



Law 3428/2005
Liberalization of Natural
Gas Market

Unofficial Translation



IMPORTANT NOTE: The English translation is not binding. In the event of discrepancies between the Greek and English version, the Greek text prevails.

LAW No. 3428

Liberalization of Natural Gas Market

CHAPTER A'

GENERAL PROVISIONS

Article 1

Field of application

The activities of supply, transportation, distribution, storage, liquefaction of natural gas and gasification of Liquefied Natural Gas (LNG) within the Hellenic territory are exercised in accordance with the provisions of this law. These activities are of public benefit and rest under the supervision of the State, which is exercised by the Minister of Development.

Article 2

Definitions

For the application of this law, the terms used in its provisions have the following meaning:

1. *Independent Natural Gas System (ASFA)*: System of Natural Gas which is not included in the National Natural Gas System (NNGS) irrespectively of an interconnection with this System.
2. *Higher Heating Value (HHV)*: The quantity of heat produced by the full stoichiometric combustion with air of one (1) normal cubic meter of Natural Gas under stable absolute pressure of 1.01325 bar when the initial temperature of the fuel mix and the final temperature of the combustion products is considered to be zero (0) Celsius degrees and the water produced during combustion is found condensed in the liquid state. As normal cubic meter (Nm³) is considered to be the quantity of mass of natural gas which, under absolute pressure conditions of 1.01325 bar and zero (0) Celsius degrees temperature, occupies the volume of one (1) cubic meter.
3. *Direct Lines*: Pipelines of natural gas, complementary to the NNGS or other ASFA, which are constructed by Undertaking of Natural Gas for the supply of their Eligible Customers or by Eligible Customers for their supply from Undertaking of Natural Gas and which are not included in the NNGS or in other ASFA. The Direct Lines constitute an ASFA and may be supplied from the NNGS, from other ASFA or from another country's System of Natural Gas.

4. *Main Natural Gas Activities*: The rendering of Natural Gas Transportation, Natural Gas Distribution, LNG Facility and Natural Gas Storage Facility services.

5. *Stated Transit*: The transportation of a Natural Gas Quantity, which is not produced neither stored nor consumed in Greece, through the NNGS or an ASFA and which is conducted according to the provisions of Article 23.

6. *Natural Gas Distribution*: The transmission of natural gas through pipelines, except for the pipelines of design pressure above 19 barg, for the feeding of Customers with Natural Gas, excluding Supply.

7. *ASFA Operator*: The holder of an ASFA Operation License.

8. *National Natural Gas System Operator S.A. ("DESFA S.A.")*: The holder of the NNGS Operation and Ownership License.

9. *Distribution Network*: The pipelines, the facilities for decompression and measuring, the equipment and the facilities for control and maintenance that are destined for Distribution or are required for the transmission of Natural Gas from a Transportation System towards the consumers' facilities.

10. *Storage Facility*: Facility used for the storage of Natural Gas. As Storage Facilities are also considered the parts of the LNG Facilities that are used for storage, excluding the part thereof used for temporary storage, re-gasification of LNG and transmission of it into a Natural Gas Transportation System (NGTS). There are not included facilities that are used by a Natural Gas System Operator exclusively for the performance of its duties.

11. *LNG Facility*: Terminal used for the import, unloading and gasification of LNG and for the liquefaction of the Natural Gas, including the ancillary services and temporary storage that are necessary for its re-gasification and its transmission into a Transportation System. There are not included the parts of the Facility, which are used exclusively for storage.

12. *National Natural Gas System (NNGS)*: The Natural Gas System defined according to the provisions of Article 6.

13. *Gas Supply Companies ("EPAs")*: The companies established according to the provisions of paragraph 6, Article 4 of Law 2364/1995.

14. *Eligible Customer*: The Customer who is entitled to choose the way of Natural Gas supply.

15. *Natural Gas Undertaking*: The individual or the legal entity who exercises at least one of the activities of Natural Gas Production, Transportation, Distribution, Supply, LNG Facility or Storage Facility.

16. *Vertically Integrated Undertaking*: Natural Gas Undertaking or a group of undertaking whose mutual relationships are defined in par. 3, article 3 of Regulation (EEC) No 4064/1989 of 21.12.1989 (OJ L 395 of 30.12.1989, p. 1), as amended by Regulation (EEC) No 1310/1997 (OJ L 180 of 9.7.1997, p. 1), which exercise at least one of the activities of Transportation, Distribution, LNG Facility or Storage Facility of Natural Gas and at least one of the activities of Production or Supply of Natural Gas.

17. *SNGM Operator* is the legal entity who is competent for the organization and operation of the Single Natural Gas Market.

18. *Major Customer*: The Customer who is supplied within a time period of twelve (12) months a quantity of at least 100.000 MWh HHV per site of consumption.
19. *Natural Gas Transportation*: The transmission of Natural Gas through a network of pipelines of design pressure above 19 barg in order to supply customers, excluding Supply.
20. *Household Customer*: The Customer who is supplied Natural Gas exclusively for household consumption.
21. *Integrated Undertaking of Natural Gas*: The undertaking that is vertically or horizontally Integrated Undertaking
22. *Horizontally Integrated Undertaking*: The Undertaking who is performing at least one of the activities of Natural Gas Production, Transportation, Distribution, Supply, LNG Facility or Storage Facility and at least one other entrepreneurial activity beyond the natural gas sector.
23. *Customer*: Anybody who is supplied Natural Gas for his own use or purchases Natural Gas in order to resale it within or outside the Network to which he is installed, with the exception of Natural Gas Transportation or Distribution Systems operators, as well as the EPAs.
24. *Natural Gas Quantity*: The quantity of Natural Gas which is measured in megawatt hours (MWh) of Higher Heating Value (HHV), unless it is otherwise specified.
25. *Supply*: The sale of Natural Gas to Customers.
26. *Supplier*: The individual or the legal entity who exercises activity of Natural Gas Supply.
27. *Affiliated Undertaking*: The undertakings that relate to each other pursuant to the meaning of article 42e par. 5 of Law 2190/1920 or the undertakings which are controlled by the same shareholders.
28. *Transportation System*: The pipelines and the branches of design pressure above 19 barg, the measurement facilities, the compression and decompression facilities, the control and maintenance equipment and facilities required for the transportation of Natural Gas from the entry points towards another Natural Gas System, Distribution Network or Customers' facilities.
29. *Natural Gas System*: The Transportation systems, the Installations of Liquefied Natural Gas, the Storage Installations as well as the installations for receipt of compressed Natural Gas, including the equipment and the control installation.
30. *Natural Gas*: The fuel gas that is extracted from geological formations and is consisted mainly of methane (at least 75% in analogy of gram-moles) and of hydrocarbons of higher molecular weight and probably of small amounts of azote, carbon dioxide, oxygen and traces of other compounds and elements, to which fragrant substances may have been added. The aforementioned mixture is considered to be Natural Gas whichever condition it may come to, by an alteration of its natural conditions, such as compression, cooling or any other alteration, including liquefaction (Liquefied Natural Gas - LNG).
31. *User*: Anybody who is entitled to conclude contracts for the use of a Natural Gas System.

Article 3

General Principles – Competences of RAE

The Minister of Development and the Regulatory Authority of Energy (RAE) exercise the competences assigned to them by virtue of this law and the acts issued by authorization of same law in a way so as:

- a) It is ensured the regular and secure supply of Natural Gas, in accordance with the economically best of available technologies.
- b) It is protected the environment from the consequences of Natural Gas activities; it is ensured the energy efficiency, the protection of climate and the sustainable and balanced development.
- c) It is ensured the security of supply and the continuity of Natural Gas supply.
- d) It is promoted the free competition in the Natural Gas market and its smooth operation, in accordance with the national and community law in force.
- e) The Customers' interests and especially the ones of vulnerable consumers are protected, particularly with regard to prices, terms of Supply, reliability of supply, quality of services rendered, and their right to select a supplier is exercised effectively.
- f) It is promoted the implementation of energy efficient and economically effective methods and practices by the holders of licenses, as well as the energy efficient and economically effective use of the Natural Gas supplied to Customers.
- g) The expenses incurred by the holders of licenses for the research, development and use of new techniques, methods and processes during the exercise of Natural Gas activities are taken into consideration.

2. RAE, within the framework of its competences provided under legislation in force, monitors and surveys the operation of the Natural Gas market, prepares studies, drafts, publishes and submits reports to the competent bodies, makes recommendations, and proposes to the competent bodies the adoption of legislative, administrative or other measures for the observance of the rules of competition, the protection of consumers and the fulfillment of public service obligations. Within that framework, RAE has particularly the following competences:

- a) Opines for the granting of the licenses issued according to the provisions of this law, organizes, monitors and controls the procedures for the granting of the licenses and the way the rights that come along are exercised, securing the observance of the principles of transparency, objectivity and equal treatment.
- b) Maintains a Licenses Registry, whereat the licenses granted by the Minister of Development are registered.
- c) Maintains the NNGS Users Registry.
- d) Collects from any physical person or legal entity that is active in the Natural Gas market and organizes and elaborates on the technical, financial, accounting, commercial and other

relevant data or information necessary for the exercise of its competences, whilst ensuring the confidential nature of commercial information.

e) Defines the terms and conditions for the rendering of load balancing services, for the safe, effective and credible operation of the Natural Gas Systems. To this end it approves, amongst others, an annual program of gas balancing.

f) Drafts the Tariffs Regulation and opines for the access tariffs to Natural Gas Systems according to the provisions of Article 31.

g) Monitors and controls the exercise of activities of Natural Gas Systems Operators in respect of the compliance of the terms of their licenses and may impose to the Natural Gas Systems Operators the obligation, during the provision of their services to proceed in any necessary act or amendment of the terms and conditions of the provision of access to the Natural Gas System in order to observe the principle of equal treatment.

h) Monitors and controls the effective unbundling of accounts in order to ensure that there are no cross-subsidies amongst Main Natural Gas Activities, as well as the Supply of Natural Gas.

i) Imposes to the violators of this law and of the acts issued by authorization, whether *ex officio* or after an accusation, administrative sanctions according to the provisions of Article 36.

j) Monitors the implementation of congestion management mechanisms and approves specific measures for the lifting of congestion following a proposal of the Natural Gas System Operator.

k) Opinions to the Minister of Development for every issue concerning the management and distribution of capacity of the interconnected with member states of the European Union, the European Economic Area and the Energy Community, in cooperation with the responsible authorities of those States and especially the terms of access in the interconnection, including the relevant tariffs and the methodology applied to calculate them, the mechanism for the distribution of capacity, the congestion management and the procedure of out of court resolution of differences that stem from the implementation of the aforementioned, and any other necessary detail. Furthermore, it monitors and surveys the management of the interconnection's capacity and collaborates for that purpose with the responsible authorities of the aforementioned States.

l) Monitors and controls the operation of the Single Natural Gas Market (SNGM) pursuant to Article 29 and publishes an annual report in relation to the results of said monitoring.

m) Contributes, by any means, to the development of the internal Natural Gas market and to the development of free competition therein, in collaboration with the regulatory authorities of the member states and other regulatory authorities, particularly in the area of South-East Europe, as well as with the European Commission.

n) Issues non-binding directives and guidelines, in relation to matters that fall under its field of competences and the way of exercising same, in order to ensure the proper and uniform

implementation of the regulatory framework of this law and the adequate provision of information of interested parties.

3. Before the permanent arbitration of RAE that was organized pursuant to Article 24 of RAE's Internal Administration and Operation Regulation (Presidential Decree 139/2001) it is also submitted the resolution of disputes that incur due to the exercising of activities that relate to Natural Gas, including disputes between Customers and Natural Gas Undertakings.

4. Anyone with a lawful interest may submit before RAE an accusation against the NNGS Operator, an ASFA Operator, a person exercising activity of Distribution Network operation in accordance with Article 22 or against the EPAs, for violation of their obligations provided for by the provisions of this law, of the legislative acts issued by authorization thereof or of the license granted to them. RAE decides on the accusation within a time-limit of two (2) months. This time-limit may be extended for another two (2) months, following a substantiated act of RAE issued before the expiration of the initial time-limit, if the extension is necessary for the collection of information required for the taking of the related decision. Further extension of the time-limit is allowed only after consent of the person who submitted the accusation. RAE's decision is binding for the parties and is appealed by an application for cancellation before the Council of the State.

Article 4

Monitoring security of supply

1. RAE monitors the security of the Country's supply in Natural Gas and, within the framework of such competence, taking into consideration data provided by DESFA S.A., the Customers and the Natural Gas Undertakings, examines and assesses all the necessary data such as supply and demand of Natural Gas, existing contracts, available sources of natural gas supply and the foreseeable additional facilities capacity, proposes the appropriate measures and makes recommendations for the security of supply.

2. RAE, taking into consideration a previous relevant report of DESFA S.A., publishes each year by the 31st of July at the latest, a report whereat it is summarized its comments and proposals in relation to security of supply. This report is submitted to the Minister of Development and forwarded to the European Commission.

Article 5

Obligations of Natural Gas Undertakings

The Natural Gas Undertakings are obligated to:

- a) Observe the provisions of this law and of the acts issued by authorization thereof as well as the terms and conditions defined in their licenses.
- b) Observe the principles of equal treatment, impartiality and non-discrimination of Users and Customers, especially for the services rendered under a status of exclusive rights.

- c) Operate and render their services in such a way so as free competition in the Natural Gas market is promoted whilst fulfilling their public service obligations assigned to them.
- d) Provide to the Minister of Development and RAE, within specific time-limit, the information required there from within the framework of exercising their competences.

CHAPTER B`

NATIONAL NATURAL GAS SYSTEM

Article 6

Definition

1. National Natural Gas System (NNGS) is the Natural Gas System which includes:
 - a. The existing, at the time of the entry into force of this law, National Natural Gas Transmission System within the Hellenic territory, as defined in Article 3 par. 2 case d' of Law 2364/1995 as in force, and consisting of the main pipeline and its branches, the branches of design pressure above 19 barg programmed to be constructed until the coming into force of this law, the measuring, tuning, compression and decompression facilities, the operation control, communications and remote control systems, the centers of operation and maintenance, the centers for load allocation control and in general the facilities that constitute elements of the operation and support of the Transportation System, as well as the existing entry points of the measuring station of Sidirokastro and Agia Triada in Megara Attica and the programmed to be constructed entry point of the measuring station in Kipoi Evros.
 - b. The LNG Facility in Revythoussa island and its programmed upgrading.
 - c. The facilities, infrastructures or spaces for storage or re-import of Natural Gas in the Transportation System.
2. The NNGS includes the expansion and reinforcement works of the Transportation System that materialize according to an approved Development Program pursuant to the provisions of Article 10.
3. There are not included in the NNGS any Natural Gas compression facilities for final use by vehicles motors.
4. As programmed expansions and reinforcements of the NNGS, until the coming into force of this law, are considered those approved by the board of directors of DEPA S.A.. Within a time-limit of two (2) months from the coming into force of this law, DEPA S.A. compiles a full catalogue of the programmed expansions and reinforcements of the NNGS, which is approved by the Minister of Development following a concurring opinion of RAE and it is published in the Gazette of the Government.

Article 7

National Natural Gas System Operation

1. By presidential decree, issued by proposal of the Ministers of Economics and Finance and Development, it is established by 31.12.2006 at the latest a Société Anonyme styled "National Natural Gas System Operator" ("DESFA S.A.") which operates in accordance with the rules of private economy and it is governed by the provisions of this law and complementary by the provisions of law 2190/1920, unless it is otherwise defined in the provisions of the above presidential decree.

2. DESFA S.A. articles of incorporation are drafted according to Article 2 of Law 2190/1920 and approved by the presidential decree provided for under paragraph 1.

3. The sector of the NNGS is transferred from DEPA S.A. to DESFA S.A. by means of spin-off by derogation from the provisions of Article 1 par. 1 case e' of Law 2166/1993. With the transfer of the above sector to DESFA S.A., the latter acquires a full and exclusive right to the operation, management, exploitation and development of the NNGS. DESFA S.A. is not allowed to transfer or assign to third (parties) any rights whatsoever it has on the NNGS. It is forbidden the participation of DESFA S.A. in undertakings that are active in the sectors of production and supply of natural gas as well as in the sectors of production and supply of electric power, except for the case during which DESFA S.A. acts as Self-producer pursuant to the provisions of law 2773/1999.

4. The spin-off of the sector, which is contributed according to the provisions of the previous paragraph, is materialized with the procedure and the terms provided under Articles 1 through 5 of Law 2166/1993 with the following derogations:

a) Subsidies of fixed investments, which are reflected in the balance sheet of DEPA S.A. either in the capital or the account "subsidies of fixed investments", may be transferred to DESFA S.A. and are not taxed at the period of their contribution.

b) The establishment of DESFA S.A. is exempted from capital concentration tax that is provided in Articles 17 seq. of Law 1676/1986.

c) The tax statements of transfer of real estate or vehicles that are zero are not required to be transferred in the competent Tax Authority.

d) DEPA S.A. and DESFA S.A. are exempted from the obligation to submit the proportional and fixed notarial rights for each act for which a notarial form is required, such as the formation-establishment of DESFA S.A., the draft and amendment of articles of incorporation, the constitution of the spin-off agreement and contribution of the sector. The rest of notarial rights are limited to half of those provided by the legislation in force. For the above notarial acts no taxes or duties are paid. For the draft and execution of the relevant acts the presence of a lawyer is not required.

e) The transfer of assets and liabilities, including the transfer of real rights in immovable property, in cars and other movable property is materialized *ipso iure*, by virtue of solely the

registration in the Register of Sociétés Anonymes of the spin-off agreement and of the articles of Incorporation of DESFA S.A.

DEPA S.A is not obliged to submit statements of rights that should be registered to the Land Registry Office or application of correction or objection concerning its real rights in the aforementioned immovable property by derogation of articles 1,2, 6 and 10 of law 2308/1995. The above paragraph is coming into force from 15.6.1995

Any regulatory or administrative approvals, certifications, solemn statements, certificates and schedules of transfer of immovable property, even for those acquired through compulsory expropriation or are in borderland areas, by derogation of any other, general or special, provision. Transcriptions and other registrations required according to the provisions in force for the transfer of real estate rights have a confirming character and should be materialized within 2 years from the registration in the Register of Sociétés Anonymes of the spin-off agreement and of the Articles of Incorporation of DESFA S.A. without the submission of any duty or third party right, including the fees, the fixed and proportional rights, or other duties in favor of Land Registrars salaried or not salaried.

The spin-off agreement, that includes the transfer of real rights in immovable property from DEPA S.A to DESFA S.A, without any attachment to it of ratified extracts of land diagrams, as it is provisioned in paragraph 5 of the article 14 of law 2664/1998, which was incorporated in parallel to the paragraph 9 of the article 2 of law 3481/2006 (FEK 162A'), is according to that valid and produces all its legal consequences. The above paragraph is coming into force from 2.8.2006

f) Reserves of profits of DEPA S.A transferred to DESFA S.A. are not subject to tax at the period of their contribution, provided that they are reflected in special accounts of DESFA S.A.. Differences in the readjustment of value of the rest of the assets, which refer to the sector contributed and are reflected in the clear place of DEPA S.A., are not taxed in the period of their contribution and are transferred to DESFA S.A. The value of the immovable property reflected in the clear place of the holding company that have been acquired without payment of compensation and refer to the sector contributed, is not taxed during the period of its contribution and transfer of these immovable property to DESFA SA.

g) DESFA S.A. is substituted in all the rights, obligations and legal relations of DEPA S.A. that refer to the sector contributed and this transfer is equated to universal succession. At the formation of DESFA S.A., DEPA S.A. is exempted from any obligation towards any third party, including the State and the Insurance Funds, for which DESFA S.A. is substituted according to the above. Similarly, it is exempted from obligations, titles or rights that may be non transferable by law or contract. The pending trials are continued automatically by DESFA S.A. without any turbulent interruption and without any requirement of formality or statement from their part for their continuation or repetition.

h) Any kind of administrative licenses or approvals granted to DEPA S.A. in relation to the sector of the NNGS are *ipso iure* transferred to DESFA S.A.

5. The share capital of DESFA S.A. equals to the amount of the value of the sector which will be evaluated, spun-off and contributed by DEPA S.A. By virtue of Presidential Decree, issued according to paragraph 1, the share capital which is determined according to the previous section shall be determined as share capital of DESFA S.A. and shall be covered by DEPA S.A., at a percentage of 100%.

For a time period of 10 years from the establishment of DESFA S.A. and irrespectively of the shareholding of DEPA S.A., the members of the board of Directors of DESFA S.A. shall be appointed and revoked by a joint decision of the Ministers of Economy & Finance and Development. By a similar decision, the Chairman and the Managing Director of the Board of DESFA S.A. are appointed and revoked.

One of the members of the Board of DESFA S.A. represents the employees, as provided in the Articles of Incorporation of the company that are drafted according to par. 2.

6. The members of DESFA S.A. board of directors must be independent and not related with any kind of employment whatsoever, work or order with an undertaking active in the sector of Production, Distribution and Supply of Natural Gas, as well as in the sector of electric power.

7. By decision of the Minister of Development, issued following an opinion of RAE's, the Deontology Code drafted by DESFA S.A. is approved. By virtue of the Deontology Code the obligations of the personnel and the management of DESFA S.A. are determined, for the purposes of avoiding any prejudiced conduct in relation to the access of third parties to the NNGS, the measures for the enforcement of the above Code and the way and means of supervision of its compliance. Until the 31st January of each year, DESFA S.A. submits to RAE a report in which it describes the measures adopted in relation to the compliance of the Deontology Code. The said report is published by DESFA S.A., as provided in the resolution of approval of the Deontology Code. On the basis of the report, RAE estimates each year the independence of the DESFA SA and may propose measures for further ensuring its independence.

8. By a decision of the Minister of Development that is issued pursuant to the provisions of the Licenses Regulation provided under Article 34, it is granted to DESFA S.A., within three (3) months from its establishment, an NNGS Ownership and Operation License, with which the terms and conditions for the exercise of its activity are defined. Based on the NNGS Ownership and Operation License, DESFA S.A. carries out the transportation and storage of Natural Gas as well as the gasification of LNG, and is responsible for the operation, the securing of maintenance and the development of the NNGS.

9. By the NNGS Ownership and Operation License it is defined the necessary measures for ensuring the independence of DESFA S.A. against DEPA S.A. based upon the following criteria:

a) The persons responsible for the operation of the NNGS cannot participate in the structural structures of DEPA S.A.

b) It is ensured that the professional interests of the persons responsible for the operation of the NNGS are taken into consideration in order for these persons to act independently against DEPA S.A.

c) DESFA S.A. has the exclusive competence to make decisions regarding the resources that are necessary for the operation, maintenance and development of the network, without excluding appropriate coordinating mechanisms in order to protect the economic rights and the rights of surveying the operation, which are reserved by DEPA S.A., with regard to the return of DESFA S.A.'s resources. DEPA S.A. may approve in particular the annual financing plan or equivalent means of DESFA S.A. and impose aggregate limits to the levels of its charging. It is not allowed for DEPA S.A. to give orders for the daily operation or the decision making with regard to the construction or upgrading of transportation lines that do not exceed the terms of the approved financing plan or any other equivalent means.

10. DESFA S.A. exercises the operation of the NNGS since its incorporation and before the granting of the License pursuant to paragraph 9 observing the provisions of this law. Until the incorporation of DESFA S.A., it is DEPA S.A. that operates the NNGS according to the law.

11. DEPA S.A., following the incorporation of DESFA S.A., is excluded from the application of the provisions:

a) for the award and performance of contracts regarding public works, public supplies, public services, drafting of studies, including the provisions that define the minimum limits of fees for works studies,

b) of paragraph 7 of Presidential Decree 774/1980, as applicable each time.

12. The personnel of DESFA S.A. that at the coming into force of the present law is employed under a contract of dependant employment of an indefinite period of time and is transferred for accession to DESFA SA under the corresponding positions that it holds, it maintains the same terms of employment provided under the Collective Business Employment Agreement that defines the terms of Remuneration and Employment of DEPA SA personnel, under the Internal Regulation of Employment, under the Personnel's Policy and the rights that derive from DEPA S.A. practice that has already being created (*business use*). Similarly, the additional insurance programs, such as the Savings Fund program as well as the medical and pharmaceutical care programs and life insurance continue to apply for the above personnel under the same terms. Any previous employment that has been acknowledged by DEPA S.A. is fully acknowledged with regard to all rights deriving there from and it is not allowed any detrimental change in labor conditions. By presidential decree, issued by proposal of the Ministers of Economy & Finance, Development and Occupation & Social Protection, there are defined the criteria, the procedure and every detail for the transfer and integration of DEPA S.A. personnel to DESFA S.A.

13. By resolutions of the board of directors of DESFA S.A. that are adopted following the establishment of DESFA S.A.:

a) the number of positions and the expertise of the personnel to be employed for its needs is defined and

b) up to 10 members or special collaborators under a relation of private law employment of a definite period of time may be employed in order to cover its special needs. The aforementioned employments are subject to the rules and the definitions of paragraph 1 of the article 17 of law 3429/2005.

The above resolutions are subject to the approval of the Ministers of Economy & Finance and Development and the employments referred to in cases a' and b' in the legality control of ASEP.

14. DEPA S.A., without prejudice to the provisions of par. 7, may render services to DESFA S.A. and vice-versa against a reasonable fee, without limitation as to their term, their nature and their object. The rendering of these services may be awarded by the above companies to third parties under the terms and conditions of the previous section. The personnel occupied for the rendering of the above services does not relate to the awarding company with any legal relationship whatsoever neither it acquires any right against the company.

15. For the investments included in the NNGS Development Plan for DESFA S.A and for the performance of investments of public utility, grants from national and community resources can be paid through the Public Investments Program.

16. DESFA S.A, without prejudice to the relevant regulations of the European legislation is excluded from the implementation of the respective provisions for the award and performance of contracts regarding public works, public supplies, public services, drafting of studies and the provisions that define the minimum limits of fees for works studies. Declarations, award and performance of works, supplies, services and studies of DESFA are held according to the provisions decided by the Board of Directs, approved by the Minister of Development and published in the Gazette of the Government.

Article 8

Rights and obligations of DESFA S.A.

1. DESFA S.A. operates, maintains, manages, exploits and develops the NNGS and its interconnections, in order for the NNGS to be economically efficient, technically sound and integral and to serve the needs of the Users in Natural Gas in a safe, adequate, reliable and economically efficient way.

2. Within the framework of the above obligations, DESFA S.A.:

a) Provides Users with access to the NNGS in the most economic, transparent and direct way and for as long as they Users wish so. To this end it concludes with the Users: Natural Gas Transmission Agreements, LNG Facility Usage Agreement and Agreements for Use of Storage Facility pursuant to model contracts which are drafted and published by DESFA S.A. on its website following an approval of RAE's. DESFA S.A. may refuse the rendering of

access to the NNGS solely for reasons of lack of capacity, pursuant to the special provisions of the Network Code for the regulation of the National Natural Gas System (Network Code) or if the access to the System potentially obstructs DESFA S.A. from fulfilling its public service obligations assigned to it. The refusal of access is specifically substantiated and the interested User as well as RAE are informed in relation thereto. Refusal of access is allowed as long as there has been observed the procedure provided under article 27 of Directive 2003/55/EC and in case that there concur serious economic and financing difficulties due to contracts containing clauses of compulsory purchase irrespectively of receipt (i.e. *take-or-pay clauses*).

b) Programmes the deliveries and receipts of Natural Gas into and from the NNGS, allocates the load to Users and takes care for securing the quality of Natural Gas.

c) Is responsible for the balancing of the load in the NNGS, pursuant to the provisions of the latter's Network Code. To this end, it may conclude contracts with Suppliers for the supply and delivery of natural gas, following a tender, based on transparent procedures that do not introduce discriminations and are based on the rules of market. These contracts are concluded after approval from RAE of the annual load balancing program and (DESFA S.A.) imposes to Users charges for the covering its expenses for the gas balancing of the NNGS, as provided under the latter's Network Code. DESFA S.A. keeps separate gas balancing account.

d) Collects from Users the due for security of supply and keeps a separate account for such activities in accordance with the provisions of this law.

e) Implements mechanisms for the management of congestion at the entry and exit points that are based, as much as possible, on market mechanisms in accordance with transparent criteria, as defined in the NNGS Network Code, in order to promote competition without discriminations among Users or categories of Users; publishes historical data and flows' predictions for the forthcoming years at each entry and exit point in order to inform the Users about the possibility of congestion; informs RAE, according to the provisions of the NNGS Network Code, when the demand for reservation of transportation capacity at an entry or exit point reasonably creates a possibility for congestion in that point; keeps separate account for the management of congestion, the credit balance of which is co-calculated when defining the NNGS usage tariff as provided for in the Tariff Regulation.

f) Takes care for the immediate and effective coping with Emergencies in accordance with Article 14.

g) Prepares and publishes, on an annual basis, a detailed report on the operation of the NNGS, on the changes in the technical characteristics of the System, the reservation of transportation capacity, the load balancing, the level and quality of maintenance, the congestion and its management, the cases of emergency needs occurred and their confrontation.

h) Keeps a Booked Transmission Capacity Holders Register.

- i) Allows the Stated Transit provided for in Article 23 and controls the observance of the obligations deriving there from.
- j) Concludes agreements with the Operators of ASFA, of Distribution Networks, as well as with operators of Natural Gas Systems located outside the Hellenic territory with the purpose to enhance their interoperability, the exchange of information and their mutual cooperation.
- k) Provides its services with transparency, impartiality and without discriminations amongst Users or categories of NNGS Users such as discriminations in favor of affiliated thereto undertakings, their shareholders or their subsidiaries companies.
- l) Provides to the Operators of ASFA or Distribution Networks, which are connected to the NNGS, with necessary information for the safe, reliable and efficient operation of the interconnected facilities in accordance with the rules of operation and allocation of interconnection capacity.
- m) Provides to each User of the NNGS with adequate information on the use of the System and the reserved transportation capacity, so as to ensure fair competition, effective access to the NNGS as well as the transportation of Natural Gas in a way compatible to the safe, reliable and efficient operation of the NNGS, without prejudice to the observance of the confidential nature of any commercial information disclosed to it during the performance of its competences. For this reason, it keeps an Electronic Informatics System of the NNGS where it publishes the aforementioned information pursuant to the special provisions of its Network Code.
- n) Publishes a catalogue of NNGS Users charges tariffs for the services rendered to them, irrespectively of the way said tariffs are set.
- o) Informs RAE of any violation that comes to its knowledge and concerns provisions of this law or terms of license granted in accordance with the provisions of same law.
- p) Installs and operates an Electronic Natural Gas Transactions System where with are filed the proposals for the conclusion of Natural Gas resale contracts, the proposals for the assignment of reserved transportation capacity, the statements of acceptance of such proposals and any other data necessary for the completion of the transactions in the NNGS according to the provisions of its Network Code.
- q) Following RAE's approval, drafts the Regulation for the Electronic System of Natural Gas Transactions which is published in the Gazette of the Government. This Regulation regulates every detail pertaining to the access to the data filed in the Electronic System of Natural Gas Transactions, the terms and the procedure for the submission and registration with this System of the proposals for the conclusion of natural gas resale contracts and of contracts for the assignment of reserved transportation capacity, the registration of the statements for acceptances of such proposals as well as issues of technical character pertaining to the formation, the observance and the operation of the Electronic System of Natural Gas Transactions, so as it is provided sound information to the parties that are interested in the conclusion of natural gas resale and assignment of reserved transportation capacity contracts and it is facilitated the procedure for the concluding of such contracts.

r) Fulfills the public service obligations assigned to it for the benefit of the common economic interest, such as the services of safety, including security of supply, regular supply, quality and prices of supply, the protection of the environment, including the protection of climate and energy efficiency. By decision of the Minister of Development are determined in particular said obligations that must be transparent, impartial and verifiable and ensuring the equal access of Natural Gas undertaking to Customers. For the recapture of DESFA S.A. expenses due to the fulfillment of public service obligations according to the present provision, separate tariffs are approved.

s) Prepares the Deontology Code provided in par. 5 of Article 7 within a time-limit of two months from the granting of the NNGS Ownership and Operation License.

t) Exercises any other competence in accordance with the law, the License granted thereto and the Regulations and Codes in force.

3. With out prejudice to the observance of the provisions of case c', par. 2, the conclusion of purchase and sale of Natural Gas by DESFA S.A. nor the contracts for sale of electric power are allowed, except for the sale of electric power to the Hellenic (Electric Power) Transmission System Operator S.A. ("*DESMHE S.A.*") according to the provisions of Articles 35 seq. of Law 2773/1999 that regard to Self-producers¹.

4. The Users must provide DESFA S.A. with the necessary information to succeed in the safe, reliable and efficient operation of the NNGS under conditions of free competition.

Article 9

NNGS Network Code

1. The operation, maintenance and development of the NNGS are performed according to the provisions of the NNGS Network Code which is enacted by virtue of a decision of the Minister of Development and RAE's concurring opinion. This Code is published in the Gazette of the Government.

2. By the NNGS Network Code are particularly regulated:

a) The terms, the conditions, the technical details and the minimum operational specifications required for the access of Users to the NNGS.

b) The procedure, the terms, the conditions and the limitations in relation to the reservation and release of NNGS capacity by the Users as well as the further assignment of reserved transportation capacity or potentiality respectively to other Users.

c) The management of Natural Gas entry points into the NNGS.

d) The terms and conditions for the conduct, interruption and prohibition of Stated Transit.

¹ According to par. 7 of the article 27 of law 3468/2008: " Wherever in the legislation there is a reference to the articles 35 to 39 of law 2773/1999, as in force, this reference deems to apply to the articles 9, 10, 12 and 13 of the current law.

- e) The way of conducting measurements and the determination of quality specifications and conditions of delivery and receipt of Natural Gas.
- f) The procedure for the allocation of metered Quantities of Natural Gas to Users at the entry and exit points of the NNGS.
- g) The programming and maintenance of the NNGS and the respective obligations of DESFA S.A. and the Users.
- h) The procedure for drafting the NNGS Development Program and monitoring and controlling its materialization and every detail in relation to the development of the NNGS.
- i) The mechanisms of congestion management, the relevant obligations of the Users and DESFA S.A. and any other detail regarding the implementation of such mechanisms in order for congestion management at entry points to be conducted in the most economically efficient way, to be based as much as possible upon market mechanisms, to ensure the optimum use of the NNGS and to allocate existing transportation capacity to Users that make use of it.
- j) The procedure for load balancing, especially the one with regard to concluding contracts and the determination of load balancing costs, the way of determination of the charges imposed on the Users for the recovering of such costs by DESFA S.A. as well as the procedure for the taking of other necessary actions for the safe, reliable and economically efficient operation of the NNGS. The prices of the parameters introduced in the calculation of the load balancing costs are approved by RAE and published in the website of DESFA S.A..
- k) Any matter related to the resale of Natural Gas which is transported through the NNGS, such as the procedures for the submission, the publication in the Electronic System of Natural Gas Transactions, which is kept by DESFA S.A., and the acceptance of the proposal for the conclusion of a resale contract.
- l) The criteria on the basis of which the interruption of customers' supply may apply, by priority, for security of supply reasons in case of emergencies.
- m) The procedure for the out-of-court resolution of a dispute between Users and DESFA S.A. that may include the submission of disputes to arbitration conducted by RAE in accordance with the provisions of Article 24 of Presidential Decree 139/2001.
- n) The rules governing the transactions concluded between DESFA S.A. and the Users and especially the accounts that DESFA S.A. must keep for these transactions.
- o) The terms and conditions for conducting the tenders provided in par. 3 of Article 38 as well as the procedure for cost recovery of LNG quantities supply that are sold following a tender, including the fixed and variable transport cost of relevant quantities provided that such quantities correspond to clauses of compulsory purchase irrespectively of receipt (*Take-or-Pay*), though the security of supply account provided in Article 14.
- p) Every matter related to the confrontation of NNGS emergencies, pursuant to the provisions of Article 14, like the amount and preconditions for payment of consideration to customers for the interruption of Natural Gas supply, by priority, in case of emergencies and especially the precondition of evidencing non-default of Customers' Supplier.

r) Any other issue related to settlement of the way of management, exploitation, maintenance and development of E.S.F.A.

3. By decision of the Minister of Development, following approval of RAE, the Measurements Regulation which is drafted by DESFA S.A. pursuant to the stipulations of the NNGS Network Code is approved. This Regulation includes the rules, the minimum accuracy specifications of measuring dispositions, the procedures, the methods and every other detail regarding the measuring of Natural Gas.

By joint decision of the Ministers of Development and Mercantile Marine is approved the Certification Regulation of LNG vessels. This Regulation is drafted by DESFA S.A. pursuant to the stipulations of the NNGS Network Code and includes information on necessary technical specifications for unloading or loading LNG vessels in LNG Facilities and every technical or other characteristic with regard to transmitting LNG into or from its Facilities.

4. By decision of DESFA S.A., following RAE's approval, are regulated the methodologies, calculations, special approvals and details required for the implementation of the NNGS Network Code.

5. Until the enactment of the NNGS Network Code, its operation is conducted on the basis of the applied procedures and practices of DEPA S.A. unless it is otherwise provided in the provisions of this law. By decision of the Minister of Development, following an opinion of RAE's and after a report submitted by a User, are temporarily regulated issues of NNGS operation to ensure that its operation is conducted by transparent, objective and impartial criteria and it is simultaneously succeeding in the safety, reliability and effectiveness of the NNGS without discriminations amongst Users.

Article 10

Development of the NNGS

1. Upon regular time periods, pursuant to the stipulations of the NNGS Network Code, DESFA S.A. shall draft an NNGS Development Study for the next ten (10) years taking especially into consideration predictions of future Natural Gas demand and any need to find new sources of Natural Gas supply, expansions and reinforcements of the NNGS.

2. The Study for the Development of the NNGS includes a draft NNGS Development Plan which defines its development, reinforcement and interconnection works that are meant to be built within a time period of five (5) years from the adoption of the above Plan, its time schedule and the way of subject works construction as well as their budgetary cost.

3. The NNGS Development Plan, which is drafted by DESFA S.A., is finalized and submitted to the Minister of Development and to RAE. The NNGS Development Plan is approved by a decision of the Minister of Development to be issued after a concurrent opinion of RAE's. A summary of the NNGS Development Plan approval decision is published in the Gazette of the Government.

4. DESFA S.A. is obliged to execute the NNGS Development Plan based on the approved 'DESFA S.A Supplies and Works Regulations' that are issued by decision of the Minister of Development. Until the issuance of these Regulations, the 'DEPA S.A. Supplies and Works Regulations' shall apply.

The provisions of these Regulations conform to the company's organization and to DESFA's purpose when required by decision of the DESFA's Board of Directors.

5. When preparing the NNGS Development Plan, it is especially taken into consideration:

- a) The need to meet Natural Gas demand, to fulfill public service obligations and to ensure the supply in a credible way.
- b) The improvement of the NNGS efficiency and the ensuring of its orderly operation aiming at the prevention of congestions, emergencies, refusal of access or forbidding of transit.
- c) The supply of new areas with natural gas and the ensuring of new Users' potential access.
- d) The protection of the environment.
- e) The sustainability of the works included in the Program and their potential financing outside the framework of the Development Program.
- f) The targets of peripheral development.

Article 11

Technical rules

Objective criteria of technical safety and technical rules determining the minimum technical specifications of planning and operation in relation to the construction and connection of the LNG Facilities, storage facilities, other transmission and distribution networks with the NNGS in order to secure the safe operation and interoperability of such facilities, are prescribed by virtue of a decision of the Minister of Development, which is issued following a proposal from DESFA S.A. according to the provisions of Presidential Decree 39/2001.

Article 12

Reservation of NNGS capacity

1. For the reservation of NNGS capacity, contracts are concluded between DESFA S.A. and the Users in accordance with the provisions of case a', par. 2 of Article 8. These contracts are concluded within reasonable time from submission of relevant application by the User. DESFA S.A. elaborates on the submitted applications whilst observing priority of submission. Contracts may also be concluded for capacity which will be available in the future according to the approved NNGS Development Program. These contracts may provide for an obligation to compensate the Users, if the contractually reserved capacity is not available at the time defined therein.

2. Interruptible capacity reservation contracts are valid. In this case, the facility use-tariffs are drafted according to the provisions of Article 31, taking into consideration the possibility of NNGS access interruption.
3. Part of NNGS capacity, which is determined by a decision of RAE after a proposal of DESFA S.A. according to the procedure stipulated in the NNGS Network Code, is reserved by DESFA S.A. for the needs of gas balancing and the rendering of public utility services.
4. The NNGS Network Code may determine the maximum capacity available for reservation by the same User at a certain NNGS entry point. Exceptions to this limitation may be stipulated for the service of long-term Natural Gas Supply Contracts that have been concluded before the entry into force of this law.
5. By substantiated decision of DESFA S.A., after an approval of RAE, reserved capacity that is not being used may be released in accordance with the provisions of the NNGS Network Code. The release of capacity results in the discharge of User from financial obligations against DESFA S.A. that correspond to the capacity being released.
6. By contracts concluded between Users is allowed the assignment of rights deriving from a capacity reservation contract as well as the assumption of respective obligations in accordance with the provisions of the NNGS Network Code. Capacity reservation contractual clauses which limit or exclude the possibility of assignment and assumption are forbidden and are absolutely null and void. The assignment and assumption contracts are concluded solely in writing.
7. DESFA S.A. keeps a Booked Transmission Capacity Holders Register where it registers the Users in favor of whom capacity is reserved.

Article 13

NNGS Users Registry

1. Entitled to conclude Transportation Contracts with DESFA S.A. and Contracts for the Use of LNG or Storage Facilities included in the NNGS are those registered with the NNGS Users Registry.
2. RAE registers with the NNGS Users Registry, following submission of relevant application:
 - a) the Suppliers, b) the Eligible Customers, for the Natural Gas quantities they are supplied and c) any person who provides sufficient guarantees of financial credibility and technical adequacy.
3. RAE drafts the NNGS Users Registry Regulation which is approved by a decision of the Minister of Development. By said Regulation are regulated any technical issues in relation to the structure of the Register, the guarantees of financial credibility and technical adequacy that must be provided for the registration with it, when so required, the deletion from the Register, the access to it, as well as any relevant detail.

Article 14

Coping with emergencies

1. DESFA S.A. prepares a draft Plan for Coping with Emergencies and Administration of Crises. This Plan is approved by the Minister of Development following an opinion of RAE's. DESFA S.A. takes the necessary measures for coping with emergencies, pursuant to the provisions of the NNGS Network Code.
2. Between DESFA S.A. and Major Customers a contract is concluded for the interruption of Natural Gas supply by priority, against consideration, in case of emergency. This contract is compulsory concluded with the holders of license for electric power production fuelled by natural gas who must keep reserves of spare fuel according to the terms of the relevant electric power production license.
3. For the fulfillment of DESFA S.A.'s obligations in accordance with the contracts provided in the previous paragraph, DESFA S.A. collects from all Users a security of supply stamp due. The amount of the security of supply stamp due per unit as well as the maximum allowed limit of security of supply account are defined by a decision of RAE's.
4. In case of NNGS emergency, are being interrupted by priority the supplies of:
 - a) The holders of license for electric power production and the rest of Customers with whom DESFA S.A. has concluded a contract according to paragraph 2.
 - b) Other Customers whose interruption of supply is judged absolutely necessary for ensuring the reliable and safe operation of the NNGS, according to the Interruption Sequence Catalog which is drafted by DESFA S.A. and approved by the Minister of Development after an opinion from RAE.

CHAPTER C'

INDEPENDENT NATURAL GAS SYSTEMS

Article 15

ASFA License

1. Entitled to construction and ownership of ASFA are the holders of ASFA License. The ASFA License is granted solely to legal entities by decision of the Minister of Development, following an opinion of RAE's, according to the provisions of the Licenses Regulation.
2. The criteria for granting an ASFA License refer mainly to:
 - a) The service of public interest and especially the service of areas not supplied with natural gas, the enhancement of the Country's security of supply and the protection of the environment.

- b) The specific features of the applicant and especially its technical and financial ability that guarantee the complete construction and the safe, reliable and financially efficient operation of the project.
- c) The enhancement of free competition in the Natural Gas market and especially the provision of third parties access to the ASFA in a direct and economical way in accordance with the principles of transparency and without discrimination amongst Users or categories of Users,
- d) The demand which is foreseen to be served by the proposed investment and the economic efficiency, technical completeness and reliability of the ASFA.
3. The previous refusal of access to the NNGS or to another ASFA constitutes a precondition for granting an ASFA License for Direct Lines.
4. The License contains at least the following:
- a) The details of the holder.
- b) Description of the ASFA, for which the License is granted, with special reference to the position and geographical area of installation and the technical and operational features of the project.
- c) The term of the License.
- d) The rights granted by the License as well as the conditions and restrictions pertaining to the exercise of such rights.
5. The ASFA License is amended in case of expansion of the ASFA or other change, as in case of change in its technical features, pursuant to the provisions of the Licenses Regulation. Same Regulation regulates the procedure and conditions for the change of the holder or his shareholders.
6. The granting of an ASFA License does not release its holder from the obligation to obtain other licenses or approvals provided for by the legislation in force, such as installation and operation licenses.
7. By means of the ASFA License, special terms and restrictions may be imposed upon the holder of the license for a specific time period for reasons of public interest pursuant to the provisions of the Licenses Regulation, such as:
- a) The obligation to pay compensation to DESFA S.A. or the imposition of a special levy on the Users of the ASFA in favor of DESFA S.A., provided that the use of the ASFA is favored by the use-tariffs of the NNGS and it may have a negative effect on the latter's economic effectiveness. The amount of the compensation is determined in a way that the negative effect is fully counterbalanced.
- b) The obligation of DESFA S.A. to pay to the owner of ASFA a reasonable compensation provided that the ASFA contributes decisively to the economic effectiveness of the NNGS.
8. DESFA S.A. keeps a special account for the administration of payments and charges provided for under cases a' and b' of paragraph 7. The balance of this account is taken into consideration for the determination of the tariffs for the use of the NNGS in accordance with the Tariff Regulation.

Article 16

Tender for granting ASFA License

1. For the granting of an ASFA license a public tender may be conducted in case where:
 - a) The construction of a specific ASFA is necessary for reasons of serving the public interest, such as security of supply, protection of the environment and to harmoniously develop the suburban areas.
 - b) More than one application is submitted for the granting of an ASFA License in relation to the same geographical site or area.
 - c) The granting of an ASFA License, for which an application was submitted, is considered that it might have negative consequences to the detriment of potential competition in the framework of long-term energy planning, especially if it favors the creation of a dominant position in the market or by negatively affecting the development of similar competitive investments for a long period of time because they become financially ineffective and non-viable.
2. For the conducting of a tender in the cases mentioned in the above paragraph it is the Minister of Development who decides, following a proposal from RAE. Said decision determines the tender's scope, invites interested parties to submit bids and defines the procedure of the tender, the terms and conditions of participation, the awarding criteria and every other necessary detail. Same decision may determine that for a specific time period it is not granted another ASFA License for the same area or respective facility with that of the tender.
3. A summary of the above invitation is published in the Gazette of the Government, in a daily newspaper of Athens with country wide circulation, in two daily or weekly newspapers of the ASFA place of installation, if so available, in RAE's website and in the Official Gazette of the European Communities, at least three (3) months before the expiration date defined therein for submission of bids. By decision of the Minister of Development, issued after a proposal from RAE, the above time-limit may be shortened for a time period of not less than forty five (45) days, provided that exist reasons of public interest.
4. The writing of obligations and every other issue provided for in the invitation are set at the disposal of interested parties in accordance with the invitation to submit bids. The writing of obligations includes the general and the special terms and conditions for granting the ASFA License according to the Licenses Regulation.
5. RAE evaluates the proposals submitted and opines to the Minister of Development in relation to the results of the tender and the granting of the ASFA License.
6. The person selected by means of the tendering procedure must incorporate a company in the form provided for in the relevant tender declaration for the exclusive purpose of

constructing, owning and operating an ASFA within the specific time-limit provided for in the invitation to submit bids, within which is also granted the relevant ASFA License.

Article 17

Exemption from the obligation to provide TPA to ASFA

1. A request for exemption from third party access for part or the total of the ASFA is submitted together with the application for granting an ASFA License or the application for the amendment of said License because of ASFA expansion or the application to increase its capacity.
2. The exemption is granted by decision of the Minister of Development, after a concurrent opinion of RAE's, for a specified time period in accordance with the procedure and the preconditions provided in the provisions of Articles 22 and 28, par. 4 of Directive 2003/55/EC.
3. The application of the procedure described in paragraphs 1 and 2 is not required in case of ASFA, which consist part of interconnection, for which exemption from third party access has been granted according to the provisions of article 22 of Directive 2003/55/EC. In that case, all the documents related to the granted exemption are submitted with the application for granting an ASFA License. In the ASFA License are included all the terms into which the exemption was granted.
4. In case an application is submitted for the granting of ASFA License for an Independent Storage Facility in subterranean natural spaces, for which a hydrocarbons exploitation license has been granted, the license granted in accordance with this article replaces the hydrocarbons exploitation license.

Article 18

ASFA Operator

1. The operation and exploitation of an ASFA is permitted to those who have been granted an ASFA Operation License.
2. The ASFA Operation License is granted, following submission of relevant application, in accordance with the Licenses Regulation by a decision of the Minister of Development after an opinion of RAE's. By the ASFA Operation License, and following relevant request of the ASFA License holder, it may be permitted for a third person to execute ASFA operation actions.
3. The ASFA Operation License is granted to the holder of the respective ASFA License. In case of initial or later interconnection to the NNGS, the ASFA Operation License is granted to DESFA S.A. with the exemption of ASFA, operating by regulation of a Intergovernmental Agreement or ASFA which serves only Stated Transit. In the case the holder of the ASFA License concludes a contract with DESFA S.A. that defines the compensation owed by DESFA S.A. to the holder of the ASFA License from the sum of collectible income of DESFA

S.A. based on the published tariffs for the use of the ASFA due to the assumption of ASFA operation.

4. The ASFA Operator lawfully exercises the Main Natural Gas Activities specified in the ASFA Operation License.

5. If the ASFA Operator participates in a Vertically Integrated Undertaking, it must be independent from other sectors or departments of such Undertaking with respect to its legal form, organization and the procedures of decision-making. For this purpose:

a) The persons exercising the administration of the ASFA Operator are prohibited from participating in any way in other sectors or departments of the Vertically Integrated Undertaking, and from having private interests that prevent the exercise of their duties in an independent and objective way.

b) The ASFA Operator may adopt decisions with regard to the resources and investments required for the operation, maintenance and development of the ASFA, independently from the Integrated Natural Gas Undertaking. Such decisions-making does not rule out coordination procedures, so that the protection of the business supervision of the holding company in relation to the investments' return is reassured. The holding company may approve especially the annual financing plan or other equivalent measure, without having the right to intervene in any way whatsoever in the management, the day-to-day operation or to separate decisions in relation to the upgrading of the ASFA, so long as no excess of the approved financing plan occurs.

6. To ensure the equal treatment of ASFA Users, the ASFA Operator drafts a Deontology Code which is approved by RAE.

Said Deontology Code defines, among others, the obligations of the Operator's employees and the measures taken to ensure equal treatment. The ASFA Operator submits to RAE an annual report in relation to the observance of said Code where it is recorded the measures that have been taken. This report is published on the website of respective Operator.

Article 19

Competences of ASFA Operator

1. The ASFA Operator operates, maintains, exploits and develops a technically perfect, economically efficient and complete ASFA.

2. For this purpose, the ASFA Operator:

a) Provides access to the ASFA to another ASFA Operator when the two ASFA are interconnected and to Users of the ASFA under the most economic, transparent and prompt means for as long as it so requested. For this purpose, the ASFA Operator enters into Contracts for the Use of the ASFA, pursuant to a model contract prepared and published by the ASFA Operator, following RAE's approval, with those registered with the corresponding ASFA Users Registry. Such Contract for the Use of the ASFA mainly defines the services to be rendered to the Operator's contracting party and the charges due pursuant to the published charges catalog. Refusal of access to the ASFA is permitted solely because of lack

of capacity, in accordance with the ASFA Network Code, or when the access to the System may obstruct the ASFA Operator from fulfilling its public service obligations assigned to it, unless it has been granted an exemption pursuant to the stipulations of Article 17.

b) Provides its services on a transparent and objective basis without introducing discriminations amongst ASFA Users and, especially, discriminations in favor of its affiliated undertaking, their shareholders or their subsidiaries.

c) Publishes a catalog of all tariffs with which it charges the Users for the services related to the ASFA.

d) Prepares and publishes an annual maintenance works program, which is approved by RAE, and maintains the ASFA based on that program.

e) Keeps a Register of ASFA Users which is published on its website.

f) Cares for the observance of the ASFA gas balancing regulations in accordance with its Network Code and imposes the relevant charges upon the ASFA Users. The methodology for the determination of the charges for the balancing of ASFA's gas is approved by RAE.

g) Provides adequate information to any other Operator of a Natural Gas System or Distribution Network interconnected with the ASFA for the safe and effective operation of the interconnected Natural Gas Systems and Distribution Networks.

h) Must respect the confidential character of the commercial information that came to its knowledge during the performance of its competencies and must prevent the disclosure of any information relevant to its activities that may provide commercial advantages to third parties in an unfair way. It must also not abuse the commercially sensitive information that receives from third parties during the provision of or the negotiations for access to the ASFA.

i) Takes the security of supply measures provided for under the ASFA Network Code and informs RAE accordingly and also DESFA S.A., if so required.

j) Prepares a plan for coping with emergencies and dealing with crises, which is approved by the Minister of Development following an opinion of RAE's.

k) Programs new investments for the reinforcement and expansion of the ASFA, in accordance with the ASFA Network Code.

l) Prepares a report, on an annual basis, for the operation of the ASFA as well as for the level and the quality of its maintenance during the preceding year. In that report it is included the existing transmission capacity of the ASFA as well as any changes of its technical features.

3. The ASFA Users are obliged to provide the ASFA Operator with adequate information so as it is ensured its safe and effective operation under conditions of free competition.

Article 20

ASFA Network Code

1. The operation of each ASFA is conducted according to the ASFA Network Code, which is prepared by the ASFA Operator, it is approved by the Minister of Development following an opinion of RAE's and it is published in the Gazette of the Government.

2. The ASFA Network Code, depending on the special features of each respective ASFA, particularly regulates:

- a) The terms, the conditions, the technical details and the minimum required operational specifications for the access of Users to the ASFA.
- b) The terms and conditions of the Natural Gas transportation or Facility use contracts as well as the procedure for the assignment of the Users' rights that derive from such contracts.
- c) The management of the ASFA interconnections as well as the cooperation and exchange of information with the Operators of Natural Gas Systems interconnected to the ASFA.
- d) The way of conducting the measurements and the determination of the quality specifications and the conditions for Natural Gas delivery and acceptance.
- e) The procedure for the allocation to Users of the measured quantities of Natural Gas in the entry and exit points of the ASFA.
- f) The programming, the implementation and the monitoring of the ASFA maintenance and development.
- g) The procedure for the adoption of the necessary measures, including the measures for load balancing, for the safe, reliable and financially efficient operation of the ASFA.
- h) The criteria according to which it is possible the interruption of consumers supply by priority for reasons of security of supply in cases of emergency.
- i) The procedure for the extra-judicial settlement of disputes between the Users and the ASFA Operator that may include submission of disputes in arbitration conducted by RAE pursuant to the provisions of article 24 of Presidential Decree 139/2001.
- j) The rules governing the transactions of the Operator with the Users and especially the accounts that the Operator must keep for such purpose.
- k) Any other matter relevant to the regulation of the way of operation, exploitation, maintenance and development of the ASFA.

3. The methodologies, the calculations, the special approvals and the details required for the application of the ASFA Network Code are regulated by a decision of RAE's, following an opinion of the respective Operator.

CHAPTER D'

NATURAL GAS DISTRIBUTION

Article 21

Gas Supply Companies (EPAs)

1. The EPAs of Attica, Thessalonica and Thessaly that have been incorporated pursuant to the provisions of Law 2364/1995 shall exercise their activities of distribution and supply of natural gas to non-Eligible Customers in accordance with the provisions of Law 2364/1995,

the provisions of Articles 25, 31 and 32 and the terms of the natural gas distribution licenses granted to them.

2. The Gas Distribution Companies (*EDAs*) that have been incorporated pursuant to the provisions of Law 2364/1995 shall merge into a single EDA or shall be absorbed by DEPA S.A. in accordance with the provisions of Article 4, par. 2 of Law 2364/1995 until the establishment of DESFA S.A. at the latest.

With the merging of the aforementioned EDAs in one EDA, in accordance with the provisions of law 2364/1995, as in force, where it refers to Gas Distribution Company, is considered hereinafter the single Gas Distribution Company, as resulted from the above paragraphs and which participates in the Share Capital of the new EPAs which are going to be incorporated according to paragraph 4 of the current article.

3. By virtue of this law, DEPA S.A. is granted natural gas distribution and supply licenses that are valid for the administrative boundaries of the Prefecture of Corinth as well as the Counties of Sterea Hellas & Evia, Central Macedonia and Eastern Macedonia & Thrace, except for those areas that fall under the jurisdiction of the EPAs mentioned in paragraph 1. The terms, the restrictions and the conditions of the natural gas distribution and supply licences granted to DEPA S.A. pursuant to this paragraph shall be determined by decision of the Minister of Development, following an opinion of RAE's, after taking particularly into consideration any derogation granted in accordance with the stipulations of Article 24, paragraphs 4 and 5 of Directive 2003/55/EC. For this purpose, DEPA S.A. is obliged to submit to the Minister of Development and RAE all the data that are necessary for the above distribution networks within a time-limit of six (6) months from the publication of this law in the Gazette of the Government.

4. DEPA S.A. is obligated to proceed with the actions mentioned under paragraph 6 of Article 4 of Law 2364/1995 for the incorporation and operation of new EPAs in the areas defined in the first section of the previous paragraph, except for the Prefecture of Corinth. By ministerial decision issued pursuant to the provisions of Article 4, paragraph 8 of Law 2364/1995 are regulated, *inter alia*, the terms of natural gas supply of any such EPA under incorporation while a time-limit within which the relevant tender must be launched may also be provided for. As from the incorporation of a new EPA in accordance with this paragraph, the licence granted to DEPA S.A. for the corresponding area pursuant to paragraph 3 ceases to be in force.

5. The EPAs incorporated in accordance with the previous paragraph are granted a natural gas distribution license pursuant to the provisions of Law 2364/1995, provided that the procedure stipulated under paragraphs 4 and 5 of Article 28 of Directive 2003/55/EC has been observed.

6. In areas under an EPA's jurisdiction, it is possible the granting of ASFA Licenses for Direct Lines with pressure design equal to or less than 19 barg.

Article 22

Natural Gas Distribution License

1. The construction, operation and administration of a Distribution Network, except for the cases provided for in Article 21, are conducted in accordance with the provisions of this article solely by the holders of a Distribution License. The Distribution License is granted by decision of the Minister of Development after an application of the interested party and an opinion of RAE's.

2. For the granting of a Distribution License a tender is conducted by decision of the Minister of Development, after an opinion of RAE's, in the cases where: a) for the construction of the Distribution Network, a subsidy is granted from domestic or community resources, b) for the granting of a Distribution License for a specified geographical area, more applicants express their interest. The decision for conducting a tender is published in the Gazette of the Government and a summary thereof in two daily newspapers, of large publicity, issued in Athens. RAE evaluates the proposals submitted in the tender and opines to the Minister of Development for the granting of the respective License or the declaration of the tender as a barren one.

3. The refusal of granting a Distribution License for a specified geographical area is permitted, provided that there has already been constructed or it is foreseen to be constructed in the same area a Distribution Network based on some other Distribution License and the existing or the foreseen capacity has not been exhausted.

4. The denial of granting another Natural Gas Distribution License is permitted in accordance with the provisions of this article for the geographic areas mentioned in paragraph 3 of Article 21.

5. When the holder of a Distribution License participates in a Vertically Integrated Undertaking, he must be independent from the other sectors or parts of said Undertaking at least in its legal form, organization and decision-making. For this purpose:

a) The persons exercising the management of the Distribution License holder are not allowed to participate in any way to other sectors or parts of the Vertically Integrated Undertaking and maintain private interests that obstruct the exercising of their duties in an independent and objective way.

b) The Distribution License holder may take decisions for the resources and investments required for the operation, maintenance and development of the Distribution Network independently from the Integrated Natural Gas Undertaking. These decisions-making does not exclude any possible co-ordination procedures that are required to secure the protection of the business supervision of the Vertically Integrated Undertaking in relation to its return on investment. Specifically, the holding company may approve the annual financing plan or any other equivalent means without acquiring a right to intervene in the management, the day-to-day operation or in the separate decisions concerning the upgrading of the Distribution Network as long as there are no overruns of the financing plan approved.

c) The holder of the Natural Gas Distribution License prepares a Deontology Code which defines the obligations of its management and personnel, the measures that must be taken in order to avoid any discriminating behavior whatsoever, the measures for the implementation of this Code and the means to monitor its observance. Until the 31st of January of each year, the holder of the Natural Gas Distribution License submits to RAE a report where which it is described the measures that have been taken in relation to the observance of Deontology Code.

6. The provisions of the preceding paragraph do not apply when the holder of the Distribution License serves less than 100.000 connected Customers.

CHAPTER E

STATED TRANSIT

Article 23

Stated Transit

1. For the performance of Stated Transit, Transportation or LNG Facility Use or Storage Facility Use 'Contracts' are concluded pursuant to the Network Code of the Natural Gas System within reasonable time from submission of respective application between the Natural Gas System Operator and individuals or legal entities having their registered offices within a member state of the European Union or of the European Economic Area as well as within countries with which Greece has signed an international co-operation agreement for energy matters. During the evaluation of the applications, the System Operator is not permitted to proceed with discriminations between the applicants and the Users of the System.

2. Refusal of access to the System for Stated Transit is only permitted for reasons of lack of capacity, according to the Network Code of the Natural Gas System, or for reasons of natural gas quality or because of technical difficulties with regard to the interconnection as well as in case that the access to the Natural Gas System obstructs the Operator from fulfilling its public service obligations assigned to it. The refusal of access is substantiated by a decision of the Operator and a copy thereof is notified to RAE.

CHAPTER F

NATURAL GAS SUPPLY

Article 24

Natural Gas Supply License

1. The sale of natural gas to Eligible and non-Eligible Customers is conducted by the holders of respective Natural Gas Supply License. Every other activity of purchasing, sale, import and export of natural gas is conducted freely.
2. The Natural Gas Supply License is granted by the Minister of Development, following an opinion of RAE's, according to the terms and conditions provided for in the Licenses Regulation.
3. In case of emergency the holders of Natural Gas Supply License, who do not supply only Major Customers, are obliged to provide uninterruptedly natural gas to Customers who are not Major Customers, following an order by DESFA S.A. For the fulfillment of said obligation, the holder of the Supply License is compensated in full, as provided in his license.
4. The holders of Supply License are obliged to inform RAE and the Natural Gas System Operator of the estimated total demand of Natural Gas by their Customers for the following Year, of the relevant reasonable assessments for the following years and to provide any data which is necessary for the development of the respective Natural Gas System.
5. A Supply License for non-Eligible Customers, who are not located in a geographical area under the jurisdiction of the EPAs defined in paragraph 1 of Article 21 or in an area for which a distribution and supply license has been granted pursuant to the provisions of par. 3 of Article 21, is granted solely to DEPA S.A. who is obliged to submit the relevant application within a time-limit of three (3) months from the enactment of the Licenses Regulation.

Article 25

Eligible Customers

1. Eligible Customers, apart from those mentioned in Article 24 of Law 3175/2003, are also the following:
 - a) As from the coming into force of this law, the holders of license for cogeneration of electricity and heat fuelled by Natural Gas provided that their annual consumption for cogeneration exceeds 100.000 MWh HHV.
 - b) As from 15.11.2008, the non-household customers located outside the geographic areas under the jurisdiction of EPAs and the areas for which a derogation will be granted in accordance with the provisions of paragraphs 4 and 5 of Article 28 of Directive 2003/55/EC as well as the non-household customers located in the above areas, provided that they are Major Customers or they are supplied with Natural Gas in order to compress it for final use by motor engines.
 - c) As from 15.11.2008, the EPAs defined in paragraph 1 of Article 21 for the supply of natural gas quantities beyond the annual contractual quantity determined for the year 2010 by the contract in force, at the time of this law coming into force, between each EPA and DEPA S.A. and until the expiration of each such contract. As from the expiration of these contracts, the

EPAs defined in paragraph 1 of Article 21 become Eligible Customers for any natural gas quantity.

d) As from 15.11.2009, the household customers who are not found in a geographic area under the jurisdiction of EPAs and in areas for which a derogation will be granted in accordance with the provisions of paragraphs 4 and 5 of article 28 of Directive 2003/55/EC.

e) As from the time of expiration of the licenses granted to the EPAs defined in paragraph 1 of Article 21, the rest customers of these EPAs.

f) The EPAs incorporated after this law's coming into force, as from their establishment pursuant to the terms and conditions that may be defined by the ministerial decision to be issued in accordance with paragraph 4 of Article 21 herein and paragraph 8 of Article 4 of Law 2364/1995.

2. As from 15.11.2008, the Natural Gas quantity supplied to a Customer per site of consumption to qualify for the listing with the Major Customers is determined:

a) By the average fuel consumption during the last two twelve-months periods before the conclusion of the supply contract with the holder of a Supply License or the extension of an existing contract.

b) In case of new plants, by the capacity of their facilities.

c) In case of expansion of existing plants' installed capacity, by the quantities calculated pursuant to case a' above and the new installed capacity.

3. The EPAs are obligated to allow the access of Suppliers to the Distribution Networks they operate, provided that this is so required for the supply of customers who become Eligible according to paragraph 1. Refusal of access is permitted only in cases where access results in the violation by the EPAs of existing legislation or of the natural gas distribution license terms or jeopardizes the safe operation of the Distribution Network. For access to Distribution Network compensation for the use of such Network is due to the EPAs, the amount of which is defined according to the Tariff Regulation that is being issued pursuant to Article 31.

4. The natural gas sale tariffs to non-Eligible Customers who are not found in areas under EPAs' jurisdiction nor are they Major Customers are approved the Minister of Development following a concurrent opinion of RAE's.

Article 26

Suppliers with high market share

1. Supplier with high market share is deemed the Supplier who covers a percentage equal to or higher than 40% of the total annual Natural Gas Quantity that is being supplied to Eligible Customers in Greece.

2. By decision of the Minister of Development, issued after a proposal from RAE and published in the Gazette of the Government, there may be stipulated special obligations for the Suppliers with high market share, such as: a) Obligation to prepare and publish a draft

model Supply contract which is valid for all Customers of the same category. In the draft Supply contract, which is approved by the Minister of Development after an opinion of RAE's and following public consultation, it is included at least the general terms determined by the Supply Code. The parties may agree for additional terms, provided that these terms do not contradict the general terms.

b) Obligation to publish, in accordance with the Code of Supply, the structure of tariffs and the principles that they apply for the calculation of the charges contained in the supply contracts they conclude with Eligible Customers. c) Maximum sale prices in the Eligible Customers' tariffs.

3. If the two major Suppliers that cover a percentage equal to or higher than 80% of the total Natural Gas Quantity supplied to Eligible Customers in Greece, by the decision issued according to the provisions of paragraph 2, same obligations are also imposed on the second major Supplier even if he is not a Supplier with high market share.

4. The market shares expressed in percentages according to the present article are calculated by RAE based on sales data submitted by the suppliers annually or in regular time periods, if RAE estimates that there occur changes in said market shares. For the calculation of the market share of a Supplier, the market shares of the companies controlled by the Supplier pursuant to paragraph 3 of Article 4 of Law 703/1977 are also calculated.

Article 27

Resale of Natural Gas

1. An Eligible Customer is entitled to resale to another Eligible Customer the total or part of the Natural Gas Quantity which he is supplied, provided that the natural gas re-sold is transmitted through the same Natural Gas System or interconnected Natural Gas Systems. Clauses in the supply contracts with which the resale right is restricted are absolutely null and void.

2. Other issues regarding the Resale of Natural Gas pursuant to the provisions of this article are regulated by the Network Code of each Natural Gas System.

Article 28

Eligible Customers Supply Code

1. The Eligible Customers Supply Code, which is approved by the Minister of Development following a proposal from RAE and is published in the Gazette of the Government, regulates the terms and conditions for the Supply of Natural Gas to Eligible Customers.

2. Before the submission of its proposal for the Eligible Customers Supply, RAE conducts a public consultation during which the interested parties are invited to submit their views.

3. The Eligible Customers Supply Code mainly defines:

- a) The terms and conditions of natural gas supply and of Supply services and the general terms contained in supply contracts.
 - b) The circumstances under which it is permitted to discontinue the Supply, especially when the customer is in default of due payments.
 - c) The reasons for and consequences of Natural Gas Supply contracts termination.
 - d) Any other detail in relation to the Supply of Natural Gas to Eligible Customers.
4. The first, the second, the third and the fifth section of paragraph 3 of Article 24 of Law 3175/2003 also apply to the supply contracts concluded between Eligible Customers and Suppliers.

Article 29

Single Natural Gas Market

1. By decision of the Minister of Development, issued following an opinion of RAE's, a Single Natural Gas Market (SNGM) may be established having as its object the transactions of natural gas with physical delivery for the promotion of free competition and the protection of the consumers. Said decision determines especially the time of commencement of SNGM operation, the framework for conducting transactions, the kind and nature of the transactions, the organizational framework of the Market as well as the SNGM Operator.
2. DESFA S.A. may be appointed as the SNGM Operator.
3. By decision of the Minister of Development, following a proposal from the SNGM Operator and an opinion of RAE's, a SNGM Operation Regulation is issued which is published in the Gazette of the Government. This Regulation regulates any other issue in relation to the organization and operation of the SNGM, such as the conducting and clearing of transactions, the participation guarantees, the keeping of an electronic system for facilitating the conducting of said transactions, the operational cost of the Market and every necessary detail.
4. The Operator registers with its special registry the Natural Gas Suppliers, the Eligible Customers and any interested party without discrimination, unless it concurs one of the reasons explicitly mentioned in the Operation Regulation and especially the non-payment of the participation guarantee. Any individual or legal entity may conduct transactions in the SNGM upon registration with the special registry.
5. Any Natural Gas Supplier who has been registered with the special registry is obliged to offer for sale through the SNGM a quantity that corresponds to at least 5% of the Natural Gas Quantity he supplied to Customers during the preceding twelve (12) months.
6. The SNGM Operator publishes in an electronic format all bids he receives for the purchase and sale of Natural Gas through the SNGM without mentioning the person submitting the bid.
7. By decision of RAE's there may be provided for maximum prices and the terms of the sale offer of natural gas to the SNGM in order to ensure free competition and the protection of the consumers.

8. The Natural Gas System Operator gives priority to the Transportation of Natural Gas Quantities which constitutes the object of a transaction with physical delivery through the SNGM.

Article 30

Restriction of Natural Gas Suppliers maximum profit margin

1. For coping with formation of natural gas prices at levels that are not justified in accordance with the rules of free competition and the special conditions of the international and domestic market, it is permitted the setting of a maximum profit margin of the Suppliers with respect to every or some categories of Customers by common decision of the Ministers of Economy & Finance and Development issued after an opinion of RAE's. The term of the above decision lasts for as long as it is required by the conditions and in any case for a period that cannot exceed two (2) months. After the expiration of above decision's term, the competent Ministers may extend its term for an equal time period, following re-examination of the conditions and provided that it is deemed necessary.

2. For the setting of the above maximum profit margin pursuant to the preceding paragraph, it is taken into consideration the factors affecting the sale prices of natural gas, such as the average natural gas supply price at the entry points of the Natural Gas System that is formed based on the supply contracts concluded by Suppliers, the cost of use of the Natural Gas System used for the delivery of Natural Gas to different consumers categories and the taxation charge of natural gas.

CHAPTER G'

TARIFFS OF SERVICES – KEEPING OF ACCOUNTS

Article 31

Basic Activities Tariffs

1..With the Tariff Regulation, which is prepared by RAE and approved by the Minister of Development following a proposal from the corresponding competent Natural Gas System Operator and after public consultation, it is regulated the methodology of tariffs setting for the charging of each Basic Activity.

2. During the regulating of tariffs methodology for each Basic Activity, it is pursued:

- a) The stability of prices to the benefit of Users.
- b) The reasonable return on the capitals committed by the Natural Gas System Operator.
- c) The rendering of services, including the public service obligations, in the most reliable, economic and friendly to the environment way.

- d) The covering of the Natural Gas System Operator's expenses for fulfilling the public service obligations that have been imposed on him.
 - e) The strengthening of free competition in the Natural Gas market.
 - f) The observance of the principles of transparency, equal treatment and impartiality.
 - g) The provision of incentives for the efficient operation, the wise programming and the development of the infrastructure required for the exercising of the Main Activity.
 - h) The co-assessment of the market's concerned special characteristics, such as any cost differentiation that is attributed to the topology of the System.
 - i) The provision of incentives for charges concerning new consumers.
 - j) The materialization of new investments in Natural Gas Systems for the safe supply, their viability and the serving of expected future demand.
3. Said Tariff Regulation may define that through the tariffs for DESFA S.A.'s Basic Activity of Transmission it is covered the total or part of DESFA S.A.'s expenses for the serving of capital and the operation and maintenance of Basic LNG Activity. This decision is taken on the criterion of the LNG Facility's contribution to the load balancing of the NNGS, the security of supply and the facilitation of the entering of new suppliers in the Natural Gas market.
4. By the Tariff Regulation are regulated the access-tariffs to a Distribution Network, for the purpose mentioned in paragraph 3 of Article 25, without modifying the provisions relating to tariffs included in the Natural Gas Distribution licenses that have been granted until the coming into force of this law. Until the enactment of the Tariffs Regulation, the access-dues to Distribution Networks determined in accordance with the Natural Gas supply contracts that have been concluded between DEPA S.A. and the EPAs before 15.3.2002 still apply and are collected.
5. With the exception of the ASFA Operators to whom an exemption is granted pursuant to the provisions of Article 17, the tariffs based on which each Natural Gas System Operator collects any compensation for every Main Activity, including the charges for Nominated Transit, are prepared by the respective Operator according to the Tariffs Regulation, are approved by a decision of the Minister of Development after a concurrent opinion of RAE's and are valid as from the publication of said decision in the Gazette of the Government.
6. The tariffs of each Basic Activity include a charge per capacity unit and a charge per unit of Natural Gas Quantity. Through the charge per capacity unit are particularly recovered fixed expenses of the Main Activity that include depreciations, the operating capital, the cost of the invested capital, including capital expenses for new investments according to the Development Program in case of the NNGS or the relevant programming of new investments in case of ASFA. Through the charge per unit of Natural Gas Quantity are particularly recovered variable expenses of the Main Activity. It is not recovered through the tariffs the cost of acquiring fixed assets that has been paid by Suppliers or Customers.

Article 32

Keeping of Accounts – Accounting Unbundling

1. The legal entities that exercise the Natural Gas activities mentioned in Article 1, irrespectively of their ownership status or legal form, prepare, submit for control and publish their annual financial statements according to the provisions of Article 42a seq. of Law 2190/1920.
2. The legal entities mentioned in the preceding paragraph keep separate accounts for the activities of Supply to Eligible Customers and Supply to non-Eligible Customers as well as for the expenses incurred for the fulfilling of public service obligations imposed on them.
3. The Integrated Natural Gas Undertakings keep separate accounts for the activities of Natural Gas Transmission, LNG Facility, Natural Gas Storage Facility, Natural Gas Distribution and other Natural Gas Activities as well as a unified account for any other activities besides the natural gas sector, as exactly they would do if these activities were exercised by different enterprises in order to avoid discriminations, cross-subsidies and distortions of the competition. The separate accounts provided for in the preceding section include a balance sheet and a profit and loss account for each activity.
4. For the drafting of the separate accounts, the Integrated Natural Gas Undertakings apply fixed rules of allocation of assets and liabilities and of profits and losses. Said accounts are submitted to RAE for approval. The said rules may be amended following an approval from RAE provided that there are exceptional circumstances.
5. The auditors of the Integrated Undertaking audit the separate accounts kept pursuant to the provisions of the previous paragraph as exactly they would do if these activities were exercised by different legal entities, including the audit of the proper application of the rules pertaining to the allocation, and submit to the regular general assembly of the integrated undertaking and to RAE the results of their auditing. RAE has the right to conduct, at any time, unexpected audits to verify the observance of the present article's provisions.
6. The Integrated Natural Gas Undertakings present in the addendum of their financial statements the allocation rules approved and in force, the separate financial statements for each of their activities, the important transactions they have executed with the Affiliated Undertakings or with undertakings in the shareholding structure of which participate the same shareholders as well as the report of the auditors related to the separate accounts. The addendum is published together with the financial statements of the integrated undertaking.

Article 33

Access to the accounts

1. RAE, during the exercising of its competencies, has free access to the accounts of the holders of the licenses granted pursuant to the provisions of this law in order to ensure the effective unbundling of the accounts mentioned in Article 32. For this purpose, RAE sends an

invitation to the holders of licenses who are obliged to submit the relevant accounts within a set deadline and to provide any assistance and data for the rapid and unimpeded conducting of audits by RAE.

2. The members of RAE and the personnel of its Secretariat have a confidentiality obligation with respect to the commercially sensitive information they take knowledge because of access to the accounts and maintain the confidentiality of the information and data submitted.

CHAPTER H'

LICENSES REGULATION

Article 34

Licenses Regulation

1. The Licenses Regulation is adopted by decision of the Minister of Development following an opinion of RAE's and is published in the Gazette of the Government. If said Regulation regulates issues pertaining to the protection and administration of the environment or to the environmental licensing of works and activities, the Licenses Regulation is then also signed by the Minister of Environment, Physical Planning & Public Works.

2. By means of the Licenses Regulation is defined the form and the content of the application for the granting of the license as well as the supporting documentation and other data. It is further defined:

a) The way of publishing the applications as well as the persons entitled to submit objections and the procedure thereof; for the said objections it is the Minister of Development who decides, following an opinion of RAE's.

b) The terms, the conditions and the restrictions in the exercise of the rights granted by the licenses.

c) The terms, the conditions and the procedure for the amendment and revocation of the licenses.

d) Any necessary detail related to the licenses granted pursuant to the provisions of this law.

3. Criteria for granting a license pursuant to the provisions of this law are especially:

a) The safety and the protection of the Natural Gas Systems as well as of the facilities and the connected equipment.

b) The special technical and economical features of the applicant and especially his credibility.

c) The protection of the consumers whilst aiming at the rendering of high level services and the attainment of optimum prices.

d) The protection of the environment and of the climate from the consequences of Natural Gas activities and the ensuring of energy efficiency.

e) The ensuring and strengthening of free competition in the Natural Gas market.

4. By decision of the Minister of Development, issued after an opinion of RAE's and published on the Gazette of the Government and notified to the European Commission, public service obligations are imposed to the holders of licenses according to the provisions this law.
5. By decision of the Minister of Development, issued after an opinion of RAE's and published on the Gazette of the Government, it is possible to impose additional obligations to the holders of licenses provided that they concur special conditions and unusual circumstances pertaining especially to national security and public safety as well as to unusual weather phenomena or other adverse climatic conditions.
6. RAE supervises and monitors the fulfilling of the obligations imposed on the licenses holders according to the provisions of paragraphs 4 and 5 that also constitute terms of their Licenses.
7. Before granting a specific License or a category of Licenses according to the provisions of this law, the Minister of Development and RAE may invite the interested parties to a public consultation.
8. The granting of a license according to this law does not exempt its holder from the obligation to acquire other licenses or approvals provided for by the legislation in force.

CHAPTER I'

PENAL – ADMINISTRATIVE SANCTIONS

Article 35

Penal sanctions

1. Whoever exercises any of the activities mentioned in article 1 without holding the relevant license, is sentenced to imprisonment of at least six (6) months and a pecuniary penalty ranging from a hundred and fifty thousand (150.000) Euros up to three million (3.000.000) Euros depending on the frequency and the gravity of the action.
2. The competent Court may order the confiscation of the whole or part of the facilities and equipment used for exercising the offence sanctioned pursuant to par. 1.

Article 36

Administrative Sanctions

1. By decision of RAE's issued after hearing the interested parties, the following administrative sanctions are imposed on those violating the provisions of this law or the legislative acts issued thereafter or the terms of the Licenses granted according to the provisions hereof depending on the gravity of the violation, the violator's extent of activities and the frequency of the violation:

- a. A fine ranging from one hundred and fifty thousand (150.000) Euros up to five hundred thousand (500.000) Euros, if there is no compliance with a recommendation or a warning and a notice to compliance within a set deadline which may be published on RAE's website.
- b. A fine ranging from one hundred fifty thousand (150.000) Euros up to three million (3.000.000) Euros in any other case.

The imposition of these fines does not exclude the imposition for the same violation of other administrative sanctions provided for by other provisions.

The fines provided for in cases a' and b' are collected in accordance with the provisions of the Code of Collection of Public Incomes in favor of the Hellenic State.

The decisions of RAE issued in the above cases are published on its site and the Press.

By decision of the Minister of Development issued after a proposal from RAE, the minimum and maximum limits of the fines defined in paragraph 1 may be readjusted.

2. In cases of systematic and recurring violations of the legislative framework and of the terms according to which the Licenses provided for herein are granted, the Minister of Development following an opinion of RAE's may revoke such Licenses. The revocation may be imposed in parallel with the imposition of a fine.

3. The above administrative sanctions are imposed and enforced in parallel with the penal sanctions and independently from them.

Article 37

RAE issues

1. For the employment of the personnel of RAE's Secretariat apart from the seats provided in paragraph 4 of Article 7 of Law 2773/1999 and in paragraph 4 of Article 26 of Law 3175/2003 are also constituted: (a) 15 seats of Personnel under an employment relation of private law of an indefinite period of time and (b) 5 seats of Lawyers with master degree, that are employed under an agreement of salaried mandate. The personnel seats constituted are allocated as follows: a) 10 seats of special scientific personnel with the qualifications provided in paragraph 2 article 25 of Law 1943/1991 (Government Gazette 50 A) and b) Five (5) seats of administrative Personnel, three (3) seats of which in the category of specialty Administrative Secretaries and 2 seats in the category of specialty Information Technology (software and application planning) or Computer Systems, with the qualifications set according to the Internal Operation and Management Regulation of RAE (P.D. 139/2001, Government Gazette 121 A'). The employment in the above seats is effected according to paragraph 5 article 7 of Law 2773/1999.

For the filling of the vacant seats of lawyers of RAE that are constituted according to the provisions of this Law the provisions of paragraph 4 article 5 of Law 3051/2002 are respectively applicable.

2. Five (5) seats under an employment agreement of private law of an indefinite period of time are constituted in the Secretariat of RAE for the purposes of supporting its project. The hiring

in these seats is conducted by the President of RAE and to the hired personnel apply the provisions of paragraph 6 of Article 5 of Law 3297/2004.

3. The expenses caused due to the application of the previous provisions burden exclusively RAE's budget.

CHAPTER J'

TRANSITIONAL AND OTHER PROVISIONS

Article 38

Existing contracts

1. DESFA S.A. may be supplied with Natural Gas by DEPA S.A. for load balancing of the NNGS without a tender provided that this gas has been supplied to DEPA S.A. on the basis of the LNG supply contracts concluded until 1.7.2004. The supply price of the LNG is approved by RAE following a proposal from DESFA S.A. and covers the full cost of LNG supply including the fixed and variable cost of sea transport, the cost of LNG System use as well as a reasonable operational cost. The LNG sold by DEPA S.A. pursuant to the preceding sections may be used by priority in relation to the gas supplied to DESFA S.A. according to case c' of par. 2 of Article 8.

2.²

3. For strengthening security of supply and the development of competition in the Natural Gas market, the Minister of Development may decide, following an opinion of RAE's, the conduct of tenders for the sale to Suppliers or Eligible Customers of LNG quantities that correspond to long-term supply contracts concluded and put into force until 1.7.2004 and up to the expiration time of said contracts provided that they include clauses of compulsory purchasing irrespectively of receipt (*take-or-pay* clauses). The tenders are conducted by DESFA S.A. according to the procedure and the preconditions defined in the NNGS Network Code observing especially the principles of transparency and equal treatment. The tenders' terms of conduct are approved by RAE.

4. The amendment hereby of the legal framework governing the Natural Gas supply contracts between DEPA S.A. and its clients that have been concluded before the coming into force of this law does not constitute a material reason for terminating these contracts. Existing contracts, mentioned above, at the time of this law coming into force may be modified by agreement of the parties one year, at the latest, before the date when a specific customer becomes Eligible and in case of Customers who became Eligible on 1.7.2005 within six (6) months from the publication in the Gazette of the Government of the NNGS Network Code and the Tariff Regulation, provided that the above modifications become indispensable for the application of this law's provisions or of the legislative acts adopted thereafter.

² Deleted according to par. 1, Article 15 of Law 3661/2008 (FEK A'89/19.05.2008)

For this purpose, either of the contracting parties submits a relevant invitation to its counterparty whilst setting a reasonable time-limit for concluding the negotiations. The parties, upon mutual agreement, may submit to RAE a request for the re-adjustment of above contracts on *fair man's judgment* within the time-limit set in the first section of this paragraph.

5. If negotiations for modification and re-adjustment of contracts pursuant to the preceding paragraph fail, either of the parties is obliged to submit to RAE a request for the wording from the latter of a proposal for the re-adjustment of the contract on *fair man's judgment* before it exercises the right of termination and recourse to Court for the re-adjustment or dissolution of the contract. The re-adjustment of the contract proposed by RAE is finally accepted or rejected by the parties within reasonable time-limit set thereto by RAE. If said time-limit elapses idle, the request is deemed rejected.

Article 39

The use of Natural Gas Systems pursuant to the provisions of this law is also allowed for the transmission of biogas, gas produced from Biomass and other kinds of gases, provided that it is so possible from a technical point of view and the technical specifications are met, after taking into consideration the quality requirements and the chemical features thereof.

Article 40

1. At the end of paragraph 1 of article 1 of Presidential Decree 420/1987 a section is added as follows:

“By joint resolution of Ministers of Development and Environment, Urban Planning and Public Works the following Table may be filled in or completed and every detail in respect of this table may be clarified.”

2. In article 5 of Presidential Decree 420/1987 paragraph 5 is added as follows:

“5. By joint resolution of Ministers of Development and Environment, Urban Planning and Public Works the procedure, the time, the conditions and every other detail relating to the submission and approval of the study of fuel gas, during the issuance of construction license, as well as the auditing of the construction of internal installation of natural gas according to the previous paragraph, are set.”

3. The provisions of paragraph 1 of Article 24 of Law 3175/2003 still apply until the issuance of tariffs pursuant to the provisions of Article 31 of present law.

4. Until the issuance of the Licenses Regulation, the supply of Natural Gas to Eligible Customers pursuant to the provisions of this law is permitted even before the granting of the relevant license according to that provided for in the provisions of paragraph 1 of Article 24 of Law 3175/2003. Within three (3) months from the issuance of the Licenses Regulation, those who exercise the activity of Natural Gas supply are obliged to submit an application for the granting of Supply License. Within fifteen (15) days from conclusion of a contract for the

supply of Natural Gas according to the provisions of the preceding section, every undertaking exercising Natural Gas supply activity is obliged to inform RAE of the conclusion of such a contract with a customer located in Greece. RAE may announce the trading name of the undertakings exercising the above activity.

5. Until the publication of the NNGS Code of Operation, according to the provisions of article 9 and the approval of model Transmission Contract and Contract for Use of Storage Facility pursuant to the provisions of case a' of paragraph 2 of article 8 for the exercise of the right to have access to NNGS and for the use of it, contracts of a definite period are concluded between DEPA S.A and those having access right to the NNGS. Both the procedure for the conclusion of such contracts and their contents, terms and conditions are determined by decision of the Minister of Development after the concurring opinion of RAE.

Article 41

RAE, contributing to the development of the internal energy market, may conclude contracts with institutions operating in the framework of the European Union, international organizations or other institutions provided for by international agreements and treaties, especially for the establishment and operation of the Energy Community of South-East Europe, aiming at the strengthening of security of supply, the protection of the consumer, the protection of the environment and the strengthening of competitiveness within the borders of South-East Europe regional market. For exercising its competencies pursuant to the preceding section RAE participates to committees and groups, meetings and assemblies of boards and institutions and pays any kind of expenditures that cover its relevant obligations

CHAPTER K'

FINAL PROVISIONS

Article 42

Abolished provisions

1. As from the enactment of the Eligible Customers Supply Code, the forth section of paragraph 3 of Article 24 of Law 3175/2003 is abolished.
2. As from this law coming into force, every general or special provisions contradicting its provisions are abolished.

Article 43

This law comes into force as from its publication in the Gazette of the Government, unless it is otherwise provided for in specific provisions.

We order the publication of the present in the Gazette of the Government and its execution as law of the State.

UNOFFICIAL TRANSLATION