REVISION SHEET
FOR AMENDMENT NO. 1 TO

THE STORAGE SERVICE RULES
dated 18 June 2014
– as amended on 25 May 2015
– as amended on 2 July 2015
– as amended on 29 March 2016
– as amended on 8 May 2017

February 2018
§ 1

The Storage Service Rules of 18 June 2014, as amended on 25 May 2015, and as further amended on 2 July 2015, on 29 March 2016 and on 8 May 2017 (hereinafter the “Rules”) shall be amended as follows:

STORAGE SERVICE RULES REVISION SHEET

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<th>Publication date:</th>
<th>9th February 2018</th>
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<td>Expected effective date of the proposed changes:</td>
<td>6am on 10th February 2018</td>
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Rationale for the proposed amendments to the Rules:

The changes to the Storage Service Rules of 18 June 2014, as amended on 25 May 2015, and as further amended on 2 July 2015, on 29 March 2016 and on 8 May 2017 (hereinafter the “Rules”), as set out in the revision sheet, are introduced pursuant to clause 1.7.7. of the Rules and is driven by the urgent need to incorporate relevant guidelines and recommendations of the President of the Energy Regulatory Office. The changes consist in:

1. deleting the word “illegal” in clause 1.8.2.1. of the Rules;
2. exhaustive identification of circumstances for the interruption of Interruptible Storage Service in clause 2.3.3.5.2. of the Rules;
3. supplementing the provisions of clause 2.7 of the Rules, under which in case of a mandatory stock being kept in a Group of Storage Facilities (GSF), the SSO – at the request of the Storage Customer – shall inform the Storage Customer in which Storage Facilities (making part of the GSF) the gaseous fuel constituting the mandatory stock created by such Storage Customer is kept;
4. supplementing the provisions of clause 3.2.2.5 of the Rules with words “in a manner that ensures equal treatment of the Applicants”;
5. introducing a principle in clause 3.3.3 of the rules, according to which, in case of no possibility to allocate a Bundled Unit in the same priority category on a pro rata basis, due to the indivisibility of the Bundled Unit, such Bundled Unit should be allocated to the Applicant requesting the smallest quantity of Bundled Units.

<table>
<thead>
<tr>
<th>No.</th>
<th>Clause of the Rules to be amended</th>
<th>Amendments to the Rules</th>
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<tr>
<td>1.</td>
<td>1.8.2.1.</td>
<td>1.8.2. To the extent that it does not prejudice the generally applicable laws, either Party may disclose Confidential Information without a prior consent of the other Party if such Confidential Information is disclosed to: 1.8.2.1 its legal, tax or accounting advisers, consultants, provided that they shall bound by the same confidentiality obligation as that Party and shall refrain from any illegal use of such information in connection with other services provided to any other party;</td>
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<td>2.</td>
<td>2.3.3.5.2.</td>
<td>2.3.3.5.2. The SSO may interrupt or restrict the provision of Interruptible Storage Services in particular in each of the following cases: (a) when this is necessary to ensure undisturbed provision of Firm Storage Services by the SSO, (b) or in order for the SSO to fulfill its obligations under the Stockpiling Act, or (c) in the situations described in Part II of the Rules in Sections 6, 7 and 8. The duration of interruption or restriction in the provision of Interruptible Storage Services shall depend on the level of UGS or CUGS filling.</td>
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</table>
3. **New clause 2.7.7.6. is introduced**

In case when mandatory stocks are kept in a Group of Storage Facilities, the SSO shall, at a written request of the Storage Customer, provide the Storage Customer with information in which Storage Facility, in which Storage Facilities making part of the Group of Storage Facilities the Gaseous Fuel constituting the mandatory stocks created by such Storage Customer is kept.

4. **3.2.2.5.**

For the purposes of determining the level of the security instrument, the SSO shall verify the Applicant's creditworthiness in accordance with the established best market practices, in a manner that ensures equal treatment of the Applicants, and on the basis of objective data provided in the financial documents presented by the Applicant. In order to enable the verification referred to above, together with the application for a SSA, the Applicant shall submit the approved financial statements for the last financial year together with the auditor's opinion, if the financial statements were subject to an audit, and the most current financial statements signed by authorised representatives of the Applicant.

In case of the failure by the Applicant to present the financial documents referred to above, the value of the security instrument may be set at the maximum level determined according to clause 3.2.2.6.

5. **3.3.3.**

Should some of the applications be declined due to limited availability of Storage Capacity, the SSO, without prejudice to the principles set out in clause 2.3.1.3 and the Technical Specifications, shall allocate the available Storage Capacity to the Applicants that belong to a given category, subject to clause 3.3.2, and such allocation shall be made pro rata based on the requested Storage Capacity in each Storage Year. Any Storage Capacity that cannot be allocated according to the principle of proportionality due to the provisions of clause 2.3.1.3 or the Technical Specifications, shall be allocated to the Applicants that requested the largest quantity of Storage Capacity for a given Storage Year, starting from the lowest requested quantity.

Any Storage Capacity that cannot be allocated proportionally, or allocated to an Applicant that requested the smallest quantity, will be allocated based on a draw to be held separately for each Storage Year in which full performance of the services requested in the applications is impossible, based on the categories specified in clause 3.3.1 a) - b), and taking into consideration the order of priority among the categories specified in clause 3.3.1 a) - b), with the participation of all the interested Applicants. Each portion of Storage Capacity will be drawn separately. The Applicants will be informed by the SSO of the date when the draw is to be held, no later than 2 Business Days prior to the draw they are authorised to observe.

1 The pro rata allocation shall be made pursuant to the following formula:

\[
\left\lfloor \frac{W_i}{\sum_{i=1}^{n} W_i} \cdot P \right\rfloor = Lw_i
\]

where:
- \( P \) - number of Bundled Units to be allocated,
- \( W_i \) – number of Bundled Units specified by Applicant “i” in the application for Storage Services Agreement,
- \( n \) – number of Applicants
- \( Lw_i \) – number of Bundled Units allocated to Applicant “i” in pro rata allocation,
- \( \lfloor x \rfloor \) – characteristic of value x – integer part of value x

2 **Example:** a situation where one Bundled Unit remains to be allocated following the pro rata allocation and the Rules do not permit for such Bundled Unit to be divided.

- Number of Bundled Units to be allocated: \( P=300 \) Bundled Units
- Orders for Bundled Units specified by Applicants: \( W_1= 300 \) Bundled Units, \( W_2= 250 \) Bundled Units, \( W_3=100 \) Bundled Units

Aggregate order for \( \sum_{i=1}^{n=3} W_i = 650 \) Bundled Units
As a result of the pro rata allocation, Applicants: W₁, W₂, and W₃, respectively, received the following allocation: Lw₁ = 138 Bundled Units, Lw₂ = 115 Bundled Units and Lw₃ = 46 Bundled Units.

Overall, 299 Bundled Units were allocated and 1 Bundled Unit remains to be allocated to Applicant W₄ who placed an order for the smallest quantity of Bundled Units.

2A Example: a situation where 3 Bundled Units remain to be allocated following the pro rata allocation and the Rules do not permit for such Bundled Units to be divided.

Number of Bundled Units to be allocated P = 300 Bundled Units
Orders for Bundled Units specified by Applicants: W₁ = 200 Bundled Units, W₂ = 100 Bundled Units, W₃ = 50 Bundled Units, W₄ = 1 Bundled Unit

Aggregate order for \(\sum_{i=1}^{n=4} W_i = 351\) Bundled Units

As a result of the pro rata allocation, Applicants: W₁, W₂, and W₃, respectively, received the following allocation: Lw₁ = 170 Bundled Units, Lw₂ = 85 Bundled Units, Lw₃ = 42 Bundled Units and Lw₄ = 0 Bundled Units.

Overall, 297 Bundled Units were allocated and 3 Bundled Units remain to be allocated. In such case Applicants W₄, W₃, and W₂ who placed an order for the smallest quantity of Bundled Units will each receive one Bundled Unit.

3 Example: a situation where two Applicants request the same quantity of Storage Capacity.

Number of Bundled Units to be allocated P = 500 Bundled Units
Orders for Bundled Units specified by Applicants: W₁ = 400 Bundled Units, W₂ = 400 Bundled Units, W₃ = 200 Bundled Units, W₄ = 200 Bundled Units

Aggregate order for \(\sum_{i=1}^{n=3} W_i = 900\) Bundled Units

As a result of the pro rata allocation, Applicants: W₁, W₂, and W₃, respectively, received the following allocation: Lw₁ = 222 Bundled Units, Lw₂ = 222 Bundled Units and Lw₃ = 55 Bundled Units.

Overall, 499 Bundled Units were allocated and 1 Bundled Unit remains to be allocated on the basis of a draw.

Key:
- strikethrough text in red denotes deleted content
- underlined text in blue denotes added content
- text in black denotes the current content as per the wording of the Storage Service Rules of 18 June 2014, as further amended on 25 May 2015, on 2 July 2015, on 29 March 2016 and on 8 May 2017.