



INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY FOR STORAGE PERIOD 2018 – 2019



INVITATION TO APPLY FOR FLEXIBLE STORAGE CAPACITY

UNDER THE RULES OF OPERATION SETTING OUT THE COMMERCIAL TERMS AND CONDITIONS FOR ACCESS TO AND USE OF A GAS STORAGE FACILITY OF NAFTA a.s.

I. OFFER

NAFTA, as an operator of the Storage System (hereinafter the “Storage System Operator”), invites for application for access to and use of the **Firm Flexible Storage Capacity**.

Firm Flexible Storage Capacity service enables the Customer to inject and withdraw natural gas to/from the Storage Facility all year round with 2-hours round the clock re-nomination lead time.

The Storage Capacity will be tendered among all interested gas market participants (hereinafter “Applicants”).

The Storage System Operator will conclude with successful Applicants **the Gas Storage Agreement** under which the Firm Flexible Storage Capacity (please see Part II. of this Invitation) shall be allocated.

Please see **the following related documents** where the terms and conditions pertaining to this storage service are stipulated.

- a) **Draft Gas Storage Agreement – the Inverse Storage** shall be concluded between the SSO and the successful Applicants;
- b) **Rules of Operation** sets out the commercial terms and business conditions for access to and use of a gas storage facility of NAFTA (hereinafter the “Rules of Operation”); and
- c) **Technical Conditions** deals with the access and connection to the storage facility of NAFTA (hereinafter the “Technical Conditions”).

II. FIRM FLEXIBLE STORAGE CAPACITY

Firm Flexible Storage Capacity is offered in the amount of up to **540,000 MWh in 50 Standard Bundled Units**.

The Storage Capacity will be offered in **one or several tranches**.

Storage services are provided for the period of **one year** starting from 1 April, 2018.

A. STANDARD BUNDLED UNIT (SBU)

The parameters of one (1) SBU are determined in the way that the basic storage product includes a 90-day effective injectability and a 90-day effective deliverability.

PARAMETERS OF 1 BASIC SBU

Working Gas Volume	10 800 MWh
Basic maximum flat Injection Rate	5 MW
Basic maximum flat Withdrawal Rate	5 MW

The Injection and Withdrawal Rates will be available throughout the whole year at the initial flat level (no curve applies). There is no variable fee for injections and withdrawals, multi-cycling is unlimited. The Customer may use our paid services (such as Day-Ahead Rates) to boost storage utilization.

B. DELIVERY POINTS

The Storage System Operator will provide, within the scope of the Gas Storage Agreement, access to both following Delivery Points:

- **The Interconnection Point with Transmission System** enabling injection and withdrawal from and to the transit network of eustream (this Delivery Point is at our flange with eustream, please note that entry/exit fees for "Domestic Point" as applied by eustream are not included in the storage price).

And

- **The Interconnection Point with Distribution System** enabling withdrawals to the low pressure Slovak National Grid of SPP-distribúcia.

Usage of non-contracted Delivery Point (VTP Austria) during the Storage Term is possible but subjects to daily availability and a fee is levied pursuant to our Price List (see our website) and/or E-Control Gas Ordinance, when applicable.

III. TENDER INFORMATION

A. GENERAL

- The details of the tranche will be published on NAFTA's website.
- The Application Period will be published within working hours (9am-5pm) of any working day in Slovakia after the publication of this Invitation.
- The Application Period will last at least three (3) hours during which Applicants may submit their bid(s) using the Application Form.
- An Applicant may submit maximum one binding, irrevocable and duly signed Application Form by e-mail.
- All Applicants will be informed by e-mail about the result of their particular Application within half an hour after the closing of the Application Period.

B. PRIOR TO THE APPLICATION PERIOD

Applicants may register for this Invitation by sending all requested documents according to the Article 5.1.4 of the Rules of Operation and details of the contact person. The Storage System Operator will confirm the acceptance of registration by email.

The Storage System Operator will notify all registered Applicants immediately after the Application Period has been published.

Applicant registered for any of the invitations published by the Storage System Operator within the last two calendar years are considered to be registered for this Invitation. Should there be changes in any previously delivered registration documents, such registered Applicant shall submit the valid documentation to the Storage System Operator.

Non-registered Applicants are also welcome to submit the Application during the Application Period together with the requested documents according to the Article 5.1.4 of the Rules of Operation.

C. DURING THE APPLICATION PERIOD

In the Application delivered within the Application Period, the Applicant shall specify in the *Application Form* in addition to the information required by the Rules of Operation the following:

- **the exact number of Standard Bundled Units** requested by the Applicant complying with minimum booking requirement of one (1) SBU;
- **the unit price** for Firm Flexible Storage Capacity provided for the period of one year **in EUR/MWh/Storage Period** with maximum four decimal places after the decimal point.

The offered prices shall apply throughout the whole term of the Gas Storage Agreement.

The Applicant shall comply with the terms and conditions of the provision of the Firm Flexible Storage Capacity set out in the *Rules of Operation*, the *Technical Conditions*, the *Gas Storage Agreement* and other generally applicable legal regulations.

The successful Applicants with whom the Storage System Operator concludes the Gas Storage Agreement are entitled to enhance their Storage Product by utilizing additional Storage Services in accordance with the Rules of Operations, Technical conditions and the Price list published on the Storage System Operator's website.

The fulfilled and duly signed Application shall be sent by e-mail to: storage@nafta.sk

D. AFTER THE APPLICATION PERIOD

I. THE EVALUATION OF APPLICATIONS

The Storage System Operator will evaluate all Applications as soon as possible after the closure of the Application Period.

The Storage System Operator shall prioritise the Applications in accordance with the following provisions.

Rules for allocation are the following:

1. The Storage System Operator will evaluate the Applications in the order provided under Article 1.1.2 of the Rules of Operation as follows:
 - system balancing, ensuring security of gas supply and gas supplies to protected customers;
 - others.
2. Following the prioritisation pursuant to previous point of this Invitation, the Applications will be listed in the order of the proposed unit price.
3. If the above provisions do not differentiate between two or more Applications the pro-rata mechanism shall apply. All other essentials contained in the Applications shall remain unchanged and valid.

The Applicants shall be informed on **the outcome of their Application(s) within half an hour according to the praxis** and non-discriminatory internal rules, which are set out by the Storage System Operator for all Applicants before the Application Period (hereinafter the "Internal Rules").

II. THE SUCCESSFUL APPLICANT(S)

Pursuant to Article 5.1.10 of the Rules of Operation, the Applicant to whom the Storage System Operator has allocated Firm Flexible Storage Capacity shall enter into the Gas Storage Agreement with the Storage System Operator at the latest within 10 days of the day of receipt of the notification of Firm Flexible Storage Capacity allocation to the Applicant.

IV. TEMPORARY AND CLOSING PROVISIONS

A. THE STORAGE SYSTEM OPERATOR'S RESERVED RIGHTS

- a) The Storage System Operator has the right to reduce the requested number of the SBUs in a non-discriminatory manner in the case that the Storage System Operator is not, after the evaluation of all Applications, able to allocate the requested number of the SBUs due to the fact that such requested number of SBUs would exceed the remaining part of the available Firm Flexible Storage Capacity.
- b) The Storage System Operator has the right to reject an Application in particular in the event that it fails to satisfy all the requirements set out in the Rules of Operation, this Invitation, and other applicable legal regulations or the unit price proposed in the Application for the offered storage capacity are lower than the minimum price set out in the Internal Rules.
- c) The Storage System Operator has the right to request additional information or documentation from the Applicant and to check whether the information about the Applicant is accurate, using third-party sources in the public domain.
- d) The Storage System Operator shall have the right to cancel or amend the terms and conditions of this Invitation or to announce a new invitation at any time.

B. THE WORDS AND EXPRESSIONS

Words and expressions not otherwise defined herein shall bear the meaning defined in the Rules of Operation and in the Technical conditions.

C. THE LANGUAGE

This Invitation is published in English version.

VI. THE CONTACT DETAILS:

NAFTA a.s.
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VI. ANNEXES

Annex No. 1 - Gas Storage Agreement