions provided for in the present law and the Licensing Regulations.

2. Exemptions from the need to obtain a licence shall be granted in accordance with the terms and conditions of the present article and the relevant provisions of the Licensing Regulations. The terms of the licence or exemption shall stipulate the licence holder's specific obligations in terms of proper and timely construction and operation of the unit and the performance bonds for such obligations.

3. With the exception of cases in which electricity is produced using renewable energy sources or by high-efficiency cogeneration or hybrid plants and in the case of autoproducers, if a derogation has been granted in accordance with the provisions of Article 139, a generation licence shall only be granted to PPC SA in accordance with the procedure and the terms and conditions provided for in the Licensing Regulations. PPC SA shall be responsible for the uninterrupted supply to micro isolated systems for which it obtains a licence and for safeguarding the long-term financial operation of the electricity systems on those islands.

4. Every two (2) years, the RAE shall prepare a list of new electricity production plants which it considers will be required over the next five years for non-interconnected islands which are not micro isolated systems. This list shall include existing production capacity that will need to be replaced and shall take account of the licences that have been granted in accordance with the provisions of the Licensing Regulations. The above list shall be prepared on the basis of regular forecasts by DEDDIE SA for the non-interconnected islands and an estimate of the facility and expediency of interconnecting the non-interconnected island system.

5. In order to safeguard an interrupted power supply to non-interconnected islands which are not micro isolated systems in accordance with paragraph 3, where power adequacy problems are identified based on the procedure for granting licences on application and after suitable energy efficiency or demand-side management measures have been taken, as provided for in the Non-Interconnected Island Electricity System Management Code, a competition shall be announced with the following procedure:

(a) the RAE shall publish a notice describing the competition procedure, the bidding terms and conditions and eligibility criteria, the candidate selection criteria and any consideration for the provision of services of general interest paid to the party granted the licence;

(b) the notice shall be published in the Government Gazette, in a daily national newspaper published in the capital, in two daily or weekly newspapers published on the island on which the installation is planned, if there are any, and in the EU Official Journal at least six (6) months before expiry of the closing date for tenders;

(c) the list of obligations and any contractual information shall be made available to interested parties as specified in the notice;

(d) the RAE shall evaluate the tenders submitted and shall grant the generation licence. Account shall be taken when processing tenders, *inter alia*, of compliance with the rules of free competition and environmental protection;

(e) the RAE shall take all measures needed to safeguard the confidentiality of the information contained in the tenders submitted;

(f) if the competition is declared to be a failure, the generation licence shall be granted to PPC SA by decision of the RAE, in which case the generation licence shall contain special terms safeguarding compliance with the technical specifications stipulated in the notice.

6. If the RAE confirms in a reasoned decision that there is an emergency or that an emergency may well arise which will prevent a prompt and uninterrupted power supply to a non-interconnected island in accordance with paragraph 5, it shall issue a decision granting the electricity generation licence to PPC SA in accordance with the provisions of the Licensing Regulations. The licence granted in accordance with the previous sentence shall be valid for as long as the emergency lasts.

Article 134

Electricity supply and trading licence

1. Holders of electricity supply licences in accordance with paragraph 2 may supply electricity to eligible customers and, in the case of PPC SA, to non-eligible customers in accordance with paragraph 5. Holders of electricity supply licences or electricity trading licences in accordance with paragraph 4 may trade in electricity on the electricity market in accordance with Article 120.

2. Without prejudice to paragraph 6, electricity supply licences shall be granted by the RAE in accordance with the specific terms and conditions provided for in the Licensing Regulations, provided that the candidate supplier:

(a) is in the form of a public limited company or a limited liability company with share capital of at least EUR six hundred thousand (600 000);

(b) has an organisational and administrative structure that guarantees the reliable, consistent and sound performance of the supply function in accordance with the requirements of the Licensing Regulations and

(c) is financially sound and solvent, to be proven from the information in the application, in accordance with the Licensing Regulations.

3. In addition to satisfying the preconditions of the preceding paragraph in order to obtain a supply licence, licence holders performing the function of supply must submit satisfactory long-term guarantees to secure the availability of sufficient power to generate electricity for delivery to the Greek electricity transmission system, in accordance with the Greek Electricity Transmission System Operating Code.

4. Without prejudice to paragraph 6, electricity trading licences shall be granted by the RAE in accordance with the specific terms and conditions provided for in the Licensing Regulations, provided that the candidate trader:

(a) is in the form of a public limited company or a limited liability company with share capital of at least EUR sixty thousand (60 000);

(b) has an organisational and administrative structure that guarantees the reliable, consistent and sound performance of the trading function in accordance with the requirements of the Licensing Regulations and

(c) is financially sound and solvent, to be proven from the information in the application, in accordance with the Licensing Regulations.

5. Without prejudice to the provisions of Article 139 of the present law, supply licences for micro isolated networks shall be granted solely to PPC SA in accordance with the requirements of the Licensing Regulations. PPC SA must supply non-eligible customers with electricity on request. The electricity shall be supplied in accordance with the terms of the licence referred to in the first sentence.

6. Persons legally supplying or trading electricity in an EU Member State shall be entitled to obtain a supply licence in Greece, notwithstanding the requirements of paragraphs 2 and 4, in accordance with the special procedure provided for the Licensing Regulations, so as to prevent discrimination between suppliers trading or wishing to trade in Greece.

Article 135 **Licensing regulations**

1. Licensing Regulation shall be adopted by decision of the Minister for Environmental Affairs, Energy and Climate Change, on the advice of the RAE. Before submitting its opinion to the Minister for Environmental Affairs, Energy and Climate Change, the RAE shall conduct public consultation, during which interested parties shall be invited to submit their views. The Licensing Regulations shall regulate in particular:

(a) the contents of applications, the supporting documentation and information required in order to obtain a generation licence, a licence to own and operate a transmission system or a licence to supply and trade in electricity and the specific terms and conditions under which they are granted, the penalties imposed for failure to comply with the terms on which the licence was granted and any details needed in order to process the application or review the applicant's compliance with the terms of the licence granted. The specific terms and conditions shall be designed to safeguard compliance with the evaluation criteria laid down in accordance with the provisions of Articles 132, 133 and 134;

(b) the method used to publish the application, the persons who may file objections and the procedure for doing so. The RAE shall rule on objections;

(c) the terms, conditions and restrictions applicable to the exercise of the rights vested in the licence holder;

(d) the method and procedure for the RAE to verify exercise of the rights vested in the licence holder;

(e) the terms, conditions and procedure for amending or extending licences and, in the case of generation and supply licences, the terms, conditions and procedure for revoking them;

(f) the terms for safeguarding the provision of services of general interest in accordance with the provisions of Articles 55 to 58. Without prejudice to the powers of the RAE in accordance with the provisions of Articles 55 to 58, the Licensing Regulations may authorise the Minister for

Environmental Affairs, Energy and Climate Change to regulate any specific technical issues or details in connection with the provision of such services;

(g) any other details needed for the purposes of Articles 132, 133 and 134 of the present law.

2. The fee for granting, amending and transferring generation licences, for exemption decisions, for supply and trading licences and for heat distribution licences and the annual fee for using licences and exemptions shall be set by decision of the RAE in accordance with Article 38.

3. Licence holders under the present law may be required, by decision of the Minister for Environmental Affairs, Energy and Climate Change, to be published in the Government Gazette, to comply with additional obligations in order to address cases of war or mobilisation or the country's defence needs or a social emergency as a result of an act of God or an emergency that may put public health at risk.

4. The RAE shall monitor and verify compliance with the above terms by licence holders. These terms shall be construed as terms of licences already granted or granted after the entry into force of the decisions referred to in paragraph 3.

Article 136

Direct lines

(Article 34 of Directive 2009/72/EC)

1. The following shall be entitled to apply for a direct line licence:

(a) generation licence holders and electricity supply licence holders established in the Hellenic Republic, in order to obtain electricity, via a direct line, for their installations, their subsidiaries and eligible customers;

(b) eligible customers established in the Hellenic Republic, in order to obtain electricity, via a direct line, from electricity generation and supply undertakings.

The relevant direct line owner's and operator's licence shall be granted by the RAE.

2. The Licensing Regulations shall lay down objective and impartial criteria and preconditions and the procedure for granting a direct line owner's and operator's licence. The main criterion and precondition is that access has previously been refused to the Greek electricity transmission system or the Greek electricity distribution system and access cannot be granted at a reasonable cost and in a reasonable time. The said regulations shall also stipulate the contents of the licence, which shall include a description of the direct line, the method and procedures for operating and using it and safeguarding third-party access, where permitted, the terms, criteria, preconditions and procedure for amending, extending and revoking licences, the right and obligations of licence holders and any other details needed, in keeping with the provisions of Article 135(1). A direct line owner's and operator's licence may be refused, especially on grounds relating to obligations to provide services of general interest and consumer protection; refusal shall be specifically reasoned in each case. A direct line owner's and operator's licence shall not exempt the licence holder from the obligation to obtain other permits or approvals required under current legislation. Without prejudice to direct lines constructed before 3 September 2009, when the direct line is connected to the Greek electricity transmission system or the Greek electricity distribution system, provision may be made for the operating licence to be granted to ADMIE SA, subject to compliance with the ownership unbundling obligations in accordance with Article 9 of Directive 2009/72/EC, or to DEDDIE SA,

subject to compliance with unbundling of accounts and legal and functional unbundling obligations in accordance with Article 141.

3. The part of the electricity supplied via a direct line which is produced by generating units connected to the direct line shall not be included in the electricity trades provided for in the Electricity Transaction Code and Non-Interconnected Island Generation Operating Code. An electricity supply via a direct line shall not preclude the additional (including simultaneous) supply of electricity from the electricity market to eligible customers.

4. The technical and operational specifications and properties of the direct line shall be stipulated by the holder of the relevant owner's and operator's licence, subject to compliance with the relevant international regulations and standards and Article 47 on meeting the electricity needs of eligible customers. If the direct line is connected to the Greek electricity transmission system or the Greek electricity distribution system, the technical and operating specifications applicable to those systems and the minimum requirements of the competent operator for the proper connection of and cooperation between the direct line and the Greek electricity transmission system or Greek electricity distribution system shall also apply, in addition to standardisation, as regards protection and communication and information exchange systems. Matters pertaining to the definition of terms and conditions of licensing, control and approvals required in order to install and operate a direct line and connect it to the Greek electricity transmission system or Greek electricity distribution system shall be regulated by decision of the Minister for Environmental Affairs, Energy and Climate Change, without prejudice to current legislation governing the same matters for the public electricity networks.

5. The operation of a direct line may be transferred to ADMIE SA or DEDDIE SA and the direct line may be integrated into the transmission or distribution system by decision of the RAE, on their recommendation. In the first case, the relevant owner's and operator's licence shall be converted to an owner's licence and the direct line operator's licence shall be granted to the competent operator. In the second case, the direct line owner's and operator's licence shall be revoked. The operators' recommendations must be substantiated, based on the need to develop or operate the above systems and serve the general interest, in terms of what is, for the rest, equivalent to the construction of new or the extension of existing system infrastructures. When formulating its opinion for the purpose of the above decision, the RAE shall take account of the views of the holder of the direct line owner's and operator's licence.

6. In the cases referred to in paragraph 5, a consideration shall be paid to the holder of the direct line owner's and operator's licence. The consideration shall be set by decision of the RAE provided for in paragraph 5, at the recommendation of the competent operator.

7. If the direct line is integrated into the Greek electricity transmission system or the Greek electricity distribution system, the consideration referred to in paragraph 6 shall be paid in a lump sum by the owner of the system in question for transfer of ownership of the direct line works and the rights to use the land occupied by them. If operation of the direct line is transferred without transfer of ownership, the competent operator shall pay an annual consideration in keeping with the consideration which it pays to the owner of the relevant system for the franchise to operate it. The consideration shall be commensurate with the value of the direct line works at the time of transfer and, moreover, if it is integrated into the Greek electricity transmission system or the Greek electricity distribution system, the value of the rights to use the land at that time. The direct line

works shall be valued on the basis of the methods and system access tariffs approved in accordance with Article 140.

Article 137
Eligible customers

1. All electricity consumers shall be classified as eligible customers, with the exception of consumers established in micro isolated networks, subject to Article 139.

2. Suppliers established in another Member State may not execute an electricity supply contract with an eligible customer if the customer in question does not qualify as an eligible customer under the relevant legislation of the Member State of establishment. The European Commission may order the execution of the requested contract at the request of the Member State of establishment of the supplier, taking account of the common interest and once it has examined the situation on the relevant markets.

Article 138
Electricity Customer Supply Code

1. The Electricity Customer Supply Code shall be issued by decision of the Minister for Environmental Affairs, Energy and Climate Change, on the advice of the RAE, following public consultation and publication in the Government Gazette.

2. The Electricity Customer Supply Code shall regulate in particular:

(a) the terms and conditions for executing, amending and terminating electricity supply contracts, the terms which must be included in such contracts, especially consumer protection clauses, and the procedures for out-of-court dispute resolution;

(b) the cases in which it is permitted to interrupt the supply, especially where the customer is in arrears;

(c) the specifications and the method of publishing the terms and tariffs for supply services, which shall at least list separately the charges for use of the Greek electricity transmission system and the Greek electricity distribution system and for services of general interest, the special RES fee and other regulated charges;

(d) the frequency of charging based on actual consumption;

(e) the method used to safeguard the facility to change supplier without financial or other encumbrance;

(f) the supplier's obligations in terms of customer service levels;

(g) any details needed in order to supply customers.

Article 139
Derogations

Derogations from the provisions hereof may be granted in accordance with the provisions of Article 44 of Directive 2009/72/EC.

Article 140
General tariffs and charging provisions

1. The tariffs on the basis of which licence holders collect a price or fee or any consideration for the provision of their services, with the exception of tariffs for supplying eligible customers, shall not apply unless first approved by the RAE, subject to the provisions of Law 3899/2010.

2. The RAE shall rule, on the advice of the competent Greek electricity transmission system and Greek electricity distribution system operators and in accordance with transparent criteria, on the methodology underlying the calculation of tariffs for connection to and use of national networks, especially the tariffs for accessing the Greek electricity transmission system and the Greek electricity distribution system and closed distribution systems, which shall include connection and user charges, six (6) months before their entry into force. The methodology underlying the calculation of tariffs shall be designed to allow the necessary investments in the Greek electricity transmission system and the Greek electricity distribution system, thereby effectively safeguarding the provision of transmission and distribution services.

3. The RAE shall approve the tariffs for connection to and use of national systems, at the proposal of the competent Greek electricity transmission system and Greek electricity distribution system operators, one (1) month before their entry into force and shall publish them in the Government Gazette and on its website.

4. When approving the tariffs referred to in paragraph 3, account shall be taken of the following, in addition to a reasonable profit:

- (a) the cost of generating or purchasing electricity for the purpose of operating the transmission system or distribution system;
- (b) the cost of wages, salaries and similar costs;
- (c) other operating costs, especially taxes, other fees and duty;
- (d) depreciation of investments;
- (e) the return on invested capital, bearing in mind the business risk and the cost of capital for similar activities;
- (f) the cost of discharging obligations in terms of providing services of general interest;
- (g) the costs of obligations undertaken or operating guarantees provided before the entry into force of the present law;
- (h) quality criteria for the electricity transmission and distribution services provided.

5. Licence holders may be required by decision of the Minister for Environmental Affairs, Energy and Climate Change, issued on the advice of the RAE, to differentiate their tariffs for different classes of consumers within the framework of their obligations to provide services of general interest, provided that they guarantee:

- (a) the facility to cover all costs for each licence holder;
- (b) that there is no cross-subsidy between classes of customers.

6. Without prejudice to the powers of the Competition Commission or any other competent authority, the RAE shall impose regulatory measures for supply issues, which shall be specified in the

Supply Code, relating in particular to electricity tariffs. These measures shall be designed both to protect consumers from abusive conduct and to prevent and eliminate practices that distort competition in the supply of electricity. The RAE may, in particular, impose special regulatory measures governing supply tariffs offered by undertakings, especially those that hold a large share of the relevant market and may exercise a dominant influence on it from the point of view of controlling the underlying cost of services provided and the information and parameters used to differentiate tariffs by class of customer and the possible existence of abusive terms in tariffs for electricity consumers.

Article 141
Accounts kept by licence holders

1. Licence holders in accordance with the present law, whatever their system of ownership or their legal form, shall draw up, submit to audit and publish their annual financial statements in accordance with the relevant provisions of Codified Law 2190/1920 and Laws 3229/2004 (Government Gazette 38A) and 3301/2004 (Government Gazette 263A). Licence holders which are not legally obliged to publish their annual accounts shall keep a copy of these at the disposal of the public at their head office.

2. Integrated undertakings shall keep separate accounts for each of the activities of generation, transmission, distribution, supply to eligible customers and supply to non-eligible customers and the provision of services of general interest, precisely as they would be required to do if these activities were carried out by different undertakings, with a view to avoiding discrimination, cross-subsidisation and distortion of competition. These accounts must clearly show the revenue from ownership of the transmission system and distribution system. These undertakings shall keep consolidated accounts for other, non-electricity activities. Accounts shall include a balance sheet and income statement for the year, for each separate activity.

3. Integrated undertakings shall clarify the rules for allocating assets and liabilities and income and expenditure used to prepare the separate accounts referred to in the previous paragraph. The RAE shall approve the allocation methods and rules applied by these undertakings and any changes to them, with a view to avoiding discrimination, cross-subsidisation and distortion of competition.

4. The auditors of integrated undertakings shall audit the separate accounts provided for in the present article, as they would if the activities in question were carried out by different undertakings and shall submit their audit certificate to the general meeting of shareholders. Their audit shall verify in particular the correct application of the allocation rules for unbundling the accounts and compliance with the obligation referred to in paragraph 2, in order to avoid discrimination and cross-subsidisation between the various activities. Once they have been approved by the general meeting of shareholders, the financial statements and auditors' certificate of the separate accounts shall be sent to the RAE. The RAE may spot check compliance with the obligations stipulated in the present article and shall have the right to access the accounts of electricity undertakings for that purpose.

5. Integrated undertakings shall set out the current approved allocation rules, the separate financial statements for each activity, important transactions conducted with related undertakings or with undertakings with the same shareholders and the auditors' report on the separate accounts in the notes to their annual financial statements. A copy of the notes shall be kept at the disposal of the public at the undertaking's head office. In addition to the provisions of Codified Law 2190/1920

and the relevant provisions of Laws 3229/2004 and 3301/2004 on the publication of financial statements, the balance sheets and income statements for each separate activity provided for in the present article shall be published with the undertaking's consolidated financial statements.

Article 142

Safety rules

1. Rules to protect life, health and property from the risks inherent in the generation, transmission, distribution and supply of electricity, from the use of it and from the installation, maintenance and use of electricity lines or installations shall be adopted by presidential decree issued at the proposal of the Minister for Environmental Affairs, Energy and Climate Change and the Minister for Health and Social Solidarity.

2. The Minister for Environmental Affairs, Energy and Climate Change shall enact special specifications or obligations for categories or types of electricity lines or installations and shall lay down the minimum technical design and operating specifications for connections to generating units, distribution systems, directly connected consumers' equipment, interconnector circuits and direct lines, in an objective and non-discriminatory manner, in order to ensure the interoperability of the systems. The above rules shall be in keeping with the recommendations issued by the Agency in accordance with the provisions of Article 5 of Directive 2009/72/EC.

Article 143

Special account

1. LAGIE SA and DEDDIE SA shall recover the full amount of the sums paid to counterparties in accordance with the provisions of Article 118 (2)(i) and Article 129(2)(h), via the special operating account created in accordance with Article 40 of Law 2773/1999, which shall be managed by LAGIE SA.

2. The following shall constitute revenue of the special account:

(a) the sums paid by producers and suppliers during daily energy planning in accordance with Article 120 and supply/demand imbalance clearing in accordance with Article 105, in proportion to the power included by way of priority in the transmission system and the distribution system on mainland Greece and the islands connected to them, as specified in Law 3851/2010;

(b) the sums paid by suppliers on non-interconnected islands for electricity delivered to the systems on those islands which is produced by the units referred to in Article 129 (2). In order to calculate these sums as a price per kWh, account shall be taken of the average variable production cost of installed generating units, other than RES and high-efficiency co-generation units, on non-interconnected islands for each month, which shall be subject to approval by the RAE;

(c) revenue from the special consumption fee, which shall be differentiated for each class of customer, including autoproducers, uniformly throughout the country, in accordance with the methodology stipulated by presidential decree. This methodology shall include coefficients for differentiating the special fee by class of customer, in order to obtain a charge that offsets the financial implications between classes of customers. The arithmetic values of the coefficients applied under the above methodology shall be set each year by decision of the RAE and published in the Government Gazette. The annual cost to the customer by consumption location shall not exceed the

sum of EUR eight hundred thousand (800 000). This limit shall be revised annually by the RAE in accordance with the change in the retail price index published by the Hellenic Statistical Authority.

The above arrangement shall apply as of 1 January 2012 and shall first be revised in the first quarter of 2013. RAE decision no. 373/2011 issued pursuant to Article 40 of Law 2773/1999, as amended, shall apply in 2011;

(d) the revenue from auctioning unallocated greenhouse gas emission rights in accordance with Article 25 of Law 3468/2006, as amended herein;

(e) sums provided for under current legislation.

PART FIVE CRIMINAL PENALTIES

Article 144 Criminal penalties

1. Anyone performing any of the functions of supply, transmission, distribution, storage, liquefaction of natural gas and gasification of liquefied natural gas (LNG) without the relevant licence shall be punished by a term of imprisonment of at least six (6) months and a fine of between EUR one hundred and fifty thousand (150 000) and EUR one million five hundred thousand (1 500 000). A repeat offence shall be punished by a term of imprisonment of at least one year.

2. Anyone performing any of the functions of generation, transmission, distribution, supply or trading of electricity without being entitled to do so shall be punished by a term of imprisonment of at least six (6) months and a fine of between EUR one hundred and fifty thousand (150 000) and EUR one million five hundred thousand (1 500 000). A repeat offence shall be punished by a term of imprisonment of at least one year

3. The court may order the confiscation of all or part of the installations and equipment used to commit the infringement punished in accordance with the paragraphs 1 and 2.

SECTION C
FINAL, TRANSITIONAL AND REPEALED PROVISIONS

Article 195
Provisions repealed

1. The following shall be repealed on promulgation of the present law:

- (a) Articles 1 to 6, 8 to 20, 22 to 36, 39 and 41 of Law 3428/2005 (Government Gazette 313A);
- (b) Article 7(7) to (10) of Law 3428/2005;
- (c) Article 38(1) to (3) of Law 3428/2005.

Any existing reference to the above repealed provisions shall be understood henceforth as reference to the corresponding provisions of the present law;

- (d) Article 7(8) of Law 2364/1995 (Government Gazette 252A).

2. Article 7(5), third and fourth sentences, of Law 3428/2005 and Article 7(6) and (14) shall be repealed once DESFA SA has satisfied the terms and conditions of Article 62 of the present law.

3. The following provisions, as amended, shall be repealed on promulgation of the present law:

- (a) Articles 9, 11, 17, 19, 20, 21, 22, 22a, 23 and 23a of Law 2773/1999;
- (b) Article 24(1), (2), (5) and (6) of Law 2773/1999;
- (c) Articles 25, 26, 27, 28, 29, 30, 31, 32 and 33 of Law 2773/1999;
- (d) Articles 26, 27, 28 and 29 of Law 3426/2005;
- (e) Article 5(16) and (17), Article 11, Article 12(21) to (32) and Article 21(2) of Law 2289/1995;
- (f) Article 186(II)(C)(20)(c) of Law 3852/2010 (Government Gazette 87A).

4. Article 3(1)(f) of Law 3468/2006, as amended, shall be repealed on promulgation of the present law.

5. Any other general or specific provision which conflicts with the contents of the present law or refers to matters regulated herein shall be repealed when the present law enters the statute book.

Article 196
Final and transitional provisions

1. The provision of Article 4(15) of Law 2773/1999, as applicable on promulgation of the present law, is hereby replaced as follows:

‘15. One (1) position is hereby established at the RAE for a special consultant responsible for matters pertaining to the establishment and operation of the Energy Community of South East Europe and for cooperation between the RAE and the Agency for the Cooperation of Energy Regulators (ACER) and the International Confederation of Energy Regulators (ICER). This position shall be filled by a person distinguished for their scientific training and ability with specialist experience in energy matters. The special consultant shall be appointed for a three-year term of

office by decision of the Minister for Environmental Affairs, Energy and Climate Change, on the advice of the RAE, following a notice published in two (2) national daily newspapers. The specialist consultant's salary and the operational status under which he provides his services shall be similar to the salary and status of the vice-chairmen of the RAE. The expenditure in question shall be charged to the RAE's budget.'

2. Article 25 of Law 3468/2006, as amended, is hereby amended as follows:

'A2. The revenue from auctioning unallocated greenhouse gas emission rights in accordance with paragraph 3.3.1. of Annex 34 to Article 3 of joint ministerial decision no 52115/2970/2008 (Government Gazette 2575B) by the Ministers for Economic Affairs and Finance, Development, Environmental Affairs and Physical Planning and Public Works and Article 7 of joint ministerial decision no 54409/2632/2004 (Government Gazette 1931B) by the Ministers for the Interior, Public Administration and Decentralisation, Economic Affairs and Finance, Development, Environmental Affairs and Physical Planning and Public Works shall constitute resources of the special account managed by the electricity transmission system operator (DESMIE SA) in accordance with Article 40 of Law 2773/1999, to which it shall be remitted. The terms and procedure for holding the above auctions shall be stipulated by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change.

By joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change, the income from auctioning unallocated greenhouse gas emission rights may be divided between and remitted as resources to the special account held by the electricity transmission system operator (DESMIE SA) or LAGIE SA for the benefit of the public-law legal entity registered as 'Green Fund', as referred to in the first sentence of the present subparagraph (A2), or paid to increase the share capital of LAGIE SA, for the benefit of the Greek State. The said decision shall stipulate the percentage of revenue and the procedure for dividing and remitting these resources to the above legal persons and any related matters.

For the period 2013-2020, at least 50% of all income from auctioning greenhouse gas emission rights must be used for the purposes of Directive 2009/29/EC, as transposed into Greek law under Article 7E of joint ministerial decision no HP57495/2959/E103. The exact sum appropriated for the purposes of the previous sentence shall be stipulated and the minimum percentage provided for therein may be revised by joint decision of the Minister for Finance and the Minister for Environmental Affairs, Energy and Climate Change.'

3. The arrangement in Article 55(6) shall apply as of 1 January 2012 and shall be revised for the first time in the first quarter of 2013. RAE decision no 372/2011 shall apply in 2011.

4. The works, procurement and services competitions announced by PPC SA before the date on which the present law enters the statute book for activities of divisions divested and contributed to ADMIE SA and DEDDIE SA shall be taken over and continued following completion of the transformation by the competent bodies in accordance with the relevant notice. The contracts referred to in the previous sentence shall be awarded and executed in separate contracts by PPC SA, ADMIE SA and DEDDIE SA for the part which concerns them.

5. The works, procurement and service competitions announced by DESMIE SA before the date on which the present law enters the statute book for activities either of the division contributed to ADMIE SA or of the division retained by DESMIE SA shall be taken over and continued following completion of the transformation by the competent bodies of the companies to which they relate in

accordance with the relevant notice. The contracts referred to in the previous sentence shall be awarded and executed in separate contracts by ADMIE SA and LAGIE SA for the part which concerns them.

6. The members of the basic operational staff of the Directorates General of Financial Services and Human Resources and Organisation, of the basic operational staff which report to the chief executive officer and of the Directorate of Internal Audits of PPC SA employed under a contract of employment or retainer shall be transferred to ADMIE SA, in order to support the activities of the Directorate General of Transmission contributed by PPC SA, by decision of the board of directors of PPC SA, to be taken within three (3) months of the date on which the present law enters the statute book. The staff recruited further to notice 1/2007 to meet the requirements of the Directorate General of Transmission shall likewise be integrated into ADMIE SA. The above staff shall be transferred in derogation from any general or specific provision of law, regulation, arbitration award or collective or individual contract of employment to the contrary.

7. The staff to be recruited by DESMIE SA further to notice 1/9M/2008, which is currently in progress, shall be recruited by ADMIE SA in order to meet its requirements.

8. DESMIE SA, which was incorporated under Article 14 of Law 2773/1999, shall operate the electricity market and the Greek electricity transmission system in accordance with the orders issued pursuant to Law 2773/1999, especially the System Operating Code and the Electricity Transaction Code (Government Gazette 655/2005B), as amended, pending completion of the procedures and infrastructures needed for the purposes of LAGIE SA as market operator and all the measures needed in order for it to be able to exercise the powers vested in it in accordance with the present law and the acts issued pursuant hereto, on the one hand, and the procedures and infrastructures needed for the purposes of ADMIE SA as Greek electricity transmission system operator and all the measures needed in order for it to be able to exercise the powers vested in it in accordance with the present law and the acts issued pursuant hereto.

9. DEPA SA [Public Gas Corporation] and DESFA SA [Hellenic Gas Transmission System Operator] must adopt measures needed, within their remits, for the purpose of compliance with the provisions of Article 62 of the present law by no later than 3 March 2012.

DESFA SA must apply for certification by the RAE in accordance with the provisions of Articles 64 or 65.

10. The technical specifications of DESFA SA, which DESFA SA must post on its website within one month of the date on which the present law enters the statute book, shall apply to the corresponding natural gas systems connected to the Greek natural gas system until such time as technical regulations are issued in accordance with Article 70(1).

11. Article 24(3), fourth sentence, of Law 3175/2003 shall apply until 31 December 2013.

12. Electricity generation and supply licences and heat distribution licences for which applications were filed before the date on which the present law enters the statute book shall be granted in accordance with the provisions hereof.

13. The general and specific terms and conditions of the electricity generation licence granted to PPC SA under Article 33(1) of Law 3734/2009 to renew and replace capacity in old PPC SA units with modern technologies with no power restriction shall be laid down by decision of the RAE.

14. The decision, codes, regulations and manuals issued by the competent authorities pursuant to the relevant provisions, which are repealed, amended, supplemented or replaced by provisions of the present law, shall continue to apply until such time as they are repealed, amended, supplemented or replaced in accordance with the corresponding provisions.

15. The procedure and methods used by citizen service centres to provide information in accordance with Article 54 and the forms which need to be issued for the purpose shall be stipulated by joint decision of the Minister for Environmental Affairs, Energy and Climate Change, the Minister of Administrative Reform and e-Government and the Minister of Finance.

16. The assets/insurance fund of PPC staff insurance organisations provided for under Article 34 of Law 2773/1999 (Government Gazette 286A) shall be incorporated into the assets of PPC SA and its subsidiaries in accordance with current legislation. The assets and their allocation to each of the companies shall be based on an actuarial study prepared within six months of the date on which the present law enters the statute book, based on technically acceptable rules, methods and assumptions. The actuarial study shall be approved by decision of the board of directors of PPC, on the advice of the National Actuarial Authority referred to in Article 9 of Law 3029/2002 (Government Gazette 160A).

17. The provision of Article 27A(5a) of Law 3734/2009 (Government Gazette 8A), as amended by Article 186(1) herein, shall include applications submitted and pending since 6 September 2010.

18. The registered names and acronyms of the companies DESFA SA, DESMIE SA, ADMIE SA and DEDDIE SA and how they are rendered in other languages may be changed by decision of their administrations.

19. Responsibility for implementing projects cofinanced by the EU Structural Funds on the part of any body transformed under the present law shall be transferred to the new body.

Article 197

Miscellaneous provisions

1. Article 9(2) of Law 3468/2006 shall be replaced as follows when the present law enters the statute book:

‘2. The right of first refusal granted in accordance with the provisions of the previous paragraph shall also apply to autoproducers’ surplus electricity, provided that the surplus electricity is generated as a high-performance cogenerating unit within the meaning of subparagraph (b) of the previous paragraph, and to the quantity of electricity generated which does not exceed 20% of the total electricity generated year-on-year. As regards the existing plant on the island of Revythousa belonging to DESFA SA, the right of first refusal granted in accordance with the provisions of the previous paragraph shall also apply to all autoproducers’ surplus electricity generated as a high-performance cogenerating unit.’

2. The following third sentence is hereby added to Article 9(1)(c) of Law 3468/2006:

‘The right of first refusal during dispatching by the operator shall apply to all high-performance cogenerating units, regardless of their installed power, as of 1 September 2011.’

3. The sentences after Article 13(1)(b)(xvii) of Law 3468/2006, as amended, are hereby replaced as follows:

'The values in line (xvi) of the above table relating to high-performance cogenerating units with installed power of up to thirty-five (35) MWe which use natural gas and are not generating customers is hereby increased by an amount equal to the value multiplied by the natural gas clause coefficient, which is hereby set as follows:

$$CC = 1 + (M.P.N.G.\mu - 26) / (100 \times nel)$$

where:

M.P.N.G. μ is the monthly mean unit selling price of high calorific natural gas for cogeneration in €/MWh to natural gas users in Greece, with the exception of generating customers. This price shall be set by the Directorate of Petroleum Policy of the Ministry of Environmental Affairs, Energy and Climate Change and notified to DESMIE every month.

nel is the rate of return of the high-performance cogenerating unit multiplied by the calorific value of high calorific natural gas, which is hereby set at 0.33 for high-performance cogenerating units \leq 1MWe and 0.35 for units $>$ 1MWe. The value of CC must not be smaller than a unit. Where high-performance cogenerating units using natural gas recycle the exhaust gases for agricultural purposes, the CC may be increased by up to 20% by decision of the RAE.

The values in line (xvi) of the above table relating to all other high-performance cogenerating units using natural gas shall be increased by no more than the value multiplied by the natural gas clause coefficient, which is hereby set as follows:

$$CC = 1 + (M.P.N.G.\eta - 26) / (100 \times nel)$$

where:

M.P.N.G. η is the monthly mean unit selling price of high calorific natural gas in €/MWh to natural gas users in Greece who are generating customers. This price shall be set by the Directorate of Petroleum Policy of the Ministry of Environmental Affairs, Energy and Climate Change and notified to DESMIE every month.

nel is the rate of return of the high-performance cogenerating unit multiplied by the calorific value of high calorific natural gas, which shall be set in accordance with the technical attributes of the unit, as inventorised by the corresponding operator.

The value of CC must not be smaller than a unit and shall be set on a case by case basis by decision of the Minister for Environmental Affairs, Energy and Climate Change, on the advice of the RAE, which shall take account of the nominal power of the unit such that the value set generally falls as the power increases.

The values in the above table shall only apply to steam turbine generating units and high-performance cogenerating units for the surplus electricity which they deliver to the transmission or distribution system, which may account for up to 20% of total electricity generated by those units year-on-year. As regards the existing plant on the island of Revythousa belonging to DESFA SA, the values in the above table for autoproducers shall apply to all surplus electricity generated as a high-performance cogenerating unit and delivered to the transmission or distribution system year-on-year.

The tariffs for electricity generated by a producer or autoproducer in a generating unit as a high-performance generating unit shall be set every month based on the corresponding M.P.N.G. for the previous month.'

4. The following new subparagraph (p) is hereby added to Article 1(1) of Law 3213/2003 (Government Gazette 309A):

‘(p) the members of the Regulatory Authority for Energy’.

Article 198
Primary and secondary education

1. The following sentence is hereby added at the end of Article 13(2)(j) of Law 3848/2010:

‘Candidates wishing to obtain points for knowledge of a foreign language at any level, by submitting confirmation of a first degree, master’s degree or doctorate from any recognised higher education establishment abroad, shall undergo oral examination before the selection committee, during the course of their interview, by two members of the teaching staff who specialise in the language in question or school councillors in the language in question or members of foreign diplomatic authorities in Greece or, in the case of appointments in which the competent committee comprises members of the Regional or Higher Regional Primary Education Board/Regional Secondary Education Board, primary and secondary teachers specialising in the language in question. Candidates shall be graded on a scale from one to ten and their final grade shall be the average grade of the two examinations. Candidates who obtain a grade of less than five (5) shall not be awarded points for knowledge of a foreign language. Examiners for each language shall be appointed by decision of the Minister for Education, Lifelong Learning and Religious Affairs for candidate school councillors and head teachers and by decision of the body responsible for the notice for expressions of interest for all other state education staff.’

2. Article 24(13) of Law 3848/2010 is hereby amended as follows:

‘13. Persons placed in positions of head teachers of schools and vocational centres shall be deleted from all tables of head teachers of schools and vocational centres, but shall keep the order in which they were entered on tables of directors of education. Persons placed in positions of head teachers of schools and vocational centres who take up office by the deadline set by the regional director of education shall be excluded from the procedure to prepare tables of school councillors by decision of the relevant selection committee.’

Article 199
Entry into force

The present law shall enter the statute book on promulgation thereof in the Government Gazette, unless individual provisions stipulate otherwise.

Athens,

2011

PRESIDENT OF PARLIAMENT

PHILIPPOS PETSALNIKOS

SECRETARY GENERAL OF PARLIAMENT

DIRECTOR OF LEGISLATIVE PROCEDURE

ATHANASIOS D. PAPAIOANNOU

ATHANASIOS K. THEODOROPOULOS