

# **RULES OF OPERATION**

## **SETTING OUT COMMERCIAL TERMS AND CONDITIONS FOR ACCESS TO AND USE OF THE GAS STORAGE FACILITY OF NAFTA a.s.**

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NAFTA a.s., Votrubova 1, 821 09 Bratislava, Reg. No. 36 286 192, registered in the Commercial Register of the District Court of Bratislava I, Section: Sa, File No.: 4837/B



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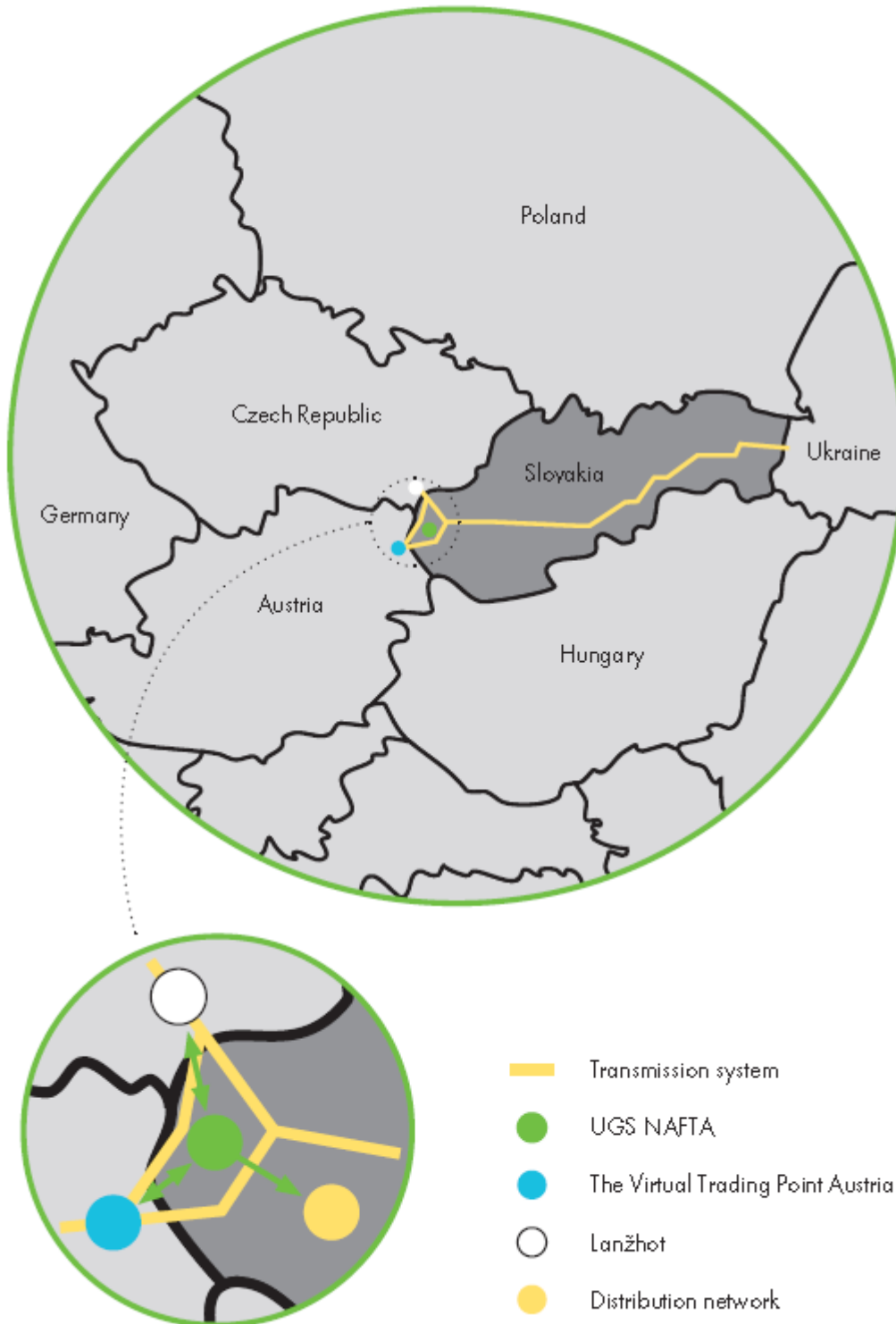
## INTRODUCTORY PROVISIONS

### 1.1 Reasons for the preparation and aims of these Rules of Operation

- 1.1.1 NAFTA a.s., Votrubova 1, 821 09 Bratislava, Reg. No.: 36 286 192, registered in the Commercial Register of the District Court of Bratislava I, Section: Sa, File No.: 4837/B, in the position as the operator of the Storage Facility (the “SSO”), has prepared this document (the “Rules of Operation”) in accordance with the following:
- a) Act No 251/2012 on energy and amending certain laws (the “Energy Act”), and
  - b) Regulation No 24/2013 of the Office for the Regulation of Network Industries, laying down the rules for the working of the internal electricity market and the rules for the working of the internal gas market (the “Gas Market Rules”), and other related laws and regulations, as well as with the document “Guidelines for Good Practice for Storage System Operators” issued by European Regulators’ Group for Electricity and Gas.
- 1.1.2 The SSO shall provide for a transparent and non-discriminatory access for all gas market participants, having regard to the security of gas supply, system balancing, and gas supply for households, and with regard to the efficient use of the Storage Facility and its long-term and economical development.
- 1.1.3 These Rules of Operation contain, in line with the relevant laws and regulations, in particular the commercial terms and conditions for access to and use of the Storage Facility.
- 1.1.4 These Rules of Operation have also been prepared for the purpose of clarifying, unifying and streamlining the rights and obligations of gas market participants in connection with gas storage. Preparation of their content has been consulted with the Office for the Regulation of Network Industries, the Transmission System Operator, the Distribution System Operator, and the current and potential customers.
- 1.1.5 The provisions of these Rules of Operation are binding on the SSO, gas market participants and other parties concerned.
- 1.1.6 Any reference to a singular shall also include the plural and vice versa. Any reference to a third party shall include any natural person, juristic person, association or company.

## 1.2 Geographic location of the Storage Facility

### 1.2.1 Location of the Storage Facility in the gas system



### 1.3 Definitions of terms

The following capitalised terms shall have the following meaning unless defined otherwise in these Rules of Operation:

1. “**Applicant**” means a natural or juristic person applying to the SSO for the provision of services on the basis of these Rules of Operation;
2. “**Application**” means an application for the allocation of Storage Services.
3. “**Available Injection Rate**” means the Injection Rate that the SSO can offer for sale;
4. “**Available Storage Capacity**” means the part of the Technical Capacity of the Storage Facility, which has not been allocated and is available at a given time in the Storage Facility for allocation;
5. “**Available Withdrawal Rate**” means the Withdrawal Rate that the SSO can offer for sale;
6. “**Available Working Volume**” means the Working Volume of the Storage Facility that the SSO can offer for sale;
7. “**Business Day**” means a day that is not Saturday, Sunday or official public holiday or official day off in the Slovak Republic;
8. “**Civil Code**” means Act No. 40/1964, the Civil Code, as amended;
9. “**Commercial Code**” means Act No. 513/1991, the Commercial Code, as amended;
10. “**Contracted Firm Capacity**” means the sum of all Firm Storage Capacities allocated under Gas Storage Agreements;
11. “**Contracted Interruptible Capacity**” means the sum of all interruptible Storage Capacities allocated under Gas Storage Agreements;
12. “**Cushion Gas**” means the minimum quantity of gas that is required as a permanent store of gas in the Storage Facility for maintaining the Storage Capacity;
13. “**Customer**” means a natural or juristic person that has a Gas Storage Agreement in place with the SSO;
14. “**Day-ahead Injection/Withdrawal Rate**” is understood to be the Storage Service through which the SSO provides Injection/Withdrawal Rate on the basis of a Nomination given on the day before the Gas Day on which the Injection/Withdrawal Rate is to be used;
15. “**Distribution System Operator**” or “**DSO**” means a gas undertaking licensed to perform Gas Distribution under the Energy Act;
16. “**Distribution System**” or “**DS**” means the gas distribution facility in the territory of the Slovak Republic;

17. “**Firm Storage Capacity**” means Storage Capacity that the SSO cannot interrupt or reduce on the basis of a Gas Storage Agreement, other than as provided by the applicable legislation and the Technical Conditions;
18. “**Flexible Storage Capacity**” means the Storage Service that enables Customers to inject natural gas into the Storage Facility also during the Withdrawal Season and to withdraw natural gas from the Storage Facility also during the Injection Season;
19. “**Gas Day**” means a period of 24 hours, which begins at 6 a.m. Central European Time; on the day of transition to Central European Summer Time, the Gas Day is a period of 23 hours and on the day of transition to Central European Winter Time the Gas Day is a period of 25 hours;
20. “**Gas Distribution**” means the transport of gas via the Distribution System;
21. “**Gas Facility**” means a facility intended for gas transmission, gas distribution and/or gas storage, including facilities necessary for providing ancillary services and facilities necessary for ensuring access to and operation of the system, including the main gas closing valve and the direct gas pipeline;
22. “**Gas Month**” means a time period commencing at 6:00 hours Central European Time on the first calendar day of the respective calendar month and ending at 6:00 hours on the first calendar day of the following calendar month;
23. “**Gas Storage Agreement**” means an Agreement on Access to Storage Facility and Gas Storage pursuant to Section 47 (6) of the Energy Act, whereby the SSO agrees, subject to the conditions set out in valid and effective Rules of Operation of the SSO, to allocate to the gas market participant the agreed Storage Capacity and ensure gas storage throughout the term of the agreement, up to the level of the agreed Storage Capacity, and the gas market participant agrees to pay for the Storage Services and related services;
24. “**Gas Transmission**” means the transport of gas via the Transmission System;
25. “**Injection Rate Curve**” means a graphic and/or mathematical description of the dependence of Injection Rate on the current level of gas stores held in the Storage Facility for a given Customer under the Gas Storage Agreement;
26. “**Injection Rate**” means the quantity of gas that can be injected into the Storage Facility per unit of time; the Injection Rate varies depending in particular on the volume of gas stored in the Storage Facility, on the pressure in the Storage Facility and on the technical capabilities of the Storage Facility and of the Gas Facility linked to the Storage Facility, where for the purpose of this definition the unit of time means the Gas Day;
27. “**Injection Season**” means the time period in which, as a rule, natural gas is injected into the Storage Facility and which, as a rule, runs from 1 May to 31 October of the respective Gas Year;
28. “**Interconnection Point with the Virtual Trading Point Austria**” means the delivery point via which gas enters/exits into/from the Storage Facility with physical delivery/take at the WAG/MAB interconnection point in the East market zone in Austria, or at another point in the East market zone in Austria, provided that the SSO shall specify the particular point for physical delivery/take in the East market zone in Austria;

29. “**Interconnection Point with the Distribution System**” means the set of physical delivery points through which natural gas enters/exits into/from the Storage Facility from/into the Distribution System for the purpose of its injection/withdrawal;
30. “**Interconnection point with the Transmission System**” means the set of physical delivery points through which natural gas enters/exits into/from the Storage Facility from/into the Transmission System for the purpose of its injection/withdrawal;
31. “**Interruptible Storage Capacity**” means Storage Capacity that the SSO can interrupt or reduce on the basis of these Rules of Operation and/or the Gas Storage Agreement;
32. “**Within-day Injection/Withdrawal Rate**” is understood to be the Storage Service through which the SSO provides Injection/Withdrawal Rate on the basis of a Renomination made during the course of the Gas Day on which the Injection/Withdrawal Rate is to be used;
33. “**Linked Storage Facility Operator**” means POZAGAS a.s., Malé námestie 1, 901 01 Malacky, registered in the Commercial Register of the District Court of Bratislava I, Section: Sa, File No: 1271/B, Reg. No.: 31 435 688, licensed to perform gas storage under the Energy Act, which owns and operates a storage facility physically interconnected with the Storage Facility;
34. “**Connected Network Operator**” is understood to be Distribution System Operator, Linked Storage Facility Operator, Transmission System Operator and WAG Operator;
35. “**m<sup>3</sup>**” means the quantity of natural gas that at a temperature of 15°C, absolute pressure of 101.325 kPa and zero relative humidity takes a volume of one cubic metre;
36. “**MWh**” means a unit of energy to express a gas quantity of one thousand times the unit kWh, i.e.,  
1 MWh = 1,000 kWh;
37. “**Nomination**” means a written request by the Customer for a quantity of gas that the SSO is to inject or withdraw into/from the Storage Facility within the respective time period; such a request is to be submitted before the start of the injection or withdrawal of gas, in the forms and periods laid down in the Technical Conditions;
38. “**Operator of Interconnected Facility**” means a gas market participant that operates a Gas Facility interconnected with the Storage Facility in particular for the purpose of ensuring interoperability between the Storage Facility and the Gas Facility of the gas market participant in the territory of the Slovak Republic;
39. “**Seasonal Storage Capacity**” means the storage service that enables Customers to inject natural gas into the Storage Facility only during the Injection Season and to withdraw natural gas from the Storage Facility only during the Withdrawal Season;
40. “**Short-term Service**” means a service provided by the SSO for a period shorter than 12 months;
41. “**Standard Bundled Unit**” means the bundle of Working Volume, Injection Rate and Withdrawal Rate, in which the SSO primarily offers storage services;
42. “**Storage Account**” is understood to be an account kept by the SSO for every Customer and every Gas Storage Agreement separately and that contains and shows the values of the current

quantity of the Customer's Working Volume and the pertaining values of the maximum Injection Rate and the maximum Withdrawal Rate at the beginning of the next subsequent Gas Day;

43. “**Storage Capacity**” means the part of the Technical Capacity of the Storage Facility comprising the Working Volume and Withdrawal Rate and Injection Rate and primarily offered in the form of Standard Bundled Units;
44. “**Storage Facility**” means the facility operated by the SSO, located in Slovakia and used for the storage of natural gas and supplementary services relating to injection into the storage facility, withdrawal from the storage facility, and treatment and transport of gas to or from the system, with the exception of those parts of the storage facility which are exclusively reserved for Transmission System Operators or Distribution System Operators for the purpose of ensuring their operations, and, also, designated facilities operated by the Linked Storage Facility Operator which are necessary for the purpose of transporting the injected/withdrawn gas from/into the Interconnection Point with the Virtual Trading Point Austria;
45. “**Storage Services**” are understood to be the services under article 2 hereof, which the SSO can provide in accordance with the Rules of Operation, Technical Conditions and/or Gas Storage Agreement;
46. “**Storage Year**” is understood to be a period of twelve consecutive Gas Months, usually beginning on the Gas Day of 1 May of the respective calendar year and usually ending on the Gas Day on 30 April of the next subsequent calendar year;
47. “**Technical Capacity of the Storage Facility**” means the maximum firm Working Volume, maximum firm Injection Rate and maximum firm Withdrawal Rate that the SSO can provide to gas market participants taking into account the integrity of the storage facility and operating requirements of the Storage Facility, which are determined by the physical characteristics of the Storage Facility and by the Gas Facility linked to the Storage Facility;
48. “**Technical Conditions**” means the technical conditions of the access and connection to the Storage Facility that the SSO is obliged to prepare and publish under the legal regulations in force and effect in the Slovak Republic;
49. “**Tender Conditions**” means the conditions under which the SSO offers Storage Services under point 5.1 of these Rules of Operation, with a definition of the technical, commercial and other conditions for the provision of the offered services to gas market participant in a transparent and non-discriminatory way;
50. “**Transmission System Operator**” or “**TSO**” means a gas undertaking licensed to perform Gas Transmission under the Energy Act;
51. “**Transmission System**” or “**TS**” means in particular a grid of compressor stations and a grid of high-pressure gas pipelines that are interconnected and serve for gas transport in the delineated area, with the exception of the gas production system and the storage facility and the high pressure gas pipelines, which primarily serve for gas transport in a part of the delineated area;
52. “**WAG Operator**” means Baumgarten – Oberkappel Gasleistung GmbH;
53. “**Website**” means the website of the SSO, [www.nafta.sk](http://www.nafta.sk);



54. “**Withdrawal Rate Curve**” means a graphic and/or mathematical description of the dependence of Withdrawal Rate on the current level of gas stores held in the Storage Facility for a given Customer under the Gas Storage Agreement;
55. “**Withdrawal Rate**” means the quantity of gas that can be withdrawn from the Storage Facility per unit of time; the Withdrawal Rate varies depending in particular on the Working Volume of gas stored in the Storage Facility, on the pressure in the Storage Facility and on the technical capabilities of the Storage Facility and of the Gas Facility linked to the Storage Facility, where for the purpose of this definition the unit of time means the Gas Day;
56. “**Withdrawal Season**” means the time period in which, as a rule, natural gas is withdrawn from the Storage Facility and which, as a rule, runs from 1 November to 30 April of the respective Gas Year;
57. “**Working Volume**” means a quantity of gas in the Storage Facility above the level of the facility’s Cushion Gas, that can be injected and later withdrawn;

## 2 SERVICES PROVIDED

### 2.1 Storage Services provided by the SSO

- 2.1.1 Under the Energy Act, in particular Section 67 (6) of the Energy Act, the Gas Market Rules, Regulation (EC) No 715/2009 of the European Parliament and the Council, these Rules of Operation and the Technical Conditions, and with a view to ensuring the efficient, safe and maximum use of the Storage Capacity in the interest of creating an open gas market, in accordance with transparent and non-discriminatory principles, the SSO provides the following Storage Services:
- (a) Storage Capacity
    - (i) Seasonal Storage Capacity;
    - (ii) Flexible Storage Capacity;
  - (b) Individual Services related to Storage Capacity
    - (i) Working Volume;
    - (ii) Injection/Withdrawal Rate;
    - (iii) Day-ahead Injection/Withdrawal Rate
    - (iv) Within-day Injection/Withdrawal rate;
  - (c) Supplementary services
    - (i) Use of an additional delivery point;
    - (ii) Change of delivery points;
    - (iii) Transfer of gas in the Storage Facility and from/into the Linked Storage Facility;

- (iv) Transfer of the exercise of the rights under the Gas Storage Agreement;
- (v) Assignment of the Gas Storage Agreement or a part thereof;
- (d) Structured Services
  - (i) Storage Capacity Option
  - (ii) Inverse Storage Facility
  - (iii) Value-sharing Storage;
- (e) Innovative Services

- 2.1.2 The SSO shall offer only the services under 2.1.1 that can be offered and provided by the SSO with regard to the technical parameters of the Storage Facility and the SSO's obligations under the existing Gas Storage Agreements.
- 2.1.3 Nominations or Renominations of services provided by the SSO under these Rules of Operation are governed by the provisions of the Technical Conditions.
- 2.1.4 The SSO provides the services defined in this article for a consideration determined on the basis of agreements concluded between the SSO and the Customer, or under the conditions laid down in the price list.
- 2.1.5 The SSO provides the services defined in this article as short-term or long-term, firm or interruptible services.

## 2.2 Storage Capacity

- 2.2.1 The SSO provides Seasonal or Flexible Storage Capacity under the Gas Storage Agreement either as Firm Storage Capacity or as Interruptible Storage Capacity, with the specified technical parameters of the Working Volume, Injection Rate, and Withdrawal Rate at specific delivery points.
- 2.2.2 Storage Capacity is defined as Working Volume, Injection Rate and Withdrawal Rate.
- 2.2.3 The total Working Volume is the maximum quantity of a Customer's natural gas that can be stored in the Storage Facility at a given time.
- 2.2.4 The Injection/Withdrawal Rate varies depending on the current quantity of gas stored in the Storage Facility on the basis of the injection-withdrawal curves specified in the Gas Storage Agreement.
- 2.2.5 The SSO has the right to interrupt or reduce the provision of Interruptible Storage Capacity under the conditions set out in the Gas Storage Agreement.

An interruption or reduction in the provision of Interruptible Storage Capacity is made, as a rule, at a time when other Customers' Nominations or Renominations do not allow to the provision thereof or in other cases specified in the Technical Conditions.

The manner of notifying an interruption or reduction is defined in the Technical Conditions.

## 2.3 Individual Services

Each Individual Service to be allocated to a Customer must be linked to a specific valid Gas Storage Agreement concluded between the SSO and the Customer.

Individual Services shall be provided to the Customer depending on the SSO's technical capacities and on the basis of an Application received before the beginning of Individual Service provision.

### 2.3.1 Working Volume

Provision of the Working Volume service does not change the initial value of the maximum daily Injection/Withdrawal Rate or the shape of the Injection/Withdrawal Curve in respect of the percentage-based relationship as defined in the existing Gas Storage Agreement.

After the allocation of the firm service of Working Volume, the SSO updates the original Injection and Withdrawal Curve under the existing Gas Storage Agreement.

### 2.3.2 Injection/Withdrawal Rate

After the allocation of the service of Injection/Withdrawal Rate, the SSO updates the original Injection/Withdrawal Curve under the existing Gas Storage Agreement.

The SSO has the right to interrupt or reduce the provision of Individual Interruptible Services under the conditions contained in the Technical Conditions and in the Gas Storage Agreement.

An interruption or reduction in the provision of an Individual Interruptible Service is made, as a rule, at a time of other Customers' Nominations or Renominations or in cases specified in the

Technical Conditions that do not allow the SSO to provide the requested Individual Interruptible Service without an interruption or reduction.

The manner of notifying an interruption or reduction is defined in the Technical Conditions.

### 2.3.3 Day-ahead Injection/Withdrawal Rate

The Customer has the right to request Day-ahead Injection/Withdrawal Rate over and above the Injection/Withdrawal Rates allocated by the Gas Storage Agreement.

The SSO provides Day-Ahead Injection/Withdrawal Rate on the basis of Nomination tied to a particular Gas Storage Agreement, and the amount of the consideration is set out in the price list published on the SSO's website.

The SSO shall publish the level of the available Day-ahead Injection/Withdrawal Rate on every Gas Day for the following Gas Day for all delivery points.

The Day-Ahead Injection/Withdrawal Rate is offered as a daily rate or, at the Interconnection Point with the Austria Virtual Trading Point, as a constant hourly rate, for the whole of the following Gas Day.

The Customer nominates Day-Ahead Injection/Withdrawal Rate at Interconnection Points with the Distribution System and at the Interconnection Point with the Transmission System by 3 p.m. and at the Interconnection Point with the Austria Virtual Trading Point by 2 p.m. on the Gas Day preceding the Gas Day for which the nomination is made, providing that the Nomination last received by the above time shall be applicable. Should Nominations of Day-Ahead Injection/Withdrawal Rates exceed the available Day-Ahead Injection/Withdrawal Rate, the SSO shall follow the principle of *pro rata* reduction depending on the size of the required rates.

The allocation of Day-ahead Injection/Withdrawal Rate at the time of renomination, i.e. 2 p.m. or 3 p.m. until 4 a.m. on the given Gas Day, is governed by the first come first served principle.

In the case that the Customer renominates its Day-ahead Injection/Withdrawal Rate to a lower level, its obligation to pay for the highest allocated Day-ahead Injection/Withdrawal Rate remains unchanged.

### 2.3.4 Within-day Injection/Withdrawal Rate

During the course of the Gas Day, the SSO provides Within-day Injection/Withdrawal Rate on the basis of renomination tied to a particular Gas Storage Agreement; the fee is set out in the price list published on the SSO's website.

The Customer has the right to request Within-day Injection/Withdrawal Rate over and above the allocated Injection/Withdrawal Rates from 4 a.m. of the preceding Gas Day to 3 a.m. of the given Gas Day at a distance of 2 hours (from the whole hour following the delivery of nomination/renomination). The allocation of Within-Day Injection/Withdrawal Rate follows the first come first served principle.

At an Interconnection Point with the Distribution System and at the Interconnection point with the Transmission System, Within-Day Injection/Withdrawal Rate is allocated for the remaining part of the Gas Day.

At the Interconnection Point with the Austria Virtual Trading Point, Within-Day Injection/Withdrawal Rate is allocated in the form of an hourly Injection/Withdrawal Rate for

each of the hours. The Customer has the right to indicate the particular hours for which it requests a Within-Day Injection/Withdrawal Rate.

In the case that the Customer renominates its Within-day Injection/Withdrawal Rate to a lower level, its obligation to pay for the highest allocated Within-day Injection/Withdrawal Rate remains unchanged.

## **2.4 Supplementary services**

The SSO provides supplementary services only to those Customers with whom it has a Gas Storage Agreement in place; the charge is set out in the price list published on its Website.

Each supplementary service to be allocated to a Customer must be tied to a specific valid Gas Storage Agreement concluded between the SSO and the Customer.

The Customer has the right to request the allocation of supplementary services using the request form posted on the SSO's Website.

### **2.4.1 Use of additional delivery points**

Through this service, the Customer can use multiple delivery points for gas injection into the Storage Facility and gas withdrawal from the Storage Facility in addition to the delivery points agreed in the Gas Storage Agreement.

The Customer has the right, usually one (1) day in advance, to request the use of an additional delivery point for a set period over and above the rights set out in the Gas Storage Agreement.

The Customer's request for the use of an additional delivery point can relate to the entire Storage Capacity or a part thereof, or an Individual Service specified in the Gas Storage Agreement.

The SSO has the right to refuse such a request, in particular if such a request is not technically feasible, or causes a change in the original relation of the technical parameters of the Storage Capacity or the Individual Service.

If the use of an additional delivery point concerns a period shorter than the term of effect of the Gas Storage Agreement, then following the end of this period the Customer may only use the originally agreed delivery point as specified in the Gas Storage Agreement. The foregoing is without prejudice to the Customer's right to request the allocation of this service repeatedly.

### **2.4.2 Change of delivery points**

The Customer has the right to request a change of the delivery points specified in the Gas Storage Agreement for gas injection into the Storage Facility and gas withdrawal from the Storage Facility.

The Customer has the right to request, usually within five (5) days before the required effect, a change of the delivery point for a set period.

The Customer's request for a change of the delivery point can relate to the entire Storage Capacity or a part thereof, or an Individual Service specified in the Gas Storage Agreement.

The SSO has the right to refuse such a request, in particular if such a request is not technically feasible, or causes a change in the original relation of the technical parameters of the Storage Capacity or the Individual Service.

If the change of the delivery point concerns a period shorter than the term of effect of the Gas Storage Agreement, then following the end of this period the right to use the originally agreed delivery point as specified in the Gas Storage Agreement is automatically restored. The foregoing is without prejudice to the Customer's right to request the allocation of this service repeatedly.

#### 2.4.3 **Transfer of Gas in the Storage Facility and from/into the Linked Storage Facility**

A Storage Account is associated with each Gas Storage Agreement by which Firm or Interruptible Storage Capacity has been allocated to the Customer.

A transfer of gas in the Storage Facility from one Storage Account to another Storage Account is the subject matter of the service of Transfer of Gas in the Storage Facility. The transfer of gas from/to the Customer's Storage Account related to the Storage Facility to/from the Storage Account of a customer of the Linked Storage Facility to/from its storage account in the Linked Storage Facility is the subject matter of the service of Transfer of Gas from/into the Linked Storage Facility.

The Customer has the right to request Transfer of Gas in the Storage Facility and from/into the Linked Storage Facility at least one day before the required effect and this Transfer of Gas in the Storage Facility and from/into the Linked Storage Facility is subject to approval by the SSO.

The Customer who transfers the gas must have in its Storage Account, on the effective date of the transfer, at least a quantity of gas that equals the quantity of the gas transferred. Upon the transfer, the quantity of the gas transferred is deemed withdrawn gas on the part of the Customer – transferor.

The Customer who buys the gas must have, on the effective date of the transfer, a free Working Volume at least in the quantity of the purchased volume of gas; the volume of purchased gas is credited to its Storage Account as injected gas.

#### 2.4.4 **Transfer of the exercise of rights under Gas Storage Agreement**

The Customer is entitled to delegate the exercise of its rights under the Gas Storage Agreement or these Rules of Operation, either in whole or in part, to a third party (the "**Rights Executor**") of its choice subject to the conditions below.

The Customer is obliged to notify the SSO of the delegation of the exercise of rights in writing at least five (5) Business Days before the requested effective date for the delegation of the exercise of rights.

In the written notification the Customer shall clearly state the identification of the Rights Executor, the size of the Storage Capacity and the period for which the delegation of the exercise of rights is made.

Delegation of the exercise of rights under a Gas Storage Agreement may concern Storage Capacity services and Individual Services.

The SSO has the right to refuse such a request, in particular if such a request is not technically feasible, or causes a change in the original relation of the technical parameters of the Storage Capacity or the Individual Service.

Through a delegation of the exercise of rights under the Gas Storage Agreement, the Rights Executor does not become a Customer of the SSO. Rights and obligations of the SSO and Customer under the Gas Storage Agreement shall remain unchanged.

The SSO shall keep a separate Storage Account for the Customer and for the Rights Executor.

#### 2.4.5 **Assignment of the Gas Storage Agreement or a part thereof**

The Customer has the right to request the SSO to **Assign the Gas Storage Agreement or a part thereof** (“Assignment”) to a third party (“Assignee”).

The joint Application of the Customer and the Assignee must be received by the SSO usually no later than ten (10) Business Days before the Assignment is to take effect.

In the Application, the Customer and the Assignee are required to clearly state the identification of the Assignee, the object and scope of the Assignment and the period for which the Assignment is made.

The Assignee is required to deliver to the SSO, together with the Application, documents under point 5.1.4 of these Rules of Operation. This duty does not apply to Assignees who already are Customers of the SSO.

Promptly after assessing the Application, the SSO shall inform the Assignee in writing of its opinion regarding the Application.

Assignment may concern Storage Capacity services and Individual Services, to the full extent or in part only.

The SSO has the right to refuse Assignment, in particular if the service is not technically feasible or causes a change in the original parameters of the service provided under the Gas Storage Agreement.

The party to which the Gas Storage Agreement or a part thereof has been assigned becomes a Customer of the SSO.

The Gas Storage Agreement is concluded upon receipt of the confirmation of approval of the Assignment.

In the case of approval of the Assignment, the provisions of the original Gas Storage Agreement shall apply to the Assignee to the extent of the approved Application. In this case, the Customer is responsible for a breach of obligations by the Assignee pursuant to the said Gas Storage Agreement. Objections against receivables or against violations of the Gas Storage Agreement that the SSO could have raised against the Customer before or on the effective date of the Assignment shall remain preserved for the SSO also after the effective date of the Assignment.

## 2.5 **Structured services**

Depending on the technical capabilities and in relation to its obligation to operate the Storage Facility efficiently, the SSO also has the right to provide the following structured services:

### 2.5.1 **Storage Capacity Option**

The Storage Capacity Option is understood to be the Customer’s opportunity, throughout the term of the option, to exercise its right in respect of the SSO to enter into a Gas Storage



Agreement under the terms and conditions agreed in a Contract on Future Gas Storage Agreement.

The provisions of article 5 hereof shall be applied *mutatis mutandis* to the allocation of a Storage Capacity Option.

### 2.5.2 Inverse Storage Facility

The Inverse Storage Facility is a Storage Capacity service provided to the Customer with a full Storage Account at the beginning of the first Gas Day of the storage period, where the Customer is obliged to close the last Gas Day again with a full Storage Account.

The SSO can have the opportunity to offer the Inverse Storage Facility services to a limited extent based on optimising the operation of its geological structures.

### 2.5.3 Value Sharing

Value Sharing is a Storage Capacity service the pricing of which depends on the future development of the trading prices of natural gas traded at gas hubs and on the Customer's ability to leverage this development for its benefit through the Storage Capacity allocated to the Customer.

With regard to its obligation to operate the Storage Facility efficiently, the SSO has the right to provide such service only to the Customer that meets the criteria, published in advance, concerning its ability to trade at gas hubs actively and efficiently.

## 2.6 Innovative services

With a view to meting its statutory duties, the SSO also develops, in cooperation with its Customers and with other gas market participants, additional innovative Storage Services, which are not defined in advance.

## 3 CUSTOMER'S RIGHTS AND OBLIGATIONS

### 3.1 Customer's rights

Under the terms and conditions of these Rules of Operation and the Technical Conditions, the Customer shall have the right, without limitation, to:

- (a) non-discriminatory treatment, and transparent access to the services provided by the SSO under these Rules of Operation;
- (b) information about the services on offer and the relevant conditions for the provision thereof, together with the technical information that the Customer needs for gaining effective access to the Storage Facility;
- (c) information on the overall Technical, Contracted and Available Storage Capacity, broken down into:
  - (i) the maximum Injection Rate;
  - (ii) the maximum Withdrawal Rate;



- (iii) the maximum Working Volume of the Storage Facility;
- (d) information on the annual plan of shutdowns and maintenance plan for the Storage Facility that may affect the size of Storage Capacities and the quality of services provided;
- (e) information on the plan of modifications to the size of the Storage Capacity;
- (f) information on the balance in the Customer's Storage Account;
- (g) access to metering data on the gas stored in the Storage Facility, including the evaluation of the metering in accordance with the Gas Storage Agreement, if the Customer so requests;
- (h) information on the metered aggregate gas flow at each of the delivery points used by the Customer, if the Customer so requests.

Information under this point 3.1 (b) to (e) shall be deemed notified or provided in the case of its publication by the SSO on its Website.

### 3.2 Customer's obligations

Under the terms and conditions of these Rules of Operations, the Customer shall, without limitation:

- (a) deliver gas for storage and take gas in accordance with the Gas Storage Agreement and the Technical Conditions;
- (b) follow the measures of the DSO's dispatching centre in the case of an emergency;
- (c) pay the price(s) for the services provided by the SSO pursuant to the Gas Storage Agreement and these Rules of Operation;
- (d) prove the customs status of the gas supplied to the Storage Facility;
- (e) present a VAT registration certificate issued by the competent tax authority, usually no later than five (5) days before the start of service provision;
- (f) if requested by the SSO, provide the information that is necessary for the performance of the SSO's obligations under the relevant laws and regulations, the Rules of Operation or the Technical Conditions;
- (g) ensure continuous contact with the SSO during the period of storing gas in the Storage Facility in accordance with the Gas Storage Agreement and the Technical Conditions;
- (h) ensure the technical means required for communication with the SSO in accordance with the Technical Conditions;
- (i) The Customer may only store the gas to which the Customer has the right of disposal and which is not encumbered by third-party rights at variance with the SSO's rights. The Customer shall reimburse the SSO for any costs, legal expenses, and claims raised by third parties, resulting from such a statement being untrue.

### 3.3 Complaints

- (a) Customers can file a complaint as follows:
  - (i) in person, at the place of the SSO's registered office, providing that a written record of the lodging of the complaint shall be drawn up;
  - (ii) in a letter to the address of the SSO's registered office;
  - (iii) via electronic mail to the addresses posted on the SSO's Website.
- (b) A complaint is understood to be the invoking of the responsibility for shortcomings in the SSO's services.
- (c) Customers can lodge complaints about the shortcomings in the deliverable provided by the SSO within the time limits set out in the Gas Storage Agreement, in these Rules of Operation, in the Technical Conditions, or in the relevant generally applicable laws and regulations.
- (d) A lodged complaint must contain:
  - (i) First name and surname, or business name, and address and telephone number of the person lodging the complaint;
  - (ii) Subject matter of the complaint (a brief description to the point);
  - (ii) The Customer's signature.
- (e) Should the complaint fail to contain the details specified in point (d) it will be regarded as unjustified. In such a case, the SSO shall notify the Customer thereof, including advice as to what the lodged complaint should contain.
- (f) The SSO shall issue and deliver to the Customer a confirmation of receipt of the complaint, and shall do so in writing or via electronic mail.
- (g) The SSO shall notify the Customer of the handling of the complaint within the time limits under the Gas Storage Agreement, or within the time limits under the provisions of generally applicable laws and regulations.

## 4 SSO'S RIGHTS AND OBLIGATIONS

### 4.1 Rights of the SSO

Under the terms and conditions of these Rules of Operation and the Technical Conditions, the SSO shall have the right, without limitation, to:

- (a) refuse an Application or deny access to the Storage Facility, in accordance with other provisions of the Rules of Operations or if
  - (i) the above is at variance with these Rules of Operation or the Technical Conditions;
  - (ii) there is no Available Storage Capacity and/or the SSO does not provide and does not offer the service that the gas market participant requests, and/or the

- conditions for allocating the Storage Service in compliance with these Rules of Operation and the Technical Conditions have not been met;
- (iii) the SSO has been granted a special exemption from the obligation to provide access to the Storage Facility or if other circumstances specified in Section 74 of the Energy Act occur;
  - (iv) access to the Storage Facility would prevent the performance of obligations of the general economic interest as stated in the relevant laws and regulations;
  - (v) the gas market participant fails to deliver the Application to the SSO at least forty (40) days prior to the start of the requested storage under Section 44 (4) of the Gas Market Rules, or within a different time limit as may be set out in Tender Conditions. In the case of short-term contracts, if the gas market participant fails to deliver the Application to the SSO usually no later than five (5) days prior to the start of the requested storage under Section 44 (4) of the Gas Market Rules the SSO shall make a reasonable effort to refrain from rejecting an Application that is delivered after the above time limits;
- (b) reduce or interrupt gas storage to the extent as may be necessary and for the necessary time in cases specified in the agreement concluded with the Customer, in the Rules of Operation, in the Technical Conditions and in generally applicable legislation;
  - (c) dispose of the Customer's gas that remains in the Storage Facility following the end of a Gas Storage Agreement in accordance with these Rules of Operation;
  - (d) refuse or restrict Customers' Nominations or Renominations in accordance with the Technical Conditions;
  - (e) establish the basic criteria and Tender Conditions for allocating the services provided under article 5;
  - (f) the SSO holds a lien over the stored gas to secure its claims under the Gas Storage Agreement;
  - (g) the SSO has the right to provide gas market participants with additional Firm Storage Capacity that exceeds the Technical Capacity of the Storage Facility if the Technical Capacity of the Storage Facility has already been allocated. The SSO determines additional Firm Storage Capacity taking into account the statistical scenarios of the probable amount of physically unused capacity and the technical and geological characteristics of the Storage Facility.

## 4.2 Obligations of the SSO

Under the terms and conditions of these Rules of Operation and the Technical Conditions, the SSO shall have the obligation, without limitation, to:

- (a) conclude a Gas Storage Agreement with a person who so requests, provided the Applicant fulfils the Technical Conditions and the conditions specified in these Rules of Operation;
- (b) provide access to the Storage Facility on a transparent and non-discriminatory basis pursuant to these Rules of Operation and the Gas Storage Agreement;

- (c) take from the Customer the quantities of natural gas up to the values set out in the Gas Storage Agreement, and to inject such quantities of natural gas into the Storage Facility and keep them in the Storage Facility and subsequently withdraw and deliver them to the Customer;
- (d) provide Firm Storage Capacity or Interruptible Storage Capacity to gas system operators and other gas market participants;
- (e) ensure for the Customer, gas transport to/from the Interconnection Point with the Virtual Trading Point Austria in accordance with the Gas Storage Agreement, and provide its services and operate the Storage Facility with a view to ensuring the reliable, safe and efficient operation of the Storage Facility in the interest of creating an open gas market;
- (f) ensure maintenance and development of the Storage Facility while observing environmental protection conditions, as well as the reliable, safe and efficient operation of the Storage Facility;
- (g) protect commercially sensitive information relating to gas storage;
- (h) reduce gas storage under a decision of the Ministry of Economy of the Slovak Republic under Section 67 (6) (j), Section 67 (8) and Section 88 of the Energy Act;
- (i) provide the Interconnected Facility Operator with information needed for ensuring the operability of the interconnected system;
- (j) provide gas market participants with information needed for access to the Storage Facility;
- (k) proceed under the allocation regime specified in the Technical Conditions;
- (l) publish on the Website, in particular,
  - (i) these Rules of Operation and amendments hereto;
  - (ii) the Technical Conditions and amendments thereto;
  - (iii) Tender Conditions;
  - (iv) Applications under the Rules of Operation;
  - (v) Gas Storage Agreement forms;
  - (vi) detailed information about the services on offer and the relevant conditions for the provision thereof, together with the technical information that the Customer needs for gaining effective access to the Storage Facility;
  - (vii) information about Contracted Firm Capacity and Contracted Interruptible Capacity and Available Storage Capacity, broken down to:
    - the maximum Injection Rate;
    - the maximum Withdrawal Rate;
    - the maximum Working Volume;
  - (viii) information about the quantity of gas injected and withdrawn;
  - (ix) information on the annual plan of available performance of the Storage Facility (“plan of shutdowns and maintenance of the Storage Facility”) that may affect the size of Storage Capacity and the quality of services provided;

- (x) information on the plan of modifications to the size of Storage Capacity;
- (xi) a list of selected banks for the purposes of issuing Bank Guarantees;
- (xii) information about the application of regulated access or negotiated access to the Storage Facility;
- (m) observe the confidentiality obligation under point 13.5;
- (n) consult the requirements of Applicants or Customers relating to the plan of shutdowns of the Storage Facility while having regard to the SSO's contractual obligations;
- (o) keep the gas storage quality standards, including the evaluation thereof in accordance with the relevant laws and regulations, in particular Regulation No 278/2012 of the Office for the Regulation of Network Industries, laying down quality standards for gas storage, gas transmission, gas distribution and gas supply, as amended;
- (p) inform the Office for the Regulation of Network Industries regarding realized Transfers of gas in the Storage Facility; Transfers of the exercise of the rights under the Gas Storage Agreement and Assignment of the Gas Storage Agreement or a part thereof according to point 2.1.1 letter c) sub iii) until sub v) of this Rules of Operations.

## 5 ALLOCATION OF STORAGE SERVICES

The SSO shall allocate Storage Services in accordance with the Energy Act, in particular Section 67 (6) of the Energy Act, the Gas Market Rules, Regulation (EC) No 715/2009 of the European Parliament and of the Council, these Rules of Operation and the Technical Conditions, through transparent and non-discriminatory mechanisms that provide appropriate signals mainly for the efficient and maximum use of the Storage Capacity, in the interest of creating an open gas market, as follows:

### 5.1 Tender for the allocation of Storage Services

- 5.1.1 The SSO shall offer gas market participants Available Firm Storage Capacity on the basis of a published offer and the conditions for the provision of Storage Services ("**Tender Conditions**"), or under point 5.2 of these Rules of Operation.
- 5.1.2 In the Tender Conditions, the SSO shall stipulate, in particular, the technical parameters of the offered service, service duration, the time limit for submitting Applications and the manner of their assessment.
- 5.1.3 Within the time limit for submitting Applications, set out in the Tender Conditions, the Applicant submits to the SSO an Application for the allocation of the requested Storage Services. The SSO takes account only of the Applications that were submitted within the time limit for submitting Applications.
- 5.1.4 The Application form is published by the SSO in electronic form on its Website. The Application constitutes a binding proposal to conclude a Gas Storage Agreement.

Together with the Application the Applicant must submit the following:

- (a) a current Certificate of Incorporation issued by the Commercial Register or its equivalent, stating the persons authorised to act on behalf of the Applicant; the Applicant who is, or was over the last 12 months, a Customer does not submit the above

certificate if there was no change of the persons authorised to act for the Applicant according to the documents available to the SSO;

- (b) an affirmation in which it declares that prior to service provision it shall deliver to the SSO a confirmation of the customs status of the gas delivered to the Storage Facility.

- 5.1.5 The SSO has the right to stipulate in the Tender Conditions the obligation to submit also other documents than those referred to in point 5.1.4 of the Rules for Operation, including a bank guarantee. The SSO is entitled to require supplementary or additional information and documents from the Applicant.
- 5.1.6 The Applicant can deliver its Application via e-mail to the address stated in the Tender Conditions. The Application must include all the enclosures therewith as required by these Rules of Operation and the Tender Conditions, unless such enclosures were delivered upon the Applicant's registration, in accordance with the Tender Conditions.
- 5.1.7 Upon receipt of the Application the SSO shall confirm its receipt by e-mail to the address stated in the Application.
- 5.1.8 The SSO evaluates Applications on the basis of the rules set out in the Tender Conditions.
- 5.1.9 The SSO evaluates Applications pursuant to these Rules of Operation and the published Tender Conditions and shall notify the allocation or non-allocation of Storage Services within one (1) hour of the end of the time limit for submitting Applications. The SSO may extend this time limit in the Tender Conditions in justifiable cases.
- 5.1.10 The SSO shall conclude a Gas Storage Agreement in accordance with these Rules of Operation with the Applicant within ten (10) Business Days of receipt by the Applicant of the notification of Storage Capacity allocation.

In the case of failure to conclude a Gas Storage Agreement with an Applicant to whom a notification of Storage Capacity allocation was delivered within the time limit set out in the preceding paragraph, the Application received shall be deemed the Gas Storage Agreement.

## **5.2 Other transparent and non-discriminatory mechanisms for Storage Service allocation**

- 5.2.1 The SSO allocates other Storage Services (unallocated under point 5.1), mainly with regard to the specific nature of these Storage Services, to gas market participants in accordance with transparent and non-discriminatory principles on the basis of the gas market participant's application, taking into consideration the sequence of the applications delivered and their economic benefits, the nature of the service in question, and the SSO's technical capacities and obligation to operate the Storage Facility efficiently and use the Storage Capacity to the maximum possible extent.
- 5.2.2 Under these Rules of Operation, the Technical Conditions and other generally applicable laws and regulations, gas market participants shall send their applications for Storage Service allocation under point 5.2.1 above to the SSO in the form in which the application model form for the Storage Service in question is published on the SSO's website. Where no application model form is published for a Storage Service, the gas market participants may send their applications via e-mail.
- 5.2.3 The SSO has the right not to use the opportunity to allocate a Storage Services under point 5.2.1 above if it offers this services using the procedure set out in point 5.1.

## **6 STORAGE ACCOUNT**

- 6.1 For each Customer and each Gas Storage Agreement the SSO maintains a separate Storage Account. The balance in each Storage Account also derives from the quantities of gas allocated for the respective Customer for a particular Gas Day.
- 6.2 The current level of the Customer's natural gas stores in the Storage Facility may not exceed the Working Volume agreed in the Gas Storage Agreement.
- 6.3 The Storage Account is maintained in energy units.
- 6.4 The quantity of gas allocated for a given Customer at a particular delivery point is credited to the respective Customer's Storage Account upon gas injection into the Storage Facility.
- 6.5 The quantity of gas allocated for a given Customer at a particular delivery point is debited from the respective Customer's Storage Account upon gas withdrawal from the Storage Facility.
- 6.6 The SSO and the Customers are required to evaluate and confirm, by way of a delivery-acceptance report, the accepted/delivered quantities of gas by the fifth (5th) Business Day of the month following the end of the respective Gas Month.

## **7 NOMINATIONS / RENOMINATIONS**

Customers use Nomination and Renomination, as detailed in the Technical Conditions, for requesting the carrying out ("processing") of the Storage Services provided.



## **8 DELIVERY POINTS AND GAS QUALITY**

- 8.1 For gas injection into and gas withdrawal from the Storage Facility, the Interconnection Point with the Transmission System, the Interconnection Point with the Distribution System and the Interconnection Point with the Virtual Trading Point Austria under the Gas Storage Agreement are used. The conditions for using the individual delivery points are set out in the Technical Conditions.
- 8.2 The SSO may charge a separate fee for the use of certain delivery points. The use of individual delivery points may require the fulfilment of additional conditions set by the Operators of Interconnected Facilities.
- 8.3 The SSO's responsibility for the quantity, quality and pressure of gas withdrawn from the Storage Facility ends at the moment of the gas passing from the Storage Facility into the connected networks and passes to the respective Connected Network Operator.
- 8.4 The responsibility of the Operators of Interconnected Facilities for the quantity, quality and pressure of gas injected into the Storage Facility ends at the moment of this gas passing from the connected networks into the Storage Facility and passes to the SSO.
- 8.5 The SSO shall not be held liable for any failure to comply with the terms and conditions of contracts (transport agreements, storage agreements and other agreements) entered into between the Customer and the Operators of Interconnected Facilities, in particular, for any breach of the obligations of the Operators of Interconnected Facilities to take and deliver the Customer's gas or to keep the prescribed pressures and other technical conditions agreed between the Customer and the Operators of Interconnected Facilities.
- 8.6 The quantity, quality and pressure of gas physically withdrawn or physically injected are measured at metering points in accordance with the Technical Conditions.
- 8.7 The qualitative parameters of gas and the manner of determining and checking them are specified in the Technical Conditions.
- 8.8 Natural gas is injected and withdrawn into/from the Storage Facility together with natural gas of other Customers in a mixed flow.

## **9 PRICE FOR SERVICES PROVIDED**

The price for the SSO's services provided under these Rules of Operation is set in accordance with the Energy Act and Act No 250/2012 on regulation in network industries.

## **10 BANK GUARANTEE**

- 10.1 Upon the SSO's request, the Customer is required to submit, before signing a Gas Storage Agreement, the original of an irrevocable bank guarantee issued by a bank in favour of the SSO in an amount of at least twice the monthly payment for services, the exact amount of which shall be set by the SSO before the signing of the Gas Storage Agreement (the "**Bank Guarantee**").



- 10.2 The SSO may at any time during the life of the Gas Storage Agreement require the Customer to submit a Bank Guarantee, and to increase, decrease or cancel an existing Bank Guarantee, in particular with regard to its financial situation and overall payment discipline.
- 10.3 The Bank Guarantee must explicitly state that:
- (a) it is valid and effective from the effective date of the Gas Storage Agreement, or from the date set by the SSO under point 10.2, until the end of the second month following the month in which the validity of the Gas Storage Agreement ends (with the exception of the case stated in point 10.7, when the validity and effect of the Bank Guarantee may be shorter);
  - (b) the SSO is entitled to exercise the Bank Guarantee if the Customer has failed to meet any of the obligations arising from the concluded Gas Storage Agreement, and
  - (c) it is payable by the Bank without any reservations within five (5) Business Days following receipt of written demand for payment, sent by the SSO.
- 10.4 The SSO has the right to exercise a Bank Guarantee no earlier than ten (10) days from sending a written request for the payment of a payable invoice issued in accordance with the concluded Gas Storage Agreement.
- 10.5 The SSO's demand for payment shall include a statement that the Customer has failed to meet its obligations under the concluded Gas Storage Agreement. A copy of the SSO's unpaid invoice shall be attached to the demand for payment.
- 10.6 If the payment of at least 1/3 of the Bank Guarantee has been made, the SSO has the right to request the Customer to top up the Bank Guarantee to the original amount within fourteen (14) days from receipt of the SSO's request. If the Customer fails to top up the Bank Guarantee to the original amount within the set time limit, the SSO shall be entitled to a fee under Sections 300 to 302 of Act No 513/1991, the Commercial Code, amounting to the monthly fee for services under the Gas Storage Agreement. The foregoing shall be without prejudice to the SSO's right to withdraw from the Gas Storage Agreement.
- 10.7 Notwithstanding point 10.3 (a), the Bank Guarantee may, subject to the SSO's prior written consent, be valid and effective from the date of signing the Gas Storage Agreement for a period shorter than that stated in point 10.3 (a), providing that the following conditions are cumulatively satisfied at the same time:
- (a) The Applicant requests that the SSO provide services for a period exceeding two (2) calendar years, on the basis of a Gas Storage Agreement having force and effect in excess of two (2) calendar years;
  - (b) in the Bank Guarantee it is explicitly stated that the Bank Guarantee is valid and effective for a period of at least of fifteen (15) months;
  - (c) the Customer shall be required to renew the Bank Guarantee throughout the duration of the Gas Storage Agreement so that the last renewed Bank Guarantee is valid until the end of the second month following the month in which the validity of the Gas Storage Agreement ends; and
  - (d) in the case that the Customer fails to renew the Bank Guarantee within the set time limit the SSO shall be entitled to a fee under Sections 300 to 302 of Act No 513/1991, the Commercial Code, amounting to the monthly payment for services under the Gas Storage Agreement. The foregoing shall be without prejudice to the SSO's right to withdraw from the Gas Storage Agreement.

## 11 INVOICING AND PAYMENT TERMS

- 11.1 The invoicing period for a Gas Storage Agreement between the SSO and the Customer is, as a rule, the calendar month. For billing purposes, a Gas Month shall be billed as a calendar month.
- 11.2 Payments by the Customer to the SSO shall be made against issued and delivered invoices for services provided by the SSO.
- 11.3 All invoices shall be issued and paid in euros. The payment of the liabilities of the two contracting parties shall be made by credit transfer in favour of the creditor's account. Bank charges of the debtor shall be borne by the debtor, those of the creditor shall be borne by the creditor. For the purposes of this point,
- (i) "debtor" means the Customer or the SSO having a payable to the other contracting party;
  - (ii) "creditor" means the Customer or the SSO having a receivable from the other contracting party.
- 11.4 Invoices must contain the particulars laid down by generally applicable regulations and these Rules of Operation. VAT shall be charged in accordance with the generally applicable regulations in force in the country of the invoice issuer. If an invoice is not in accordance with these Rules of Operation, the Gas Storage Agreement, or generally binding regulations, the Customer is entitled to return the invoice by e-mail without payment within five (5) days of receipt. If the Customer returns the invoice, it is required to state specifically the reasons of the return. Upon a justifiable return of an invoice within five (5) days, the time to maturity shall stop running and shall run anew from the day of delivery of a corrected (new) invoice.
- 11.5 Invoicing for services provided:
- a) The price for the provision of the services under point 2.1.1 (a) applies to the entire period of service provision. The invoice for services provided is issued by the SSO every month proportionally to the total price for storage agreed in the Gas Storage Agreement. If the service is not provided from the first day of the Gas Month or until the last day of the Gas Month, the proportional part of the total price for storage agreed in the Gas Storage Agreement, prorated to the number of days for which the service was provided in that month, is billed for such an incomplete month.  
  
The SSO shall issue and deliver the invoice by the 14th calendar day of the month in which the service is provided.  
  
The maturity date of an invoice is, at the latest, the twenty-eighth (28th) day of the calendar month in which the invoice was issued.  
  
If the beginning of the provision of the above services is set for a day other than the first day of the calendar month, the SSO shall issue and deliver the first invoice within fourteen (14) calendar days of the day on which the SSO started to provide these services.  
  
Invoices shall have a maturity of fourteen (14) days from the date of issue.  
  
Within the meaning of the law on value added tax, the supply of the services set out in this point constitutes repeated supply of services taking place within agreed periods of time.

- b) Prices for the services under point 2.1.1 b) and c) are specified in the price list published on the SSO's website. The SSO shall issue and deliver the invoice for these services within 10 calendar days of the end of the month in which the services were provided. The maturity date of an invoice is, at the latest, the twenty-eighth (28th) day of the calendar month in which the invoice was issued.

Within the meaning of the law on value added tax, the supply of the services set out in point 2.1.1 b) and c) constitutes repeated supply of services taking place within agreed periods of time.

- c) For the services set out in point 2.1.1 d) and letter e), the SSO and the Customer shall agree on the billing and payment terms in their agreement executed in accordance with these Rules of Operation.

- 11.6 For interruptible services, the Customer shall also pay the price agreed in the Gas Storage Agreement even in the case that the Customer does not use these services for reasons attributable to the Customer.
- 11.7 If the day of meeting any obligation under this article 11 of the Rules of Operation falls on a day other than a Business Day, the day on which the obligation shall be met is the nearest Business Day following such day. In the case of delay with the delivery of the invoice by the SSO, the time to maturity of the invoice shall be extended by the number of days of the delay with delivering the invoice.
- 11.8 Where an adjustment is made to the total price following service provision, the SSO shall issue and deliver a correcting invoice, a debit note or a credit note, within ten (10) calendar days of the day of finding the fact. The time to maturity of issued correcting invoices, debit notes or credit notes, shall be fourteen (14) days from the issue thereof by the relevant contracting party.
- 11.9 The day on which the sum owing is credited to the creditor's account shall be deemed to be the day of the performance of a financial obligation. The SSO's bank details in the form of ABO, IBAN and SWIFT stated on the invoice must be identical to the bank details stated in the Gas Storage Agreement or other document signed by authorised representatives of the SSO or Customer. Else, the Customer shall be entitled to return the invoice for amendment of the above, with a request for a new maturity.
- 11.10 In the case of a contracting party being in delay with the payment of financial obligations under the Gas Storage Agreement, the other contracting party is entitled to charge interest on arrears in accordance with Act No 513/1991, the Commercial Code, and Slovak Government Order No 21/2013 which implements certain provisions of the Commercial Code.
- 11.11 Interest on arrears under the preceding point shall be payable within fourteen (14) days of delivery of the invoice (statement of interest on arrears) to the contracting party in delay with the payment of financial obligations.
- 11.12 Communication between the Customer and SSO for the purposes of the exercise of rights and performance of obligations under this article shall primarily take place via e-mail, unless the parties agree otherwise in the Gas Storage Agreement. The SSO shall subsequently also send the original of the invoice by post.
- 11.13 The invoice shall be deemed duly delivered upon acknowledgement of successful transmission thereof to the recipient at the respective e-mail addresses specified by the SSO and Customer in the agreement concluded on the basis of these Rules of Operation. Where an invoice was not duly delivered via e-mail, it shall be deemed duly delivered upon the delivery thereof to the respective Contracting Party at the address specified by the respective Contracting Party in the

heading of the Gas Storage Agreement or upon its refusal to accept the invoice. If an addressee does not accept a letter sent by registered post within 3 days from the depositing thereof, the letter shall be deemed delivered even though the addressee has not become aware of the content thereof.

## **12 GAS NOT WITHDRAWN**

- 12.1 The SSO and the Customer shall meet one (1) month before the termination of the Gas Storage Agreement to evaluate it, including the determination of the method of disposing of the natural gas not withdrawn, which was stored under the Gas Storage Agreement.
- 12.2 Unless the SSO and Customer agree otherwise, the Customer shall withdraw the whole quantity of gas from the Storage Facility before the expiration of the force and effect of the Gas Storage Agreement. Should the Customer fail to withdraw the whole quantity of gas from the Storage Facility under the preceding sentence, the SSO shall be entitled to sell the whole quantity of gas not withdrawn or a part thereof in an appropriate manner on the account of the owner of the gas (i.e. the Customer). The SSO may deduct the following items from the proceeds from such a sale, and shall surrender the remainder of the proceeds without undue delay to the Customer:
- a) the price for storing such gas in the Storage Facility, equalling the price for gas storage under the expired Gas Storage Agreement, applied for the period from the expiry date of the Gas Storage Agreement to the day of the sale of the gas not withdrawn;
  - b) expenses incurred in the sale of the gas not withdrawn;
  - c) any damage sustained due to failure to withdraw the gas under the Gas Storage Agreement;
  - d) any rights and claims whatsoever that the SSO has to and on the Customer in connection with the Gas Storage Agreement.

The SSO shall have the right to proceed under this point even in the case that the Customer has not withdrawn gas for the following reasons:

- a) The SSO has exercised its right of lien on the gas under point 4.1 letter f) of the Rules of Operation, and at the same time
  - b) the Customer has failed to satisfy the SSO's receivable that the SSO has secured by the lien even within an additional reasonable period of time provided by the SSO to the Customer, and at the same time
  - c) the SSO has withdrawn from the Gas Storage Agreement.
- 12.3 If the Customer has, during the life of the Gas Storage Agreement, a larger quantity of gas stored than that contractually agreed, it is obliged to remedy this situation in cooperation with the SSO no later than within one (1) month following receipt of the SSO's written request by the Customer.
- 12.4 Should the Customer fail to remedy the situation within the time limit set out in the preceding point, the SSO shall be entitled to sell the excess quantity of gas on the Customer's account and reduce the quantity of stored gas to the contract quantity. The SSO is obliged to surrender the proceeds from the sale without undue delay to the Customer under the conditions set out in point 12.2.
- 12.5 Where the Customer and the SSO conclude multiple Gas Storage Agreements, whose force and effect overlap or that are otherwise connected, the Customer may, subject to the SSO's written

consent, transfer, for a consideration, the not withdrawn or excess quantity of gas in favour of a Storage Account that the SSO maintains for the Customer under a different valid and effective Gas Storage Agreement concluded between the SSO and Customer, *mutatis mutandis* under point 2.4.3 of the Rules of Operation.

## 13 FINAL PROVISIONS

### 13.1 Circumstances of force majeure

- 13.1.1 Circumstances of force majeure, at the time of their duration or at the time of the duration of their consequences, relieve the contracting parties from performing their contractual obligations. The contracting party affected by a circumstance of force majeure shall notify the other contracting party in writing of this circumstance of force majeure without undue delay, stating the length of the period for which the notifying contracting party expects the respective circumstance of force majeure to last. The party whose performance of an obligation under the Gas Storage Agreement is affected by a circumstance of force majeure shall make reasonable efforts to limit the duration of the circumstance of force majeure to as short time as possible and to minimise any negative effects that such circumstance may have on the affected party.
- 13.1.2 A circumstance of force majeure within the meaning of this provision shall mean an obstacle arising beyond the obliged party's control and preventing it from performing its obligations under the Gas Storage Agreement, where the obliged party cannot reasonably be expected to avert or overcome this obstacle or its consequences, and furthermore where it cannot reasonably be expected to have foreseen this obstacle at the time of concluding the Gas Storage Agreement.
- 13.1.3 Primarily natural factors, floods, earthquakes, landslides, war or situations similar to war, fire, accidents, explosions, and terrorist attacks shall be deemed circumstances of force majeure.
- 13.1.4 Obstacles resulting from the personal and, specifically, economic circumstances of the contracting parties shall not be deemed circumstances of force majeure; neither shall obstacles to performing a certain contractual obligation, which only arose at a time when the obliged contracting party was in delay with performing this contractual obligation, be deemed force majeure.
- 13.1.5 In the case that the circumstance of force majeure lasts for more than seven (7) days, the contracting parties shall enter into negotiations with a view to reaching a solution acceptable for both contracting parties.

### 13.2 Dispute resolution

#### 13.2.1 A dispute and its resolution

The parties shall attempt in good faith to settle amicably any disputes or disagreements arising from or in connection with the Gas Storage Agreement (“**Dispute**”) without automatically resorting to court or arbitration.

In the event of a Dispute, the party claiming the existence of a Dispute between the contracting parties shall deliver to the other party a written notice in which it proposes that the parties attempt to resolve the dispute amicably (“**Notice of Dispute**”).

The Notice of Dispute shall contain, in particular, a description of the Dispute, a proposal for Dispute resolution, and the identification of the persons who will be authorised to hold talks on the Dispute on behalf of the contracting party under this point. In response to the Notice of Dispute, the other contracting party shall notify, in writing, the persons who will be authorised to hold talks on the Dispute on behalf of that party, and shall do so no later than five (5) days from the day of delivery of the Notice of Dispute.

If the contracting parties fail to agree on a complete resolution of the Dispute within thirty (30) days from the day of delivery of the Notice of Dispute to the other contracting party, the Dispute shall be finally settled pursuant to point 13.2.2, unless the parties agree otherwise in writing. The contracting parties may also agree, in writing, on extending the time limits under the preceding sentence.

### 13.2.2 Arbitration

If the parties fail to settle the Dispute under point 13.2.1 and fail to agree otherwise in writing, the Dispute shall be referred to the International Arbitral Centre of the Austrian Federal Economic Chamber in Vienna (the “**Arbitration Court**”) for arbitration, conducted in English, by three arbitrators under the rules of the aforementioned Arbitration Court (the “**VIAC Rules**”), providing that, unless the parties agree otherwise:

- (i) each party shall appoint one arbitrator;
- (ii) the third arbitrator, who shall act as chairman of the tribunal of the Arbitration Court, shall be appointed by the two arbitrators appointed by or on behalf of the parties. If the third arbitrator is not chosen and nominated to the Arbitration Court for appointment within thirty (30) days from the delivery of the request for nomination, the third arbitrator shall be chosen and appointed by the Arbitration Court itself pursuant to the VIAC Rules.

13.2.3 Where the amount in a Dispute does not exceed € 34,000, the arbitration tribunal shall be composed of a sole arbitrator to be chosen and appointed by the Arbitration Court. The amount in a Dispute includes the claimant’s claims in the application for arbitration and any counterclaims in the respondent’s response to the application for arbitration.

13.2.4 The Arbitration Court shall decide on the basis of the wording of the Gas Storage Agreement in accordance with the governing law of the Gas Storage Agreement, and this decision shall be final, enforceable and binding for the parties.

### 13.2.5 Notices

All notices required under this point 13.2 of the Rules of Operation shall be submitted via registered post, express courier service, or e-mail, and shall be deemed duly delivered upon the delivery thereof to the respective Contracting Party or upon the recipient’s refusal to accept them; in the case of transmitting a notice via e-mail, upon acknowledgement of successful transmission to the recipient at the addresses specified by the respective Contracting Party in the heading of the Gas Storage Agreement. If an addressee does not accept a letter sent by registered post within 3 days from the depositing thereof, the letter shall be deemed delivered even though the addressee has not become aware of the content thereof.

## 13.3 Application of these Rules of Operation to Gas Storage Agreements

13.3.1 The provisions of these Rules of Operation lay down the conditions for access to and use of the Storage Facility and are binding on all gas market participants.

13.3.2 These Rules of Operation form an integral part of all Gas Storage Agreements.



13.3.3 In the event that the Gas Storage Agreement is at variance with these Rules of Operation and the Technical Conditions, these Rules of Operation and the Technical Conditions shall take precedence.

13.3.4 For the purposes of articles 6 to 13 of these Rules of Operation, all agreements for services under point 2.1 of these Rules of Operation shall be deemed to be Gas Storage Agreement.

#### **13.4 Withdrawal from the Gas Storage Agreement**

13.4.1 The Customer and the SSO shall be entitled to withdraw in writing from the Gas Storage Agreement

- (a) if a circumstance of force majeure occurs and lasts for more than six months; or
- (b) under points 13.4.2 and 13.4.3 hereof.

13.4.2 The Customer shall be entitled to withdraw in writing from the Gas Storage Agreement if, cumulatively,

- (a) inside a period of three (3) months, the SSO repeatedly failed to meet duly confirmed requests for injection/withdrawal for no reason at all or for reasons other than those set out in the Gas Storage Agreement, the Rules of Operation, or the Technical Conditions, and
- (b) the SSO failed to provide/offer any substitute deliverable or other compensation for failing to meet these requests, and
- (c) the SSO's failure to meet the requests was not caused by the Customer or the Connected Network Operator, and
- (d) the Customer requested the SSO in writing to remedy the deficiencies within a reasonable time, noting the option of withdrawing from the Gas Storage Agreement.

13.4.3 The SSO shall be entitled to withdraw in writing from the Gas Storage Agreement if

- (a) the Customer has committed a material breach of the Gas Storage Agreement, the Rules of Operation and/or the Technical Conditions;
- (b) the Customer is in arrears with the payment of an invoice for more than one (1) month;
- (c) the Customer fails to top up the Bank Guarantee in accordance with points 10.6 and 10.7 letter d);
- (d) the Customer has been declared insolvent, bankruptcy, winding up or composition proceedings have been brought against the Customer, or a petition for the bankruptcy or winding up of the Customer has been rejected for the Customer's lack of assets;
- (e) the Customer's actions demonstrably jeopardise or could materially jeopardise the safety of the gas system; or
- (f) the SSO proves that the Customer provided the SSO with false or misleading information and/or documents at the time of submitting its Application to the SSO;

13.4.4 At least one (1) month before sending a written notice of withdrawal to the party in breach, the withdrawing party shall notify the other party in writing of the breach of its obligations. The withdrawing party shall provide the other party with the above time limit of one (1) month to

bring its actions into accordance with the Gas Storage Agreement, the Rules of Operation or the Technical Conditions. In the event of withdrawal from the Gas Storage Agreement under point 13.4.1 letter a), the withdrawing contracting party may only send a written notice to the other contracting party under this point following the end of the time limit of six (6) months.

- 13.4.5 The notice of withdrawal from the Gas Storage Agreement may be delivered to the other party one (1) month from the delivery of the notice under point 13.4.4 to that party. In the case of withdrawing from the Gas Storage Agreement under point 13.4.3 letter b), the SSO shall have the right to withdraw from the Gas Storage Agreement without a prior notice under point 13.4.4. The notice of withdrawal from the Gas Storage Agreement must be delivered by the withdrawing party to the other party in writing.
- 13.4.6 Withdrawal from the Gas Storage Agreement shall come into effect on the day of its delivery to the other party.

### **13.5 Confidentiality**

- 13.5.1 The Gas Storage Agreement is, in whole and in part, a confidential document that may not be disclosed to third parties without the prior written consent of the other party. Information that has been or will be exchanged between the parties in connection with the performance of the Gas Storage Agreement or information exchanged between the Applicant and the SSO after the submission of the Application shall be confidential and the parties may not divulge or otherwise disclose such information to any third party.
- 13.5.2 Third parties pursuant to this point also mean employees of the contracting parties who, on the basis of their job classification, do not normally have access to documents such as the Gas Storage Agreement, or who are not committed to the respective contracting party by a confidentiality obligation at least to the extent of this point. Third parties, however, do not mean external consultants of the contracting parties who are involved in the business of the respective contracting party and at the same time are committed to this contracting party by a statutory or contractual confidentiality obligation at least to the extent of this point.
- 13.5.3 The parties acknowledge that a breach of the provisions of this point shall not be deemed to have occurred in the case where a generally applicable legal regulation obligates the party to provide the confidential information, or in the case when the provision of the confidential information is required by a governmental or regulatory authority or another body of public authority and the respective legal regulations explicitly authorise this authority to receive such information.

### **13.6 Nature of these Rules of Operation**

- 13.6.1 Amendments to these Rules of Operation shall be proposed in accordance with the relevant legislation. The SSO may only change or amend these Rules of Operations subject to decisions approving the relevant changes and amendments issued by the Office for the Regulation of Network Industries.
- 13.6.2 If the SSO also publishes these Rules of Operations in the English language and if there is a difference or conflict between the Slovak language version and the English language version of these Rules of Operations, the Slovak language version shall take precedence.



### **13.7 Severability of the obligations under the Gas Storage Agreement**

Any provision of the Gas Storage Agreement shall be interpreted so as to be valid and effective pursuant to the applicable legal regulations. However, should it be unenforceable, invalid or ineffective under the applicable legal regulations, the other provisions of the Gas Storage Agreement shall not be affected. In such a case, the SSO and the Customer shall, under the current rules, replace the unenforceable, invalid or ineffective provision with another provision the content and purpose of which approximates the content and purpose of the invalid, unenforceable or ineffective provision as best as possible.

### **13.8 Transitory provisions**

Effective from the beginning of the Gas Day 1 May 2013, the SSO makes a transition to Storage Services expressed in MWh, and for this reason the SSO will convert the Storage Services expressed in m<sup>3</sup> in Gas Storage Agreements, including the rights and obligations thereunder, which came into effect before 1 May 2013, into Storage Services expressed in MWh on the basis of GCV 10.605 kWh/m<sup>3</sup>. The conversion carried out by the SSO under the preceding sentence will be binding for Customers, providing that all the other provisions of the Gas Storage Agreements shall remain unaffected by this conversion and valid and effective to the full extent. This conversion will mainly concern the quantity of the allocated Working Volume, Injection/Withdrawal Rate and residual stores of stored gas specified in each respective Storage Account of the Customer. The conversion from m<sup>3</sup> to MWh shall be rounded to three decimal places.

### **13.9 Effect and changes of the Rules of Operation**

- 13.9.1 These Rules of Operation shall become effective as of the date of the finality of the decision of the Office for the Regulation of Network Industries that approves these Rules of Operation and at the same time it shall replace in full extent the Rules of Operation approved by the Office for the Regulation of Network Industries by its decision no. 0004/2013/P-PP dated on 24 April 2013.
- 13.9.2 The SSO shall publish these Rules of Operation on its Website. Amended Rules of Operation shall be deemed notified by the publication of the Rules of Operation.