

Regulations Regarding the Use of the Inčukalns Underground Gas Storage Facility

*Issued pursuant to Article 15 Paragraph Seven of
the Energy Law*

of November 2, 2022

I. General Provisions

1. The Regulations shall determine:

- 1.1. the procedure for the use of the Inčukalns Underground Gas Storage Facility (hereinafter – the storage facility);
- 1.2. the procedure for receipt of the natural gas storage service (hereinafter – the storage service);
- 1.3. the rights, obligations, and liability of the unified natural gas transmission and storage system operator (hereinafter – the system operator) and the natural gas storage system user (hereinafter – the system user);
- 1.4. the procedure for the exchange of information between the system operator and the system user;
- 1.5. the procedure for the interruption and restriction of the storage service;
- 1.6. the procedure according to which a person submits an application for the acquisition of the rights to use the storage facility and according to which the storage service contract is concluded;
- 1.7. the procedure according to which the system operator is entitled to request a collateral for the fulfilment of obligations and the amount of the collateral.

2. The following terms are used in the Regulations:

- 2.1. **business day** – any day from Monday to Friday, which is not determined as a public holiday in the Republic of Latvia, and a working day that has been transferred on the basis of Article 133 of the Labor Law;
- 2.2. **fuel gas** – quantity of the natural gas required for the operation of natural gas compression units to ensure the injection of natural gas into the storage facility or withdrawal of natural gas from the storage facility;
- 2.3. **capacity product** – the storage service offered by the system operator in accordance with the types of the capacity product specified in Annex 2 of these Regulations;
- 2.4. **stocks** – quantity of the natural gas stored in the storage facility under a storage service contract;
- 2.5. **storage cycle** – the time period from the start of the season for the natural gas injection into the storage facility until the end of the season for the natural gas withdrawal from the storage facility;

- 2.6. **unused storage capacity** – the part of the technical storage capacity booked by the system users and not used for the storage of stocks;
- 2.7. **available storage capacity** – the part of the technical capacity of the storage that has not been allocated and is available to the system users for booking, taking into account the integrity of the storage facility and the requirements for the storage management; and the procedures for booking storage capacity products specified in Chapter IV of these Regulations;
- 2.8. **technical storage capacity** – the ability of the storage facility to ensure the maximum quantity of natural gas stored in the storage facility which the system operator can offer to the system users within storage cycle;
- 2.9. **applicant** – a person which submits to the system operator an application for the rights to use the storage;
- 2.10. **reverse-flow capacity** – the natural gas transmission system capacity for the direction opposite to the flow of the actual technological mode of the storage facility available to the system users for booking;
- 2.11. **trade notification** – the system user's notification to the system operator in accordance with the standard communication protocol regarding the transfer of the quantity of natural gas to the natural gas transmission system user or receipt from the natural gas transmission system user;
- 2.12. **storage service contract** – a contract concluded between the system operator and the system user on the basis of which the system operator provides a storage service to the system user.

3. The system operator shall provide a storage service which is compatible with the use of the natural gas transmission system, ensuring equal and non-discriminatory treatment of the system users

4. To ensure efficient and secure provision of storage service, the system operator has the right to request and receive from the system user information that the system operator needs to perform the activities specified in these Regulations.

5. Upon communication with the system operator in the cases provided in these Regulations, the system user shall submit information and documents to the system operator either in Latvian or in English. The electronically sent documents specified in these Regulations should be signed with a secure electronic signature, unless agreed otherwise between the system operator and the system user.

6. The system user is obliged to follow the procedure for the use of the storage facility stipulated in these Regulations and in the storage service contract, follow the system operator's instructions for the receipt of the storage service, provide to the system operator the information required for the receipt of the storage service, as well as not to use the storage service in a way that limits, distorts, or prevents competition, for example, through hidden capacity accumulation.

II. Publication of Information on Storage

7. The system operator shall publish on its website the forecast of the technical capacity of the storage facility for the next storage cycle by November 4th each year.

8. The system operator shall publish on its website the provisional available storage capacity, including the provisional available storage capacity within bundled capacity product and the interruptible capacity product and the provisional available storage capacity within two-year bundled capacity product in the following order:

- 8.1. the first notice regarding the next storage cycle shall be published no later than one working day before the beginning of the storage capacity booking for the next storage cycle;
- 8.2. thereafter, by April 30th, a notice regarding the next storage cycle shall be published every day by 13:00;

8.3. from May 1st until the date of publication of the technical capacity of the storage facility and the available capacity of the storage facility for the current storage cycle in accordance with Paragraph 9 of these Regulations, a notice regarding the current storage cycle shall be published every day by 13:00.

9. The system operator shall publish on its website the technical capacity of the storage facility and the available capacity of the storage facility for the existing storage cycle, including the available capacity of the storage facility within bundled capacity product and the interruptible capacity product, and the available capacity of the storage facility within two-year bundled capacity product by May 21st each year. The available storage capacity for the current storage cycle shall be calculated by the system operator as a difference between the technical capacity of the storage facility and the storage capacity booked by the system users for the existing storage cycle.

10. The system operator shall publish on its website the following information regarding the current storage cycle every day by 13:00:

10.1. technical capacity of the storage facility (kWh);

10.2. stocks (kWh);

10.3. the available capacity of the storage facility, including the available capacity of the storage facility within bundled capacity product and the interruptible capacity product, and the available capacity of the storage facility within two-year bundled capacity product (kWh);

10.4. unused storage capacity (kWh);

10.5. reverse-flow capacity on gas day D (kWh);

10.6. the maximum quantity of natural gas which can be injected into the storage or withdrawn from the storage on gas day D.

11. The natural gas injection season of the storage cycle shall begin on May 1st of the relevant year and end on October 14th of the relevant year. The natural gas injection season of the storage cycle shall begin on October 15st of the relevant year and end on April 30th of the relevant year.

11.1. The system operator, based on objective and justified grounds, including where the regulation established by the competent national regulatory authorities as referred to in Paragraph 82¹¹ obliges the system operator to permit the system user to inject natural gas in the storage during the withdrawal season, may inject natural gas in the storage during the withdrawal season. The system operator, not later than two days before its starts the provision of the natural gas injection capacity availability, shall publish on its website information about the time when the natural gas injection capacity availability is started.

III. Procedure for Conclusion of a Storage Service Contract

12. The applicant shall submit to the system operator an application for acquiring the rights the storage facility (Annex 1). The applicant shall annex the following documents to the application:

12.1. a document that proves that the applicant has registered for commercial activity pursuant to the national laws and regulations;

12.2. a proof of representation, if the application is submitted by an authorized representative of the applicant;

12.3. a document that has been issued no earlier than one month before the date of submission and proves that the applicant is not under insolvency proceedings, the applicant's economic activity is not suspended, and the applicant is not under liquidation;

12.4. the annual report for the previous three years (or the actual operation period, taking into account the time of the establishment or beginning of operation of the applicant on which the annual report is to be submitted) or an equivalent document proving the applicant's economic and financial position under the laws and regulations of the relevant country;

12.5. information on the identification code assigned to the applicant in accordance with the Energy Identification Code Scheme;

13. If the information in the documents specified in Paragraph 12 of these Regulations is available in Latvian or English free of charge in an official gazette or a public register, the applicant is entitled to not submit the relevant documents, specifying in its application the website where the relevant information is available.

14. If along with an application for the right to use the storage facility the applicant submits an application for the right to use the natural gas transmission system (pursuant to the regulations on the use of the natural gas transmission system), the documents listed in Paragraph 12 of these Regulations are not required unless they differ for each application.

15. The system operator shall review the application and the attached documents thereto referred to in Paragraph 12 of these Regulations within five working days from the date of receipt and, if necessary, is entitled to request the applicant to submit the missing documents or additional information.

16. If the system operator has requested the applicant to submit additional information or documents, the applicant shall submit them within ten working days from the day of dispatch of the request. If the applicant fails to submit the additional information or documents within the given deadline, the applicant shall be deemed to have withdrawn its application.

17. The applicant may submit the documents and additional information referred to in Paragraphs 12 and 15 of these Regulations to the system operator electronically.

18. If the applicant has submitted all the documents and additional information referred to in Paragraphs 12 and 15 of these Regulations, the system operator shall within five working days from the day of receipt of all the documents and additional information prepare the natural gas storage service contract and send it to the applicant. The system operator shall publish a draft natural gas storage service contract on its website.

19. The applicant shall submit to the system operator a signed storage service contract in two copies within ten working days from the day of the dispatch of the storage service contract. If the applicant has not submitted to the system operator a signed storage service contract within ten working days from the day of the dispatch of the storage service contract, the applicant shall be deemed to have withdrawn its application.

20. The system operator shall sign the storage service contract within three working days after the receipt of the storage service contract signed by the applicant and send one copy to the applicant.

21. The system operator shall notify the applicant of the refusal to conclude the storage service contract by sending a notice to the e-mail address indicated in the application within one working day after the review of the application. The system operator shall send a motivated refusal to conclude the storage service contract in writing to the postal address indicated in the application within the deadline specified in the Law of Regulators of Public Utilities.

IV. Procedure for the Booking of the Storage Capacity Product

22. In order to ensure the booking of the storage capacity for the system users, the system operator shall, within the deadlines specified in Annex 2 to these Regulations, offer system users the capacity products specified in Annex 2 to these Regulations.

23. The system user shall book the capacity product in accordance with the booking method specified in Annex 2 to these Regulations.

24. If the storage capacity booking method specified in Annex 2 to these Regulations is an auction procedure:

24.1. until January 10th of every calendar year, the system operator shall publish on its website information that is coordinated with the Regulator and covers all storage capacity auctions regarding capacity products, the usage period of which starts with the next storage cycle, by specifying the time of the storage capacity auctions and storage capacity products subject to the storage capacity auctions;

24.2. the system operator, not later than five working days before the determined beginning of the auction, publishes on its website the storage capacity action rules which contains details of the maximum storage capacity amount available during the relevant storage cycle for the capacity product offered in the auction and which is coordinated with the Regulator, or information regarding cancelling the storage capacity auction if any of conditions referred to in Paragraph 24.¹ of these Regulations sets in;

24.3. the system operator shall inform the system user regarding the amount of the storage capacity allocated within the relevant capacity product and the premium applicable hereto not later than within the next day after closure of the storage capacity auction by sending a relevant notification to the system user electronically;

24.4. upon the receipt of the capacity product allocation notification, the system user is obliged to pay the system operator for the allocated capacity product according to the procedure specified in these Regulations, the storage service contract and the auction rules in accordance with the storage service tariffs and premium defined in the capacity product allocation notification.

24.¹ Auctions for storage capacity booking shall take place in accordance with the information published in Subparagraph 24.1 of these Regulations except for the following:

24.¹1. the storage capacity available for the next storage cycle is less than 5 % of the storage technical capacity forecast for the next storage cycle, which has been notified in accordance with Paragraph 7 of these Regulations;

24.¹2. tariffs of storage capacity products for the next storage cycle are not approved or determined; or

24.¹3. storage capacity amount available for the capacity product booking is 0 kWh.

25. If the storage capacity booking method specified in Annex 2 to these Regulations is a different procedure from the auction procedure:

25.1. the system operator shall inform the system user regarding the amount of the storage capacity allocated within the relevant capacity product not later than within one hour after the receipt of the trade notification or the deadline specified in Subparagraph 4.1 of Annex 2 to these Regulations by sending a relevant notification to the system user electronically;

25.2. upon the receipt of the capacity product allocation notification, the system user is obliged to pay the system operator for the allocated capacity product according to the procedure specified in these Regulations and the storage service contract in accordance with the storage service tariffs.

26. After the allocation of the capacity product, the system operator shall not be obliged to cancel the storage capacity booking upon the request of the system user.

27. Upon the request of the system operator, the system user shall submit:

27.1. Within five working days the schedule of injection of the natural gas quantity indicating the estimated natural gas quantity to be injected in each gas month of the injection season – the average minimum and maximum natural gas injection quantity per gas day D or; the schedule of withdrawal of the natural gas quantity

indicating the estimated natural gas quantity to be withdrawn in each gas month of the withdrawal season – the average minimum and maximum natural gas withdrawal quantity per gas day D;

27.2. A schedule for the injection of the amount of natural gas within 24 hours, indicating the estimated amount of natural gas to be injected in the next two weeks, the average minimum and maximum amount of natural gas injection per gas day D, or the natural gas withdrawal schedule, indicating the average minimum quantity of natural gas expected to be withdrawn in the next two weeks, and amount of natural gas withdrawal per gas day D.

28. The system user's stocks at the end of the storage cycle shall be transferred to the next storage cycle in accordance with the stock transfer procedure for the relevant capacity product specified in Annex 2 to these Regulations.

V. Use of the Storage Capacity Product

29. The system user shall use the capacity products booked according to the procedure specified in Chapter IV of these Regulations in accordance with the procedure for the use of the relevant capacity product specified in Annex 2 to these Regulations.

30. The system operator shall publish on its website a schedule of the quantity of natural gas available for injection into the storage and withdrawal from the storage for the current storage cycle and it shall be updated within one hour after the processing of trade notifications of new system users.

31. The system user which has booked a capacity product and wishes to inject a certain quantity of natural gas into the storage or withdraw it from the storage in the current storage cycle shall submit a trade notification to the system operator within the deadlines for the submission specified in the Regulations Regarding the Balancing of Natural Gas System virtual trading point and in accordance with the standard communication protocol by indicating the appropriate capacity product code. Natural gas amount specified in the trade notification shall be allocated to all gas day hours evenly.

32. The system user may submit trade notifications for the injection of natural gas into the storage facility in the amount of unused storage capacity at the disposal of the system user and for the withdrawal of natural gas from the storage system in the quantity of the system user's stocks stored within the capacity product specified in the trade notification. If the quantity of natural gas specified in the system user's trade notification exceeds the unused storage capacity or the quantity of stocks at the disposal of the system user, the system operator shall apply the rule of the smallest quantity of natural gas.

33. The storage capacity indicated in the system user's trade notification for the injection of the quantity of natural gas or its withdrawal from the storage facility shall not be used for other activities specified in these Regulations until the execution of the trade notification. The quantity of natural gas specified in the system user's trade notification for the withdrawal of the quantity of natural gas from the storage facility shall not be used for other activities specified in these Regulations until the execution of the trade notification.

33.¹ The system user, when submitting a new trade notification not later than 30 minutes before the gas day end, may correct the quantity of natural gas specified in the trade notification as quantity for injection into or withdrawal from the storage facility for the remaining gas day hours during the gas day, which starts with the hour of submission of the new trade notification. The quantity of natural gas specified in the new trade notification of the system user as quantity for injection into or withdrawal from the storage facility shall be allocated to all remaining hours evenly considering the natural gas quantity injected into or withdrawn from the storage facility during previous hours. The system operator shall reject the new trade notification if the new trade notification increases the natural gas quantity and it exceeds the natural gas quantity that can be inject into or withdrawn from the storage facility during the remaining hours of the gas day, or if the new trade notification decreases the natural gas quantity and it is smaller than the natural gas quantity injected into or withdrawn from the storage facility during previous hours according to the trade notification.

34. The system operator shall evaluate the received trade notifications in accordance with the schedule specified in Paragraph 30 of these Regulations and pursuant to Paragraph 33¹ of these Regulations, taking into account whether the capacity product is offered with firm or interruptible capacity in accordance with Annex 2 to these Regulations.

35. After processing the trade notification submitted by the system user using the standard communication protocol, the system operator shall send a confirmation to the system user regarding the quantity of natural gas to be injected into the storage facility or withdrawn from the storage facility, but in case of congestion, if necessary, using the standard communication protocol, inform the system user of changes in the quantity of natural gas to be injected into or withdrawn from the storage facility.

36. The system user may correct the already approved quantity of natural gas to be injected into the storage facility or withdrawn from the storage facility for gas day D until 17:00 of the next day in the following cases:

36.1. the system user performs the transportation of natural gas as a non-Union commodity, and the correction is necessary so that the quantity of natural gas injected into the storage facility or withdrawn from the storage facility corresponds to the quantity of natural gas transmitted as a non-Union commodity in the natural gas transmission system;

36.2. if an adjustment is made to the allocation determined at the entry or exit point of the natural gas transmission system, except for the exit point for the supply of natural gas to users of Latvia. It is possible to correct the quantity of natural gas to be injected into or withdrawn from the storage facility in the amount by which the formation of an imbalance in the natural gas transmission system is prevented for the system user.

37. The system user shall allocate the stocks among the capacity products at the disposal of the system user in accordance with the stock transfer procedure specified in Annex 2 to these Regulations by submitting an application to the system operator regarding the application of the capacity product to the stocks in accordance with the application form published on the system operator's website. The system operator shall electronically inform the system user no later than by 17:00 of the gas day D+1 about the approved or rejected changes in the capacity products applied to the system user's stocks on the gas day D.

VI. Procedure for the Transfer of Natural Gas injected into the Storage Facility and the Capacity Product

38. The system user, in agreement with another system user, is entitled to transfer its capacity product or natural gas injected into the storage facility to another system user. When transferring its natural gas injected into the storage facility, the system user shall comply with the procedure for the transfer of stocks stored within the relevant capacity product specified in Annex 2 to these Regulations.

39. The system user which transfers its capacity product or natural gas injected into the storage facility and the system user which receives the relevant capacity product or natural gas injected into the storage facility shall inform the system operator in accordance with the standard communication protocol by submitting the following information to the system operator:

39.1. the type of the capacity product in accordance with Annex 2 to these Regulations;

39.2. the quantity of the transferred or received natural gas (kWh) or capacity product (kWh/ period of capacity product use);

39.3. the time of the transferred or received natural gas or capacity product that does not longer than the gas day following the day of the application sending;

39.4. Energy Identification Codes of both system users.

40. The system operator, using the standard communication protocol, shall inform the system user of receipt of the application for transfer of natural gas or capacity product.

41. The system operator shall approve the transaction referred to in applications specified in Paragraph 39 within one hour after receipt of second matching application if both applications contain equal information about the transaction.

42. Natural gas or capacity product shall be available for use, including all the related rights, by the system user to whom they are transferred from the start of the gas receipt day specified in the application if the transaction confirmation of the system operator is received.

43. An application for the transfer of natural gas, which is not a commodity of the European Union, injected into the storage facility shall be submitted by the system users, which are parties to the transaction, to the system operator only for natural gas for which specific procedures have been completed in accordance to European Parliament and Council Regulation No 952/2013 dated October 9, 2013 establishing the Union Customs Code.

44. Upon the transfer of its capacity product, the system user shall transfer the right to use the capacity product to the other system user. During the term of the use of the capacity product, the obligations towards the system operator, including the obligation to pay for the booked capacity product, shall be incumbent on the system user who originally booked the capacity product.

46. The system operator shall refuse to confirm the transfer of natural gas injected into the storage facility or capacity product to another system user if:

46.1. information on the conclusion of the transaction is received only from one system user (one transaction party);

46.2. the information submitted by the system users does not match or is incomplete;

46.3. the transaction party receiving natural gas has not booked a capacity product in the appropriate quantity.

47. The system operator shall electronically notify both transaction parties of refusal to confirm the transaction within two hours after the receipt of the applications specified in Paragraphs 40 and 41 of these Regulations and within three days after the receipt of the applications specified in Paragraph 43 of these Regulations.

VII. Procedure for the Determination of the Natural Gas Quantity

48. The system operator shall determine the injected natural gas quantity, the withdrawn natural gas quantity, and the stock quantity for the system user for each gas day D.

49. The natural gas quantity injected into the storage facility on a gas day D shall be determined by the following formula:

$$Q_{inj D} = Q_{alloc D} - Q_{fuel D} ,$$

where

$Q_{inj D}$ – the natural gas quantity injected into the storage facility on the relevant gas day D (kWh);

$Q_{alloc D}$ – the natural gas quantity allocated to the system user for injection into the storage facility on the relevant gas day D (kWh);

$Q_{fuel D}$ – the fuel gas quantity to ensure the process of injection of the system user's natural gas (kWh) on the relevant gas day D. If the system user's natural gas is injected using the virtual reverse-flow, the fuel gas quantity shall be zero.

50. The system user shall provide, at its own expense, the quantity of fuel gas necessary for the operation of natural gas injection units in accordance with the fuel gas consumption coefficient for injection of natural gas in the storage facility specified by the system operator for the injection season of the relevant storage facility cycle and in accordance with the actually metered fuel gas consumption for withdrawal of natural gas from the storage facility. The system operator shall publish on its website the consumption coefficient of fuel gas necessary for provision of the natural gas injection process and the methodology to determine the coefficient at least one month before the start of the injection season.

(Wording of decision No 1/36 adopted by the PUC Council on 31.10.2022)

51. The quantity of natural gas withdrawn from the storage facility on gas day D shall be equal to the quantity of natural gas allocated to the system user for withdrawal from the storage facility on the relevant gas day D.

52. The system user's stock quantity on gas day D shall be determined by the following formula:

$$Q_{\text{stock D}} = Q_{\text{stock D-1}} + Q_{\text{inj D}} - Q_{\text{with D}},$$

where

$Q_{\text{stock D}}$ – the system user's stock quantity on gas day D (kWh);

$Q_{\text{stock D-1}}$ – the system user's stock quantity on gas day D-1 (kWh);

$Q_{\text{with D}}$ – the natural gas quantity withdrawn from the storage facility by the system user on gas day D (kWh).

53. Every day by 14:00 (12:00 UTC during the winter period and 11:00 UTC during the summer period) the system operator, using a standard communication protocol, shall inform the system user of the natural gas quantity injected into the storage, withdrawn from the storage, transferred to another system user or received from another system user on gas day D-1, and of the stock quantity at the beginning of the gas day.

54. Within 14 days after the end of the injection season, the system operator shall determine the actual fuel gas consumption for the provision of the natural gas injection process.

54.¹ Within 10 days after the end of the withdrawal season, the system operator shall determine the actual fuel gas consumption for the provision of the natural gas injection process during the relevant withdrawal season.

55. If the amount of fuel gas consumed by the system operator to ensure the natural gas injection process is less than the quantity received from the system user during the injection season, the system operator shall return the unused fuel gas to the system user in proportion to the quantity actually injected during the injection season.

55.¹ If the amount of fuel gas consumed by the system operator to ensure the natural gas injection process in accordance with Paragraph 11¹ of these Regulations is less than the fuel gas quantity received from the system user during the injection season, the system operator shall return the unused fuel gas to the system user in proportion to the quantity actually injected during the injection season.

56. If the system user does not have bundled capacity product, two year bundled capacity product, or interruptible capacity product in the appropriate amount when the system operator returns the unused fuel gas to the system user, the system operator shall store this quantity of fuel gas free of charge until the system user has sufficient storage capacity to inject this quantity of fuel gas. The system user shall specify the storage capacity product at its disposal within which unused fuel gas is to be injected.

57. If the quantity of fuel gas consumed by the system operator during the injection season is greater than the quantity of fuel gas delivered by the system users during the injection season, no additional settlements shall be made between the system users and the system operator.

57.1 During the withdrawal season, the system operator shall allocate the fuel gas quantity required to ensure the operation of natural gas injection units actually consumed within the month among the system users in proportion to the natural gas quantity that was specified in trade notifications and withdrawal of which was provided by the operation of natural gas injection units.

57.2 The system user shall transfer the fuel gas quantity required to ensure the operation of natural gas injection units within calendar month to the system operator in the storage facility or the transmission virtual trade point until the 14th day of the next month.

57.3 The system operator shall, on the next working day, publish on its website the actually consumed fuel gas quantity required to ensure the operation of natural gas injection units during the gas day D.

57.4 If the fuel gas quantity required to ensure the operation of natural gas injection units consumed by the system operator in accordance with Paragraph 11¹ of the Regulations exceeds the fuel gas quantity transferred by the system user during the injection, the system user transfers the non-transferred fuel gas to the system operator in the storage facility or the transmission virtual trade point within 10 days after receipt of the system operator notification regarding the consumed fuel gas quantity in proportion to the actual natural gas quantity injected during the injection in the storage facility.

VIII. Congestion Management of the Storage Facility

58. If the system operator detects a physical capacity congestion by 15:00 on the gas day D-1:

58.1. during the withdrawal of natural gas from the storage facility, the system operator shall, within the framework of congestion management, allocate the natural gas withdrawal capacity among the system users by prioritizing the bundled capacity product and the two-year bundled capacity product and in proportion to their booked storage capacity, first providing the system user which supplies natural gas to protected customers and only in the amount natural gas to be provided to protected customers;

58.2. during the natural gas injection into the storage facility, the system operator shall, within the framework of congestion management, allocate the natural gas injection capacity among the system users by prioritizing the bundled capacity product and the two-year bundled capacity product within the available capacity and in proportion to their booked unused storage capacity.

59. If the system operator detects a physical capacity congestion after 15:00 on the gas day D-1:

59.1. during the withdrawal of natural gas from the storage facility, the system operator shall, within the framework of congestion management, allocate the natural gas withdrawal capacity among the system users in the order of receipt of trade notifications and by prioritizing the bundled capacity product and the two-year bundled capacity product indicated in the trade notification, first providing the system user which supplies natural gas to protected customers and only in the amount of natural gas to be provided to protected customers;

59.2. during the natural gas injection into the storage facility, the system operator shall, within the framework of the capacity and congestion management available for injection of the natural gas for storage, allocate the natural gas injection capacity among the system users in the order of receipt of trade notifications and by prioritizing the bundled capacity product and the two-year bundled capacity product indicated in the trade notification.

IX. Interruption or Restriction of the Storage Service

60. The system operator has the right to restrict or interrupt the injection of natural gas into the storage facility or withdrawal from the storage facility without a prior warning to the system users in the following cases:

60.1. there is damage in the natural gas transmission system or in the storage facility that may cause an accident or emergency situation, or an accident has occurred, or an emergency situation has developed;

60.2. an energy crisis has been declared in accordance with the Energy Law;

60.3. there are deviations from the normal operating mode in the natural gas transmission system or the physio-chemical properties of the natural gas do not comply with the natural gas quality characteristics specified by the Cabinet of Ministers and the system operator has requested to stop the natural gas injection into the storage facility or withdrawal from the storage facility;

60.4. the pressure of the natural gas flow does not correspond to the pressure necessary for the provision of the storage service;

60.5. it is necessary to perform urgent repair work in order to eliminate damage or consequences of an accident or to prevent an emergency situation in the natural gas transmission system or storage facility;

60.6. it is necessary to perform technical maintenance, repair, connection, disconnection or dismantling measures, and such work cannot be performed without restricting or interrupting the injection of natural gas into the storage facility or the withdrawal from the storage facility.

61. In the cases specified in Paragraph 60 of these Regulations, the system operator shall immediately, as soon as possible, but not later than within 24 hours, publish a notice and indicate the publishing time thereof on the system operator's website regarding the interruption or restriction of natural gas injection into the storage facility or withdrawal from the storage facility, the reasons hereof, and the estimated time for the renewal of natural gas injection into the storage facility or withdrawal from the storage facility, at the same time sending an appropriate electronic notification to the system users and the Regulator.

62. The system operator may, in compliance with the provisions of this Chapter, reduce the quantity of natural gas injected into and withdrawn from the storage facility for a period of maintenance, service and renovation works at the storage facility (hereinafter – maintenance works). The system operator shall carry out the maintenance works so as to minimize restrictions to the use of the storage facility and reduction of the natural gas injection and withdrawal capacity.

63. Every year, no later than by September 1st, the system operator shall publish on its website information on the planned maintenance works, their description, possible duration, and changes in the natural gas quantity that may be injected into or withdrawn from the storage facility for the period from October 1st of the relevant year up to September 30th of the next year. The system operator shall update the published information depending on the course of the maintenance works.

64. If the maintenance works affect the amount of natural gas that can be injected into the storage or withdrawn from the storage, the system operator shall inform the system users not later than 42 days before the planned maintenance works, electronically sending information to the system users on the amount, duration and changes in the quantity of natural gas; which can be injected in the storage facility or withdrawn from the storage facility.

65. Regarding the performance of unscheduled maintenance works that may affect the capacity of natural gas injection into the storage facility and withdrawal from the storage facility, the system operator shall inform the system users and the Regulator electronically as soon as possible, but not later than by 18:00 (16:00 UTC during the winter period and 15:00 UTC during the summer period) of the previous day before performing the unscheduled maintenance works, also indicating the quantity of natural gas available for injection into the storage facility and withdrawal from the storage facility on that gas day.

66. During the injection season specified in Paragraph 11 of these Regulations, the system operator may make a transition from the injection mode to the withdrawal mode due to unplanned repairs to the natural gas transmission system or the adjacent natural gas transmission system. The system operator shall publish the relevant notice on its website immediately, but not later than 24 hours before the change of the operating mode of the storage facility, indicating the time of publication, at the same time informing the system users and the Regulator about the change of the operating mode of the storage facility.

67. The system operator shall not indemnify the system user for losses incurred in cases specified in Paragraphs 60 and 62 of these Regulations, as well as when the planned maintenance works are performed within deadlines published in accordance with Paragraphs 64 and 65 of these Regulations.

67.1. If the system operator restricts the natural gas injection into the storage facility in cases referred to in Paragraphs 60 and 62 of these Regulations as well as in cases where maintenance works are being performed within terms published in accordance with Paragraphs 64 and 65 of these Regulations, or restrict the natural gas withdrawal from the facility storage during the gas day in cases referred to in Paragraph 60 of these Regulations, the system operator shall allocate the natural gas injection or withdrawal capacity among the system users in accordance with the congestion management procedure described in Section VIII "Congestion Management of the Storage Facility" of these Regulations.

X. Collateral for the Fulfilment of Obligations

68. During the storage service contract, the system user provides fulfilment of its contractual liabilities by using an appropriate system user's credit rating or collateral for the fulfilment of obligations. The system user may select one or several types of the collateral for the fulfilment of obligations ((a security deposit, a guarantee of the financial service provider or related merchant which meets the criteria specified in Paragraph 71 of these Regulations).

69. After the first full calendar year from the conclusion of the storage service contract until May 1st and October 15th of the relevant year, the system user shall submit to the system operator updated information regarding the credit rating of the system user if the system user has decided to provide the fulfilment of obligations with credit rating. The system user is obliged to immediately inform the system operator about any changes in the system user's credit rating. The system operator is entitled to request the system user to submit updated information on the system user's credit rating.

70. If the system user has decided to provide the fulfilment of obligations with credit rating, during the duration of a storage service contract, the system operator is entitled to request the system user to submit a collateral for the fulfilment of obligations (a security deposit, a guarantee of the financial service provider or related merchant which meets the criteria specified in Paragraph 71 of these Regulations)

to cover claims arising from the storage service contract if:

70.1. the system operator has grounds to believe that the system user is unable or will not be able to fully or partially cover the obligations arising from the storage service contract;

70.2. the system user is under insolvency or liquidation proceedings;

70.3. the system user does not have an appropriate credit rating pursuant to the criteria set out in Paragraph 71 of these Regulations;

70.4. the system user has twice within twelve months delayed the payments specified in the storage service contract.

71. The system user's credit rating shall be deemed appropriate if it complies with at least one of the following criteria:

71.1. a long-term rating of BBB- or higher under Standard & Poor's;

71.2. a long-term rating of BBB- or higher under Fitch Ratings;

71.3. a long-term rating of Baa3 or higher under Moody's.

72. If the system user or related merchant does not agree with the system operator's finding regarding non-compliance of the credit rating of the system user or related merchant, the system user or related merchant may submit appropriate evidence within five working days to allow the system operator to objectively assess the creditworthiness of the system user.

73. The system user shall submit the collateral to the system operator within seven working days from the day of receipt of the system operator's request.

74. The system operator shall recognize a guarantee as an adequate collateral for the fulfilment of obligations if it complies with the following conditions:

74.1. the guarantee has been issued by a financial service provider who or whose group has a long-term foreign currency credit rating of at least Baa1 according to Moody's or BBB + according to Standard & Poor's, or BBB + according to Fitch Ratings;

74.2. the guarantee has been issued by a related merchant whose credit rating complies with Paragraph 71 of these Regulations;

74.3. it is an irrevocable first demand guarantee.

75. The collateral for the fulfilment of obligations shall be valid for the entire term of the storage service contract if the system user has decided to secure the fulfilment of obligations with a collateral for the fulfilment of obligations.

75.¹ The collateral for the fulfilment of obligations shall be valid for the entire term of storage service contract if the system operator has requested the system user who has decided to secure the fulfilment of obligations with a credit rating, with a collateral for the fulfilment of obligations in accordance with Paragraph 70 of these Regulations. If the system user does not submit to the system operator a new collateral within the term specified in Paragraph 73 of these Regulations, the system operator may restrict or terminate the injection of natural gas into the storage facility, the withdrawal of natural gas from the storage facility, or transferring of natural gas or capacity product injected in the storage facility.

76. The amount of collateral for the fulfilment of obligations shall be determined and applied by the system operator in the amount of two months charge specified in Subparagraph 24.4 of these Regulations for storage cycle to the capacity products booked by the system user in the each storage cycle.

76.¹ The system operator, after the use of the collateral for the fulfilment of obligations in the amount specified in Paragraph 76 of these Regulations for covering of claims resulting from the storage service contract, shall send to the system user a warning regarding restriction or termination of natural gas injection into the storage facility, natural gas withdrawal from the storage facility, or transfer of natural gas or capacity product injected in the storage facility. If the system user does not renovate the collateral within the term, which is specified in the warning and is not less than ten days, the system operator may restrict or terminate the injection of natural gas into the storage facility, the withdrawal of natural gas from the storage facility, or transferring of natural gas or capacity product injected in the storage facility.

77. If the system user's obligations under the storage service contract exceed the amount for which the collateral has been submitted, the system operator has the right to request the system user to increase the amount of the collateral and submit collateral that complies with the conditions of Paragraph 76 of these Regulations to the system operator within seven days. If the system user does not submit a new collateral within the specified term, the system operator may restrict or terminate the injection of natural gas into the storage facility, the withdrawal of natural gas from the storage facility, or transferring of natural gas or capacity product injected in the storage facility.

78. Upon termination of the storage service contract, the system operator shall refund the amount of the collateral, which has not been used to cover the system user's outstanding obligations, to the system user within five working days or return the submitted original of the guarantee to the financial service provider or related merchant whose credit rating complies with Paragraph 71 of these Regulations.

XI. Final Provisions

79. The system operator shall evaluate the applications for the acquisition of the rights to use the storage facility, which have been submitted to the system operator before the date of entry into force of these Regulations, and conclude a storage service contract in accordance with these Regulations.

80. For a system user which has a storage service contract in force on the date of entry into force of these Regulations, the contract shall be in force in so far as it does not contradict these Regulations. If the terms of a storage service contract concluded before the date of entry into force of these Regulations contradict these Regulations, these Regulations shall apply.

81. At the end of 2020/2021 storage cycle of the system user within the capacity product, the period of use of which expires, the existing stocks shall be transferred to the next storage cycle as follows:

81.1. regarding the stocks at the end of the storage cycle not exceeding 5 % of the total booked capacity within the bundled capacity product and the two-year bundled capacity product, the system user shall be deemed to have booked bundled capacity product for the next storage cycle in the relevant stock quantity to be settled with the system operator in accordance with the tariff for the relevant capacity product set for the next storage cycle;

81.2. regarding the stocks at the end of the storage cycle not exceeding 5 % of the total booked capacity within the market product, the system user shall be deemed to have booked the interruptible capacity product for the next storage cycle in the relevant stock quantity to be settled with the system operator in accordance with the tariff for the interruptible capacity product set for the next storage cycle;

81.3. regarding the stocks at the end of the storage cycle exceeding 5 % of the total booked capacity within the relevant capacity product, the system user shall be deemed to have booked the stock transfer product for the next storage cycle in the relevant stock quantity to be settled with the system operator in accordance with the tariff for stock transfer product set for the next storage cycle.

82. The system operator and system users shall, by April 30th 2021, for storage capacity products booked and the amount of natural gas injected in storage during 2020/2021 year storage cycle, use of capacity products, transfer of natural gas and capacity products in storage and physical congestion management of capacity shall be carried out in accordance with the Public Utilities Commission Decision No 1/10 of March 28th 2018, Regulations for the Use of Inčukalns Underground Gas Storage.

82.1. Paragraph 33.¹ of these Regulations shall be applied from the beginning of 2022/2023 storage cycle.

82.² Amendments to Paragraph 49–50 and Subparagraph 71.4 of these Regulations shall come into force on May 1st 2022. Paragraph 57¹ and 57² of these Regulations shall come into force on May 1st 2022.

82.³ The operator shall include the expenses arisen to the system operator before April 30th 2022 in order to ensure during the withdrawal season the fuel gas amount required for the operation of natural gas injection units published in accordance with Paragraph 57³ in the expenses required for efficient providing of the storage system service.

82.⁴ The system operator shall require from system users, who until 30th April 2022 provide fulfilment of contractual liabilities with the credit rating specified in Subparagraph 71.4 of these Regulations, to submit to the system operator a collateral for the fulfilment of obligations in the amount specified in Paragraph 76 of these Regulations within seven from the coming in force of amendments to Subparagraph 71.4 of these Regulations.

If the system user does not submit a new collateral within the specified term, the system operator may restrict or terminate the injection of natural gas into the storage facility, the withdrawal of natural gas from the storage facility, or transferring of natural gas or capacity product injected in the storage facility.

82.⁵ The system operator may permit the system user during the withdrawal season of 2021/2022 storage cycle to inject natural gas in the storage facility within the capacity product booked for 2021/2022 storage cycle. Not later than two working days before the injection, the system operator shall publish on its website the date, on which the injection begins.

82.⁶ The quantity of fuel gas necessary for the operation of natural gas injection units, which ensure the natural gas injection process in accordance with Paragraph 82⁵ of these Regulations, shall be determined in accordance with the fuel gas consumption coefficient specified by the system operator for 2021/2022 injection season, and the system user shall provide it at its own expense.

82.⁷ Within 10 days after the end of 2021/2022 storage cycle, the system operator shall determine the actual fuel gas consumption for the provision of the natural gas injection process in accordance with Paragraph 82⁵ of these Regulations.

82.⁸ If the fuel gas quantity required to ensure the operation of natural gas injection units consumed by the system operator in accordance with Paragraph 82⁵ of the Regulations exceeds the fuel gas quantity transferred by the system user during the injection, the system user transfers the non-transferred fuel gas to the system operator in the storage facility or the transmission virtual trade point until May 25th 2022 in proportion to the actual natural gas quantity injected during the injection in the storage facility.

82.⁹ If the amount of fuel gas consumed by the system operator to ensure the natural gas injection process in accordance with Paragraph 82⁵ of these Regulations is less than the quantity received from the system user during the injection season, the system operator shall return the unused fuel gas to the system user in proportion to the quantity actually injected during the injection season.

82.¹⁰ At the end of 2021/2022 storage cycle of the system user within the capacity product, the period of use of which expires, the existing stocks shall be transferred to the next storage cycle as follows:

82.¹⁰¹. stocks stored in the storage facility during the natural gas injection conducted in accordance with Paragraph 82⁵ of these Regulations shall be transferred in the relevant amount to the storage capacity product within which such stocks were stored in 2021/2022 storage cycle and which is booked in the relevant amount by the system user for 2022/2023 storage cycle. The system user shall pay the system operator in accordance with the relevant capacity product tariff determined for 2022/2023 storage cycle and premium determined in the notification on the capacity product allocation;

82.¹⁰². On May 2nd 2022, the system operator shall inform the system user about the quantity of stocks, for which the system user has not booked the capacity product for 2022/2023 storage cycle;

82.¹⁰³. On May 3rd 2022, the system user shall inform the system operator about:

82.^{103.1}. the quantity of stocks transferred to the storage capacity product booked by the system user in the relevant quantity of stocks for 2022/2023 storage cycle during storage capacity auctions held until May 2nd 2022 and paid by the system user to the system operator in accordance with the relevant capacity product tariff determined for 2022/2023 storage cycle and premium determined in the notification on the capacity product allocation;

82.^{103.2}. the quantity of stocks for which the system user will book the capacity product during the next storage capacity auction held after May 3rd 2022;

82.¹⁰⁴. stocks referred to in Subparagraph 82.^{103.2} of these Regulations shall be transferred to the storage capacity product, within which they have been stored in 2021/2022 storage cycle, in quantity of the relevant capacity product booked by the system user for 2022/2023 storage cycle during the next storage capacity auction held after May 3rd 2022. The system user shall pay the system operator in accordance with the relevant capacity product tariff determined for 2022/2023 storage cycle and premium determined in the notification on the capacity product allocation;

82.¹⁰⁵ stocks referred to in Subparagraph 82.¹⁰² of these Regulations shall be transferred to the stock transfer product in quantity, in which they have not been transferred to the next storage cycle in accordance with Subparagraph 82.^{103.1} of these Regulations and in which the system user has not booked the storage capacity product for 2022/2023 storage cycle during the next storage capacity auction held after May 3rd 2022. The system user shall pay the system operator in accordance with the stock transfer product tariff determined for 2022/2023 storage cycle;

82.¹⁰⁶ when determining the storage capacity amount maximally available for the capacity product within the next storage capacity auction held after May 3rd 2022, the system operator shall take into consideration the stocks, for with the system users will book the capacity product.

82.¹¹ Where a competent national regulatory authority declares any of the crisis levels in the field of natural gas supply determined in Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010, including energy industry crisis, the Regulations shall be applied as much as they do not contradict the norms of the relevant competent national regulatory concerning the case of the relevant crisis level.

82.¹² If natural gas is injected into the storage facility from October 15th 2022 until the day of coming into force of the amendments, which supplement these Regulations with Paragraph 11¹, the quantity of fuel gas required for the operation of natural gas injection units ensuring the natural gas injection process shall be determined and paid for in accordance with Paragraphs 50, 54¹, 55¹, and 57⁴ of these Regulations.

83. Decision No 1/10 of the Public Utilities Commission of March 28th 2018 "Regulations Regarding the Use of the Inčukalns Underground Gas Storage Facility" (Latvijas Vēstnesis, 2018, No 105, 2019, No 257; 2020, No 52) is repealed.

84. The Regulations shall enter into force on next day after publication in official gazette Latvijas Vēstnesis. The requirements stipulated in Chapters V, VI and VIII of these Regulations shall apply from May 1st 2021.

Application for the Right to Use the Inčukalns Underground Gas Storage Facility

(The Annex has been amended with decision No 1/14 adopted by the PUC Council on 16.12.2021)

_____ 20_____
No _____

Addressee: _____, unified registration number _____,

/name of the system operator/

Registered office _____

Applicant _____

Inamel

Energy Identification Number:

Legal address:

Phone number:

E-mail address:

Fax number:

Bank details:

VAT registration
number:

I hereby request the right to use the Inčukalns Underground Gas Storage Facility and to conclude a storage service contract under the Regulations Regarding the Use of the Inčukalns Underground Gas Storage Facility (hereinafter – the Regulations Regarding the Use of the Storage). **Information about the representative**

	Name, surname	Position	Phone, e-mail address, fax
The person authorized to represent the applicant and to conclude a storage service contract			

	Phone	E-mail
Contact details which the system operator may use at any time for communication with the storage user		

Annexed documents

- A document that proves that the applicant has registered for commercial activity pursuant to the laws and regulations of the relevant country.*
- A proof of representation if the application is signed by a person who is not a member of the applicant's administrative body.*
- A document that proves that the applicant is not under insolvency proceedings, the applicant's economic activity is not suspended, or the applicant is not under liquidation.*
- The annual report for the previous three years (or the actual operation period, taking into account the time of the establishment or beginning of operation of the applicant on which the annual report is to be submitted) or

an equivalent document proving the applicant's economic and financial position under the laws and regulations of the relevant country.*

Information about the applicant's credit rating granted by a well-known credit agency or rating agency.*

5.

(please mark with "x" as appropriate)

* If the document is available in an official publication or a public register of the country, the website shall be specified.

The applicant confirms that they have had familiarized themselves with the Regulations Regarding the Use of the Inčukalns Underground Gas Storage Facility.

The applicant confirms that they undertake to submit collateral (a security deposit or a guarantee by a financial service provider) at the system operator's request.

Contact details of the person submitting the application

(name, surname)

(signature)

(position)

(phone, e-mail, fax)

Receipt of the application (to be completed by the storage operator)

Registration number

Registration date

The Capacity Products of the Inčukalns Underground Gas Storage, the Procedure for Booking and Use Thereof

1. Bundled capacity product (product code IPGK1YP)

1.1. Storage capacity booking time: following the information published in accordance with Subparagraph 24.1 of these Regulations, the storage capacity booking shall be started not later than on March 15th of the relevant year and ended not later than on June 15th of the relevant year.

1.2. Type of storage capacity booking: auction procedure.

1.3. Auction procedure used to book the capacity product: auction based on the principle of using the setting of a single premium.

1.4. Storage capacity available for booking: unlimited amount within the available capacity of the storage facility, from which the available storage capacity for booking of two year bundled capacity product according with Subparagraph 2.1 and 2.4 of this Annex is deducted.

1.5. Procedure for the allocation of storage capacity: in accordance with Paragraph 24 of these Regulations.

1.6. The duration of use of the capacity product: one storage cycle.

1.7. The capacity product includes:

1.7.1. the use of storage capacity in the amount of the bundled capacity product at the disposal of the user;

1.7.2. injection of natural gas into the storage facility: unlimited amount, ensuring injection of stocks in a quantity that can be stored with the available capacity product;

1.7.3. withdrawal of natural gas from the storage facility: unlimited amount, ensuring withdrawal of stocks stored with the product;

1.7.4. the use of virtual reverse-flow to use the storage capacity up to the amount of capacity available to the user: free of charge.

1.8. Injection of natural gas for storage in the storage facility and withdrawal of natural gas from the storage facility: firm capacity product.

1.9. The transfer of stocks in a storage facility: within a standard bundled capacity product and a two-year bundled capacity product.

1.10. Payment for the capacity product: in accordance with Paragraph 24 of these Regulations.

1.11. Stock transfer to the next storage cycle: regarding the quantity of stock at the end of the storage cycle that is stored within a bundled capacity product, the system user is deemed to have booked the stock transfer product for the next storage cycle in the corresponding quantity of stocks for which it pays the system operator according to the tariff for the stock transfer product set for the next storage cycle.

2. Two-year bundled capacity product (product code IPGK2YP)

2.1. Storage capacity booking time: following the information published in accordance with Subparagraph 24.1 of these Regulations, the storage capacity booking shall be started not later than on March 15th of the relevant year and

ended not later than on the sixth working day after publishing of the storage technical capacity and storage available capacity for the current storage cycle pursuant to Paragraph 9 of these Regulations.

2.2. Type of storage capacity booking: auction procedure.

2.3. Auction procedure used to book the capacity product: auction based on the principle of using the setting of a single premium.

2.4. Storage capacity available for booking: 4,000,000,000 (four billion) kWh for two consecutive storage cycles. Where, at the end of the capacity product booking time, there is booked a storage capacity amount within the capacity product that is less than 4,000,000,000 (four billion) kWh, the non-booked storage capacity amount shall be included in the storage capacity amount available for booking of the bundled capacity product.

2.5. Procedure for the allocation of storage capacity: in accordance with Paragraph 24 of these Regulations.

2.6. The duration of use of the capacity product: two consecutive storage cycles.

2.7. The capacity product includes:

2.7.1. the use of storage capacity in the amount of the two-year bundled capacity product at the disposal of the user;

2.7.2. injection of natural gas into the storage facility: unlimited amount, ensuring injection of stocks in a quantity that can be stored with the available capacity product at the system user's disposal;

2.7.3. withdrawal of natural gas from the storage facility: unlimited amount, ensuring withdrawal of stocks stored with the product;

2.7.4. the use of virtual reverse-flow to use the storage capacity up to the amount of capacity available to the user: free of charge.

2.8. Injection of natural gas for storage in the storage facility and withdrawal of natural gas from the storage facility: firm capacity product.

2.9. The transfer of stocks in a storage facility: within a bundled capacity product and a two-year bundled capacity product.

2.10. Payment for the capacity product: in accordance with Paragraph 24 of these Regulations.

2.11. Stock transfer:

2.11.1. at the end of the first storage cycle of the capacity product operation, the stocks shall be transferred to the second storage cycle of the two-year bundled capacity product operation;

2.11.2 at the end of the second storage cycle of the capacity product operation for the inventory at the end of the storage cycle, stored within a two-year bundled capacity product, the system user is considered to have booked the stock transfer product for the next storage cycle for the corresponding inventory quantity to be settled by the system operator according to the next storage cycle the specified stock transfer product tariff.

3. Interruptible capacity product (product code IPGKAP)

3.1. Storage capacity booking time: following the information published in accordance with Subparagraph 24.1 of these Regulations, the storage capacity booking shall be started not later than on July 1st of the relevant year and ended not later than on September 29th of the relevant year.

3.2. Type of storage capacity booking: auction procedure.

3.3. Auction procedure used to book the capacity product: auction based on the principle of using the setting of a single premium.

- 3.4. Storage capacity available for booking: unlimited amount within the available storage capacity.
- 3.5. Procedure for the allocation of storage capacity: in accordance with Paragraph 24 of these Regulations.
- 3.6. The duration of use of the capacity product: one storage cycle.
- 3.7. The capacity product includes:
- 3.7.1. the use of storage capacity in the amount of interruptible capacity product at the disposal of the user;
- 3.7.2. injection of natural gas into the storage facility: unlimited amount, ensuring injection of stocks in a quantity that can be stored with the available capacity product;
- 3.7.3. withdrawal of natural gas from the storage facility: unlimited amount, ensuring withdrawal of stocks stored with the product;
- 3.7.4. the use of virtual reverse-flow to use storage capacity up to the amount of capacity available to the user: at the virtual reverse-flow tariff.
- 3.8. Injection of natural gas for storage in the storage facility and withdrawal of natural gas from the storage facility: interruptible capacity product.
- 3.9. The transfer of stocks in the storage facility: within interruptible capacity product.
- 3.10. Payment for the capacity product: in accordance with Paragraph 24 of these Regulations.
- 3.11. Stock transfer to the next storage cycle: regarding the quantity of stocks at the end of the storage cycle that are stored within interruptible capacity product, the system user is deemed to have booked the stock transfer product for the next storage cycle in the corresponding quantity of stocks for which it settles with the system operator according to the tariff for the stock transfer product set for the next storage cycle.

4. Stock Transfer Product (product code INTP)

- 4.1. Storage capacity booking time for the current storage cycle: on the second day after the end of the previous storage cycle in accordance with Paragraph 11 of these Regulations.
- 4.2. Procedure for booking of storage capacity: in accordance with Subparagraphs 1.11.1, 2.11.2, and 3.11 of this Annex.
- 4.3. Storage capacity available for booking: unlimited stocks at the end of the storage cycle in accordance with Subparagraphs 1.11.1, 2.11.2, and 3.11 of this Annex.
- 4.4. Procedure for allocation of storage capacity: in accordance with Subparagraphs 1.11.1, 2.11.2, and 3.11 of this Annex.
- 4.5. The duration of use of the capacity product: one storage cycle.
- 4.6. The capacity product includes:
- 4.6.1. the use of storage capacity in the amount of the current stock transfer product;
- 4.6.2. injection of natural gas into the storage facility: not possible;
- 4.6.3. withdrawal of natural gas from the storage facility: in the amount of stocks that are stored with the stock transfer product;
- 4.6.4. the use of virtual reverse-flow for the withdrawal of natural gas from the storage in the booked amount of capacity at the user's disposal: at the virtual reverse flow tariff.

4.7. Withdrawal of natural gas from the storage facility: interruptible capacity product.

4.8. Stock transfer in the storage: within the stock transfer product.

4.9. Payment for the capacity product: in accordance with Paragraph 25 of these Regulations.

4.10. Stock transfer to the next storage cycle: regarding the quantity of stock at the end of the storage cycle that is stored within a stock transfer product, the system user is deemed to have booked the stock transfer product for the next storage cycle in the corresponding quantity of stocks for which it settles with the system operator according to the tariff for the stock transfer product set for the next storage cycle.

5. Virtual reverse flow product

5.1. Storage capacity booking time for the current storage cycle:

5.1.1. during the use of the bundled capacity product;

5.1.2. during the use of the interruptible capacity product.

5.2. Booking of natural gas injection into the storage facility and withdrawal from the storage facility: by submitting trade notification to the system operator.

5.3. Capacity available for booking:

5.3.1. During the injection season – in conformity with the information published on the website of the system operator regarding the amount of capacity to be booked, which shall be determined from the total gas day of the system user storage approved in accordance with Paragraph 36 of these Regulations, subtracting 27.7 GWh/day of the amount of natural gas bundled capacity product and interruptible capacity product. The capacity available for booking shall not be less than 0;

5.3.2. During the withdrawal season – in conformity with the information published on the website of the system operator regarding the amount of capacity to be booked, which is equal to the total amount of natural gas to be withdrawn by the system user and storage approved in accordance with Paragraph 36 of these Regulations in the framework of the bundled capacity product and the interruptible capacity product on the relevant gas day.

5.4. Procedure for allocating storage capacity: in the order of receipt of trade notifications.

5.5. Duration of the use of the capacity product: a gas day for which the capacity product was booked.

5.6. The capacity product includes: injection of natural gas into the storage facility and withdrawal of natural gas from the storage facility in the opposite direction to the flow direction of the actual technological mode of the storage facility.

5.7. Injection of natural gas for storage: firm or interruptible capacity product, depending on the capacity product indicated in the trade notification.

5.8. Stock transfer in the storage: not applicable.

5.9. Payment for the capacity product: in accordance with Paragraph 25 of these Regulations.

5.10. Stock transfer to the next storage cycle: not applicable.