

## GAS STORAGE OPERATOR CODE

MND Gas Storage a.s.

Company registered by Regional Court in Brno under File no. B 5870

Registered Office: Úprkova 807/6, 695 01 HODONÍN  
ID: 285 06 065  
VAT ID: CZ285060

Contacts: Tel.: +420 775 875 907 (Commercial Dispatching)  
Fax: +420 518 315 327  
E-mail: [dispatching@mndgs.cz](mailto:dispatching@mndgs.cz)  
Website: [www.mndgs.cz](http://www.mndgs.cz)  
Data Box ID: ad8eaen

Effective from: October 12, 2024

This is an unofficial translation of the Czech language-based Storage code. This translation is not subject to authorization of the Czech Energy Regulatory Office. Therefore, only the Czech version of the Storage code is legally binding.

**CONTENTS**

<b>A.</b>	<b>GENERAL PROVISIONS.....</b>	<b>3</b>
A.1	DEFINITIONS.....	3
A.2	PROVIDED PRODUCTS AND SERVICES.....	5
A.3	STORAGE CAPACITIES AND CONTACT INFORMATION.....	6
A.4	VIRTUAL GSF POINT (TRANSFER POINT).....	6
A.5	GAS QUALITY.....	7
<b>B.</b>	<b>STORAGE CAPACITY RESERVATION .....</b>	<b>7</b>
B.1	CONTRACTING.....	7
B.2	BASIC CONDITIONS FOR STORAGE CAPACITY BOOKINGS.....	8
B.3	RESERVATIONS OF ANNUAL/MONTHLY STORAGE CAPACITIES AND UNUSED STORAGE CAPACITIES.....	8
B.4	DAILY STORAGE CAPACITY BOOKING.....	9
<b>C.</b>	<b>BUSINESS PROVISIONS AND PRICING.....</b>	<b>9</b>
C.1	BASIC STORAGE OPERATOR'S DUTIES.....	9
C.2	BASIC STORAGE USER AND APPLICANT'S DUTIES AND CONTRACTUAL PENALTIES.....	10
C.3	STORAGE LIMITATION OR INTERRUPTION.....	12
C.4	STORAGE CAPACITY REDUCTION.....	12
C.5	QUANTITY REPORTING.....	13
C.6	NOMINATIONS AND ALLOCATIONS.....	13
C.7	TECHNOLOGICAL GAS.....	15
C.8	STORAGE USER'S ACCOUNT.....	16
C.9	PRICE.....	16
C.10	BILLING AND TERMS OF PAYMENT.....	18
C.11	RESERVED STORAGE CAPACITY ASSIGNMENT.....	20
C.12	TRANSFER OF USE OF STORAGE CAPACITY.....	20
C.13	GAS TRANSFER.....	22
C.14	AUCTIONS FOR THE SECONDARY SALE OF STORAGE CAPACITIES OR GAS.....	23
C.15	UNWITHDRAWN GAS AND UNAUTHORIZED GAS STORAGE.....	23
C.16	CONFIDENTIALITY.....	24
C.17	PERSONAL DATA PROTECTION.....	24
<b>D.</b>	<b>FINAL PROVISIONS .....</b>	<b>24</b>
D.1	STORAGE CODE AMENDMENTS.....	24
D.2	FINAL PROVISIONS.....	24
D.3	INTERIM PROVISIONS.....	25
<b>ANNEX 1</b>	<b>FINANCIAL ELIGIBILITY REQUIREMENTS .....</b>	<b>26</b>
<b>ANNEX 2</b>	<b>WITHDRAWAL AND INJECTION CURVES .....</b>	<b>29</b>

## A. GENERAL PROVISIONS

The Gas Storage Operator Code of MND Gas Storage a.s. comply with Act No. 458/2000 Coll., on business conditions and public administration in the Conditions of Business and the Exercise of State Administration in the energy sector, as amended, and with the related implementing mandatory legal regulations, in particular Regulation No. 349/2015 Coll., on the gas market rules, as amended, and Regulation No. 401/2010 Coll., on the scope and contents of the rules, as amended.

These Gas Storage Operator Code (hereinafter referred to as the "Code") set out the basic commercial, technical and operational conditions under which the Storage Operator provides storage services and services related to the activities of the Storage Operator, while also respecting the principle of third-party access rights.

### A.1 DEFINITIONS

- 1) For the purposes of the Code, the Gas Storage Contract and the General Contract, the following terms shall have the meanings respectively assigned to them:
  - a) Active Applicant – a registered applicant that has provided financial security, if required, and has met all other conditions under the terms of a particular auction;
  - b) Allocation Procedure – rules for the allocation of the quantity of gas at a given point in the gas transmission system between individual market participants;
  - c) Auction – an electronic method for the booking of storage capacity where price is the primary criterion for its allocation;
  - d) Auction System – an electronic application applied by the Storage Operator, mainly for the sale of storage capacity and storage services, available via the Storage Operator's website;
  - e) VAT – value added tax determined in accordance with the VAT Act;
  - f) Unit of Energy – a kilowatt-hour and its multiples;
  - g) EA – Act No. 458/2000 Coll., on Business Conditions and Public Administration in the Energy Sector and on Amendment of Other Laws (Energy Act), as amended;
  - h) Hourly Sample – the maximum/booked injection or withdrawal capacity divided by the number of hours in a given gas day;
  - i) Identification Data – the name of the legal entity, or the first and last name of the natural person, registration number / birth certificate number, address of the registered office / permanent residence, commercial registration data and other data required by the applicable legislation;
  - j) Kilowatt-hour / kWh – a unit used to express the energy in natural gas based on its calorific value;
  - k) Credit Exposure – a monthly payment equal to the gas storage price, including VAT, which the applicant/storage user is expected to pay in a given month based on all storage capacities and, if there is no such payment in a given month, in the next month;
  - l) KYC - a written statement submitted by the applicant or storage user in the form of a fully and properly completed questionnaire provided by the Storage Operator, including any necessary and/or requested annexes, in particular, but not limited to, confirming that the applicant /

- storage user / authorized user is not subject to any sanctions and signed by an authorized person;
- m) Documentary Format – a written form that requires physical copies of documents with handwritten signatures, electronic copies of documents with digital signatures based on qualified certificates, and/or communication via data boxes;
  - n) Cubic Meter/m<sup>3</sup> – a unit of measurement used to express the actual volume of gas measured at a temperature of 15 °C, a pressure of 101.325 kPa and a relative humidity of  $\phi = 0$ ;
  - o) Nomination – storage nomination and storage renomination, defined by Market Rules;
  - p) Nomination Portal - electronic application of the Storage Operator for receiving nominations and applications for gas storage contracts for booked daily storage capacity; access to this application is arranged based either on an approved written request submitted to the Storage Operator's Commercial Dispatching or on a signed contract;
  - q) NCC – Act No. 89/2012 Coll., the Civil Code, as amended;
  - r) Authorized User - a person to whom the storage user has transferred the use of the storage capacity or a part thereof;
  - s) OTE – a market operator license holder pursuant to the EA;
  - t) In writing – this includes simple e-mail communication between e-mail addresses that the parties have indicated as their contact addresses and/or that are specified in the contract, as well as communication via data boxes or joint signing of documents via DigiSign (or similar);
  - u) Gas – a commodity defined by the EA;
  - v) Technological Gas – gas utilized for the operation of compressors and for gas preheating and drying;
  - w) Market Rules - Regulation No. 349/2015 Coll., on Gas Market Rules, as amended;
  - x) Transfer Point - a point of a virtual gas storage facility on the Czech transmission system used for commercial transfer and/or receipt of gas subject to the respective gas storage contract;
  - y) Transporter – the Czech natural gas transmission system operator, gas transmission license holder under the EA;
  - z) Sanctions – a measure imposed by the Czech and EU authorities to prohibit market participants from entering into or performing contracts or otherwise engaging in business relations with specific entities;
  - aa) Storage Capacity – the working gas volume of a part or the whole of the virtual gas storage determined in energy units, the Withdrawal or Injection Output determined in energy units per day and the withdrawal or injection curve;
  - bb) Fixed Storage Capacity – a storage capacity with the Injection and/or Withdrawal Output stipulated as uninterrupted in a contract between the Storage Operator and Storage User;
  - cc) Interruptible Storage Capacity – a storage capacity that is not a Fixed Storage Capacity;
  - dd) Storage Period – the time period used to calculate the storage price; 1 storage year in the case of auctions for annual storage capacity, or 1 gas month in the case of auctions for monthly storage capacity, or 1 gas day for the booking of daily storage capacity, with no distinction between injection and withdrawal periods;
  - ee) Storage Operator – MND Gas Storage a.s., a gas storage license holder under the EA;

- ff) Contract – a gas storage contract (i.e. for booked daily/monthly/annual storage capacity with a fixed/interruptible output) and/or general contract;
- gg) Withdrawal Output – the amount of gas, expressed in Units of Energy, that can be extracted from the Virtual Gas Storage on a given gas day;
- hh) Storage User’s Account – an account recording the quantity of gas stored under a gas storage contract concluded with the Storage User, including the quantity of gas that has been injected into or withdrawn from the Virtual Gas Storage or transferred between balance accounts; maintenance of the account is the Storage Operator's responsibility;
- ii) Storage User – a person having a contract with the Storage Operator;
- jj) Successful Active Applicant - an Active Applicant with a storage capacity booked in an Auction;
- kk) Virtual Gas Storage / Virtual GSF – the collection of all gas storage facilities held by the Storage Operator;
- ll) Injection and Withdrawal Curve – a curve depicting (specifying) the values of the Injection and Withdrawal output available for the respective product on a specific gas day. The curve parameters depend on the technical capabilities of the respective GSF and on the volume of gas stored in the GSF on the particular gas day. The withdrawal and injection curves of each Storage User will all be assessed in terms of the volume of gas in storage in accordance with the particular Storage User’s Account;
- mm) Injection Output – the amount of gas, expressed in Units of Energy, that can be injected into the Virtual GSF on a given gas day;
- nn) Storage Operator's Website – <https://www.mndgs.cz/en/>;
- oo) Gas Lease – a transaction whereby the Storage User is provided – for the purpose of storage services – with a storage capacity along with gas, which the Storage User will be required to return upon termination of the relevant gas storage contract;
- pp) Gas Storage Facility / GSF – a gas facility, including associated technological structures, control systems, security equipment systems, computer technology information transmission systems and gas storage operation information systems;
- qq) VATA – Act No. 235/2004 Coll. on Value Added Tax, as amended;
- rr) Applicant – a person applying to the Storage Operator for the allocation (booking) of Storage Capacity, for the conclusion of a General Contract and/or the conclusion of an Auction contract for the secondary sale of Storage Capacity or Gas, as well as an auction participant interested in the secondary sale of Storage Capacity or Gas.

## A.2 PROVIDED PRODUCTS AND SERVICES

- 1) The Storage Operator is prepared to provide storage services within the scope of and in accordance with this Code, which are rendered based on the Virtual GSF principle at the Virtual GSF point. The storage services include:
  - a) gas storage, i.e. gas reception at the transfer point (when injected into the GSF), gas storage at the GSF and gas delivery back at the transfer point (when withdrawn from the GSF);
  - b) gas storage operations including, in particular, gas transmission between the transfer point and the GSF, metering, compression and drying; and

- c) gas provision and supply (consumption) for technological purposes (compressor propulsion, heating and gas drying).
- 2) Unless otherwise expressly indicated in the contract or the Code, the ownership of the gas subject to storage services will at no time during the term of the contract pass to the Storage Operator. In accordance with the relevant energy legislation, the Virtual GSF operation essentially results in the mixing of gas stored by the Storage User and gas stored by third parties in a similar relationship with the Storage Operator as the Storage User. In concluding the gas storage contract, the Storage User consents to the provision of the service in this manner. For the avoidance of doubt, the possible application (also by analogy) of Section 2420 of the Civil Code is excluded.
- 3) The Storage Operator provides storage products directly related to the storage services with commercial parameters based on the provision of Working Gas Volume, Withdrawal and/or Injection Output and Withdrawal and/or Injection Curve, including Gas Lease, where applicable, either separately or combined. The above includes:
  - a) Annual/monthly storage capacity with a fixed/interruptible output;
  - b) Daily storage capacity with a fixed/interruptible output; and
  - c) Unused storage capacity.
- 4) Annual/monthly storage capacity and unused storage capacity are booked via an electronic auction (see section B.3 of the Code for more information). Daily storage capacity is booked electronically in the nomination portal (see section B.4 of the Code for more information).

### **A.3 STORAGE CAPACITIES AND CONTACT INFORMATION**

- 1) The Storage Operator will disclose and update all information the release of which is required by mandatory legislation in a manner allowing remote access via the Storage Operator's website. Any additional information regarding storage capacities and outputs will be released in the manner described in the preceding paragraph.
- 2) The Storage Operator may change its contact details as set out in this Code and/or in the Contract, provided that details regarding any such change are posted on the Storage Operator's website and communicated to the parties concerned in writing.

### **A.4 VIRTUAL GSF POINT (TRANSFER POINT)**

- 1) The transfer point is the Brumovice Metering Station (see the Storage Operator's website for location details).
- 2) The obligation of the Storage Operator or the Storage User, as the case may be, to deliver natural gas at the Virtual GSF point shall be deemed to have been fulfilled if the Storage Operator delivers, or the Storage User facilitates the delivery of, the gas in the agreed quantity, quality, pressure and, if applicable, in accordance with other agreed conditions to the virtual GSF point, while complying with the minimum/maximum parameters (volume, pressure) applicable to this point.
- 3) All gas quantity, quality, pressure and possibly other parameters will be measured at the transfer point. The gas pressure and gas quality measurements at the transfer point are indicative of the actual pressure and quality parameters applied to the injected or withdrawn gas.

## A.5 GAS QUALITY

- 1) The gas must meet both chemical and physical specifications for transmission at the GSF entry and exit points to/from the transmission system.
- 2) In cases where the gas is not of the specified quality, it may be rejected by the Storage Operator (or, conversely, by the Storage User). Any failure to reject the gas will not affect the Storage Operator's or the Storage User's right to compensation for any damage incurred in connection with the storage or receipt of such gas, provided that the Storage Operator (or, conversely, the Storage User) take all necessary action to prevent or mitigate such damage.

## B. STORAGE CAPACITY RESERVATION

### B.1 CONTRACTING

- 1) The Storage Operator will conclude a gas storage contract with the Successful Active Applicant for the booked annual/monthly or unused storage capacity, in Documentary Format. The annual/monthly and unused capacities are booked via an electronic auction, a sample of which is always attached as Annex 2 to the published auction conditions.
- 2) The Storage Operator may conclude a general contract with the applicant in order to allow for daily storage capacity bookings. Subject to the prior conclusion of a general contract, the Storage Operator will enter into gas storage contracts for booked daily storage capacities at temporary working gas volumes (i.e. fixed and interruptible) and/or (additional) injection or withdrawal capacities electronically via the Nomination Portal.
- 3) Subject to the prior conclusion of a gas storage contract for booked annual/monthly storage capacities, the Storage Operator will enter into a contract for booked daily storage capacities at a fixed temporary working gas volume and/or for (additional) injection or withdrawal capacities electronically via the Nomination Portal.
- 4) Subject to the prior conclusion of a gas storage contract, the Storage Operator will enter into an auction contract for the secondary sale of a storage capacity or gas in Documentary Format.
- 5) An application for the conclusion of a gas storage contract for booked annual/monthly or unused storage capacities constitutes and precludes a registration in the Storage Operator's Auction System and a login to the relevant auction via this Auction System. All successful Active Applicants will receive a draft of the relevant gas storage contract, electronically or in two physical copies signed by the Storage Operator, as agreed, without undue delay after the auction has ended. The Active Applicant accepts the draft contract (concludes the contract) by submitting the signed electronic copy or one signed physical copy thereof to the Storage Operator within the time limit set out in the Market Rules but no later than within 20 working days of receipt of the draft issued by the Storage Operator. The posted financial security will not be returned to the Active Applicant nor will any storage and related services be provided until the contract has been concluded.
- 6) The application for a general contract will be submitted in writing. The application must include the applicant's identification, the requested date of entry into force and must be submitted by an authorized person.



- 7) A gas storage contract application for booked daily storage capacities for an (additional) injection or withdrawal output constitutes and presupposes an output booking in the Nomination Portal. The contract is concluded once the application has been electronically confirmed (and the available quantity displayed in the Nomination Portal).
- 8) A gas storage contract application for booked daily storage capacities for a fixed temporary working gas volume constitutes and presupposes a fixed temporary working gas volume booking in the Nomination Portal. The contract is concluded once the application has been electronically confirmed (and the available quantity displayed in the Nomination Portal).
- 9) A gas storage contract application for booked daily storage capacities for an interruptible temporary working gas volume constitutes and presupposes a daily injection output nomination. The contract is concluded once the nomination has been approved (via electronic confirmation).
- 10) The application for the conclusion of an auction contract for the secondary sale of storage capacities or gas is to be submitted in Documentary Form to the Storage Operator's registered office, to the Storage Operator's e-mail and/or the Storage Operator's data box. The application must contain the Storage User's identification, the requested effective date of the contract, identification of the gas storage contract concerned, the storage capacity or part thereof to be auctioned, the specification of the storage capacity and/or gas and the Storage Period, including information as to whether the transaction involves transfer of use of storage capacity or storage capacity assignment, and the requested date of the secondary storage capacity auction. The application must be signed by authorized persons.
- 11) The Storage Operator will not accept the contract application nor enter into a contract with the applicant in cases where the applicant fails to demonstrate financial eligibility or submit a completed KYC to the Storage Operator or the facts stated therein have proven to be false, incomplete or misleading, or there are reasonable doubts on the part of the Storage Operator as to their accuracy or completeness, or where the Storage Operator is not permitted to enter into a contract with the applicant under the relevant legislation (due to Sanctions) or where the conclusion of a contract with the applicant might adversely affect other legitimate interests of the Storage Operator.

## **B.2 BASIC CONDITIONS FOR STORAGE CAPACITY BOOKINGS**

- 1) Storage capacity bookings must be in compliance with the EA, the Market Rules and this Code.
- 2) Both the Applicant and the Storage User are required to secure access details to the Nomination Portal and the Auction System and to ensure that the person acting on behalf of the applicant when submitting booking applications has sufficient authority to act independently. Any potential misuse of access data is entirely the responsibility of the Applicant/Storage User.

## **B.3 RESERVATIONS OF ANNUAL/MONTHLY STORAGE CAPACITIES AND UNUSED STORAGE CAPACITIES**

- 1) Annual/monthly capacities with a fixed/interruptible output are booked via an electronic auction in the Auction System.



- 2) Access to the Auction System is via a secure website where the Applicant can register. Access to the Auction System is not possible without registration. Participation in an electronic auction is subject to the proper and timely provision of financial security in the amount specified in the terms and conditions of the relevant auction, as well as compliance with the other requirements under the terms and conditions of the relevant auction. Once the Storage Operator confirms compliance with these requirements, the Applicant becomes an Active Applicant eligible to participate in the electronic auction.
- 3) The auction process, including the financial security options, is specified in the applicable legal provisions and in the terms and conditions of the auction concerned, disclosed by the Storage Operator in accordance with the Market Rules. The General Auction Terms and Conditions are attached as Annex 1 to the terms and conditions of the relevant auction. The General Auction Terms and Conditions are also posted on the Storage Operator's website. By participating in the auction, the Applicant agrees to the terms and conditions of the relevant auction, including its annexes.
- 4) Unused storage capacity bookings are subject to the same conditions as monthly/annual storage capacity bookings.

#### **B.4 DAILY STORAGE CAPACITY BOOKING**

- 1) Storage Users with access to the Nomination Portal can submit requests for daily storage capacity bookings with fixed/interruptible outputs directly in the Storage Operator's Nomination Portal.
- 2) The Storage User's representative without access to the Nomination Portal must first submit a request for access to the Nomination Portal to [dispatching@mnd-es.cz](mailto:dispatching@mnd-es.cz) at least 1 business day prior to the booking request.
- 3) For daily storage capacities, the Storage Operator sets a fixed unit price for storage as per the price list. The Storage Operator will conclude a storage contract with the Storage User on a first-come, first-served basis in accordance with the time of receipt of the booking request.
- 4) In the event that the Storage Operator is unable to facilitate the submission of applications via the online Nomination Portal as a result of a verifiable technical failure or force majeure, in particular the unavailability of data communication services, the Storage Operator will be entitled to specify an alternative method of electronic communication, notifying the Storage User accordingly.
- 5) Information regarding the service availability will be posted on the Storage Operator's website.

### **C. BUSINESS PROVISIONS AND PRICING**

#### **C.1 BASIC STORAGE OPERATOR'S DUTIES**

- 1) The Storage Operator shall, in particular:
  - a) during injection, accept and store the gas volume negotiated in the gas storage contract with the Storage User at the Virtual GSF point of the relevant transmission system provided that the Storage User ensures that all conditions for the delivery of gas to be accepted at this point are met;

- b) during withdrawal, deliver the withdrawn gas volume negotiated in the gas storage contract to the Storage User at the Virtual GSF point of the relevant transmission system provided that the Storage User ensures that all conditions for the transfer of gas to be delivered at this point are met; and
- c) proceed in accordance with the Code and mandatory legal regulations to notify the Storage User of interruptions of operation of facilities operated by the Storage Operator or of any other events with the potential to restrict the basic technical parameters of the storage services rendered to the Storage User.

## C.2 BASIC STORAGE USER AND APPLICANT'S DUTIES AND CONTRACTUAL PENALTIES

1) The Storage User shall, in particular:

- a) during injection, ensure the delivery of the agreed volume of gas (as per the nominations) to be injected to the Storage Operator at the Virtual GSF point of the relevant transmission system, at the specified pressure, quality and, where applicable, in compliance with other stipulations, provided that the Storage Operator ensures that all stipulated conditions for the receipt of gas at this point are met;
- b) during withdrawal, ensure the reception of the agreed volume of gas (as per the nominations) to be withdrawn by the Storage Operator at the Virtual GSF point of the relevant transmission system, at the specified pressure, quality and, where applicable, in compliance with other stipulations, provided that the Storage Operator ensures that all stipulated conditions for the delivery of gas at this point are met;
- c) provide a 24-hour communication link with the Storage Operator to the extent required for the expeditious resolution of situations, potential or actual, arising in connection with the performance of the relevant contract;
- d) provide the Storage Operator with all information specified in the contract and this Code and, upon the Storage Operator's request, any additional information vital to the Storage Operator's operations;
- e) notify the Storage Operator without undue delay of any changes in the details provided in the KYC form, including a notification as to whether the information provided in the most recent KYC is to become inaccurate, incomplete or misleading;
- f) submit the KYC update to the Storage Operator in Documentary Form within 14 days of the Storage Operator's request;
- g) communicate with the Storage Operator only in Czech or English;
- h) maintain its financial eligibility in accordance with Annex 1 of the Code as of the conclusion of the relevant contract at the latest up until the Storage User's last financial liability under the relevant contract has been settled, but at least until the 30th day after the end of the contract; in cases where the first Storage Period is to begin more than two months after the signing of the relevant storage contract, it shall be sufficient to maintain financial eligibility from the day two months before the commencement of the first Storage Period; and
- i) submit proof of its financial eligibility to the Storage Operator in accordance with Annex 1 of the Code in cases where the first Storage Period is due to commence more than two (2) months after the signing of the relevant storage contract, no later than 2 (two) months before the

commencement of the first Storage Period, and also at any time no later than 14 days after the Storage Operator's request.

- 2) The Applicant shall, in particular:
  - a) communicate with the Storage Operator exclusively in Czech or English;
  - b) submit the completed KYC in Documentary Form to the Storage Operator;
  - c) secure and provide proof of financial eligibility to the Storage Operator in accordance with Annex 1 of the Code no later than 5 (five) days after the successful booking of a monthly/annual storage capacity in the electronic auction, unless the Storage Period is to commence more than 2 (two) months after the conclusion of the relevant storage contract, and no later than 5 (five) days before the conclusion of the general contract; and
  - d) in the event of a successful booking of an annual or monthly storage capacity, conclude a storage contract within a time limit determined in accordance with the Market Rules, and otherwise within 20 business days from the date of receipt of the contract draft.
- 3) In the event that the Storage User fails to comply with any of its obligations set forth in paragraph 1) (e), (f), (h) and/or (i) of this Section of the Code, the Storage Operator may seek a contractual penalty from the Storage User in the amount of three times the Credit Exposure for each individual instance of violation and for each month that the violation continues, in which case the Storage User will be required to pay the contractual penalty to the Storage Operator.
- 4) In the event that the Storage User fails to pay for the rendered services as per Section C.9 of the Code within the due date set out in Section C.10 of the Code, and continues to default on the payment for a period of 14 days thereafter, the Storage Operator will be entitled to claim a contractual penalty from the Storage User in the amount of the Credit Exposure for each individual case of non-payment and each month of default, in which case the Storage User will be under obligation to pay the contractual penalty to the Storage Operator.
- 5) In the event that the Applicant fails to comply with any of its obligations set forth in paragraph 2) (b) and/or (c) of this Section of the Code, the Storage Operator may claim a contractual penalty from the Applicant in the amount of three times the Credit Exposure for each individual instance of violation and for each month that the violation continues, in which case the Applicant will be required to pay the contractual penalty to the Storage Operator.
- 6) In the event that the Applicant violates its obligation referred to in Paragraph 2) (d) of this Section of the Code or if no gas storage contract for an annual/monthly storage capacity booking is concluded for reasons attributable to the Applicant, including reasons for the Storage Operator's refusal to conclude a contract pursuant to Section B.1 (11) of the Code, the Storage Operator will be entitled to claim a contractual penalty from the Applicant in the amount specified in the terms and conditions of the auction in question, in which case the Applicant will be under obligation to pay the contractual penalty to the Storage Operator.
- 7) If the amount of the Credit Exposure cannot be determined for the purposes of contractual penalties, an amount of 100 000 CZK will be applied as the Credit Exposure.
- 8) Payment of the contractual penalty will in no way affect the right of the Storage Operator to compensation for damages or any other rights of the Storage Operator. The contractual penalty

becomes payable within 14 days from the date of delivery of the Storage Operator's notice to the Storage User.

- 9) In the event that the Storage User's financial eligibility ceases to exist during the term of the contract, or the Storage User fails to provide the Storage Operator with sufficient proof thereof, or fails to submit an updated KYC form to the Storage Operator, or if the information provided in the KYC form proves to be inaccurate, incomplete or misleading, or if the Storage Operator has reasonable doubts as to its accuracy or completeness, or if the Storage Operator is not permitted to continue the contract with the Storage Operator under applicable legislation (e.g. due to Sanctions), or if continuation of the contract might compromise the Storage Operator's interests and no remedial action is taken by Storage User within 14 days of the Storage Operator's request, the respective contract may be terminated by the Storage Operator without notice. In such cases, the contract in question will therefore be terminated upon notice by the Storage Operator to the Storage User.

### **C.3 MAINTENANCE AND LIMITATION OR INTERRUPTION OF STORAGE SERVICES**

- 1) Pursuant to the EA (Section 60(1)(f)), the Storage Operator is entitled to limit or interrupt gas storage services to the extent necessary in the cases specified in the EA. Specifically, the Storage Operator has the right to carry out planned maintenance and/or repairs related to the storage services under the terms and conditions outlined below.
- 2) The estimated scope and timeframes of any planned renovations and/or repairs will be posted and updated by the Storage Operator on the Storage Operator's website in accordance with the applicable generally binding legislation, while the Storage Operator will do its utmost to take into account the Storage User's interests and mitigate their adverse impact.
- 3) Barring emergency circumstances, the Storage Operator will carry out all planned long-term maintenance and/or repair work in the second and third quarters of the calendar year, ensuring that no period of limitation or interruption with respect to gas storage services exceeds 14 days (continuous or discontinuous) per storage year.
- 4) Taking into account the Storage Users interests while ensuring safe and reliable operation of the Czech natural gas transmission system, the Storage Operator will carry out planned short-term maintenance and/or repair work at any time during the calendar year in a manner that minimizes any adverse impacts with respect to the Storage Users and supply security, ensuring that the period of restriction or interruption of gas storage service will not exceed 7 days (continuous or discontinuous) per storage year. This period will not be included in the period under the previous paragraph of this Section, even if maintenance work is carried out during the second and third quarters of the calendar year.
- 5) Subject to generally binding legislation and the rules set out above, the right to compensation for damages is excluded, this applies equally to any compensation of the Storage User on account of storage service restrictions.

### **C.4 INTERRUPTION OF STORAGE CAPACITY**

- 1) Fixed storage capacities will not be interrupted, except for legal reasons, in particular in cases of planned maintenance and gas storage service limitations or interruptions implemented by the

Storage Operator, where any such interruption will be in accordance with the Market Rules, and in cases of unplanned maintenance and limitations or interruption of storage services, where any interruptions will be subject to the procedure outlined in this Code.

- 2) Interruptible storage capacities may be interrupted by the Storage Operator at any time and for any reason. Any such interruption by the Storage Operator shall be based on the timestamp of receipt of the application for a storage capacity booking in chronological order from the latest to the earliest received application and, in the case of identical timestamps, on a proportional basis.
- 3) In cases of unplanned maintenance and storage service limitations or interruptions, where the interruption of interruptible storage capacities is insufficient, the PRO RATA allocation rule will be implemented after the necessary reduction, from the start of the current gas day until the time of the storage service limitation or interruption, while the same procedure will be applied for the remaining duration of the unplanned maintenance and storage service limitation or interruption as in the previous two paragraphs.
- 4) Interruption of Outputs always pertain to the direction that needs to be reduced due to the available output limitations or interruptions.

## C.5 QUANTITY REPORTING

- 1) For the purposes of quantity reporting or where a PRO RATA scheme has been introduced, the values shall be rounded as follows:
  - a) Calorific value in kWh/m<sup>3</sup> to 3 decimal places;
  - b) Quantity of energy in kWh to a whole number;
  - c) Quantity of energy in MWh to 3 decimal places; and
  - d) Volume in m<sup>3</sup> to whole numbers.

## C.6 NOMINATIONS AND ALLOCATIONS

- 1) The procedures and timelines for the submission of nominations are subject to the relevant provisions of the Market Rules.
- 2) All nominations sent to the Storage Operator shall be submitted via the Storage Operator's secure nomination portal by completing a designated nomination form, or via OTE, or other form of electronic communication agreed upon between the Storage Operator and Storage User. Nominations are completed by entering them into the Storage Operator's nomination portal or rather by receiving the relevant data from OTE. In all other cases, the nominations are completed once a confirmation is received from the Storage Operator.
- 3) Each nomination must include the following:
  - a) EIC code of the settlement entity or an anonymous EIC of a foreign participant;
  - b) EIC OPM (Virtual GSF point);
  - c) Gas day;
  - d) Amount of Units of Energy in kWh;

- e) Shipper code assigned by the Storage Operator;
  - f) Shipper code assigned by the Transporter;
  - g) Withdrawal or injection request.
- 4) The Storage Operator will be entitled to reject a proportional part of the Storage User's nomination or renomination, or the Storage User's entire nomination or renomination if:
- a) it is a nomination or renomination for Interruptible Storage Capacity;
  - b) the Storage Operator exercises its right to suspend or limit gas storage services pursuant to the contract, the Market Rules or legal regulations;
  - c) the nomination is contrary to legal regulations, Market Rules, this Code or the contract;
  - d) the nomination is not consistent with the booked storage capacity or the Storage Operator's Injection and Withdrawal Curve;
  - e) it exceeds the Storage Operator's Hourly Sample for a given gas day multiplied by the number of full hours remaining in that gas day minus six hours, if this would change the overall nomination of the virtual storage from injection to withdrawal or vice versa;
  - f) it exceeds the Storage Operator's Hourly Sample for a given gas day multiplied by the number of full hours remaining in that gas day minus two hours;
  - g) the nomination or renomination is lower than the Storage User's previously accepted and registered nomination or renomination; and/or
  - h) in other cases provided for by applicable legislation, contract and/or Code.
- 5) Except where unplanned limitation or interruption of gas storage services has occurred, allocations will be based on the OBA allocation rule, in particular as follows:
- a) Injection: the quantity of gas nominated by the Storage User for the Virtual GSF point in the amount in which the nomination was approved (or not rejected) by the Storage Operator and in which it was not reduced will be considered to be the quantity actually delivered by the Storage User to the Storage Operator at the Virtual GSF point on a given gas day, but only to the extent agreed with the Transporter;
  - b) Withdrawal: the quantity of gas nominated by the Storage User for the Virtual GSF point in the amount in which the nomination was approved (or not rejected) by the Storage Operator and in which it was not reduced will be considered to be the quantity actually delivered by the Storage Operator to the Storage User at the Virtual GSF point on a given gas day, but only to the extent agreed with the Transporter; and
  - c) differences between the actual metered quantity and the agreed quantity in accordance with the preceding points will be settled between the Storage Operator and the relevant Transporter, with no effect on the balance of the Storage User's account.
- 6) The following applies specifically to the implementation of the PRO RATA allocation rule:
- a) If the actual metered gas quantity is lower than the resulting nomination at the Virtual GSF, or the same, or it is in the opposite direction, then:
    - i. the quantity of gas nominated by a Storage User whose nomination is in the opposite direction to the resulting nomination at the Virtual GSF, to the extent that the nomination

- has been approved (or not rejected) by the Storage Operator and has not been reduced, will be considered to be the quantity actually delivered by the Storage Operator/Storage User to the Storage User/Storage Operator at the Virtual GFS point on the gas day in question, but only to the extent agreed with the Transporter;
- ii. the quantity of gas nominated by a Storage User whose nomination is in the same direction as the resulting nomination at the Virtual GSF, to the extent that the nomination has been approved (or not rejected) by the Storage Operator and has not been reduced, will be decreased in proportion of the amount of all Storage User nominations so defined in the same direction as the resulting nomination at the Virtual GSF, decreased by the difference between the quantity of the resulting virtual storage nomination and the quantity of gas actually metered in that direction (negative if in the opposite direction), to the quantity of all Storage Users nominations in the same direction as the resulting virtual storage nomination;
- b) If the actual metered gas quantity is higher than the resulting nomination at the Virtual GSF, then:
- i. the quantity of gas nominated by a Storage User whose nomination is in the same direction as the resulting nomination at the Virtual GSF, to the extent that the nomination has been approved (or not rejected) by the Storage Operator and has not been reduced, will be considered to be the quantity actually delivered by the Storage Operator/Storage User to the Storage User/Storage Operator at the Virtual GFS point on the gas day in question, but only to the extent agreed with the Transporter;
  - ii. the quantity of gas nominated by a Storage User whose nomination is in the opposite direction to the resulting nomination at the Virtual GSF, to the extent that the nomination has been approved (or not rejected) by the Storage Operator and has not been reduced, will be decreased in proportion of the amount of all Storage Users' nominations in the opposite direction to the resulting nomination at the Virtual GSF so defined, decreased by the difference between the amount of the actual metered gas quantity and the resulting nomination at the Virtual GSF, to the amount of all Storage Users' nominations in the opposite direction to the resulting nomination at the Virtual GSF;
- c) The quantity of gas allocated under this allocation rule can never exceed the Storage User's nomination, nor can it be in the opposite direction to the Storage User's nomination.

## C.7 TECHNOLOGICAL GAS

- 1) Technological gas will be provided by the Storage Operator, unless the contract indicates the Storage User as the provider of Technological Gas.
- 2) In cases where Technological Gas is provided by the Storage User, the quantity of gas indicated in the price list at the time of storage capacity booking will be deducted from the allocated quantity of gas for injection and used for technological purposes (e.g., with an allocated gas quantity of 100 MWh to be injected on a gas day, if 1.2% is indicated in the price list, 1.2 MWh will be used to satisfy the Technological Gas supply requirement).



## C.8 STORAGE USER'S ACCOUNT

- 1) The Storage Operator maintains a balance account in Units of Energy and in m<sup>3</sup> for each Storage User. The determining unit for account management and the final account balance is the value expressed in Units of Energy. The value in m<sup>3</sup>, if provided, is indicative only.
- 2) The Storage Users accounts will be maintained separately by the Storage Operator for each Storage User in a manner that allows remote access via the Nomination Portal.
- 3) The preliminary daily gas quantity for the following gas day will be added to/deducted from the Storage User's account in Units of Energy in the amount corresponding to the allocated gas quantity for the current gas day, from which Technological Gas will be deducted in cases where the Storage User is indicated as its provider.
- 4) Changes in the Storage User's account balance for the current gas day will correspond to the allocated gas quantity for the previous gas day, applied by OTE to evaluate the deviation for the previous gas day, from which Technological Gas will be deducted in cases where it is to be provided by the Storage User.
- 5) Any Storage User's disagreements as to the values (changes) in the Storage User's account balance must be raised with the Storage Operator in Documentary Form within 10 business days of the date on which the disputed value was applied to the Storage User's account (the date of the relevant change). Upon receipt of the claim, the Storage Operator will verify the disputed data in the Storage User's account without undue delay and, within 10 working days at the latest, send a written statement to the Storage User regarding the manner in which the disputed data will be settled.

## C.9 PRICE

- 1) For annual/monthly storage contracts, the total price and its calculation will be specified in the gas storage contract.
- 2) The total price for gas storage consists of the price for gas storage and a gas storage service fee. The price for Interruptible Storage Capacity is only payable for the uninterrupted part of the allocated Interruptible Storage Capacity.
- 3) The Storage Operator will specify the gas storage price calculation in the terms and conditions of the relevant auction.
- 4) The Storage Operator will specify the method of calculating the fees for storage related services in the terms and conditions of the relevant auction, relying on the following models:
  - a) **Fixed model:**
    - i. The daily fee will only be calculated for gas days on which the Storage User has submitted an injection nomination (+, positive). No daily fee is applied for days for which withdrawal nominations were submitted (-, negative).
    - ii. On days when the sum of all nominations at the Storage Operators Virtual GSF is positive or zero, the Storage User will be charged a daily fee equal to its injection nomination multiplied by the base rate.

- iii. On days when the sum of all nominations at the Virtual GSF is less than zero:
  - The Storage User will be charged a daily fee on days when the absolute size of the sum of nominations at the Virtual GSF is smaller than the size of the Storage User's injection nomination – in this case, the absolute value of the sum of all nominations is subtracted from the Storage User's injection nomination and the difference is multiplied by the base rate.
  - The Storage User will not be charged any daily fee on days when the absolute size of the sum of nominations at the Virtual GSF is equal to or greater than the size of the Storage User's nomination.
- iv. The base rate will be set out in a model contract to be included in the terms and conditions of the relevant auction.

**b) Tariff model:**

- i. For each storage year, a storage capacity utilization account (in kWh) is maintained for the Storage User, cumulating (incrementally adding) the values of the last confirmed daily injection nominations (+, positive).
- ii. A daily unit injection rate applicable to the Storage User will be defined for each gas day. The rate is based on the resulting dependence of the current annual account balance relative to the multiples of the size of the Storage User's booked storage capacity for the storage year where:
  - if the annual account balance on a given gas day is less than or equal to the size of storage capacity, the daily unit rate for that gas day will be set at tariff I;
  - if the annual account balance on a given gas day is greater than one time but less than or equal to two times the size of storage capacity, the daily unit rate for that gas day will be set at tariff II;
  - if the annual account balance on a given gas day is greater than or two times the size of storage capacity, the daily unit rate for that gas day will be set at tariff III.
- iii. The fee will be calculated after the end of each gas month of the storage year as the sum of the respective daily fees.
- iv. Daily fee calculation:
  - The daily fee will only be calculated for gas days on which the Storage User has submitted an injection nomination (+, positive). No daily fee is applied for days for which withdrawal nominations were submitted (-, negative).
  - On days when the sum of all nominations at the Storage Operators Virtual GSF is positive or zero, the Storage User will be charged a daily fee equal to its injection nomination multiplied by the respective day rate.
  - On days when the sum of all nominations at the Virtual GSF is less than zero:
    - the Storage User will be charged a reduced daily fee in cases where the absolute size of the sum of nominations at the Virtual GSF is less than the size of the Storage User's injection nomination – in this case, the absolute value of the sum of all nominations is subtracted from the Storage User's injection nomination and the difference is multiplied by the respective day rate, or

- the Storage User will not be charged any fee in cases where the absolute size of the sum of nominations at the Virtual GSF is equal to or greater than the Storage User's injection nomination.
  - v. Individual rates will be set out in a model contract to be included in the terms and conditions of the relevant auction.
- c) A different method of calculation defined in the terms and conditions of the specific auction.**
- 5) Daily storage capacity prices are set out in the price list available on the Storage Operator's website, valid at the time of the service order; the daily storage capacity prices for injection and withdrawal outputs given in the price list are for reference only, with the current valid prices set out in the Nomination Portal. Service orders are considered to be submitted:
- a) with respect to daily storage capacity for injection/withdrawal outputs, the moment the output is booked;
  - b) with respect to daily working gas volume storage capacity, the moment the gas is transferred to the Storage User's account – in the case of a gas storage contract for booked daily storage capacity for interruptible temporary working gas volume, the maximum quantity stored on a given gas day will be decisive for pricing purposes.
- 6) The Storage Operator may unilaterally amend the price list, including in relation to daily storage capacity services already ordered and in progress. In this case, however, the Storage Operator must notify in writing all Storage Users that may be directly and adversely affected by any such change in the price list (hereinafter referred to as the "New Price Notification"). Should the Storage User disagree with any price changes that are not in its favor, the Storage User may terminate the contract directly affected by the New Price Notification within 5 business days with a 30-day notice period in Documentary Form. If the Storage User fails to terminate the contract in question within the specified period of time, i.e. if the notice of termination is not delivered to the Storage Operator within 5 business days of the New Price Notification, and/or if the change is made in favor of the Storage User (i.e. there is a price reduction), the Storage Operator will be entitled to apply the new prices to all previously ordered services but yet to be rendered (pending) as of the 6th business day following the delivery of the New Price Notification.
- 7) All prices for any other products provided in connection with storage services (e.g. storage capacity transfers, gas transfers) are subject to the price list posted on the Storage Operator's website.
- 8) All prices are always exclusive of VAT. The Storage User is required to pay VAT, billed on top of the price, in the amount and in the manner stipulated by mandatory legal regulations.

## **C.10 BILLING AND TERMS OF PAYMENT**

- 1) Annual/monthly storage capacity:
- a) Storage price for annual storage capacity:

The Storage User shall pay the Storage Operator a monthly payment of one-twelfth of the annual gas storage price. The Storage Operator will issue the appropriate invoice (tax document) no later than the first business day of the calendar month for which the price is billed.

b) Storage price for monthly storage capacity:

The Storage User shall pay the Storage Operator a monthly price on the basis of an invoice (tax document); however, if the total price is fixed, then a monthly pro rata portion of the total price for gas storage based on the number of months for which the storage capacity has been booked. The Storage Operator will issue the appropriate invoice (tax document) no later than the first business day of the calendar month for which the price is billed.

c) Gas storage service fees

The depositor shall pay the fees for services associated with gas storage on the basis of an invoice (tax document) issued by the Storage Operator no later than the fifth business day of the calendar month immediately following the month for which the price is billed.

2) Daily storage capacity:

The Storage User shall pay the price, including any fees associated with gas storage services, on the basis of an invoice (tax document) issued by the Storage Operator no later than on the 5th (in words: fifth) business day of the calendar month immediately following the month for which the price is billed.

3) Reserved Storage capacity assignment/transfer of use of storage capacity, gas transfer, and other services:

The Storage Operator will issue the appropriate invoice (tax document) no later than on the 5th business day following the provision of the service.

4) In cases where the Storage Operator, taking into account all available information, may reasonably believe that the Storage User will fail to pay its liabilities on time and/or at all, the Storage Operator will be entitled to demand advanced payments from the Storage User amounting up to 100% of the payments invoiced by the Storage Operator to the Storage User in the previous calendar month, in which case the Storage User will be required to pay the advance payments on the basis of an invoice (tax document) issued by the Storage Operator.

5) The tax document shall contain all requirements stipulated by mandatory regulations, including the designation of the financial institution and the account number to which the payment is to be made. The due date of the invoice (tax document) is 14 calendar days from the date of issue. If the tax document fails to contain the stipulated requirements or contains incorrect information, the Storage User may submit a complaint concerning the content of the tax document within 30 days of its receipt. If the tax document is found to be defective, the new due date will commence upon delivery of the corrected tax document.

6) All payments will be made via wire transfer to the Storage Operator's account indicated on the invoice, using the variable symbol indicated on the invoice.

7) In the event of default in the payment of financial liabilities arising from the storage contract, the relevant party will be required to pay the other party interest on late payment in accordance with the applicable mandatory legislation. Default interest is payable within 10 calendar days from the date of billing. If the Storage User's default continues for more than 14 calendar days, the Storage Operator will be entitled to suspend injection and/or withdrawal operations and/or the provision of other services, including under other contract with the Storage User, without any compensation

until all outstanding amounts have been paid and/or the Storage Operator will be entitled to terminate the contract without notice.

### **C.11 RESERVED STORAGE CAPACITY ASSIGNMENT**

- 1) Both full and partial assignments of booked storage capacity to another entity are possible. In the case of full assignments, the party to the gas storage contract changes and the existing Storage User is replaced by a new Storage User under a tripartite contract (contract assignment under Czech law). In the case of partial assignments, a tripartite contract is usually signed, whereby the gas storage contract held by the existing Storage User is first amended followed by the conclusion of a new gas storage contract with the new Storage User for the portion excluded from the original contract. In both cases, the assignment is contingent upon the new Storage User meeting the obligations under this Code, in particular the provision of proof of financial eligibility of the new Storage User (see Annex 1) and the submission of a completed KYC form.
- 2) The assignment will be executed on the basis of a written request. The request for assignment must be received by the Storage Operator at least 30 calendar days before the commencement of the gas month from which the transfer is to be effective. The assignment request must be signed by both the existing and the new Storage User. The request must be accompanied by documents demonstrating the financial eligibility of the new Storage User. If the Storage User so requests and the Storage Operator agrees (depending in particular on the Storage Operator's workload, the Storage User's willingness to pay higher compensation due to increased costs, etc.), the booked storage capacity assignment may be expedited under the terms and conditions and within the timeframe as agreed.
- 3) Provided that all the conditions set out in this Code are met, the Storage Operator will send a draft of the contractual documentation required for the assignment to both the existing and the new Storage Operator no later than 7 calendar days before the commencement of the gas month from which the assignment is to be effective. This does not apply to expedited assignments.
- 4) The storage operator will not approve assignments where the existing or new Storage User has outstanding overdue liabilities to the Storage Operator or where any conditions set out in this Code and/or legal regulations are not met.
- 5) All standard booked storage capacity assignments will be charged as per the price list posted on the Storage Operator's website. If an expedited assignment has been requested, it will not be approved until the price has been negotiated on a case-by-case basis.

### **C.12 TRANSFER OF USE OF STORAGE CAPACITY**

- 1) If the Storage User wishes to allow another entity to use its capacity under its gas storage contract, while requiring separate and distinct control of the use of its capacity by that other entity, the Storage User may request the Storage Operator to transfer of use of storage capacity accordingly.
- 2) Following the transfer of use of storage capacity, the Storage User and the Storage Operator remain the sole liable and entitled parties in relation to the storage capacity in question, and no new liability arises for the new user, i.e. Authorized User of the storage capacity with respect to the to the Storage Operator. Any action/non-action by the Authorized User will be deemed to be an action/non-action by the Storage User. The Authorized User will not be entitled to book

daily storage capacities with fixed/interruptible outputs on the basis of the transfer of use of storage capacity - if interested in such bookings, the Authorized User would also have to become a Storage User and sign the respective contract under Section B.1(3).

- 3) The transfer of use of storage capacity request shall be in writing and delivered to the Storage Operator at least 20 calendar days prior to the commencement of the gas month from which the transfer is to be effective; the request shall include identification of the Storage Operator and the Authorized User, identification of the gas storage contract concerned, specification of the storage capacity and Storage Period and the requested effective date. The transfer of use of storage capacity request must be signed by the Storage User. The Storage User must ensure that the Authorized User complies with the KYC requirements as if it were the Storage User – otherwise the Storage User will be deemed to be in breach of the KYC requirements. Provided that the Storage User meets all the conditions set out in this Code, the Storage Operator will send a written draft of the contractual documentation required for the transfer of use of storage capacity (an amendment to the relevant gas storage contract) to the Storage User no later than 12 calendar days prior to the commencement of the gas month from which the assignment is to take effect.
- 4) The relevant gas storage contract will be amended to allow the Storage Operator to set up (by separation from the Storage Operator's account and reduction) a user sub-account for the Authorized User of the assigned storage capacity and to provide a separate nomination pair for nominations, both to the extent specified in the request, with the Storage User's account and the user sub-account to be kept separate under the new parameters. The Authorized User shall comply with obligations similar to those of the Storage User under this Code, with the exception of having to maintain and demonstrate financial eligibility. The required withdrawal and injection curves for the assigned storage capacity will be the same as for the originally contracted storage capacity.
- 5) The transfer of use of storage capacity and subsequent amendment of the relevant gas storage contract may be requested on condition that:
  - a) the request is submitted by the Storage User and, once assigned, the storage capacity cannot be assigned further;
  - b) no more than 3 user sub-accounts per Storage User's account are set up;
  - c) transfer of use of storage capacity is for a period exceeding 1 gas month and is effective from the first day of the respective gas month;
  - d) the Storage User or Authorized User has no outstanding overdue liabilities to the Storage Operator; and
  - e) all other conditions set out in this Code, in particular in this Section, are met.
- 6) In the event that the Storage Operator or the Authorized User has overdue obligations, the Storage Operator may terminate the relevant amendment to the relevant gas storage contract without notice, i.e. close the affected user sub-account.
- 7) If there is any quantity of gas in the user's sub-account at the time of termination of the transfer of use of storage capacity, the procedure set out in Section C.15 of the Code will be followed, with the proceeds from the sale of the non-withdrawn gas being transferred to the Authorized User.

### C.13 GAS TRANSFER

- 1) This involves the transfer of gas within the Virtual GSF between two different balance accounts or sub-accounts of one or more Storage Users. Gas transfers are possible and effective with the Storage Operator's approval on the understanding that the Storage Operator may only reject a gas transfer request if the conditions set out in this Section are not met, in particular the following:
  - a) the gas transfer is not in contravention of any applicable law, this Code and/or the affected contracts; and
  - b) neither the transferor nor the transferee is in default under any contract in force at the time of the gas transfer, or has been in default under any monetary obligation to the Storage Operator during the 12 months preceding the date of the gas transfer;
  - c) the transferor or the transferee will not obtain an undue advantage in the form of enhanced contractual parameters of the storage capacity;
  - d) execution of the gas transfer will not result in any technical conditions that would prevent the Storage Operator from complying with its contractual obligations;
  - e) the transferor has the quantity of gas to be transferred available in storage on the date of execution of the gas transfer; and
  - f) the transferee has sufficient available storage capacity in the gas storage on the date of the gas transfer.
- 2) All gas storage applications are submitted via the Storage Operator's Nomination Portal. The Storage Operator must receive the submission, including confirmation of the application by the transferee, at least 3 business days before the requested execution date, unless other arrangements have been agreed between the transferor and the Storage Operator. Provided that the conditions set out in this Section are met, the Storage Operator will approve the application no later than 1 day prior to the requested date of execution.
- 3) Gas transfers are subject to a fee in the amount and under the conditions specified on the Storage Operator's website. Unless the requesting parties agree otherwise, the fee will be paid by the transferor. This fee is not applicable to transfers within the same Storage User account. To the extent that the execution of the gas transfer results in additional costs for the Storage Operator, the Storage Operator may request reimbursement or refuse to proceed with the gas transfer.
- 4) If the contract to which the gas is being transferred includes a requirement for the Storage User to supply Technological Gas, whereas the original contract from which the gas is being transferred does not, the following quantity of gas will be deducted from the quantity being transferred for future use by the Storage User for technological purposes:
  - a) in cases where gas is being transferred from a contract upon its termination, the quantity of gas indicated in the price list under "rollover gas transfer"; and
  - b) in all other cases, the quantity of gas listed under "intra-year gas transfer" in the price list.
- 5) Should the fee parameters for services related to gas storage between contracts vary, the transferor will be charged an additional fee as per the contract to which the transfer is to be made,



as if the transferred gas had been injected. If the fee under the contract to which the transfer is to be made is lower than that specified in the original contract, the difference will not be refunded to the transferor.

#### **C.14 AUCTIONS FOR THE SECONDARY SALE OF STORAGE CAPACITIES OR GAS**

- 1) The terms and conditions applicable to auctions for the secondary sale of storage capacities or gas will be negotiated between the Storage Operator and Storage User. Applicants participating in the auction are subject to similar conditions as applicants participating in standard storage capacity auctions held by the Storage Operator, i.e. by participating in the auction the applicant agrees to the terms and conditions of the relevant auction, including its annexes, the applicant may need to provide financial security as a precondition for participation, the applicant will be required to submit proof of financial eligibility and to sign a contract upon successful completion of the auction. Where a standard auction gives rise to a contractual penalty right of the Storage Operator against the applicant, an auction for the secondary sale of storage capacities or gas gives rise to such a right for the Storage User.
- 2) The process for the transfer of booked storage capacity, its assignment and/or the transfer of gas, is subject to the terms and conditions set out in the preceding sections.
- 3) The price and terms of payment related to auctions for the secondary sale of storage capacities or gas will be negotiated between the Storage User and the Storage Operator.

#### **C.15 UNWITHDRAWN GAS AND UNAUTHORIZED GAS STORAGE**

- 1) Damages will be paid for any period of unauthorized gas storage in accordance with the EA and if the unauthorized gas storage continues despite the Storage Operator's written request to remedy the situation, the same procedure as applied to unwithdrawn gas will be followed. For a general description of the procedures to be followed in the case of unwithdrawn gas, see the EA and the Market Rules.
- 2) On the first day as of which the Storage Operator becomes entitled to offer the unwithdrawn gas for sale, the Storage User/Authorized User undertakes not to dispose of the unwithdrawn gas in any way, in particular not to misappropriate or encumber it with any rights. This right to procure the sale of gas, under the conditions set out above, may be enforced by the Storage Operator against any gas owner with gas stored in the Virtual GSF in breach of the relevant gas storage contract (the key factor is not the ownership right at the time of sale but rather the gas storage contract or its amendment on the basis of which the gas was stored in the Virtual GSF, i.e. in which balance account or sub-account it is presently located).
- 3) The Storage Operator will remit the proceeds from the sale of the unwithdrawn gas to the former Storage User/Authorized User pursuant to Section 1, less legitimate costs directly associated with the gas sale, within 15 calendar days after the sale of the unwithdrawn gas is completed. Moreover, the Storage Operator will be entitled to use a relevant portion of the proceeds to offset its outstanding claims against the former Storage User/Authorized User arising from storage contracts and/or related services.

## C.16 CONFIDENTIALITY

- 1) The Storage Operator and Storage User shall maintain confidentiality with respect to information regarding any contracts concluded between them as well as other facts associated with the conclusion and performance of these contracts until such time that the information becomes otherwise publicly available and known. Both the Storage Operator and Storage User undertake not to make such information available to the public or otherwise disclose it to third parties, unless prior consent to such disclosure or publication has been given by the other party in Documentary Form. The confidentiality obligation shall not apply to the fulfillment of the Storage Operator or Storage User's obligations imposed by applicable mandatory legislation and in connection with the disclosure of such protected information to accounting, tax and legal advisors, banks or other similar institutions, provided that they have signed a confidentiality agreement with the Storage Operator or Storage User.

## C.17 PERSONAL DATA PROTECTION

- 1) The Storage Operator is the data controller in relation to personal data protection. For details concerning the processing of personal data required by the applicable legislation, including the scope and purposes of the processing, and an overview of the rights and obligations of individual persons and the Storage Operator, please visit the Storage Operator's website. The Storage Operator will provide this information at any time upon request via the contacts listed on the Storage Operator's website to the persons concerned.

## D. FINAL PROVISIONS

### D.1 STORAGE CODE AMENDMENTS

- 1) Amendments to the Code are subject to approval or the code establishment procedures under the relevant provisions of the EA.

### D.2 FINAL PROVISIONS

- 1) All legal relations between the Storage Operator and Storage User arising in connection with the provisions of this Code shall be governed by the Czech law.
- 2) The following annexes constitute an integral component of this Code:
  - a) Annex 1: Financial Eligibility Requirements;
  - b) Annex 2: Withdrawal and Injection Curves.
- 3) This Code has been approved by the Energy Regulatory Office by Resolution No.: OSS-09404/2024-ERU, Ref. No.: 09404-9/2024-ERU, of September 26, 2024.

### **D.3 INTERIM PROVISIONS**

- 1) This Code shall become binding in relation to all concluded contracts and the parties thereto at the time of its entry into force.

## ANNEX 1 FINANCIAL ELIGIBILITY REQUIREMENTS

- 1) The requirements for compliance with and demonstration of financial eligibility and the consequences of non-compliance with the established procedures are set out in Sections B.1, C.2, C.11 and C.14 of this Code.
- 2) Proof of financial eligibility in the amount of at least twice the Credit Exposure must be established using the following methods (the methods may be combined):
  - a) Consideration of the proportionate amount of the Storage User's capital (the following options cannot be combined):
    - i. The Storage User will provide a credit rating to have its financial eligibility recognized up to the appropriate amount of equity as per the criteria set out in the table below:

Rating				Recognized equity
S&P Rating	Moody's	Fitch	Crefoport or Creditreform	
AAA to BBB-	Aaa to Baa3	AAA to BBB-	100 to 200	30%
BB+ to BB-	Ba1 to Ba3	BB+ to BB-	200 to 250	15%

The credit rating must not be older than 12 months. If the Storage User holds none of the credit ratings listed in the table and provides a credit rating by another company, the Storage Operator may accept such rating, in which case the credit rating at high quality level shall correspond to the recognized amount of 30% of equity and credit rating at medium quality level shall correspond to the recognized amount of 15% of equity.

- ii. The Storage User will provide audited financial statements to have its financial eligibility recognized up to the respective amount of equity, as per the criteria in the table below, if at least 3 of the 4 conditions set out therein are met:

Conditions				Recognized equity
Debt <= 0.9 x Equity	EBIT / IC >= 3	3.2 x EBITDA >= Debt	TA / WC <= 4	
Debt <= 1.1 x Equity	EBIT / IC >= 2	4 x EBITDA >= Debt	TA / WC <= 10	15%

The Storage User must provide the most recent version of the financial statements available for the previous fiscal year, not older than 15 months.

- debt means the Storage User's interest-bearing borrowed capital;
- Equity represents the Storage User's own capital;
- EBIT means the Storage User's profit before tax plus interest costs for the previous financial year;
- IC means interest costs for the previous financial year;
- EBITDA means the Storage User's profit before tax plus interest costs and fixed asset value adjustments for the previous financial year;
- TA means the Storage User's total assets; and



Exposure based on established practices, professional estimate and in consideration of good practice, generally by referring to parameter values applicable to the immediately preceding storage year (or period); if the Credit Exposure is not determined in this way by the Storage Operator, an amount of 1, 000,000 CZK will be applied as the Credit Exposure.

**ANNEX 2 WITHDRAWAL AND INJECTION CURVES**

