

1.1.

Procedures for Use of Inčukalns Underground Gas Storage Facility Capacity Products

1 Bundled unit capacity product (product code IPGK1YP)

1.1 Availability for booking:

1.1.1. Storage capacity as the bundled capacity product is available for booking throughout the Storage cycle.

1.2. Quantity available for booking: without limitation in the amount of free capacity

1.3. Type of booking: with an application to the operator

1.4. Allocation procedure: in the order of receipt of trade notifications

1.5. Product usage duration: one Storage cycle

1.6. The product shall include:

1.6.1. Use of capacity of the Storage in booked amount

1.6.2. Placement of natural gas in the Storage: without exceeding the reserved capacity of the Storage

1.6.3. Withdrawal of natural gas from the Storage: without limitation, not exceeding the reserved capacity stored with the product

1.6.4. Virtual counter flow: capacity of the Storage for use in the reserved amount free of charge.

1.7. Placement for storing/withdrawal from the Storage - firm capacity product.

1.8. Transfer of inventory in the Storage Facility: allowed within the bundled unit capacity products

1.9. Tariff of the bundled unit capacity product applicable in conformity with the decision of the Public Utilities Commission regarding the procedures for application of tariffs for the natural gas storage service

1.10. If the system user has inventory at the end of the withdrawal season stored within the bundled unit capacity product, this inventory is transferred to the inventory transfer product and the system user is considered to have reserved the inventory transfer product for the next Storage cycle in the corresponding inventory quantity.

2. Market product (product code IPGKMP)

2.1. Availability for booking:

2.1.1. The booking starting date shall be determined by the system operator, providing information thereof on its website 15 days before the beginning of the injection season.

2.1.2. By August 31st of the respective Storage cycle.

2.2. Quantity available for booking: without limitation in the amount of free capacity

2.3. Type of booking: with an application to the operator

2.4. Allocation procedure: in the order in which applications are submitted.

2.5. Product usage duration: one Storage cycle

2.6. The product shall include:

2.6.1. Use of capacity of the Storage in the booked amount

2.6.2. Placement of natural gas in the Storage: without limitations, not exceeding capacity of the Storage

- 2.6.3. Withdrawal of natural gas from the Storage: without limitations, not exceeding the quantity of inventory stored with the product
 - 2.6.4. Virtual counter flow: available in the amount reserved for use of capacity of the Storage for virtual counter flow tariff
 - 2.7. Placement for storage/withdrawal from the Storage – interruptible capacity product.
 - 2.8. Transfer of inventory in the Storage: allowed within a market product capacity products
 - 2.9. The market product tariff shall be applicable in conformity with the decision of the Public Utilities Commission regarding the procedures for application of tariffs for the natural gas storage service.
 - 2.10. If the system user has inventory at the end of the withdrawal season stored within the market product, this inventory is transferred to the inventory transfer product and the system user is considered to have reserved the inventory transfer product for the next Storage cycle in the corresponding inventory quantity.
- 3. Inventory transfer product (ITP)**
- 3.1. Availability for booking: five working days before the end of the Storage cycle
 - 3.2. Quantity available for booking: without limitation in the amount of remaining inventory
 - 3.3. Type of booking: in accordance with Paragraph 19 of the Regulations for Use of Inčukalns Underground Gas Storage Facility.
 - 3.4. Allocation procedure: not applicable.
 - 3.5. Product usage duration: one Storage Facility cycle
 - 3.6. The product shall include:
 - 3.6.1. Use of capacity of the Storage in the reserved amount
 - 3.6.2. Placement of natural gas in the Storage: not included
 - 3.6.3. Withdrawal of natural gas from the Storage: in the quantity of inventory stored with the product
 - 3.6.4. Virtual counter flow: available in the amount reserved for use of capacity of the Storage for virtual counter flow tariff
 - 3.7. Withdrawal from the Storage - interruptible capacity product.
 - 3.8. Transfer of inventory in the Storage Facility: allowed transfer from the Inventory Transfer product to the market product or to the bundled unit capacity product.
 - 3.9. Inventory transfer product tariff shall be applicable in conformity with the decision of the Public Utilities Commission regarding the procedures for application of tariffs for the natural gas storage service
 - 3.10. Transition to the next Storage cycle – not allowed.
- 4. Two-year bundled unit capacity product (product code IPGK2YP)**
- 4.1. Availability for booking: according to the system operator's announcement of the capacity of the Storage auction
 - 4.2. Quantity available for booking: 2 TWh per two Storage cycles
 - 4.3. Type of booking: capacity of the Storage auction procedure and pre-emption rights
 - 4.4. Allocation procedure:
 - 4.4.1. After the end of operation of specific two-year bundled unit capacity product, the Storage user has pre-emption right to capacity corresponding to 50% of the reserved capacity of the Storage within the two-year bundled unit capacity

product. The quantity to which pre-emption rights are not exercised is sold in the auction of capacity of the Storage.

- 4.4.2. According to capacity of the Storage auction regulations.
- 4.5. Product usage duration: two consecutive Storage cycles
- 4.6. The product shall include:
 - 4.6.1. Use of capacity of the Storage in the reserved amount
 - 4.6.2. Placement of natural gas in the Storage: unlimited, without exceeding capacity of the Storage
 - 4.6.3. Withdrawal of natural gas from the Storage: unlimited, not exceeding the quantity of inventory stored with the product
 - 4.6.4. Virtual counter flow: the capacity of the Storage for use in the reserved amount free of charge.
- 4.7. Placement for storage/withdrawal from the Storage Facility - firm capacity product.
- 4.8. Transfer of inventory in the Storage Facility: allowed within the bundled unit capacity product
- 4.9. The tariff shall be determined in accordance with the tariffs specified as a result of auction of capacity of the Storage.
- 4.10. Transition to the next Storage cycle:
 - 4.10.1. 100% of inventory at the end of the first Storage cycle.
 - 4.10.2. At the end of the second Storage cycle 50% of the reserved capacity, if a new two-year bundled unit capacity product is purchased for the corresponding inventory quantity, in accordance with the product booking procedure

5. Injection capacity priority product

- 5.1. Availability for booking: according to announcement of the system operator regarding auction of capacity of the Storage
- 5.2. Capacity available for booking: the system operator shall determine and publish on its website 10 (ten) working days before the auction date.
- 5.3. Type of booking: capacity of the Storage auction procedure
- 5.4. Allocation procedure: in conformity with the auction regulations
- 5.5. Product use duration: one month
- 5.6. The product shall include:
 - 5.6.1. Priority injection within the amount of the booked bundled unit capacity product.
 - 5.6.2. Purchasing the bundled unit capacity product is the user's obligation.
- 5.7. Placement for storage: Priority product over firm capacity product and interruptible product.
- 5.8. Transfer of stocks in the Storage: not applicable
- 5.9. The tariff shall be determined in accordance with the tariffs specified as a result of auction of capacity of the Storage.
- 5.10. Transition to the next Storage cycle: not applicable.

6. Virtual counter flow product

- 6.1. Availability for booking:
 - 6.1.1. During the bundled unit capacity product operation through nomination

- 6.1.2. During the market product operation through nomination
- 6.2. Quantity available for booking: in the amount reserved for use of capacity of the Storage
- 6.3. Type of booking: nomination
- 6.4. Allocation procedure: in the order in which applications are submitted
- 6.5. Product use duration: day
- 6.6. The product shall include:
 - 6.6.1. Placement in the Storage and withdrawal from the Storage in opposite direction of the actual technological flow in the Storage.
 - 6.7. Placement for storage/withdrawal – depends on product nominated
- 6.8. Transfer of stocks in the Storage Facility: not applicable
- 6.9. Virtual counter flow product tariff shall be applicable in conformity with the decision of the Public Utilities Commission regarding the procedures for application of tariffs for the natural gas storage service
- 6.10. Transition to the next Storage cycle: not applicable.