

R U L E S

FOR USE OF CHIREN UNDERGROUND GAS STORAGE

Adopted by Decision under Minutes of meeting No 787/12.03.2024 of Bulgartransgaz EAD Management Board, effective as of March 12, 2024

1000 Sofia, 2024

Rules for use of Chiren UGS, effective as of March 12, 2024

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14. GENERAL PROVISIONS

1. GENERAL PROVISIONS

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

1.2 Applying these Rules shall not hinder gas storage users and shall be based on the following principles:

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

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

1.4. Pursuant to the Emergency Action Plan approved by the Minister of Energy of the Republic of Bulgaria, the natural gas companies are obliged each year to nominate the necessary quantities for storage under the Plan no later than 15th February for the following year. The quantities shall be nominated to the competent security of supply authority (Minister of Energy) with a copy to the Operator, and within the same term they shall submit to Bulgartransgaz EAD an application for booking of yearly capacity products to cover injection, withdrawal and storage of the respective natural gas quantities. Upon failure to submit the necessary information within the specified deadline, Bulgartransgaz EAD shall announce as available the capacity required for injection, storage and withdrawal of these natural gas quantities.

1.5. Applications under item 1.4. shall be examined by the Operator before the trading procedures for capacity allocation for Chiren UGS and the applicants under the Plan shall be allocated capacity as an yearly integrated product.

1.6. No later than 15th February each year, the Operator shall determine the capacity for injection, storage and withdrawal of quantities under the Plan, number of units of integrated yearly product under the Plan, as well as, the capacity for injection, storage and withdrawal for the Operator's own needs, including for technological needs for natural gas transmission and storage and natural gas for balancing, after up to 20% of the available injection and withdrawal capacity of each month have been set aside for allocation in a trading procedure.

2. MAIN DEFINITIONS

2.1. Definitions:

- **Natural gas** – mixture of hydrocarbons, consisting primarily of methane which at temperature 0°C and atmospheric pressure is in gaseous state;
- **Underground Gas Storage Chiren /Chiren UGS/** – underground and surface equipment built on the basis of a depleted gas condensate field Chiren, property of Bulgartransgaz EAD, designed for natural gas storage;
- **Withdrawal** – activities aimed at making certain quantities of natural gas, located in the underground gas reservoir of the gas storage, reach the transmission system;
- **Injection** – activities aimed making certain natural gas quantities from the gas transmission system reach the underground gas reservoir of the gas storage with a view to their storage for a certain time;
- **Natural gas storage** – certain natural gas quantity kept in the underground reservoir for a certain period of time;
- **Underground gas reservoir (the Reservoir)** – the underground part of UGS Chiren where injected natural gas quantities are actually kept prior to their subsequent withdrawal;
- **Customer** – any physical or legal entity, holder of natural gas storage contract signed with Bulgartransgaz EAD;
- **Potential customer** – any physical or legal entity who had submitted an application for capacity in Chiren UGS;
- **User** – customer and/or potential customer;
- **Storage operating capacity** – maximum natural gas volume that can be stored in the underground gas reservoir at a certain time;
- **Reserve** – that part of the operating storage capacity necessary for execution of the obligation of the natural gas companies (including the Operator) pursuant to the Emergency Action Plan, approved by an Order of the Minister of Energy and the part of the operating capacity reserved for the Operator’s own needs.
- **Storage capacity** – that part of the operating capacity that can be used for natural gas commercial storage for customers and that the Operator offers to storage users;
- **Firm injection/withdrawal capacity** – injection or withdrawal capacity which uninterruptibility is guaranteed by the Operator by virtue of a concluded storage contract;
- **Interruptible injection/withdrawal capacity** – injection or withdrawal capacity that can be interrupted (partially or completely) at any time by the Operator, in accordance with the concluded storage contract;

- **Short-term services** – contracted storage capacity with a duration of 6 (six) or less months than one gas year, including capacity products for withdrawal and injection "preliminary daily", "day-ahead" and "within-day";
- **Long-term services** – contracted storage capacity of one gas year duration;
- **Integrated product (bundled services)** – a product that includes the simultaneous provision of storage capacity, injection capacity and withdrawal capacity, allocated to the customer by months.
- **Non-integrated product** – provided apart from the integrated product, withdrawal capacity, storage capacity or injection capacity that can be booked separately.
- **Six-month capacity product** is an integrated capacity product which includes the simultaneous booking of storage capacity, injection capacity and withdrawal capacity in a certain amount for a predefined periods of subsequent calendar months of the gas year, including at least three months for withdrawal and three months for injection;
- **Preliminary daily product** - capacity product that gives the right to use withdrawal/injection capacity for preliminary booked day/s in the next month.
- **Available capacity** – that part of the storage, injection and withdrawal capacity not allocated by the Operator and still available to users at a given moment;
- **Capacity booked for the Operator** – that part of the operating capacity not offered to users and intended only for storage of natural gas needed by the Combined Operator for technological needs for transmission and storage, and for balancing of the gas transmission system;
- **Contracted capacity** – part of the technical capacity that the Operator has allocated to a respective customer according to concluded storage contract;
- **Aggregate contracted (booked) capacity** – the sum of the contracted capacities, reserved for all customers with whom storage contracts are in place;
- **Combined Operator/Operator** – Bulgartransgaz EAD, an owner of Chiren UGS, holder of licenses for natural gas transmission and storage;
- **Basic period for injection (injection period)** – the period during which the Operator has the technical readiness to actually inject natural gas in the gas storage for the customers' needs.
- **Basic period for withdrawal (withdrawal period)** – the period during which the Operator has the technical readiness to actually withdraw natural gas from the gas storage;

- **Injection capacity** – the maximum natural gas quantity that can be actually injected in the storage for one gas day (24 hours), depending on the formation pressure reached in the Reservoir;
- **Withdrawal capacity** – the maximum natural gas quantity that can be actually withdrawn from the storage for one gas day (24 hours), depending on the formation pressure reached in the Reservoir;
- **Nominated injection and withdrawal capacity within yearly/six-month product** – capacity by gas months, indicated by the applicant in his Application with which the potential customer applies during allocation of the available storage capacity;
- **Gas day** – a 24-hour period starting at 07.00 am local time on the respective day and ending at 07.00 am local time on the next day;
- **Gas month** - a period of time starting at 07.00 am local time on the first day of a given calendar month and ending at 07.00 am local time on the first day of the next calendar month;
- **Gas year** – a period of time covering a complete injection and withdrawal cycle in the underground gas storage;
- **Storage contract** – a contract between Bulgartransgaz EAD and a customer including in its subject-matter services on natural gas access and storage in Chiren UGS;
- **Regional Booking Platform, RBP** - an electronic capacity booking platform owned by FGSZ Ltd., introduced by Bulgartransgaz for capacity booking for natural gas storage services;
- **RBP confirmation** - a legally binding confirmation generated electronically by the RBP for a specific transaction for capacity booked for natural gas storage services, an integral part to the Contract for access and storage;
- **Initial price** for the auction procedure carried out according to these Rules shall be the price approved by the EWRC and published on the Operator's website for booking of the relevant capacity product at the time of holding the auction procedure.
- **Reservoir stabilization periods** are the periods between the basic withdrawal and injection periods used for reservoir stabilization, technical maintenance and storage preparation for the next basic injection/withdrawal period.

2.2. The reservoir stabilization periods shall be determined by Bulgartransgaz EAD and announced in a timely manner on the Operator's website.

3. TYPES OF CAPACITY PRODUCTS

3.1. Integrated capacity products:

- Integrated yearly product;
- Integrated 6-month product;

3.2. Non-integrated capacity products:

a) Firm storage capacity:

- Monthly product;

b) Firm capacity for injection or withdrawal:

- Monthly product;
- Preliminary daily product;
- Day-ahead product;
- Within-day (intraday) product;

c) Interruptible capacity for injection or withdrawal (*virtual injection/withdrawal*):

- Monthly product;
- Day-ahead product;
- Within-day (intraday) product;

d) Interruptible non-integrated withdrawal/injection capacity (in physical withdrawal/injection mode)

- Day-ahead product.

4. PROCEDURE FOR SUBMITTING AN APPLICATION AND CAPACITY ALLOCATION PROCEDURE IN CHIREN UGS UNDER THE PLAN

4.1. Natural gas companies nominate the necessary quantities for storage according to the Plan by submitting an Application for capacity during the next gas year within the period set under item 1.4. The capacity application must include:

- *number of units of integrated capacity product;*
- *injection and withdrawal schedule by gas months* – indicating the necessary injection/withdrawal capacities by gas months up to the amount of the injection and withdrawal capacity in the number of units of the requested integrated product; the customer may participate in the allocation procedure by indicating the injection and withdrawal capacity in each of the months of the period of the integrated product or only in some of them;
- *a declaration that the applicant has the technical capability to provide conditions for communication with the Operator of the gas storage through the website or by e-mail;*
- *a declaration that the applicant has the technical capability to provide conditions for 24-*

hour operating contact with the Operator of the gas storage during the term of validity of the storage contract;

- a declaration that the applicant has signed effective Contract for access and transport to Bulgartransgaz EAD gas transmission network and Contract for natural gas purchase and sale for balancing;

- a certificate of current status of the applicant or equivalent document according to the national legislation of the country of registration;

- a guarantee deposit or a bank guarantee under item 4.2.

The natural gas companies shall submit the application within the specified deadline under in person in the Registry office of Bulgartransgaz EAD, through registered mail or courier service to the following address:

Bulgartransgaz EAD
1336 Sofia, Lyulin 2 residential district,
66 Pancho Vladigerov Blvd., post box 3

Applications received in the Registry office of Bulgartransgaz EAD at the address indicated above before 5:00 pm within the deadline under item 1.4, shall be considered received on time.

Companies can submit signed and scanned capacity applications, including all appendices and required documents, also by e-mail to info@bulgartransgaz.bg. Any application received at e-mail info@bulgartransgaz.bg by the end of the day (00:00 a.m. local Sofia time) within the deadline under item 1.4, shall be considered received on time.

4.2. Each capacity application under item 4.1 should be accompanied by a payment order for paid guarantee deposit or bank guarantee amounting to 10% of the value of the total number of nominated integrated yearly capacity products according to the currently effective price of a capacity product unit approved by the EWRC.

The deposit should be paid to the following bank account of Bulgartransgaz EAD:

BG52UNCR76301078435701
BIC UNCRBGSF
Unicredit Bulbank AD

The details of the payment order shall read: "*deposit for participation in a procedure for conclusion of a storage contract*". The bank guarantee shall be issued in accordance with the attached standard form and should be valid for at least 2 months after the end of the capacity allocation procedure under the Plan.

A standard form of the capacity application under the Plan is an appendix to these Rules and shall be published on the website of the company.

5. ALLOCATION OF INTEGRATED YEARLY CAPACITY PRODUCT UNDER THE PLAN

5.1. The Operator allocates the available storage capacity for the forthcoming gas year to the natural gas companies that have submitted a valid application within the deadline indicated in item 1.4., in line with the set and announced integrated yearly capacity product units under the Plan, by an initial procedure according to the following methodology:

5.2. Initially, the announced integrated yearly product units of storage capacity shall be allocated. If the sum of the integrated yearly product units of storage capacity nominated in the procedure by all participants is more than the announced integrated yearly capacity units, the allocation shall be made whereas units nominated by each potential customer shall be reduced proportionately to the share of their nomination against the sum of all nominations (pro rata allocation of the individually nominated against the total nominated by all participants integrated product units).

In case the total nominated yearly storage products do not exceed these determined to be allocated, it will be considered that all applications can be satisfied in terms of the number of nominated integrated yearly storage products.

The allocated integrated capacity products shall be rounded to a whole number.

5.3. Storage capacity according to the allocated integrated product units

The total allocated storage capacity for each participant shall be determined by multiplying the number of allocated integrated product units by the size of storage capacity contained in a unit of integrated product.

5.4. Injection/withdrawal capacity according to the allocated integrated product units

The total injection/withdrawal capacity for the storage gas year shall be determined in line with the following formulae:

$$Q^H = N_{\text{int}} \cdot q_{\text{int}}^H \cdot d_{\text{int}}^H$$

$$Q^A = N_{\text{int}} \cdot q_{\text{int}}^A \cdot d_{\text{int}}^A$$

where:

Q^H – total allocated injection capacity, MWh

Q^A – total allocated withdrawal capacity, MWh

N_{int} – number of allocated integrated products

q_{int}^H – injection capacity in one integrated product, in MWh/d

q_{int}^A – withdrawal capacity in one integrated product, in MWh/d

d_{int}^H – number of days of the product in the injection period;

d_{int}^A – number of days of the product in the withdrawal period.

5.5. Allocation of the injection and withdrawal capacity by months

After determining the injection and withdrawal capacity in line with the procedure under item

5.4., allocation by months shall be made until reaching the amount of the injection and withdrawal capacity for each customer as specified in item 5.4. Q^H / Q^A , where the available capacity for each month of the gas year shall be compared with the total nominated capacity for the month by all users under the following methodology:

5.5.1. The injection capacity shall be allocated consistently from the first to the last calendar month of injection;

5.5.2. The withdrawal capacity shall be allocated consistently from the first to the last calendar month of withdrawal;

5.5.3. The injection and withdrawal capacities shall be allocated each month based on the nominated injection and withdrawal capacity. Where the nominations for the preferred injection/withdrawal capacity for a given month are more than the available capacity, the injection/withdrawal capacity shall be allocated pro rata to the capacity nominated by every potential customer against the total injection/withdrawal capacity in a given month.

5.5.4. In this case the remaining unsatisfied preferred injection/withdrawal capacity shall be transferred for allocation in a next period in accordance with the procedure provided for in item 5.5.1 or item 5.5.2.

5.5.5. This procedure shall be repeated for each month of the injection or withdrawal period until the full allocation of the injection/withdrawal capacity Q^H / Q^A - set out in line with item 5.4.

5.5.6. In case that after overall completion of the procedure for all months of the gas year, there is still nominated, but not allocated injection/withdrawal capacity, the Operator shall allocate to the respective user the injection/withdrawal capacity for a month in which there is available capacity and is the closest to the period requested for in the application, observing the indicated order of allocation by months, the pro-rata principle and applying a non-discriminatory approach.

5.5.7. If the capacity of the gas year nominated in each month does not exceed the announced available injection and withdrawal capacity, the Operator shall allocate the full nominated capacity in these months.

5.5.8. The allocated monthly injection or withdrawal capacity of each customer shall be allocated on a daily basis within the relevant month, evenly and depending on the number of days in the month.

5.6. The allocated storage capacity, as well as the withdrawal and injection capacity by months per day, shall be communicated to potential customers, inviting them to conclude a Storage

contract within a deadline set by the company. The draft storage contract shall be published on the Operator's website.

5.7. The storage contract shall be concluded according to the capacity allocated to the respective customer under the indicated procedure.

5.8. In case a natural gas company to which storage, injection and withdrawal capacity has been allocated, regardless of whether the storage, injection and withdrawal capacity nominated by them has been partially or fully satisfied, in the months specified by him, refuses to sign or fails to sign the Storage contract as proposed to him within the indicated deadline, as well as upon failure to submit the required documents and evidence for contract conclusion within the deadline set to that effect, the amounts under the guarantee deposit shall not be refunded and shall remain in favour of Bulgartransgaz EAD. In case of submitted bank guarantee, Bulgartransgaz EAD has the right to use the amount under the guarantee.

5.9. In case available capacity remains after applying the above procedures, Bulgartransgaz EAD shall announce that capacity on its website in the trading procedures for capacity allocation in Chiren UGS as yearly or six-month integrated capacity product and/or non-integrated monthly storage, injection or withdrawal capacity products depending on the amount and period of the remaining available capacity.

6. TRADING PROCEDURE FOR CAPACITY ALLOCATION IN CHIREN UGS

6.1. Allocation of commercial storage capacity shall be carried out by holding capacity allocation procedures on the Regional Booking Platform (RBP), as follows:

- the integrated capacity units for yearly and six-month capacity product (for number of units) and monthly capacity product shall be allocated at an auction by applying an auction algorithm with explicit bidding and periodic increase of the auction price (Ascending clock) in accordance with Art. 17 of Regulation (EU) 2017/459.
- preliminary daily capacity product and "day-ahead" and "within-day" capacity products shall be allocated at an auction by applying the Uniform price auction algorithm in accordance with Art. 18 of Regulation (EU) 2017/459.
- The prices for access and storage approved by the Energy and Water Regulatory Commission shall be used as initial prices in holding auction procedures for capacity allocation carried out in accordance with these Rules.
- The operator provides for booking through the RBP capacity products "day-ahead" and "within day" (firm and/or interruptible) for the available capacity, depending on the technical capability for its implementation based on the already nominated quantities for

withdrawal and injection, the technological modes of operation of the gas transmission network and Chiren UGS established for the day, in compliance with the provisions of the Natural Gas Storage Contract.

- the capacity products for commercial allocation, small and large step in conducting auction algorithms with explicit bidding and periodic increase of the auction price (Ascending clock) shall be announced by Bulgartransgaz EAD on the RBP.

6.2. Any Bulgarian or foreign physical person or legal entity can participate in the trading procedures for capacity allocation in Chiren UGS (according to the provisions of Art. 25 of the *Rules on the access to the gas transmission and/or gas distribution networks and natural gas storage facilities*), who:

6.2.1. has signed effective Contract for access and transport to Bulgartransgaz EAD gas transmission network and Contract for natural gas purchase and sale for balancing;

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

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

6.2.4. has provided financial security in the form of a deposit or bank guarantee in amounts as follows:

a) *for integrated yearly capacity product* – an amount of 10% of the value of the booked integrated yearly product, equal to the amount of the booked capacity products, multiplied by the price applicable as at the allocation procedure date, including VAT for that product (with the added value of auction premium, if any);

b) *for integrated six-month capacity product* - an amount of 17% of the value of the booked integrated six-monthly capacity product, equal to the amount of booked capacity products, multiplied by the price applicable as at the allocation procedure date, including VAT for that product (with the added value of auction premium, if any);

c) *for monthly, preliminary daily, day-ahead and within-day capacity products* for injection, storage and withdrawal - an amount of 100% of the value of the booked capacity products, equal to the amount of booked capacity, multiplied by the price applicable as at the allocation procedure date, including VAT for the respective product (with the added value of auction premium, if any);

7. ALLOCATION OF INTEGRATED YEARLY CAPACITY PRODUCT IN THE TRADING PROCEDURE

7.1. No later than 30 calendar days prior to commencement of the respective injection period, Bulgartransgaz EAD shall announce on its website the following information: *the available trading capacity of the gas storage by gas months for injection, respectively withdrawal, offered to potential customers for the next gas year in MWh/d; number of units of integrated yearly product; number of units of integrated yearly product, amount of the individual components of the integrated products, date of holding the auction for integrated annual capacity product on the RBP, no later than 7 calendar days as of the date of its announcement.*

7.2. The yearly integrated capacity products for commercial natural gas storage shall be determined following allocation of the yearly integrated capacity products under the Emergency Action Plan, if there is remaining available storage capacity in the months of the gas year.

7.3. The Operator allocates the available storage capacity for the next gas year in line with the determined and announced integrated yearly product following a procedure on the RBP in two stages, in line with the following methodology:

7.4. Initially, the announced units of integrated yearly storage capacity shall be allocated based on an auction (ascending clock algorithm (Phase 1) in accordance with the definitions of Regulation (EU) 2017/459).

7.5. In the event that the total nominated yearly storage products do not exceed the number of the ones determined to be allocated, it is considered that all nominated integrated yearly storage products can be satisfied.

7.6. The storage capacity and the withdrawal/injection capacity according to the allocated units of yearly integrated product shall be determined in accordance with the text of item 5.3. and item 5.4. above.

7.7. The allocation by months of the injection and withdrawal capacity included in the yearly integrated product, shall be made using the RBP according to the following procedure (Phase 2) with a pro-rata allocation mechanism:

7.7.1 Customers shall submit their electronic nominations for a monthly capacity product for each month in which they wish to book injection/withdrawal capacity. Electronic nominations shall be submitted in separate auctions that are held simultaneously and independently from one another. The total capacity for which customers can bid shall be equal to the injection or withdrawal capacity allocated through the capacity packages in Phase 1.

7.7.2 Phase 2 shall be carried out in several consecutive rounds, until a round is reached in which for none of the months there shall be an excess of the nominated

injection/withdrawal capacity compared to the available free capacity. In each subsequent round, the capacity left available after the end of the previous round shall be offered, provided that there is an excess of demand over the available capacity in at least one of the auctions held in this round.

7.7.3 If a customer by bidding electronically had not booked entirely the injection/withdrawal capacity that was allocated to them in Phase 1, the Operator of the storage facility shall allocate ex officio the unallocated remaining part in accordance with the procedure of article 5.5 of the Rules for the use of Chiren UGS.

7.7.4 Immediately after the end of each auction, the participants shall receive information about the results of the allocation through a report generated in the RBP.

7.8. The allocated injection or withdrawal capacity by months shall be allocated on a daily basis within the respective month, evenly and depending on the number of days in the month.

8. ALLOCATION OF INTEGRATED SIX-MONTH CAPACITY PRODUCT

8.1. In case available capacity remains after applying the above procedures, Bulgartransgaz EAD shall announce the available capacity on its website as integrated six-month capacity product and/or non-integrated monthly storage, injection or withdrawal capacity products depending on the amount and period of the remaining available capacity.

8.2. The date of conducting RBP procedures for a six-month integrated capacity product shall be no earlier than 5 calendar days from the date of its announcement.

8.3. The RBP procedure under item 7 shall also apply in allocation of the six-month integrated capacity products, by months, for the applicable period, in case available capacity is in place after the allocation of the yearly integrated capacity products.

9. ALLOCATION OF NON-INTEGRATED CAPACITY PRODUCTS ON RBP

9.1. The Operator shall announce allocation procedures for monthly capacity products for storage/injection/withdrawal for the remaining months until the end of the gas year at least once every month in accordance with an auction calendar published on Bulgartransgaz EAD website in case of remaining available capacity for storage/injection/withdrawal in the months of the gas year.

9.2. The Operator shall allocate monthly storage, injection and withdrawal capacity based on the results of the RBP auctions using an ascending-clock auction algorithm (*the ascending clock algorithm in accordance with Regulation (EU) 2017/459*).

9.3. If after completion of the allocation procedure of monthly capacity, there is remaining available firm injection/withdrawal capacity for the month following the month of allocation, the Operator shall announce on the RBP the available withdrawal/injection capacity as Preliminary

daily product (depending on the technical capabilities of Chiren UGS). „Preliminary daily“ capacity product shall be offered for the next month once a month after the conduct on the monthly capacity auctions as an aggregate of capacity auctions for a day-ahead for the respective month held simultaneously on the RBP, using the *uniform price algorithm in accordance with the definitions of Regulation (EU) 2017/459* in each separate day-ahead auction.

9.4. If after the end of the allocation procedure for the „Preliminary daily“ product there remains available capacity for withdrawal/injection for the month following the allocation month, the Operator shall announce it on the RBP as day-ahead product to be allocated on the RBP, using the *uniform price algorithm in accordance with the definitions in Regulation (EU) 2017/459* in each separate auction for a day-ahead.

9.5. The Operator shall announce on the PRB a within-day capacity product in auctions with start times set beforehand by the Operator and published on its website depending on the available technical possibility for its implementation based on the already nominated quantities for withdrawal and injection, the technological regimes of operation of the gas transmission network and Chiren UGS, established for the day. A within-day capacity product shall be allocated on the RBP, using the *uniform price algorithm in accordance with the definitions of Regulation (EU) 2017/459*.

9.6. Every successful trading procedure for the allocation of capacity in Chiren UGS shall end with a RBP Confirmation. Within 5 days of the completion of the capacity allocation procedure, the Operator shall provide the participant with a Storage Contract, including an Allocated Capacity Confirmation. In the case of an already signed Contract, the Confirmation shall become an integral part of the signed Storage Contract.

9.7. Non-integrated withdrawal and injection products can be used in addition to an already allocated storage, injection or withdrawal capacity in the bundled service or as individual products to an already booked non-integrated storage product. In both cases the injection nominations under the concluded contracts shall be executed up to the amount of the available part of the allocated storage capacity of the customer, and the withdrawal nominations shall be executed up to the amount of stored at the time of the withdrawal nomination, natural gas quantities in Chiren UGS of the respective customer.

9.8. The available storage, withdrawal and injection capacity shall be announced in due course in the relevant RBP auction procedures.

10. CAPACITY OR CAPACITY USE RIGHTS TRANSFER

10.1. Chiren UGS customers shall have the right to transfer their contracted capacity or the rights to use the contracted capacity. The transfer shall be carried out through RBP, and the transaction must be confirmed by both parties no later than 24 hours before the start of the first gas day of

the period for which the capacity or the rights to use the capacity are transferred.

10.2. The transfer shall become effective from the moment the Operator confirms the transaction through the RBP.

10.3. The transfer of capacity or the rights to use storage, withdrawal and injection capacity shall be possible up to the amount of capacity agreed between the customer and Chiren UGS Operator in their Storage Contract.

10.4. The storage capacity or the right to use it shall be transferred for gas months. Withdrawal and injection capacity or the right to use it shall be transferred for gas months or gas days.

10.5. Transfer of capacity or the right to use contracted capacity can be implemented between Chiren UGS customers or between Chiren UGS customer and a third party meeting the requirements under item 6.2.

10.6 In order to confirm the transfer of capacity or the right to use contracted storage capacity of already injected natural gas, the receiving party must provide the Operator with a contract for the purchase and sale of the amount of natural gas for which the capacity is transferred.

10.7. No capacity transfer or the right to use contracted capacity shall be allowed when the transferor and/or the transferee has outstanding liabilities for payment under its Storage contract and/or when the receiving party does not meet the requirements under item 6.2 hereof, as well as when the receiving party has not provided the necessary financial security under the natural gas storage contract upon the capacity transfer.

10.8. The transfer of parts of capacity products is not allowed. Transfer of monthly and preliminary daily capacity products whose implementation has started on the date of transfer shall not be allowed.

10.9. Day-ahead and within-day transfer of booked capacity products shall not be allowed.

11. RESTRICTION OR SUSPENSION OF THE NATURAL GAS STORAGE SERVICES

11.1. Bulgartransgaz EAD has the right to limit up to the technologically allowable level of injection and withdrawal, interrupt withdrawal and injection or order maximum withdrawal, respectively to extend/decrease storage period in the following cases:

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

11.1.2. in the event of force majeure;

11.1.3. in case of repair works to remove failures and/or defects on the UGS facilities;

11.1.4. when introducing a temporary restriction on gas supply and/or introducing a limitation regime in line with Ordinance No 10 of 9 June 2004 (published OJ 63/20 July 2004);

- 11.1.5.** when there is need to ensure capacity for injection/withdrawal of the natural gas quantities stored in Chiren UGS in compliance with item 5.1 of the Emergency Action Plan.
- 11.2.** Where it is impossible to supply the full capacity in the events provided for in item 11.1, the Operator shall limit the capacity for withdrawal/injection proportionally to the approved withdrawal/injection nominations for all customers with contracted capacity for the period of limitation.
- 11.3.** Upon full restoration of the technical or technological capability of injection/withdrawal, the Operator shall ensure the contracted capacity under the approved injection/withdrawal schedule.
- 11.4.** When there is available capacity for withdrawal/injection, the Operator can adjust the schedule for withdrawal and injection for the months, following the period of limitation, in order to ensure the nominated withdrawal/injection capacity in its full volume.
- 11.5.** The Operator shall not be liable if not being able to ensure the contracted capacity due to lack of available capacity for injection and withdrawal in the months following the period of limitation and impossibility to adjust the schedule of withdrawal and injection.

12. RESIDUAL QUANTITIES MANAGEMENT

- 12.1.** Each customer of the gas storage is obliged to maintain the stored natural gas quantities within the booked storage capacity.
- 12.2.** In case the available gas owned by the customer in the storage exceeds the booked storage capacity, the natural gas quantities in the storage owned by the respective customer, exceeding the booked storage capacity (*residual quantities*) shall be handed over for management to the Operator who offers them for sale on a natural gas trading platform.
- 12.3.** The residual natural gas quantities shall be offered for sale as Day-ahead and/or Within-day products, depending on the decision of the Operator until they are completely exhausted. The products shall be offered at a decreasing price within the day, starting from the set average price of the balancing gas for the day preceding the day of sale.
- The average price of balancing gas is determined as the arithmetic mean between the purchase price of natural gas for balancing and the sale price of natural gas for balancing.
- 12.4.** The value of the storage and withdrawal capacities required to remove the residual quantities from Chiren UGS, the value of the fees due for access and transport to the entry point of the gas transmission system GMS Chiren and all costs, (including all fees charged by the trading platform) related to the sale, shall be deducted from the received funds before being refunded to the customer within 5 business days from their receipt in the Operator's account.
- 12.5.** Bulgartransgaz EAD shall handle the residual natural gas quantities of the customer depending on the technical capabilities of the storage and the gas transmission system.

12.6. The above procedure shall also apply in the cases of residual quantities of stored natural gas, which were not withdrawn by the customer at the end of the gas storage year in Chiren UGS.

13. TERMS AND CONDITIONS FOR THE EXCHANGE OF INFORMATION

13.1. Bulgartransgaz EAD shall announce on its website and/or the GIE's AGSI+ platform following information:

13.1.1. available withdrawal/injection capacity by months in accordance with the Plan;

13.1.2. available capacity for commercial storage, injection and withdrawal by months; ;

13.1.3 scheduled maintenance programme for the respective year;

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

13.1.5. gas quantity in the gas storage facility;

13.1.6. the entry and exit flows;

13.1.7. basic injection and withdrawal periods and reservoir stabilization periods;

13.1.8. number and amount of the individual components of integrated capacity products;

13.1.9. Auction calendar of commercial capacity allocation auctions.

13.2. Each customer shall provide conditions for communication with the Operator of the gas storage facility through the Commercial Dispatching Platform (CDP), the website or e-mail as well as ensure conditions for a 24-hour operating contact with the gas storage Operator.

13.3. Requests for clarifications and questions on applying these Rules shall be submitted in writing electronically to info@bulgartransgaz.bg or in person at the Registry office of Bulgartransgaz EAD, by registered mail or courier to the address indicated in item 4.1. to the attention of the Executive Director.

14. GENERAL PROVISIONS

14.1. These Rules may be amended and supplemented by a decision of Bulgartransgaz EAD Management Board, after conducting appropriate public consultations, consistent with the grounds, objectives and scope of the proposed amendments.

14.2. Any amendment and supplement to these Rules shall be published in a timely manner on Bulgartransgaz EAD website.

14.3. These Rules have been approved by Decision under Protocol № 787/12.03.2024 of a meeting of Bulgartransgaz EAD's Management Board, enter into force from the moment of their approval and shall be applied in the capacity allocation procedures in Chiren UGS as of the capacity allocation procedures for gas year 2024-2025.