

R U L E S

FOR ACCESS TO CHIREN UNDERGROUND GAS STORAGE

Adopted by Decision under item 4.1 of Protocol No 120/28.03.2012 of Bulgartransgaz EAD Board of Directors

Amended and Supplemented by Decision of Bulgartransgaz EAD Management Board No 40/29.04.2014

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1. GENERAL PRINCIPLES

1.1 These Rules set out the terms and conditions on granting access to Chiren underground gas storage in accordance with Art. 172, b), para 1 of the Energy Act and the Rules on the access to the gas transmission and/or gas distribution networks and access to the natural gas storage facilities (adopted by SEWRC Decision No. П-1 dated 14.03.2013).

1.2. The application of these Rules must not hinder the gas storage users and shall be based on the following principles:

- Equality of treatment of the gas storage users;
- Transparency and non-discrimination in granting access to the gas storage.

1.3. The available capacity for commercial storage, withdrawal and injection by months shall be announced by Bulgartransgaz EAD after the capacities necessary for injection and storage of natural gas for reserve have been determined.

1.4. Pursuant to the Emergency Action Plan approved by the Minister of Energy of the republic of Bulgaria, the natural gas companies are obliged each year to nominate the necessary quantities for storage under the Plan no later than 15th March for the following year. The quantities shall be nominated to the competent security of supply authority (Minister of Energy) with a copy to the Combined Operator.

1.5. Based on the information under item 1.4. and no later than 1st April each year, the Operator determines the quantities for capacity storage under the Plan, as well as, for the Operator's own needs.

2. MAIN TERMS

2.1 Definitions:

- **Natural gas** – mixture of hydrocarbons, consisting primarily of methane which at temperature 0°C and atmospheric pressure is in gaseous state;
- **Standard cubic meter of natural gas** - the quantity of natural **gas that occupies the volume of one cubic meter at temperature 20°C** and absolute pressure of 0.101325 MPa;
- **Underground Gas Storage Chiren or underground gas storage Chiren /UGS Chiren/** – underground and surface facilities built on the basis of a depleted gas condensate field Chiren, property of Bulgartransgaz EAD, designed for natural gas storage;
- **Withdrawal** – activities aimed at making certain quantities of natural gas, located in the underground gas reservoir of the gas storage, reach the transmission system;

- **Injection** – activities aimed at certain natural gas quantities from the gas transmission system to reach the underground gas reservoir of the gas storage with a view to their storage for a certain time;
- **Natural gas storage** – activities related to injection, stay in the underground reservoir and withdrawal of certain quantity of natural gas for a certain period of time for payment of the respective price;
- **Underground gas reservoir (the Reservoir)** – the underground part of Chiren UGS where injected natural gas quantities actually stay prior to their subsequent withdrawal (production);
- **Client** – legal entity, holder of natural gas storage contract signed with Bulgartransgaz EAD;
- **Potential client** – any physical or legal entity who had submitted an application for capacity in Chiren UGS;
- **User** – a client and/or potential client;
- **Working storage capacity** – maximum volume of natural gas that can be stored in the underground gas reservoir at a certain time;
- **Reserve** – the part of the working storage capacity necessary for the execution of the obligation of the natural gas companies (including the Operator) pursuant to the Emergency Action Plan approved with an Order of the Minister of Energy and the part of the working capacity reserved for the Operator's own needs.
- **Commercial storage capacity** – that part of the working capacity that can be used for natural gas commercial storage for clients and that the Operator offers to storage users;
- **Commercial firm injection/withdrawal capacity** – injection or withdrawal capacity which uninterruptibility is guaranteed by the Operator by virtue of a signed storage contract;
- **Commercial interruptible injection/withdrawal capacity** – injection or withdrawal capacity that can be interrupted (partly or fully) any time by the Operator, in accordance with the concluded storage contract;
- **Short-term storage services** – contracted storage capacity where the schedule of injection and withdrawal is within one gas year;
- **Long-term storage services** - contracted storage capacity where the period between the schedule of injection and withdrawal is more than one gas year;

- **Bundled services** – services including the simultaneous provision of storage capacity, injection capacity and withdrawal capacity, allocated to the client by months in line with Section 5 hereof.
- **Unbundled services** – provided apart from the bundled service withdrawal capacity, storage capacity or injection capacity that can be booked separately as an additional capacity service for injection and/or withdrawal within the already allocated storage capacity;
- **Available capacity** - that part of the commercial storage capacity that the Operator has not allocated and is still available to users at a certain time;
- **Capacity booked for the Operator** – that part of the working capacity **not offered** to users and designed only for natural gas storage needed by the Combined Operator for the transmission technological needs and for balancing of the gas transmission system;
- **Contracted capacity** – part of the commercial capacity the Operator has allocated to a respective client according to concluded capacity contract;
- **Aggregated contracted (booked) capacity** – the sum of the contracted capacities, reserved for all clients with concluded storage contracts;
- **Combined Operator/Operator** – Bulgartransgaz EAD, an owner of Chiren UGS, holder of licenses for natural gas transmission and storage.
- **Basic period of injection (injection period)** – the time period starting at 08:00 am on the 15th of April of a given calendar year and ending at 08:00 am on the 1st of October of the same calendar year throughout which the Operator has the technical readiness to actually inject natural gas in the gas storage for the needs of the clients.
- **Basic period of withdrawal (withdrawal period)** - the time period starting at 08:00 am on the 15th of October of a given calendar year and ending at 08:00 am on the 1st of April of the next calendar year throughout which the Operator has the technical readiness to actually withdraw natural gas from the gas storage.
- **Injection capacity** – the maximum natural gas quantity that can actually be injected in the storage for one gas day (24 hours), depending on the reached formation pressure in the Reservoir.
- **Withdrawal capacity** – the maximum natural gas quantity that can actually be withdrawn from the storage for one gas day (24 hours), depending on the reached formation pressure in the Reservoir.

- **Preferred injection and withdrawal capacity** – capacity by gas months, indicated by the applicant in his application where the potential client applies during the allocation of the available capacity. The total amount of the nominated preferred capacity for injection and the total amount of the nominated preferred capacity for withdrawal by gas months should be equal to the nominated storage capacity.
- **Allowable injection and withdrawal capacity** – capacity by gas months, indicated by the applicant in his Application with which the potential client apply with priority during the allocation of available storage capacity, alternatively to the preferred injection and withdrawal capacity. Such capacity represents a range (minimum and maximum limit) of injection and/or withdrawal capacity for the respective month, within which the potential client is interested and would accept the allocated capacity, in the event that the preferred and nominated by him capacity for some of the months cannot be provided. The total quantity of the indicated in the application minimum and maximum allowable capacities for all months can differ from the nominated storage capacity. The allowable injection and withdrawal capacity shall be allocated only if nominated with minimum and maximum values and in months different than the months when the preferred capacity is nominated.
- **Gas day** – a period of time starting at 08.00 am local time (Sofia) on the respective day and ending at 08.00 am local time on the next day;
- **Gas month** - a period of time starting at 08.00 am local time (Sofia) on the first day of a given calendar month and ending at 08.00 am local time on the first day of the next calendar month;
- **Gas week** - a period of time starting at 08.00 am local time (Sofia) every Monday of a given calendar week and ending at 08.00 am local time on the next Monday;
- **Gas year** – a period of time starting at 08.00 am local Sofia time on the 15th of April and ending at 08.00 am local time on the 1st of April on the next calendar year.
- **Transport and storage contract** – a contract signed between Bulgartransgaz EAD and a client including in its subject-matter access to capacity in Chiren UGS and storage of natural gas quantity, supplied by the client and accepted for storage by the Operator under the Contract and transmission of natural gas quantities from entry points of Bulgartransgaz EAD gas transmission networks to Chiren UGS and from Chiren UGS to exit points of the gas transmission networks to the amount of their allocated capacity for injection, respectively withdrawal;

2.2. The period within 1-15 April and the period within 1-15 October each calendar year shall
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be used for stabilization of the reservoir, technical preventive maintenance and preparation of the gas storage for the next basic period of injection/withdrawal.

2.3 The periods under item 2.2 can be changed by Bulgartransgaz EAD due to technological reasons and the change shall be announced in due course on the website of the Operator.

3. REQUEST FOR GRANTING STORAGE CAPACITY

3.1 No later than 30 calendar days prior to commencement of the respective injection period, Bulgartransgaz EAD shall announce on its website the following information: available capacity of the gas storage by gas months, for injection, respectively withdrawal, offered to potential clients for the next gas year; the opportunity to sign contacts for long-term and short-term capacity storage services; deadline for submission of applications for storage capacity as bundled service for the next gas year (not shorter than 7 days as of the date of its announcement). Following capacity allocation according to items 5.1 - 5.9, the available capacity shall be announced according to item 5.10. The minimum storage capacity that any potential client can nominate in a separate Application for storage is 1 mcm.

3.1.2. Foreign physical persons or legal entities can have the right of access to Chiren UGS under Art. 25 of the *Rules on the access to the gas transmission and/or gas distribution networks and natural gas storage facilities*.

3.2. An Application for capacity in Chiren UGS can be filed by any Bulgarian or foreign physical person or legal entity (according to the provisions of Art. 25 of the *Rules on the access to the gas transmission and/or gas distribution networks and natural gas storage facilities*), who:

3.2.1. has not incurred any pecuniary obligations to the state or to a municipality within the meaning of Art. 162, para 2 of the Tax and Social-Insurance Procedure Code, established by an enforceable act of a competent authority, or any pecuniary obligations related to the payment of social insurance contributions or taxes according to the legislation of the state where the client is established; For foreign persons who have registered place of business activity in the Republic of Bulgaria, the requirement shall refer not only to the state where they are established, but to the Republic of Bulgaria as well.

3.2.2 is not in proceedings for liquidation, has not been declared bankrupt or is not in any bankruptcy proceedings, and if a foreign person – is not in similar proceedings according to his national legislation;

3.2.3. has the technical capability to provide conditions for communication with the Operator of the gas storage through the website or by e-mail;

3.2.4. has the technical capability and provide conditions for 24-hour operating contact with the Operator of the gas storage during the term of validity of the storage contract

3.3. The potential client should be approved by the Operator for compliance with the requirements under item 3.2 in order to nominate capacity in Chiren UGS. To that end, the potential client should submit an application in accordance with an approved standard form. The application can be filed at any time within the working days of the Operator – in person, by registered mail or by e-mail. The approval or rejection shall be received within 5 days following submission of the application and the original documents certifying the circumstances under item 3.2. In case of approval, the potential client shall receive a certificate of 6 months validity as of the date of its issuance, under the conditions set out therein. Bulgartransgaz EAD shall keep a register of all issued certificates.

3.4. The **Application** under item 3.3 can be submitted together with the Application for storage capacity. In that case with regard to the circumstances under item 3.2 the potential client shall fill in a declaration according to the standard form. Approval of the client and issuance of the certificate under item 3.3, as well as a storage contract shall be concluded after submission of the relevant documents by the potential client certifying the absence of the circumstances under item 3.2.1 and item 3.2.2, evidence of the capabilities under item 3.2.3 and item 3.2.4.

3.5. The Application for storage capacity must be submitted in writing and shall compulsorily include:

- nominated storage capacity;
- injection schedule and withdrawal schedule by gas months, specifying the preferred and allowable injection/withdrawal capacities for each gas month;
- Chiren UGS approved client certificate or an Application under item 3.3.

The following documents should also be submitted for storage capacity applications according to Section 5:

- guarantee deposit or bank guarantee under item 3.7.

Potential clients shall submit the Application under item 5.1 within the term under item 3.1, in person in the Registry office of Bulgartransgaz EAD, through registered mail or courier service to the following address:

Bulgartransgaz EAD
1336 Sofia Luilin 2 residential area
66 Pancho Vladigerov Blvd.,
Post box 3

Applications received at the above address before expiry of the deadline under item 3.1 shall be

deemed received in time.

The application shall be held in a sealed non-transparent envelope named „Application for Storage“, name of the potential client, address, phone, fax, e-mail and contact person.

3.6 Potential clients shall submit storage capacity application for the next gas year or for long-term services according to deadline under item 3.1.

3.7 Any application for storage capacity under item 3.6 should be accompanied by a payment order certifying the payment of the guarantee cash deposit or bank guarantee amounting to 5% of the natural gas storage monthly amount according to the nominated capacity and the currently effective price approved by EWRC. The cash deposit should be paid onto the following bank account of Bulgartransgaz EAD:

BG52UNCR76301078435701

BIC UNCRBGSF

Unicredit Bulbank AD

The reason for the payment order shall read „cash deposit natural gas storage“ and the period shall be indicated in the clarifications (first injection month and last withdrawal month) as well as the nominated storage capacity. The bank guarantee shall be issued in accordance with the attached standard form and shall have at least 2 months validity after the deadline for submission of the applications for capacity.

3.8 The nominated preferred capacity for short-term services according to the injection schedule must be equal to the nominated preferred capacity according to the withdrawal schedule within one gas year.

3.9 If by the date of submission of the application, the applicant has no booked capacity for natural gas transmission from the entry points of Bulgartransgaz EAD gas transmission networks to Chiren UGS and from Chiren UGS to the exit points of the gas transmission networks by virtue of an effective transport contract, in the application under item 3.5 the applicant should nominate transmission capacity to Chiren UGS and transmission capacity from Chiren UGS, specifying the respective entry and exit points of the gas transmission networks.

A standard form of the Application for capacity is an Appendix to these Rules and shall be published on the website of the company.

4. AVAILABLE CAPACITY ALLOCATION PRINCIPLE

4.1. The capacity for bundled services shall be allocated in line with Section 5.

4.2. The capacity for unbundled services shall be allocated in line with Section 6.

4.3. Storage capacity applications shall be dealt with in the following sequence:

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4.3.1 Firm short-term capacity

4.3.2 Firm long-term capacity

4.3.3 Interruptible capacity

4.4 Separate applications shall be submitted for every separate type of service under item 4.3 (bundled or unbundled).

5. AVAILABLE STORAGE, INJECTION AND WITHDRAWAL CAPACITY ALLOCATION (BUNDLED SERVICES)

5.1. The operator allocates the available storage capacity for the next gas year to potential clients approved according to item 3.3 which have submitted valid application within the deadline under item 3.1 in compliance with their nominated storage capacities by an initial procedure in line with the following methodology:

5.2. Initially the available storage capacity shall be allocated. If the sum of the storage capacities nominated by all participants is more than the available capacity, the allocation shall be made whereas storage capacities of each potential client shall be reduced proportionately to the share of their nomination against the sum of all nominations (pro rata allocation).

5.3. After the storage capacity allocation the injection and withdrawal capacities are allocated up to the amount of the storage capacity allocated to each client in line with the following methodology:

5.3.1. The sequence of allocating injection capacity is from the first to the last calendar month for injection;

5.3.2. The sequence of allocating withdrawal capacity is from the last to the first calendar month for withdrawal;

5.3.2. The withdrawal and injection capacities shall be allocated for each month on the basis of the preferred capacity initially. If the nominations for the preferred withdrawal and/or injection capacity for a given month are more than the available capacity, the withdrawal and injection capacities shall be allocated proportionally to the storage capacity for each potential client against the total capacity.

5.3.3. If after implementing the procedure under Art. 5.3.2 for a given client a storage capacity remains to an amount exceeding the allocated withdrawal and/or injection capacity, the allocation of the remaining storage, withdrawal and injection capacity shall be carried out on the basis of the specified allowable range by complying the allocation rules and the pro rata principle. For pro rata allocation the higher value of the set range shall be used. Capacity outside the range (more or less than the set limits) shall not be allocated to potential clients.

5.3.4. If after implementing the procedure under Art. 5.3.3 for a given client a storage capacity remains to an amount exceeding the allocated withdrawal and/or injection capacity, the allocation of the remaining storage, withdrawal and injection capacity shall be carried out by the Operator complying with the set allocation rules for monthly allocation, the pro rata principle and in a non-discriminatory manner. For pro rata allocation the higher value of the set range shall be used. Capacity outside the range (more or less than the set limits) shall not be allocated to potential clients.

5.3.5. The client shall be entitled to refuse the allocated under item 5.3.4. injection and/or withdrawal capacity and the storage capacity corresponding to the greater value of the two (for injection and withdrawal). The released capacities shall be announced as available following the completion of the procedure.

5.4. The allocated monthly injection or withdrawal capacity of each client shall be allocated on daily basis within the relevant month, as follows: the coefficient of the ratio of the allocated injection capacity (respectively withdrawal) for the relevant month and the maximum available monthly capacity shall be multiplied by the maximum daily gas storage facility capacity for the relevant day of month. In cases of interruption or restriction in injection/withdrawal due to technological reasons, daily capacity shall be recalculated for the remaining time of the month pro rata to the allocated capacity to clients up to amount of daily maximum capacity.

5.5 If following the procedure under item 5.1 – 5.3 non-allocated available storage capacity remains or if the potential client rejects to sign a contract the storage capacity shall be published on the Operator's website. The deadline for applying for such capacity shall be no less than 5 business days. The applications for access shall be submitted in line with the requirements of Section 3.

5.6. Each submitted application for storage capacity under item 5.5 shall be reviewed by Bulgartransgaz EAD within 5 business days. The storage capacity allocation under item 5.5 shall be in line with the methodology set out in item 5.1-5.3.

5.7 The allocated storage capacity, including monthly withdrawal and injection schedule, shall be communicated to potential clients and they shall be invited to sign storage and transport contract within the deadline set by the company (at least 3 business days). The draft of the Transmission and Storage Contract is published on the Operator's website.

5.8. The amounts under the warranty deposit under item 3.6 shall be recovered within a seven-day term as of the signing of Storage Contract. In case of submitted bank guarantee the latter shall be released within a seven-day term as of the signing of the Storage Contract.

5.9 In case where a potential client to whom storage capacity has been allocated no matter whether the storage capacity nominated by them is partially or fully satisfied, refuses to sign or fails to sign the Storage Contract as proposed to him within the deadline set to that effect and in case where he fails to submit the required documents and evidence required for Contract signing within the deadline set to that effect, the amounts under the guarantee deposit shall not be refunded and they remain in favour of Bulgartransgaz EAD. In case of submitted bank guarantee, Bulgartransgaz EAD has the right to use the amount under the guarantee.

5.10. In case available capacity remains following the above procedures Bulgartransgaz EAD shall announce such available capacity on its Internet site. The available capacity shall be announced at the beginning of the relevant injection and withdrawal period on monthly basis for the current gas year with weekly updates, and on daily basis for a week ahead with daily update. Available capacity shall be allocated according to the principle "First come, first served".

5.11. Storage capacity applications under item 5.10 shall be submitted with incoming number at Operator's Registry Office. A prerequisite for receiving capacity is the client to be approved by the Operator in line with item 3.3 and to have available capacity in line with schedule announced by the client. At receiving more than one application on the same working day, the available capacity shall be allocated pro rata to the received nominations.

5.12. Upon release of capacity for bundled services allocated under this Section during the gas year, Bulgartransgaz EAD shall announce on its website the released capacity and shall give a deadline of at least 3 calendar days for submission of storage applications. After the expiry of this deadline the allocation methodology under items 5.1-5.3 shall apply.

5.13. The Natural Gas Storage and Transport Contract shall be signed according to the capacity allocated to the relevant client in line herewith.

6. UNBUNDLED SERVICES.

6.1. Bulgartransgaz EAD may announce additional withdrawal and/or in injection capacity on weekly basis as a result of:

6.1.1. better technical and operating conditions than the initially expected;

6.1.2. withdrawal or injection capacity that remained non-nominated by client(s) within their bundled service;

6.2. The additional capacity under item 6.1 may be used only by clients holding signed and valid Transport and Storage Contract and only within their available storage capacity. It represents an additional opportunity to the allocated capacity for injection or withdrawal in the bundled service.

6.3. Capacity under item 6.1 for the next week shall be announced no later than 2:00 pm on the last Friday of the previous week.

6.4. Clients holding effective Transport and Storage Contract may nominate additional capacity under item 6.3 no later than 3:30 pm on the Friday prior to the gas week to which it applies, by way of amending their nominations in line with the signed Transport and Storage Contract.

6.5. Capacity allocation to clients under item 6.1 is pro rata the available storage capacity, and by 5.00 pm on the Friday prior the gas week to which it applies, the Combined operator shall inform the Client on the amount of the allocated additional capacity and shall send information on Client's nomination approved completely or partially in line with the signed Transport and Storage Contract.

7. CAPACITY TRANSFER

7.1. Chiren UGS clients shall have the right to transfer their contracted capacity.

7.2. Transfer of storage capacity is possible maximum to capacity volumes as agreed upon by the client with UGS operator in the Storage Contract.

7.3. Transferring of capacity could be implemented between Chiren UGS clients or between Chiren UGS client and a third party, which meets the requirements under item 3.2 or is entered into the Register under item 3.3.

7.4. Transfer of capacity becomes effective as of the first gas day of the relevant gas month for which the transfer is requested. To this purpose, the transferring and receiving party shall jointly submit an application to the Operator of UGS by the start of the respective gas month as of which the transfer becomes effective.

7.5. The Capacity Transfer Application is legally binding for the applicants and must include:

- a) name, Uniform ID Code, seat and registered office of the transferring and the receiving party;
- b) evidences supplied by the receiving party stating that it meets the requirements under item 3.2 in case it is not entered into the Register under item 3.3;
- c) the capacity which is being transferred consistent with the volumes and deadlines for storage under the transferring party contract, including the injection and withdrawal schedule;
- d) signed by both applicants tripartite agreement under the Standard Form attached to the Storage Contract of the transferring party (3 originals);
- e) Natural Gas Sales and Purchase Agreement of the amount of natural gas for which the capacity is transferred (in case that storage and withdrawal capacity of already injected natural gas is being transferred);

7.6 The operator shall review the application within fifteen days as of its receipt. Upon positive opinion of the applicants one signed tripartite agreement draft shall be send, and Storage Contract draft shall be sent to the receiving party. The Contract shall be signed by the receiving party and by UGS Operator, and the tripartite agreement - by the applicants and Operator whereas both documents shall enter into force as of the date of their signing by the Operator and shall have force as of the first gas day of the relevant gas month, indicated in the application of the parties to the transfer, and presuming the timely implementation of the obligations between them.

7.7 No capacity transfer shall be allowed when the transferring party has outstanding liabilities for payment under its Storage Contract and/or when the receiving party do not execute the requirements under item 3.2 hereof.

8. VIRTUAL CAPACITY FOR INJECTION AND/OR WITHDRAWAL

8.1. Apart from the actual (physical) injection/withdrawal of natural gas, Bulgartransgaz EAD shall offer, if the required technological capabilities exist, natural gas storage by virtual injection and virtual withdrawal of natural gas, thus using more efficiently the commercial capacity of UGS Chiren, and shall increase significantly the flexibility of the services offered to potential clients.

8.2 Under the virtual injection procedure the client shall receive capacity for actual storage of natural gas in the Reservoir as a result of substitution of the quantities, which would have been actually withdrawn during the withdrawal period with the natural gas quantities handed over from the client at the entry/exit point of Chiren UGS in compliance with its approved nomination for virtual injection. Virtual injection is possible only during the basic period of withdrawal.

8.3 Under the virtual withdrawal procedure the client who has stored quantities in the Reservoir shall receive them at the entry/exit point Chiren UGS during the injection period in compliance with its approved nominations for virtual withdrawal. Virtual withdrawal is possible only during the basic period of injection.

8.4 Capacity for virtual injection/withdrawal shall be offered only on interruptible basis. The term of the storage contract shall depend on the approved schedule for virtual injection and for actual withdrawal and/or schedule for virtual withdrawal.

For nomination of short-term services with virtual injection, the quantity of stored natural gas should be nominated for withdrawal (actual) in same withdrawal period or virtually within the next injection period.

8.5. The Combined operator shall announce on its website the available capacity for virtual withdrawal/injection on a monthly basis. Applications can be submitted only by registered under item 3.3 users, by 2.00 pm on the last business day prior to the nominated period.

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8.6. Application for virtual capacity shall be submitted with Incoming number at the Operator's Registry office. The potential client should meet the requirements under item 3.2.

8.7 The available virtual capacity shall be allocated following the principle "First come, first served". Upon receipt of two or more applications on the same day, the available virtual capacity shall be allocated pro rata to the received nominations.

8.8 The Combined operator can perform virtual injection or withdrawal for own needs of natural gas quantity own by him.

9. TYPES OF STORAGE CONTRACTS

9.1. Bulgartransgaz EAD proposes the following storage contracts according to the contract term of validity and the types of capacity:

9.1.1 Long-term natural gas storage contract with firm capacity:

Long-term natural gas storage contract can be concluded for a period of at least one calendar year. The effective period of the annual storage contract shall be identical to the period of one gas year.

9.1.2. Short-term natural gas storage contract with firm capacity:

Short-term natural gas storage contract can be concluded for a period of above one gas month up to eleven gas months. The term of such contract shall be consistent with the technical capabilities of the underground storage and the periods of injection and withdrawal.

9.1.3. The term of storage of the storage contracts with interruptible capacity for injection and withdrawal depends on the execution of the contracts with firm capacity with other clients during the relevant period.

The UGS Chiren Operator has the right to extend the term of storage for interruptible capacities for injection/withdrawal at any time until the time when he can implement the service. The Operator shall undertake interruption of interruptible capacity for injection/withdrawal only when the use of such interruptible capacities for injection and withdrawal hampers the use of the contracted firm capacities for injection/withdrawal. The Operator should notify the client of UGS about any interruption immediately after identifying the situation described in the previous sentence, no later than one hour before the interruption/extension of the respective capacity.

10. REALLOCATION OF CONTRACTED CAPACITY IN CASE OF LIMITATION OR DISRUPTION OF THE NATURAL GAS STORAGE SERVICE

10.1. Bulgartransgaz EAD has the right to limit up to the technically allowable level of injection and withdrawal, interrupt withdrawal and injection or order maximum withdrawal, respectively to extend/decrease the period of storages in the following events:

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10.1.1. in the event of an immediate threat to human life and health, and while avoiding such circumstances,

10.1.2. in the event of force majeure,

10.1.3. in case of repair works to remedy failures and/or defects on the UGS facilities,

10.1.4. when introducing a temporary limitation on gas supply and/or introducing a limiting regime in line with Ordinance 10 of 9th June, 2004 (SG 63/20.07.2004).

10.1.5. in the event of natural gas shortage at the entry of the gas transmission network, to satisfy the minimum required quantities under the nominations of the household consumers, gas distribution companies, district heating companies and other vulnerable consumers.

10.2. When it is not possible to supply the full capacity in the events provided for in item 10.1, the Operator shall limit the capacity for withdrawal/injection proportionally to the approved nominations for withdrawal/injection to all clients with contracted capacity for the period of the limitation.

10.3. With the complete restoration of the technical or technological capability of injection/withdrawal, the Combined operator shall ensure the contracted capacity under the approved schedule for injection/withdrawal.

10.4. When there is available capacity for withdrawal/injection, the Combined operator can correct the schedule for withdrawal and injection for the months, following the period of limitation, in order to ensure the nominated storage capacity in its full volume.

10.5. The Operator shall not be liable if not being able to ensure the contracted capacity due to lack of available capacity for injection and withdrawal in the months following the period of limitation and impossibility to correct the schedule of withdrawal and injection.

11. TERMS AND CONDITIONS FOR EXCHANGE OF INFORMATION

11.1. Bulgartransgaz EAD shall announce on its website the following information:

11.1.1. available capacity;

11.1.2. booked (contracted) capacity;

11.1.3. Programme of the planned repair works for the respective year;

11.1.4. the services provided, together with the technical information needed by the gas storage users to gain effective access;

11.1.5. gas quantity in the gas storage;

11.1.6. the entry and exit flows;

11.2. Any client should provide conditions for communication with the Operator of the gas storage by website or e-mail, as well as ensure conditions for 24 hours operating contact with the gas storage Operator.

11.3. Requests for clarifications and questions on applying these Rules shall be submitted in writing by fax № 02-9250063 or in person at the Registry office of Bulgartransgaz EAD, by registered mail or courier to the address indicated in item 3.4 to the attention of the Executive Director.

12. GENERAL PROVISIONS

12.1 Bulgartransgaz EAD shall provide the service "natural gas storage", including injection, storage and withdrawal of natural gas at the currently effective and approved by EWRC price at the time of the storage contract conclusion.

12.2. These Rules can be amended and supplemented by Decision of Bulgartransgaz EAD Management Board.

12.3. Any amendment and supplement to the current Rules shall be published on Bulgartransgaz EAD website.

12.4. In the event of discrepancy between the *Rules on the access to the gas transmission and/or gas distribution networks and access to the natural gas storage facilities (adopted by SEWRC Decision No. П-1/14.03.2013)* and these Rules for access to Chiren UGS, the Rules on the access, approved by SEWRC, shall prevail.

12.5. These Rules were approved by Decision of Bulgartransgaz EAD Board of Directors No 120/28.03.2012, amended and supplemented with a Decision under Protocol 4No.0/29.04.2014 of Bulgartransgaz EAD Management Board Meeting, amended and supplemented with Decision under Protocol No 126/04.04.2016 from Bulgartransgaz EAD Management meeting.

TRANSITIONAL AND FINAL PROVISIONS

&1. The unbundled services under item 4.2 of these Rules shall become available after entry into force of the approved by the Energy and Water Regulatory Commission prices for these services.

**SCHEDULE FOR INJECTION AND WITHDRAWAL OF NATURAL GAS IN GAS MONTHS
OF NOMINATED SHORT TERM STORAGE CAPACITY – GAS YEAR..... -**

Applicant /Company/:

NOMINATED STORAGE CAPACITY (total for contract term, in mcm):

Month	Preferred capacity (mcm / per month)		Admissible capacity for injection (mcm / per month)		Admissible capacity for withdrawal (mcm / per month)	
	INJECTION	WITHDRAWAL	Minimum	Maximum	Minimum	Maximum
April, 20..... (15-30)						
May, 20.....						
June, 20.....						
July, 20.....						
August, 20.....						
September, 20.....						
October, 20.... (15-30)						
November, 20.....						
December, 20.....						
January, 20.....						
February, 20.....						
March, 20.....						
Total:						

Signature and seal:

Full name:

Date:

Unofficial Translation

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

**SCHEDULE FOR INJECTION AND WITHDRAWAL OF NATURAL GAS IN GAS MONTHS
OF NOMINATED LONG TERM STORAGE CAPACITY * - GAS YEARS -; -**

Applicant /Company/:

NOMINATED STORAGE CAPACITY (total contract term, in mcm):

Month	Preferred capacity (mcm / per month)		Admissible injection capacity (mcm /per month)		Admissible withdrawal capacity (mcm / per month)	
	INJECTION	WITHDRAWAL	Minimum	Maximum	Minimum	Maximum
April, 20..... (15-30)						
May, 20.....						
June, 20.....						
July, 20.....						
August, 20.....						
September, 20.....						
October, 20.... (15-30)						
November, 20.....						
December, 20.....						
January, 20.....						
February, 20.....						
March, 20.....						
Total:						

**Long term storage capacity shall cover more than 1 gas year*

Signature and seal:

Full name:

Date:

Unofficial Translation

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

**SCHEDULE FOR VIRTUAL INJECTION OR VIRTUAL WITHDRAWAL OF NATURAL GAS IN GAS MONTHS
OF NOMINATED CAPACITY FOR STORAGE* - GAS YEARS -; -**

Applicant /Company/:

NOMINATED CAPACITY FOR STORAGE (total contract term, in mcm):

Months	Preferred virtual capacity (mcm / per month)		Preferred real capacity (mcm / per month)	
	INJECTION	WITHDRAWAL	INJECTION	WITHDRAWAL
April, 20..... (15-30)				
May, 20.....				
June, 20.....				
July, 20.....				
August, 20.....				
September, 20.....				
October, 20.... (15-30)				
November, 20.....				
December, 20.....				
January, 20.....				
February, 20.....				
March, 20.....				
Total:				

**Capacity for storage in virtual injection/withdrawal covers more than 1 gas year, regardless of being short term or long term.*

Signature and seal:

Full name:

Date:

Unofficial Translation

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

To the attention of

.....

.....

NOTICE

of

capacity allocation at Chiren
UGS

Dear

Sir/Madame.....,

We would like to inform you that your application for granting capacity at Chiren UGS has been reviewed in compliance with the conditions announced in advance.

After applying the procedure on the allocation of the available firm capacity in accordance with the principles and methodology of allocation of available capacity, stipulated in articles 4 and 5 of the Rules for granting access at Chiren UGS (the Rules), the storage capacity allocated to you is as follows:

Storage capacity (total for entire term of validity of the contract):

.....

.....mcm.

Capacity for injection and withdrawal of natural gas in months:

Month	Injection capacity (mcm)	Withdrawal capacity (mcm)
April, 2012 (15-30)		
May, 2012		
June, 2012		

July, 2012		
August, 2012		
September, 2012		
October, 2012 (15-30)		
November, 2012		
December, 2012		
January, 2013		
February, 2013		
March, 2013		
Total:		

We invite you to sign a Natural Gas Storage Contract by for the quantities on line with the above allocated capacity.

In order to sign a Storage Contract you shall present the documents issued by a competent authority in compliance with your national law evidencing the absence of the circumstances under articles 3.2.1 and 3.2.2 from the Rules, as well as proves for the possibilities under articles 3.2.3 and 3.2.4. of the Rules.

(submitted in case the applicant does not have certificate of current legal status in line with article 3.3. of the Rules)

Upon failure to present the above documents and evidences as well as in case of refusal to sign the Natural Gas Storage Contract the amounts under the deposit will not be restored. In the event of a submitted bank guarantee the same shall be absorbed.

**Sincerely
yours:**

Kiril Temelkov
Executive Director

** Annex 1D shall be filled in by the Operator of Chiren UGS after applying the procedure on capacity allocation and shall be sent to the applicant*

BANK GUARANTEE
FOR PARTICIPATION IN CAPACITY ALLOCATION PROCEDURE
FOR UGS CHIREN

**To the attention of
Bulgartransgaz EAD
Sofia, Bulgaria**

We have been informed, that our Client, _____ [*name and address of applicant*], hereafter referred to as the APPLICANT, will submit an application for capacity at UGS Chiren and will participate in capacity allocation procedure for UGS Chiren.

Also, we are informed, that in compliance with the Rules of access granting to UGS Chiren, published on Bulgartransgaz EAD web-site, the APPLICANT must submit together with its application a bank guarantee in order to take part in the procedure, opened to your benefit, to the amount of _____ (in words: _____) [*state in numbers and words and currency of the guarantee*].

Considering the above, we _____ [*name and address of the Bank*], hereof undertake irrevocable and unconditional obligation to pay to the above stated by you bank account the amount of _____ (in words: _____) [*state in numbers and words the value and currency of the guarantee*], within 3 (three) business days after receiving your first written request, containing your declaration, that the APPLICANT has performed one of the following actions:

- a) has refused to sign a natural gas storage contract for the capacity allocated according to the carried out capacity allocation procedure for UGS Chiren;
- b) has not submitted the required documents and evidences for signing a contract according the Rules of granting access to UGS Chiren.

Your request for absorption of sums under this guarantee shall be acceptable if forwarded to us in full text by duly coded telex/telegraph from your servicing Bank, confirming that your original request has been sent to us by a registered mail and that the signatures of the latter are legally binding for you. Your request will be considered placed after receiving your written request for payment either by fax, or telegraph at the above stated address.

This guarantee shall enter into force from hour on _____ [*state the date and hour of the deadline for submission of the application for capacity*].

Our liability under this guarantee will expire at hours on _____, until which date whatsoever claim under it must have been received by us. After this date the guarantee shall automatically become invalid, notwithstanding whether this letter –guarantee has been sent back to us or not.

The guarantee should be returned to us as soon as it is no longer needed or its validity has expired, whichever comes first.

The guarantee is personal and cannot be transferred.

Best regards,
(BANK)

DECLARATION^{*}

under article 3.3 of the Rules for granting of access to Chiren UGS

The undersigned _____, in
my

capacity of _____ *(indicate the position)* of _____

(state name of the company Applicant), with Uniform ID Code

, seat and address of the office

- potential client

of Chiren UGS,

hereby declare

The represented by me applicant (natural or legal person) -

_____ *(indicate the Applicant's company):*

- do not have any monetary obligations to the state or municipality in the meaning of article 162, paragraph 2 of the Tax and Social Security Procedure Code and/or taxes in accordance with the law of the country where incorporated **;
- do not have any monetary obligations related to payment of installments for social security, in accordance with the law of the country where incorporated;
- has not been declared insolvent;
- is not in liquidation procedure or in procedure of establishment of insolvency or similar
- procedure in accordance with the law of the country where incorporated;
- has the technical capability to secure the conditions for communication with the Operator of Chiren UGS via the Internet website or e-mail;
- has the technical capability to secure the conditions for 24-hour operational contact with Chiren UGS Operator during the storage contract term of validity

Declarer: _____

(date of signature)
(signature)

^{*} Declaration shall be signed by the managers or by the members of the managing body of the applicant which are indicated as such within the certificate for actual corporate standing. In event, that the members of the managing body of the candidate/participant are legal persons – the declaration shall be signed by one of their representative at the relevant managing body.

^{**}For foreign persons who have registered a place of business activity in Bulgaria the requirement refers not only to the state where incorporated but to Bulgaria as well.