Chapter 513

Dutch Natural Gas Daily Forwards

51301. Description

51301.1 A Dutch Natural Gas Daily Forward is a physically delivered natural gas forward contract. Delivery occurs at the Title Transfer Facility (TTF), the virtual trading point for natural gas in the Netherlands, through the process of making Trade Nominations in the Edig@s system which is part of the National Gas Transmission System in the Netherlands. Delivery takes place at the original agreed transaction price.

51301.2 The CME Clearing Europe commodity code shall be TTDE.

51302. Contract Size

51302.1 The contract size shall be 1 MWh per hour (a Gas Delivery Hour) for each Gas Delivery Day in the contract month. Adjustments will be made to the number of MWh per Gas Delivery Hour for leap years and daylight savings time to reflect the total number of days in a month or hours in a day.

51303. Listed contracts

51303.1 Contracts shall be listed in days, with contracts available for trading for all calendar days in the current calendar month and the following calendar month.

51303.2 Each contract shall have a delivery period of one Gas Flow Day, which shall be the Gas Flow Day commencing on the contract day.

51304. Prices

51304.1 Prices shall be quoted in Euro and Euro cents per MWh. Prices quoted shall be exclusive of any charges payable by the buyer or the seller to GTS or related persons that may be applicable. Prices quoted shall also be exclusive of any VAT that may be applicable.

51304.2 The minimum price fluctuation shall be Euro 0.005 per MWh.

51304.3 There shall be no maximum price fluctuation.

51305. Daily Settlement Prices

51305.1 The Clearing House shall establish settlement prices in respect of open positions for the purposes of position valuation and variation margin calculation, as described in the Clearing Procedures.

51306. Termination of Trading

51306.1 Trade submission shall cease two Business Days prior to the contract day.
On the last trading day, as described in 51306.1, the final time for trade submission shall be 16.30 hours (London time) (17:30 hours CET).

51307. **Liquidation prior to Delivery**

51307.1 Prior to delivery, offsetting long and short positions may only be closed out upon the request of the Clearing Member to the Clearing House, and in the manner prescribed by the Clearing House in the Delivery Procedures.

51308. **Delivery Price and Delivery Value**

51308.1 The Delivery Price shall be the agreed transaction price, and the Delivery Value shall be such Delivery Price multiplied by the number of hours in a calendar day.

51308.2 Notwithstanding 51308.1, the Clearing House may determine an alternative Delivery Price and Delivery Value in order to facilitate the netting of multiple contracts. In such cases, however, the combined Delivery Value shall be the combined totals of the Delivery Values of the constituent contracts (combined to reflect the long or short nature of each constituent contract), and the revised Delivery Price applying to all constituent contracts shall equal the combined Delivery Value divided by the net number of KWh to be delivered.

51308.3 Delivery shall be performed by the delivery of rights measured in whole KWh. Therefore, notwithstanding 51308.1 and 51308.2, the Clearing House may determine an alternative Delivery Price and Delivery Value in order to facilitate the transformation of the delivery amounts into whole KWh whilst maintaining an equality of total KWh to be delivered to the Clearing House and delivered by the Clearing House.

51308.4 The Delivery Value shall be rounded to the nearest Euro 0.01, or in the case of an exact uneven multiple of Euro 0.005, to the nearest higher Euro 0.01. Such rounding shall occur once netting and volume transformation as described in 51308.2 and 51308.3 has taken place.

51309. **Clearing Member Delivery Arrangements**

51309.1 A Clearing Member may hold open positions in a Dutch Natural Gas Daily Forward Contract where:

(1) it meets the requirements set out by the Clearing House in the Delivery Procedures; and

(2) it has provided the Clearing House with its UK VAT registration details.

51309.2 A Clearing Member with an open short position may appoint a third party to act as Gas Transferor to effect the submission of Trade Nominations on its behalf. A Gas Transferor may be appointed in respect of any Account or Commodity Notional Sub-Account. A Clearing Member may appoint a different Gas Transferor in respect of any Account or Commodity Notional Sub-Account, provided that only a single Gas Transferor may be appointed to effect the submission of Trade Nominations in
respect of any single Contract. The appointment of a Gas Transferor is subject to the acceptance of the Clearing House. To be accepted by the Clearing House:

(1) the Clearing Member must supply such details in respect of the Gas Transferor as required by the Clearing House, in the manner prescribed by the Clearing House;

(2) the Gas Transferor must comply with any applicable GTS Rules and shall provide the Clearing House with evidence of such compliance on request; and

(3) the Gas Transferor must acknowledge to the Clearing House its appointment as Gas Transferor in the manner prescribed by the Clearing House.

Where no Gas Transferor is appointed, or where an appointment is not accepted by the Clearing House, the Clearing Member shall be required to effect the submission of Trade Nominations. The Clearing Member shall remain responsible for the delivery of natural gas regardless of the appointment of a Gas Transferor.

A Clearing Member with an open long position may appoint a third party to act as Gas Transferee to effect the submission of Trade Nominations on its behalf. A Gas Transferee may be appointed in respect of any Account or Commodity Notional Sub-Account. A Clearing Member may appoint a different Gas Transferee in respect of any Account or Commodity Notional Sub-Account, provided that only a single Gas Transferee may be appointed to effect the submission of Trade Nominations in respect of any single Contract. The appointment of a Gas Transferee is subject to the acceptance of the Clearing House. To be accepted by the Clearing House:

(1) the Clearing Member must supply such details in respect of the Gas Transferee as required by the Clearing House, in the manner prescribed by the Clearing House;

(2) the Gas Transferee must hold a valid licence in the Netherlands as an authorised shipper of gas under the Transmission Service Conditions (TSC); and

(3) the Gas Transferee must acknowledge to the Clearing House its appointment as Gas Transferee in the manner prescribed by the Clearing House.

Where no Gas Transferee is appointed, or where an appointment is not accepted by the Clearing House, the Clearing Member shall be required to effect the submission of Trade Nominations. The Clearing Member shall remain responsible for the acquisition of natural gas regardless of the appointment of a Gas Transferee.

Clearing House Delivery Arrangements

The Clearing House may appoint a Gas Delivery Agent to effect the submission of Trade Nominations on its behalf.

Delivery
Contracts remaining open at the close of business on the last trading day in respect of a contract month shall result in the delivery of natural gas through the submission of Trade Nominations into Edig@s. Such Trade Nominations shall conform to the GTS Rules. Delivery of natural gas shall conform to these contract terms and the Delivery Procedures.

Each open position shall result in the delivery of 1000 KW per Gas Delivery Hour of natural gas on the Gas Delivery Day. Delivery submissions shall be measured in whole KWh. The Clearing House shall confirm delivery amounts to Clearing Members, Gas Transferors and Gas Transferees in the manner described in the Delivery Procedures.

Following the final time for trade submission on the last trading day in respect of a contract, the Clearing House shall provide Clearing Members with net delivery requirements in respect of that contract. Clearing Members shall acknowledge receipt of their delivery requirements by the time and in the manner described in the Delivery Procedures.

On the last trading day in respect of a contract, by the time prescribed by the Clearing House in the Delivery Procedures, Clearing Members having either open long or open short positions shall notify the Clearing House of the following information:

(1) a Clearing Member which is a Delivery Buyer shall provide in respect of each open long position and in the manner prescribed by the Clearing House the name and address of its Gas Transferee for each relevant Contract or group of Contracts; and

(2) a Clearing Member which is a Delivery Seller shall provide in respect of each open short position and in the manner prescribed by the Clearing House the name and address of its Gas Transferor for each relevant Contract or group of Contracts.

In respect of each Gas Delivery Hour of the Gas Delivery Day, Clearing Members (or their Gas Transferor or Gas Transferee acting on their behalf (as agent)) shall submit Trade Nominations to GTS through the Edig@s system in accordance with the GTS Rules, as set out in the Delivery Procedures, to fulfil the delivery requirement.

In respect of each Gas Delivery Hour of the Gas Delivery Day the Clearing House (or its Delivery Agent) shall submit Trade Nominations to GTS through the Edig@s system in accordance with the GTS Rules, as set out in the Delivery Procedures to match with Clearing Members’ delivery requirements.

Where Trade Nominations submitted to GTS through the Edig@s system in accordance with 51311.5 or 51311.6 have been accepted by GTS, such Trade Nominations shall not be removed or amended without the prior approval of the Clearing House and in accordance with clause 5.2 of appendix 5 to the TSC.

The transfer to a Clearing Member acting as buyer of rights to natural gas under the relevant Dutch Natural Gas Contract will be effected by GTS accepting the relevant Trade Nominations submitted by or on behalf of the Clearing Member as buyer (the Acquiring Trade Nomination) and by or on behalf of the Clearing House as seller (the Disposing Trade Nomination) in accordance with the GTS Rules.

The transfer from a Clearing Member acting as seller of rights to natural gas under the relevant Dutch Natural Gas Contract will be effected by GTS accepting the
relevant Trade Nominations submitted by or on behalf of the Clearing Member as seller (the Disposing Trade Nomination) and by or on behalf of the Clearing House as buyer (the Acquiring Trade Nomination) in accordance with the GTS Rules.

51312. **Failure to Deliver**

51312.1 In the event that a Delivery Buyer or Delivery Seller fails to comply with its obligations under a Dutch Natural Gas Contract the Clearing House may take such actions as it considers in its sole discretion necessary to acquire or dispose of rights in natural gas in order to reduce or extinguish any costs, charges or liabilities that would otherwise be imposed on the Clearing House under the GTS Rules as a result of the failure of the relevant party to perform its obligations under a Dutch Natural Gas Contract. The Clearing Member shall indemnify the Clearing House in respect of any such costs, charges, damages or losses suffered or incurred by the Clearing House in taking such actions.

51312.2 Without prejudice to 51312.1, except for a Force Majeure Event, where a Delivery Buyer or Delivery Seller fails to submit a valid Trade Nomination for any given Gas Delivery Day, such that the Clearing House experiences an imbalance within the National Gas Transmission System, the Clearing Member shall make a compensation payment to the Clearing House for the full amount of any imbalance charges imposed on the Clearing House by GTS.

51312.3 The Clearing House may also require an additional compensation payment from a Delivery Buyer or Delivery Seller that fails to submit a valid Trade Nomination to cover any additional costs, express or implied, experienced by the Clearing House in the course of remedying the failed submission and failure to deliver.

51312.4 The Clearing House reserves the right to declare an Event of Default in relation to any Clearing Member as a consequence of a failure of that Clearing Member (or its Gas Transferor / Gas Transferee) to submit a valid Trade Nomination.

51313. **Payment**

51313.1 Following the final time for trade submission on the last trading day, the Clearing House shall provide Clearing Members with the Delivery Value payment requirement. Clearing Members shall acknowledge receipt of their payment requirements by the time and in the manner described in the Delivery Procedures.

51313.2 Clearing Members with a requirement to pay the Delivery Value to the Clearing House shall pay the Delivery Value plus any associated Value Added Tax to the Clearing House on the second Banking Day following the delivery day, in the manner described in the Delivery Procedures.

51313.3 The Clearing House shall pay to Clearing Members with a requirement to receive the Delivery Value from the Clearing House the Delivery Value plus any associated Value Added Tax on the second Banking Day following the delivery day, in the manner described in the Delivery Procedures.

51314. **Liability**

51314.1 Without prejudice to the generality of the Rules and Chapter 2 of the Rules in particular, neither the Clearing House nor any of its Affiliates or Representatives shall be liable for any losses, liabilities, damages, claims, costs or expenses arising from or in connection with the availability or unavailability or performance or failure to perform of GTS, the Edig@s system or the National Gas Transmission System or
any other part of the infrastructure for delivery of Dutch TTF natural gas under the GTS Rules.

51314.2 Notwithstanding the appointment of a Gas Transferor / Gas Transferee by a Clearing Member, the relevant Clearing Member shall continue to be liable and responsible for discharging its obligations and liabilities under the Rules.

51314.3 The Clearing House has no obligations or liabilities under the Rules to any person other than a Clearing Member. The Clearing House is not liable to or for any person appointed by a Clearing Member to act as Gas Transferor / Gas Transferee. As set out in the Rules, no person who is not a Clearing Member shall have any rights pursuant to the Contracts (Rights of Third Parties) Act 1999 to enforce any provision of the Rules or to enforce any provision of a Contract.

51314.4 Without prejudice to the generality of the Rules and Chapter 2 of the Rules in particular, the Clearing Member shall indemnify the Clearing House and its Affiliates and Representatives against any and all losses, liabilities, damages, claims, costs or expenses in respect of VAT suffered or incurred by the Clearing House or its Affiliates and Representatives arising out of or in connection with the entry into or performance of a UK Natural Gas Forward Contract.

513.15. Force Majeure

51315.1 Subject to 51315.2, no person who is a party to a Dutch Natural Gas Contract shall be liable for any failure to deliver natural gas or failure to receive a transfer of rights to natural gas under a Dutch Natural Gas Contract in the event that performance of that person’s obligations under the Dutch Natural Gas Contract is prevented by a Force Majeure Event within the meaning of these contract terms. For the purposes of any Dutch Natural Gas Contract, in place of the meaning ascribed to the term Force Majeure Event in the Rules, the term Force Majeure Event shall have the following meaning in relation to Dutch Natural Gas Contracts:

**Force Majeure Event** means any event which is outside the reasonable control of the relevant buyer or seller under a Dutch Natural Gas Contract (including any Gas Transferee / Gas Transferor or other agent appointed by such person in accordance with the Rules and the Delivery Procedures) which prevents a Trade Nomination from being submitted to or received by GTS in accordance with the GTS Rules by or on behalf of such person which results in the prevention of the transfer of rights to natural gas in any Gas Delivery Hour on the Gas Delivery Day in accordance with the terms of the relevant Dutch Natural Gas Contract, but shall not include the following events:

1. the rejection or any other failure of GTS to accept a Trade Nomination submitted by a Clearing Member (or by any Gas Transferor / Gas Transferee appointed by a Clearing Member in accordance with the Rules and the Delivery Procedures), except where GTS suspends the submission of all Trade Nominations under the GTS Rules;

2. the failure of the National Gas Transmission System to accept or transport natural gas; or

3. the introduction of contingency procedures by GTS in respect of the Edig@s system under the GTS Rules to provide for alternative means of submission of Trade Nominations.
If and to the extent that either the Clearing House or the Clearing Member is hindered or prevented by a Force Majeure Event from performing any of its obligations under these Rules, then the party so affected (the Affected Party) shall not be liable to the other for failure to perform such obligations provided that the Affected Party takes the steps set out in 51315.3.

On the occurrence of a Force Majeure Event, the Affected Party shall:

1. immediately notify the other party of the same in writing and, if the Clearing House is the Affected Party, it shall do so by issuing a Notice;

2. use reasonable endeavours to minimise the effects of the Force Majeure Event on the performance of its obligations under the Rules and resume full performance of such obligations without avoidable delay;

3. keep the other party informed of the development of the circumstances of the Force Majeure Event and the performance of its obligations under the Rules, including, without limitation, when it is no longer affected by the Force Majeure Event and, if the Clearing House is the Affected Party, it shall do so by issuing a Notice; and

4. if the Clearing House is the Affected Party, require any Clearing Member to take such action as the Clearing House may direct in relation to any Contracts or Collateral deposited with the Clearing House affected by the Force Majeure Event.

For the avoidance of doubt, in accordance with article 8.5 of the TSC, amounts that are due and payable to GTS (and therefore to sums due to the Clearing House in respect of sums due to GTS for the account of a Clearing Member) cannot be withheld on the grounds of a Force Majeure Event affecting GTS to the extent those amounts are chargeable for services that were performed by GTS prior to the occurrence of the Force Majeure Event or for services that are unaffected by the Force Majeure Event.

A party claiming a Force Majeure Event shall not be relieved of the obligation to be in balance under the GTS Rules.

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