STORAGE CODE

pursuant to Article 12, paragraph 7, of Legislative Decree 23 May 2000, n. 164/00
as approved by the Authority for Electricity Gas and Water with resolution n. 220/06
and subsequent amendments and additions

STORAGE CODE STOGIT REV. 2021 - II

APPROVED BY THE AUTHORITY FOR ELECTRICITY GAS AND WATER WITH RESOLUTION 29/12/2021, 632/2021/R/GAS

TABLE OF CONTENTS

INTRODUCTION

The provisions of this Code represent the rights and obligations of the Parties in relation to the provision, by STOGIT, of the storage services indicated in chapter 3.

STOGIT and the SHIPPER are jointly bound to observe these rights and obligations in effect from the date when the Storage Contract is stipulated.

The provisions of this Code can be amended and/or integrated, as set out in chapter 19, on the basis of further provisions issued by the relevant authorities about the Contract or should emergency situations as per MD 26/09/01 be confirmed. In these cases, any amendments that may be made to the use of the Storage Service and to the provisions of this Code shall be promptly communicated to the SHIPPER by STOGIT.

GLOSSARY

The terms below, used in this Storage Code, in the singular and/or plural form, have the following meaning:

Interoperability agreements	Agreements between SRG and Stogit for sharing tasks and responsibilities in the transport of gas from and to the storage plants, for measuring gas and other technical efficiency and safety aspects of the gas system performance.
Allocation	The process by which the Gas, measured in Injection or Delivery from the Storage System, is accounted for to the Shipper.
Thermal Year	Period from 1 April of each year to 31 March of the subsequent year.
Authority	Regulatory Authority for Energy, Networks and Environment.
Withdrawal capacity	Available withdrawal flow rate (expressed in KWh/d) assigned to the Shipper on the basis of this Storage code.
Injection capacity	Available Injection flow rate (expressed in KWh/d) assigned to the Shipper on the basis of this Storage code.
Interruptible capacity	Withdrawal or Injection capacity (expressed in KWh/d) assigned on an interruptible basis, i.e. with the right for Stogit to interrupt the service in the manners described in this Storage code.
CIG	Comitato Italiano Gas
Network Code	The document drawn up by SRG and approved by the Authority as per resolution No. 137 of 17 July 2002, on *"Adoption of guarantees for free access to the natural gas transportation service and the regulations for the implementation of network codes"*.
Code (or Storage code)	This "Storage code" including the related Annexes, which form an integral and substantial part.
Contract (or Storage Contract)	The contract drawn up between the Shipper e Stogit for the provision by the latter of one or more storage services, the

	content of which is constituted by the provisions of this Code and all the regulations indicated therein.
Withdrawal	Operation, including only accounting ones, whereby the Shipper withdraws Gas from the Storage Service.
Withdrawal Phase	Period from 1 November of each year to 31 March of the subsequent year.
Injection Phase	Period between 1 April and 31 October of the same year.
Gas (or Natural Gas)	Mixture of non-combustible hydrocarbons and gas, comprising mainly natural gas, extracted from the subsurface in its natural state or in its gaseous state if extracted with liquid hydrocarbons. It can also contain some inert gases such as nitrogen and carbon dioxide. For the purposes of the Contract, amounts of Gas are always referred to in energy units (KWh with no decimal figures).
Strategic Gas	Gas present in the Storage Service and destined for the Strategic Storage.
Gestore dei Mercati Energetici (GME)	Company assigned the economic management of the natural gas market, in accordance with article 30 of Law no. 99/09, including the physical natural gas market in implementation of the provisions laid down in article 32, subsection 2, of Legislative Decree no, 93 of 1st June 2011.
Gas Day (or GD)	Period from 06.00 hours on any calendar day and 06.00 hours of the following day (for the purposes of this Storage code reference is always made to the solar hour).
Gas Day – 1 (or GD-1)	Gas Day preceding a specific Gas Day.
Importation	Importation activities of natural gas produced in EU countries or produced in non-EU countries.
Injection	Operation, including only accounting ones, whereby the Shipper injects Gas into the Storage Service.
Platform M-GAS	Trading platform organized and managed by the GME in accordance with article 30, paragraph 1, of Law no. 99 of 23 July 2009. In the transitory period indicated in Resolution 312/16/R/gas, paragraph 2.1, the GME will use the

	platform to trade locational products and sale of gas in the storage for the markets indicated in articles 6 and 7 of the TIB.
MSE or MISE	Ministry for Economic Development (formerly Ministry for Trade and Industry).
Party or Parties	Shipper or Stogit, or Shipper e Stogit jointly.
Emergency Plan	Annex 2 to Ministerial Decree 18/10/2017 and subsequent regulatory measures
Portal	All of the information systems prepared by Stogit on an Internet platform to support its trading activities and allow exchange of data between Stogit and Shippers as indicated in this Code.
Stogit Capacity Portal (Capacity Portal)	Information system of the Stogit Portal for IT management of Capacity assignment processes as per chapter 5 and of Capacity trading as per chapter 8.
High Heating Value (or HHV)	The amount of heat produced by the complete combustion with oxygen of a unit volume of gas under certain conditions, when the reaction pressure is kept constant and the products of its combustion are returned to the initial temperature of the reactants and all the water formed in the combustion is condensed to liquid state.
Injection Performance	Quantity of Gas that the Shipper may inject into the Storage System depending on the Gas Day of movement and the Injection and Storage Capacity of the same Shipper, according to the terms and conditions provided for in this Storage Code.
Withdrawal Performance	Quantity of Gas that the Shipper can withdraw from the Storage System according to the Gas Day of movement and the Withdrawal and Storage Capacity of the same Shipper, according to the terms and conditions provided for in this Storage Code.
Daily Schedule (Booking or Reservation)	The schedule communicated by the Shipper to Stogit for each Gas Day regarding the quantities to be injected or withdrawn from the Storage System, according to the terms and conditions provided for in this Storage Code.
PRISMA platform	Information system of PRISMA European Capacity

	Platform GmbH, manager of the PRISMA Platform for the IT management of the Capacity assignment processes referred to in chapter 5.
Delivery Point	Point, corresponding to the entry flange, upstream of the measurement system, from any one of the storage sites included in the Storage Service, in which Stogit takes delivery of the Shipper's Gas through SRG.
Redelivery Point	Point, corresponding to the outlet flange, downstream the measurement system, from any one of the storage sites of the Storage Service, where Stogit redelivers the gas to the Shipper through SRG.
Regulation on guaranteed free access to the natural gas storage service (RAST)	Regulation of access to the natural gas storage service approved by Authority Resolution 67/2019/R/gas and subsequent amendments and additions.
Regulation of the Quality of Natural Gas Storage Service (RQSG)	Regulation of the quality of the natural gas storage service approved by Authority Resolution 419/2019/R/gas and subsequent amendments and additions.
Virtual Trading Point (PSV)	Virtual point located between the entry and exit points of the RNT, where shippers can trade and sell gas injected into the RNT on a daily basis.
Body responsible for Balancing (RdB)	Pursuant to the TIB, the body responsible for Balancing is the transport company SRG
National Transportation Network (RNT)	National network of natural gas pipelines as defined in MSE Decree of 22 December 2000 and subsequent amendments and integrations.
Applicant	The party submitting the Assignment Application to Stogit.
Request for Access to the Stogit Capacity Portal	Application presented by the Applicant or the Shipper, according to that stated in chapter 5 of this Code, to be able to access the Stogit Capacity Portal.
Assignment Application	Application submitted by the applicant or the Shipper, as set out in Article 5 of this Code, to access the Storage Service and to use the storage services.
SAMPEI	IT system allowing the exchange of information about the commercial management of the Contract, as set out by this Code, via the Internet between the Shipper e Stogit.

Storage Service of Peak Modulation (or peak Modulation Service)	Storage service provided by Stogit to the Shipper, which provides for a variable withdrawal service availability depending on the month of the withdrawal phase, as per the provisions of this Code.
Flat Modulation Storage Service (or Flat Modulation Service)	Storage service provided by Stogit to the Shipper, which provides for a variable withdrawal service availability in each month of the withdrawal phase.
Basic Services	The services governed by this Code, which are requested and supplied by Stogit on payment of charges determined by the Authority. The Basic Services include: the Hydrocarbon Storage service, the Continuous Performance service (fast-cycle), the Peak Modulation service, Flat modulation service, and Balancing service.
Balancing Service	Storage service provided by Stogit for operating balancing of the Shipper, system Transportation Company, as set out by this Code. This service includes hourly modulation for the transmission system operators (TSOs) managing the network physically interconnected to the Storage Service.
Deposit Service	Service provided by Stogit to enable Shippers to provide guarantees for the gas stored in the form of an irregular pledge in accordance with resolution 423/2014/R/gas
Service for "out-of-band flexibility"	Service provided by Stogit to the Shipper that provides for the reduction of the minimum monthly filling profile referred to in chapter 7, paragraph 4 of the Code.
Hydrocarbon Storage Service (or Hydrocarbon Storage)	Storage service provided by Stogit to the Shipper, holder of exploitation concession in Italy, for the optimal operation of natural gas reservoirs exploitation, as set out by this Code.
Continuous performance service (fast-cycle)	Storage service provided by Stogit to the Shipper, which consists of a continuous injection and withdrawal service level during the Thermal Year, as laid down in this Code.
Strategic Storage	Storage aimed at compensating for shortages or reductions in supply or crisis situations in the gas system.
Multi-year Storage Service (or Multi-year Storage)	Storage service provided by Stogit to the Shipper in accordance with article 3 of Ministerial Decree 06/02/2015.

System (or Storage Service) The set of all operational storage sites owned by Stogit according to concessions granted by the MSE.

STS System (or STS) Electronic system for gas trading, managed by Stogit. This system contains "Modulo Bacheca" and "Modulo Trading".

Space Volume capacity, expressed in energy.

Strategic Space Volume capacity corresponding to the strategic gas, expressed in energy.

SRG Snam Rete Gas S.p.A., transportation company that provides, on the basis of the Network Code, the transportation and dispatching service through its own network of natural gas pipelines interconnected with the Storage Service.

Standard cubic metre (Scm) Natural gas quantity, which, at the temperature of 15°C and at the absolute pressure of 1.01325 x 100000 Pa and without water vapour, occupies a volume of one cubic metre.

Stogit Stogit S.p.A. with registered office in Santa Barbara square 7, 20097 San Donato Milanese (Milan), Share capital €152,205,500 fully paid up. Register of companies, Tax Code and VAT number 13271380159, R.E.A. (Economic and Administrative Business Register) Milan Economic and Administrative Register No. 1633445. Company managed and coordinated by Snam S.p.A. Company with sole shareholder.

Integrated balancing regulation (TIB) Integrated regulations approved through resolution of the Authority 312/2016/R/gas and subsequent amendments and integrations.

Shipper The party stipulating the Storage Contract with Stogit.

Strategic Shipper/s Party in charge of the charge for compensation of Strategic Storage, based on Ministerial Decree 29/03/2012 and Resolution 149/2012/R/gas.

INFORMATION

Chapter 1 ("Legislative Context") describes the laws, the provisions of the Authority and other provisions relevant to the regulatory legislative context as applies to the Storage Code.

Chapter 2 ("Description Of The Storage Facilities and their Management") provides a technical description of the main elements that make up the storage facilities and their links with the national gas pipeline network. It also describes the operations of the complex of storage facilities in the main operating situations and their determination methods using dynamic modelling of reservoirs that take into account the technical, management and regulatory constraints. As a result of these simulations, injection and withdrawal curves are determined for the Storage System that match the volumes transported with the peak injection and withdrawal availability and that define the capacities that Stogit can make available for the Basic Storage Services. According to the Space made available for Injection and subsequent Withdrawal, Stogit sets optimal volume bands aimed at the efficient and safe management of the Storage Service, observance of which by Shippers is fundamental for Stogit to be able to guarantee the best Performance of the Storage Service. Lastly, it describes the operational management of the Storage System in terms of processes/activities and computer equipment available.

Chapter 3 ("Description of the Services") describes the types of Services that Stogit offers, splitting them into:

- Basic Services, i.e. those services referred to in Article 6, paragraph 6.1, letters a), b), and c) of the RAST requested by the Shipper and provided by Stogit against the payment of the charges determined by the Authority;
- Flexibility services, i.e. the services referred to in Article 6, paragraph 6.1, letter d) of the RAST, or the services made available under the criteria set out in Article 29 of the RAST, concerning the offer by Stogit of capacities in addition to the capacities assigned for the Basic Services;
- Optional Services, i.e. those services other than the Basic and Flexibility Services that are requested by the Shipper and provided by Stogit in compliance with the guarantees and general objectives established by the Authority with respect to the obligations of entities that carry out natural gas storage activities;
- Accessory activities, meaning those activities that are not requested by Shippers, but that Stogit carries out to ensure proper provision of the Basic Services and flexibility;

Chapter 4 ("Informative Coordination Procedures") describes the characteristics of the systems used to exchange data and information between Stogit and Shippers, the procedures that ensure the confidentiality thereof and how they are accessed and used. The methods used to train the Shipper's personnel to use such systems are also described.

THE LEGISLATIVE CONTEXT

1) EUROPEAN UNION LEGISLATION

Within the European Union, the natural gas market has been the subject of extensive reforms set underway by Directive 98/30/EC dated 22 June 1998 ("Gas Directive")[1] that have imposed "common regulations for the internal natural gas market" and thus a framework of general principles to be applied within each member state on the transportation, distribution, supply and storage of natural gas, so as to promote progressive deregulation of the sector and thus the gradual establishment of a single market in Europe.

From 1 July 2004, the Gas Directive has been replaced by Directive 2003/55/CE of 26 June 20 03[2], which has amended and reworked a great part of the first, so as to accelerate the deregulation process and make the regulations more uniform for the free market.

In Italy, Directive 2003/55/CE has not yet been fully implemented; only with the recent law No. 62 of 18 April 2005[3] - in Article 16[4] - to complete the deregulation process of the natural gas market the government has been empowered to adopt, within a year of the date of the delegation law becoming effective and in the manner as per Article 1 of that law, one or more legislative decrees "to implement Directive 2003/55/CE" and "consequently to integrate and update the current provisions on all the components relating to the natural gas system, with respect to the directive principles and criteria indicated therein".

Directive 2004/67/CE of 26 April 2004[5]was acknowledged with the same law, 62/05, and (like Directive 2003/55/CE) has not been fully implemented in that, up to now, the related decrees implemented by the government have not been adopted. This directive brings measures to safeguard an adequate level of security in gas supply and that the internal gas market functions correctly. It establishes, inter alia, a common framework between which the member states, duly taking into account the geological conditions in their territory and the economic and technical feasibility, define the necessary measures for ensuring that storage plants in their territory produce the suitable contribution for observing the regulations on security of supply.

[1] *"European Parliament and Council Directive on Common Regulations for the Internal Natural Gas Market"*, published in the Official Journal of the European Union on 21 July 1998, No. L 204.
[2] *"European Parliament and Council Directive on Common Regulations for the Internal Natural Gas Market replacing Directive 98/30/CE"*, published in the Official Journal of the European Union on 15 July 2003, No. L 176.
[3] *"Provisions for fulfilling obligations arising from Italy's membership of the European Union. EU Law 2004."*, published in the Official Journal on 27 April 2005, no. 96, S.O.
[4] With the title: *"Provisions for Implementing Directive 2003/55/CE of 26 June 2003, of the European Parliament and Council, on common regulations for the internal natural gas market replacing Directive 98/30/CE"*.
[5] *"Council Directive concerning measures to safeguard security of natural gas supply"*, published in the Official Journal of the European Union on 29 April 2004, No. L 127.

2) DOMESTIC LEGISLATION

2.1) Legislative Decree 164/00

Directive 98/30/CE has been integrated into our legislation via Legislative Decree No. 164 of 23 May 2000[6] (the "Letta Decree", hereinafter "Legislative Decree 164/00") which envisaged a general reorganisation of the sector, dictating standards to regulate the various segments of the gas market (imports, production, exports, transmission, storage, distribution and sales) with a view to completing the deregulation of the internal market which had been designed by the Directive of which it constitutes the implementation.

As regards the natural gas storage sector Legislative Decree 164/00 provides specifically for:

- express removal of storage from the deregulated activities, for which the previous regulations in force shall continue to be applied, except for amendments introduced by the new decree. Following the transfer[7] of the original exclusive regime in favour of Eni S.p.A. (in any case relating exclusively to hydrocarbon fields more or less located in the Po Valley) storage of natural gas in fields or deep geological units is carried out on the basis of concessions issued by the MSE over the entire country to any applicant possessing the indicated requirements.
- Confirmation of the concession regime and duration of the concession. The requirements for obtaining the storage concession remain the same as those in the previous legislation (adequate technical, economic and organisational capacity) with the specification that applicants must also demonstrate that they can carry out, in the public interest, a storage programme meeting the provisions of Legislative Decree 164/00 and current legislation (in particular Law 170/74, as amended by Legislative Decree 164/00 and the MD of 28 July 1975)[8]. A special regime has been dictated for storage concessions in being at the date of Legislative Decree 164/00 becoming effective, which have been confirmed for the original expiry and deemed inclusive of the rights and obligations deriving from the related production concessions, of which transfer instead has been made.
- unbundling of storage from all other activities in the gas sector, including sales, with the sole exception of transmission and dispatching activities, from which storage must, in any case, be kept separate in terms of accounting and management. Thus, contrary to the provisions of legislation previously in force, not only a storage concession separate from the production one for the same field has become possible, but it has also been imposed that they are held by different legal entities. In dispensation from the principle of unbundling, storage companies may nevertheless produce natural gas from levels of reservoirs not used for storage and sell gas to parties other than final customers, for the purpose of balancing the gas system.

[6] *"Implementation of Directive 98/30/CE on common regulations for the internal natural gas market, pursuant to Article 41, Law No. 144 of 17 May 1999"*, published in Official Journal no. 142 on 20 June 2000.
[7] Operated by Legislative Decree 625/96, see the next paragraph 2.5.
[8] For Law 170/74 and the MD of 28 July 1975 see paragraph 2.5 below.

- Obligation for storage companies to provide hydrocarbon, strategic and modulation services to requesting shippers, where their system has suitable capacity and provided that the services requested by the shipper are technically and economically feasible and compliant with the criteria established by the MSE decree, under conditions based on transparency and equal treatment. "Hydrocarbon storage" is defined as storage needed, for technical and economic reasons, to allow optimal development of and production from natural gas fields in the Italian territory with the dual aim of ensuring that national production provides the same supply flexibility as that of import contracts and taking into consideration the technical risks of production shut-down. "Modulation storage" is, on the other hand, defined as storage aimed at meeting the modulation requirements of daily, seasonal and peak consumption trends of parties carrying out sales of natural gas and is characterised by two distinct cycles, injection and withdrawal (i.e. cyclic modulation). Finally, "strategic storage" is defined as storage aimed at compensating for shortages or reductions in supply or crisis situations in the gas system.
- Tariff regulation of hydrocarbon, modulation and strategic storage activities based on tariffs defined by the Authority, with regard to the need not to penalise areas of the country with poorer infrastructure and to encourage development by promoting investments in increasing storage capacity, the specific risk associated with exploration and production activities and locking up the gas needed to ensure peak performance. Until adoption of the relative provision by the Authority[9], storage companies are required to publish provisional tariffs, it being understood that further adjustments may have to be made.
- Access to the Storage Service on the basis of criteria and priorities aimed at allowing all shippers freedom of access to the system under conditions of equality, utmost impartiality and neutrality of the storage service in normal operating conditions. It is envisaged that these criteria and priorities, as well as the obligations of the parties involved in the storage activities, are defined by the Authority through an appropriate resolution [10] and must, thus, be incorporated by storage companies in their storage codes. The onus is then on the Authority to check that the code prepared by the individual company complies with the criteria identified in said resolution, through a mechanism whereby silence equals consent, and if there is no communication from the Authority after three months of its transmission, the code is understood to be approved.

2.2) Law 239/04

Law No. 239 of 23 August 2004[11] ("Marzano Law", hereinafter "Law 239/04") integrates and amends some of provisions in force and dictates a series of other important provisions as regards storage, amongst which the following should be noted:

[9] Brought about through Authority resolution 26/02, followed by resolution 49/02 aimed solely at Stogit, for information on this see the next paragraph 2.4.

[10] In this regard, the Authority issued Resolution 119/05 as replaced by the Regulation on guaranteed free access to the natural gas storage service (RAST), regarding which see paragraph 2.4 below.

[11] *"Reorganisation of the energy sector, as well as the delegation to the government for readjustment of current provisions on energy"*; published in Official Journal no. 215 of 13 September 2004.

- the right to store natural gas underground continues to belong to the State, which attributes concessions as provided for by current legislation on this subject;
- storage concession holders can use no more than two extensions of ten Years, if they have carried out the storage programmes and fulfilled all the obligations arising from those concessions;
- parties that invest, directly or indirectly, in setting up new underground storage in Italy or in significant development of the capacity of existing infrastructure, so as to allow competition and to develop new sources of natural gas supply, "can request, for the capacity of the new set- ups, an exemption from the regulations that provide for third-party access rights". Exemption is agreed, case by case, by the MSE, subject to the Authority's opinion, for at least 20 Years and for an amount of at least 80 per cent of the new capacity.

2.3) Legislative Decree 130/10

Legislative Decree No. 130 of 13 August 2010, which, as part of the measures to increase competition in the natural gas market, introduced the possibility for storage operators to bid for Storage Services on a multi-year basis.

2.4) The Authority's resolutions

Amongst the resolutions relevant to the preparation of the Storage code there is, in first place, resolution No. 26 of 27 February 2002[12] (hereinafter "Authority resolution 26/02") by which the Authority dictated criteria for determining tariffs for Hydrocarbon, Modulation and Strategic Storage for the regulatory period 1 April 2002 - 31 March 2006, providing retroactive application from the date that Legislative Decree 164/00 became effective, and also established urgent provisions on assignment of capacity and charges for balancing the system.

With the subsequent resolution No. 49 of 26 March 2002[13] the Authority rejected the proposed tariff scheme drawn up by Stogit and determined the tariffs for Hydrocarbon, Modulation and Strategic Storage to be applied by the latter.

Resolution no. 119 of 21 June 2005[14] set out the criteria that storage companies must follow in adopting their own storage code, which must be transmitted to the Authority within three months of that resolution so as compliance with the criteria can be checked. On the basis of the provisions of Legislative Decree 164/00, as mentioned above, three

[12] "*Criteria for determining the tariffs for natural gas storage*", published on the Authority's website on 4 March 2002 and in Official Journal no. 77 of 2 April 2002.
[13] "*Determining natural gas storage tariffs for the 20022003 Thermal Year for STOGIT S.p.A., implementing the Authority for Electricity and Gas resolution No. 26/02 of 27th February 2002*", published on the Authority's website on 28 March 2002 and in Official Journal no. 83 of 09 April 2002.
[14] "*Adoption of guarantees for free access to the natural gas storage service, obligations of those performing storage activities and regulations for the implementation of storage codes*", published on the Authority's website on 24 June 2005 and in Official Journal no. 161 of 13 July 2005.

months having elapsed since its transmission and there being no communication from the Authority, the Storage code is understood to be compliant.

On 6 September 2005, the Authority adopted resolution No. 185[15] whereby general rules for guaranteeing the quality of natural gas supplied to the final customer were dictated, which storage companies, like all those involved in the physical management of gas, are bound to observe.

With resolution no. 50 of 3 March 2006[16], the Authority - bringing in amendments and integrations to resolution 119/05 - approved the criteria for determining storage tariffs for the second regulatory period (1 April 2006 - 31 March 2010).

The resolution ARG/gas No. 165 of 2 November 2009 set urgent interventions of adjustment of balancing discipline and of regulation of natural gas storage services, through the introduction of Shippers Balancing Service.

The resolution ARG/gas 204/10 of 22 November 2010 sets the criteria for the regulation of service quality for storage of natural gas for the 2011-2014 regulatory period.

The resolution ARG/gas No. 40 of 30 March 2011 introduced further procedural provisions for implementing legislative decree No. 130 of 13 August 2010 and approved the competitive tender procedures for the transfer of storage services to the market pursuant to the same decree.

The resolution ARG/gas No. 45/11 of 14 April 2011 introduced the economic natural gas balancing regulations, making amendments to resolution 119/05.

The resolution 149/2012/R/gas of 19 April 2012 has established the provisions for the implementation of Ministerial Decree 29/03/2012 regarding Strategic Storage.

The resolution 297/2012/R/gas of 19 July 2012 has established the provisions for access to natural gas transportation service at the points of entry and exit of the transport network interconnected with the storage or with regasification terminals.

The resolution 75/2013/R/gas of 21 February 2013 acknowledges the provisions of the decrees of the Minister of Economic Development 15 February 2012 on storage and regasification.

The resolution 92/2013/R/gas of 5 March 2013 defines the methods for organising the bid procedures for the booking of storage capacities, pursuant to the decrees of the Minister of Economic Development 15 February 2013.

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[15] *"General provisions on natural gas quality pursuant to letters g) and h), section 12, Article 2, Law No. 481 of 14 November 1995"*, published on the Authority's website on 7 September 2005 and in Official Journal no. 221 of 22 September 2005.

[16] *"Criteria for determining storage tariffs and amendments and integrations into Authority for Gas and Electricity resolutions No. 119/05 of 21 June 2005 and No. 166/05 of 29 July 2005"*.

The resolution 446/2013/R/gas of 10 October 2013 defines the provisions concerning the balancing of the economic merit of natural gas as a result of the introduction, by resolution 538/2012/R/GAS, of a new balancing market session on the first day (G-1 Session).

The resolution 85/2014/R/gas of 27 February 2014 defines the methods for organising the bid procedures for the booking of storage capacities, pursuant to the decree of the Minister of Economic Development of 19 February 2014.

The resolution 596/2014/R/gas of 4 December 2014 sets the criteria for the regulation of service quality for storage of natural gas for the 2015-2018 regulatory period.

The resolution 49/2015/R/gas of 12 February 2015 defines the provisions relating to the booking of storage capacity for the 2015/2016 Thermal Year and defines the tariffs that apply to the storage services.

The resolution 77/2016/R/gas of 29 February 2016 defines the provisions relating to the booking of storage capacity for the 2016/2017 Thermal Year.

The resolution 193/2016/R/gas of 21 April 2016 defines the provisions relating to the booking of storage capacity on a monthly or more frequent basis and mechanisms for managing contractual congestion in the use of the storage capacity, updating the provisions laid down in resolution ARG/gas no. 165 of 2 November 2009.

The resolution 312/2016/R/gas of 16 June 2016 approves the Integrated Balancing Regulation (TIB), which implements EU Regulation no. 312/2014.

The resolutions of 12 January 2017 - 6/2017/R/gas and 16 February 2017 - 64/2017/R/gas contain provisions for the assignment of capacities for the integrated regasification and storage service and specify the methods for providing the Service for the Thermal Year 2017/18.

The resolution of 16 February 2017 - 76/2017/R/gas contains provisions for the assignment of modulation storage capacity for the Thermal Year 2017/2018.

The resolution of 1 March 2018 - 121/2018/R/gas contains provisions for the assignment of storage capacity for the Thermal Year 2018/2019.

The resolution of 26 February 2019 - 67/2019/R/gas contains provisions for the assignment of storage capacity for the Thermal Year 2019/20.

Annex A to the resolution of 26 February 2019 - 67/2019/R/gas (RAST) defining the conditions to guarantee free access and equal treatment for all shippers, utmost impartiality and neutrality of the storage service under normal operating conditions and

the obligations of entities carrying out storage activities ("Regulation on guaranteed free access to the natural gas storage service - RAST")

Annexes A and B to the resolution of 23 October 2019 - 419/2019/R/gas (RTSG and RQSG respectively) defining the criteria for tariff and quality regulation of the natural gas storage service for the fifth regulatory period (2020-2025).

2.5) Other legislative provisions

Besides those shown in the previous paragraphs, it is worth recalling other legislative provisions, some of which have already been briefly reported, that complete the reference legislative framework at the present time.

There must be mentioned, inter alia, Law No. 170 of 26 April 1974[17] which, until Legislative Decree 164/00 came into force, was the main source of governance of storage activities alongside the related bill, approved by MD of 28 July 1975[18] (in turn replaced by the bill in heading III of MD of 26 August 2005[19]) and Legislative Decree No. 625 of 25 November 1996[20] which brought about substantial reform of the storage legislation, allowing access on a negotiated basis to third parties for the amount of storage capacity not used by the concession holder.

With reference to the same period, before the entry into force of Legislative Decree 164/00, the following should also be reported: Law of 9 January 1991 No. 9 ("Standards for the implementation of the new National Energy Plan: institutional aspects, hydroelectric power stations and power lines, hydrocarbons and geothermal energy, self-sufficiency and taxation provisions")[21]; Law of 11 January 1957 No. 6 ("Exploration and production of oil and gas exploration")[22] and the Law of 21 July 1967, No. 613 ("Exploration and production of liquid and gaseous hydrocarbons in territorial waters and on continental shelf and amendments to Law 11 January 1957 No. 6, Research and production of liquid and gaseous hydrocarbons")[23].

Amongst the provisions subsequent to Legislative Decree 164/00, also of fundamental importance are the ministerial decrees that constitute its implementation:

[17] *"Natural gas storage in hydrocarbons fields"*, published in Official Journal no. 129 of 18 May 1974.
[18] *"Bill for natural gas storage concessions in hydrocarbons fields"*, published in Official Journal no. 208 of 06 August 1975.
[19] *"Assignment procedure for underground natural gas concessions, approval of the regulations in which the procedure for carrying out storage activities, qualitative objectives, powers of control, and the consequences of any execution are provided for and which replace the regulations of Ministerial Decree of 28 July 1975 approved by the Ministry of Industry, Commerce and Crafts"*, published in Official Journal No. 222 S.O. of 23 September 2005.
[20] *"Implementation of Directive 94/22/CEE on conditions for issue and operation of authorisation of prospecting, exploration and production of hydrocarbons"*, published in Official Journal No. 293 S.O. of 14 December 1996.
[21] Published in Official Journal No. 13 S.O. of 16 January 1991.
[22] Published in Official Journal no. 25 of 29 January 1957.
[23] Published in Official Journal no. 194 of 03 August 1967.

- Ministerial Decree of 27 March 2001 ("Definition of criteria for conversion into storage of reservoirs in an advanced stage of production pursuant to article 13 of Legislative Decree no. 164 of 23 May 2000")[24] establishes, among other things, the criteria under which a reservoir in an advanced stage of production can be technically and economically used for storage, also indicating the relevant procedures.
- Ministerial Decree 27 March 2001 ("Definition of criteria for granting authorisation to import natural gas produced in non-EU member states, pursuant to article 3 of Legislative Decree 164 of 23 May 2000")[25] which identifies the necessary requirements for granting, by the MSE, authorisation for importation of natural gas produced in non-EU countries.
- Ministerial Decree 9 May 2001[26] on, among other things, the" definition of criteria that make storage services technically and economically feasible"..."limits and technical standards for identifying strategic storage and modulation storage capacities" also with regard to the peak capacity of the storage itself, and the adoption of "transitional directives to ensure the national storage re- establishment cycle", so as to safeguard the safe operation of system and the modulation requirements of customers, also setting out the priority order on which assignment of available space for injection into storage is based.
- Ministerial Decree 26 September 2001 ("Procedure for defining and supplying strategic storage volumes, guidelines for addressing emergencies when the gas system is in operation and transitional provisions for the 2001-2002 withdrawal phase from national gas storage")[27] which lays out the procedure for defining and supplying strategic storage volumes, guidelines for addressing emergencies, and transitional provisions for ensuring the start-up of the 2001-2002 withdrawal phase so as to ensure that the system works safely and to safeguard the modulation requirements of customers, also setting out the priority order on which excess demand compared to the available daily flow rate is allocated. This provision also provides that an emergency technical and gas system monitoring committee be set up, with the MSE in a consultative function.
- Ministerial Decree 29 November 2002 ("Criteria and procedures for granting the incentives provided by article 4, paragraph 5, and article 13, paragraph 3, of Legislative Decree no. 164 of 23 May 2000, respectively for geophysical surveys carried out by exploration permit and hydrocarbons production concession holders and for hydrocarbon checks for natural gas storage")[28].

[24] Published in Official Journal no. 97 of 27 April 2001.
[25] Published in Official Journal no. 97 of 27 April 2001.
[26] *"Definition of criteria which make hydrocarbon, strategic and modulation services requested from storage concession owners technically and economically feasible; communication procedures to be adopted by production concession owners in relation to their hydrocarbon storage requirements; technical limits and standards for identifying strategic and modulation storage capacities, and for adopting transitional directives to ensure the national storage re-establishment cycle"*, published in Official Journal no. 128 of 05 June 2001.
[27] Published in Official Journal no. 235 of 09 October 2001.
[28] Published in Official Journal no. 18 of 23 January 2003.

- Ministerial Decree 25 June 2004 ("Approval of the emergency procedure for confronting the lack of cover for natural gas requirements in the event of unfavourable climatic conditions, called "Emergency climatic procedure")[29].
- Ministerial Decree of 23 March 2005[30], on communication of gas prices, definition of hydrocarbons storage and authorisation for importing natural gas, simplification of transmission of information on gas prices for sales companies, redefinition of the calculation methods for hydrocarbons storage and simplification of the requirements for obtaining authorisation to import natural gas.
- Ministerial Decree of 3 November 2005[31], which defines the criteria aimed at establishing an adequate charge for remunerating assets that can be re-used for natural gas storage by a concession holder which takes over a reservoir production concession, in depletion, or a storage concession.
- Ministerial Decree of 12 December 2005[32], which approves the new procedure, updating the one approved by the Ministerial Decree of 25 June 2004, for addressing emergency situations in the natural gas system.
- Law Decree of 24 January 2012, which defines urgent measures on competition, deregulations and infrastructures.
- Ministerial Decree of 29 March 2012[33], which pursuant to Article 12, paragraph 11 - bis of Legislative Decree 164/00 puts the costs for availability of the Strategic Storage to Strategic Shippers.
- Ministerial Decree of 15 February 2013 storage and regasification, which defines the Storage Service associated with the regasification and the Storage service for the supply of LNG (hereinafter, MD 15/02/2013 storage and regasification).
- Ministerial Decree of 15 February 2013 modulation storage, which defines for the 2013/2014 thermal year the Modulation Storage space to be assigned according to the procedures established by Law Decree 24 January 2012 and defines the provisions on gas withdrawal from the storage system (hereinafter, MD 15/02/2013 modulation storage).
- Ministerial Decree of 19 February 2014 which defines for the 2014/2015 thermal year the Modulation Storage space to be assigned according to the procedures established by Law Decree of 24 January 2012 and defines the provisions on gas withdrawal from the storage system (hereinafter, MD 19/02/2014).
- Ministerial Decree of 6 February 2015, which defines for the 2015/2016 Thermal Year the Modulation Storage space to assign according to the procedures set by the Law Decree of 24 January 2012, the assignment procedure of the Multi-year Storage Service as well as provisions withdrawal of gas from the storage system (hereinafter MD 6/02/2015).

[29] Published in Official Journal no. 227 of 27 September 2004.
[30] Published in Official Journal no. 256 of 03 November 2005.
[31] Published in Official Journal no. 272 of 22 November 2005.
[32] Published in Official Journal no. 297 of 22 December 2005.
[33] Published in Official Journal no. 77 of 31 March 2012.

- Ministerial Decree of 25 February 2016, which, for the 2016/2017 Thermal Year, defines the Modulation Storage space to be assigned in accordance with the procedures established by Law Decree of 24 January 2012, the Multi-year storage service assignment methods, the Integrated storage service assignment and provision methods and the provisions relating to the provision of gas from the storage system (hereinafter Ministerial Decree of 25/02/2016).
- Ministerial Decree of 7 December 2016, as supplemented by MD of 13 February 2017, defines for thermal year 2017/2018 the Storage space to be allocated to the Integrated Service and the related modalities of assignment and provision of the Service (hereinafter MD 7/12/2016).
- Ministerial Decree of 14 February 2017, which defines for the 2017/2018 Thermal Year the Modulation Storage space to assign according to the procedures set by the Law Decree of 24 January 2012, the assignment procedure of the Multi-year Storage Service as well as provisions withdrawal of gas from the storage system (hereinafter MD 14/02/2017).
- Ministerial Decree of 18 October 2017 updates the Preventive Action Plan and the Emergency Plan to deal with adverse events for the natural gas system (hereinafter MD 18/10/2017)
- Ministerial Decree of 22 February 2018, which defines for the 2018/2019 Thermal Year the Modulation Storage space to assign according to the procedures set by the Law Decree of 24 January 2012, the assignment procedure of the Multi-year Storage Service as well as provisions withdrawal of gas from the storage system (hereinafter MD 22/02/2018).
- Ministerial Decree of 15 February 2019, which defines for the 2019/2020 Thermal Year the Modulation Storage space to assign according to the procedures set by the Law Decree of 24 January 2012, the assignment procedure of the Multi-year Storage Service as well as provisions withdrawal of gas from the storage system (hereinafter MD 15/02/2019).

DESCRIPTION OF THE STORAGE FACILITIES AND THEIR MANAGEMENT

1) GENERAL DESCRIPTION OF THE STORAGE SERVICE

On the basis of the provisions of Article 11, Legislative Decree 164/00, storage of natural gas in reservoirs or deep geological units is carried out through concessions granted by the MSE to requesting operators that have the necessary technical, economic and organisational capacity.

In this Code, the term Storage Service is defined as the set of all operational storage sites owned by Stogit according to concessions granted by the MSE.

These storage sites are entirely composed of gas depleted fields and suitably converted for natural gas storage through the set-up of appropriate infrastructures.

The sites are distributed over the country and physically interconnected to the RNT managed by SRG.

Stogit has the obligation to ensure and supply storage services that are technically and economically feasible according to the criteria established by the MSE.

Stogit is also bound to observe the technical operating criteria for natural gas storage in reservoirs and the related qualitative objectives set out by the MSE with the MD of 26 August 2005.

The experience gained within Eni over 40 Years of operation means that Stogit possesses excellent technical know-how, provides high quality service and is committed to an on-going pursuit of efficiency.

On the basis of the provisions of Article 12, Legislative Decree 164/00, Stogit has the obligation to manage in a coordinated and integrated way the storage capacities in order to ensure the optimisation of these capacities and the safety of the national gas system.

In particular, the Storage Service is managed so as to allow optimal injection of gas into the underground porous rock system and its subsequent withdrawal within the technical and managerial constraints as per paragraph 2.2.

For the purposes of storage capacity assignment and the commercial management of the services offered, the sites in the Storage Service are considered as a single virtual point ("Hub").

From a technical-plant point of view, the storage services are supplied by each of the sites in the system, through the effectiveness of the following main elements:

- storage reservoirs;
- wells;
- connection flow-lines;

- compression plants;
- treatment plants.

Stogit publishes on its website the description of the technical features of the Storage System and constantly updates this information on the basis of, for example:

- changes in the definition or management constraints to the storage sites by the MSE.
- the operating beginning of new reservoirs, wells and/or upgrades to plants;
- changes in the definition of the entry points to the RNT, as defined by the Network Code.

The plants constituting the Storage System were designed and completed, taking into consideration the period when they were designed and their specific operation, on the basis of national and international legislation for the sector, consolidated experience and the final aim of ensuring operation characterised by a high level of safety, reliability and operational efficiency.

Operation of the service, monitoring of the significant process parameters and safeguarding the safety of the entire system are guaranteed, for all the sites, by the dispatching.

This paragraph supplies below a brief description of the reservoirs, wells and plants mentioned above.

1.1) Storage reservoirs

The reservoirs are made up of underground porous and permeable rocks with physical and geological parameters within horizontal and vertical borders and formed by one or more levels suitable for containing natural gas. The reservoirs in the Storage Service arise from conversion to storage of structures already used for primary production of hydrocarbons and are characterised by a depth of between 1,000 and 1,500 metres below sea level.

The reservoirs are operated in accordance with specific technical legislation typical of the storage sector. In particular, as already mentioned, MD of 26 August 2005 from the MSE regulates how storage activities are carried out, how the concession is operated, quality objectives, the powers of control by the relevant hydrocarbons authorities and consequences of non-fulfilment ("Bill for natural gas storage concession - Disciplinare tipo per le concessioni di stoccaggio di gas naturale").

Knowledge of geological data and physical parameters acquired during production is a fundamental requisite for a correct storage activity.
Geodynamic data recorded during production, those recorded in previous cycles and those relating to specific suitability tests allow simulations in order to identify the possible dynamic behaviour of the reservoir in the storage stage to be performed.

On top of knowledge of historic data relating to the reservoir it is also necessary to predict accurately and monitor the behaviour (in withdrawal and injection), in order to optimise the use of the available capacity in each reservoir and anticipate possible damages to the storage levels, not always reversible, connected with the petrophysical and geodynamic properties of individual reservoirs, in that the physical mechanisms that characterise it are neither linear nor stationary.

The pressure regime of each reservoir is characterised by the following two stages:

- Injection: pressure in the reservoir rises as the volume of injected gas increases and has, amongst the main conditioning elements, the petrophysical/geostructural features of the reservoir, the features of the aquifer and the compression capacity of the surface plants. In particular, the receiving capacity of the reservoir decreases with the progressive attainment of the maximum pressure value; this value corresponds to the original static pressure of the reservoir or to a different value that may be authorised by the MSE for the individual storage site.
- Withdrawal: pressure in the reservoir decreases as the volume of withdrawn gas increases and has, amongst the main conditioning elements, the petrophysical/geostructural features of the reservoir and the features of the aquifer. In particular, the withdrawal capacity of the reservoir decreases as the pressure decreases as a function of the difference between the static and dynamic pressure applicable at wellhead.

Evolution of service levels in injection and withdrawal for each individual reservoir is thus a function of the trend of gas volumes injected/withdrawn over time and the pressure regime of the reservoir itself.

The parameters that characterise a storage reservoir are:

- cushion gas;
- working gas;

The *cushion* gas is the quantity of gas present in the reservoir necessary for storage use and is the minimum indispensable quantity, present or injected at storage start-up that must always be kept in the reservoir. The function of *cushion gas* is to allow withdrawal of working gas and to oppose to the rise of the aquifer without jeopardising over time the hydrocarbons characteristics of the storage reservoirs.

The *working gas* is the quantity of gas present in the reservoirs that can be made available and reintegrated in order to be used for Hydrocarbon, Modulation and Strategic Storage Services, including that part of the gas (called *"pseudo working gas"*) that can be produced but in a longer time compared to the needs of the market, but which is essential to ensure the peak service levels that can be required by the variability of demand in daily and hourly terms.

1.2) Wells

The wells connect the hydrocarbon levels of the reservoir with surface structures and allow gas to be injected and withdrawn and other specific auxiliary activities to be carried out, such as re- injection of formation water, where possible, and reservoir monitoring.

Each well, in consideration of the data arising from previous production activity, is located in appropriately equipped surface areas and is drilled so as to reach the hydrocarbons levels of the reservoir, thus allowing gas to be injected into the reservoir and to be subsequently withdrawn.

The part of the well in direct contact with the hydrocarbons levels, called "completion", is specially structured to permit injection and withdrawal of gas directly into/from the rock formation.

The average depth of Stogit wells is naturally linked to the depth of the reservoirs and is thus between 1,000 and 1,500 metres below sea level.
From a technical point of view, the structure of the wells can be represented as follows:

- On the outside, towards the geological formations crossed, the well is made up of concentric holes, tubed with steel tubes ("casing") and a filling of concrete in the annular space between the formation and the casing. This filling ensures that the tubing is mechanically anchored and the formations crossed are hydraulically isolated.
- Inside the *casing* there is further steel tubing, called "*completion tubing*" which has the purpose of guaranteeing the flow of gas in conditions of complete safety.

In order to guarantee better performance, the wells are completed with a *"sand control"*, technique for handling the gas, via positioning at the well bottom appropriate filters *("gravel pack")* capable of capturing the very fine solid components of the rock formation.

The *casing* and *tubing* are connected on the surface to a series of valves that constitute the so-called *("well head"),* the only part of the well visible on the surface.

Each injection/withdrawal well has appropriate *("safety valves")*, capable of automatically interrupting the flow of gas from the reservoir following any anomalies in the surface plants directly connected to the well.

Each well, from an operational point of view, requires, for the safety and continuity of the Storage Service, that it is operated with set pressure differential well values (or the maximum allowable difference between static pressure and dynamic operating pressure in order not to compromise safety and at the same time guarantee service levels over time), on the basis of experience gained in the field over 40 Years, the type of well completion, its state of wear, the flow limit of formation water with fine particles in suspension and the erosional velocities.

The wells in the Storage Service are basically classified according to use:

- operational wells, used to inject and withdraw the gas;
- monitoring wells, used to check pressures and the degree of gas/water saturation in the hydrocarbons levels of the reservoir;
- wells for re-injection of formation water during gas withdrawal, following appropriate separation of the gas itself.

1.3) Connection flow-lines

The wells, isolated or grouped in *"clusters"*, are distributed so as to cover the reservoir area appropriately and for this reason can be found even several kilometres from the compression stations and treatment plants. For the gas to be handled between the wells and the plants connection pipelines, called *"flow lines"* are thus used.

These pipelines have their own sectioning valves and safety devices for their management and control, both local and remote.

1.4) Compression stations

The stations in this paragraph are used for compression coming from the National Transmission Network, so as to allow the gas to reach an adequate pressure for injection into the reservoir.

The System's compression stations are, in brief, made up of the following components:

- compression unit, generally made up of a centrifugal compressor driven by gas turbine; in some stations alternative compressors are installed;
- tubing and mechanical process equipment;
- control systems for managing the compression units and the station;
- electrical system for powering the equipment.

1.5) Treatment plants

The treatment plants are used to make the gas, coming from the reservoir, suitable in terms of quality (in accordance with the specifications as of chapter 10) for introduction into the National Transmission Network.

The fundamental treatment process consists in removing water from the geological formation, both free standing and associated with the gas.

The treatment plants, at present operated by Stogit, can be divided into three types:

- Gas dewatering plants by absorption, where, for dewatering the gas, diethyl or triethyl glycol is used. Absorption of the humidity in the gas is affected through simple physical contact of the damp gas with the glycol; the latter is then recovered and sent to a regeneration circuit for subsequent re-use in the dewatering process.
- "LTS" (Low Temperature Separator) plants, where the gas is dewatered through special exchangers, via the physical process of expansion and cooling and consequent condensation and separation of the liquids present.
- Refrigerator cycle plants, where the gas is dewatered through cooling and the consequent condensation and separation of the liquids present.

1.6) Dispatching

Dispatching, located in the operations offices of San Donato Milanese, remotely manages the compression stations and treatment plants, the wells and the various auxiliary systems and is highly automated. All the components in any case keep the possibility of temporary local management.

Dispatching thus constitutes a fundamental element of the System in that it is the operational, control and supervision centre for:

- safeguarding the process plant safety;
- the service level provided by the Storage Service;
- the operation of specific activities tied to the service itself.

Dispatching consists, from a technical point of view of a SCADA (Supervisory Control And Data Acquisition) system that allows, through a telecommunications system, system data and signals to be gathered and remote commands to be transmitted for operating the equipment and plants in the individual operational sites.

To complete the remote control settings, special DCS *(Distributed Control System)* are installed in each individual site and these guarantee local control automation and process management sequences

2) STORAGE SYSTEM TECHNICAL PERFORMANCE, TECHNICAL AND MANAGERIAL CONSTRAINTS AND THEIR DETERMINATION

This paragraph describes the Storage System Technical Performance and defines the applicable technical and managerial constraints and the methods of their determination.

2.1) Definitions

The Storage System Technical Performances are divided into:

- Overall space available in the system for storage services, as described in chapter 3, with respect to the technical and managerial constraints as per paragraph 2.2 below: this is quantitatively equal to the difference between the space corresponding to the working gas and the space corresponding to the pseudo working gas;
- peak injection availability, it means the quantity of gas that can be technically injected on a daily and hourly basis (expressed in daily equivalent) into the Storage Service, with respect to the technical and managerial constraints as per paragraph 2.2 below;
- peak withdrawal availability, it means the quantity of gas that can be technically withdrawn on a daily and hourly basis (expressed in daily equivalent) from the Storage Service, with respect to the technical and managerial constraints as per paragraph 2.2 below.

2.2) Technical and managerial constraints and their methods of determination

Considering what was mentioned in paragraph 1 above, Stogit simulates the dynamic behaviour of the storage reservoirs and the physical dimensions associated with them through the use of special calculation tools and software.
The simulations, operated with the aim of optimising over time the technical service levels available in the injection and withdrawal phases in compliance with the parameters set by the Authority"s provisions, take into account the fundamental needs of safeguarding the technical safety of the Storage Service and the experience gained over the entire management history of each storage site.

a) Technical and managerial constraints and input data for simulations

The values of space and peak injection and withdrawal availability, for each individual site, are determined through dynamic 3D modelling of the reservoir, in respect of reservoir, well, surface and system technical equipment constraints.
In particular all static and dynamic 3D models must observe the geodynamic, physical and petrophysical characteristics of each reservoir. It must be underlined how the dynamic behaviour of a reservoir is in reality neither linear nor stationary and the reservoir needs, for safe management in the event of possible damage, an ever more accurate definition of the related model.

Simulations aimed at defining technical service levels are carried out taking into consideration distinct input data for Injection and Withdrawal Phases, it being understood that the Storage Service constraints arising from the industrial history of the system, such as, for example, the structure of the wells, their location relative to the hydrocarbons area (concentrated in a structural dome) and their type of completion.

Inputs taken into consideration for simulation relating to Injection Phase are:

- the maximum static pressure of the reservoir that must not be exceeded, which is equal to the original static pressure or a different value authorised by the MSE for the individual storage site;

- the potential capacity of the wells in injection;
- the maximum technical service level in injection, which depends on the maximum reception limit of the reservoirs and the operating limits of the compression stations;
- the obligation - provided by article 18 of MD 26/8/05 - to measure the static pressure at the bottom of the reservoirs at the end of the phase;
- the operating time for the Injection Phase, which should be around 6/7 months.

Inputs taken into consideration for simulation relating to Withdrawal Phase are:

- the potential capacity of the wells in withdrawal;
- the maximum technical service level in withdrawal, which depends on the maximum withdrawal limit of the reservoirs and the maximum operating limits of the surface plants;
- the minimum service level in withdrawal, which in general coincides with the minimum treatment level of the surface plant;
- the minimum value of the wellhead dynamic pressure;
- the maximum amount of water that can be produced on a daily and annual basis, in respect of volumes to be re-injected into levels situated underground;
- the obligation - provided by article 18 of MD 26/8/05 - to measure the static pressure at the bottom of the reservoirs at the end of the phase;
- the operating times, about 5/6 months.

The injection and withdrawal curves of the 3D dynamic models for each field, obtained via dynamic 3D simulation in respect of the constraints cited above constitute an input for the "IMAGINERY" system (see letter b) below of this paragraph.

b) Simulation tools

Stogit simulates the dynamic behaviour of storage reservoirs and the physical parameters associated with it (volumes injected/withdrawn, static and dynamic pressure, storage capacity in terms of space, injection and withdrawal availability over time, etc.) through a 3D mathematical simulator *"Eclipse"* (normally used in upstream activities), on the basis of geodynamic and structural data acquired over time allowing the entire production history of the reservoirs both during production and storage to be reproduced.

The reservoir models arising constitute a mathematical interpretation of the porous rock. They thus have an uncertainty that can be reduced with continuous monitoring of the geodynamic sizes (static, dynamic pressures, gas and liquid flow rates) and, if necessary, with new acquisitions of a geostructural data. Stogit, in carrying out its activity, constantly updates to recalibrate further the models on the basis of a validation process *(history match)* which is common practice in the upstream activities.

The withdrawal curves of each field, obtained through dynamic 3D simulation, describe the theoretical service levels of the field without any constraint of pressure differential at wellhead.

In order to define the working withdrawal curves that observe real operational conditions for the individual fields one uses a methodology integrative to the *Eclipse,* mathematical model, by introducing an ad hoc calculation code (still experimental). This code takes into account the flow rate of gas that can be withdrawn from each reservoir, on the basis of the set values of pressure differential (static and dynamic) for each well.

Optimisation of the Storage System Technical Performance is possible through an analysis of the combinations allowing the best possible service level to be obtained from each individual site, i.e. crossing the features of the reservoirs with those of the surface plants. A computer system called "IMAGINERY" has been implemented for this purpose.

The "IMAGINERY" *(Integrated MAnagement of Gas INjEction and withdrawal in Reservoirs)* system has been developed by Stogit and the E&P Division of Eni - using a non-linear tied optimisation algorithm and simulation techniques both for reservoir and process - with the aim of monitoring, forecasting, and maximising the withdrawal/injection trend of the whole Storage Service in relation to recorded final balances and different request scenarios, both in terms of volumes and peak flow rates.
The IMAGINERY system is made up of two distinct modules called respectively *Optimiser* and *Day Before,* integrated to each other through an appropriate database.

The Optimiser module is used, both in seasonal and short-term planning, to maximise the gas to be injected into the field during the Injection Phase and the field withdrawal capacity in withdrawal.

This module permits the use of the fields in different periods to be planned better in order to define the integrated capacity potential of the Storage Service, through the use of withdrawal and injection curves deriving from simplified reservoir models from the *3DEclipse* simulator.

During the Thermal Year planning the use of the fields, as in the previous clause, is updated on the basis of effectively recorded final balances and Shippers' programmes.

The *Day Before* module is used in day-to-day management and is described in paragraph 3 below.

c) Simulation results (output data)

The simulation results as per letter b) above consist of injection and withdrawal curves for the Storage Service associating the volumes handled with the peak availabilities.

- Relations between Space and Injection (injection curve): optimal Injection profile and peak Injection availability

The optimal Injection profile is initially defined in January - taking into account the best forecast on the evolution of overall withdrawal to the end of the Thermal Year and the technical and managerial constraints as per point a) - on the basis of the following operating items:

- High injection volumes in the initial stage in order to contrast the advance of the aquifer.
- Optimisation of injection flow rates subsequent to the initial stage, in accordance with the effective capacities of the reservoirs in order to maximise injection availability.
- Injection of residual volumes in the final stage necessary to allow fields with geodynamic compartmentalisation or a pressure growth gradient conditioned by the daily injection flow rate to be replenished.

On the basis of these considerations, the optimal conditions for cumulative filling of the Space and the consequent trend of peak availability in injection, an inverse function of the cumulative injected volume, are defined.

The maximum peak injection availability must be only limited to the first injection stage in order to avoid possible differentiated and preferential canalisation of the gas flow in the reservoir "fingering").

The decreasing trend of this availability over time has the aim of directing monthly injection volumes in accordance with the real capacities of the fields without inducing repeated rising of the pressure gradients, which imply a subsequent reduction of volumes to be injected.

In order to keep in adequate consideration the operating flexibility required by the Shippers and the fact that the optimal profile may not be observed exactly, progressive minimum and maximum alternate profiles ensuring in any case a correct overall filling of the fields are also examined.

- Relations between Space and Withdrawal (withdrawal curve): optimal Withdrawal profile and peak Withdrawal availability

The Withdrawal profile for the following Thermal Year is initially defined in January - taking into account complete filling of assigned Space and the technical and managerial constraints as per point a) above - with the aim of optimising the withdrawal curve (or service level curve) in respect of that defined in the Ministerial Decree of 25 February 2016 or subsequent provisions, where compatible with a statistically significant distribution of technical service levels made during the Withdrawal Phase, and is determined on the basis of the following operational concepts:

- preservation of the maximum available withdrawal capacity over time;

- withdrawal of high volumes in periods of higher climatic demand (between mid-January and mid-February);
- optimisation of withdrawal flow rates, in accordance with the effective capacities of the reservoirs in order to maximise the Storage Service's withdrawal availability.

The decreasing trend of peak withdrawal availability, as a function of emptying, follows the evolution of the service levels of each individual reservoir and decreases as pressure decreases.

Stogit checks the compliance between the System"s optimised service level curve compared to that laid down in the applicable provisions of the MiSE, informing the Authority and the MiSE itself if its trend is less than that prescribed by said article.
In this case, Stogit determines the volume bands and the factors applied to Withdrawal Capacity in line with the trend for the System's optimised service level curve and can offer further Withdrawal performances to the Shippers, on a firm basis or on an interruptible basis, taking into account the need to keep the continuity of the optimised withdrawal service level until the end of the Withdrawal Phase.

- Determining Space, Injection Capacity and Withdrawal Capacity
  - Space
    Space made available overall for assignment is defined on the basis of injection and withdrawal curves of the reservoirs described above, as well as the following elements:
    - the historic trend of the bottom static pressure in the reservoirs made in previous campaigns,
    - maintenance plans and unavailability,
    - any new fields becoming operational,
    - any increases in the static working pressures of the reservoirs with possible upgrading of the surface plants.

  - Injection capacity
    The overall Injection Capacity made available for assignment (hereinafter CI_{TOT}) depends on the technical capacities of the compression stations and the receiving capacities of the reservoirs, as well as the injection curve indicated in the previous paragraph.

  - Withdrawal capacity
    The overall Withdrawal Capacity made available for assignment (hereinafter CE_{TOT}) depends on the withdrawal curve indicated in the previous paragraph and the filling of the reservoirs as well as the

performance constraints laid down in the Ministerial Decree of 26/02/2016 or subsequent regulatory provisions.

d) Time limits and process reviews

Stogit proceeds with the simulations for the following Thermal Year so as to allow all the necessary elements to be published no later than 1 February prior to the start of that Thermal Year.

Taking in mind the possible changes, even significant, tied to the terminal part of the Withdrawal Phase, simulations for the subsequent Injection Phase can be subjected to update before mid- March, so as to allow the Shippers adequate seasonal programming.

Furthermore, no later than mid-October, with regard to the effective progress of the Injection Phase, Stogit, carries out a consistency check on the parameters used for defining the initial simulations, proceeding - for example, in the event of an incomplete injection of the System - to update with the aim of better operational programming for the Shippers.

This consistency test is also carried out on the basis of a technical analysis jointly with SRG.

For the purposes of the System's operational management, the calculations are subsequently updated monthly and weekly on the basis of the service levels effectively provided (and thus the trend of reservoir dynamic and static pressures), the necessity of not jeopardising the System's safety (even potentially) and taking into consideration the updated plans of the Shippers, within the framework of operational planning as per chapter 6.
Finally, on a daily basis Stogit updates the simulations and checks the progress of the Storage System to optimise the service level, as specified in paragraph 3 below.

Starting from the results of the simulations and from the determination of the total capacities referred to in this paragraph, Stogit shall make available the capacities for the Basic Services referred to in chapter 3, determined according to the procedures set out therein, also taking into account the Space made available for Strategic Storage (hereinafter S_{STR}), determined in total by the MSE and allocated among the storage companies.

2.3) Capacity volume bands

Stogit sets out, for the Space made available for Injection, optimal Capacity volume bands aimed at the efficient and safe management of the Storage Service and observance of which by Shippers is fundamental for Stogit to be able to guarantee the best Performance of the Storage Service.

The volume bands are applied to the Storage Services to take into account the purposes that these services must ensure as well as the related procedures for assignment and performance of the associated Performance, as provided in chapter 3.

In the Injection Phase, the volume band is structured in an operating range that defines the minimum and maximum stock allowed to the Shipper at the end of each month proportional to the Space assigned, as provided in chapter 3.

These minimum and maximum values are defined on the basis of the Storage Service injection curves and allow the reservoirs to be completely filled, by dividing the overall volume to be injected into monthly amounts to ensure optimal injection guaranteeing the Shippers adequate operational management flexibility at the same time.

The optimal Injection profile, the reference basis for determining operating range above mentioned, is determined by taking into consideration the following factors:

- high volumes in the initial phase to contrast the advance of aquifers in reservoirs and thus to minimise possible losses of capacity;
- residual volumes in the terminal phase (normally October) to allow the reservoirs to be completely filled, which are characterised by decreasing receptive capacities over time.

In relation to the Space made available for Injection for the Multi-year Storage Services, Peak Modulation and Flat Modulation, Stogit publishes on its website, in advance of the procedures for the allocation of Storage Services, the optimal volume bands of the system, which, starting from a nil stock at the beginning of the Thermal Year, provides for (minimum and maximum) filling percentages ($I_{m,progr,min}$ or $I_{m,prog,max}$) at the end of each month of the Injection Phase.
In order to take into account the actual stock of the System at the beginning of the Thermal Year, Stogit updates the volume bands of the System according to the following:

$$I_{Sist,m,min} = \frac{I_{m,progr,min} * (S_{Sist} - G_{Sist,Apr}) + G_{Sist,Apr}}{S_{Sist}}$$

$$I_{Sist,m,max} = \frac{I_{m,progr,max} * (S_{Sist} - G_{Sist,Apr}) + G_{Sist,Apr}}{S_{Sist}}$$

where:

$I_{Sist,m,min}$ and $I_{Sist,m,max}$ are the filling percentages (minimum and maximum) of the optimal system volume bands at the end of each month of the Injection Phase, as resulting on the first Gas Day of the Thermal Year (1 April);

$G_{Sist,apr}$ is the sum of the storage capacity of the Shippers of the Multi-Year Storage, Peak Modulation and Flat Modulation Services, as resulting on the first Gas Day of the Thermal Year (1 April), taking into account the possible transfers of gas referred to in chapter 8, paragraph 1.2 with effect from 1 April and the application of the rules for the distribution of the excess storage capacity provided for in chapter 6, paragraph 3. For the purpose of determining $G_{Sist,Apr}$, any quantities of gas traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB with effect from 1 April are not taken into account;

S_{Sist} is the sum of the Space made available for the provision to Shippers of the Multi-year Storage, Peak Modulation and Flat Modulation Services;

In the event of different conditions of the System from those provided at the time of publication, Stogit reserves the right to update the profile of optimal volume bands of the System before the beginning of the Thermal Year, giving timely information to Shippers through the functions of its information system.

2.4) Factors applied to Capacities

The factors applied to the Injection and Withdrawal Capacities define, in discrete terms, the trend of the Injection and Withdrawal Performance available to the Shipper during the Injection and Withdrawal Phase, taking into account (i) the decreasing trend of peak injection and withdrawal availability referred to in paragraph 2.2, letter c), (ii) the optimised performance curves of the System that assume the complete filling of the allocated Space and its subsequent Withdrawal and (iii) the Capacity volume bands.

The factors applied to Shipper Capacities are divided into:

- the adjustment factors, varying according to the stock of the Shipper.
- time coefficients, varying according to the period of the Thermal Year and also taking into account the provisions of Ministerial Decree of 15/02/2013 storage of modulation or subsequent regulatory measures to ensure maximum Withdrawal Performance in January and February.

The adjustment factors and time coefficients shall be applied to the Basic Storage Services in order to take into account the purposes for which such Services are to be provided and the manner in which they are to be provided, as provided for in chapter 3.

3) OPERATIONAL MANAGEMENT OF THE STORAGE SERVICE

3.1) Operating activity: dispatching

Operational management of the Storage System is carried out by dispatching through the safeguard of safety, supply of the service and performing the related auxiliary activities.

Through a SCADA remote control system, dispatching receives significant data and information to manage the plants such as, for example, pressures, flow rates, temperatures, liquids production, gas quality, valve status, compression units, treatment plants and services.
Operational safeguarding of plant safety is thus ensured on the basis of this information, by integrating the safety systems already existing in each individual plant with a higher level and which, automatically and autonomously, intervenes in the event of any malfunction.

Dispatching, through constant and continuous monitoring of plant operations parameters and by managing through remote control, acts on individual plant layouts in relation to injection and withdrawal operating requirements.

If individual plants are excluded from remote control, following programmed operations or unavoidable situations, despatching promptly activates the peripheral operating units, for the necessary safety, management and standard operating restoration checks and controls.

Finally, dispatching ensures, on the basis of the programming received from Shippers (see chapter 6), the consistent definition of operating programmes, in particular through:

- control of the programmes through checks with the reservoir specialist units to optimise the injection/withdrawal parameters for the individual site and with plant management units to check the technical availabilities of the plants;
- identification of storage capacities in terms of volume and daily and hourly service levels for each individual operating site;
- check with SRG of Shippers' capacity booking and the lay-out predicted for the individual sites to guarantee transportability on the RNT and to allow the best service levels to be maintained over time and to avoid early decline in these service levels.

At the end of each Gas Day, the final data in terms of volume and energy for the service level offered by the System in that Gas Day is sent to SRG for subsequent determination of allocations.

3.2) Tools available to dispatching

The Operations Room

The dispatching Operations Room, where remote control of the plants is carried out, is manned 24 hours out of 24, throughout the whole year, by operators who ensure the System operates in compliance with the criteria of safety, efficiency and reliability.

Inside the Operations Room there are workstations for the remote control of the Storage Service which have terminals connected to the SCADA system.

The people operating into the Operations room, on the basis of work instructions, continuously implement any actions for changing the site lay-out, according to the needs for meeting the programmes received from Shippers, as well as, within the limits of Interoperability Agreements, from SRG consistently with maintaining the safe service levels.

Dispatching also guarantees connection with SRG dispatching and the ready activation of Stogit peripheral units in case of need.

The SCADA system

The main functions of the SCADA system, which allows the operational management of the service, are:

- acquisition of measurements, signals and information from peripheral systems (DCS);
- sending of operating commands to the plants;
- management of system service levels and safety: diagnosis of communication with data flow and peripheral subsystem operation status check;
- management of diagnosis and system safety: continuous monitoring of the status and functionality of all the points in the System.

The data flow processed by the SCADA system allows the Storage Service lay-out and its probable short-term evolution to be monitored, thus supporting likely actions that are from time to time needed to meet demand continuously.

The Data Transmission System

The telecommunications infrastructure that permits Stogit plants to be managed by remote control is made up of a *Wide Area Network* in which each of the connection channels between the SCADA and the peripheral plants is made up of a lot of connections with CDN (Direct Numerical Circuits) and ISDN *(Integrated Services Digital Network)* or Radio Bridges. The access apparatus *(router)* or each individual local network has active reserve *back-up*, ensuring continuity of service.

This infrastructure is managed by a primary employee in the sector, ensuring continuous monitoring to guarantee a high level of service.

Computer tools in support of decision making

Dispatching, in order to ensure reliably and efficiently the service levels requested by the Shipper, makes use of different integrated computer systems co-managed with the various operations units to guarantee that only one reference data base for simulating

the possible operations scenarios as a function of the final recorded data is constantly available.

a) SAMPEI

The SAMPEI computer system *(Allocation and Measurement System for Withdrawal and Injection)* has been developed by Stogit as the commercial management interface between Stogit and the Shippers.

In order to allow that the data flow and the specific dispatching processes tied to operations programming be managed optimally, SAMPEI is integrated with the CONDUZIONE and IMAGINERY systems described below, as well as with the SRG's WSGS system and the SAP-SD invoicing system.

b) IMAGINERY

The computer system used for the daily programming of use of reservoirs and wells is the *Day Before* module of "IMAGINERY".

The *Day Before* module of IMAGINERY processes the programming, taking into consideration the characteristics of each reservoir, injection/withdrawal service levels for individual wells and the plant operating constraints in respect of the programming supplied daily by the Shippers.

IMAGINERY *Day Before* interfaces with:

- a production database where the historic data for gas injection and withdrawal is stored;
- a database for managing the programming process as per chapter 6.

IMAGINERY *Day Before* is also integrated with:

- a reservoir simulator based on a representation of the reservoir with a mesh associated with the static and dynamic properties of the individual "cells" into which the reservoir is divided;
- a process simulator based on the thermodynamic modelling of the gas and processing elements (separators, columns, etc.).

The simulations relating to reservoir models are updated daily by integrating the historic database data with the plant unavailability information so as to evaluate the amount of gas available for withdrawal or acceptable the next Gas Day for injection. The behaviour of the wells active for storage is simulated through the *Eclipse* 3D simulator.

The plant models ensure that the Gas in Withdrawal is treated so as to satisfy the quality specifications as per chapter 10, whilst they supply the availability and capacity of each compression unit in Injection.

Stogit dispatching ensures every day that:

- The production data and plant constraints are updated in IMAGINERY.
- The Eclipse simulations of IMAGINERY are carried out to establish the maximum availability of every field.
- The operational plan for individual sites is prepared in IMAGINERY and sent to SRG for the transportability check.
- The plan for the Gas Day is made active by sending it to the remote control room for it to be implemented.
- The service levels for the wells and plants are monitored and checked, amending if necessary the work points for the individual components of the Storage Service to maintain the requested requirements in terms of quality of gas withdrawn.
- The predicted trend of use of the Storage Service in Injection or Withdrawal is updated in the IMAGINERY optimiser module until the end of the campaign.

c) CONDUZIONE

The computer system called "Conduzione" allows process data to be transmitted between plants, spread over the country, and the operations centre for management and subsequent back up.

The Conduzione system includes data from the EMS system (see below), data on treatment and compression plants" consumption, technical/operating data and significant events impacting on effective operation.

Monthly, on the basis of the Conduzione data, site tax and technical closures, compression station tax closures and storage station gas delivery bills with detail of site and the technical documentation required by current legislation are managed.

The system is also used to record data for water production, fluid re-injection and primary residual production of gas.

The Conduzione computer system interacts with IMAGINERY and SAMPEI to transmit data and operating constraints in being.

d) EMS DATA CONCENTRATOR

In order to acquire data on the volume and quality of gas withdrawn and injected in real time, a gas measurement and analysis system called EMS *(Energy Measurement System).*

To centralise control in real time of gas volumes, these systems are replicated on an "EMS Data Concentrator" which becomes a supervisory system available to dispatching in order to deduce the overall amount, measured in energy, of gas withdrawn from or injected into the Storage Service and the related quality parameters.

The EMS Data Concentrator is interfaced with SCADA for brief viewing of control parameters and for filing data.

e) HDR

The HDR system *(Historical Data Recorder)* acquires operating data from SCADA and completes a historical archive of the most significant process variables.

This system, thus, allows dispatching and the different company units involved in the management and optimisation of operating and production processes to carry out analyses on the behaviour of the main Storage Service components, with particular reference to reservoirs, wells and treatment and compression plants.

4) INFORMATION AVAILABLE ON THE INTERNET SITE

4.1) Description of the Storage Service

Stogit publishes on its website the description of the Storage Service through a map of the individual storage plants with their location and keeps this map constantly updated.

4.2) Technical Characteristics of the Storage Service

Stogit publishes on its website the technical characteristics for the Storage Service:

- Year of start of storage.
- Number of wells and their average depth.
- Compression stations power.
- Type of treatment plant and maximum nominal flow rate (in withdrawal).

4.3) Capacities and Performance of the Storage Service

Stogit publishes on its website:

- storage capacities offered, in terms of Space, Withdrawal and Injection Capacity;
- maintenance forecast plans for the following Thermal Year, including any capacity unavailable for storage and excluded by MSE authorisation;
- the list of upgrades and decommissioning programmed or authorised by the MSE.

On its website Stogit publishes on a daily basis:

- the actual trend of the stock in the storage system;
- the forecast of the emptying trend;

- the forecast of the trend of the System Injection and Withdrawal Performance taking into account the capacity booking in Chapter 5 and the capacity releases in Chapter 8.

Stogit publishes on its website in an easily accessible section and in Shipper-friendly formats, on a daily basis:

- the total of the Reservations submitted by the Shippers that use the storage service and confirmed by Stogit;
- the volumes injected into and withdrawn from the storage system;
- the stock-to-date updated to the previous Gas Day.

DESCRIPTION OF THE SERVICES

1) INTRODUCTION

Stogit offers, where the Storage Service has available capacity and the requested services are technically feasible:

- Basic Services: i.e. those services referred to in Article 6, paragraph 6.1, letters a), b), and c) of the RAST and regulated by this Code that are requested by the Shipper and provided by Stogit against the payment of the charges determined in accordance with the provisions of the Authority. The Basic Services are described in paragraph 2 below.
- Flexibility services: i.e. those services referred to in Article 6, paragraph 6.1, letter d) of the RAST, i.e. those services made available within the scope of the criteria set out in Article 29 of the RAST and regulated by this Code that are requested by the Shipper and provided by Stogit against the payment of fees determined in accordance with the provisions of the Authority, and which concern the offer of capacities in addition to the capacities assigned for Basic Services. The Flexibility Services are described in paragraph 3 below.
- Optional Services, i.e. those services regulated by this Code, other than the Basic Services and Flexibility Services that are requested by the Shipper and provided by Stogit in compliance with the guarantees and general objectives established by the Authority with respect to the obligations of entities that carry out natural gas storage activities. The optional services are described in paragraph 4 below.
- Accessory activities: or those services governed by this Code, which are not requested by the SHIPPER but provided by STOGIT in that they are necessary to ensure the correct supply of the Basic and Flexibility Services, without any increase in the charges mentioned in the previous paragraph. The accessory activities are described in paragraph 5 below.

All Basic Storage Services and Flexibility Services include the booking of the transport capacity for the purpose of introducing into the network, or withdrawing from it at the point of entry at the interconnection with the Storage System of the amounts of Gas withdrawn or to be injected in the Storage system itself.

These amounts are made available by Stogit to SRG at the point of entry corresponding to the interconnection with the Storage System, which takes them over in the delivery in order to redeliver to its shippers as part of the transport service as per its Code of Network.

SRG delivers to Stogit the amounts of Gas under the ownership of the shippers of the transport service for the purposes of being used by those shippers of the Storage Services.

2) BASIC SERVICES

2.1) Hydrocarbon Storage Service

The Hydrocarbon Storage Service - needed, for technical and economic reasons, to allow production concession holders optimal development of and production from natural gas fields in the Italian territory - has the single aim of ensuring that national production provides the same withdrawal flexibility as that of import contracts and taking into consideration the technical risks of production shut-down.

Provision of the Hydrocarbon Storage Service by Stogit allows the Shipper to:

- inject its gas into the system, through SRG, throughout the Thermal Year;
- withdraw its own Gas, via SRG, from the System during the Withdrawal Phase and in the periods 1 - 15 April and 16 - 31 October

within the limits of storage capacities assigned to the Shipper.

It is understood that if the Shipper, at the end of the Thermal Year, has not withdrawn all the gas available in the Storage System and does not enter into a contract with Stogit for the following Thermal Year, the provisions of chapter 7, paragraph 6 shall apply.

2.1.1) Hydrocarbon Storage Service Capacities

The capacities that can be requested for Hydrocarbon Storage are established in Article 2 of MD of 23 March 2005 amending Article 2, paragraph 2 of MD 09/05/2001.

Stogit determines the Capacities for the Hydrocarbon Storage Service in the following way:

- the Space (hereinafter S_{MIN}) is equal to the quantity authorised by the MSE and requested for that Service where assignment capacity is performed;
- the Injection Capacity (hereinafter CI_{MIN}) is equal to S_{MIN}divided by 170 (one hundred and seventy) days, in line with the aim of guaranteeing national production a flexibility comparable with the flexibility of import contracts;
- the Withdrawal Capacity (hereinafter CE_{MIN}) is equal to the quantity authorised by the MSE and requested for the Service at the time of capacity booking (divided into "base" and "back up", in compliance with Article 2, paragraph 2 of DM 9/05/01 and subsequent amendments and additions). The Basic Withdrawal Capacity is equal to S_{MIN} divided by 120 (one hundred and twenty) days.

The Storage capacities described in this paragraph are assigned as indicated in chapter 5.

2.1.2) Injection and Withdrawal Performance of the Hydrocarbon Storage Service

<u>Injection Performance</u>

During the Injection Phase, the Shipper has Injection Performance for the Hydrocarbon Storage Service equal to the Injection Capacity assigned for the Hydrocarbon Storage Service and it does not change during the Injection Phase.

During the Withdrawal Phase, the Shipper has Injection Performance for the Hydrocarbon Storage Service equal to the Injection Capacity assigned for the Hydrocarbon Storage Service multiplied by the variable time coefficients depending on the period of the Withdrawal Phase, published by Stogit on its website in advance of the assignment procedures for the Hydrocarbon Storage Service referred to in chapter 5. Until a volume of gas supplied equal to approximately 5% of the total space assigned to the Shippers is reached, Stogit shall update the Injection Performance available for the Hydrocarbon Storage Service, taking into account the availability of peak injection as per chapter 2, paragraph 2.

Withdrawal Performance

During the Withdrawal Phase, the Shipper has Withdrawal Performance for the Hydrocarbon Storage Service equal to the Withdrawal Capacity assigned for the Hydrocarbon Storage Service and it does not change during the Withdrawal Phase.

Change in Injection and Withdrawal Performance

The Injection and Withdrawal Services of the Hydrocarbon Storage Service are guaranteed by Stogit in their continuity, except in cases of Force Majeure as per chapter 17 and service emergencies as per chapter 18, as well as in the periods in which interventions are carried out that generate interruptions/reductions in the Injection or Withdrawal Services as per chapter 13.

Pursuant to the RQSG, Stogit makes available to the Shippers, through the functionalities of its website[1], the change of the Injection or Withdrawal Performance with a prior notice of not less than 3 (three) work days; in the cases of prior notice of less than 3 (three) work days, the provisions of chapter 13 apply.

It is understood that Stogit may update the Withdrawal Performance of the Hydrocarbon Service in the event that it is necessary to access a peak withdrawal availability in addition to the contractual one, where this is provided for by the emergency procedure set out in chapter 19, without prejudice to the provisions laid down in article 4, subsection 2 of the Ministerial decree of 25/02/2016 (and subsequent applicable regulatory provisions).

2.1.3) Volume bands of the Hydrocarbon Storage Service

No volume bands are associated with the Hydrocarbon Storage Service Capacities.

2.2) Strategic Storage

[1] These functionalities include the tools for publishing inside information as referred to in Article 4 of Regulation (EU) 1227/2011 of 25 October 2011

The Strategic Storage, made available by Stogit in order to guarantee the safety of the gas system under exceptional condition (not limited, but merely explanatory, anomalous peaks of intense cold or unforeseen reductions of supplies from abroad), pursuant to article 12, paragraph 11 -bis of the Legislative Decree 164/00 is quantitatively defined annually by the Minister of Economic Development, once heard by the emergency and monitoring Committee of the natural gas system, taking into account:

a) the necessary volume in order to be able to withdraw for at least 30 continuous days, during the course of the seasonal peak period, a flow rate of up to 100 percent of the greater of the imports coming from the most widely used import infrastructure;

b) the necessary volume for the modulation needs in the event of a severe winter, calculated for the coldest winter from the last 20 years.

For the purpose of covering the costs for the availability of Strategic Storage, both in terms of the Strategic Gas and of Space intended for the Strategic Gas itself, Stogit applies the provisions of articles 22 and 28 of the RAST.

2.3) Balancing Service

Stogit offers the Balancing Service to the transmission system operator (TSO) that manages the network physically interconnected to the Storage System in order to meet the needs of operational balancing and those of hourly modulation of consumption.

2.3.1) Balancing Service Capacity

Stogit determines the Capacities for the Balancing Service in the following way:

- Withdrawal Capacity (CH_{RNT}) for hourly modulation consumption is is equal to the quantity requested based on the difference between the maximum and the average value for the hourly performance during the Gas Day; the value resulting from this difference is multiplied by 24 (hours).

  Given that, on anyone Gas Day, the integral subtended to average hourly service level is equal to the integral subtended to the actual hourly performance level curve, it follows that no daily volume is associated with the use of CH_{RNT}.

- the Space (hereinafter S_{RNT}) is equal to the quantity required for the operational management of the services functional to the balancing of the gas system.

The Storage capacities described in this paragraph are assigned only on a continuous basis, as indicated in chapter 5.

2.4) Multi-year Storage Service

The Multi-year Storage Service is provided by Stogit pursuant to Ministerial Decree 06/02/2015 or subsequent regulatory measures of the MSE.

Provision of the Multi-year Storage Service by Stogit allows the Shipper to:

- inject its own Gas into the system, via SRG, for the duration of the Contract;
- withdraw its own Gas from the System, via SRG, during the Withdrawal Phase and in the periods 1 to 15 April and October 16 to 31 of the Thermal Years for which the Contract was signed;

within the limits of storage capacities assigned to the Shipper.

The Capacities and the Performances of the Multi-year Storage Service are assimilated to those of a Flat Modulation Service referred to in paragraph 2.6 below, for the purposes of the activities relating to the section "Withdrawal of the Storage Service" of this Code and the determination of the Performance referred to in paragraph 2.4.2 below.

It is understood that if the Shipper, at the end of the Thermal Year, has not withdrawn all the gas available in the Storage System and does not enter into a contract with Stogit for the following Thermal Year, the provisions of chapter 7, paragraph 6 shall apply.

2.4.1) Multi-year Storage Service Capacities

Stogit determines the Capacities for the Hydrocarbon Storage Service in the following way:

- the Space (hereinafter S_{pluri}) is equal to the quantity defined by the Ministry for Economic Development in implementation of article 3 of Ministerial Decree 06/02/2015 or subsequent measures of the Ministry for Economic Development;
- the Injection Capacity (hereinafter CI_{pluri}) is equal to:

  $(CI_{TOT} - CI_{MIN} - CI_{FC} - CI_{RNT})^* (S_{pluri})/(S_{TOT} - S_{STR} - S_{MIN} - S_{FC} - S_{RNT})$;

- the Withdrawal Capacity (hereinafter CE_{pluri}), is equal to S_{pluri} divided by 150 (one hundred and fifty) days.

The Storage Capacity set out in this paragraph shall be assigned at the beginning of the Thermal Year for two years as described in chapter 5.

2.4.2) Injection and Withdrawal Performance of the Multi-year Storage Service

Injection Performance

During the Injection Phase, the Shipper has Injection Performance for the Multi-year Storage Service equal to the Injection Capacity assigned for the Multi-year Storage Service, multiplied by:

- the variable time coefficients depending on the period of the Injection Phase, determined by Stogit in order to guarantee the availability of Injection Performance that allows the complete filling of the Space of the Multi-year Storage Service assigned to the Shipper, taking into account the optimal volume bands of the System referred to in chapter 2, paragraph 2.3. Stogit shall publish on its website the time coefficients relating to the Multi-year Storage Service in advance of the procedures for the assignment of the Multi-year Storage Service referred to in chapter 5;
- the Adjustment Factor ($AF_{k,start\ TY}$), calculated for the k-th Shipper of the Multi-year Storage Service at the beginning of the Thermal Year (Reference Gas Day 1 April), according to the following:

$$AF_{k,start\ TY} = \max [\ 0\ ;\ (S_{k,Apr} - G_{k,Apr})\ /\ S_{k,Apr}\ ]$$

where:

$G_{k,Apr}$ is the stock of the k-th Shipper relating to the Multi-year Storage Service, as resulting on the first Gas Day of the Thermal Year (1 April), taking into account the possible gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2 with effect from 1 April and the application of the rules for the distribution of the excess Storage Service Space provided for in chapter 6, paragraph 3. For the purpose of determining $G_{k,Apr}$, any quantities of gas traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB with effect from 1 April are not taken into account;

$S_{k,Apr}$ is the Space of the k-th Shipper relating to the Multi-year Storage Service, as resulting on the first Gas Day of the Thermal Year (1 April), taking into account the possible gas transfers of the k-th Shipper referred to in Chapter 8, paragraph 1.1 with effect from 1 April.

During the Withdrawal Phase, the Shipper has Injection Performance for the Multi-year Storage Service equal to the Injection Capacity assigned for the Multi-year Storage Service multiplied by the variable time coefficients depending on the period of the Withdrawal Phase, published by Stogit on its website in advance of the assignment procedures for the Multi-year Storage Service referred to in chapter 5. Until a volume of gas supplied equal to approximately 5% of the total space assigned to the Shippers is reached, Stogit shall update the Injection Performance available for the Multi-year Storage Service, taking into account the availability of peak injection as per chapter 2, paragraph 2.

Withdrawal Performance

During the Withdrawal Phase, the Shipper has Withdrawal Performance for the Multi-year Storage Service equal to the Withdrawal Capacity assigned for the Multi-year Storage Service multiplied by the adjustment factor ($AF_{k,i}$), calculated for the k-th Shipper of the Multi-year Storage Service as described below:

$$AF_{k,i} = \min [G_{k,i} ; G_{contr,i}] / G_{contr,i}$$

where:

$G_{k,i}$ is the stock of the k-th Shipper relating to the Multi-year Storage Service, as resulting on the first Gas Day of the i-th month of the Withdrawal Phase, taking into account the gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2 with effect from the first Gas Day of the i-th month and the application of the rules for the distribution of the excess Storage Service Space provided for in chapter 6, paragraph 3. For the purpose of determining the term Gk,i, the Shipper's stock, if any, present in the Space assigned within the framework of the Short-Term Services referred to in paragraph 3 below shall also be taken into account, accounted for according to the order of priority provided for in chapter 6, paragraph 3. On the other hand, any quantities of gas traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB with effect from the first Gas Day of the i-th month of the Withdrawal Phase shall not be taken into account.

$G_{contr,i}$ is equal:

a) to the Multi-year Storage Service Space assigned to the k-th Shipper, for i = November
b) to the Gas quantity relating to the Multi-year Storage Service at the beginning of month i, calculated taking into account the monthly volumes that can be withdrawn published by Stogit on its website, for i ≠ November

For the periods 16 October - 31 October and 1 April - 15 April, an adjustment factor (AF_k) published by Stogit on its website will be considered.

Change in Injection and Withdrawal Performance

At the end of each month (m) of the Injection Phase, Stogit determines the periodic adjustment factor ($AF_{k,per,m+1}$) varying between 0 and 1 to be applied to the Injection Performance available for the following month to each k-th Shipper of the Multi-year Storage Service, as indicated below:

$$FA_{k,per,m+1} \begin{cases} 1 & se\ G_{k,m} \leq S_{k,m} \cdot I_{k,m,max} \\ max\left(0; \dfrac{\left(S_{k,m+1} \cdot I_{k,m+1,max} - G_{k,m}\right)/gg_{m+1}}{PI_{k,m+1}}\right) & se\ G_{k,m} > S_{k,m} \cdot I_{k,m,max} \end{cases}$$

where

$G_{k,m}$ is the stock of the k-th Shipper related to the Multi-year Storage Service, as resulting at the end of the last Gas Day of the month m of the Injection Phase, taking into account the last Booking Reformulation confirmed by Stogit. For the purpose of determining the term $G_{k,m}$, any gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2, effective on the first Gas Day of the following month m+1 of the Injection Phase and any gas quantities traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB, effective on the first Gas Day of the following month m+1 of the Injection Phase, shall not be taken into account;

$S_{k,m}$ and $S_{k,m+1}$ is the Space of the k-th Shipper for the Multi-year Storage Service, as resulting at the end of month m and on the first Gas Day of month m+1 of the Injection Phase. The Space $S_{k,m}$ and $S_{k,m+1}$ does not take into account possible transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

$I_{k,m,max}$ and $I_{k,m+1,max}$ are the maximum percentages of the volume bands for month m and m+1 of the Injection Phase for the k-th Shipper of the Multi-year Storage Service, as referred to in paragraph 2.4.3 below. The maximum percentages $I_{k,m,max}$ e $I_{k,m+1,max}$ do not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

$PI_{k,m+1}$ is the Injection Performance of the k-th Shipper of the Multi-year Storage Service for month m+1 of the Injection phase, determined in accordance with the provisions of this paragraph, section "Injection Performance". The Injection Performance $PI_{k,m+1}$ does not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

dd_{m+1} are the number of days in month m+1.

It remains understood that for April, the periodic adjustment factor is 1

In consideration of the above, the Injection and Withdrawal Services of the Multi-year Service are guaranteed by Stogit in their continuity, except in cases of Force Majeure as per chapter 17 and service emergencies as per chapter 18, as well as in the periods in which interventions are carried out that generate interruptions/reductions in the Injection or Withdrawal Services as per chapter 13.

Pursuant to the RQSG, Stogit makes available to the Shippers, through the functionalities of its website[2], the change of the Injection or Withdrawal Performance with a prior notice of not less than 3 (three) work days; in the cases of prior notice of less than 3 (three) work days, the provisions of chapter 13 apply.

[2] These functionalities include the tools for publishing inside information as referred to in Article 4 of Regulation (EU) 1227/2011 of 25 October 2011

It is understood that Stogit may update the Withdrawal Performance of the Multi-year Service in the event that it is necessary to access a peak withdrawal availability in addition to the contractual one, where this is provided for by the emergency procedure set out in chapter 19, without prejudice to the provisions laid down in article 4, subsection 2 of the Ministerial decree of 25/02/2016 (and subsequent applicable regulatory provisions).

2.4.3) Volume bands of the Multi-year Storage Service

The Space Capacity of the Multi-year Storage Service is associated with a volume band of the Injection Capacity that provides for monthly (minimum and maximum) filling percentages ($I_{k,m,min}$ or $I_{k,m,max}$) in the Injection Phase; such filling percentages are determined as follows:

$$I_{k,m,min} = \frac{I_{m,progr,min} * (S_{k,Apr} - G_{k,Apr}) + G_{k,Apr}}{S_{k,Apr}}$$

$$I_{k,m,max} = \frac{I_{m,progr,max} * (S_{k,Apr} - G_{k,Apr}) + G_{k,Apr}}{S_{k,Apr}}$$

where:

$G_{k,apr}$ is the stock of the k-th Shipper related to the Multi-year Storage Service, as resulting on the first Gas Day of the Thermal Year (1 April) as per paragraph 2.4.2 above;

$S_{k,Apr}$ is the Space of the k-th Shipper for the Multi-year Storage Service, as resulting on the first Gas Day of the Thermal Year (1 April) as per paragraph 2.4.2 above;

$I_{m,progr,min}$ are the percentages of minimum progressive injectable volume at the end of each month m of the Injection Phase, as referred to in chapter 2, paragraph 2.3;

$I_{m,progr,max}$ are the percentages of maximum progressive injectable volume at the end of each month m of the Injection Phase, as referred to in chapter 2, paragraph 2.3.

For every month in the Injection Phase the monthly percentage for k-th Shipper - computed by Stogit, for the purpose of checking the k-th Shipper compliance with the volume bands - is equal to:

$$\frac{G_{k,m}}{S_{k,m}}$$

where:

$G_{k,m}$ is equal to the stock of the k-th Shipper for the Multi-year Storage Service at the end of month m, as referred to in paragraph 2.4.2, section "Change in Injection and Withdrawal Performance";

$S_{k,m}$ is equal to the Multi-year Storage Service Space assigned to the k-th Shipper at the end of month m, as referred to in paragraph 2.4.2, section "Change in Injection and Withdrawal Performance".

The Shipper that does not comply with the volume bands referred to in this paragraph shall be required to pay the balancing charges referred to in chapter 7, paragraph 4, and the provisions of paragraph 2.4.2 above, section "Change of Injection and Withdrawal Performance".

The Space Capacity of the Multi-year Storage Service is not associated with a volume band of the Withdrawal Capacity.

2.5) Peak Modulation Service

Stogit offers the peak Modulation Service to meet as a priority the customer supply requirements as per Article 12, paragraph 7 letter a) of Legislative Decree 164/00, in terms of modulation for daily, seasonal and peak consumption trends.

The Peak Modulation service is made available at the beginning of the Thermal Year and, in the case of partial assignment at the beginning of the Thermal Year, during the Thermal Year, according to products:

- that allow injecting gas in the period between the month after the month when the Capacities are assigned and the month of October (hereinafter "seasonal product associated with the peak Modulation Service");
- that allow injecting gas in the month after the month when the Capacities are assigned (hereinafter "monthly product associated with the peak Modulation Service")

Provision of the peak Modulation Service by Stogit allows the Shipper to:

- inject its own Gas, via SRG, into the System, for the whole length of the Thermal Year or for shorter periods in the case of assignment in the course of the Thermal Year for the seasonal type product;
- inject its own Gas, via SRG, into the System, during one month in the Injection Phase and for the whole length of the Withdrawal Phase, for the monthly type product;
- withdraw its own Gas, via SRG, from the System during the Withdrawal Phase and in the periods 1 - 15 April and 16 - 31 October

within the limits of storage capacities assigned to the Shipper.

It is understood that if the Shipper, at the end of the Thermal Year, has not withdrawn all the gas available in the Storage System and does not enter into a contract with Stogit for the following Thermal Year, the provisions of chapter 7, paragraph 6 shall apply.

2.5.1) Peak Modulation Service Capacities

Stogit determines the Capacities for the Peak Modulation Service in the following way:

- the Space (hereinafter S_{MOD}) is equal to the quantity defined by the Ministry for Economic Development pursuant to Article 14 paragraph 3 of Law Decree 1/2012.
- the Injection Capacity (hereinafter CI_{MOD}) is equal to:

$$(CI_{TOT} - CI_{MIN} - CI_{FC} - CI_{RNT})^* (S_{MOD})/(S_{TOT} - S_{STR} - S_{MIN} - S_{FC} - S_{RNT})$$

- the Withdrawal Capacity (hereinafter CE_{mod}), is equal to the maximum withdrawal service associated with the Peak Modulation Service pursuant to Ministerial Decree 06/02/2015 or subsequent regulatory measures.

During the Thermal Year, Stogit determines the Space Capacities for the Peak Modulation Service on the basis of the unassigned S_{MOD} quantity and considering:

- For the seasonal type product, the overall amount that can be injected up to the end of the Injection Phase;
- For the monthly type product the amount to be injected in each month to allow a comprehensive re-establishment of the Storage System corresponding to the Storage Capacity available at the beginning of the thermal year. In particular, the amount to be injected is calculated on the basis:
  - of the difference between the volume band relating to the Space assigned and the volume band relating to the Space offered in the assignment at the beginning of the thermal year;
  - of the gas stock in relation to the last Gas Day of the previous month relating to the assignment, estimated on the basis of the programming of Shippers referred to in chapter 6;
  - of updating the availability of the system state-of-the-art injection technique.

The Storage Capacities as per this paragraph are assigned at the start of the Thermal Year and in the course of the Thermal Year in accordance with the methods set out in chapter 5.

2.5.2) Injection and Withdrawal Performance of the Peak Modulation Service

<u>Injection Performance</u>

During the Injection Phase, the Shipper has Injection Performance for the Peak Modulation Service equal to the Injection Capacity assigned for the Peak Modulation Service, multiplied by:

- the variable time coefficients depending on the period of the Injection Phase, and the month in which the Peak Modulation Service starts, determined by Stogit in order to guarantee the availability of Injection Performance that allows the complete filling of the Space of the Peak Modulation Service assigned to the Shipper, taking into account the optimal volume bands of the System referred to in chapter 2, paragraph 2.3. Stogit shall publish on its website the time coefficients relating to the Peak Modulation Service in advance of the procedures for the assignment of the Peak Modulation Service referred to in chapter 5;
- the Adjustment Factor ($AF_{k,start\ TY}$), calculated for the k-th Shipper of the Peak Modulation Service, starting from the beginning of the Thermal Year (Gas Day 1 April), according to the following:

$$AF_{k,start\ TY} = \max [\ 0\ ;\ (S_{k,Apr} - G_{k,Apr})\ /\ S_{k,Apr}\ ]$$

where:

$G_{k,Apr}$ is the stock of the k-th Shipper relating to the peak modulation service starting from the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April), taking into account the possible gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2 with effect from 1 April and the application of the rules for the distribution of the excess Storage Service Space provided for in chapter 6, paragraph 3.
For the purpose of determining $G_{k,Apr}$, any quantities of gas traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB with effect from 1 April are not taken into account.
This stock shall be accounted for primarily on the seasonal product associated with the Peak Modulation Service, starting from the beginning of the Thermal Year, and residually on the monthly product associated with the Peak Modulation Service, starting from the beginning of the Thermal Year.

$S_{k,Apr}$ is the Space of the k-th Shipper relating to the Peak Modulation Service starting from the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April), taking into account the possible gas transfers of the k-th Shipper referred to in Chapter 8, paragraph 1.1 with effect from 1 April.

$AF_{kstart\ TY}$ is equal to 1 for the Capacities of the Peak Modulation Service starting during the Thermal Year.

During the Withdrawal Phase, the Shipper has Injection Performance for the Peak Modulation Storage Service equal to the Injection Capacity assigned for the Peak Modulation Service multiplied by the variable time coefficients depending on the period of the Withdrawal Phase, published by Stogit on its website in advance of the assignment procedures for the Peak Modulation Service referred to in chapter 5. Until a volume of

gas supplied equal to approximately 5% of the total space assigned to the Shippers is reached, Stogit shall update the Injection Performance available for the Peak Modulation Service, taking into account the availability of peak injection as per chapter 2, paragraph 2.

Withdrawal Performance

During the Withdrawal Phase, the Shipper has Withdrawal Performance for the Peak Modulation Service equal to the Withdrawal Capacity assigned for the Peak Modulation Service, multiplied by:

- the variable time coefficients depending on the period of the Withdrawal Phase, determined by Stogit pursuant to Article 2, paragraph 1 of MD 15/02/2013 modulation storage and subsequent regulatory measures to maximise Withdrawal Performance in January and February. Stogit shall publish on its website the time coefficients relating to the Peak Modulation Service in advance of the procedures for the assignment of the Peak Modulation Service referred to in chapter 5;
- the adjustment factor($AF_{k,i}$), calculated for the k-th Shipper of the Peak Modulation Service as shown below:

$$AF_{k,i} = \min [G_{k,i} ; G_{contr,i}] / G_{contr,i}$$

where:

$G_{k,i}$ is the stock of the k-th Shipper relating to the Peak Storage Service, as resulting on the first Gas Day of the i-th month of the Withdrawal Phase, taking into account the possible gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2 with effect from the first Gas Day of the i-th month and the application of the rules for the distribution of the excess Storage Service Space provided for in chapter 6, paragraph 3. For the purpose of determining the term Gk,i, the Shipper's stock, if any, present in the Space assigned within the framework of the Short-Term Services referred to in paragraph 3 below shall also be taken into account, accounted for according to the order of priority provided for in chapter 6, paragraph 3. On the other hand, any quantities of gas traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB with effect from the first Gas Day of the i-th month of the Withdrawal Phase shall not be taken into account.

$G_{contr,i}$ is equal:

a) to the Peak Modulation Service Space assigned to the k-th Shipper, for i = November
b) to the Gas quantity relating to the Peak Modulation Service at the beginning of month i, calculated taking into account the monthly volumes that can be withdrawn published by Stogit on its website, for i ≠ November

For the periods 16 October - 31 October and 1 April - 15 April, an adjustment factor (AF_k) published by Stogit on its website will be considered.

Change in Injection and Withdrawal Performance

At the end of each month (m) of the Injection Phase, Stogit determines the periodic adjustment factor ($AF_{k,per,m+1}$) varying between 0 and 1 to be applied to the Injection Performance available the following month to each k-th Shipper of the Peak Modulation Storage Service, as indicated below:

$$FA_{k,per,m+1}\begin{cases} 1 & se\ G_{k,m} \le S_{k,m} \cdot I_{k,m,max} \\ max\left(0; \dfrac{\left(S_{k,m+1} \cdot I_{k,m+1,max} - G_{k,m}\right)/gg_{m+1}}{PI_{k,m+1}}\right) & se\ G_{k,m} > S_{k,m} \cdot I_{k,m,max} \end{cases}$$

where

$G_{k,m}$ is the stock of the k-th Shipper related to the peak Modulation Storage Service, as resulting at the end of the last Gas Day of the month m of the Injection Phase, taking into account the last Booking Reformulation confirmed by Stogit. For the purpose of determining the term $G_{k,m}$, any gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2, effective on the first Gas Day of the following month m+1 of the Injection Phase and any gas quantities traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB, effective on the first Gas Day of the following month m+1 of the Injection Phase, shall not be taken into account;

$S_{k,m}$ and $S_{k,m+1}$ is the Space of the k-th Shipper for the peak Modulation Storage Service, as resulting at the end of month m and on the first Gas Day of month m+1 of the Injection Phase. The Space $S_{k,m}$ and $S_{k,m+1}$ does not take into account possible transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

$I_{k,m,max}$ and $I_{k,m+1,max}$ are the maximum percentages of the volume bands for month m and m+1 of the Injection Phase for the k-th Shipper of the peak Modulation Storage Service, as referred to in paragraph 2.5.3 below. The maximum percentages $I_{k,m,max}$ e $I_{k,m+1,max}$ do not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

$PI_{k,m+1}$ is the Injection Performance of the k-th Shipper of the peak Modulation Storage Service for month m+1 of the Injection phase, determined in accordance with the provisions of this paragraph, section "Injection Performance". The Injection Performance $PI_{k,m+1}$ does not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

dd_{m+1} are the number of days in month m+1.

It remains understood that for April, the periodic adjustment factor is 1

In consideration of the above, the Injection and Withdrawal Performance of the peak Modulation Service are guaranteed by Stogit in their continuity, except in cases of Force Majeure as per chapter 17 and service emergencies as per chapter 18, as well as in the periods in which interventions are carried out that generate interruptions/reductions in the Injection or Withdrawal Services as per chapter 13.

Pursuant to the RQSG, Stogit makes available to the Shippers, through the functionalities of its website[3], the change of the Injection or Withdrawal Performance with a prior notice of not less than 3 (three) work days; in the cases of prior notice of less than 3 (three) work days, the provisions of chapter 13 apply.

It is understood that Stogit may update the Withdrawal Performance of the peak Modulation Service in the event that it is necessary to access a peak withdrawal availability in addition to the contractual one, where this is provided for by the emergency procedure set out in chapter 19, without prejudice to the provisions laid down in article 4, subsection 2 of the Ministerial decree of 25/02/2016 (and subsequent applicable regulatory provisions).

2.5.3) Volume bands of the peak Modulation Service

The Space Capacity of the Peak Modulation Service is associated with a volume band of the Injection Capacity that provides monthly filling percentages (minimum and maximum) ($I_{k,m,min}$ or $I_{k,m,max}$); these filling percentages are made available by Stogit on its website in advance of the procedures for the assignment of the Peak Modulation Service, as described in chapter 5.

With particular reference to the seasonal product associated with the Peak Modulation Service starting at the beginning of the Thermal Year, the volume bands and the related monthly filling percentages ($I_{k,m,min}$ or $I_{k,m,max}$) for the k-th Shipper are calculated as follows:

$$I_{k,m,min} = \frac{I_{m,progr,min} * (S_{k,Apr} - G_{k,Apr}) + G_{k,Apr}}{S_{k,Apr}}$$

$$I_{k,m,max} = \frac{I_{m,progr,max} * (S_{k,Apr} - G_{k,Apr}) + G_{k,Apr}}{S_{k,Apr}}$$

where:

[3] These functionalities include the tools for publishing inside information as referred to in Article 4 of Regulation (EU) 1227/2011 of 25 October 2011

$G_{k,apr}$ is the stock of the k-th Shipper related to the peak Modulation Storage Service starting at the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April) as per paragraph 2.5.2 above;

$S_{k,Apr}$ is the Space of the k-th Shipper for the seasonal product associated with the Peak Modulation Storage Service starting at the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April), as per paragraph 2.5.2 above;

$I_{m,progr,min}$ are the percentages of minimum progressive injectable volume at the end of each month m of the Injection Phase, as referred to in chapter 2, paragraph 2.3;

$I_{m,progr,max}$ are the percentages of maximum progressive injectable volume at the end of each month m of the Injection Phase, as referred to in chapter 2, paragraph 2.3.

For every month in the Injection Phase the monthly percentage for k-th Shipper - computed by Stogit, for the purpose of checking the k-th Shipper compliance with the volume bands - is equal to:

$$\frac{G_{k,m}}{S_{k,m}} \quad (1)$$

where:

$G_{k,m}$ is equal to the stock of the k-th Shipper for the peak Modulation Service at the end of month m, as referred to in paragraph 2.5.2, section "Change in Injection and Withdrawal Performance";

$S_{k,m}$ is equal to the Peak Modulation Service Space assigned to the k-th Shipper at the end of month m, as referred to in paragraph 2.5.2, section "Change in Injection and Withdrawal Performance".

The Shipper that does not comply with the volume bands referred to in this paragraph shall be required to pay the balancing charges referred to in chapter 7, paragraph 4, and the provisions of paragraph 2.5.2 above, section "Change of Injection and Withdrawal Performance".

The Space Capacity of the Peak Modulation Service is associated with a volume band of the Withdrawal Capacity defined in order to ensure compliance with the provisions of Article 2, paragraph 1 of the Ministerial Decree of 15/02/2013, or subsequent regulatory provisions, in terms of maximum volumes that can be withdrawn by the Shipper. These maximum volumes that can be withdrawn are published on Stogit's website and determine the Peak Modulation Service Withdrawal Performance referred to in paragraph 2.5.2.

2.6) Flat Modulation Service

The Flat Modulation Service is aimed at meeting the requirements other than those defined in paragraph 2.6.

The Flat Modulation Service is made available at the beginning of the Thermal Year and, in the case of partial assignment, during the Thermal Year, according to products:

- that allow injecting gas in the period between the month after the month when the Capacities are assigned and the month of October (hereinafter "seasonal product associated with the flat Modulation Service");
- that allow injecting gas in the month after the month when the Capacities are assigned (hereinafter "monthly product associated with the flat Modulation Service")

Provision by Stogit of the flat Modulation Service allows the Shipper to:

- inject its own Gas, via SRG, into the System, for the whole length of the Thermal Year or for shorter periods in the case of assignment in the course of the Thermal Year for the seasonal type product;
- inject its own Gas, via SRG, into the System, during one month in the Injection Phase and for the whole length of the Withdrawal Phase, for the monthly type product;
- withdraw its own Gas, via SRG, from the System during the Withdrawal Phase and in the periods 1 - 15 April and 16 - 31 October

within the limits of storage capacities assigned to the Shipper.

It is understood that if the Shipper, at the end of the Thermal Year, has not withdrawn all the gas available in the Storage System and does not enter into a contract with Stogit for the following Thermal Year, the provisions of chapter 7, paragraph 6 shall apply.

2.6.1) Flat Modulation Service Capacities

Stogit determines the Capacities for the flat Modulation Service in the following way:

- the Space (hereinafter S_{MODuni}) is equal to the quantity defined by the Ministry for Economic Development pursuant to Article 14 paragraph 3 of Law Decree 1/2012.
- the Injection Capacity (hereinafter CI_{MODuni}) is equal to:

$$(CI_{TOT} - CI_{MIN} - CI_{FC} - CI_{RNT})^* (S_{MODuni})/(S_{TOT} - S_{STR} - S_{MIN} - S_{FC} - S_{RNT})$$

- the Withdrawal Capacity (hereinafter CE_{MODuni}), is equal to S_{MODuni} divided by 150 (one hundred and fifty) days.

During the Thermal Year, Stogit determines the Space Capacities for the Flat Modulation Service on the basis of the unassigned S_{MODuni} quantity and considering:

- For the seasonal type product, the overall amount that can be injected up to the end of the Injection Phase;
- For the monthly type product the amount to be injected in each month to allow a comprehensive re-establishment of the Storage System corresponding to the Storage Capacity available at the beginning of the thermal year. In particular, the amount to be injected is calculated on the basis:
  - of the difference between the volume band relating to the Space assigned and the volume band relating to the Space offered in the assignment at the beginning of the thermal year;
  - of the gas stock in relation to the last Gas Day of the previous month relating to the assignment, estimated on the basis of the programming of Shippers referred to in chapter 6;
  - of updating the performance of the system state-of-the-art injection technique.

Pursuant to MD 6/02/2015 or subsequent provisions of the MSE, Stogit reserves for the flat Modulation Service the capacities referred to in the Hydrocarbon, Multi-year and Continuous Performance ("*fast-cycle*") Storage Service that are not assigned pursuant to chapter 5, paragraphs 4.1.3, 4.3.3 and 4.6.3.

The Storage Capacities as per this paragraph are assigned at the start of the Thermal Year and in the course of the Thermal Year in accordance with the methods set out in chapter 5.

2.6.2) Injection and Withdrawal Performance of the Flat Modulation Service

Injection Performance

During the Injection Phase, the Shipper has Injection Performance for the Flat Modulation Service equal to the Injection Capacity assigned for the Flat Modulation Service, multiplied by:

- the variable time coefficients depending on the period of the Injection Phase and the month in which the Flat Modulation Service starts, determined by Stogit to ensure the availability of an Injection Service that allows the complete filling of the Flat Modulation Service Space assigned to the Shipper, taking into account the volume bands of the System referred to in chapter 2, paragraph 2.3 referred to in paragraph 2.6.3 Stogit shall publish on its website the time coefficients relating to the Flat Modulation Service in advance of the Flat Modulation Service assignment procedures referred to in chapter 5;
- the Adjustment Factor ($AF_{k,start\ TY}$), calculated for the k-th Shipper of the Flat Modulation Service, starting from the beginning of the Thermal Year (Gas Day 1 April), according to the following:

$$AF_{k,start\ TY} = \max [\ 0\ ;\ (S_{k,Apr} - G_{k,Apr})\ /\ S_{k,Apr}\ ]$$

where:

$G_{k,Apr}$ is the stock of the k-th Shipper relating to the flat modulation service starting from the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April), taking into account the possible gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2 with effect from 1 April and the application of the rules for the distribution of the excess Storage Service Space provided for in chapter 6, paragraph 3. For the purpose of determining $G_{k,Apr}$, any quantities of gas traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB with effect from 1 April are not taken into account.
This stock shall be accounted for primarily on the seasonal product associated with the Peak Modulation Service, starting from the beginning of the Thermal Year, and residually on the monthly product associated with the Peak Modulation Service, starting from the beginning of the Thermal Year.

$S_{k,Apr}$ is the Space of the k-th Shipper relating to the Flat Modulation Service starting from the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April), taking into account the possible gas transfers and acquisitions of the k-th Shipper capacity referred to in Chapter 8, paragraph 1.1 with effect from 1 April.

$AF_{k,m}$ is equal to 1 for the Capacities of the Flat Modulation Service starting during the Thermal Year.

During the Withdrawal Phase, the Shipper has Injection Performance for the Flat Modulation Service equal to the Injection Capacity assigned for the Flat Modulation Service multiplied by the variable time coefficients depending on the period of the Withdrawal Phase, published by Stogit on its website in advance of the assignment procedures for the Flat Modulation Service referred to in chapter 5. Until a volume of gas supplied equal to approximately 5% of the total space assigned to the Shippers is reached, Stogit shall update the Injection Performance available for the Flat Modulation Service, taking into account the availability of peak injection as per chapter 2, paragraph 2.

Withdrawal Performance
During the Withdrawal Phase, the Shipper has Withdrawal Performance for the Flat Modulation Service equal to the Withdrawal Capacity assigned for the Flat Modulation Service multiplied by the adjustment factor ($AF_{k,i}$), calculated for the k-th Shipper of the Flat Modulation Service as described below:

$$AF_{k,i} = \min [G_{k,i} ; G_{contr,i}] / G_{contr,i}$$

where:

$G_{k,i}$ is the stock of the k-th Shipper relating to the Flat Storage Service, as resulting on the first Gas Day of the i-th month of the Withdrawal Phase, taking into account the possible gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2 with effect from the first Gas Day of the i-th month and the application of the rules for the distribution of the excess Storage Service Space provided for in chapter 6, paragraph 3. For the purpose of determining the term Gk,i, the Shipper's stock, if any, present in the Space assigned within the framework of the Short-Term Services referred to in paragraph 3 below shall also be taken into account, accounted for according to the order of priority provided for in chapter 6, paragraph 3. Any quantities of gas traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB with effect from the first Gas Day of the i-th month of the Withdrawal Phase shall not be taken into account.

$G_{contr,i}$ is equal:

a) to the Flat Modulation Service Space assigned to the k-th Shipper, for i = November
b) to the Gas quantity relating to the Flat Modulation Service at the beginning of month i, calculated taking into account the monthly volumes that can be withdrawn published by Stogit on its website, for i ≠ November

For the periods 16 October - 31 October and 1 April - 15 April, an adjustment factor (AF_k) published by Stogit on its website will be considered.

Change in Injection and Withdrawal Performance

At the end of each month (m) of the Injection Phase, Stogit determines the periodic adjustment factor ($FA_{k.,per,m+1}$) varying between 0 and 1 to be applied to the Injection Performance available for the following month to each k-th Shipper of the Flat Modulation Storage Service, as indicated below:

$$FA_{k,per,m+1}\begin{cases} 1 & se\ G_{k,m} \le S_{k,m} \cdot I_{k,m,max} \\ max\left(0;\ \frac{\left(S_{k,m+1} \cdot I_{k,m+1,max} - G_{k,m}\right)/gg_{m+1}}{PI_{k,m+1}}\right) & se\ G_{k,m} > S_{k,m} \cdot I_{k,m,max} \end{cases}$$

where

$G_{k,m}$ is the stock of the k-th Shipper related to the peak Modulation Storage Service, as resulting at the end of the last Gas Day of the month m of the Injection Phase, taking into account the last Booking Reformulation confirmed by Stogit. For the purpose of determining the term $G_{k,m}$, any gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2, effective on the first Gas Day of the following month m+1 of the Injection Phase and any gas quantities traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB, effective on the on the last Gas Day of month m of the

Injection Phase, effective on the first Gas Day of the following month m+1 of the Injection Phase, shall not be taken into account;

$S_{k,m}$ and $S_{k,m+1}$ is the Space of the k-th Shipper for the Flat Modulation Storage Service, as resulting at the end of month m and the first Gas Day of month m+1 of the Injection Phase. Space $S_{k,m}$ and $S_{k,m+1}$ do not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

$I_{k,m,max}$ and $I_{k,m+1,max}$ are the maximum percentages of the volume bands for month m and m+1 of the Injection Phase for the k-th Shipper of the Flat Modulation Storage Service, as referred to in paragraph 2.6.3 below. The maximum percentages $I_{k,m,max}$ e $I_{k,m+1,max}$ do not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

$PI_{k,m+1}$ is the Injection Performance of the k-th Shipper of the peak Modulation Storage Service for month m+1 of the Injection phase, determined in accordance with the provisions of this paragraph, section "Injection Performance". The Injection Performance $PI_{k,m+1}$ does not consider any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

dd_{m+1} are the number of days in month m+1.

It remains understood that for April, the periodic adjustment factor is 1

In consideration of the above, the Injection and Withdrawal Performance of the flat Modulation Service are guaranteed by Stogit in their continuity, except in cases of Force Majeure as per chapter 17 and service emergencies as per chapter 18, as well as in the periods in which interventions are carried out that generate interruptions/reductions in the Injection or Withdrawal Performance as per chapter 13.

Pursuant to the RQSG, Stogit makes available to the Shippers, through the functionalities of its website[4], the change of the Injection or Withdrawal Performance with a prior notice of not less than 3 (three) work days; in the cases of prior notice of less than 3 (three) work days, the provisions of chapter 13 apply.

It is understood that Stogit may update the Withdrawal Performance of the flat Modulation Service in the event that it is necessary to access a peak withdrawal availability in addition to the contractual one, where this is provided for by the emergency procedure set out in chapter 19, without prejudice to the provisions laid down in article 4, subsection 2 of the Ministerial decree of 25/02/2016 (and subsequent applicable regulatory provisions).

2.6.3) Volume bands of the flat Modulation Service

[4] These functionalities include the tools for publishing inside information as referred to in Article 4 of Regulation (EU) 1227/2011 of 25 October 2011

The Space Capacity of the flat Modulation Service is associated with a volume band of the Injection Capacity that provides monthly filling percentages (minimum and maximum) ($I_{k,m,min}$ or $I_{k,m,max}$); these filling percentages are made available by Stogit on its website in advance of the procedures for the assignment of the flat Modulation Service, as described in chapter 5.

With particular reference to the seasonal product associated with the flat Modulation Service starting at the beginning of the Thermal Year, the volume bands and the related monthly filling percentages (Ik,m,min or Ik,m,max) for the k-th Shipper are calculated as follows:

$$I_{k,m,min} = \frac{I_{m,progr,min} * (S_{k,Apr} - G_{k,Apr}) + G_{k,Apr}}{S_{k,Apr}}$$

$$I_{k,m,max} = \frac{I_{m,progr,max} * (S_{k,Apr} - G_{k,Apr}) + G_{k,Apr}}{S_{k,Apr}}$$

where:

$G_{k,apr}$ is the stock of the k-th Shipper related to the flat Modulation Storage Service starting at the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April) as per paragraph 2.6.2 above;

$S_{k,Apr}$ is the Space of the k-th Shipper for the seasonal product associated with the flat Modulation Storage Service starting at the beginning of the Thermal Year, as resulting on the first Gas Day of the Thermal Year (1 April), as per paragraph 2.6.2 above;

$I_{m,progr,min}$ are the percentages of minimum progressive injectable volume at the end of each month m of the Injection Phase, as referred to in chapter 2, paragraph 2.3;

$I_{m,progr,max}$ are the percentages of maximum progressive injectable volume at the end of each month m of the Injection Phase, as referred to in chapter 2, paragraph 2.3.

For every month in the Injection Phase the monthly percentage for k-th Shipper - computed by Stogit, for the purpose of checking the k-th Shipper compliance with the volume bands - is equal to:

$$\frac{G_{k,m}}{S_{k,m}}$$

where:

$G_{k,m}$ is equal to the stock of the k-th Shipper for the flat Modulation Service at the end of month m, as referred to in paragraph 2.6.2, section "Change in Injection and Withdrawal Performance";

$S_{k,m}$ is equal to the flat Modulation Service Space assigned to the k-th Shipper at the end of month m, as referred to in paragraph 2.6.2, section "Change in Injection and Withdrawal Performance".

The Shipper that does not comply with the volume bands referred to in this paragraph shall be required to pay the balancing charges referred to in chapter 7, paragraph 4, and the provisions of paragraph 2.6.2 above, section "Change of Injection and Withdrawal Performance".

The Space Capacity of the flat Modulation Service is not associated with a volume band of the Withdrawal Capacity.

2.7) Continuous performance service (fast-cycle)

The Continuous performance service (fast-cycle) is designed to meet needs different from those set out in paragraph 2.5.

The provision of the Continuous performance service (fast-cycle) by Stogit allows the Shipper to:

- inject its gas into the system, through SRG, throughout the Thermal Year;
- withdraw its gas from the system, through SRG, throughout the Thermal Year;

within the limits of storage capacities assigned to the Shipper.

It is understood that if the Shipper, at the end of the Thermal Year, has not withdrawn all the gas available in the Storage System and does not enter into a contract with Stogit for the following Thermal Year, the provisions of chapter 7, paragraph 6 shall apply.

2.7.1) Capacity of the Continuous performance service (fast-cycle)

Stogit determines the Capacities for the Continuous performance service (fast-cycle) in the following way:

- the Space (hereinafter S_{FC}) is defined within the scope of the quantity determined by the Ministry of Economic Development in accordance with the Ministerial decree of 22/02/2018 or subsequent provisions laid down by the MSE.
- the Injection Capacity (hereinafter CI_{FC}), is equal to S_{FC} divided by 170 (one hundred and seventy) days;

- the Withdrawal Capacity (hereinafter CE_{FC}), is equal to S_{FC} divided by 120 (one hundred and twenty) days.

The Storage capacities described in this paragraph are assigned on a yearly basis, as indicated in chapter 5.

2.7.2) Injection and Withdrawal Performance of the Continuous performance service (fast-cycle)

Injection Performance
During the Thermal Year, the Shipper has Injection Performance for the Continuous performance service (fast-cycle) equal to the Injection Capacity assigned for the Continuous performance service (fast-cycle) and which does not change during the Thermal Year.

Withdrawal Performance
During the Thermal Year, the Shipper has Withdrawal Performance for the Continuous performance service (fast-cycle) equal to the Withdrawal Capacity assigned for the Continuous performance service (fast-cycle) and which does not change during the Thermal Year.

Change in Injection and Withdrawal Performance
The Injection and Withdrawal Performance of the Continuous performance service (fast-cycle) are guaranteed by Stogit in their continuity, except in cases of Force Majeure as per chapter 17 and service emergencies as per chapter 18, as well as in the periods in which interventions are carried out that generate interruptions/reductions in the Injection or Withdrawal Services as per chapter 13.

Pursuant to the RQSG, Stogit makes available to the Shippers, through the functionalities of its website[5], the change of the Injection or Withdrawal Performance with a prior notice of not less than 3 (three) work days; in the cases of prior notice of less than 3 (three) work days, the provisions of chapter 13 apply.

It is understood that Stogit may update the Withdrawal Performance of the Continuous performance service (fast-cycle) in the event that it is necessary to access a peak withdrawal availability in addition to the contractual one, where this is provided for by the emergency procedure set out in chapter 19, without prejudice to the provisions laid down in article 4, subsection 2 of the Ministerial decree of 25/02/2016 (and subsequent applicable regulatory provisions).

2.7.3) Volume bands of the Continuous performance service (fast-cycle)

No volume bands are associated with the Service Capabilities at constant performance ("*fast cycle*").

[5] These functionalities include the tools for publishing inside information as referred to in Article 4 of Regulation (EU) 1227/2011 of 25 October 2011

3) FLEXIBILITY SERVICES

3.1) Short-term services

The Short-term Services include the provision of capacities in addition to the capacities assigned within the Basic Services; the subject of the offer are the Space, Injection and Withdrawal capacities for periods of one month or less (hereinafter "Short-term Capacities").

Stogit determines the Short-term Capacities on a continuous basis, as specified below:

a) the Space, expressed in kWh, for periods of monthly and weekly duration, equivalent to the quantity found to be available at the end of the previous assignment procedures and according to the quantity of gas progressively withdrawn or injected by the Shippers or obtained, even if not on a structural basis, through an optimisation of the storage systems during the course of the Thermal Year (hereinafter "Primary space capacity");

b) the Injection Capacity, expressed in kWh/d for monthly, weekly and daily periods, equal to the quantity that is available as a result of previous assignment procedures or that has been obtained, even if not structurally, through the optimisation of storages during the Thermal Year, also taking into account (i) the maintenance programmes (ii) the historical use of the Injection Capacity in the Withdrawal Phase (hereinafter "Primary Injection Capacity");

c) the Withdrawal Capacity, expressed in kWh/d for monthly, fortnightly, weekly and daily periods, equal to the quantity that is available as a result of previous assignment procedures or that is obtained, even if not structurally, through the optimisation of storages during the Thermal Year, also taking into account (i) the maintenance programmes (ii) the historical use of the Withdrawal Capacity in the Injection Phase (hereinafter "Primary Withdrawal Capacity");

d) the Injection Capacity, expressed in kWh/d for weekly and daily periods, equal to the quantity released by the Shippers to Stogit for assignment to third parties, in accordance with chapter 8, paragraph 2 (hereinafter "Secondary Injection Capacity") and the Withdrawal Capacity, expressed in kWh/d for fortnightly, weekly and daily periods, equal to the quantity released by the Shippers to Stogit for assignment to third parties, in accordance with chapter 8, paragraph 2 (hereinafter "Secondary Withdrawal Capacity");

e) the Injection and Withdrawal Capacity, expressed in kWh/d for periods of daily or less than daily duration, corresponding to the difference between the Injection and Withdrawal Performance available in the last Re-booking cycle and the one

available in the next Re-booking cycle (hereinafter "Capacities not otherwise usable")[6].

f) the Withdrawal Capacity in the Withdrawal Phase, expressed in kWh/d for periods shorter than one day, equal to the amount of primary Withdrawal Capacity and early Capacity that is available as a result of the daily booking procedures "day ahead - 19:00" daily booking procedures, re-proportioned according to the hours elapsed between the beginning of the Gas Day and the booking rescheduling time following the assignment of capacity and also taking into account the quantities that may have been assigned as a result of previous intra-day assignment procedures (hereinafter "Intra-Day Withdrawal Capacity").

Stogit determines the Short-term Capacities on an interruptible basis, as specified below:

a) The Injection Capacity, expressed in kWh/d for periods of monthly, weekly and daily duration, on the basis of the Injection trend with respect to the volume bands and considering the capacity technically available but on a limited time base (hereinafter "First-level interruptible injection capacity");

b) The Withdrawal Capacity, expressed in kWh/d for periods of monthly, weekly and daily duration, on the basis of the Withdrawal trend with respect to the volume bands and considering the capacity technically available but on a limited time base (hereinafter "First-level interruptible withdrawal capacity");

c) the Injection and Withdrawal Capacity, expressed in kWh/d for periods of daily duration, corresponding to the difference between the available Performance and the Performance subject to Re-booking at the end of the first session of the daily procedure "day ahead - 19:00" (hereinafter "Second-level Interruptible Capacities")[7].

The short-term capacities assigned to the Shipper supplement the Services available to the Shipper during the assignment period.

3.2) Injection Performance remodulation services

During the Injection Phase, in addition to the Short-term Services referred to in paragraph 3.1, Stogit makes available to the Shippers the possibility of modifying the profile of use of the Injection Capacity of the Basic Storage Services through the assignment of "out-of-band flexibility" referred to in Annex 2 to this chapter.

[6] Exclusively for the purpose of calculating the capacities not otherwise usable in the daily booking procedures "day ahead - 19:00", for the last day of the month of injection and withdrawal a Re-bookingD-1 as referred to in Chapter 6, paragraph 3.5.1. is taken into account equal to the available Performance of the Shipper.

[7] Exclusively for the purpose of calculating the Second-level Interruptible Capacities in the daily booking procedures "day ahead - 19:00", for the last day of the month of injection and Withdrawal, a Re-booking D-1 as referred to in Chapter 6, paragraph 3.5.1. is considered equal to the Available Performance of the Shipper.

"Out-of-band flexibility" quantities assigned shall be taken into account for the purpose of applying the balancing charges set out in chapter 7, paragraph 4.

3.3) Withdrawal Performance remodulation services

During the Withdrawal Phase, in addition to the Short-term Services referred to in paragraph 3.1 Stogit makes available to the Shipper the possibility of modifying the Withdrawal Service referred to in the Basic Service through the offer of:

a) Withdrawal Capacity in the Withdrawal Phase, expressed in kWh/d for fortnightly periods, which can be made available early/postponed against a reduction/increase of the Withdrawal Performance at a later point in time (hereinafter "Early/postponed fortnightly withdrawal capacity"). The Postponed Fortnightly Withdrawal Capacity, against the flat decrease of the daily Withdrawal Performance for the first period of validity of a time coefficient as per paragraph 2.5.2, provides for the flat increase of the daily Withdrawal Performance in one of the subsequent periods of validity of a time coefficient as per paragraph 2.5.2. The Early Fortnightly Withdrawal Capacity, against the flat increase of the daily Withdrawal Performance for the first period of validity of a time coefficient as per paragraph 2.5.2, provides for the flat decrease of the daily Withdrawal Performance in one of the subsequent periods of validity of a time coefficient as per paragraph 2.5.2. The amount of the decrease/increase of the performance may be differentiated according to the period of the Withdrawal Phase to which the decrease/increase refers; to this end, Stogit, through the functionalities of its information systems, makes available appropriate performance conversion coefficients. The limits for the early/postponed daily Withdrawal Performance for a period of validity of a time coefficient referred to in paragraph 2.5.2 shall be determined on a fortnightly basis by Stogit, taking into account the technical conditions of the Storage System (plant availability, well and reservoir integrity), the total gas in storage and ensuring the withdrawal performance referred to in Article 3, paragraph 2, of MD 22/02/2018 and subsequent regulatory measures.

b) Withdrawal Capacity in the Withdrawal Phase, expressed in kWh/d for periods of duration of one day or less, which can be made available against a decrease in performance at a later date (hereinafter "Early Capacity"). The amount of the decrease of the performance may be differentiated according to the day of the Withdrawal Phase to which the decrease refers; to this end, Stogit, through the functionalities of its information systems, shall make available appropriate performance conversion coefficients, equal to the performance decrease coefficients made available by Stogit for the last assignment process of fortnightly Withdrawal Capacity referred to in letter a) above, unless otherwise specified by Stogit.

Stogit makes the amount of Capacity available early, taking into account the technical conditions of the Storage System (plant availability, well and reservoir

integrity), the total amount of gas in storage and ensuring the withdrawal performance referred to in Article 3, paragraph 2, of MD 22/02/2018 and subsequent regulatory measures. Stogit defines the amount of early capacity to be offered, also taking into account the amounts of early capacity and early fortnightly withdrawal capacity referred to in letter a) above that have already been assigned.

The early/postponed capacities assigned to the Shipper supplement the Services available to the Shipper during the assignment period.

4) OPTIONAL SERVICES

If Stogit intends to offer optional services, it defines, for each of these services, the technical and economic conditions that govern its operation and checks that these conditions:

a. do not conflict with the requirement to guarantee freedom of access under conditions of equality and impartiality and service transparency;

b. do not limit access nor impede the efficient supply of the Basic and Flexibility Services;

c. do not prejudice the optimisation of the storage capacities managed by Stogit nor imply the commitment of capacities and services that could be made available by Stogit for the Basic Services and for the Flexibility Services;

d. allow proper competitive comparison with the other services available on the market that it they could potentially replace.

As part of the optional Services, Stogit offers the Deposit Service referred to in paragraph 4.1 as well as reserves the right to offer - on a competitive basis - services not included in the Basic Services and in the Flexibility Services, which can be activated at the option of the Shippers and under the same conditions, according to procedures that will be published by Stogit on its website.

If the requested service is adaptable on the basis of the Shipper's specific needs, the conditions shall be negotiated between Stogit and the Shipper, in compliance with the guarantees and general objectives established by the Authority with respect to the obligations of entities carrying out natural gas storage activities.

4.1) Deposit service connected to a guarantee provided in the form of an irregular pledge

The Deposit Service, which takes the form of an irregular deposit pursuant to Article 1782 of the Civil Code, is intended to allow the Shipper to establish a guarantee on the stored gas in the form of an irregular pledge pursuant to Resolution 423/2014/R/gas.

The Deposit Service Contract results from the conclusion between the Balancing Manager and a Shipper, or between a third party (which may be a transport or storage shipper or a bank as defined in Article 1, paragraph 1, letter B) of Legislative Decree no. 385/1993) and a Shipper, of an irregular pledge contract concerning gas in storage owned by the Shipper and not already constrained. The only form of security allowed on the gas in storage shall be the irregular pledge, subject to the specific provisions of the Network Code; the quantities of gas subject to the irregular pledge may not be otherwise bound by the Shipper.

In its capacity as holder of this quantity of gas, Stogit holds the guarantee covering third-party creditors for the entire duration of the Deposit Service (in the form of an irregular deposit in accordance with art. 1782 C.C.). To this aim, Stogit offers the Deposit Service in accordance with the methods described below.

Stogit reserves the right, in any case, to notify the Authority and the MSE about critical situations for managing the quantity of gas in guarantee in favour of the body responsible for balancing or third parties indicated in this paragraph. If the MSE or the Authority provide Stogit with indications about the movement of the gas covered by the irregular pledge, Stogit will not be held liable in any way towards the secured creditors and Shippers for the consequences of the provisions issued by the MSE or the Authority that may entail moving the gas covered by the irregular pledge.

For the entire duration of the Deposit Service, the Shipper cannot request to use the Strategic gas in accordance with chapter 7, paragraph 5.

4.1.1) General requirements

Shippers that intend to provide an irregular pledge towards third parties on their stored gas through deposit at Stogit must, on the date of the request indicated in paragraph 5.1.2 below and 1 April of every subsequent year, meet the requirements described below:

- hold a Contract for one or more Storage services defined in the Storage code for an amount of Space at least equivalent to the quantity of gas for which they intend to provide an irregular pledge towards third parties in compliance with the conditions set out in paragraph 5.1.2 below;
- own a quantity of gas in the Stogit Storage System at least equivalent to the quantity of gas for which they intend to provide an irregular pledge towards third parties;
- have made the payments due by virtue of Storage Contracts for the current Thermal Year or previous Thermal Years, for invoiced and already expired amounts higher than the guarantee issued to cover the obligations resulting from the aforesaid contracts;

Failure to respect these requirements during the period of validity of the Deposit Service causes the early termination of this Deposit Service.

The Shipper must communicate a Certified E-mail address to Stogit. If it does not have a Certified e-mail address, he can use the Certified e-mail address of a third party in addition to his own non-certified e-mail address.

4.1.2) Request, acceptance and stipulation of the Deposit Service Contract

Shippers that intend to apply for the activation of the Deposit Service, exercising their right indicated in this paragraph, shall send Stogit the original and three copies of the form published on the Stogit web site duly filled in and signed by the third-party creditor and themselves (hereinafter "Deposit Service Contract").

Any requests to modify, upwards or downwards, the quantity of gas covered by the irregular pledge and the Deposit Service must be sent to Stogit with the original and three copies of the form published by Stogit on its internet site, filled in and signed by the third-party creditor and the Shipper.

Without prejudice to the specific provisions laid down in the Snam Rete Gas Network Code in relation to the irregular pledge provided towards the body responsible for balancing, the forms indicated above must indicate the quantity covered by the irregular pledge on the gas stored by the Shipper in favour of the third-party creditor and the quantity included in the request for the Deposit Service. It remains understood that the quantity included in the Deposit Service cannot differ from the quantity covered by the irregular pledge. The quantity of gas included in the Deposit Service is intended to be expressed in energy.

In order to ensure the sufficient availability of gas for the natural gas system, the Shipper can provide a real guarantee towards third parties on the gas stored at Stogit up to a maximum percentage of the Space assigned to him equivalent to the ratio between the amount of Strategic Storage Space (S_{STR}), as defined by the MSE, and the total Storage Space available at the start of the Thermal Year (S_{TOT} + S_{STR}). Stogit publishes this maximum percentage on its internet site before the start of each Thermal Year. This maximum percentage shall not apply until the total amount of gas collateralised in favour of third parties has reached 10% of the Strategic Storage Space (S_{STR}) amount.

Stogit will check whether the initial request or the change request is consistent with the general requirements indicated in paragraph 4.1.1 above and the Shipper's actual stock in the storage, and with the constraint set forth above.

Starting from the receipt of the initial request or the request for an increase, the quantity of gas indicated cannot be moved by the Shipper.

Within 5 working days after receipt of the request, Stogit will communicate to the Shipper and the third-party creditor, by Certified e-mail in accordance with art. 6, subsection 4, of Presidential Decree no. 68 of 11 February 2005, (a) its acceptance or (b) rejection of the request. In case (a) above, Stogit will send the Shipper and the third-party

creditor the signed original of the Contract or change request, in advance by Certified e-mail in accordance with art. 6, subsection 4, of Presidential decree no. 68 of 11 February 2005. The communication of acceptance by Certified email will enable the date of transmission and effectiveness of the Deposit Service Contract to be certified.

In any case, the costs of the Storage Service and the Deposit Service will be borne by the Shipper.

4.1.3) Characteristics of the Deposit Service

Starting from the Gas Day after acceptance by Stogit of the request for the Deposit Service or its increase, the custody obligation taken on by Stogit towards the third-party creditor will run, until the condition of non-performance of the secured credit, in which case the quantities of gas will become the property of the creditor starting from the date on which the pledge was provided, without prejudice to the third-party creditor's obligation to return any amount exceeding the value of the secured credits to the Shipper, following the collection of the guarantee. Starting from the effective date of the Deposit Service Contract or the increase, the quantity regulated by the Contract will become the property of Stogit in that it is the depositary of the gas in pawn in accordance with art. 1782 CC and in the interests of the third-party creditor; starting from the day after the acceptance of a request for a reduction in the quantity covered by the Deposit Service Contract, the quantity released will become the Shipper's property again. If the quantity regulated by the Deposit Service Contract is reduced, this quantity is understood to be deducted from the quantity of gas covered by the pledge most recently provided by the Shipper and the same third-party creditor. If the third-party creditor communicates the performance of the secured credit, the Shipper will have full availability of the quantities of gas provided as a guarantee.

The quantity of gas included in the Deposit Service, except for the aforesaid case of release, cannot be moved by the Shipper until the tenth work day after the date of termination of the Deposit Service Contract. After this period, the gas not requested by the third-party creditor, as laid down in the following paragraph, will become available to the Shipper again. The Storage Service Contract shall be valid subject to the Shipper holding a Storage Contract for a quantity of Space at least equal to the quantity of gas on which it intends to establish an irregular pledge in favour of third parties.

The Shipper and the third-party creditor have the right to withdraw from the Deposit Service contract notifying Stogit by means of a registered letter with return receipt based on the form published on the Stogit web site, with at least 5 (five) days' notice. It is also understood that - without prejudice to the indications given below in relation to the Balancing Manager - the resolution of the Deposit Service contract also entails resolving the irregular pledge contact. Conversely, the resolution of the irregular pledge contract also entails resolving the Deposit Service contract.

It remains understood that, where the irregular pledge is provided towards the Balancing Manager, the relevant provisions set out in chapter 5, par. 1.4 of the Network code will be applied.

If the Shipper fails to satisfy the requirements for stipulating the Deposit Service Contract, this contract will be considered as terminated and Stogit will communicate this circumstance by Certified e-mail in accordance with art. 6, subsection 4, of Presidential Decree no. 68 of 11 February 2005 to the Shipper and the third-party creditor. The Gas covered by the Deposit Service will be kept by Stogit on behalf of the third-party creditor until the tenth work day after the date of the communication. Any collection will be regulated by the provisions set out in paragraph 4.1.4 below.

The quantity of Deposit Service Gas will also be deducted from the calculation of the maximum quantities for the , selling bids mentioned in chapter 7, paragraph 3.4 below and will be considered in the daily planning processes as per chapter 6.

For the whole duration of the Deposit Service Contract, if Stogit should intend exercising as stated in chapter 16, paragraph 5.5 below, it may consider the quantity of Gas as belonging to the Shipper, net of the quantity of gas included in the Deposit Service.

Stogit will include the quantity of Guarantee Gas in the calculation of the Shipper's Gas availabilities for:

(i) verification of observance of the Injection and Withdrawal profiles and the subsequent application of balancing charges;

(ii) calculation of the available Injection and Withdrawal Capacities;

In the communications as per this paragraph, the Shipper shall also indicate the quantities of Gas divided by the type of Storage Service.

If the third-party creditor is the Balancing Manager, Shippers explicitly agree that the coordination activities of Stogit with Snam Rete Gas described in Chapter 14 "Operating coordination" regarding data concerning the balancing service, including the access of Snam Rete Gas in reading mode only to the Shippers' data regarding the service, are a condition necessary for acceptance of the storage guarantee as per paragraph 1.4 of chapter 5 of the Network Code.

4.1.4) Methods for collecting the gas included in the Deposit Service for the third-party creditor

Without prejudice to the indications given concerning the Balancing Manager, at any time during the Deposit Service and, in any case, before the tenth working day after the date of resolution of the Deposit Service Contract, the third-party creditor can communicate to Stogit the need to collect its credit by sending it the original copy of the form published by Stogit on its internet site, duly filled in. Following the request by the third-party creditor, Stogit makes available to the third- party creditor the quantity of gas indicated in the aforesaid request. To move the quantity of gas indicated in the collection request, the following guarantee collection methods are available:

a) The third-party creditor must have an amount of Storage capacity at least equivalent to the quantities of gas indicated in his request. For this purpose, the third-party

creditor can acquire the necessary Space and the related Injection and Withdrawal capacities as well as the corresponding amount of transport capacity, through the sale by the Shipper debtor on the basis of the provisions set out in chapter 8, paragraph 1.1, including the volume band associated with the quantities sold. Any amount exceeding the value of the secured credit will be returned to the Shipper.

b) Once the Gas has become its property, the third-party creditor can sell the Gas indicated in the collection request to a storage service shipper in accordance with chapter 8, paragraph 1.2. or sell the gas with Withdrawal to the storage system. Following the aforesaid transfer or sale, the third-party creditor shall notify Stogit of the parties to whom the Gas has been sold, who must have a storage contract for an amount of Space at least equivalent to the quantity of Gas included in the sale. Any amount exceeding the value of the secured credit will be returned to the Shipper.

c) The Shipper gives the third-party creditor an irrevocable mandate, in the name of the shipper and on behalf of the third-party creditor, to move for subsequent sale the quantities of gas covered by a pledge, using the storage and transport capacities held by this Shipper. If the value of the collected gas exceeds the value of the secured credits, the difference will be returned to the Shipper.

d) The third-party creditor, on its own behalf, gives a mandate to sell these quantities of gas, through a competitive tender, to a party to be designated, accepted in advance by Stogit. The designated party concludes the sale of gas through transfers of gas in storage in accordance with chapter 8, paragraph 1.2. If the value of the collected gas exceeds the value of the secured credits, the difference will be returned to the Shipper.

If, on the first day of the second month after the credit collection request is made, a quantity of gas indicated in the aforesaid request remains in the Storage System, the third-party creditor - if not a Shipper - shall stipulate a Contract for one of the Basic Storage Services for an amount of Space at least equivalent to the quantity of Gas present in the Storage System or pay the space charge increased by 30% applied to the quantity of gas that it owns present in the Storage System. This charge is paid on a monthly basis and does not entitle the third-party creditor to use the storage functions for moving the quantity of gas included in the collection request.

Without prejudice to the indications given below in relation to the Balancing Manager, if, ten days after the date of resolution of the Deposit Service Contract, the third-party creditor has still not requested to collect his credit, or has not requested that the entire quantity of gas included in the Deposit Service be returned to the Shipper, the Shipper will become the owner of the quantity of gas not collected and Stogit will again give the Shipper the possibility of moving this quantity of gas. If, on the date of resolution of the Deposit Service Contract, the quantity indicated in the Contract exceeds the Space assigned to the Shipper, on 1 April of the following Thermal Year, Stogit will proceed to sell the surplus gas in accordance with the conditions set out in chapter 7, paragraph 6.

If the Deposit Service refers to an irregular pledge towards the Balancing Manager and the Irregular Deposit Contracts loses effect, before fulfilling all the obligations concerning the transport and balancing service, Stogit will retain the gas covered by the

pledge, guaranteeing its unavailability, for the period laid down by the Network Code, it remaining understood that, once ten working days have passed from the end of the aforesaid period, the Shipper will again become the owner of the quantity of gas not included in a prompt collection request and without prejudice to the immediate return of the quantity of gas to the Shipper, in case of communication by the Balancing Manager. It is understood that the Shipper will be charged for any costs borne by Stogit for keeping the gas covered by the pledge in custody, if there is no Contract in force.

Stogit will be not be liable, in any way, for: (i) the following of the instructions given by the third- party secured creditor; (ii) the consequences of changes in price of the gas covered by the irregular pledge; or (iii) the consequences of any instructions given by the MSE and/or the Authority that may entail moving the gas included in the Deposit Service.

4.1.5) Charges for the Deposit Service for providing a real guarantee towards third parties in the form of an irregular pledge

The Shipper shall pay Stogit a charge of 1,000 € as a fee for the activities involved in the management providing a real guarantee towards third parties on the gas they own stored at Stogit in the form of an irregular pledge, even if the Deposit Service contract is not finalized. This fee is also paid every 1 April on which the Deposit Service is effective and will not have to be paid if the quantity of gas included in the Deposit Service is modified as indicated in paragraph 4.1.3 above.

5) ACCESSORY ACTIVITIES

Accessory activities, as defined in paragraph 1 above, are made available to Shippers through their access to a Basic Service.

5.1) Management of capacity assignment

Within the framework of storage capacity assignment, Stogit publishes the available capacities, defines and manages the procedure through which Shippers can submit their Assignment applications, carries out the assignment process itself as per the criteria in chapter 5 and draws up the Storage Contracts.

5.2) Dispatching

See chapter 2 for the description of dispatching.

5.3) Coordinated and integrated management

One of the accessory services is the coordinated and integrated management of overall working gas storage capacities, operated by Stogit to guarantee that these capacities are

optimised and the safety of the national gas system, pursuant to Section 1, Article 12 of Legislative Decree 164/00 and Section 1, Article 4 of MD 09/05/2001.

5.4) Storage data management and training

Stogit manages the services offered and performs the exchange of data and information with the Shippers through its website and the functionalities of its information systems, as indicated in Chapter 4. That chapter also describes the help desk service, as well as the training activities, for the correct use of computer systems by the Shippers.

5.5) Balancing charges

Stogit calculates and applies the balancing charges and those charges for the use of Strategic Storage, as indicated in chapter 7.

5.6) Gas quality and measurement

Stogit measures the amount of Gas entering and exiting each site in the System as indicated in chapter 9 and checks and validates the parameters that determine observance of the quality specifications as indicated in chapter 10.

5.7) Maintenance on the storage plants

Stogit carries out inspections, controls and maintenance on the plants for the safe and efficient management of the Storage Service, as described in chapter 13.

5.8) Management of service emergencies

In order to meet temporary unpredicted situations that impact on the normal running of the Storage System and/or may reduce its capacity and/or could be harmful to the safety of people and things, Stogit has internal emergency procedures that permit the emergency to be traced and managed as indicated in chapter 18.

5.9) Management in a general emergency

Stogit carries out what is in its remit as per chapter 19.

5.10) Tax obligations and invoicing

Stogit keeps registers of loading and unloading provided for by tax regulations, arranges "tax bills" and issues invoices, as indicated in chapters 15 and 16.

5.11) Access to the transport system

Pursuant to article 18 of the RAST, Stogit requires the transport capacity for the purpose of withdrawing its services to the Shipper and becomes, according to the information received from its Shippers, responsible for the obligations that arise under the transport

contract, for introducing and withdrawing Gas under the ownership of its Shippers at the point of entry and the point of exit, respectively, of the national gas pipeline network interconnected with the Storage System. Said obligations include the programming of the amounts introduced and withdrawn under the ownership of each Shipper at the above points and observance of quality and pressure parameters.

3 A2 - Procedure form for out-of-band flexibility assignment

This procedure ("Procedure") describes the general terms and conditions for the allocation by competitive auction of "out-of-band flexibility", consisting in the possibility to reduce the minimum monthly filling profile as referred to in chapter 7, paragraph 4 of the Code. For anything not expressly provided for in the Procedure, reference is made to the provisions and detailed forms published by Stogit on its website.

1.1 Subject

The subject of the Procedure is the maximum quantity to be reduced by the minimum filling profile for month M, as referred to in chapter 7, paragraph 4 of the Code ($Flex_{min,m}$).

The bidding calendar for the thermal year [YYYY/YYYY] ("Calendar") and any changes thereto are published by Stogit on its website in the section Business & Services > [.....]; the allocation is normally made in the second ten days of month M to which the maximum quantity subject to reduction of the minimum filling profile ($Flex_{min,m}$) refers.

The parties participating in the Procedure are entitled to submit a purchase request ("Purchase Offer") in connection with the reduction of the minimum monthly filling profile, as referred to in chapter 7, paragraph 4 of the Code.

STOGIT publishes with reference to each auction session, on its website, in the section Business & Services > [.....], the details of the offer for the "out-of-band flexibility" assignment ("Stogit Offer") containing:

- the deadlines related to the auction (deadline for delivery of bids, timing of the announcement of results, etc.);
- the maximum quantity to be reduced by the minimum minimum filling profile of month M, as referred to in chapter 7, paragraph 4 of the Code ($Flex_{min,m}$);
- the Stogit Offer charge ("Stogit Sale Offer") in relation to the quantity $Flex_{min,m}$.

1.2 Requirements for participation

Participation in the auction allocations referred to in the Procedure shall be allowed on an impartial and equal basis to all subjects holding Storage Capacity ("Shippers") for one of the Basic Storage Services for which the charges for exceeding the Injection volume bands referred to in chapter 7, paragraph 4 of the Code are applied.

1.3 Offer of purchase/sale

In the context of the Procedure, the Shipper may submit a Purchase Offer within the time frame indicated in the Stogit Offer and according to the detailed provisions and the forms made available by Stogit on its website. Failure to comply with the provisions of the Procedure or the aforementioned provisions/forms shall constitute grounds for exclusion from the Procedure.

In each Purchase Offer, the User shall indicate the request for a reduction in the minimum monthly filling profile referred to in chapter 7, Paragraph 4, expressed in kilowatt-hours [KWh]. The Purchase Offer is irrevocable, under penalty of inadmissibility.

The Shipper associates a unit purchase charge (expressed in Eurocent/kilowatt-hour [€cent/KWh]) with each Purchase Offer.

The charges must be positive and rounded to the sixth decimal place. Said charges do not include VAT.

For each assignment process, the deadline for the submission of the Purchase Offers is indicated in the Calendar and in the Stogit Offer.

1.4 Viewing Offers and assignment

Once the deadline for the submission of the Offers indicated in the Calendar and in the Stogit Offer has expired, Stogit will be enabled to view the Purchase Offers received and will tabulate them.

The activities pertaining to the control of the participation requirements, the tabulation of offers, and the resulting assignment shall be carried out by a Commission appointed by Stogit. It will therefore verify the correctness, completeness and compliance with the participation requirements set out in point 1.2 and the timing for sending/receiving the documents set out in point 1.3. If the verification is negative, the Purchase Offer shall be invalid and therefore, shall not be considered for the purpose of the assignment referred to in the Procedure.

Stogit shall combine the Purchase Offers deemed acceptable under this Procedure, in descending order of the unit charge offered, with the Stogit Sale Offer.

The assignment charge is equal to the charge indicated in each Purchase Offer and only Purchase Offers whose unit charge is not lower than the charge of the Stogit Sale Offer will be assigned.

If, for the assignment charge, there are two or more Purchase Offers with the same unit purchase charge whose sum, in quantitative terms, is higher than the Stogit sale offer, the quantity assigned will be determined according to a pro-rata mechanism.

1.5 Outcomes of the Procedure

Notification of the assignment will take place within the time limit indicated in the Calendar and in the Stogit Offer.

Stogit shall publish on its website the quantities of "out-of-band flexibility" assigned as a result of the Procedure, with details of the "out-of-band flexibility" offered and assigned and the weighted average assignment charge.

For the purpose of the economic settlement of the assigned Offers referred to in point 1.4 of the Procedure, Stogit shall invoice the Shippers whose Purchase Offer has been assigned an amount equal to the quantity assigned multiplied by the assignment charge.

1.7 Miscellaneous

Stogit reserves the right to publish, even without prior notice, notices regarding the Procedure, the Calendar and the Stogit Offer, which will appear respectively in the sections of the website Business & Services > [.....]. Such notices are also notified to Shippers through the Portal.

Every Shipper involved in this Procedure should therefore visit the Stogit web site regularly.

INFORMATIVE COORDINATION PROCEDURES

1) INTRODUCTION

The Stogit portal (Portal) is the set of the information systems prepared by Stogit on an internet platform to manage by computer the services offered and to exchange data and information between Stogit and Shippers as indicated in this Code.

To access the Portal, the Shipper must have access to a browser with the latest internet technology. Although this is not relevant for drawing up the Storage Contract, it could jeopardize the efficient exchange of data if the Shipper does not have this requirement.

The Portal is, in fact, the only tool through which the Shipper can programme usage of the storage services and view the contracts stipulated with Stogit and all the other information relating to those contracts, as indicated in paragraph 2.1 below.

Stogit undertakes to implement, integrate and/or amend the Portal, as well as the information and applications contained therein, from the standpoint of improving data and information exchange with Shippers in relation to the development of the services offered (e.g. for on-line assignment of capacity).

Prior to implementing new features in the computer applications, Stogit shall make available on its website a detailed description of the changes it intends to carry out, specifying the expected effects on the operation of the Shipper and the timing for deployment. The Shipper, within 10 working days of the publication of the description, may express a non-binding opinion on the new features to be implemented.

2) PORTAL CHARACTERISTICS

2.1) Description of the Portal elements

As mentioned before, the Portal provides Shippers with the possibility of accessing all data and contractual information through SAMPEI and other specialised masks, as described below.

- Data and information available in SAMPEI:
  - contractual position (capacity assigned per individual Contract and related updates);
  - seasonal, monthly, weekly and daily operational planning (Booking or Reservation) by Stogit;
  - Gas storage in terms of stock, Injection and Withdrawal amounts attributed (for this see Annex 1 in chapter 7) trading, purchases, and the amount of monthly Gas in the "tax bill" (see chapter 15);
  - invoicing status and calculation elements for the invoices;
  - commercial communications through the SAMPEI bulletin board function.

- Data and information available in other specialised masks:

- maintenance programmes published and updated by Stogit as indicated in chapter 13;
- information on the availability of Allocation data supplied by SRG and its subsequent processing by Stogit (see chapter 7);
- volume bands, adjustment factors (see chapter 3) and related information;
- publication of daily data relating to Gas handled overall in Injection and Withdrawal;
- available capacities for the services offered;
- any other information useful or necessary for improving communication between Stogit and Shippers.

2.2) Portal security

Stogit and the Shippers are, each under its own remit, responsible for the security and protection of the data exchanged through the Portal.

Stogit undertakes to adopt the best security systems to ensure the confidentiality and correct recording of the data, using a secure communication protocol *(https)* and, in some cases, message encryption.

Stogit undertakes to ensure that its data and systems have adequate IT protection. The Shippers, in turn, undertake to ensure that similar protection is adopted.

3) SHIPPERS

3.1) Access to the Portal

Stogit provides the Shipper with a *User-ID* and *password* for access to the Portal, or to the specific systems where authentication is necessary, in accordance with the terms provided for in chapter 5.

Every Shipper recommends to Stogit a user *(Power User)* who, in turn, after completing the registration process, can enable up to a maximum of 5 other users.

This authorisation allows the Shipper, through its users, to access exclusively the data and information that concern it.
The Shipper is responsible for the correct use of the *User-ID* and *password* allocated to it and is bound to inform Stogit immediately of any changes in the data relating to the Portal users - or the system for which a *User-ID* and *password* - and, in particular, to the *Power User.*

The Shipper is also exclusively responsible for any errors in entering data in the portal.

If the Storage Contract is invalid, void, or has simply expired, Stogit disables the Shipper's access to the portal.

3.2) Improper use

In the event of improper use of the Portal, expressly included therein any attempt by the Shipper (or, as an example, its employees, workers, agents or subcontractors) to access the data of other Shippers of Stogit, all costs, expenses and charges incurred by Stogit as a result of said improper use shall be charged to that shipper. The Shipper must also take immediate steps to ensure that situation can never occur again.

In any case, early termination of the Storage Contract can be applied, as per the provisions of chapter 17, paragraph 1.1.

3.3) Communications

The Shipper shall give Stogit prompt notice if one of the following situations arises:

- deterioration in the quality of the data on the Portal;
- sending or receiving of a virus;
- suspected or proven cases of improper use of the Portal;
- malfunction of software and/or hardware used;
- any other situation that could jeopardise, even potentially, the security of the Portal.

4) STOGIT

4.1) Data available

The data available on the Portal are those related to the Thermal Year in progress and the 2 preceding Thermal Years.

Data related to the Thermal Years preceding those indicated above are filed by Stogit and are made available to the Shipper on written request.

4.2) Communications

Stogit will inform Shippers of any eventual suspension of access to the Portal within the terms as of Annex 1 to chapter 12 and re-establish the service as before. To calculate the recovery time of a computer application the hours between 22:00 of any calendar day and 06.00 of the following day are not counted.

If the time when the outage occurred cannot be determined with certainty, the storage company shall consider as start time of the fault, the time the first report thereof was received.

In applying the calculation of the response time as per art. 24.1 of RQSG to check compliance with the indicator of art. 28.1 of that resolution, only the applications received by Stogit by means of PEC certified email will be considered. To this end, the Shippers must inform Stogit of its certified email address. If the Shipper does not have its own certified email address, it may also use a certified email address of a trusted third party in addition to their non-certified email.

If the outage has been found as a result of reports sent by PEC by one or more shippers, Stogit shall inform those shippers of the end of the outage with a specific report via PEC.

If suspension of access could have a significant impact on commercial planning operations, Stogit will immediately start the back-up, communication procedures, via e-mail and fax, with subsequent manual input to the systems.

Stogit shall also communicate the information on the unavailability of computer applications made available to Shippers, specifying the alternatives for the activities that cannot be performed via the web because of the unavailability thereof as well as when operation of the application has been restored.

Any unavailability of PRISMA Platform functionalities and related information shall also be published via the PRISMA website.

4.3) *Help Desk*

Stogit makes a telephone service available to the Shippers to provide information and assistance about SAMPEI. The number for this service is published on the Stogit website.

5) TRAINING

Stogit provides Shippers, which have obtained access to the Portal for the first time and have made an express request for it within 30 days from the Contract stipulation, a training course on the use of the Portal and in particular SAMPEI.

Stogit does not claim any charge for this training course and the attendance is restricted to a maximum of 3 users per Shipper.

Stogit also provides the Shipper with on-line help manuals for the use of SAMPEI (or any other applications that are developed). These manuals will be constantly kept up to date.

ACCESS TO THE STORAGE SERVICE

Chapter 5 ("Assignment of Storage Capacities") describes the process used to assign storage capacities. In particular, for each service offered, the following is described:

- the timing of the publication of the capacity offered by Stogit
- the requirements Applicants must have to access the Storage Services;
- the criteria used to assign capacities;
- the processes for Requesting and assigning capacities.

ASSIGNMENT OF STORAGE CAPACITIES

1) INTRODUCTION

Assignment of storage capacities is carried out on the basis of criteria that take into account the different types of services offered and the categories of final customers served, with respect to the RAST provisions and the expiry dates shown below.

The following assignment order is foreseen for the Basic Services[1]:

- Balancing Service;
- Hydrocarbon Storage Service;
- Storage Services assigned through a competitive auction procedure;

Stogit assigns the Storage Capacities:

a) On a multi-year basis:
   - for the Multi-year Storage service, as set out in paragraph 4.3.

b) On an annual basis at the start of the Thermal Year:
   - for Hydrocarbon Storage, within the limits set by the MSE decrees implementing Legislative Decree. 164/00 (for which see Chapter 1), in accordance with paragraph 4.1;
   - for the Balancing Service, as provided for in paragraph 4.2;
   - for the peak Modulation Service as provided for in paragraph 4.4;
   - for the Flat Modulation Service as provided for in paragraph 4.5;
   - for the fast-cycle continuous performance service, as set out in paragraph 4.6.

c) On an annual basis during the Thermal Year:
   - for the seasonal and monthly products relating to the peak Modulation Service as provided for in paragraph 4.4;
   - for the seasonal and monthly products relating to the Flat Modulation Service as provided for in paragraph 4.5;

Stogit also provides the Flexibility Services referred to in chapter 3, paragraph 3, as provided for in paragraph 5.

For a correct evaluation of access priorities for Hydrocarbon Storage and the maximum capacity that can be assigned for the Peak Modulation Storage Service, Stogit coordinates the operations for these Assignment applications with the other storage companies operating in Italy.

[1] The calendar of the assignment procedure is published by STOGIT on its internet site in accordance with the provisions of the MiSE and the Authority

If the expiry deadlines as per this chapter fall on a non-working day, the same are understood as extended to the following first working day.

2) REQUIREMENTS FOR ACCESS TO THE BASIC SERVICES

Access to the Basic Services is permitted impartially and on equal conditions to all parties that possess specific requirements as shown below.

2.1) General requirements

Applicants for access to one or more Basic Services are bound to certify, within the terms and procedures set out below, that they possess the requirements provided for in this paragraph, by signing a Contract drawn up in accordance with the models published by Stogit on its website and complete with the documents shown therein.

Participation in the capacity booking processes referred to in this chapter is open to subjects whose credentials for accessing the Stogit Capacity Portal, available on the Stogit website, have been verified; with reference to the capacity booking processes through competitive tenders as per paragraphs 4.3, 4.4, 4.5, 4.6 and 5.1 below, subjects qualified to operate on the PRISMA Platform may participate.

The Capacity Portal Access Request, drawn up according to the form published on the Stogit website and to be sent once only in correspondence of the first use, must contain the acceptance of the provisions of this Storage Code, including those contained in the relevant annexes, and the declaration by the Applicant to have an information system compatible with Stogit information systems. In addition, the Request for Access to the Capacity Portal, to be submitted by the 5th working day before the deadline for the insertion of the Booking Request, must be accompanied by the declaration in lieu of affidavit (according to Presidential Decree D.P.R. no. 445 of 28 December 2000) as per the form made available on the Stogit website.

Stogit shall send the credentials for access to the Stogit Capacity Portal within four working days following presentation of the Access Application. It is the responsibility of the Shipper to send a new Stogit Capacity Portal Access Application in the event of a change of the references contained therein.

Users may request the authorisation to operate on the PRISMA Platform according to the modalities and timing made available by Stogit on the Stogit website.

Stogit will not enter into any Contract for the provision of the Basic Services to applicants who, at the submission date of the Assignment application, have outstanding payments for previous storage contracts, for the current and previous Thermal Years, and invoiced amounts greater than the value of the guarantee covering the obligations in the said contracts. In such event, Stogit will promptly inform the Authority and the MSE for the adoption of any action under their cognizance.

It is also noted that, except for the assignment processes under Contracts entered into pursuant to paragraph 4.2 (Balancing Service), the assignment processes will not be initiated if as at the date the Assignment Application is filed, Stogit has not received the related Contract proposal signed by the Shipper.

Applicants for access to one or more Basic Services, with the exception of the company operating the network physically interconnected to the Storage System, shall also certify that they have adhered or adhere to the SRG Network Code on the effective date of the Storage Contract.

The loss of only one of the requirements for access to the Storage Service shall constitute reason for early termination of the Contract as provided for in chapter 17.

All Applicants must also present the declarations and certificates prescribed in Legislative Decree No. 231 of 21 November 2007, using the forms published on the Stogit Internet site.

Any form of certification of requirements (applications, commitments, declarations or acceptance) as well as any request/communication or other expression of will made in accordance with this Chapter by the Shipper, including by means of appropriate functionalities of the Stogit Capacity Portal, i.e. the PRISMA Platform, constitute formal obligation and commitment for the Shipper itself, which assumes - also towards third parties - any and all liability arising from any breaches/errors or omissions.

Stogit assumes no liability in respect of the Shipper and of third parties as to the accuracy, correctness and completeness of the certifications and declarations provided for this purpose by the Shippers.

2.2) Guarantees

By 2 p.m. on the second working day before the deadline for submission of the Assignment Application, the Shipper shall provide adequate guarantees relating to the fulfilment of all obligations under the Contract and any other contractual relationship entered into between the Shipper e Stogit during the Thermal Year to which the Contract refers, whether for charges, compensation or claims, in order to safeguard Stogit and the other SHIPPERS of the Storage Service from the consequences of any contractual breaches on its part.

With reference to the transfer of capacity described in chapter 8, paragraph 1.1, the transferee Shipper, must submit adequate guarantees by 14.00 on the second working day before the deadline for submitting trading requests.

This requires possession of:

- a credit "rating" as set out in point a) below

or, in the absence thereof:

- a financial guarantee as referred to in point b) below, or
- a non-interest-bearing security deposit as referred to in point c) below.

a) The Applicant must hold a medium and long term credit rating, issued by Moody's Investor Services or Standard & Poor's Corporation or Fitch Ratings of at least:

- Baa3, if assigned by Moody's Investor Services;

or

- BBB-, if assigned by Standard & Poor's Corporation;

or

- BBB, if assigned by Fitch Ratings.

(hereinafter the "minimum rating").

The Applicant shall submit to Stogit the appropriate certification issued by one of the above "rating bodies" proving its assigned "minimum rating" level, assigned to the Applicant within the deadlines indicated above.

The Shipper that shows it holds a "minimum rating' shall inform Stogit of any changes to that "minimum rating' no later than ten days after said change.
If that change shows a "rating" lower than the "minimum rating', the Shipper shall provide the guarantees as of letter b) below or, alternatively, as of letter c) no later than thirty days after said change.

If that Shipper does not fulfil its payment obligations within the terms set out by chapter 16, it shall provide the guarantees as of letter b) below or, alternatively, as of letter c) within ten days of communication of non-fulfilment of the said payment obligations by Stogit.

If the "minimum rating' is not held by the Shipper but by a parent company (in accordance with Article 2359 of the Italian Civil Code), the latter shall submit to Stogit a letter of guarantee issued by the parent company (based on the form in Annex 1.3 to this chapter) explaining the undertaking of the parent company to fulfil the aforementioned obligations in name and on behalf of the Shipper.

If the "rating"level held by the Shipper's parent company is reduced below "minimum rating" level, the Shipper must submit to Stogit the guarantee as per letter b) below or, alternatively, the one as per letter c), no later than thirty days after the date of said change.

In the event that said criteria are not met, the Applicant shall submit:

b) a bank guarantee (in accordance with the form set out in Annex 2.2 to this Chapter) issued by an Italian bank or an Italian branch/office of a foreign bank to secure the performance of the above obligations.

and in addition/or

c) a non-interest-bearing security deposit. The provision of the non-interest-bearing security deposit shall be made by means of a bank transfer, separate from the payment of any other invoices and with express indication of the reason for the payment, to the bank account expressly indicated by Stogit. Stogit will issue a certificate of deposit, the text of which is provided in Annex 2.5 to this chapter.

The minimum amount of the guarantee referred to in points b) and c) above submitted by the Shipper shall be at least equal to the sum of:

i. one-third of the annual capacity charges for Basic Storage Services referred to in chapter 3; and
ii. 100% of the commitments deriving from the assignment of Flexibility Services under chapter 3.

The verification of the submitted guarantee levels is carried out by means of the assignment limits set out in paragraph 2.2.1 below.

If Stogit exercises its right to enforce, partially or in full, the guarantees as of this paragraph, the Shipper shall promptly replenish, under penalty of application of the provisions of chapter 17. Failure to replenish the guarantee within the terms provided for by Chapter 17, paragraph 1, shall entail termination of the Storage Contract in the manner provided for by the same Chapter 17.

These guarantees shall be in force from the date the Assignment Application is filed until they are returned to the Shipper by Stogit and in any case no later than 31 December of the calendar year in which the expiry of that Contract falls.

The guarantee referred to in this paragraph shall be called in priority in order to ensure the coverage of the amounts not paid in respect of the assignment.
In the second order, the guarantee may be enforced in relation to further obligations under the Storage Contract and any other contractual relationship established between the Shipper and Stogit during the Thermal Year to which the Contract relates, whether by way of consideration, compensation or indemnity.

In relation to capacity commitments for the Storage Service of multi-year duration, the Shipper may submit a guarantee of annual duration which provides, at the end of each Thermal Year, for automatic renewal to the following Thermal Year until the end of the ninth month following the end of the last Thermal Year covered by the Storage Contract. The automatic renewal shall be deemed to have taken place if no notice of termination is received from the bank which issued the guarantee in accordance with the procedures set out in the text of the guarantee by the end of the fifth month preceding the end of the

Thermal Year to which the guarantee relates, or of each subsequent Thermal Year for which the guarantee has been renewed. It is understood that failure to renew the guarantee within this period constitutes immediate loss of eligibility under this Code.

The Shipper, who has made all the payments required as defined below, has the right to extend the validity of the guarantee referred to in the preceding letters a), b) and c) for another Thermal Year, by submitting a declaration of extension according to the model indicated in Annex 2.3 to this chapter, in compliance with the assignment limits referred to in paragraph 2.2.1. In cases where the amount of the guarantee in the existing Contract is greater, this amount may be adjusted to the new Contract following termination of the effects of the previous storage contract. The original declaration must be submitted within the deadline for submitting the guarantees.

The declaration shall only be deemed acceptable when the regularity of payments by the Shipper is verified. This regularity will be assessed before the end of December of each year with respect to payments made in the preceding 12 months and the Shipper shall be considered regular, in order to extend the validity of the guarantee, if any delays in payments relating to the amount invoiced during the same period (including VAT, if applicable) do not exceed 10% of the overall amount invoiced. Any overdue and unpaid invoices as of the date of the verification shall also contribute to the determination of the amounts paid late.

The verification of the regularity of payments shall not be applicable in relation to new Shippers or where the storage service has been withdrawn continuously over the term considered for a period not exceeding 6 months.

It is understood that Stogit must, in any case, receive an original copy of the guarantees as per this paragraph within the deadlines indicated above.

The Parties agree that, if the Shipper is assigned a rating level at least equal to the "minimum rating' during the Thermal Year, the Shipper has the right to request in writing that Stogit return the guarantees as of letters b) and c) of this paragraph, attaching the documentation certifying that it has acquired the "minimum rating'. In this case, Stogit shall return the guarantees within thirty days of the date of that request being received.

In any case, the value of the guarantee submitted pursuant to this paragraph cannot be less than €1,000.

2.2.1) Assignment limits

For the purpose of submitting the Requests for assignment/purchase offers within the framework of the booking processes referred to in this chapter and/or the capacity trades referred to in chapter 8, Stogit verifies the relative capacity of the guarantees provided.

To this end, Stogit determines an assignment limit equal to the difference between the total economic value of the guarantees submitted for the obligations arising from the Storage Service referred to in paragraph 2.2 above, where fully effective and valid in the period covered by the Capacity Booking Request/Purchase Offer (net of any enforced guarantees), and the portion of such guarantee already committed to cover the capacity requested and/or already subscribed to prior to the submission of the Purchase Offer, for the amount equal to the sum of:

i. one-third of the annual capacity charges for Basic Storage Services referred to in chapter 3; and
ii. 100% of the commitments deriving from the assignment of Flexibility Services under chapter 3.

If the charge of the Requests for assignment/purchase offers exceeds the assignment limit set forth in this paragraph, the Request for assignment/purchase offer shall not be accepted. It is understood that the Shipper is obliged to keep the guarantee provided adequate for the capacity assigned to the Shipper after assignment. This is without prejudice to the provisions relating to the credit rating set out in paragraph 2.2 above.

2.3) Storage Contract

The Storage Contract, drawn up according to the example made available by Stogit through the functionalities of its information systems and duly signed shall be submitted by the Applicant in duplicate copy by the end of the third working day before the deadline for submission of the Assignment Request[2] or before the deadline for submitting capacity trading requests referred to in chapter 8, paragraph 1.1, under penalty of non-acceptance of the requests for assignment of storage capacity.

The entry into force and the effective date of the Storage Contract, regardless of the date of execution thereof by Stogit, are subject (and therefore subject to the precedent condition) to the definition of the storage capacity commitments (amount and duration) for at least one of the Basic Services by completing one or more of the assignment and/or capacity release processes defined in chapter 5 and in chapter 5 and chapter 8, paragraph 1.1, as well as the certification/verification of the requirements of paragraphs 2.1 and 2.2.

Therefore, the starting date of the Storage Contract, regardless of the date of its signature by Stogit and without prejudice to as further specified in paragraph 2.1 above, shall correspond to that of the booking made as a result of the first assignment and/or capacity assignment process during a Thermal Year referred to in chapter 5 and chapter 8, paragraph 1.1.

It is agreed that the content of paragraph 4 below applies to the signing processes for the Storage Contracts for the Balancing Service.

[2] For the assignment processes of storage capacities starting from April, the assignment of space capacities and the relative injection and withdrawal capacities will be subject to the submission of the Storage Contract by the deadline indicated in the Stogit Offer

3) PUBLICATION OF STORAGE CAPACITIES

3.1) Object of assignment

Stogit publishes:

a) on its website by 1 February of each year[3], the storage capacities in terms of Space, Delivery Capacity and Injection Capacity available for the following thermal year according to the RAST, Article 4 paragraph 4.3, letter a), expressed in Scm (and related average PCS) as well as, as soon as identified by MiSE, their distribution for each of the services offered on an annual or multi-year basis. For trading purposes, the available capacities are expressed in energy (KWh) in application of the average reference MPC;

b) on its website by 1 February of each year[4], the calendar relating to the procedures for assigning the capacity of the Basic Services at the start of the Thermal Year; Stogit updates during the Thermal Year the calendar relating to the procedures for assigning the capacity of the Basic Services at the start of the Thermal Year and the relative capacities available for assignment. With reference to the assignment processes through competitive auction procedures, the assignment calendar is also made available on the PRISMA Platform.

c) on its website and on the PRISMA Platform any additional capacities that become available during the Thermal Year;

d) on the PRISMA Platform, within the working day preceding the deadline for the submission of the requests for assignment, the continuous and interruptible Short-term Capacities available on a monthly and weekly basis, or within the deadline for the submission of the requests for assignment, the continuous and interruptible Short-term Capacities available on a daily and intra-daily basis;

e) on its website, by the working day preceding the deadline for submitting requests for assignment, the early/postponed fortnightly withdrawal capacity.

Stogit also publishes on its website:

f) in advance of the capacity booking procedures referred to in this Chapter, the capacity volume bands and the relations between the booked capacities and the associated Performance referred to in chapter 3, paragraph 2 for each Basic Service.

g) no later than 28 February each year[5], the annual plan of operations referred to in chapter 13, paragraph 3.1.

[3] or other deadline set on the basis of indications received from the Authority or MS
[4] or other deadline set on the basis of indications received from the Authority or MS
[5] or other deadline set on the basis of indications received from the Authority or MS

If the expiry deadlines as per this chapter fall on a non-working day, the same are understood as extended to the following first working day.

4) BASIC STORAGE SERVICES

The object of the assignment is the storage capacity made available by Stogit, either through the PRISMA Platform or through the information system made available by Stogit, on a continuous basis for multi-year and annual periods as set out in chapter 3, paragraph 2.

On the basis of the storage capacities determined as indicated in chapter 3 of this Code, Stogit determines the capacities for the Applicants of Basic Services, as follows.

Stogit shall assign the capacities published in paragraph 3 above in accordance with the procedures and terms described in the following paragraphs, the observance of which constitutes an essential element for allowing Stogit to guarantee equal treatment for all Shippers.

Therefore, the Applicant undertakes to submit the Assignment Application with all the documentation described for the purpose in this Code in compliance with those procedures and terms.

With reference to the capacity booking procedures by auction as per paragraphs 4.4, 4.6, 4.7 and 4.8, Stogit makes available on the PRISMA Platform and on its website the information related to the offered capacity ("Stogit Offer"), such as:

- the type of service (multi-year, peak, flat, continuous performance) and product (seasonal, monthly);
- the deadline for submitting the Request for assignment and for communicating the outcome of the assignment procedure;
- the amount of space offered, expressed in KWh, and the injection and withdrawal performance values associated;
- the assignment criterion ('at uniform charge' or 'at offer charge' in Annex 4 to Chapter 5).

The Capacity assignment for Storage Services also includes the right for Shippers to access the transport network at the point of interconnection associated with the Storage System.

To this end, Stogit shall ask SRG to provide the transport capacity needed to provide the Storage Services, as described in chapter 6, paragraph 2.1.2.

4.1) Hydrocarbon Storage Service

4.1.1) Requirements for access to the Hydrocarbon Storage Service

Applicants for access to the Hydrocarbon Storage Service must certify their compliance with the requirements of paragraphs 2.1, 2.2., and 2.3 and certify the maximum quantities authorised by the MSE for the Thermal Year as owners of an exploitation concession in Italy or as a party delegated by the owner of the concession in Italy.

4.1.2) Criteria for assigning capacities for the Hydrocarbon Storage Service

Stogit determines the capacities for the Applicants of Hydrocarbon Storage Service as provided in chapter 3, paragraph 2.1.

4.1.3) Assignment of storage capacities at the start of the Thermal Year and signing of the Hydrocarbon Storage Service Contract

Applicants for access to the Hydrocarbon Storage Service must submit their Assignment Request through the information system made available by Stogit within and no later than the deadline published in the booking calendar referred to in paragraph 3.1, letter b).

The Assignment Application, completed in accordance with the example on the information system made available by Stogit, must contain:

a) explicit and full acceptance of the provisions as per this Storage Code including those contained in the relevant Annexes;

b) the Applicant's declaration that it has sent the guarantees described in paragraph 2.2, according to the terms and procedures specified therein;

c) the Applicant's declaration that it has sent the Storage Contract described in paragraph 2.3, according to the terms and procedures specified therein;

d) the Space and Withdrawal Capacity requested;

e) the indication of any Assignment Applications already submitted or which they intend to submit to other storage companies, specifying their preference between Stogit and the other storage companies;

f) documentation of proof of payment of all amounts invoiced and due by the date of the Assignment Application that exceed the value of the guarantee issued to cover obligations arising from contracts previously entered into with Stogit.

g) the Applicant's declaration that it has agreed or agrees with the SRG Network Code as of the effective date of the storage contract.

Within the deadline published in the assignment calendar referred to in paragraph 3.1, letter b), Stogit sends to the Applicant, through the information system made available, the capacities assigned for the Hydrocarbon Storage Service as a result of the application of the criteria in paragraph 4.1.2 above, making available of the same platform a contractual addendum with indication of said capacities. The contract addendum is an integral and substantive part of the Storage Contract.

Stogit shall immediately notify the Shipper of alternative procedures for sending the Assignment Application, in the event of interruption of access to the information system made available by Stogit.

4.2) Balancing Service

4.2.1) Requirements for access to the Balancing Storage Service

The company operating the network physically interconnected to the Storage System requests access to the Balancing Service in order to satisfy the needs of operational balancing and those of hourly modulation of consumption.

4.2.2) Criteria for assigning capacities for the Balancing Storage Service

Stogit determines the capacities for the Applicants of Balancing Service equal to the amounts indicated by the applicants in the Assignment application.

4.2.3) Assignment of storage capacities at the start of the Thermal Year and signing of the Balancing Service Contract

Applicants for access to the Balancing Service must submit their Assignment Request through the information system made available by Stogit within and no later than the deadline published in the booking calendar referred to in paragraph 3.1, letter b).

The Assignment Application, completed in accordance with the example on the information system made available by Stogit, must contain:

a) explicit and full acceptance of the provisions as per this Storage Code including those contained in the relevant Annexes;

b) the Applicant's declaration that it has sent the guarantees described in paragraph 2.2, according to the terms and procedures specified therein;

c) the Space, the Injection Capacity and the Withdrawal Capacity requested;

d) the indication of any Assignment Applications already submitted or which they intend to submit to other storage companies, specifying their preference between Stogit and the other storage companies;

e) documentation of proof of payment of all amounts invoiced and due by the date of the Assignment Application that exceed the value of the guarantee issued to cover obligations arising from contracts previously entered into with Stogit.

Within the deadline published in the assignment calendar referred to in paragraph 3.1, letter b), Stogit communicates to the Applicant, through the information system made available, the capacities for the Balancing Service as a result of the application of the criteria in paragraph 4.2.2 above, sending it at the same time the contract proposal, drawn up as per the example published by Stogit on its website, showing said capacities.

Within five working days of receiving it, the Applicant shall sign two copies of the contract proposal described in the previous paragraph and return the signed copies to Stogit.

Stogit in turn shall countersign said copies as definite acceptance within five working days of receiving them and return an original countersigned copy to the Applicant. The date of stipulation of the Contract shall be the date on which Stogit countersigns the two originals previously signed by the Applicant.

Stogit shall immediately notify the Shipper of alternative procedures for sending the Assignment Application, in the event of interruption of access to the information system made available by Stogit.

Even if Stogit's signing of the Contract occurs after April 1, said Contract will in any case be effective from 1 April.

4.3) Multi-year Storage Service

4.3.1) Requirements to access the Multi-year Storage service

Applicants for access to the uniform Multi-year Storage Service meeting the requirements set out in paragraphs 2.1, 2.2 and 2.3 may participate in the capacity booking process.

Stogit shall determine the assignment limits for each Applicant in accordance with paragraph 2.2.1.

4.3.2) Criteria for assigning capacities for the Multi-year Storage Service

Stogit determines the capacities for the Applicants of Multi-year Storage Service as provided in chapter 3, paragraph 2.4.

The booking of storage capacity is carried out through the PRISMA Platform by means of the "offer price" auction procedure set out in Annex 4 to this chapter.

Within the framework of each auction procedure, the Continuous Capacity Applicant that meets the requirements set out in paragraph 4.3.1. above, shall submit, through the PRISMA Platform, Capacity Booking Requests according to paragraph 4.3.3.

The timing of the assignment procedure is made available in the auction calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

4.3.3) Assignment of storage capacities at the start of the Thermal Year and signing of the Multi-year Storage Service Contract

Applicants for access to the Multi-year Storage Service must enter, through the PRISMA Platform, the request for the Space that they intend to purchase in accordance with the

procedures set out in Annex 4 to this chapter and in accordance with the times published by Stogit in the assignment calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

It is understood that the Space Booking Request implies the request of the relevant Injection and Withdrawal Capacities as per Chapter 3, paragraph 2.4.1.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

The Applicant is entitled to submit on the PRISMA Platform up to five Assignment Requests and the corresponding purchase charge.

The amount of Space is expressed in kilowatt-hours [KWh] and each of the Space Assignment Requests must comply with the minimum amount of 2,000,000 KWh

To each of the Assignment Requests for Space, the Applicant must attach a charge, expressed in Euro cents/Kilowatt hour (€cent/KWh), which is the unit charge that the participating company through the Applicant commits to pay for the Space requested. the charge must be positive and be rounded to six decimal places. Said charge does not include VAT.

After the expiry of the deadline for entering Assignment Requests, they can no longer be modified or withdrawn and constitute a binding commitment for the Applicant.

Within the deadline published in the capacity booking calendar and in the Stogit Offer, Stogit shall notify the Applicant, by means of the PRISMA platform, of the capacity of the Space assigned as a result of the "offer charge" capacity booking procedure referred to in Annex 4 of this chapter.

In proportion to the Space assigned, Injection and Withdrawal Capacities shall be assigned in accordance with the provisions of Chapter 3, paragraph 2.4.1.

Stogit also makes available through the Capacity Portal the contractual addendum with the indication of the capacities assigned (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.

The Capacities covered by the Contract are assigned for two years.

The aggregate outcome of the assignment procedures is published by Stogit on its web site within the work day following the end of the procedures.

Through coordination with the other storage companies, Stogit verifies compliance with the maximum limit of total capacity assigned to each Shipper, in accordance with current legislation.

In all cases for which the use of the PRISMA Platform is not possible, Stogit shall promptly inform the Shipper on alternative ways of sending the Assignment Request. These methods are made available on the Stogit website.
In case of activation of the alternative methods of sending the Assignment Request, The activities pertaining to the control of the participation requirements, the tabulation of offers, and the resulting assignment of space capacity shall be carried out by a Commission appointed by Stogit.

4.4) Peak Modulation Service

4.4.1) Requirements for access to the Peak Modulation Service

Applicants for access to the Peak Modulation Storage Service meeting the requirements set out in paragraphs 2.1, 2.2 and 2.3 may participate in the capacity booking process.

Stogit shall determine the assignment limits for each Applicant in accordance with paragraph 2.2.1.

4.4.2) Criteria for assigning capacities for the Peak Modulation Service

Stogit determines the capacities for the Applicants of the Modulation Service in this paragraph as provided in chapter 3, paragraph 2.5.

The booking of storage capacity is carried out through the PRISMA Platform by means of the "offer price" auction procedure set out in Annex 4 to this chapter, except for the booking of capacity with seasonal injection, starting from 1 April of each Thermal Year, carried out by means of the "uniform price" auction procedure set out in Annex 4 to this chapter.

Within the framework of each auction procedure, the Continuous Capacity Applicant that meets the requirements set out in paragraph 4.4.1. above, shall submit, through the PRISMA Platform, Capacity Booking Requests according to paragraph 4.4.3.

The timing of the assignment procedure is made available in the auction calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

4.4.3) Assignment of storage capacities at the start of the Thermal Year and signing of the Peak Modulation Service Contract

Applicants for access to the Peak Modulation Storage Service must enter, through the PRISMA Platform, the request for the Space that they intend to purchase in accordance with the procedures set out in Annex 4 to this chapter and in accordance with the times published by Stogit in the assignment calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

It is understood that the Space Booking Request implies the request of the relevant Injection and Withdrawal Capacities as per Chapter 3, paragraph 2.5.1.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

The Applicant is entitled to submit on the PRISMA Platform up to five Assignment Requests and the corresponding purchase charge.

The amount of Space is expressed in kilowatt-hours [KWh] and each of the Space Assignment Requests must comply with the minimum amount of 2,000,000 KWh

To each of the Assignment Requests for Space, the Applicant must attach a charge, expressed in Euro cents/Kilowatt hour (€cent/KWh), which is the unit charge that the participating company through the Applicant commits to pay for the Space requested. the charge must be positive and be rounded to six decimal places. Said charge does not include VAT.

After the expiry of the deadline for entering Assignment Requests, they can no longer be modified or withdrawn and constitute a binding commitment for the Applicant.

Within the deadline published in the capacity booking calendar and in the Stogit Offer, Stogit shall notify the Applicant, through the PRISMA Platform, of the space capacity booked as a result of (i) the "uniform price" booking procedure set out in Annex 4 Chapter, for capacity with seasonal injection, and (ii) the "offer price" procedure set out in Annex 4 to this Chapter, for capacity with monthly injection.

In proportion to the Space assigned, Injection and Withdrawal Capacities shall be assigned in accordance with the provisions of Chapter 3, paragraph 2.4.1.

Stogit also makes available through the Capacity Portal the contractual addendum with the indication of the capacities assigned (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.

The aggregate outcome of the assignment procedures is published by Stogit on its web site within the work day following the end of the procedures.

Through coordination with the other storage companies, Stogit verifies compliance with the maximum limit of total capacity assigned to each Shipper, in accordance with current legislation.

In all cases for which the use of the PRISMA Platform is not possible, Stogit shall promptly inform the Shipper on alternative ways of sending the Assignment Request. These methods are made available on Stogit's website.
In case of activation of the alternative methods of sending the Assignment Request, The activities pertaining to the control of the participation requirements, the tabulation of offers, and the resulting assignment of space capacity shall be carried out by a Commission appointed by Stogit.

4.4.4) Assignment of storage capacities at the start of the Thermal Year and signing of the Peak Modulation Service Contract

Applicants for access to the Peak Modulation Storage Service during the Thermal Year must enter, through the PRISMA Platform, the request for the Space that they intend to purchase in accordance with the procedures set out in Annex 4 to this chapter and in accordance with the times published by Stogit in the assignment calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

It is understood that the Space Booking Request implies the request of the relevant Injection and Withdrawal Capacities as per Chapter 3, paragraph 2.5.1.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

The Applicant is entitled to submit on the PRISMA Platform up to five Assignment Requests and the corresponding purchase charge.

The amount of Space is expressed in kilowatt-hours [KWh] and each of the Space Assignment Requests must comply with the minimum amount of 2,000,000 KWh

To each of the Assignment Requests for Space, the Applicant must attach a charge, expressed in Euro cents/Kilowatt hour (€cent/KWh), which is the unit charge that the participating company through the Applicant commits to pay for the Space requested. the charge must be positive and be rounded to six decimal places. Said charge does not include VAT.

After the expiry of the deadline for entering Assignment Requests, they can no longer be modified or withdrawn and constitute a binding commitment for the Applicant.

Within the deadline published in the capacity booking calendar and in the Stogit Offer, Stogit shall notify the Applicant, by means of the PRISMA platform, of the capacity of the Space assigned as a result of the "offer charge" capacity booking procedure referred to in Annex 4 of this Chapter.

In proportion to the Space assigned, Injection and Withdrawal Capacities shall be assigned in accordance with the provisions of Chapter 3, paragraph 2.4.1.

Stogit also makes available through the Capacity Portal the contractual addendum with the indication of the capacities assigned (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.
The aggregate outcome of the assignment procedures is published by Stogit on its web site within the work day following the end of the procedures.

Through coordination with the other storage companies, Stogit verifies compliance with the maximum limit of total capacity assigned to each Shipper, in accordance with current legislation.

In all cases for which the use of the PRISMA Platform is not possible, Stogit shall promptly inform on alternative ways of sending the Assignment Request. These methods are made available on the Stogit website.
In case of activation of the alternative methods of sending the Assignment Request, The activities pertaining to the control of the participation requirements, the tabulation of offers, and the resulting assignment of space capacity shall be carried out by a Commission appointed by Stogit.

4.5) Flat Modulation Service

4.5.1) Requirements for access to the Flat Modulation Service

Applicants for access to the Flat Modulation Storage Service meeting the requirements set out in paragraphs 2.1, 2.2 and 2.3 may participate in the capacity booking process.

Stogit shall determine the assignment limits for each Applicant in accordance with paragraph 2.2.1.

4.5.2) Criteria for assigning capacities for the Flat Modulation Service

Stogit determines the capacities for the Applicants of the Flat Modulation Storage Service described in this paragraph as per chapter 3, paragraph 2.6.

The booking of storage capacity is carried out through the PRISMA Platform by means of the "offer price" auction procedure set out in Annex 4 to this chapter.

Within the framework of each auction procedure, the Continuous Capacity Applicant that meets the requirements set out in paragraph 4.5.1. above, shall submit, through the PRISMA Platform, Capacity Booking Requests according to paragraph 4.5.3.

The timing of the assignment procedure is made available in the auction calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

4.5.3) Assignment of storage capacities at the start of the Thermal Year and signing of the Flat Modulation Service Contract

Applicants for access to the Flat Modulation Storage Service must enter, through the PRISMA Platform, the request for the Space that they intend to purchase in accordance with the procedures set out in Annex 4 to this chapter and in accordance with the times published by Stogit in the assignment calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

It is understood that the Space Booking Request implies the request of the relevant Injection and Withdrawal Capacities as per Chapter 3, paragraph 2.6.1.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

The Applicant is entitled to submit on the PRISMA Platform up to five Assignment Requests and the corresponding purchase charge.

The amount of Space is expressed in kilowatt-hours [KWh] and each of the Space Assignment Requests must comply with the minimum amount of 2,000,000 KWh

To each of the Assignment Requests for Space, the Applicant must attach a charge, expressed in Euro cents/Kilowatt hour (€cent/KWh), which is the unit charge that the participating company through the Applicant commits to pay for the Space requested. the charge must be positive and be rounded to six decimal places. Said charge does not include VAT.

After the expiry of the deadline for entering Assignment Requests, they can no longer be modified or withdrawn and constitute a binding commitment for the Applicant.

Within the deadline published in the capacity booking calendar and in the Stogit Offer, Stogit shall notify the Applicant, by means of the PRISMA platform, of the capacity of the Space assigned as a result of the "offer charge" capacity booking procedure referred to in Annex 4 of this Chapter for the Flat Modulation Service.

In proportion to the Space assigned, Injection and Withdrawal Capacities shall be assigned in accordance with the provisions of Chapter 3, paragraph 2.4.1.

Stogit also makes available through the Capacity Portal the contractual addendum with the indication of the capacities assigned (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.

The aggregate outcome of the assignment procedures is published by Stogit on its web site within the work day following the end of the procedures.

Through coordination with the other storage companies, Stogit verifies compliance with the maximum limit of total capacity assigned to each Shipper, in accordance with current legislation.

In all cases for which the use of the PRISMA Platform is not possible, Stogit shall promptly inform the Shipper on alternative ways of sending the Assignment Request. These methods are made available on Stogit's website.
In case of activation of the alternative methods of sending the Assignment Request, The activities pertaining to the control of the participation requirements, the tabulation of

offers, and the resulting assignment of space capacity shall be carried out by a Commission appointed by Stogit.

4.5.4) Assignment of storage capacities at the start of the Thermal Year and signing of the Flat Modulation Service Contract

Applicants for access to the Flat Modulation Storage Service during the Thermal Year must enter, through the PRISMA Platform, the request for the Space that they intend to purchase in accordance with the procedures set out in Annex 4 to this chapter and in accordance with the times published by Stogit in the assignment calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

It is understood that the Space Booking Request implies the request of the relevant Injection and Withdrawal Capacities as per Chapter 3, paragraph 2.6.1.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

The Applicant is entitled to submit on the PRISMA Platform up to five Assignment Requests and the corresponding purchase charge.

The amount of Space is expressed in kilowatt-hours [KWh] and each of the Space Assignment Requests must comply with the minimum amount of 2,000,000 KWh

To each of the Assignment Requests for Space, the Applicant must attach a charge, expressed in Euro cents/Kilowatt hour (€cent/KWh), which is the unit charge that the participating company through the Applicant commits to pay for the Space requested. the charge must be positive and be rounded to six decimal places. Said charge does not include VAT.

After the expiry of the deadline for entering Assignment Requests, they can no longer be modified or withdrawn and constitute a binding commitment for the Applicant.

Within the deadline published in the capacity booking calendar and in the Stogit Offer, Stogit shall notify the Applicant, by means of the PRISMA platform, of the capacity of the Space assigned as a result of the "offer charge" capacity booking procedure referred to in Annex 4 of this Chapter for the Flat Modulation Service.

In proportion to the Space assigned, Injection and Withdrawal Capacities shall be assigned in accordance with the provisions of Chapter 3, paragraph 2.4.1.

Stogit also makes available through the Capacity Portal the contractual addendum with the indication of the capacities assigned (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.

The aggregate outcome of the assignment procedures is published by Stogit on its web site within the work day following the end of the procedures.

Through coordination with the other storage companies, Stogit verifies compliance with the maximum limit of total capacity assigned to each Shipper, in accordance with current legislation.

In all cases for which the use of the PRISMA Platform is not possible, Stogit shall promptly inform the Shipper on alternative ways of sending the Assignment Request. These methods are made available on Stogit's website.
In case of activation of the alternative methods of sending the Assignment Request, The activities pertaining to the control of the participation requirements, the tabulation of offers, and the resulting assignment of space capacity shall be carried out by a Commission appointed by Stogit.

4.6) Continuous performance service (fast-cycle)

4.6.1) Requirements for access to the Continuous performance service (fast-cycle)

Applicants for access to the Continuous performance service (fast-cycle) meeting the requirements set out in paragraphs 2.1, 2.2 and 2.3 may participate in the capacity booking process.

Stogit shall determine the assignment limits for each Applicant in accordance with paragraph 2.2.1.

4.6.2) Criteria for assigning capacities for the Continuous Performance (Fast-cycle) Service

Stogit determines the capacities for the Applicants of the Continuous performance service (fast-cycle) described in this paragraph as per chapter 3, paragraph 2.7.

The booking of storage capacity is carried out through the PRISMA Platform by means of the "offer price" auction procedure set out in Annex 4 to this chapter.

Within the framework of each auction procedure, the Continuous Capacity Applicant that meets the requirements set out in paragraph 4.6.1. above, shall submit, through the PRISMA Platform, Capacity Booking Requests according to paragraph 4.6.3.

The timing of the assignment procedure is made available in the auction calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

4.6.3) Assignment of storage capacities and signing of the Continuous Performance (Fast-cycle) Service Contract

Applicants for access to the Continuous performance service (fast-cycle) must enter, through the PRISMA Platform, the request for the Space that they intend to purchase in accordance with the procedures set out in Annex 4 to this Chapter and in accordance

with the times published by Stogit in the assignment calendar referred to in paragraph 3.1, letter b) and in the Stogit Offer.

It is understood that the Space Booking Request implies the request of the relevant Injection and Withdrawal Capacities as per Chapter 3, paragraph 2.7.1.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

The Applicant is entitled to submit on the PRISMA Platform up to five Assignment Requests and the corresponding purchase charge.

The amount of Space is expressed in kilowatt-hours [KWh] and each of the Space Assignment Requests must comply with the minimum amount of 2,000,000 KWh

To each of the Assignment Requests for Space, the Applicant must attach a charge, expressed in Euro cents/Kilowatt hour (€cent/KWh), which is the unit charge that the participating company through the Applicant commits to pay for the Space requested. the charge must be positive and be rounded to six decimal places. Said charge does not include VAT.

After the expiry of the deadline for entering Assignment Requests, they can no longer be modified or withdrawn and constitute a binding commitment for the Applicant.

Within the deadline published in the capacity booking calendar and in the Stogit Offer, Stogit shall notify the Applicant, by means of the PRISMA platform, of the capacity of the Space assigned for the Continuous performance service (fast-cycle) as a result of the "offer charge" capacity booking procedure referred to in Annex 4 of this Chapter for the Continuous performance service (fast-cycle).

In proportion to the Space assigned, Injection and Withdrawal Capacities shall be assigned in accordance with the provisions of Chapter 3, paragraph 2.4.1.

Stogit also makes available through the Capacity Portal the contractual addendum with the indication of the capacities assigned (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.

The aggregate outcome of the assignment procedures is published by Stogit on its web site within the work day following the end of the procedures.

Through coordination with the other storage companies, Stogit verifies compliance with the maximum limit of total capacity assigned to each Shipper, in accordance with current legislation.

In all cases for which the use of the PRISMA Platform is not possible, Stogit shall promptly inform the Shipper on alternative ways of sending the Assignment Request. These methods are made available on Stogit's website.
In case of activation of the alternative methods of sending the Assignment Request, The activities pertaining to the control of the participation requirements, the tabulation of offers, and the resulting assignment of space capacity shall be carried out by a Commission appointed by Stogit.

5) FLEXIBILITY SERVICES

5.1) Short-term Capacity Booking with Thermal Year started

The object of the booking is the short-term capacity made available by Stogit, through the PRISMA Platform, on a continuous basis for monthly, weekly, daily and intra-daily periods and on an interruptible basis for monthly, weekly and daily periods, as per chapter 2, paragraph 3.9 and the capacities subject to release by the SHIPPERS for assignment to third parties pursuant to chapter 6, paragraph 6.2.

5.1.1) Requirements for access to Short-term capacities

Shippers that apply for access to Short-term capacities must certify that they already have Storage capacity for the period in which access is requested, except for monthly short-term capacities for which Applicants must certify their compliance with the requirements set out in paragraph 2 above.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

5.1.2) Criteria for assigning short-term capacities

The booking of storage capacity is carried out through the PRISMA Platform by means of the "uniform price" auction procedure set out in Annex 5 to this chapter.

Stogit makes available the Short-term capacities indicated in this paragraph as indicated below:

a) Space, Injection Capacity and Withdrawal Capacity on a monthly, weekly and daily basis using the methods indicated in Annex 5 to this chapter;

b) Interruptible capacities on a monthly, weekly and daily basis using the methods indicated in Annex 5 to this chapter.

c) Withdrawal Capacity during the Withdrawal Phase on an intra-day basis: as per Annex 5 to this chapter.

Within the framework of each auction procedure, the party requesting continuous capacity or short-term interruptible capacity and meeting the requirements set out in paragraph 5.1.1 above, shall submit, through the PRISMA Platform, Requests for the assignment of continuous capacity within the 'continuous' auction session and the Requests for the assignment of interruptible capacity within the 'interruptible' auction session, indicating the minimum amount of capacity acceptable in the assignment phase in case of assignment of less capacity than the quantity object of the Assignment Request.

Assignment Requests submitted pursuant to this paragraph in each tender procedure shall be considered as a binding commitment of the entities to which at least the minimum amount of capacity acceptable in the assignment phase is allocated in the event of the assignment of less capacity than the amount subject to the Assignment Request.

In the framework of the assignment processes of Withdrawal Capacity during the Withdrawal Phase on a daily and intra-daily basis, the advance capacity referred to in Chapter 3, paragraph 3.3, letter b) is also made available according to the modalities set out in Annex 5 to this chapter.

5.1.3) Assignment of Short-term capacities

Shippers that apply for access to the Short-term capacities must enter, through the PRISMA Platform, their Assignment Request by:

- the deadline published by Stogit on its website and on the PRISMA Platform with regard to the monthly and/or weekly capacity assignment processes set out in Annex 5 to this chapter, normally equal to (i) the fifth working day before the beginning of the month for monthly capacity booking (ii) the second working day before the beginning of the weekend (Saturday-Sunday) for weekly capacity booking "weekends" and (iii) the first working day before the beginning of the week (Monday-Friday) for weekly capacity booking "working days";
- the deadline published by Stogit on its website and on the PRISMA Platform with regard to the monthly and/or weekly interruptible capacity assignment processes set out in Annex 5 to this chapter, normally equal to (i) the fifth working day before the beginning of the month for monthly capacity booking (ii) the second working day before the beginning of the weekend (Saturday-Sunday) for weekly capacity booking "weekends" and (iii) the first working day before the beginning of the week (Monday-Friday) for weekly capacity booking "working days";
- 3:30 and 7 p.m. of each Gas Day for the daily day-ahead capacity assignment processes indicated in Annex 5 to this chapter.
- 4:30 and 8 p.m. of each Gas Day for the interruptible daily day-ahead capacity assignment processes indicated in Annex 5 to this chapter;

- 11:00 a.m. and/or 1:00 p.m. and/or 3:00 p.m. and/or 5:00 p.m. on each Gas Day in respect of the intra-day assignment processes set out in Annex 5 to this Chapter.

If access to the PRISMA Platform is interrupted, Stogit will promptly inform the Shipper about the alternative methods for submitting the Assignment Request. These methods are made available on Stogit's website.

The Applicant can submit on the PRISMA Platform up to a maximum of 5 purchase offers on a continual basis, for each service, that he intends to purchase in the continuous assignment session - indicated in Annex 5 to this chapter - and the corresponding maximum purchase amount.

The Applicant can also submit on the PRISMA Platform up to a maximum of 5 purchase offers on an interruptible basis, for each service, that he intends to purchase in the interruptible assignment session - indicated in Annex 5 to this chapter - and the corresponding maximum purchase amount.

Assignment Requests are selected within the PRISMA Platform according to Annex 5.

Stogit makes available to the Shipper, through the functionalities of the Capacity Portal and of the PRISMA Platform, the result of the capacity booking of continuous and interruptible capacities, normally within 30 minutes from the deadline for the submission of the Assignment Requests; in any case, for monthly, weekly and daily capacity booking processes, the result of the 'continuous' session is made available to the Shipper before the deadline for the submission of Assignment Requests for the 'interruptible' session.

Stogit also makes available through the Capacity Portal the contractual addendum with the indication of the capacities assigned (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.

The aggregate outcome of the assignment procedures is published by Stogit on its web site within the work day following the end of the procedures, indicating the amount of Early capacity assigned.

5.2) Assignment of early/postponed fortnightly withdrawal capacities

5.2.1) Requirements for access to fortnightly withdrawal capacities

Shippers requesting access to the fortnightly withdrawal capacity must prove that they already own capacity for one of the Basic Storage Services.

Requests made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with paragraph 2.2.1 above of the Code, shall not be considered valid and shall therefore not be accepted.

5.2.2) Criteria for assigning fortnightly withdrawal capacities

Stogit determines the fortnightly withdrawal capacities pursuant to the procedure set out in Annex 8 to this chapter.

5.2.3) Assignment of fortnightly withdrawal capacities

Shippers requesting the access to the fortnightly withdrawal capacities shall send their assignment request according to the modalities set out in Annex 8 of this Chapter, within the deadlines published by Stogit on its website.

Applicants are entitled to indicate a purchase offer for fortnightly withdrawal capacities for each period of validity of a time coefficient referred to in Chapter 3, paragraph 2.6.2.

Stogit makes available to the Shipper the outcome of the assignment procedures, as defined in Annex 8 of this Chapter, and the contractual addendum with the indication of the assigned fortnightly delivery capacity (starting date, duration of the assignment and assignment charge). The contract addendum is an integral and substantive part of the Storage Contract.

The aggregate result of the assignment procedures is published by Stogit on its website together with the update of the overall available Withdrawal Capacity for the continuation of the Withdrawal Phase.

5 A1.2 - Guarantee letter form covering the obligations arising from the Storage Contract

OPTION 1

LETTER OF GUARANTEE ON FIRST DEMAND TO BE ISSUED TO THE BENEFICIARY
(on parent company letterhead)

Given that:

- The Company...(PARENT COMPANY)..... with registered office in..... Tax Code …….. VAT number ..... holds a controlling interest pursuant to Article 2359 of the Italian Civil Code in the Company..... (SHIPPER) ..... with registered office in ..... TAX CODE..... VAT.....
- Stogit S.p.A. has assigned to the Company ...(SHIPPER)... storage capacity for the thermal year .../.... and/or for the period between the thermal year .../... and the thermal year .../..., following an assignment request and as a result of a specific process;
- In order to proceed with the signing of the Storage Contract with the Company ....(SHIPPER)...., Stogit has requested the release in its favour of a first demand guarantee in accordance with the provisions of chapter 5, paragraph 2.2 of the Storage Code, to cover the obligations arising from the capacity booking, consisting of the payment of the charges referred to in the Storage Contract signed with Stogit and any other contractual relationship established between the SHIPPER and Stogit, as provided for in the Storage Code
- Having taken note of the provisions and regulations governing the assignment process, ... intends to issue the above-mentioned guarantee.

All that being said,

1) The undersigned ……(PARENT COMPANY)…… based in …… and with domicile elected for the purposes of this deed in ……..…, irrevocably undertakes to pay immediately to Stogit S.p.A., upon simple written request and without the need for any proof or justification, any exception removed and without the need for any prior notice, summons, formal notice or request to the Company…(SHIPPER)…, all amounts that Stogit S.p.A. will be required to claim in the above title up to the amount of Euro ……..(Euro……/….).
2) The guarantee can also be enforced more than once, until the maximum sum in the point 1 above is reached.

3) The undersigned ……(PARENT COMPANY)…… affirms that the provisions of articles 1955 and 1957 of the Italian Civil Code are not applicable to this guarantee, and renounces the right of recourse to said articles.

4) This guarantee ensures the fulfillment of all obligations assumed by the Company ... (SHIPPER)... under the Storage Contract signed with Stogit S.p.A. on ..... and accrued from the same date, both as charge, and as compensation or indemnity, and will be valid from the date of issue, expiring at the end of the ninth month following the end of the Thermal Year ...../....., and therefore 31 December 20.....

5) The Court of Milan has exclusive jurisdiction in the event of dispute regarding the interpretation, validity, effect, and enforcement of this guarantee.

Date and place STAMP AND SIGNATURE

Pursuant to Article 1341 of the Italian Civil Code the following points are specifically approved: 1) payment on simple request and waiver to oppose exceptions, 2) methods of enforcement, 3) waiver to make use of the provisions of Articles 1955 and 1957 of the Civil Code, 4) validity of the guarantee, 5) Jurisdiction.

Date and place STAMP AND SIGNATURE

OPTION 2 (selectable by the Shipper only for multi-year contracts)

LETTER OF GUARANTEE ON FIRST DEMAND TO BE ISSUED TO THE BENEFICIARY
(on parent company letterhead)

Given that:

- The Company.....(PARENT COMPANY)..... ..... with registered office in..... Tax Code …….. VAT No. ..... holds a controlling interest pursuant to Article 2359 of the Italian Civil Code in the Company (SHIPPER) ..... with registered office in ..... Tax Code..... VAT.....
- Stogit S.p.A. has assigned to the Company ...(SHIPPER)... storage capacity for the thermal year .../.... and/or for the period between the thermal year .../... and the thermal year .../..., following an assignment request and as a result of a specific process;
- In order to proceed with the signing of the Storage Contract with the Company ....(SHIPPER)...., Stogit has requested the release in its favour of a first demand guarantee in accordance with the provisions of chapter 5, paragraph 2.2 of the Storage Code, to cover the obligations arising from the capacity booking, consisting of the payment of the charges referred to in the Storage Contract signed with Stogit and any other contractual relationship established between the SHIPPER and Stogit, as provided for in the Storage Code
- Having taken note of the provisions and regulations governing the assignment process, ... intends to issue the above-mentioned guarantee.

All that being said,

1) The undersigned ……(PARENT COMPANY)…… based in …… and with domicile elected for the purposes of this deed in ……..…, irrevocably undertakes to pay immediately to Stogit S.p.A., upon simple written request and without the need for any proof or justification, any exception removed and without the need for any prior notice, summons, formal notice or request to the company…(SHIPPER)…, all amounts that Stogit S.p.A. will be required to claim in the above title up to the amount of Euro ……..(Euro……/….).
2) The guarantee can also be enforced more than once, until the maximum sum in the point 1 above is reached.
3) The undersigned ……(PARENT COMPANY)…… affirms that the provisions of articles 1955 and 1957 of the Italian Civil Code are not applicable to this guarantee, and renounces the right of recourse to said articles.
4) This guarantee ensures the fulfillment of all obligations assumed by the company ... (SHIPPER)... under the Storage Contract signed with Stogit S.p.A. on ..... and

accrued from the same date, both as charge, and as compensation or indemnity, and will be valid from the date of issue, expiring at the end of the ninth month following the end of the Thermal Year ...../....., and therefore 31 December 20.....

In relation to the capacity commitments for the multi-year storage service referred to in the foregoing, this guarantee is automatically renewed from year to year with corresponding postponement of the termination date to 31 December, without prejudice to the right of termination to be communicated to Stogit S.p.A. and, for information, to the Company .....(SHIPPER)..... in writing by .....(PARENT COMPANY).....)....., by registered letter with return receipt sent in advance to the PEC (certified e-mail) address .....[address@pec], at least four months before the end of the Thermal Year to which the guarantee refers, or of each subsequent Thermal Year for which the guarantee has been renewed. In the event of termination, this guarantee may be enforced - in accordance with the Storage Code - if the Shipper does not replace it with a new guarantee within the time limits set out in the Storage Code.

5) The Court of Milan has exclusive jurisdiction in the event of dispute regarding the interpretation, validity, effect, and enforcement of this guarantee.

Date and place STAMP AND SIGNATURE

Pursuant to Article 1341 of the Italian Civil Code the following points are specifically approved: 1) payment on simple request and waiver to oppose exceptions, 2) methods of enforcement, 3) waiver to make use of the provisions of Articles 1955 and 1957 of the Civil Code, 4) validity of the guarantee, 5) Jurisdiction.

Date and place STAMP AND SIGNATURE

5 A2.2 - Bank guarantee form covering the obligations arising from the Storage Contract

OPTION 1

TEXT OF BANK GUARANTEE TO BE ISSUED TO THE BENEFICIARY
(on the letterhead of the issuing bank)

Given that:

- The Company.....(SHIPPER)..... with registered office in..... Tax Code …….. VAT …….. has been assigned by Stogit S.p.A. storage capacity for the thermal year .../.... and/or for the period between the thermal year .../... and the thermal year .../..., following an assignment request and as a result of a specific process;
- In order to proceed with the signing of the Storage Contract with the Company ....(SHIPPER)...., Stogit has requested the release in its favour of a first demand guarantee in accordance with the provisions of chapter 5, paragraph 2.2 of the Storage Code, to cover the obligations arising from the capacity booking, consisting of the payment of the charges referred to in the Storage Contract signed with Stogit and any other contractual relationship established between the SHIPPER and Stogit, as provided for in the Storage Code
- Having taken note of the provisions and regulations governing the assignment process, ... intends to issue the above-mentioned guarantee.

All that being said,

1) The undersigned ……(BANK)…… based in …… and with domicile elected for the purposes of this deed in ……..…, irrevocably undertakes to pay immediately to Stogit S.p.A., upon simple written request and without the need for any proof or justification, any exception removed and without the need for any prior notice, summons, formal notice or request to the company…(SHIPPER)…, all amounts that Stogit S.p.A. will be required to claim in the above title up to the amount of Euro ……..(Euro……/….).
2) The guarantee can also be enforced more than once, until the maximum sum in the point 1 above is reached.
3) The undersigned ……(BANK)…… affirms that the provisions of articles 1955 and 1957 of the Italian Civil Code are not applicable to this guarantee, and renounces the right of recourse to said articles.
4) This guarantee ensures the fulfillment of all obligations assumed by the company ... (SHIPPER)... under the Storage Contract signed with Stogit S.p.A. on ..... and accrued from the same date, both as charge, and as compensation or indemnity, and

will be valid from the date of issue, expiring at the end of the ninth month following the end of the Thermal Year ...../....., and therefore 31 December 20.....

5) The Court of Milan has exclusive jurisdiction in the event of dispute regarding the interpretation, validity, effect, and enforcement of this guarantee.

Date and place STAMP AND SIGNATURE

Pursuant to Article 1341 of the Italian Civil Code the following points are specifically approved: 1) payment on simple request and waiver to oppose exceptions, 2) methods of enforcement, 3) waiver to make use of the provisions of Articles 1955 and 1957 of the Civil Code, 4) validity of the guarantee, 5) Jurisdiction.

Date and place STAMP AND SIGNATURE

OPTION 2 (selectable by the Shipper only for multi-year contracts)

TEXT OF BANK GUARANTEE TO BE ISSUED TO THE BENEFICIARY
(on the letterhead of the issuing bank)

Given that:

- The Company.....(SHIPPER)..... with registered office in..... Tax Code …….. VAT …….. has been assigned by Stogit S.p.A. storage capacity for the thermal year .../.... and/or for the period between the thermal year .../... and the thermal year .../..., following an assignment request and as a result of a specific process;
- In order to proceed with the signing of the Storage Contract with the Company ....(SHIPPER)...., Stogit has requested the release in its favour of a first demand guarantee in accordance with the provisions of chapter 5, paragraph 2.2 of the Storage Code, to cover the obligations arising from the capacity booking, consisting of the payment of the charges referred to in the Storage Contract signed with Stogit and any other contractual relationship established between the SHIPPER and Stogit, as provided for in the Storage Code
- Having taken note of the provisions and regulations governing the assignment process, ... intends to issue the above-mentioned guarantee.

All that being said,

1) The undersigned ……(BANK)…… based in …… and with domicile elected for the purposes of this deed in ……..…, irrevocably undertakes to pay immediately to Stogit S.p.A., upon simple written request and without the need for any proof or justification, any exception removed and without the need for any prior notice, summons, formal notice or request to the Company…(SHIPPER)…, all amounts that Stogit S.p.A. will be required to claim in the above title up to the amount of Euro ……..(Euro……/….).
2) The guarantee can also be enforced more than once, until the maximum sum in the point 1 above is reached.
3) The undersigned ……(BANK)…… affirms that the provisions of articles 1955 and 1957 of the Italian Civil Code are not applicable to this guarantee, and renounces the right of recourse to said articles.
4) This guarantee ensures the fulfillment of all obligations assumed by the company ... (SHIPPER)... under the Storage Contract signed with Stogit S.p.A. on ..... and accrued from the same date, both as charge, and as compensation or indemnity, and will be valid from the date of issue, expiring at the end of the ninth month following the end of the Thermal Year ...../....., and therefore 31 December 20.....

   In relation to the capacity commitments for the multi-year storage service referred to in the foregoing, this guarantee is automatically renewed from year to year with corresponding postponement of the termination date to 31 December, without

prejudice to the right of termination to be communicated to Stogit S.p.A. and, for information, to the Company ……(SHIPPER)…… in writing by …….(BANK)……., by registered letter with return receipt sent in advance to the PEC (certified e-mail) address ……. [address@pec], at least four months before the end of the Thermal Year to which the guarantee refers, or of each subsequent Thermal Year for which the guarantee has been renewed. In the event of termination, this guarantee may be enforced - in accordance with the Storage Code - if the Shipper does not replace it with a new guarantee within the time limits set out in the Storage Code.

5) The Court of Milan has exclusive jurisdiction in the event of dispute regarding the interpretation, validity, effect, and enforcement of this guarantee.

Date and place STAMP AND SIGNATURE

Pursuant to Article 1341 of the Italian Civil Code the following points are specifically approved: 1) payment on simple request and waiver to oppose exceptions, 2) methods of enforcement, 3) waiver to make use of the provisions of Articles 1955 and 1957 of the Civil Code, 4) validity of the guarantee, 5) Jurisdiction.

Date and place STAMP AND SIGNATURE

5 A2.3 - Extensive bank guarantee/letter of guarantee form (on the letterhead of the issuing bank/parent company)

To
Stogit S.p.A.
< address >
< Unit - reference person >

Subject: **Extension of the period of validity of the Bank Guarantee/Letter of Guarantee no. _____ issued by us on _____ in favour of STOGIT S.p.A. for €. _____ (_____) on behalf of the company _____(SHIPPER)_____ with registered office in _____ via _____ Tax Code _____ VAT _____ to cover the obligations arising from the Storage Contract.**

With reference to the Bank guarantee / Letter of Guarantee in question, we hereby declare, following the application of our Customer/Subsidiary _____, that said bank guarantee / letter of guarantee as per chapter 5, paragraph 2.2 of the Storage Code is to be considered now valid and operative covering the obligations deriving from the Storage Contract, related to the 20__-20__ Thermal Year and consequently, the validity of the guarantee is extended until 31 December following the end of the 20__-20__Thermal Year (31 December 20..).

To this end, the guaranteed amount of Euro …… (Euro……. /...) is confirmed,

Or

To this end, the amount guaranteed by it is increased from Euro ……... (Euro ……/…) to Euro ...…... (Euro ……/…).

Accordingly, the validity of the Bank Guarantee/Letter of Guarantee itself shall be extended to 31 December 20.... inclusive, (such term to coincide with the last day of the ninth month following the termination of the effects of the new Storage Contract for the thermal year 20...../20.....).

All additional terms and conditions contained in the original deed of bank guarantee/letter of guarantee remain firm and unchanged; this deed is to be considered appendix and part and parcel thereof.

Date and place STAMP AND SIGNATURE

5 A2.4 - Bank guarantee/letter of guarantee increase/decrease form (on the letterhead of the issuing bank/parent company)

To
Stogit S.p.A.
< address >
< Unit - reference person >

Subject: **Increase/decrease in the Bank Guarantee/Letter of Guarantee no. _____ issued by us on _____ in favour of STOGIT S.p.A. for €. _____ (_____) on behalf of the company _____(SHIPPER)_____ with registered office in _____ via _____ Tax Code _____ VAT _____ to cover the obligations arising from the Storage Contract.**

With reference to the Bank Guarantee/Letter of Guarantee identified above we hereby intend, following the request of our Customer/Subsidiary _____, that such bank guarantee/letter of guarantee valid and active to cover the obligations arising from Storage Contract for Thermal Year 20__- 20__ be increased/decreased in accordance with chapter 5 paragraph 2.2 of the Storage Code, as shown below.

To this end, the amount guaranteed by it is increased from Euro ……... (Euro ……/…) to Euro ....…... (Euro ……/…).

Or

To this end, the amount guaranteed by it is reduced from Euro ....…... (Euro ……/…) to Euro ....…... (Euro ……/…).

The operational effectiveness of the reduction is subject to acceptance by STOGIT by returning a countersigned copy of this form.

All additional terms and conditions contained in the original deed of bank guarantee/letter of guarantee remain firm and unchanged; this deed is to be considered appendix and part and parcel thereof.

Date and place STAMP AND SIGNATURE

5 A2.5 Certification of non-interest-bearing security deposit

To
UTENTE

Subject: **Certification of the non-interest-bearing security deposit to guarantee the Contract [xxx]** (indicate Storage Contract) **for Thermal Year 20../20**

We hereby confirm that we have received, with value date dd/mm/year, the amount of Euro…… (Euro……/…..) paid by you as non-interest bearing security deposit in accordance with Chapter 5, paragraph 2.2, of the Stogit Storage Code.

The security deposit in question, valid and effective, is intended to cover the obligations arising from the capacity booking, consisting of the payment of the fees referred to in the Storage Contract signed with Stogit and any other contractual relationship established between the SHIPPER and Stogit, as provided in the Storage Code

We confirm that, in the event of default, you will be formally notified in advance of the use of the security deposit to settle our overdue and unpaid invoices.

Yours sincerely,

5 A4 - Auction procedures for storage capacity booking for services assigned through competitive tendering procedures, pursuant to the RAST.

Uniform price auction procedure

This paragraph describes the selection criteria for Storage Capacity Booking Requests within the framework of the capacity booking process described in Chapter 5, paragraph 4.6.

The uniform price auction procedure consists of a single assignment process in which Applicants can submit Capacity Booking Requests through the PRISMA Platform, in terms of both price and quantity.

Stogit makes available for booking storage capacities valued at a price defined on the basis of the provisions of Article 15.4 of the RAST ("reserve price").

The uniform price auction procedure is conducted as follows:

a) the Requests are ordered for assignment in order of economic merit, starting with the Requests with the highest unit purchase charge.
b) Requests for assignment the associated charge of which is not less than the reserve price will be assigned, until the amount of capacity available for assignment has been reached;
c) where there are two or more Requests for Assignment with equal charge, if the relevant quantity cannot be satisfied by the residual capacity made available by Stogit for the assignment, the Requests for Assignment shall be assigned in proportion to the quantities covered by each Request for Assignment;
d) the assignment charge of the auction procedure is equal to the charge indicated in the last Request for Assignment assigned;

Offer price auction procedure

This paragraph describes the selection criteria for Storage Capacity Booking Requests within the framework of the capacity booking processes referred to in Chapter 5, paragraphs 4.4, 4.6, 4.7 and 4.8.

The offer price auction procedure consists of a single assignment process in which Applicants may submit Capacity Booking Requests through the PRISMA Platform, in terms of both price and quantity.

Stogit makes available for booking storage capacities valued at a price defined on the basis of the provisions of Article 15.4 of the RAST ("reserve price").

The offer price auction procedure is conducted as follows:

a) the Requests are ordered for assignment in order of economic merit, starting with the Requests with the highest unit purchase charge.
b) Requests for assignment the associated charge of which is not less than the reserve price will be assigned, until the amount of capacity available for assignment has been reached;
c) where there are two or more Requests for Assignment with equal charge, if the relevant quantity cannot be satisfied by the residual capacity made available by Stogit for the assignment, the Requests for Assignment shall be assigned in proportion to the quantities covered by each Request for Assignment;
d) the assignment charge of the auction procedure is equal to the charge indicated in the Request for Assignment assigned in the same procedure;

5 A5 - Method for the assignment of short-term capacities

The procedures for assigning Short-term capacities on a monthly, weekly daily and intra-daily basis, concern the Short-term capacities described in chapter 3, paragraph 3.1 of the Storage Code, as indicated in the following table:

Procedure	Continuous session	Interruptible session
Monthly	• Primary Space, Injection and Withdrawal capacities	• First-level interruptible Injection and Withdrawal capacities.
Weekly work days	• Primary Space, Injection and Withdrawal capacities • Secondary Injection and Withdrawal capacities	• First-level interruptible Injection and Withdrawal capacities.
Weekly weekend	• Primary Space, Injection and Withdrawal capacities; • Secondary Injection and Withdrawal capacities	• First-level interruptible Injection and Withdrawal capacities.
Daily day ahead - 15:30	• Primary Injection and Withdrawal capacities	• First-level interruptible Injection and Withdrawal capacities.
Daily day ahead - 19:00	• Primary Injection and Withdrawal capacities • Not otherwise usable Injection and Withdrawal capacities • Secondary Injection and Withdrawal capacities • Early Withdrawal capacities	• First-level interruptible Injection and Withdrawal capacities • Second-level interruptible Injection and Withdrawal capacities
Daily Intra-Day	• Intra-day Withdrawal capacities • Early Withdrawal capacities	

Stogit makes available to Shippers, through the PRISMA Platform functionalities, the amount of primary capacity, of not otherwise usable capacity and of interruptible capacity subject of bids in the short-term capacity booking procedures.

The SHIPPER can:

1) submit an assignment request as laid down in chapter 5 paragraph 5.1 of the Storage Code;
2) release its capacities to Stogit for assignment to third parties, as laid down in chapter 8, paragraph 2 of the Storage Code;
3) request to Stogit the reduction of the provision of Withdrawal at a later date for the purpose of capacity booking to third parties in advance, in accordance with chapter 8, paragraph 2 of the Storage Code.

Stogit combines its own offer, together with the Capacities released by the Shippers considered valid as per points 2) and 3) (hereinafter sales offers), with the assignment requests as per point

1) above (hereinafter purchase offers). The booking of short-term storage capacity is carried out within the PRISMA Platform through the uniform charge auction procedure described below.

Organisation of procedures for assigning short-term capacities

The assignment procedures for short-term capacities are carried out in two separate sessions (continuous and interruptible), divided according to the type of capacity offered (Space, Injection capacity, Withdrawal capacity).

The charge for sales offers related to the continuous session, i.e. the base price for short-term continuous capacity booking is:

(i) determined by Stogit for primary Space capacity, for the assignment and use of this Capacity;

(ii) determined by Stogit, for Primary Injection and Withdrawal Capacity;

(iii) equal to 0 c€/KWh, for not otherwise usable Injection and Withdrawal capacity;

(iv) equal to the amount indicated by the Shippers according to chapter 6, paragraph 6.2.2 for Withdrawal performance reduction requests at a later time for the purpose of Capacity booking in advance to third parties; according to paragraph 16.4 of the RAST, Stogit can associate to the Capacity in advance a cost function, additional to the amount indicated by the Shippers, such as to ensure that the value of the capacity in advance reflects the risk, also prospective, related to its use. Stogit will publish the value of this cost function and its method of application on its web site well before the assignment procedure is carried out;

(v) the charge indicated by the Shippers as per chapter 8, paragraph 2, for secondary Injection and Withdrawal capacities;

The charge for sales offers related to the interruptible session, i.e. the base price for short-term interruptible capacity booking is:

(vi) equal to the charges indicated in points (i) and (ii) above multiplied by a coefficient of β[1], for first-level interruptible Injection and Withdrawal Capacity;

(vii) equal to 0 c€/KWh for second-level interruptible Injection and Withdrawal capacity.

If the overall quantity of Withdrawal performance reduction requests at a later time for the purpose of Capacity booking in advance to third parties as per chapter 8, paragraph 2 of the Storage Code exceeds the overall early capacity constraint indicated by Stogit when the capacity offer is published on SAMPEI, Stogit will exclude the performance reduction requests on the basis of the order of economic value (minimum charge for highest sale) from the

[1] Equivalent, respectively, to: 0.8 for capacities on a monthly basis; 0.8 for those on a weekly basis; 0.9 for those on a daily basis

continuous assignment session, applying a pro-rata criterion if several performance reduction requests at the same minimum sales charge are present. For the purposes of exclusion, performance reduction requests shall be subject to the performance conversion coefficients differentiated according to the day/period of the Withdrawal Phase to which the reduction refers, as made available by Stogit through the functionalities of its Portal.

Uniform charge auction procedure

The uniform charge auction procedure takes place on the PRISMA platform as follows:

a) the sales offers are ranked in order of economic value, starting with the lowest unit charge offered;
b) purchase offers are ranked in order of economic value, starting with the highest unit purchase charge offered;
c) the sale and purchase offers referred to in (a) and (b) above shall be assigned in such a way as to maximise the net value of the assignment as a result of the procedure, equal to the difference between the total value of the purchase offers and the total value of the sales offers, determined as the product of the respective purchase/sale charges and the respective quantities, provided that the quantity covered by the assigned sales offers is equal to the quantity covered by the assigned purchase offers;
d) where there are two or more sales offers with equal unit charge, the following order of priority shall be taken into account for the purposes of the assignment:
    1. Primary capacities;
    2. Capacities not otherwise usable;
    3. Secondary capacities;
    4. Early Withdrawal capacities;
e) where there are two or more sales offers with equal priority as referred to in subparagraph (d) and equal unit charge, if the relevant quantity cannot be satisfied by the remaining purchase offer(s) for the assignment, the sales offers shall be assigned in proportion to the quantities covered by each sales offer;
f) where there are two or more purchase offers with equal unit charge, if the relevant quantity cannot be satisfied by the remaining purchase offer(s) for the assignment, the purchase offers shall be assigned in proportion to the quantities covered by each purchase offer;
g) in the event that a purchase offer is selected for a quantity of capacity that is less than the minimum acceptable quantity of capacity indicated by the Applicant in accordance with Chapter 5, paragraph 5.1, the purchase offer shall not be selected for assignment and the remaining quantity of capacity available for assignment shall be assigned:
    - to Applicants who have submitted purchase offers at an equal unit charge, in accordance with the procedures set out in letter b) above; or, if such offers cannot be satisfied by the remaining capacity available for assignment
    - to Applicants who have submitted successive purchase offers in descending order of price;
h) the assignment charge of the auction procedure is equal to the charge of the last purchase offer accepted;

i) the purchase and sales offers resulting from each auction process are remunerated at the assignment charge referred to in letter h); the sale offers relating to the Withdrawal performance reduction at a later time for the purpose of advance capacity bookings to third parties that result assigned at the end of each auction process are remunerated at the assignment charge referred to in letter h), net of any cost function referred to in point (iv) above.

Outcomes of the procedure

Stogit communicates, through the functions of the Capacity Portal and of the PRISMA Platform, the storage capacity assigned to each Shipper as a result of the auction process and the related remuneration charge determined as a result of the uniform charge auction procedure.

The Short-term capacities assigned following the continuous session and the interruptible session are recorded in the warehouses indicated by the SHIPPER in the Assignment Request or release of capacities and will be invoiced using the method indicated in Chapter 16.

Following the continuous and interruptible assignment session of the "day ahead – 19:00" daily procedure, the Injection and Withdrawal capacities assigned are considered automatically renominated, as laid down in chapter 6, paragraph 3.5.1.

At the end of the continuous assignment session of the intra-day procedures, the Withdrawal capacity assigned is automatically renominated, as laid down in chapter 6, paragraph 3.6.

5 A8 - Procedure form for fortnightly withdrawal capacity assignment

This procedure ("Procedure") describes the general terms and conditions for fortnightly withdrawal capacity assignment through competitive bidding referred to in chapter 3, paragraph 3.3 of the Storage Code. For anything not expressly provided for in the Procedure, reference is made to the provisions and detailed forms published by Stogit on its website.

1.1 Subject

The following are the subject of the Procedure:

- Primary and secondary fortnightly withdrawal capacities;
- Early fortnightly withdrawal capacities;
- Postponed fortnightly withdrawal capacities.

as referred to in Chapter 3, paragraph 3.3 of the Storage Code.

The auction schedule for the [YYYY/YYYY] Thermal Year ("Calendar") and any changes thereto shall be published by Stogit on its website in the section Business & Services > […….].

Participants in the Procedure are entitled to:

- submit a request for the fortnightly withdrawal capacity assignment for one of the periods of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code ("Separate Purchase Offer"), in accordance with chapter 5, paragraph 5.2 of the Code and/or;

- request from Stogit the reduction of the fortnightly withdrawal performance for assignment to third parties, for one of the periods of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code ("Separate Sales Offer"), in accordance with the provisions of chapter 8, paragraph 2 of the Code and/or;

- submit a request for Fortnightly withdrawal capacity assignment and the simultaneous reduction of the fortnightly withdrawal performance relating to different periods of validity of a time coefficient as per chapter 3, paragraph 2.5.2 of the Code ("Combined Offer").

STOGIT publishes with reference to each auction session, on its website, in the section Business & Services > [.....], the details of the offer for the fortnightly withdrawal capacity assignment ("Stogit Offer") containing:

- the deadlines related to the auction (deadline for delivery of offers, timing of the announcement of results, etc.);
- the time periods to which the separate and combined Offers may refer (the validity periods of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code);
- the quantity of primary fortnightly withdrawal capacity offered, expressed in KWh/d for a fortnightly period;

- the matrix containing the time conversion ratio of the withdrawal performance ("Conversion Matrix"). This ratio indicates the change in the withdrawal performance as a function of the early or postponed utilisation of the withdrawal capacity referred to in MD 22/02/2018 and subsequent regulatory measures;
- the maximum limits of withdrawal Capacities that in total may be subject to early or postponed use for each period of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code ("Maximum Limits"), depending on the withdrawal capacities subject to assignment to the Shippers and taking into account the withdrawal performance referred to in Article 3, paragraph 2, of MD 22/02/2018 and subsequent regulatory provisions;
- the additional cost function of the charges referred to in the Purchase/Sales Offers to cover the risk, also prospective, connected to the early or postponed use of the withdrawal capacity referred to in Ministerial Decree 22/02/2018 and subsequent regulatory measures ("Cost Function").

1.2 Requirements for participation

Participation in the auction assignments indicated in the procedure is allowed impartially and on equal conditions for all parties in possession of the Storage Capacity for one of the Basic Storage Services ("Shippers").

Each Shipper, through the submission of a separate or combined offer according to the form published on the Stogit website, within the deadline referred to in article 1.3 of the Procedure, shall certify the payment of all amounts invoiced and due at the date of the request, exceeding the value of the guarantees issued to cover the obligations arising from contracts previously entered into with Stogit.

The Shipper submits the documentation proving the possession of the "minimum rating" or a letter of guarantee/bank guarantee/extension of an existing letter of guarantee/bank guarantee or a security deposit as provided for in chapter 5, paragraph 2.2 of the Storage Code according to the forms in Annexes 5 A1.2, 5A2.2 and, 5A2.3 and 5 A2.4 ("Guarantee(s)") of the Storage Code.

Offers made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with chapter 5, paragraph 2.2.1 of the Code, shall not be considered valid and shall therefore not be accepted.

The submission of a separate Sales Offer or of a Combined Offer implies a request by the Shipper to Stogit for the reduction of the withdrawal performance for the purpose of the assignment to third parties of the early fortnightly withdrawal Capacity. Such request shall entail a change in the Withdrawal Performance available to the Shipper during the period of the decrease in performance. The request for reduction of the Performance shall entail the registration on the PSV system of a sale transaction by the Shipper in favour of Stogit, on the days and for quantities equal to the amount indicated by the Shipper when requesting the reduction, also taking into account the coefficients referred to in the Conversion Matrix.

Stogit is authorised by the Shipper to enter the aforementioned transactions at the PSV in the name and on behalf of the Shipper; for the successful completion of the aforementioned transaction, the Shipper shall take care to maintain the necessary amount of its guarantees to cover the system's exposure to the Shipper referred to in article 10 of the TIB.

On the Gas Day of execution of such transactions at the PSV, Stogit carries out Re-booking in Injection for quantities equal to the quantity subject to the transactions at the PSV in order to reduce the withdrawal performance of the storage system; on the following Gas Day, Stogit, through a transfer of gas into storage in favour of the Shipper, transfers to the Shipper the quantity previously injected; Stogit is authorised by the Shipper to carry out this transfer of gas in storage.

The operating procedures and billing schedules relating to the transaction of gas at the PSV and the subsequent transfer of gas in storage are made available by Stogit on its website.

1.3 Purchase/sales offer of fortnightly capacity

In the context of the Procedure, the Shipper may submit a separate purchase/sales Offer and/or a Combined Offer.

The separate purchase/sales Offer must be submitted by the Shipper within the time frame indicated in the Stogit Offer and according to the detailed provisions and forms made available by Stogit on its website. Failure to comply with the provisions of the Procedure or the aforementioned provisions/forms shall constitute grounds for exclusion from the Procedure.

In each separate Purchase/Sales Offer, the Shipper shall indicate only the amount of fortnightly withdrawal Capacity it intends to purchase/reduce for each period of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code. The separate purchase/sales offer is irrevocable, under penalty of inadmissibility.

The amount of fortnightly withdrawal capacity is expressed in kilowatt-hours/day [KWh/d] for a period of fortnightly duration.

The Shipper associates a charge (expressed in Eurocent/kilowatt-hour/day [€cent/KWh/d]) to each of the separate Purchase/Sales Offers, which is:

- the maximum unit charge for the purchase of the requested Fortnightly withdrawal Capacity, i.e
- the minimum unit charge for the reduction of the fortnightly withdrawal Capacity offered for sale.

The charges must be positive and rounded to the sixth decimal place. Said charges do not include VAT.

The combined offer must be submitted by the Shipper within the time frame indicated in the Stogit Offer and according to the detailed provisions and forms made available by Stogit on its website. Failure to comply with the provisions of the Procedure or the aforementioned provisions/forms shall constitute grounds for exclusion from the Procedure.

In each Combined Offer, the Shipper indicates the quantity of fortnightly withdrawal capacity it holds that it intends to reduce and the simultaneous quantity of fortnightly withdrawal capacity it intends to purchase for the validity periods of the time coefficients referred to in chapter 3, paragraph 2.5.2 of the Code. The quantity of Fortnightly withdrawal Capacity purchased must be equal to the quantity subject to reduction. The Combined Offer is irrevocable, under penalty of inadmissibility.

The amount of fortnightly withdrawal capacity is expressed in kilowatt-hours/day [KWh/d] for a period of fortnightly duration.

To each of the Combined Offers, the Shipper associates a maximum unit charge (expressed in Eurocent/kilowatt-hour/day [€cent/KWh/d]) for the purchase of the fortnightly withdrawal Capacity and the simultaneous reduction of the fortnightly withdrawal Capacity in different periods of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code. Such charge must be greater than or equal to the Cost Function made available by STOGIT in the Stogit Offer; failure to comply with the aforementioned provision constitutes grounds for exclusion of the combined Offer from the Procedure. Said charge does not include VAT.

For each assignment process, the deadline for the submission of the Separate purchase/sales offers and and Combined offers is indicated in the Calendar and in the Stogit Offer.

Participating Shippers meeting the requirements set out in point 1.2 above are required to submit

a. Separate purchase/sales offer (Annex 1); and/or

b. Combined purchase/sales offer (Annex 2);

according to the procedures made available by Stogit on its website in the section Business & Services > [.....].

1.4 Viewing Offers

Once the deadline for the submission of the Offers indicated in the Calendar and in the Stogit Offer has expired, Stogit will be enabled to view the Separate purchase/sales offers and Combined offers and will tabulate the Offers received.

The activities pertaining to the control of the participation requirements, the tabulation of offers, and the resulting fortnightly withdrawal capacity assignment shall be carried out by a Commission appointed by Stogit. Therefore on that occasion the correctness, completeness and compliance with the time limits of sending/delivering the documents will be verified, pursuant to point 1.3. If the verification is negative, the separate purchase/sales offer and/or the combined offer shall be invalid and therefore, shall not be considered for the purpose of the assignment referred to in the Procedure.

Offers made by the Shipper that exceed, even in part, the limits of the Shipper's Offers in accordance with chapter 5, paragraph 2.2.1 of the Code, shall not be considered valid and shall therefore not be accepted.

For the purpose of the acceptability of the Separate sales offers and Combined offers, the Commission shall verify that the Shipper has sufficient guarantees to cover the system exposure to the Shipper referred to in Article 10 of the TIB, for the purpose of registering the transaction at the PSV referred to in paragraph 1.2 above; in the event that the Shipper does not have sufficient guarantees, the Offer shall be considered invalid and shall not be considered for the purpose of the assignment referred to in the Procedure.

Moreover, separate purchase/sales offers and/or combined offers relating to periods that are not compatible with the validity periods of the time coefficients under chapter 3, paragraph 2.5.2 of the Code or which exceed the Maximum Limits, as made available in the Stogit Offer, shall not be considered valid for the purposes of the assignment under the Procedure.

1.5 Assignment of Offers

1.5.1 Phase 1 assignment - Separate purchase/sales offers

Stogit shall combine the Separate purchase offers deemed acceptable under this Procedure with the Separate sales offers deemed acceptable under this Procedure as follows.

With reference to each period of validity of the time coefficients referred to in chapter 3, paragraph 2.5.2, Stogit shall arrange the separate purchase offers in decreasing order with respect to the maximum unit charge offered in purchase and shall arrange the separate sales offers in increasing order with respect to the minimum unit charge offered in sale.

The assignment charge for the fortnightly withdrawal Capacities relating to each period of validity of the time coefficients referred to in chapter 3, paragraph 2.5.2, is equal to the charge of the last accepted Separate sales offer, and only the fortnightly withdrawal Capacities subject to Separate sales offers whose minimum sale charge is not higher than the assignment charge shall be assigned.

If, for the assignment charge, there are two or more Separate purchase offers with the same maximum unit purchase charge whose sum, in quantitative terms, is higher than the last separate sales offer assigned, the quantity of assigned Fortnightly withdrawal capacities referred to the Separate purchase offers shall be determined according to a pro-rata mechanism.

If, for the assignment charge, there are two or more Separate sales offers with the same minimum unit sales charge whose sum, in quantitative terms, is higher than the last separate purchase offer assigned, the quantity of assigned Fortnightly withdrawal capacities referred to the Separate sales offers shall be determined according to a pro-rata mechanism.

1.5.2 Phase 2 assignment - Residual separate purchase/sales offers

Stogit shall combine the unassigned separate purchase offers and the unassigned separate sales offers as a result of Phase 1 assignment as per point 1.5.1 of the Procedure, on the basis of the following.

Separate purchase offers are ordered in decreasing order with respect to the maximum unit charge offered and separate sales offers are ordered in increasing order with respect to the minimum unit charge (the only order of economic value for all the periods of validity of the time coefficients referred to in chapter 3, paragraph 2.5.2 of the Code); for the purposes of the order, the maximum unit purchase charge and the minimum unit sale charge of the separate offers are increased by the Cost Function, made available by STOGIT in the Stogit Offer.

For the purpose of the assignment, the fortnightly withdrawal Capacity subject to the Separate purchase/sales offers is divided into the "Postponed" and "Early" sessions. In the "Postponed" session, offers are considered for the reduction of performance for the first period of validity of a time coefficient referred to in Chapter 3, paragraph 2.5.2 against the increase of performance in one of the subsequent periods of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2. In the "Early" session, offers are considered for the increase of performance for the first period of validity of a time coefficient referred to in Chapter 3, paragraph 2.5.2 against the reduction of performance in one of the subsequent periods of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2.

In the "Postponed" and "Early" assignment sessions, in the event that the amount of the fortnightly withdrawal Capacity object of the total of the separate purchase/sales Offers exceeds, for each period of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code, the Maximum Limit made available by Stogit at the time of publication of the Stogit Offer (hereinafter "Congestion"), Stogit shall proceed to exclude from the assignment the fortnightly withdrawal Capacity object of the Offers on the basis of the order of economic value (lowest maximum purchase charge with reference to the Purchase Offers and highest minimum sale charge with reference to the Sale Offers), applying a pro-rata criterion in the case in which there are more Offers at the same maximum purchase charge or minimum sale charge.

The assignment charge of the "Postponed" and "Early" sessions is equal to the charge of the last accepted Purchase Offer increased by the relevant Cost Function, except as specified below, and only the fortnightly capacities subject to Sale Offers whose minimum sale charge, increased by the relevant Cost Function, is not higher than the assignment charge, shall be assigned.

In the event that during the "Postponed" session, for one or more periods of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code a Congestion condition occurs, the assignment charge for the Purchase Offers relating to periods subject to Congestion shall be equal to the charge of the last accepted Purchase Offer increased by the relevant Cost Function.

In the event that during the "Early" session, for one or more periods of validity of a time coefficient referred to in chapter 3, paragraph 2.5.2 of the Code a Congestion condition occurs, the assignment charge for the Sales Offers relating to periods subject to Congestion shall be equal to the charge of the last accepted Sales Offer increased by the relevant Cost Function.

If, for the assignment charge, there are two or more purchase offers with the same maximum unit purchase charge whose sum, in quantitative terms, is higher than the last sales offer assigned, the quantity of assigned Fortnightly withdrawal capacities referred to the Separate purchase offers shall be determined according to a pro-rata mechanism.

If, for the assignment charge, there are two or more sales offers with the same minimum unit sales charge whose sum, in quantitative terms, is higher than the last purchase offer assigned, the quantity of assigned Fortnightly withdrawal capacities referred to the sales offers shall be determined according to a pro-rata mechanism.

1.5.3 Phase 3 assignment - Combined offers

Stogit shall assign the Combined Offers deemed acceptable under this Procedure in compliance with the Maximum Limits made available by Stogit at the time of publication of the Stogit Offer, on the basis of the following.

Combined Offers are ordered in descending order with respect to the maximum unit charge offered; for assignment purposes, Stogit shall proceed to exclude the fortnightly withdrawal Capacity object of the Combined Offers on the basis of the order of economic value (lowest maximum purchase charge).

The assignment charge is equal to the charge of the last accepted Combined Offer, unless a Congestion condition occurs for one or more of the periods of validity of a time coefficient

referred to in chapter 3, paragraph 2.5.2 of the Code; in such a case, the assignment charge for the Combined Offers is equal to the charge of the last accepted Combined Offer relating to the period subject to Congestion.

If, for the assignment charge, there are two or more combined offers with the same maximum unit purchase charge whose sum, in quantitative terms, is higher than the Maximum Limit made available by Stogit at the time of publication of the Stogit Offer, the quantity of assigned fortnightly withdrawal Capacity referred to the Combined Offer shall be determined according to a pro-rata mechanism.

1.6 Outcomes of the Procedure

Notification of the assignment will take place within the time limit indicated in the Calendar and in the Stogit Offer. Said notification is an addendum to the Storage Contract for the [YYYY/YYYY] Thermal Year of which it forms an integral part.

Stogit shall proceed with the updating of the contractual capacities available to the Shipper who is assignee of fortnightly withdrawal capacities according to this Procedure, taking into account the Conversion Matrix. In particular, Stogit:

- for the Separate purchase offers assigned as a result of the assignment Phase 1 referred to in point 1.5.1 of the Procedure
    - shall increase the withdrawal Performance available to the assignee Shippers during the period covered by the Purchase Offer, by an amount equal to the assigned Fortnightly withdrawal Capacity under the Purchase Offer;
- for the Separate sales offers assigned as a result of the assignment Phase 1 referred to in point 1.5.1 of the Procedure

    shall register on the PSV system a transaction in sale by the Shipper in favour of Stogit as per paragraph 1.2 above, on the days and for the quantities covered by the assigned Sales Offer. Stogit is authorised by the Shipper to enter the aforementioned transactions at the PSV in the name and on behalf of the Shipper. On the following Gas Day, Stogit, by means of a transfer of gas in storage in favour of the Shipper, transfers to the Shipper the quantity subject to the transaction at the PSV; Stogit is authorised by the Shipper to execute such transfer of gas in storage

- for purchase Offers assigned as a result of Phase 2 and Phase 3 of the assignment, as per points 1.5.2 and 1.5.3 of the Procedure
    - shall increase the withdrawal Performance available to the assignee Shippers during the period covered by the Purchase Offer, by an amount equal to the assigned Fortnightly withdrawal Capacity under the Purchase Offer multiplied by the relevant coefficient set forth in the Conversion Matrix;
- for sales Offers assigned as a result of Phase 2 and Phase 3 of the assignment, as per points 1.5.2 and 1.5.3 of the Procedure
    - shall register on the PSV system a transaction in sale by the Shipper in favour of Stogit as per paragraph 1.2 above, on the days and for the quantities covered

by the assigned Sales Offer, taking into account the corresponding coefficients referred to in the Conversion Matrix.
Stogit is authorised by the Shipper to enter the aforementioned transactions at the PSV in the name and on behalf of the Shipper. On the following Gas Day, Stogit, by means of a transfer of gas in storage in favour of the Shipper, transfers to the Shipper the quantity subject to the transaction at the PSV; Stogit is authorised by the Shipper to execute such transfer of gas in storage

The assigned fortnightly withdrawal Capacities will be booked in the warehouses indicated by the Shipper in the Purchase Offer. The assigned Sales Offers do not entail a change in the withdrawal Capacity available to the Shipper during the period of the reduction in performance.

STOGIT shall publish on its website the capacities assigned under in the Procedure with the detail of the capacities offered and assigned and the assignment charge.

For the purposes of the economic adjustment of the Offers assigned as a result of Phase 1 and Phase 2 of the assignment, as per points 1.5.1 and 1.5.2 of the Procedure, Stogit shall proceed to:

- invoice to the Shippers whose Purchase Offer has been assigned an amount equal to the quantity of fortnightly withdrawal Capacity assigned multiplied by the assignment charge;
- pay to the Shippers whose Sales Offer has been assigned an amount equal to the quantity of fortnightly withdrawal Capacity object of the assignment multiplied by the assignment charge; for the Offers assigned as a result of Phase 2 as per paragraph 1.5.2 the assignment charge is decreased by the Cost Function, as made available by Stogit in the Stogit Offer.

For the purpose of the economic regulation of the Combined Offers assigned as a result of the assignment Phase 3, as per point 1.5.3 of the Procedure, Stogit shall invoice the Shippers whose Combined Offer has been assigned an amount equal to the quantity of fortnightly withdrawal capacity assigned multiplied by the assignment charge.

1.7 Miscellaneous

Stogit reserves the right to publish, even without prior notice, notices regarding the Procedure, the Calendar and the Stogit Offer, which will appear respectively in the sections of the website Business & Services > [.....]. Such notices are also notified to Shippers through the Portal.

Every Shipper involved in this Procedure should therefore visit the Stogit web site regularly.

PROVISION OF THE STORAGE SERVICE

Chapter 6 ("Injection and withdrawal booking and commitments") describes the existing mutual obligations between Stogit and Shippers concerning planning the quantities to be injected in/withdrawn from the Storage System, in order to ensure its safe and efficient management. The timing, features and constraints for the preparation of the operational planning of the storage capacity by Shippers are also described.

Chapter 7 ("Balancing and storage replenishment") describes how the balancing system is managed, so as to ensure the safe and orderly operation of the Storage System. The balancing system is divided into operating balance for the proper operation of the storage facilities in coordination with the Head of Balance, and economic balance, for the proper accounting and assignment of the Gas in the Storage System.

Lastly, the following is described:

- the charges for exceeding the injection and withdrawal volume bands;
- how to apply for and use the Strategic Gas;
- the procedures used to assign of the Injection and Withdrawal consumption and electricity consumption and excise duties.

Chapter 8 ("Capacity and gas transactions") describes the procedures for executing bilateral capacity and gas trades between Shippers as well as capacity releases to Stogit for assignment to third parties.

Chapter 9 ("Gas Measurement") clarifies the procedures and the process for determining and validating the amount of Gas withdrawn from or injected into the Storage System.

Chapter 10 ("Gas Quality") clarifies the parameters and quality specification of the Gas, to ensure the integrity and safety of the storage facilities.

Chapter 11 ("Injection and Withdrawal Pressures") clarifies the pressures at the Gas Delivery and Redelivery Points so as to ensure that the storage plants run correctly and to inject and withdraw the quantities of Gas required by the Shippers.

INJECTION AND WITHDRAWAL BOOKING AND COMMITMENTS

1) INTRODUCTION

Stogit delivers the amounts of Gas under the ownership of its Shippers to SRG and the latter delivers them to Stogit for the purposes of being used by those Shippers of the Storage Services.

Except for the cases in which Stogit acquires the property of the gas in accordance with and for the purposes indicated in chapter 3, paragraph 4.1 and chapter 16, paragraph 5.5, for the duration of the Contracts for the Storage Services, the Gas remains in the ownership of the Shipper and is kept by Stogit for the sole purpose of providing the Storage Service.

The Shipper may use, every Gas Day, the Injection Capacities and Withdrawal Performance, as set out in the paragraphs below in this chapter, after the initial assignment and any subsequent trading as per this Code that should happen during the Thermal Year.

If the Space should be exceeded, the Shipper does not dispose of Injection Performance; nor does it dispose of Withdrawal Performance if it uses more Gas than the amount under its ownership.

The quantity of gas that can be withdrawn by the Shipper or traded within the sphere of the gas trading discussed in chapter 8 does not include the quantity of gas in guarantee in favour of the Balancing Manager mentioned in chapter 3, paragraph 4.1.

With the exception of the balancing charges as per chapter 7, Stogit will inform the MSE and the Authority, also for the purposes of adopting the provisions of MD 26/09/01, if a consistent deviation from the programmes and/or volume bands as per this chapter results from the final data.

If the expiry deadlines as per this chapter fall on a non-working day, the same are understood as extended to the following first working day.

2) INJECTION AND WITHDRAWAL COMMITMENTS

In order to guarantee a safe and efficient management of the Storage Service, the Parties shall observe the obligations stated below strictly.

2.1) Obligations of the Parties

2.1.1) Obligations of the Shipper

Within the terms and conditions of this chapter, the Shipper shall:

- provide Stogit with programmes in accordance with the procedures and terms as per paragraph 3 below adhering as closely as possible to real requirements in terms of transportation and bearing in mind that the information that Stogit provides through its website or Portal on maintenance programmes and

communication of any reduction of the service, in the cases provided for in this Storage Code;

- inject its Gas into the Storage Service, during the Injection Phase, in accordance with the Injection programme as per paragraph 3 below;
- withdraw, during the Withdrawal Phase, in accordance with the Withdrawal programme as per paragraph 3 below, the Gas under its ownership introduced during the Injection Phase and in stock in the System on 31 March of the previous Thermal Year for an amount equal to the Space assigned to it and available, minus amounts for consumption, deductible to that Shipper in the procedure described in Annex 1 to chapter 7 below.

2.1.2) Obligations of Stogit

In compliance with the terms and conditions of this chapter, Stogit shall:

- check and confirm or, if needs be, amend in the cases provided for by paragraph 3 below the programmes communicated by the Shipper;
- receive from SRG the Gas under the ownership of the Shipper for a maximum quantity equal to the Space assigned by the latter and available on the basis of the application of the volume bands, time factors and adjustment factors as per chapter 3, with the understanding that such a quantity will be deducted from the Gases owned by the Shipper in stock in the System as of 31 March of every Thermal Year, and
- redeliver to SRG on the basis of the instructions received from the Shipper the Gas under the ownership of that Shipper introduced during the Injection Phase and in stock in the System on 31 March of the previous Thermal Year for a maximum amount equal to the Space assigned to it and available on the basis of applying the volume bands, time coefficients and adjustment factors as per chapter 3, minus amounts for consumption, deductible to that Shipper in the procedure described in Annex 1 to chapter 7;
- redeliver to SRG on the basis of the instructions received from the Shipper this Gas to the Redelivery Point, in conditions compatible with those required by SRG according to the quality specifications as per chapter 10;
- perform accounting activities for the performances relating to storage services on behalf of the Shipper.
- guarantee the availability of a transport capacity to and from the Storage Service that is adequate for the commitments made by the Shippers following stipulation of the Contract.
- perform the programming activities of the transport capacity using the programmes received by its Shippers as confirmed by Stogit.

In order to ensure availability of adequate transport capacity for the commitments taken with the Shippers after stipulating the Contract, Stogit requires from SRG, in the manner

and within the time limits set forth in Chapter 5 of the Network Code, the transport capacity for the withdrawal of the Storage Services, in the following ways:

- capacity at the point of exit interconnected with the Storage System:
  - transport capacity on an annual basis for the period April-March, determined in an amount equal to the maximum daily quantities of gas that can be withdrawn from the transport network on the basis of the available storage capacities for the Basic Services as defined in chapter 3;
  - transport capacity of less than one year, determined in an amount equal to the maximum daily quantities of gas that can be withdrawn from the transport network on the basis of the storage capacities available for the Flexibility Services as per chapter 3, in addition to the transport capacity requested by Stogit pursuant to the preceding point.
- capacity at the point of entry interconnected with the Storage System:
  - transport capacity on an annual basis for the period April-March, determined in an amount equal to the maximum daily quantities of gas that can be injected into the transport network on the basis of the available storage capacities for the Basic Services as defined in chapter 3;
  - transport capacity of less than one year, determined in an amount equal to the maximum daily quantities of gas that can be injected into the transport network on the basis of the storage capacities available for the Flexibility Services as per chapter 3, in addition to the transport capacity requested by Stogit pursuant to the preceding point.

If daily and or intra-daily Short-term capacity is assigned during month M, Stogit will, on a monthly basis, communicate to SRG its capacity occupied at the entry/exit point interconnected with the Storage System, in addition to the transport capacity already assigned by SRG to Stogit in accordance with the paragraphs above.

For the purposes of covering transport costs, including those relating to the transport capacity that may be necessary for the provision of the Flexibility Services referred to in chapter 3, Stogit shall apply the provisions of Articles 18.5 and 28 of the RAST.

With the purpose of compliance with the aforementioned obligations, Stogit, pursuant to article 18 of the RAST, operates on the basis of information received from its Shippers and is not liable for the accuracy and completeness of the data provided by the Shippers. Therefore, the Shipper expressly acknowledges that no responsibility can be attributed to Stogit about the obligations performed by Stogit in relation to the transport contract on the basis of the data it received.

3) OPERATIONAL PLANNING

Considering the close interdependence between the performance of the Storage Service and the overall behaviour of all Shippers, to safeguard the System's functionality and performance, the Shipper shall strictly comply with the operational plans (seasonal,

monthly, weekly and daily), whose definitions, notification, acceptance and modification procedures are set out in this paragraph.

It is agreed that the Shipper shall be liable, as provided for in chapter 17, paragraph 5, for damages incurred by Stogit as a result of non-observance by the Shipper of the operational plans quoted above.

All the plans as per this paragraph must be formulated in KWh and based on the best information available at the date of their communication, within the limits of the Performance available for each Shipper, on a firm and interruptible basis.

On the basis of the programmes received by its Shippers, Stogit sends SRG the programmes in relation to the point of entry and point of exit connected with the point of interconnection with the Storage System. These programmes are supplied with each Shipper indicating the details.

The Shipper checks the obligations fulfilled by Stogit for the operational programming indicated in this paragraph carefully and promptly and shall communicate to Stogit without delay any inconsistencies between the quantities requested in the programming processes indicated in the following paragraphs and the quantities confirmed/refused by Stogit. In any case, Stogit is released from all liability for any consequences of the obligations fulfilled in accordance with the provisions set out in the paragraphs that follow.

At the beginning of the Thermal Year or during the Thermal Year, in the event that the storage capacity of the k-th Shipper is greater than the storage space of a Storage Service available to the same Shipper, such excess shall be accounted for among the Services owned by the k-th Shipper according to the following order of priority: (i) Multi-year/flat service (ii) Peak service (iii) Continuous performance (fast-cycle) service (iv) Hydrocarbon service The provisions of Chapter 7, paragraph 6, remain unaffected.

3.1) The seasonal Injection programme

The Shipper, no later than 23 March of each Thermal Year[1], communicates through the information system made available by Stogit, the seasonal plan, with monthly detail, of the Gas it plans to inject with reference to each Service owned by the Shipper (hereinafter Warehouses), taking into account the volume bands published by Stogit.

The Shipper also updates the seasonal injection plan and the communication of the monthly plan indicated in paragraph 3.3 below.

Stogit checks the set of seasonal Injection plans and informs the Shipper, no later than 31 March, of the acceptance of said seasonal plan.

[1] or within the term indicated by Stogit through its information system

3.2) Determination of the seasonal Withdrawal plan

The Shipper, no later than 23 October of each Thermal Year[2], shall communicate, through the information system made available by Stogit, the seasonal schedule, with monthly details, of the Gas that it expects to withdraw from each Warehouse.

The Shipper also updates the seasonal withdrawal plan and submits the monthly plan indicated in paragraph 3.3 below.

Stogit checks the set of seasonal Withdrawal plans and informs the Shipper of the seasonal plan entered by it before 31 October.

3.3) Determination of the monthly schedule

The Shipper, for each month of the Contract, shall communicate, through the information system made available by Stogit, the monthly schedule on a daily basis for each Warehouse, no later than 4 p.m. of the 22nd day of the month preceding the month to which the service refers[3].

At the above deadline, Stogit blocks the data pertaining to the monthly operating plan which the Shipper has communicated. If the Shipper fails to communicate the plan as per this paragraph within the terms provided for, Stogit will in any case block the data in SAMPEI taking into consideration those relating to the seasonal Injection and Withdrawal plan, with daily detail defined on the basis the following formula:

KWh month/days of the month = KWh of each Gas Day

Stogit notifies the Shipper, no later than the last day of the month prior to provision, the acceptance of the monthly plan or its modification, if any, in relation to the System's technical constraints.

For the month of April, the monthly operating plan, communicated as per the requirements of this paragraph, may in no case differ from the one entered within the seasonal Injection plan, which shall therefore remain valid in case of different indication.

For the month of November, the monthly operating plan may in no case differ from the one entered within the seasonal Withdrawal plan, which therefore remains valid in case of different indication.

3.4) Weekly schedule

[2] or within the term indicated by Stogit through its information system
[3] or within the term indicated by Stogit through its information system

By 11:00 a.m. every Thursday, the Shipper communicates, through the information system made available by Stogit, the schedule for the following week, with daily details for each warehouse. At the above deadline, Stogit blocks the data pertaining to the Shipper's weekly operating plan. If the Shipper fails to communicate the plan as per this paragraph within the terms provided for, Stogit will in any case block the data in SAMPEI taking into consideration those relating to the monthly plan.

Stogit confirms, no later than 1 p.m. of the Friday preceding the service, the weekly plan, or any amendment to it in relation to the technical constraints of the System.

If the weekly plan is communicated by the Shipper after the monthly plan and this is not yet confirmed, Stogit will confirm the weekly plan, in the terms of this paragraph, only for the Gas Days of the current month, whilst confirming the residual part on confirmation of the monthly plan.

3.5) Daily schedule (or Reservation)

The Shipper communicates, through the information system made available by Stogit, no later than 2 p.m. of the Gas Day -1, the daily quantities of Gas for the subsequent Gas Day (in KWh[4] with no decimal figures).

The Shipper must indicate in the Reservation the quantity of Gas requested in Injection or in Withdrawal for the Gas Day D pertaining to each Warehouse.

If the Shipper fails to comply with the provisions set out in this paragraph, Stogit shall confirm the quantities communicated by the Shipper for the weekly plan for the Gas Day.

The Injection and Withdrawal Reservations in each Warehouse must be formulate by the Shipper within the limits of the Injection and Withdrawal Performance available, including the Capacities on an Interruptible basis assigned according to the provisions of chapter 5 above.

The Shipper shall communicate in advance the Reservations relating to subsequent Gas Days, which can be confirmed/rejected by Stogit within the times indicated in this paragraph.

Stogit preliminarily confirms/rejects the Shipper's Reservation within two hours after the deadline for communicating the same, based on the Shipper's stock and space data available up to that time.

[4] For all measuring points at the interconnection between the Storage system and the National network of pipelines, starting from 1st October 2015, the day energy will be expressed in kWh: the calculation will be performed as the product of the Volume under standard reference conditions (P = 1.01325 bar, T = 15 °C) multiplied by the High Heating Value under conditions 25/15, that is, with a reference combustion temperature of 25 °C and standard reference pressure of m^3 (with P = 1.01325 bars).

Reservations received on Gas Day in excess will be rejected:

a) for Injection, the lower value between the available Injection Performance and the Shipper's residual available Space with reference to the same Gas Day;

b) for Withdrawal, the lower value between the available withdrawal Performance and the residual gas available for the Shipper on the same Gas Day, possibly increased by the quantities of strategic gas subject to prior authorisation by the MSE, and up to the amount corresponding to the amount paid as per chapter 7, paragraph 5.1 It is understood that, in the event of authorisation to use the strategic storage by the MSE, Stogit shall confirm the Reservation that involves the use of strategic gas within the limits of the available withdrawal Performance

The quantities confirmed by Stogit, within the limits of the quantities mentioned in letters a) and b) above will be the object of further verification by Stogit during the Gas Day, following the availability of stock figures updated to the end of the Gas Day-1, as calculated pursuant to paragraph chapter 7, paragraph 3.2.1.

The quantities subject to Reservation in Injection shall not be confirmed, in the event that Snam Rete Gas informs Stogit of the refusal of the Reservation in Injection, in accordance with the provisions of Chapter 8, paragraph 6.3 and Chapter 5, paragraph 1.4 of the Network Code.

The Shipper shall communicate the Reservations, considering any quantity of gas issued in guarantee for the balancing as per paragraph 1.4.2 of chapter 5 of the SRG Network Code. Stogit will not confirm Reservations that entail the utilization of said quantity and the quantity as per chapter 16, paragraph 4.5.

3.5.1) Daily Schedule Reformulation on Gas Day D-1 (or Re-booking D-1)

The Shipper, through the information system made available by Stogit, can communicate the update of the daily quantities of Gas for the next Gas Day (in KWh[5] without decimal places), with reference to each Warehouse, by 6 p.m. of Gas Day D-1; Stogit confirms/rejects the Re-booking D-1 by 6:30 p.m. of Gas Day D-1.

Re-booking D-1 must be done by the Shipper:

- within the limits of the available Injection Performance, including capacities on an Interruptible basis assigned as indicated in chapter 5;

[5] For all measuring points at the interconnection between the Storage system and the National network of pipelines, starting from 1 October 2015, the day energy will be expressed in kWh: the calculation will be performed as the product of the Volume under standard reference conditions (P = 1.01325 bar, T = 15 °C) multiplied by the High Heating Value under conditions 25/15, that is, with a reference combustion temperature of 25 °C and standard reference pressure of m^3 (with P = 1.01325 bars).

- within the limits of the available Withdrawal Performance, including capacities on an Interruptible basis assigned as indicated in chapter 5.

The quantities subject to Re-booking D-1 in Injection shall not be confirmed, in the event that Snam Rete Gas informs Stogit of the refusal of the Re-booking D-1 in Injection, in accordance with the provisions of Chapter 8, paragraph 6.7 and Chapter 5, paragraph 1.4 of the Network Code.

Following the continuous and interruptible Short-term capacity assignment sessions on a daily basis day "ahead – 19:00" indicated in Annex 5, Chapter 5, Stogit will updated the daily quantities of Gas for Gas Day D (in KWh with no decimal figures) for Shippers who were assignees of Short-term capacity for a quantity equivalent to the Short-term capacities assigned.

The Re-booking D-1 following the first and the second assignment session of the short-term capacities on a daily basis "day ahead - 19:00" referred to in Annex 5 to Chapter 5 can be carried out by Stogit within the limits of the available residual space or the available residual stock of the Shipper.
Stogit shall, based on the most up-to-date information, notify the Shipper of the confirmation/rejection of the Re-booking D-1, normally by 9:00 p.m. on Gas Day D-1.

The total/partial refusal of the quantities subject to Re-booking D-1 as a result of the 'continuous' session and of the 'interruptible' session of short-term capacities booking on a daily basis "day ahead - 19:00" as per Annex 5 to Chapter 5 does not imply the variation of the quantities of short-term capacities assigned.

Moreover, the quantities subject to Re-booking D-1 in Injection shall not be confirmed following the first and second booking sessions of the short-term capacities on a daily basis "day ahead - 19:00", as per Annex 5 to Chapter 5, in the event that Snam Rete Gas communicates to Stogit the refusal of the same Re-booking D-1 in Injection, in accordance with the provisions of Chapter 8, paragraph 6.7. and Chapter 5, paragraph 1.4 Network Code.

For the purposes of the confirmation of the quantities subject to Re-booking D-1 as a result of the "continuous" session and of the "interruptible" session of booking of the short-term capacities on a daily basis "day ahead - 19:00" as per Annex 5 to Chapter 5, Stogit shall apply the percentages for the estimate of consumption published on its website by 8:00 p.m. on the Gas Day D-1.

The Shipper checks the obligations fulfilled by Stogit in accordance with this paragraph carefully and promptly, and will report to Stogit without delay any inconsistencies between the quantity assigned in the Short-term capacity assignment processes and the quantities subject to Re-booking D-1. In any case, Stogit is released from all liability for the consequences of the obligations fulfilled as indicated in this paragraph.

3.6) Reformulation of the Daily Schedule on Gas Day G (or Re-booking)

The Shipper can communicate the update of the daily quantities of Gas for each Gas Day (in KWh[6] without decimals), with reference to each Warehouse, by means of hourly Re-booking cycles. Re-booking may be communicated by the Shipper up to three hours before the end of Gas Day D. The Storage Company shall take over, at the beginning of each hour, starting at 5:00 a.m. on Gas Day D-1, the last Re-booking communicated by the Shipper during the previous hour and confirm/reject the quantities subject to Re-booking within the following two hours.

For the purposes of the checks described in this paragraph and with reference to Gas Day D, Stogit considers management of the main flow as published on its own website by 8 p.m. of the Gas Day D-1 on the basis of the indications received from the System Transportation company. These indications coincide with the direction (injection or withdrawal) of the total quantities scheduled by the Shippers on Gas Day D-1 for the following Gas Day.

Re-booking must be done by the Shipper:

- within the limits of the available Injection Performance, including capacities on an Interruptible basis assigned as indicated in chapter 5 above;
- within the limits of the available Withdrawal Performance, including capacities on an Interruptible basis assigned as indicated in chapter 5 above;
- considering the percentages for estimating consumption made available by Stogit on its web site Gas Day D-1, applied to the value undergoing Re-booking. In particular, Shippers that have communicated a Re-booking in the same direction (Injection/Withdrawal) of the prevailing system flow are attributed a withdrawal, based on the storage stock, equal to the percentage share of consumption relative to the direction of the prevailing system flow applied to the quantity subject to Re-booking; Shippers that have Re-booked in the opposite direction to that of the prevailing system flow are attributed an injection, based on the storage stock, equal to the percentage share of consumption relative to the direction of the prevailing system flow applied to the quantity subject to Re-booking.

Moreover, the quantities subject to Re-booking in Injection shall not be confirmed, in the event that Snam Rete Gas informs Stogit of the refusal of the Re-booking in Injection, in accordance with the provisions of Chapter 8, paragraph 6.7 and Chapter 5, paragraph 1.4 of the Network Code.

If the prevailing flow for Gas Day G is expected to be in withdrawal, Re-booking in Withdrawal/Injection is also rejected:

[6] For all measuring points at the interconnection between the Storage system and the National network of pipelines, starting from 1st October 2015, the day energy will be expressed in kWh: the calculation will be performed as the product of the Volume under standard reference conditions (P = 1.01325 bar, T = 15 °C) multiplied by the High Heating Value under conditions 25/15, that is, with a reference combustion temperature of 25 °C and standard reference pressure of m^3 (with P = 1.01325 bars).

a) less than the last confirmed quantities of gas re-proportioned in relation to the hours of Gas Day D elapsed until the deadline for confirmation of each Re-booking. In such cases, Stogit shall modify the quantity subject to Re-booking by incorporating such value, without prejudice to the possibility for the Shipper to request the change from Injection to Withdrawal or from Withdrawal to Injection of the quantity subject to the last Re-booking;

b) which exceeds the Shipper's available Performance prorated on the basis of the remaining hours of Gas Day D following the deadline for confirmation of Re-booking. In such cases, Stogit shall amend the Re-booking by eliminating any portion in excess of the Shipper's available Performance, subject to the provisions of paragraph 3.7.

If the prevailing flow for Gas Day D is scheduled to be in Injection, Re-booking in Injection/Withdrawal is also rejected:

c) less than the quantities of gas last confirmed in proportion to the hours of Gas Day D elapsed up to the time limit for confirmation of each Re-booking, taking into account the maximum quantity subject to Re-booking for the Shipper, equal to 18% of the available Injection Performance[7]. In such cases, Stogit shall modify the Re-booking of the Shipper by incorporating such value, without prejudice to the possibility for the Shipper to request the change from Injection to Withdrawal or from Withdrawal to Injection of the quantity subject to the last Re-booking;

d) which exceeds the Shipper's available Performance prorated on the basis of the remaining hours of Gas Day D following the Re-booking confirmation deadline, also taking into account the maximum quantity subject to Re-booking for the Shipper, equal to 18% of the available Injection Performance[8]. In such cases, Stogit shall amend the Re-booking by eliminating any portion in excess of the Shipper's available Performance, subject to the provisions of paragraph 3.7.

Stogit confirmation/rejection of the Re-booking is completed by the end of the second hour following the Re-booking deadline.

Once the Re-booking check has been completed, Stogit informs the Shipper of the confirmation/rejection of the quantities subject to Re-booking on the basis of the Shipper's stock and space data available at that time. Within the same time, Stogit shall confirm the quantities involved in the Re-booking in Gas Day -1, if the Shipper has not communicated the Re-booking. The Re-booking, as confirmed by Stogit, shall take effect from the beginning of the second hour following its taking over by Stogit.

By the end of the Re-booking cycle ending at 12:00, and at most once during the Gas Day D, the Shipper has the opportunity to communicate through the information system made

[7] Technical and plant engineering constraint of compressor plants. The maximum quantity subject to Re-booking shall be determined taking into account the Injection Performance available to the Shipper within the framework of the D-1 Re-booking cycle ending at 6 p.m. referred to in paragraph 3.5.1.

[8] Technical and plant engineering constraint of compressor plants. The maximum quantity subject to Re-booking shall be determined taking into account the Injection Performance available to the Shipper within the framework of the D-1 Re-booking cycle ending at 6 p.m. referred to in paragraph 3.5.1.

available by Stogit, the change from injection to withdrawal or from withdrawal to injection of the quantity subject to the last confirmed Re-booking.

In this case, Stogit rejects Re-booking if, in case of change from Injection to Withdrawal, the quantity subject to the last Re-booking exceeds 5% of the Injection Performance available to the Shipper at the beginning of the Gas Day D or if, in case of change from Withdrawal to Injection, it exceeds 5% of the Withdrawal Performance available to the Shipper at the beginning of the Gas Day D. In the subsequent Re-booking cycles, Stogit shall reject Re-bookings communicated by Shippers (i) that result in an increase in the quantities subject to the change from Injection to Withdrawal or from Withdrawal to Injection of the Re-booking or (ii) that are lower than the quantities of gas last confirmed as per letters a) and c) above.

At the end of the "intra-day" sessions for the booking of the short-term Withdrawal Capacity, as per Annex 5 of Chapter 5, Stogit shall carry out the Re-booking (in KWh without decimals) with reference to the Shippers who have been assigned intra-day Withdrawal Capacities, for an amount equal to the assigned capacities.

Stogit may proceed with Re-booking within the limits of the available residual space or of the available residual Stock of the Shipper.

Stogit shall confirm to the Shipper, within two hours after the deadline for the presentation of the requests for assignment of intra-day withdrawal Capacities, as described in chapter 5, paragraph 5.1.3, the Re-booking or the possible different value of assignment on Gas Day D. The Re-booking, as confirmed by Stogit, shall become effective starting from the beginning of the second hour following the acceptance of the same by Stogit.

Any quantities exceeding the remaining space available or the Residual stock will not be confirmed to the Shipper and will not entail modifying the short-term capacities assigned.

It is understood that the first and second level interruptible capacity confirmed at the end of a Re-booking cycle is intended as confirmed until the following Re-booking cycle and therefore it can be revised by Stogit until the end of the last Re-booking cycle on Gas Day D.

The criteria for confirming interruptible Injection and Withdrawal Capacity Re-booking are described in paragraph 3.8 below.
The Shipper shall also proceed with Re-booking also considering any quantity of gas released in guarantee for the balancing as per paragraph 1.4.2 of chapter 5 of the Network Code. Stogit will not confirm any Re-booking that entails the utilization of said quantity and the quantity as per chapter 16, paragraph 4.5.

Both in the area of the Bookings and Re-bookings D-1 as per the previous paragraph and the Re-bookings as per this paragraph, the Shipper is in any case responsible for the quantities of gas undergoing programming. Stogit does not assume responsibility for utilization of the information received by the Shipper for calculating the minimum and maximum limits discussed in chapter 7, paragraph 3.4.

3.7) Implied assignment of third-level interruptible capacity (Overbooking)

The Shipper, through the information system made available by Stogit, may communicate the Re-booking of the daily schedule quantities (in KWh without decimals) referred to in paragraph 3.6 above, with reference to each Warehouse, even beyond the limits referred to in paragraph 3.6, letters b) and d).

In this case, the Re-booking of the Shipper entails an assignment request of third-level interruptible capacity equal to the difference between the Re-booked quantity and the limit set out in paragraph 3.6, letters b) or d) above

It is understood that the third-level interruptible capacity confirmed at the end of a Re-booking cycle, according to paragraph 3.8, is intended as confirmed until the next Re-booking cycle and therefore it can be revised by Stogit until the end of the last Re-booking cycle on Gas Day D. The Re-booking, as confirmed by Stogit, becomes effective starting from the beginning of the second hour following the taking over of the Re-booking.

In relation to the total third-level interruptible capacity that is assigned at the end of Gas Day D, the Shipper is obliged to pay, for the assigned daily quantity exceeding the limit indicated in paragraph 3.6 letters b) or d) above:

- A charge corresponding to that calculated following the interruptible daily short-term capacity assignment session of the previous Gas Day multiplied by a coefficient of 0.95;

or, if no capacity is assigned in the interruptible daily short-term capacity assignment session

- A charge corresponding to the lower amount between that calculated at the end of the first daily short-term capacity assignment session on the previous Gas Day (if a price was set at the end of the continuous session) and the charge indicated in chapter 16, paragraph 2 reproportioned on a daily base. The lower of the two charges is multiplied by a coefficient of:
    - 0.85 if the second-level interruptible capacity is equal to zero in the interruptible assignment session on the previous Gas Day;
    - 0.95 if the second-level interruptible capacity is greater than zero in the interruptible assignment session on the previous Gas Day.

The criteria for confirming interruptible Injection and Withdrawal capacity booking applications are described in paragraph 3.8 below.

3.8) Criteria for confirming interruptible Injection and Withdrawal capacity booking applications

Stogit, for each Re-booking cycle during the Gas Day D, shall not confirm the Re-bookings of first, second and third level interruptible capacities, if the condition is met that the total

amount Re-booked by Shippers exceeds the maximum injection or withdrawal performance available to all Shippers.

In this condition Stogit shall not confirm, in whole or in part, the Re-bookings of Interruptible Capacities, according to a pro-rata criterion with respect to the quantities subject to Re-bookings of Interruptible Capacities and in the following order of priority:

- Re-booking of third-level interruptible capacity;
- Re-booking of second-level interruptible capacity;
- Re-booking of first-level interruptible capacity assigned on a daily basis;
- Re-booking of first-level interruptible capacity assigned on a weekly basis;
- Re-booking of first-level interruptible capacity assigned on a monthly basis.

As a result of the aforesaid reduction, the quantities reduced will be recorded in the Shipper's Warehouses in the following order of priority:

- Warehouse of the Storage Service of Flat Modulation and Multi-year
- Warehouse of the Storage Service of Peak Modulation
- Warehouse of the Continuous performance service (fast-cycle);
- Warehouse of the Hydrocarbon Service.

In any case, the maximum reduction of the quantity programmed in withdrawal for each Warehouse of each Shipper is equal to the quantity programmed in excess compared to the relevant available Injection or Withdrawal capacity available, updated for each Re-booking cycle taking account of the trend of the limits indicated in paragraph 3.6, letters b) or d) above.

BALANCING AND STORAGE REPLENISHMENT

1) INTRODUCTION

This chapter describes the methods of managing the balancing regime, aimed at ensuring that Storage Service runs safely and in an ordered manner, as well as that the gas positions and costs between Shippers within the balancing system indicated in the TIB and for the use of Strategic Gas as per this chapter.

All the provisions in this chapter, including the process for determining assignments and calculating imbalances in the Storage Service, are applied to Shippers that have signed a contract with Stogit.

Stogit is obliged to operate the storage plants in a technically correct way with the obligation to manage it in a coordinated and integrated manner, meeting the requirements of Shippers. The latter must observe the balancing between their own amounts introduced during the Injection Phase and those withdrawn from the Storage Service during the Withdrawal Phase, taking into account consumption attributed to them and any trading and gas compensations carried out, as of this Code.

Balancing as per this chapter is divided into:

- Operational balancing; by this we mean all monitoring and checks on the technical parameters so as to ensure that the storage plants run correctly, in particular coordinating this activity with SRG which is in turn responsible for the balancing service on the entire network in accordance with the TIB.
- Commercial balancing; by this we mean all activities necessary for the correct accounting and allocation of the gas in the Storage Service.

2) OPERATIONAL BALANCING

Stogit, through dispatching, carries out monitoring and checks on the physical parameters of the Storage Service, in particular pressure, to ensure that operations are carried out in a safe and efficient regime.

Stogit dispatching coordinates with SRG dispatching in the planning, management and check of gas flows and their related pressures.

2.1) Gas emergency

Stogit is part of the "Technical Committee for Emergency and Monitoring the Gas System" ("Committee"), set up pursuant to Article 8 of MD 26/09/01 at the General Management for Energy and Hydrocarbon Resources (DGERM) of the MSE.

2.1.1) Emergency through excess of gas

Stogit, in the framework of balancing the gas system guaranteed by SRG, checks, as the Injection Phase draws to the end and in relation to individual storage reservoirs reaching maximum pressure, for any situations of a critical nature that could bring about a potential early end to Injection compared to the natural end of the Injection Phase.

In this event Stogit, having informed the Shippers and SRG, analyses any Injection operating margins to allow an ordered end to Injection operations.
Stogit promptly informs the Committee whether, on the basis of recorded consumption and the most updated plans provided by the Shippers, any potential strain to the system could arise from the early end to the Injection Phase.

2.1.2) Emergency through shortage of gas

Should any emergency situation arises, Stogit proceeds as indicated in chapter 19.

3) COMMERCIAL BALANCING

3.1) Accounting the Gas in and out of the Storage Service

In general Shippers, during the Withdrawal Phase, are obliged to withdraw the same amount of gas that they injected during the Injection Phase taking into account:

- amounts relating to the compression and treatment stations' consumption as per Annex 1 to this chapter;
- amounts purchased or sold in as trading and compensations as per this Code;
- of the volume bands referred to in chapter 2, paragraph 2.3.

By 8 p.m. of each Gas Day, Stogit shall publish the direction of the main system flow relating to the following Gas Day on its own website, based on the information received from the Balancing Manager. These indications coincide with the direction (injection or withdrawal) of the total quantities scheduled by the Shippers for Gas Day D.

The equation for the Storage Service is, for every gas day, the following:

$$F = DG + C \quad (1)$$

a) Daily gas flow out of/into the storage

The term F represents the gas flow into (or out of) the Storage Service (positive in injection, negative in withdrawal) obtained as the sum of amounts injected (or withdrawn) by Shippers and SRG into (or out of) the Storage Service in correspondence with the virtual interconnection point corresponding to the Storage Service Hub. Pursuant to the TIB, the Balancing Manager may request, during the Gas Day, the modification of the physical flows with respect to the aggregate value of the Bookings, in compliance with the overall storage planning constraints referred to in chapter 6, paragraph 3.6.

b) Daily change in stored gas

The term DG represents the change in stored gas (positive if the amount increases, negative if it decreases), given by the difference between the total availability of gas in the System referred to two successive gas days.

c) Consumption

The term C (always positive) represents the gas necessary for the functioning of treatment and compression plants. It is calculated as a sum of the energy values recorded at every storage site; each value is obtained by multiplying the volume of gas consumed by the corresponding average daily PCS as shown in chapter 9.

Stogit attributes consumption to the Shippers according to the procedures described in Annex 1 to this chapter on the basis of the coefficients published by Stogit itself (γ_I for Injection and γ_E for Withdrawal). The difference between consumption thus attributed to Shippers and the term C of formula (1) is regulated in accordance with the mechanism as per article 24 of the RAST.

Stogit calculates, for every site and at an aggregate level (the term F), the energy moved into and out of the Storage Service and sends the overall data measured in KWh with no decimal figures. On Gas Day D+1, the Balancing Manager notifies GME of the difference between term F and the total of the Re-bookings notified to Stogit, as confirmed by Stogit as per chapter 6, paragraph 3.6 for the previous Gas Day D, for carrying out the session for trading storage gas on the M-Gas platform of the GME, in accordance with the methods and terms indicated in the TIB.

3.2) Accounting the Gas moved in/out of the Storage Service by the Shipper

Every day, Stogit calculates for every Shipper, the term S_k (Allocation of k-th Shipper during the Gas Day). The Daily assignment corresponds to the last Re-booking communicated by the Shipper and confirmed by Stogit for Gas Day D, in accordance with chapter 6, paragraph 3.6

For the transport company responsible for balancing, the Allocation is equal to the term S_T defined as follows:

$$S_T = SN_T + S_T^{OP}$$

where:

SN_T represents the quantity of Gas undergoing planning into Injection or Withdrawal for the planned management of the network linepack pursuant to TIB, as confirmed by Stogit;

S_T^{OP} represents the difference between the daily Gas flow to/from the storage and the total Re-bookings communicated to Stogit and confirmed by Stogit in accordance with chapter 6, paragraph 3.6. The Balancing Manager, in accordance with the TIB, regulates this difference, on the day after the flow day, within the scope of a market session managed by GME for the trading of offers for the sale and purchase of gas volumes in the storage.

3.2.1) Gas accounting for the Shipper

For every GD, Stogit calculates the amount of gas held by every Shipper in the Storage System (G_k), starting from the amount recorded for GD-1 ($D\text{-}1_k$), using the following equation:

$$G_k = G - 1_k + S_k \cdot C_k + ST_k$$

where:

S_k represents the Gas assigned to the k-th Shipper on gas day D (this term corresponds to S_T for the transmission system operator (TSO) responsible for Balancing);

ST_k represents the overall Gas exchanged effectively in the GD by Shipper k (positive term if Shipper k buys, negative if it sells) including the Gas traded by effect of the transactions conducted on the platform for trading volumes of gas in storage as indicated in article 7 of the TIB. Before 12:00 p.m., Shippers can communicate, through the information system made available by Stogit, how to divide the gas traded by effect of the transactions indicated above between their warehouses. If the Shipper fails to communicate this division, Stogit will record the volumes in the order of priority indicated in chapter 6, paragraph 3.8;

C_k represents the percentage of consumption estimated annually by Stogit as approved by the Authority. Said FP_{DD} the expected prevailing flow for the Gas Day, in case FP_{DD} shows an Injection C_k corresponds to $(1- \gamma_I)$. If FP_{DD} shows a Withdrawal, it corresponds to $(1 + \gamma_E)$.

With reference to SRG the equations shown above will take into account the consumption actually recorded in the previous Gas Day in power plants in which a physical flow in the opposite direction to the actual main flow of the same Gas Day was physically found.

3.3) Publication of storage allocations

Every day, before 11:30 a.m. of Gas Day D+1, through its information system, Stogit will make available the update of the term S_k for every k-th Shipper and for each Warehouse referring to Gas Day D.

3.4) Calculation of the limits for bids on the M-GAS Platform

Stogit shall make available the maximum limits for purchase and sales offers on the platform for trading gas in storage (MGS), managed by the GME at the M-GAS Platform, for each Shipper, determined as described below.
For availability for purchase, the maximum quantities are equivalent to the Space available (hereinafter SP_{avail}) for the Shipper on Gas Day D, calculated taking account of the provisions laid down in paragraph 3.3.3 above, minus the maximum Injection quantities that can be programmed by the Shipper on the same Gas Day D, in accordance with chapter 6, paragraph 3.6.

For availability for sale, the maximum quantities are equivalent to the Shipper's residual stock (hereinafter G_{avail}) on Gas Day D, calculated taking account of the provisions set out in paragraph 3.3 above, minus the maximum Withdrawal quantities that can be programmed by the Shipper on the same Gas Day D, in accordance with chapter 6, paragraph 3.6.

The maximum quantities on sale are calculated net of any quantities of Guarantee Gas as per chapter 3, paragraph 4.1 and the quantities as per chapter 16, paragraph 4.5.

For Shippers that have signed one or more Storage Services agreements as per this Code (except for Shippers of the Balancing Service) the maximum quantities will be calculated considering the sum of the stocks and Capacities available for each type of Service. The available Capacities will be calculated on the basis of the separate stocks for the different Storage Services.

Stogit will provide the Balancing Manager with the limits calculated as per this paragraph for the purposes of transmission to the Energy Market Authority.

4) BALANCING CHARGES REFERRED TO IN PARAGRAPHS 26.1 AND 26.2 OF THE RAST

The balancing charges referred to in this paragraph shall apply to Shippers holding capacity for one or more of the Basic Services for which Injection volume bands are associated, in accordance with Chapter 3, paragraph 2.

The Shipper shall pay a charge of 0.4 times the greater between (i) the lower of the charges c_s published by the storage companies and (ii) the charge c_a for capacities of the seasonal product associated with the peak modulation service starting from April, if at the end of each month of the Injection Phase, the result referred to in the following formula is positive:

$$\left[\left(S_{k,m} \cdot I_{k,m,min}\right) - flex_{min,k,m}\right] - G_{k,m}$$

Where:

$S_{k,m}$ represents the Space of the k-th Shipper for the Basic Services to which are associated Injection volume bands, according to chapter 3, paragraph 2 as resulting at the end of month m. $S_{k,m}$ considers possible transfers and acquisitions of space of the k-th Shipper referred to in chapter 8, paragraph 1.1 with effect from the first Gas Day of month m and does not consider possible transfers and acquisitions of space of the k-th Shipper referred to in chapter 8, paragraph 1.1 with effect from the first Gas Day of month m+1;

$I_{k,m,min}$ represents the minimum volume band of the assigned Space for month m of the k-th Shipper in accordance with chapter 3, paragraph 2. The minimum volume band $I_{k,m,min}$ takes into account any transfers and acquisitions of space by the k-th Shipper referred to in chapter 8, paragraph 1.1 effective from the first Gas Day of month m and does not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

$G_{k,m}$ is the stock of the k-th Shipper at the end of month m of the injection phase as per chapter 3, paragraph 2. The stock $G_{k,m}$ does not consider any gas transfers of the k-th Shipper referred to in chapter 8, paragraph 1.2, effective on the first Gas Day of the following month m+1 of the Injection Phase and any gas quantities traded on the platform for trading gas volumes in storage referred to in Article 7 of the TIB, effective on the on the last Gas Day of month m of the Injection Phase, effective on the first Gas Day of the following month m+1 of the Injection Phase, shall not be taken into account;

$flex_{min\ k,m}$ represents the quantity assigned to the k-th Shipper for month m as a result of the procedure for the assignment of "out-of-band flexibility", as set out in Annex 1 to Chapter 3.

The Shipper shall pay a charge of 0.2 times the greater between (i) the lower of the charges cs published by the storage companies and (ii) the charge c_a for capacities of the

seasonal product associated with the Peak Modulation Service starting from April, applied to:

$$G_{k,m} - [(S_{k,m} \cdot I_{k,m,max})]$$

Where:

$I_{k,m,max}$ represents the maximum volume band of the assigned Space for month m of the k-th Shipper in accordance with chapter 3, paragraph 2. The maximum volume band $I_{k,m,max}$ takes into account any transfers and acquisitions of space by the k-th Shipper referred to in chapter 8, paragraph 1.1 effective from the first Gas Day of month m and does not take into account any transfers and acquisitions referred to in chapter 8, paragraph 1.1 effective in month m+1;

if, at the end of each month in the Injection Phase, the result in the above formula is positive and overall the sum total of the stock of the Shippers is higher than the level identified by the filling profiles ($I_{k,m,max}$) of the same Shippers referred to in chapter 3, paragraph 2.

For the purposes of calculating balancing charges of the Shipper, a single stock and a single Capacity equal to the sum of the Capacities assigned and available for each Basic Service to which volume bands of the Injection Capacity are associated, in accordance with the provisions of chapter 3, paragraph 2.

It is understood that in cases of Force Majeure as per chapter 17 and service emergencies as per chapter 18, as well as during periods in which interventions are carried out that generate interruptions/reductions in the Injection Performance as per chapter 13, the minimum and maximum volume bands for the relevant month m shall be updated accordingly to take into account the interruption/reduction in the Injection Performance available to the Shipper. Stogit shall inform Shippers through the functions of its information system of any changes in the minimum and maximum volume bands resulting from interruptions/reductions in the Injection Performance.

5) USE OF STRATEGIC GAS

5.1) Strategic gas with MSE authorisation

In cases of authorisation to use Strategic Gas as per M.D. 26 September 2001, Stogit makes its Strategic Gas available to the Shipper who requests it, after the latter has presented the documentation relating to the authorisation received from the MSE, as after verification by Stogit of payment of the amount due for purchasing the Strategic Gas on the basis of a charge defined by the Authority, for the period subject to authorisation.

To this end, Stogit publishes on its own Internet site the forms for presenting the application as well as the procedures and the deadlines for paying the amount described above. Incomplete applications or applications that do not comply with that indicated by Stogit shall not be considered acceptable.

It is understood that Stogit shall provide the Shipper with Strategic Gas (which will be calculated as part of the availabilities of the latter) starting from the day after receiving the documentation described above if such documentation reaches Stogit by 16.00, or starting from a later date if indicated by the Shipper, and up to the quantity corresponding to the amount paid.

This is without prejudice to the activation of "non-market measures" as set out in the Emergency Plan.

5.2) Withdrawal Capacity of Shippers for Strategic Storage with MSE authorisation

In cases of authorisation as per M.D. 26 September 2001, Stogit makes Storage Capacity available to the Shipper who requests it, after the latter has presented the documentation relating to the authorisation received from the MSE to use further storage capacity, according to the procedures and deadlines published by Stogit for this purpose on its own Internet site.

Incomplete applications or applications that do not comply with that indicated by Stogit shall not be considered acceptable.

It is understood that the Storage Capacity shall be made available to the Shipper (and calculated in the latter's availabilities) starting from the day after receiving the documentation described above if such documentation reaches Stogit by 4 p.m., or starting from a later date indicated by the Shipper.

5.2.1) Excess of Withdrawal Capacity in the period to which the authorisation refers

The Shipper authorised to the withdrawal of strategic storage can use, within the limits of quantity and capacity previously authorised, the volume of storage it has.

5.2.2) Excess of Withdrawal Capacity in the period following the one to which the authorisation refers

For the residual period of the Withdrawal Phase following the one to which the authorised use of Gas and Withdrawal Capacity, as per the previous paragraph, refers, Stogit will calculate a Withdrawal Capacity (below "calculated Withdrawal Capacity") on the basis of what is in the previous article 6 regarding the determination and publication of the volume bands of Withdrawal Capacity, considering a gas stock equal to the limits established by resolution No. 303/07, 4 December 2007, or, if lower, the Shipper stock increased in the authorised amounts.

5.3) Provisions for emergency procedures

As indicated in the introduction to this Code, if emergency procedures provided for in MD 26/09/01 are activated, the provisions for balancing as per this chapter may undergo amendments which will be promptly communicated by Stogit to the Shipper.

6) CHARGES AND TRANSFER REFERRED TO IN PARAGRAPH 26.6 OF THE RAST

The Shipper, which at the end of the Thermal Year has not withdrawn all its own gas available in the Storage Service and does not draw up a contract with Stogit for the following Thermal Year, shall pay the $c_s/5$ and c_I charges applied to the stock at 31 March. Stogit, after 30 April every year and with notice to the Shipper of at least 48 (forty-eight) hours, shall publish through the functionalities of its Internet site the amount of gas for sale, net of the Gas included in the Deposit service as per chapter 3, paragraph 4.1 and the quantity as per chapter 16, paragraph 4.5, and the deadline to submit purchase requests. The sale price is fixed at 50 per cent of the energy quota " C_{MEM}" defined by the Authority for that period.

If applications exceed the quantity of gas as of above, Stogit will allocate pro rata to the applications.

Following the aforementioned sale, the Shipper will see the total amount paid by the Shippers to Stogit and shall pay Stogit a fixed charge of €50,000 for the management of the sale.

If, at the end of the period for which Space was assigned in the short-term capacity assignment processes indicated in Annex 5 of Chapter 5, a quantity of gas that exceeds the Space owned by the Shipper remains in the Storage System, this Shipper shall pay the charges $c_s/5$ and c_I applied to this surplus gas. If this condition remains unresolved by the Shipper for 30 days, and giving the Shipper at least 48 (forty-eight) hours' notice, Stogit also publishes through the functionalities of its website the quantity of gas sold net of the gas included in the Deposit Service indicated in chapter 3, paragraph 4.1 and the quantity indicated in chapter 16, paragraph 4.5, and the deadlines for submitting purchase requests. The sale price is fixed at 50 per cent of the energy quota " C_{MEM}" defined by the Authority for that period.

If applications exceed the quantity of gas as of above, Stogit will allocate pro rata to the applications.

Following the aforementioned sale, the Shipper will see the total amount paid by the Shippers to Stogit and shall pay Stogit a fixed charge of €50,000 for the management of the sale.

7 A1 - Procedure for attributing injection and withdrawal consumption and the related excise duties

1) Foreword

Compression and treatment consumption for Injection and Withdrawal (hereafter Injection and Withdrawal consumption) referred to any Gas Day will altogether be apportioned among all the Shippers of the Basic Services except for the Shippers of the Balancing Service as set out in this procedure.
Daily consumption, as shown in chapter 9, paragraph 3.1, includes burnt and unburnt Gas.

2) Apportionment of Injection/Withdrawal consumption

Stogit publishes annually on its Internet site the percentages of gas covering technical consumption (γ_I for Injection and γ_E for Withdrawal) calculated according to the criteria as per article 24 of the RAST and approved by the Authority pursuant to the same point.

In calculating the percentages of gas to cover technical consumption, Stogit shall consider the differences between the estimated quantity and the actual quantity of gas to cover the technical consumption of compression and treatment plants relating to the year t-2 pursuant to article 24 of the RAST.

From the actual quantity of gas to cover the technical consumption of compression and treatment stations, Stogit deducts consumption attributable to physical handling on a gas day in the opposite direction to the main one. Such consumption will be attributed to SRG, pursuant to article 24 of the RAST.

By 8 p.m. of each Gas Day, Stogit publishes on its own Internet site, the main flow direction (FP_{DD}) of the Storage Service relating to the following Gas Day. The FP_{DD} coincides with the Injection direction if the envisaged Injection quantities on the gas day are higher than the envisaged Withdrawal quantities in the same gas day, or in Withdrawal in the opposite case.

For every gas day, given the main flow direction of the system. consumption is allocated to the shippers as follows:

a) To shippers that have handled gas at storage in the same direction as the system's main flow, a withdrawal is attributed, to be applied to the stock in storage equal to the percentage of consumption relating to the main flow direction of the system applied to the quantity of handled gas;

b) To shipper that have handled gas at storage in the opposite direction to that of the system's main flow, an emission is attributed, to be applied to the stock in storage, equal to the percentage of consumption relating to the main flow direction of the system applied to the quantity of handled has.

The apportionment of consumption, as per this procedure, will be communicated by Stogit to Shippers according to the methods and times detailed in chapter 7, paragraph 3.3 in this Code, on the basis of the general criteria mentioned above, as applied in the equations of chapter 7, paragraph 3.2.1.

3) Excise

a) No later than 30 days from the notification to each Shipper of the quantities of Gas corresponding to the Injection and Withdrawal consumption attributed to it, as provided for by this procedure, Stogit shall issue an invoice pertaining to the excise duties, computed according to formula (3) or formula (4) of point b) below. Said invoices shall be balanced as a function of the balances paid by Stogit to the Italian treasury for the same period. Stogit consequently issues the associated credit notes or additional invoices.

b) The excise duties pertaining to Injection and Withdrawal consumption shall be apportioned monthly among the Shippers according to the following formula:

$$ACC_{k,compression} = \Sigma_{Ik} / \Sigma_{Itot} \times ACC_{compression} \quad (3)$$

where:

$ACC_{k,compressione}$ is the amount of the excise duties pertaining to the Shipper by virtue of the Injection consumption attributed to it;

ΣI_k is the overall energy associated to Injection handling assigned to the Shipper during the month, in the days in which the estimated main flow is in Injection;

ΣI_{tot} is the overall energy associated to Injection handling assigned to all Shippers during the month, in the days in which the estimated main flow is in Injection;

$ACC_{compression}$ is the amount of excise duties pertaining to consumption of burnt Injection gas, limited to Gas Days in which the main flow is in Injection.

$$ACC_{k,\ treatment} = \Sigma E_k / \Sigma E_{tot} \times ACC_{treatment} \ (4)$$

where:

$ACC_{k,trattamento}$ is the amount of the excise duties pertaining to the Shipper by virtue of the Withdrawal consumption attributed to it;

ΣE_k is the overall energy associated to Withdrawal handling assigned to the Shipper during the month, in the days in which the estimated main flow is in Withdrawal;

ΣE_{tot} is the overall energy associated to Withdrawal handling assigned to all Shippers during the month, in the days in which the estimated main flow is in Withdrawal;

$ACC_{trattamento}$ is the amount of excise duties pertaining to consumption of burnt Withdrawal gas, limited to Gas Days in which the main flow is in Withdrawal.

Excise duties not attributed to Shippers as per this paragraph, i.e. those relating to consumption attributed to physical handling in a gas day in the opposite direction to that of the main flow of the system actually recorded, shall be apportioned to SRG pursuant to article 24 of the RAST.

4) Electricity consumption of power plants

For all electricity consumption, recorded or estimated in compression and treatment plants and which in any case can be attributed to the handling of Gas, Stogit shall proceed with apportionment i.e. to recognition to Shippers according to that described below, starting from 1 April 2013. For utilities not fitted with dedicated metres, the estimate is deduced from one-wire diagrams and from electric balances used when planning the plants.

For sites in which electricity or mixed power plants are installed, Stogit shall apportion among Shippers the cost associated to electricity consumption for Injection in the corresponding period (T) 1 April - 31 October or 1 November - 31 March, according to the following formulae:

$$EL_k = \sum_g \begin{cases} S_k \cdot EL_I & se \quad g \in FP_I \\ S_k \cdot EL_E & se \quad g \in FP_E \end{cases} \qquad (5)$$

Where:

EL_k is the amount, to be attributed (if positive) or recognised (if negative) to shipper k, to cover invoices paid monthly by Stogit in the period (T) for sites in which electricity or mixed withdrawal plants are installed. The amount is given by the arithmetic sum for each day g belonging to period (T), of the SRG assignment value for the unit quota of injection cost if the main flow estimated in day g is in Injection or for the unit quota of Withdrawal cost if the main flow estimated in day g is in Withdrawal.

S_k is the quantity of the SRG allocation to the k-th , Shipper relating to day d, as per chapter paragraph 3.2.

EL_I and EL_E are the values deriving application of formulas (6) and (7)

(6)

$$EL_I = \frac{EL_{I,T}}{\sum_{g \in FP_I} \sum_k S_k}$$

$$EL_E = \frac{EL_{E,T}}{\sum_{g \in FP_E} \sum_k S_k} \quad (7)$$

in which:

EL_I is the unit cost quota relating to electricity associated to gas handling on days, belonging to period (T), in which the main estimated flow is in Injection;

$El_{I,T}$ is the amount given by the sum in period (T), where (T) corresponds to the time intervals mentioned above, of invoices paid monthly by Stogit for electricity or mixed power plants functioning on Injection;

$\sum_{g \in FP_I} \sum_k S_k$ is the arithmetic sum of the value S_k of all k-th Shippers, for every day g belonging to period (T) in which the main estimated flow is in Injection.

EL_E is the unit cost quota relating to electricity associated to gas handling on days, belonging to period (T), in which the main estimated flow is in Withdrawal;

$El_{E,T}$ is the amount given by the sum in period (T), where (T) corresponds to the time intervals mentioned above, of invoices paid monthly by Stogit for electricity or mixed power plants functioning on Withdrawal;

$\sum_{g \in FP_E} \sum_k S_k$ is the arithmetic sum of the value S_k of all k-th Shippers, for every day g belonging to period (T) in which the main estimated flow is in Withdrawal.

Stogit shall issue an invoice for the recharging of the costs referred to in this paragraph, on the basis of the assignment data by the end of each Thermal Year for the period 1 April - 31 October and by the following 31 May for the period 1 November - 31 March.

If the Shipper is charged the costs for electricity, the Shipper issues Stogit an invoice within 30 April on the basis of the data communicated by Stogit to the Shipper within the end of each Thermal Year with reference to the 1 April - 31 October, or within the 30 June on the basis of the data communicated by Stogit to the Shipper within 31 May with reference to the period 1 November - 31 March.

It is understood that payment by Stogit of the invoice mentioned above is conditional on verification that the Shippers do not have, regarding the contracts stipulated on the basis of this Code, for the Thermal Year underway or for previous Thermal Years, amounts invoiced and already due, over the value of the respective guarantee issued to cover the obligations deriving from said contracts. Any amounts due by Stogit will entail a reduction in the Shipper's exposure.

The operating procedures relating to the invoicing of electricity consumption are made available by Stogit on its own Internet site.

Any costs referring to electricity attributable to physical Injection handling recorded on Gas Days in which the main flow actually recorded is in Withdrawal or in Withdrawal on Gas Days in which the main flow actually recorded is in Injection, will be apportioned to SRG pursuant to article 24 of the RAST.

CAPACITY AND GAS TRANSACTIONS

1) TRANSFERS OF STORAGE CAPACITY AND GAS IN STORAGE

This chapter lays down the rules relating to capacity and gas trades through the use of the information system made available by Stogit, whose general conditions of use are published by Stogit on its website or in the manner made available by Stogit on its website.

1.1) Terms and conditions for transfers of storage capacity

Transfers of capacity expressed in energy (KWh without decimals) as per this paragraph, regards only capacities on a firm basis.

In particular, said trading refers to:

- The assigned and available Space for the Hydrocarbon Storage Service in the month to which the trading request refers. Any trading of space entails the trading of the corresponding Injection and Withdrawal Capacities and Performance.

- The Space assigned for the Multi-year Storage Service available in the month to which the trading request refers. Any transfer of Space implies the transfer of the relevant Injection and Withdrawal Capacities and Performance and the obligation to comply with the relevant volume bands referred to in chapter 3, paragraph 2.

- The Space assigned for the available Flat Modulation Service (seasonal or monthly product) in the month to which the trading request refers. Any transfer of Space implies the transfer of the relevant Injection and Withdrawal Capacities and Performance and the obligation to comply with the relevant volume bands referred to in chapter 3, paragraph 2.

- The Space assigned for the available peak Modulation Service (seasonal or monthly product) in the month to which the trading request refers. Any transfer of Space implies the transfer of the relevant Injection and Withdrawal Capacities and Performance and the obligation to comply with the relevant volume bands referred to in chapter 3, paragraph 2.

- The assigned and available Space for the Continuous performance (fast-cycle) Service in the month to which the transfer request refers. Any trading of space entails the trading of the corresponding Injection and Withdrawal Capacities and Performance.

- The Injection or Withdrawal performance of the Hydrocarbon Service, available in the month to which the transfer request refers.

- The Injection or Withdrawal performance of the multi-year Service, available in the month of validity of the adjustment factor referred to in Chapter 3, paragraph 2.4.2 ($AF_{k,per,m+1}$for the Injection Performance in the Injection Phase and $AF_{k,i}$ for the

Withdrawal Performance in the Withdrawal Phase) to which the transfer request refers.

- The Injection or Withdrawal performance of the Peak Modulation Service (seasonal or monthly product), available in the month of validity of the adjustment factor referred to in Chapter 3, paragraph 2.5.2 ($AF_{k,per,m+1}$for the Injection Performance in the Injection Phase and $AF_{k,i}$ for the Withdrawal Performance in the Withdrawal Phase) to which the transfer request refers.

- The Injection or Withdrawal performance of the Flat Modulation Service (seasonal or monthly product), available in the month of validity of the adjustment factor referred to in Chapter 3, paragraph 2.6.2 ($AF_{k,per,m+1}$for the Injection Performance in the Injection Phase and $AF_{k,i}$ for the Withdrawal Performance in the Withdrawal Phase) to which the transfer request refers.

- The Injection and Withdrawal Performance of the Continuous performance (fast-cycle) service, available in the month to which the transfer request refers.

If the request (by the transferring Shipper) and the acceptance (by the transferee Shipper) for transfer is inserted within the term indicated in the following paragraph 1.1.1, the transfer is effective towards Stogit starting from the first Gas Day of the month following the communication or from the first Gas Day of the month indicated in the transfer request and (i) until the end of the current Thermal Year with reference to the Space transfer, (ii) until the end of the month to which the transfer refers with reference to the Injection or Withdrawal Performance; in the cases of capacity transfer as per chapter 3, paragraph 4.1.4, the effective date of the same is communicated by Stogit to the transferring and transferee Shipper.

It is understood that in the context of the transfers referred to in this paragraph, the Space and the related Injection and Withdrawal Capacities and Performances shall be accounted for (i) before the application of the adjustment factor at the beginning of the Thermal Year referred to in chapter 3, paragraphs 2.4.2, 2.5.2, 2.6.2, (ii) following the application of the adjustment factors during the Thermal Year referred to in chapter 3, paragraphs 2.4.2, 2.5.2, 2.6.2.

It is understood that in the context of the transfers referred to in this paragraph, the Injection and Withdrawal Performance subject to transfer are accounted for as a result of the application of the adjustment factors at the beginning of the Thermal Year and during the Thermal Year referred to in chapter 3, paragraphs 2.4.2, 2.5.2, 2.6.2.

1.1.1) Deadline for the performance of capacity trading and effectiveness for Stogit

Shippers who intend to reciprocally carry out the transfers referred to in this paragraph are required to communicate through the information system made available by Stogit or in the manner made available by Stogit on its website the request for transfer no later

than 5:00 p.m. of the fourth working day of the month preceding the month to which the transfer refers.
The transfer request must contain the details of the Basic Service subject to transfer and the assignment procedure in which the Space capacity or the Injection and Withdrawal Performance subject to transfer has been assigned. In order to identify the transferee Shipper's payment obligations, Stogit shall consider the residual amount due for the transferred capacities and Performance in relation to the period from the effective date of the transfer to the end of the current Thermal Year, considering the weighted average price of assignment of the transferred capacity to the transferring Shipper; with reference to the transfer of Injection or Withdrawal capacities, the payment obligations of the transferee Shipper are determined taking into account the monthly duration of the transferred performance and the relationships between Space Capacity and Injection and Withdrawal capacities, as described in chapter 3, paragraphs 2.1.1, 2.4.1, 2.5.1, 2.6.1 and 2.7.1.

By the second-last working day of the month preceding the month to which the transfer refers, Stogit shall make available on the information system provided by Stogit the results of the transfer requests and the addendum to the Storage Contract signed with Stogit, and shall record in the same information system the changes in the quantities of space, capacity and injection and withdrawal performance.

1.1.2) Capacity trading not admitted

Stogit will inhibit the performance of capacity trading if the transferring Shipper does not have capacity to perform the trading. To this end, the Injection or Withdrawal Performance subject to transfer shall be determined as a result of the application of the adjustment factors at the beginning of the Thermal Year and during the Thermal Year referred to in chapter 3, paragraphs 2.4.2, 2.5.2, 2.6.2. In the event the available Injection or Withdrawal Performance of the transferring Shipper is lower than the assigned Performance, the assigned capacity shall be re-proportioned on the basis of the available Performance.

Stogit will inhibit the performance of capacity trading if the transferee Shipper does not have the basic requirements to access the Storage Services, as per chapter 5, paragraph 2.

The insertion and the approval in the information system provide by Stogit of capacity transfer requests are also not admitted if the transferring Shipper or the transferee Shipper have not paid, at the date of the communication as per this paragraph, all the amounts due by both for the respective contracts as per this Code, for the current or previous Thermal Years, already invoiced and outstanding if these amounts are higher than the respective guarantees given according to the obligations of the said contracts except for the provisions laid down in chapter 3, paragraph 4.1.4.

1.1.3) Transferring Shipper responsibilities

On the date when the trading comes into effect, all rights and obligations of the transferring Shipper vis-à-vis the Contract, for the availability of Space and Injection and/or Withdrawal Capacity and Performance subject to trading, are taken on by the transferee Shipper.

1.2) Terms and modalities for gas trading on STS

1.2.1) Tool for performing gas trading

Stogit allows Shippers who subscribe for STS to perform daily or multi-daily Gas trading expressed in energy (KWh with no decimal figures) through the use of STS System as established in this paragraph 1.2.

1.2.2) Deadline for the performance of Gas trading and effectiveness for Stogit

Shippers, who subscribe for STS, intending to carry out trading of Gas, that is in the Storage Service, on a daily basis, must record in STS the request (transferring Shipper) and the acceptance (transferee Shipper) of Gas trading no later than 12 p.m. of the Gas Day preceding the one to which the trading refers.

Gas trading will be effective for Stogit from the Gas Day following the one in which the insertion in STS of the acceptance of trading request has been performed by a transferee Shipper or from the day indicated, if different from the Gas Day following the one of the insertion.

1.2.3) Gas trading not admitted

The insertion and the approval in STS of gas trading requests are not admitted if the transferring Shipper or the transferee Shipper have not paid, at the date of the communication as per this paragraph, all the amounts due by both for the respective contracts as per this Code, for the current or previous Thermal Years, already invoiced and outstanding if these amounts are higher than the respective guarantees given according to the obligations of the said contracts.

Also, no Gas trading requests will be admitted if Stogit receives any reports from SRG, as per paragraph 1.4.4 of Chapter 5 of the Network Code, of an economic exposure on the part of the Shipper exceeding 90% of the maximum exposure allowed within the sphere of the balancing as per the Network Code, until it receives a new communication from SRG confirming the termination of such an anomaly.

1.2.4) Gas trading completed but inhibited from the performance

Stogit will inhibit the performance of a Gas trading operation authorised by both Shippers if the gas stock of the transferring Shipper, decreased by any quantity of Gas in guarantee for the balancing service as per paragraph 1.4.2 of chapter 5 of the Network Code and by the quantity as per chapter 16, paragraph 4.5, shows, on the basis of the

figures as per chapter 7, paragraph 3.3 of this Code, related to the Gas Day preceding the one from which the trading should be validated, a withdrawal of its own Gas.

For the above verification, Stogit will consider every day the chronological order of trading acceptances by the trading Shipper, verifying, for each Shipper, the daily balance of trading operations and excluding, first of all, the last trading operation accepted if the daily balance entails a utilization of strategic gas by the transferring Shipper or an exceeding of Space by the transferee Shipper, until the conditions of validity are satisfied.

The application of the charges as per chapter 7, paragraphs 4 and 5 of the Storage Code remains always valid also in these cases.

As per this paragraph, STS will inform by email the involved Shippers about the unsuccessful conclusion of the trading.

Trading shall also be inhibited if the transferee Shipper, due to trading, exceeds its own available Space on the basis of the data as per chapter 7, paragraph 3.3 of this Code.

1.2.5) Transferring Shipper responsibilities

On the date when the trading comes into effect, all rights and obligations of the transferring Shipper vis-à-vis the Contract for the provision of the Basic Service relating to the quantity of Gas subject of the trading, shall be undertaken by the transferee Shipper.

1.2.6) Management charges, invoicing and interests

With reference to a Thermal Year, each Shipper, whether transferee or transferring, intending to transfer Gas shall pay Stogit a charge of €1,000 for each transfer (both daily and multi-daily) to cover the costs of managing the related request; the amount is not due in the event of the transfer of Gas between Warehouses of the same Shipper.

2) RELEASES OF CAPACITIES TO STOGIT FOR ASSIGNMENT TO THIRD PARTIES

This paragraph establishes the rules for Capacity releasing by the Shippers for the assignment of Capacities by Stogit on a fortnightly, weekly, daily and intra-daily basis.

2.1) Terms and methods for releasing capacities

2.1.1) Object of capacity releases

Capacity releases can have as object:

- the weekly and daily Injection Performance available to the Shipper for the period to which the release refers;

- the fortnightly, weekly and daily Withdrawal Capacity available to the Shipper for the period to which the release refers;

- the request to Stogit of a reduction of the Withdrawal Performance at a later time, for the purpose of assigning to third parties early Capacity and/or Early fortnightly withdrawal Capacity. For each early Capacity booking process, as per Annex 5 to chapter 5, and of early fortnightly withdrawal Capacity, as per Annex 8 to chapter 5, Stogit makes available, through the functionalities of its Portal, the conversion coefficients of the Withdrawal Performance differentiated according to the day/period of the Withdrawal Phase to which the reduction refers.

2.1.2) Presentation of Capacity releases

The Shipper is entitled to request to Stogit the reduction of the Withdrawal Performance at a later time for the purpose of assigning to third parties the fortnightly withdrawal capacity and/or the early fortnightly withdrawal capacity according to the time frames and procedures set out in Annex 8 to Chapter 5.

Shippers that intend to release capacities to Stogit for assignment to third parties of short-term capacities on a weekly basis must enter, through the information system provided by Stogit, the Performance released together with the corresponding minimum sale amount, within the day and time indicated in the calendar published by Stogit on its own Internet site.

Shippers that intend to release their capacities to Stogit for assignment to third parties of short-term capacities on a daily basis must enter, through the information system provided by Stogit, the Performance released together with the corresponding minimum sale amount by 6 p.m. of each Gas Day for the next Gas Day.

Shippers that intend to request to Stogit the reduction of the Withdrawal Performance at a later time for early assignment to third parties of the capacity on daily basis must communicate through the information system made available by Stogit, by 6:00 p.m. of each Gas Day for the next Gas Day, the quantity to be reduced together with the relevant minimum sale charge and the indication of the days on which to distribute the quantities subject to the subsequent reduction of the Withdrawal Performance. For the purpose of the reduction of the Withdrawal Performance, Stogit shall apply to the quantity subject to the Performance reduction request, which is assigned as a result of the short-term capacity assignment process referred to in Annex 5 to chapter 5, the Performance conversion coefficients differentiated according to the day of the Withdrawal Phase to which the reduction refers, as made available by Stogit through the functions of its Portal.

Shippers that intend to request to Stogit the reduction of the Withdrawal Performance at a later time for early assignment to third parties of the capacity on an intra-daily basis must communicate through the information system made available by Stogit, by 11:00 a.m. and/or 1:00 and/or 3:00 and/or 5:00 p.m. of each Gas Day for the same Gas Day,

the quantity to be reduced together with the relevant minimum sale charge and the indication of the days on which to distribute the quantities subject to the subsequent reduction of the Withdrawal Performance. For the purpose of the reduction of the Withdrawal Performance, Stogit shall apply to the quantity subject to the Performance reduction request, which is assigned as a result of the short-term capacity assignment process referred to in Annex 5 to chapter 5, the Performance conversion coefficients differentiated according to the day of the Withdrawal Phase to which the reduction refers, as made available by Stogit through the functions of its Portal.

The Shipper can also modify the minimum sale amount indicated previously on SAMPEI[1]:

- within the deadline set in the calendar published by Stogit on its web site, with reference to the weekly capacity releases;

- within 7:00 p.m. on the day of the short-term capacity assignment procedure indicated in Annex 5 to Chapter 5, with reference to the daily capacity releases.

The request of reduction of the Withdrawal Performance for the purpose of early assignment to third parties of capacities and/or early fortnightly withdrawal capacities does not imply any change in the Withdrawal Performance available to the Shipper in the requested period; the request of reduction of the Performance implies the recording on the PSV system of a sale transaction by the requesting Shipper in favour of Stogit, on the days and for quantities equal to the amount indicated by the Shipper in the reduction request, also taking into account the performance conversion coefficients made available by Stogit.

Stogit is authorised by the requesting Shipper to enter the aforementioned transactions in the PSV system in the name and on behalf of the Shipper; for the successful completion of the aforementioned transaction, the Shipper shall take care to maintain the necessary amount of its guarantees to cover the system's exposure to the Shipper referred to in article 10 of the TIB.

On the Gas Day of execution of the transaction on the PSV system, Stogit carries out Re-booking in Injection for quantities equal to a quantity subject to the transaction on the PSV system in order to reduce the withdrawal performance of the storage system; on the following Gas Day, Stogit, through a transfer of gas into storage in favour of the Shipper, transfers to the Shipper the quantity previously injected; Stogit is authorised by the Shipper to carry out this transfer of gas in storage.

The operating procedures and billing schedules relating to the transaction of gas on the PSV system and the subsequent transfer of gas in storage are made available by Stogit on its website.

[1] As of November 2019, until the completion of the adaptation activities of the information systems, this functionality will not be available. Stogit will notify Shippers of the restoration of functionality through its information systems.

2.1.3) Capacity releases not effective for assignment by Stogit

Short-term capacity releases will not be considered valid if, when the Capacity release is presented by the Shipper in which a part or all of the Performance released is not available to the same Shipper.

Requests for reduction of the Withdrawal Performance at a later time shall not be considered valid, for the purpose of early assignment of Capacities and/or early fortnightly withdrawal capacity to third parties, in the event that at the time of submission of the request for reduction of the Performance by the Shipper, part or all of the Performance subject to the request for reduction is not available to the Shipper.

With reference to the early fortnightly withdrawal Capacity, the reductions of the Withdrawal Performance at a later time for which the Shipper has indicated a quantity that is not compatible with the quantity indicated by Stogit at the time of publication of the overall restrictions for the reduction of the Withdrawal Performance on its website, or has selected a time period for the reduction of the Withdrawal Performance that is not compatible with the time periods indicated by Stogit at the time of publication of the overall restrictions for the release of early fortnightly withdrawal Capacity on its website, shall not be considered valid. Stogit publishes these constraints in good time with respect to the deadline for submitting the Withdrawal Performance reduction request by the Shipper.

With reference to the early Capacity, the reductions of the Withdrawal Performance for which the Shipper has indicated a quantity that is not compatible with the quantity indicated by Stogit at the time of publication of the overall restrictions for the reduction of the Withdrawal Performance in the information system made available by Stogit, or has selected days for the subsequent reduction of the Withdrawal Performance that are not compatible with the time interval indicated by Stogit at the time of publication of the overall restrictions for the reduction of the Withdrawal Performance in the information system made available by Stogit, shall not be considered valid. Stogit publishes these constraints in good time with respect to the deadline for submitting the Withdrawal Performance reduction request by the Shipper.

Reductions of the withdrawal performance for the assignment of early fortnightly withdrawal Capacity and/or early Capacity to third parties will also not be considered valid in the event that, at the time of submission of the reduction of the performance, the Shipper does not have sufficient guarantees to cover the system exposure to the Shipper referred to in Article 10 of the TIB for the purposes of registering the transaction at the PSV referred to in paragraph 2.1.2 above.

The reduction of withdrawal performance for early assignment of capacity to third parties is not permitted for Shippers that have signed a Storage Contract exclusively for the month in which they submitted the reduction request.

2.1.4) Shipperresponsibilities

The Shipper that has received the acceptance of its Capacity release is in any case responsible for the payments to Stogit for the capacities released irrespective of the assignment of this capacity to third parties.

Stogit, on a monthly basis, before the 15th (or the working day that follows) of the second month following the one to which the release refers, will pay the Shippers, whose capacity released has been assigned to third parties, the charges resulting from the assignment , on the basis of the procedure indicated in Annex 5 to Chapter 5 or Annex 8 to Chapter 5.

It remains understood that the Capacity released and not assigned to third parties within the scope of the short-term capacity assignment and/or fortnightly withdrawal Capacity procedures will be included in the Shipper's availability.

GAS MEASUREMENT

1) INTRODUCTION

The Gas withdrawn from or injected into the Storage System is determined through a measurement process that defines for every site the amounts of Gas physically handled, expressed as energy (KWh).

Although measurement of the gas as energy also includes the High Heating Value (HHV) of that Gas and hence its composition, this chapter mainly describes the methods of determining the amounts of gas handled. The regulatory reference provisions and the methods for detecting and monitoring the quality parameters are shown in chapter 10.

Acquisition and processing of quantity and quality data is carried out by a single automatic system described in paragraph 3.2 below.

STOGIT has installed measurement systems in its plants that have been set up and operated in compliance with the national and international legislation applicable to this issue.

At present the measurement carried out by STOGIT is shared with SRG and used by STOGIT and SRG to determine the Gas entered/withdrawn into/from the National Transportation Network physically connected to the Storage Service, and is carried out in compliance with the provision in section 4, Article 7 of Annex A to the Authority resolution No. 185 of 6 September 2005 (hereinafter resolution 185/05).

2) MEASUREMENT FOR PURPOSES OF THE COMMERCIAL RELATIONSHIP

For the purposes of the Storage Code, the measurement data, being valid in accounting and taxation terms within the commercial relationship between STOGIT and SHIPPERS, are expressed in units of energy.

The amounts attributable to each SHIPPER are determined on the basis of the allocation rules, as shown in chapter 7.

3) MEASUREMENT OF QUANTITY

3.1) Introduction

Measurement of gas volumes transported from the storage sites is carried out both on entry into and exit from the STOGIT plants.

During Injection of the Gas under the ownership of the SHIPPER, delivered by the SHIPPER to STOGIT through SRG at the Delivery Point, is measured downstream of the STOGIT compression station, before being entered into the reservoir. The Gas measured does not, therefore, include the gas consumed for plant operation, determined by STOGIT and attributed to the SHIPPERS as provided for in Annex 1 to charter 7, accordingly to the percentages of gas covering technical consumption ɣ.

During Withdrawal, measurement of the Gas redelivered by STOGIT to SRG on the basis of the instructions received from the SHIPPERS at the Redelivery Point, is measured downstream of the STOGIT compression station, before the Redelivery Point to SRG. Gas consumed for plant operation is, therefore, subtracted from the Gas measured, determined by STOGIT and attributed to the SHIPPERS as provided for in Annex 1 to charter 7, accordingly to the percentages of gas covering technical consumption ɣ.

The volumes of Gas consumed overall in the plants are substantially relative to the compression unit operating in Injection (and, in some cases, also in Withdrawal), to the operation of the glycol regeneration equipment and the services linked to them. This consumption, called "Combusted Gases", is measured with specialised equipment and represents over 90% of total consumption for storage.

Unburnt gas linked to the process's own characteristics or to specific special activities on the plants is added to this consumption in both Phases. These volumes are measured, calculated or estimated on the basis of the documents in STOGIT's integrated management system, *"Health Safety and Environment"* (HSE) STOGIT on plant *facilities* kept in each storage plant.

Below is a brief summary of the types of Gases making up consumption.

Combusted Gases	
Combustible gas for operations	measured
Combustible gas for testing	measured
Internal consumption civil use	Measured
Preheating gas	Measured
Treatment consumption	Measured

Unburnt gases	
Turbine start up	Estimated
Washing gas compressors	Estimated
Vent gas compressors	Calculated
Power station vent and washing	calculated

Well cleaning	measured
Turbine washing	Measured or estimated according to working conditions
Air leaks	estimated
Momentary leaks	estimated

3.2) Measurement plants

At each storage site there is a measuring system suitable for determining the quantities in volume and energy [1] and for checking the Gas quality specification, according to the provisions as per article 23, paragraph 1 of the M.D. of 26 August 2005. The measuring system installed at each storage site includes measuring lines, separated for injection and withdrawal activities, and an automated system for continuous determination of the quantities in transit in volume and energy.

The measurement lines are Venturi metre type[2]. As a function of the total plant flow rate there are more measurement lines operating in parallel, so as to guarantee that the predicted minimum and maximum flow rates are measured correctly and include transmitters for relative operating pressure, differential pressure and temperature.

The automated measurement system is made up of the following equipment:

- an "Energy Measurement System" processor, used for measuring amounts by volume and energy and managing quality parameters, as of chapter 10;
- transmitters for relative operating pressure, differential pressure and temperature installed on every measurement line;
- an analysis cabin (at least one for every storage site), comprising a gas chromatograph and analysers for water dew point, hydrocarbon dew point and sulphurised hydrogen content. These instruments are described in chapter 10.

The main function of the EMS is to acquire, from the transmitters installed on site for each measurement line, the data necessary for measuring amounts and from the gas chromatograph, common to all lines, the data for gas quality and determination of the necessary parameters for calculating volumes and energy.

The EMS also acquires data obtained by the analysers in the analysis cabin for checking and managing the quality specifications as per chapter 10, paragraph 1.

1 The unit of measurement used for volumes is the standard cubic metre (Scm) at the reference temperature and pressure conditions respectively of 15°C and 1.01325 bar. The unit of measurement used for energy is the Gigajoule (GJ).

2 Measuring the volumetric flow rate is carried out based on the difference in pressure upstream and downstream of the shrinkage of the piping section created by the primary element (calibrated diaphragm in a thin plate), the characteristics of the gas in transit and the geometric characteristics of the diaphragm and the piping.

3.3) Instrument calibration

All installed instruments undergo period calibration in order to ensure correct measurement within the set tolerance limits over time.

Calibration is carried out in static phase by adopting the standard procedures laid down for the installed equipment and using suitable sample instruments following the methods set by the manufacturer.

4) MEASUREMENT PROCESS

4.1) Determination of quantity

The methodology adopted by STOGIT for calculating energy consists of measuring simultaneously the gas volume and the corresponding energy content (High Heating Value – PCS[3]). The value in energy of the amounts transported is calculated in the manner as of this paragraph, through the following formula:

$$Energy = Volume \times PCS$$

The EMS system processes the volumetric flow rate in real time on the basis of the pressure, temperature and differential pressure parameters acquired continuously by the transmitters installed on site, according to the memorised plant configuration.

The value of the flow rate to reference conditions is calculated in accordance with the UNI EN ISO 5167-1 standard, taking into account the compressibility factor calculated in accordance with the ISO 12213-2 standard.

The calculated flow rate is integrated over time, on an hourly and daily basis, to measure the volume of Gas transported by measurement line and as a plant total.

The EMS acquires the composition of the Gas cyclically from the gas chromatograph and calculates on an hourly basis the average values for composition, density and PCS which are used for calculating the volume and energy in the hour following their being acquired, in accordance with the process as of chapter 10.

The hourly and daily energy value for the plant is thus calculated by multiplying the volume by the corresponding PCS (average hourly PCS and average daily PCS for the plant respectively).

3 The High Heating Value is calculated based on the composition of the Gas, as described in chapter 10 .

At the end of each gas day the EMS system drafts a *report* in which the daily plant amounts are shown (volume, PCS and energy) with hourly detail.

These amounts, after the procedure for validating the data as of paragraph 4.2 has been carried out, are made available to SRG within the time limits set for processing the daily balance.

All documentation for the measurement system (daily amounts transported, calibration reports, etc.), both on paper and in electronic format, are kept available for at least one year in the offices of the UNMIG (Ufficio Nazionale Miniere Idrocarburi e Geotermia [National Office for Hydrocarbon Mines and Geothermal Energy]) as provided for by the specific legislation.

4.2) Validation of the measurement data

Validation of the measurement data is effected through checking the completeness, accuracy and truthfulness of the data processed by the measuring system and that there is no anomaly that could compromise their validity.

The validation procedure, carried out at the end of every gas day, has two phases:

- Validation of the measurement data at every operating site where measurement plants are installed, by checking that the EMS system functions correctly and that the data produced are fitting. In the event of the EMS malfunctioning, the daily data used for commercial purposes will be those from the *back-up* system, as defined in paragraph 4.3 below.The STOGIT manager for each individual site, following checks, certifies the daily data for volume, PCS and energy entering them into the "Conduzione" computer system.

- Validation of the measurement data in the operations centre, where the fittingness and completeness of the values are checked at Storage Service level through "Conduzione", where the data arriving from all the STOGIT measurement plants are collated. Once this phase has been carried out, the data are held by STOGIT for use in accounting the gas injected/withdrawn on a daily basis within the deadlines set by SRG.

4.3) Determination of quantity in the event of main system malfunction

In the event of breakdown or malfunction of one or more of the instruments making up the main measurement system, amount calculation is guaranteed by a *back-up* system operating in parallel. The equipment in this system, installed on every measurement line, is regularly checked to verify that it is correctly calibrated and functions regularly.

The deadlines set by SRG for sending the measurement data necessary for daily balancing are observed even when the. *back-up* system is used.

In the event of breakdown or malfunction of both systems (main and *back-up*) a measurement datum is estimated in agreement with SRG, in accordance with an appropriate "Operating Manual" signed by STOGIT and SRG.

5) RESPONSIBILITIES AND RIGHTS

For the purposes of Gas measurement, STOGIT, as owner of the gas measurement plant is responsible for the management and maintenance and upgrading of the plant, in accordance with the relevant statutory laws and their contractual obligations.

STOGIT is responsible for all measurement activities carried out in its plants, on its own or in cross-examination with SRG, as provided for by section 4, article 7 of resolution 185/05, and guarantees that operations are conducted correctly in order to obtain best accuracy of data.

The SHIPPER, subject to written request to STOGIT in the manner agreed with it, has the right to examine the operations impacting on data measurements which are carried out in the plants.

GAS QUALITY

1) INTRODUCTION

The Gas delivered by SRG to STOGIT and redelivered by STOGIT to SRG is subject to industrial process based on observance of domestic and international standards.

In order to guarantee the integrity and safety of the storage plants, STOGIT adheres to the quality specifications as of the Network Code – its data are shared with SRG within the framework of a special "Operating Manual" signed by STOGIT and SRG – and implements the provisions of section 4, article 7 of Annex A to Authority resolution of 6 September 2005 No. 185 (hereinafter resolution 185/05).

These quality specifications, shown in Annex 2 to this chapter, apply to all the storage sites.

2) DETERMINING PARAMETERS

2.1) Overview

Gas quality parameters are shown both on entry to and on exit from STOGIT plants.

During Injection, the quality of the Gas delivered by SRG is measured upstream of the STOGIT storage plant, before Injection into the reservoir. During Withdrawal, measurement of the quality of the Gas transported is made upstream of the STOGIT treatment plant, before the Redelivery Point.

Withdrawal of the Gas to be analysed, for the analysis equipment and for further withdrawal into tank, is carried out through a special probe installed at a sampling point representative of the Gas.

2.2) Quality parameters

The parameters characterizing the quality of gas can be divided in chemical-physical parameters to calculate energy and parameters controlling the gas quality specification.

The main parameter used to calculate energy is the High Heating Value (PCS)fn[1], determined, as provided for by the ISO 6976 standard on the basis of the chemical composition of the gas[2]:

- Methane – C1
- Ethane – C2
- Propane – C3
- IsoButane – iC4
- NormalButane – nC4

1 It must be remembered, as defined in chapter 9, that the formula used for calculating energy is: Energy = Volume x PCS.

2 Annex 1 to this chapter has a special glossary for the parameters shown below

- IsoPentane – iC5
- NormalPentane – nC5
- Hexanes – C6+
- Nitrogen – N2
- Carbon Dioxide – CO2

Parameters for controlling quality are:

- High Heating Value
- Relative Density
- Wobbe Index
- Carbon Dioxide – CO2
- Oxygen – O2
- Hydrogen sulphide – H2S
- Sulphur in mercaptans – SRSH
- Total Sulphur - STOT
- Water Dew Point
- Hydrocarbon Dew Point

2.3) Installed instrumentation

For every storage site there is an "analysis cabin" with the instrumentation necessary for determining the quality parameters. The frequency for measuring the quality parameters is set in line with that shown in the Network Code.

Measurement of the chemical composition of the Gas is carried out continuously by a process gas chromatograph.

Measurement of water dew point, hydrocarbon dew point and sulphurised hydrogen content is carried out continuously with suitable analysers.

Oxygen, sulphur in mercaptans and total sulphur content, for the purposes of checking specification limits, is measured every three months by laboratory analysis on an instantaneous sample.

All the installed instrumentation continuously transmits the data to the "*Energy Measurement System*" (EMS) for processing the quality parameters. Alarmed thresholds have been set for each parameter in the EMS in case the specification limits are exceeded.

All the instrumentation for measuring quality parameters undergoes period calibration to check precision, in accordance with the times and methods set by the constructors and agreed with SRG.

3) MEASUREMENT AND VALIDATION PROCESS

The gas chromatograph transmits the data to the EMS system every 15 minutes which calculates the concentration of individual components and the chemical-physical characteristics of the Gas as provided for by the ISO 6976 standard.

The EMS system calculates hourly the arithmetic average of every component, the PCS, density and Wobbe Index. These values, as shown in chapter 9, are used to calculate the amounts in terms of volume and energy.

Data for water dew point, *hydrocarbon* dew point and sulphurised hydrogen *content* are acquired continuously.

The EMS system, at the end of each gas day, processes, records and prints a *report* where the daily average of the gas composition and the previously set quality parameters are shown.

Validation of the quality parameters is effected through checking that the limits set in the quality specifications are observed and that there is no anomaly that could compromise their validity.

In the event of values outside the specification limits, all the actions for checking the instrumentation and parts of the plant concerned are adopted. If these checks show no technical malfunction, the management procedure for over limit specifications agreed with SRG in a special "Operating Manual" signed by STOGIT and SRG is implemented.

If malfunctions due to a technical breakdown of the measuring instrumentation are shown, the last daily data considered valid are used and all the actions necessary for repairing that instrumentation are implemented.

In the event of valid data being unavailable, as of the previous paragraph, laboratory analysis on gas samples in tank (quality parameters, percentage composition) and instant measurements (dew points) will be carried out for the whole month.

4) RESPONSIBILITIES

Pursuant to section 1, article 8 of Annex A to resolution 185/05, it is forbidden to introduce over specification gas or gas, although not being over specification, containing elements normally not present in natural gas in amounts that could cause damage to the SHIPPERS, into the RNT.

Nevertheless, if that should occur, STOGIT, as provided for in section 1, article 19 of Annex A to resolution 185/05, must promptly inform, in writing, the transportation company and the SHIPPERS concerned.

STOGIT is therefore responsible, as far as its jurisdiction goes, for delivering gas meeting the quality specifications as of paragraph 1 above to the RNT, whilst it is in no way liable for any non- conforming gas upstream of the Redelivery Points.

In order to censure that the gas destined for injection is technically compatible with its gas reservoirs, STOGIT, checks continuously that the gas coming from the RNT complies with said quality specifications.

STOGIT reserves the right, based on the afore-mentioned parameters (and shown in detail in paragraph 1 above), to limit delivery of gas by SRG that is over specification.

In any case, STOGIT reserves the right to accept over-specification gas if, following technical checks, it deems that gas does not compromise the service levels of the fields/plants and System safety.

If over specification arises during withdrawal, STOGIT has the right to continue with withdrawal only after positive verification by SRG on the possibility of accepting the gas until it meets limit values set for existing operating conditions.

If on the other hand said verification has a negative result, the provisions set out in chapter 17 are applied.

4.1) SRG

SRG is responsible for delivering to STOGIT gas complying with the quality specifications as of Annex 2 to this chapter.

10 A1 – GLOSSARY

This glossary lists some of the terms used in this chapter in order to facilitate understanding.

Relative Density	The ratio between the gas density and dry air density, both calculated under the same conditions of temperature and pressure.
Wobbe Index	The ratio between High Heating Value of the gas for unit of volume and the square root of its relative density under the same reference conditions.
Dew Point	Temperature at which, for any given pressure, condensation of water starts.
Hydrocarbon Dew Point	Temperature at which, for any given pressure, condensation of hydrocarbons starts.
Quality Specifications	Technical specifications for the chemical-physical characteristics and the presence of other components in natural gas.

10 A2 – SPECIFICATIONS FOR THE CHEMICO-PHYSICAL CHARACTERISTICS OF THE GAS

Aim and scope of application

The aim of this specification, defined jointly with SRG, is to define the acceptability values for the chemical-physical parameters of the natural gas entering and exiting the storage sites managed by STOGIT.

The scope of application refers to Second Family-Group H natural gas, as per UNI EN 437 "Trial gas – Trial pressure – Categories of equipment", excluding manufactured gas and liquefied petroleum gas.

Regulatory references

- CNR-UNI 10003 "International Units system (SI)";
- Ministry Decree of 24 November 1984 "Fire Safety Regulations for the transportation, distribution, stocking and use of natural gas with a density not greater than 0.8";
- UNI EN 437 "Trial gas – Trial pressure – Categories of equipment";
- ISO 13443 "*Natural gas – Standard reference conditions*";
- Decree of 22 December 2000 "Identification of gas pipelines in the National Network as per article 9 of Legislative Decree No. 164 of 23 May 2000";
- Resolution No. 185/05 "General provisions of the Authority for Electricity and Gas on natural gas quality".

Reference conditions

The reference conditions of the unit of volume adopted here are the standard ones, or rather, in accordance with the ISO 13443 standards:

- Pressure 101.325 kPa
- Temperature 288.15 K (= 15°C)

For measuring the High Heating Value and the Wobbe Index the following enthalpic reference is assumed:

- 288.15 K (= 15°C)
- 101.325 kPa

QUALITY PARAMETERS

HHV Components

COMPONENT	ACCEPTABILITY VALUES	UNIT OF MEASUREMENT
Methane	(*)	
Ethane	(*)	
Propane	(*)	
Iso-butane	(*)	
Normal-butane	(*)	
Iso-pentane	(*)	
Normal-pentane	(*)	
Hexanes and above	(*)	
Nitrogen	(*)	
Oxygen	≤ 0.6	% mol
Carbon Dioxide	≤ 3	% mol

(*) for these components the acceptability values are intrinsically limited to the acceptability field of the Wobbe Index.

Trace compounds

PARAMETERS	ACCEPTABILITY VALUES	UNIT OF MEASUREMENT
Hydrogen sulphide	**≤ 6.6**	mg/ Sm3
Sulphur in mercaptans	**≤ 15.5**	mg/ Sm3
Total Sulphur	**≤ 150**	mg/ Sm3

Physical properties

PROPERTY	ACCEPTABILITY VALUES	UNIT OF MEASUREMENT	CONDITIONS
High Heating Value	**34.95 ÷ 45.28**	MJ/Sm3	
Wobbe Index	**47.31 ÷ 52.33**	MJ/Sm3	
Relative Density	**0.5548 ÷ 0.8**		
Water Dew Point	**≤ -5**	°C	At a pressure of 7000 relative kPa
Hydrocarbon Dew Point	**≤ 0**	°C	In the pressure range 100 ÷ 7,000 relative kPa
Max temperature	**< 50**	°C	

Other properties

The gas, under operating conditions, can contain the following components:

- water and hydrocarbons in liquid form;
- solid particulate matter in amounts such as to cause damage to materials used in transportation of the gas;
- other gases that could affect the safety or integration of the Storage Service.

These components are solely present as traces that do not show up on measurement instruments according to national and international industrial process standards.

INJECTION AND WITHDRAWAL PRESSURES

Pressure at the Delivery and Redelivery Points constitutes a parameter of fundamental importance for Gas storage. STOGIT must be able to rely on determined pressure values at said Points, appropriately guaranteed by SRG to be able - in its turn – to ensure Injection and Withdrawal of the amounts of Gas requested by those SHIPPERS.

Pressures at the Delivery and Redelivery Points condition the running of the Storage Service, in that:

- in Withdrawal the reduction of the pressure value at the Redelivery Point favours the System service performances and allows the fields to managed better which, on an increase of amounts withdrawn, tend to reduce their service levels;

- in Injection, the performances and service levels of the compression units improve with an increase in pressure value at the Delivery Points.

Of course opposite pressure tendencies in the two situations described above adversely influence the workability and performances of the System.

In Injection, SRG must deliver Gas under the ownership of the SHIPPERS to the Delivery Points under the constraint constituted by the minimum contractual pressure value, which STOGIT has the right to request at any moment whatsoever: this value is published, before the start of the annual booking process and for each Delivery Point, on the STOGIT. website.

In operational practice, STOGIT – as a function of the amounts of Gas to be Injected and the related optimised set up of the storage field – can accept Gas at a pressure lower than the minimum value as of above without this being the subject of any specific communication or prejudicing STOGIT's right to require the pressure value to be returned to a value not less than the minimum value.

In Withdrawal STOGIT undertakes to make available to SRG, at each Redelivery Point, the Gas under the ownership of the SHIPPERS, at a pressure no less than the minimum contractual pressure, published annually on STOGIT's website *internet* prior to the capacity assignment process.

The minimum contractual pressures as of above are identified on the basis of a technical analysis jointly with SRG.

In operations, STOGIT delivers and redelivers the Gas of its SHIPPERS through the RNT operated by SRG at the working pressures of the gas pipelines directly connected to the various storage sites. The working pressure of these gas pipelines being managed and controlled by SRG and considering the high operational variability necessary for guaranteeing the normal running of the RNT, coordinated management of pressures at all interconnection points becomes of fundamental importance for optimising the performances of the Storage Service under normal operating conditions.

Coordination between STOGIT and SRG for the management of the Storage Service is further strengthened in cases of service emergency as of chapter 18 and general emergency as of chapter 19.

QUALITY OF SERVICE

Chapter 12 ("Quality of Service") describes the parameters and the commercial quality standards of the Storage Services offered by STOGIT, pursuant to the Autority's requirements relating to quality. In particular, it describes the standards that apply to:

- commercial quality;
- safety;
- continuity.

QUALITY OF SERVICE

1) INTRODUCTION

This chapter sets out the essential parameters for quality guaranteed in the provision of the services by Stogit to its Shippers.

A constant aim of Stogit is the adoption of a policy aimed at meeting and maintaining the high quality standards in the offer of services, so as to guarantee to all Shippers an adequate degree of reliability for the Storage Service as well as access to the storage services in line with the principles of efficiency, continuity and impartiality, respecting the safety of the sites and workers, the environment and the territory where Stogit operates.

Stogit carries out its activities in accordance with the good rules of science and technology so as not to damage the field nor put third parties in jeopardy nor cause damage to the environment.

Stogit's aim is to make known and guarantee the Shippers' right to a storage service in line with the principles of efficiency, continuity and impartiality, through the identification of areas of intervention in relation to achieving and maintaining service quality standards, relating both to technical quality - preparation, management and maintenance of storage infrastructure - and to the commercial quality inherent in relations with Shippers.

It is understood that this aim can be achieved only by optimising all gas system components.

2) FUNDAMENTAL PRINCIPLES

A shared concept of *"quality service"* implies that customers acknowledge that those who provide the service satisfy their needs.

For this purpose, Stogit carries out the evaluation of Shipper satisfaction through specific interviews.

These aims can be achieved by taking into account some simple but fundamental principles, which are illustrated below.

2.1) Service efficiency

The need for continuous adjustment of the storage services to market requirements requires identification and adoption by Stogit of organisational, procedural and technological solutions that maximise as far as possible the efficiency of said services.

2.2) Continuity

Stogit endeavours to offer its Shippers storage services in a regular and continuous manner. In the event of service interruptions due to, by way of example but not limited to, interventions on the storage sites or service emergencies, Stogit commits itself to limit the resulting inconveniences, to immediately inform Shippers and to adopt all the necessary measures to restore the conditions of standard exercise as soon as possible.

2.3) Impartiality of treatment

Stogit conduct with respect to Shippers is inspired on the principles of objectivity, neutrality, transparency and impartiality. In this context, the Storage Code identifies the set of criteria for non-discriminatory access to storage services.

2.4) Health, safety and environment (HSEQ)

People's health and safety, as well as environmental protection are primary concerns for Stogit. These aspects are continuously under improvement.

For the optimised management of health, safety and environmental issues, Stogit has adopted an HSEQ policy and specific management systems - in line with international reference standards - such as UNI EN ISO 14001 environmental management system certification, BS OHSAS 18001 for worker health and safety and UNI EN ISO 9001 for Quality Management System (QMS) certification relating to the design and provision of natural gas metering and accounting services.

Stogit publishes annually on its website the "Report on health, safety and environment", which constitutes a precise account of the constant endeavour of Stogit with regard to safeguarding workers' health, safety in the workplace and protection of the environment. It represents a tool for information on environmental and preventative aspects, for obtained results and for reached objectives, with particular reference to emissions into the atmosphere, drawing and discharge of water, remediation, restoration and environmental noise.

2.5) Equity investments

There is a procedure for updating the Storage Code that is open to the participation of Shippers who can propose amendments/additions to that Code as established in chapter 20.

2.6) Information

Stogit undertakes to make available to Shippers, through the functionalities of its information systems, information on their Storage Contract, on their administrative/accounting situation and on other issues regarding the management of their relationship with Stogit.

3) INTERVENTION AREAS

In order to appraise the attainment of the above-mentioned objectives, we indicate below some areas within which it is possible to identify and monitor the parameters and indicators that adequately reflect technical and commercial quality standards.

In order to identify such parameters, Stogit refers - not only to the current legal provisions - but also to the *"Guidelines for Good Practice for Storage System Operators"* (GGPSSO), the result of the agreement at a European level between regulators, operators and shippers of storage services, to its own experience gained in the gas storage sector, to the international experience of other operators and to quality management systems in line with the best international reference standards.

In this respect, it is important to note that the above-mentioned scheme requires that Stogit gradually develops measurement and monitoring systems that, in turn, require specific resources and investments as well as sufficient time for implementation.

4) INDICATORS OF COMMERCIAL QUALITY

In compliance with the regulatory framework in force, the level of service quality provided by Stogit from a commercial point of view is monitored through the following specific indicators:

a) Minimum time for notifying the Shipper of acceptance of capacity transfer requests;

b) Time of notice to the Shipper of unplanned interventions;

c) Time for a reasoned reply to written requests concerning invoicing documents;

d) Time for a reasoned reply to written complaints or written requests for information.

e) Time to restore a computer application following a malfunction.

The indicator referred to in b) above does not take into account cases where no impact on the overall Performance available for the storage system is expected.

For commercial quality standards concerning the billing process, refer to chapter 16, paragraph 5.

The reasoned answer in writing by Stogit to written complaints or written requests for information shall contain at least the following data:

- the date of receipt of the request;
- the trade name of the applicant,
- the name and address of the person that will provide any further clarification
- the topic to which the Shipper's request refers;
- for written complaints:

- a documented assessment of the storage company as the merits or otherwise of the complaints filed in the complaint accompanied by applicable regulatory or contractual references

- details and timing of the corrective action undertaken by Stogit

- for written requests for information, the answer to what is requested by the Shipper

Shippers, except for the possibility to send or make available to Stogit the communication in another form, must anticipate via certified email, their written requests for information or complaints.

Stogit, without prejudice to the possibility of sending or making available to the Shipper the communication in any other form, must anticipate the reasoned reply to written requests for information or complaints via certified email, unless the exchange of information is already by means of computer applications.

Only requests received by Stogit by means of certified email (PEC) shall be taken into account for the purpose of calculating the response time under letters c) and d) above. To this end, the Shippers must inform Stogit of their certified email address. If the Shipper does not have its own certified email address, it may also use a certified email address of a trusted third party in addition to their non-certified email.

Stogit shall communicate to the Authority on an annual basis the information and data relating to the commercial quality indicators of the storage service in accordance with the RQSG.

The specific quality levels for the indicators referred to in points a) to e) above are contained in Annex 1 to this chapter.

5) TECHNICAL QUALITY INDICATORS

Some of the main areas which are relevant for the definition of the safety level of the technical service provided by Stogit, can be grouped into:

1. control of gas quality measured on entry to and exit from the storage plants through more pervasive and reliable systems for monitoring the relevant parameters;

2. the use of measurement instruments that guarantee greater accuracy and reliability;

3. continuous monitoring of the storage plants and flow lines, through both special local structures and Dispatching Centre's remote control systems;

4. availability and emergency intervention services to guarantee system security during emergencies.

Stogit shall communicate to the Authority on an annual basis the information and data relating to the security indicators of the storage service in accordance with the RQSG.

6) INDICATORS OF CONTINUITY

In compliance with the regulatory framework in force, the continuity of the service provided by Stogit is monitored through the following specific indicator:

- number of days per year of interruption/reduction of the available Performance (days equivalent to full capacity) due to unplanned interventions that impact on the capacity assigned at the beginning of the Thermal Year, net of those provided for by the interruptibility contractual conditions and those resulting from service emergencies not attributable to the responsibility of the storage company, as per Chapter 18, without distinguishing between the injection phase and the withdrawal phase.

Periods of interruption/reduction of the available performance contribute to the calculation of this indicator multiplied by the following coefficients:

- 1.25 if the time period is between 1 October and 31 March

- 0.75 if the time period is between 1 April and 30 September

Stogit shall communicate to the Authority on an annual basis the information and data relating to the continuity indicators of the storage service in accordance with the RQSG.

Annex 1 to this chapter sets out the specific continuity standards subject to automatic compensation under the RQSG.

7) AUTOMATIC INDEMNITY IN CASE OF NON-COMPLIANCE WITH SPECIFIC QUALITY LEVELS

7.1) Failure to meet specific commercial quality standards

If the specific commercial quality levels in annex 1 to this chapter are not met for reasons attributable to Stogit including reasons not assessed, Stogit shall pay to the Shipper an automatic indemnity the amount of which shall be determined on the basis of the criteria stated below:

- for specific levels "Time, expressed in working days, between the date of making available to Shippers the plan of unscheduled actions, and the start date thereof" and "Minimum time, expressed in working days, between the date the Shipper is notified of acceptance of the request and the start date of the trading" if the provision of the service takes place beyond the standard compensation shall be paid equal to 2500 euros;

- for the remaining specific levels

  - if the provision of the service takes place beyond the standard, but within a time double the standard for the service, a base indemnity equal to 2500 euros shall be paid;

  - if the provision of the service takes place beyond a time double the standard for the service, but within a time that is triple, a base indemnity equal to 5000 euros shall be paid;

  - If the provision of the service takes place beyond a time triple the standard for the service, a base indemnity equal to 7500 euros shall be paid;

This compensation shall be paid by Stogit to the Shipper who has the right to it within the first subsequent billing cycle and however no later than 7 months from the date of provision of the service requested.

7.2) Failure to meet continuity standards

In the event of failure to comply with the specific level of continuity in Annex 1 to this chapter, Stogit shall pay to the Shipper an automatic indemnity the amount of which is determined as follows:

$$I_c = 0{,}1 \times P_{non\ disp} \times \Delta_{GS}$$ dove:

$C_{non\ disp}$ is the performance not made available, expressed as KWh/d and referred to equivalent days of full capacity between the day subsequent to the specific level and that equal to three times the specific level, calculated with reference to the factors applied to Capacities, in force at the time of interruptions/reductions of the performance available, excluding those required by the contractual terms of service interruption and those arising from service emergencies not attributable to the responsibility of the storage company;

Δ_{GS} is, with reference to the month of the reference calendar year affected by interruptions/reductions in Available performance, the arithmetic mean of the absolute value of the difference between the SAP price and the market price of the gas in storage recorded by the GME on the MGAS market.

The storage company is obliged to pay automatic compensation within 30 days of the interruption and/or reduction in available Performance above the specific standard set out in Annex 1 to this chapter.

12 A1 – SPECIFIC SERVICE QUALITY STANDARDS

a) Specific commercial quality standards of the Storage Service:

Area	Terms subject to guaranteed standards	Specific standards
Unscheduled interventions that impact the capacity assigned to SHIPPERS as set out in chapter 13, paragraph 3.4	Time, expressed in working days, between the date of making available to SHIPPERS the plan of unscheduled actions, and the start date thereof	3 working days
Reply to written questions relating to billing documents as described in chapter 16, paragraph 5	Time, measured in working days, between the date of receipt by the storage company of the Shipper's request and the date the reasoned reply is notified to the Shipper	5 working days
Reasoned response to written complaints or written requests for information as described in chapter 12, paragraph 4	Time, measured in working days, between the date of receipt by the storage company of the Shipper's request and the date the reasoned reply is notified to the Shipper	10 working days
Restoring a computer application following a malfunction as described in chapter 4, paragraph 4.2	Time measured in hours, between the start time of a malfunction of the computer application and the time of the end thereof	8 hours
Requests for assignment of capacity as described in chapter 6, paragraph 5	Minimum time, measured in working days, between the date of notice to the Shipper of acceptance of the request and the start date of the trading	2 working days

b) Specific continuity standards of the Storage Service:

Area	Terms subject to guaranteed standards	Specific standards
Unscheduled interventions that impact the capacity assigned to SHIPPERS as set out in chapter 13, paragraph 3.4	Maximum number of days per year of outages/reductions of the capacity assigned as a result of unplanned interventions that impact the capacity assigned at the beginning of the Thermal Year, excluding those required by the contractual terms of service interruption and those arising from service emergencies not attributable to the responsibility of the storage company	2 days equivalent at full capacity

In relation to the "maximum number of days per year of outages/reductions of the capacity assigned as a result of unplanned interventions" indicator, the time periods of outages/reductions of the capacity assigned to determine the equivalent days at full capacity shall be multiplied by the following coefficients:

-1.25 if the time period is between 1 October and 31 March

-0.75 if the time period is between 1 April and 30 September

PLANNING

Chapter 13 ("Planning and management of interventions") describes the activities required for inspection, testing and maintenance of STOGIT plants. In particular with reference to interventions on the storage system it describes:

- The annual intervention plan,
- The semi-annual intervention plan;
- The monthly intervention plan;
- The unplanned interventions.

Chapter 14 ("Operational Coordination") describes the coordination between STOGIT and the major transportation company to manage Injection and Withdrawal campaigns, checking the coverage for seasonal peak demand and for the preparation and implementation of emergency procedures.

INTERVENTIONS PLANNING AND MANAGEMENT

1) INTRODUCTION

Efficient maintenance of the Storage Service requires activities necessary for controlling all the plant components. To meet this objective, Stogit's plants are subject to periodic inspection, control and maintenance programmes in order to prevent possible anomalies and malfunctioning. This also ensures that the natural gas storage infrastructure is maintained at the highest level of safety and efficiency. Such maintenance does not generally impact on the Performance made available by Stogit, as arose on the other hand during the previous Thermal Years before the approval of the Code, and hence falls outside the planning object of this chapter.

However, maintenance interventions and other activities, suitably planned, are carried out, which may cause interruptions or reduction in the capacity of the services offered by Stogit.

In these cases, and as a general rule, Stogit checks beforehand the possibility of identifying alternative set-ups so as to avoid repercussions on the capacities made available; if this is not possible, Stogit works in a way so as to minimise the interventions' impact on those capacities.

Stogit considers maintenance as an input when measuring service levels and capacities, as described in chapter 2.

Shippers should keep themselves informed of the maintenance programmes, published by Stogit on its information system, and take this into account when communicating the plans as per chapter 6.

Following the occurrence of abnormal, unforeseen and transitory situations that interfere with the normal safe operation of the Storage System or that impose special constraints on its operation and that may be detrimental to the safety of people or cause damage to property or the environment, an urgent and therefore unplannable intervention may be required, resulting in an interruption/reduction of the Performance made available by Stogit. This type of intervention is described in Chapter 18 below.

2) TYPE OF INTERVENTION

The above-mentioned interventions can be of different types and are, normally, carried out during working days.

2.1) Functional checks on plants

Interventions of this type can result in a temporary reduction/interruption to Injection or Withdrawal and are planned according to a calendar with set deadlines.

2.2) Legal obligations

Interventions prescribed by law are the set of operations that must be carried out at a set time to meet current legislation (hydraulic tests, periodic checks, etc.).

2.3) Development and adjustment interventions

Stogit carries out the necessary interventions for development or maintenance of safety of the Storage Service's capacities.

2.4) Interferences with third-party work

This category covers interventions that impact on the Storage Service as a result of works undertaken by third parties (for example construction/enlarging of roadways, motorways, railways, maintenance of riverbeds, etc.), but are not part of the gas system.

2.5) Remediation interventions following service emergencies

This category covers interventions aimed at restoring the pre-existing plant conditions and storage characteristics for plants involved in service emergencies.

2.6) Other interventions

This category covers those interventions that can result in reduction/interruption to Injection and Withdrawal Capacities, but fall outside the previous categories. By way of example but not limited to, there are insertions of sectioning plants, insulating joints, etc.

3) PLANNING INTERVENTIONS ON THE STORAGE SERVICE

With regard to the planning of interventions on the Storage Service, a series of communications to Shippers, is provided, as described below.

3.1) Annual intervention plan

The intervention plan is developed on an annual basis with monthly detail.
The annual plan shall contain at least the following information:

- The reservoir that will be affected by the intervention;
- A concise description of the planned activity;
- The month of the Thermal Year affected by the intervention;
- The beginning and end dates of the work;
- ~~The~~ plants affected by the intervention and the number of days of unavailability;
- The Injection and/or Withdrawal Performance that will not be available due to the intervention.

Stogit makes available through the functionalities of its information system by 28 February the list of interventions planned for the following Thermal Year and an estimate of their impact on the available injection and/or withdrawal performance.
Stogit makes this information available on a purely indicative and non-binding basis.

3.2) Six-monthly update

The annual plan as per paragraph 3.1 is updated half-yearly and communicated to Shippers through the functionalities of the Stogit information system before 15 September of each Thermal Year.
The reason for this update is to signal possible changes to Stogit's planned interventions during the second half of the Thermal Year arising due to various reasons including, by way of example but not limited to, postponement of already planned interventions for unforeseeable events.
Stogit makes this information available on a purely indicative and non-binding basis.

3.3) Monthly intervention plan

Stogit informs Shippers through the functionalities of its information system, no later than the 10th (or first subsequent working day if Saturday or holiday or non-working day) of the previous month, of any changes in the annual plan (as per paragraph 3.1 above) or the half-yearly update (as per paragraph 3.2 above) highlighted in the monthly plan of interventions envisaged for the month following said communication by Stogit, on a daily basis.

3.4) Plan for unplanned interventions

Unscheduled interventions are defined as those maintenance operations excluded from the cases referred to in para. 3.3 or any type of intervention that impacts the capacity assigned to Shippers that the storage company reports with an advance notice of less than 3 working days.

Stogit makes the plan of unscheduled interventions available through the functionalities of its information system and communicates them to Shippers via Certified Electronic Mail; if these interventions have an impact on the performance available to Shippers, Stogit will take care to make the start date of the same available through the functionalities of its information system[1] and communicate to Shippers via Certified Email, within 3 working days prior to the start of the work, the start date thereof and all information useful for their evaluation. These communications may also involve delays in previously planned activities, the date of beginning thereof and all the information useful for their assessment.

[1] These functionalities include the tools for publishing inside information as referred to in Article 4 of Regulation (EU) 1227/2011 of 25 October 2011

By way of exception to the above provisions, and only in the cases as per 2.5, Stogit promptly informs the Shippers by publishing on its Portal any reduction in Capacities (Injection or Withdrawal) and the number of days of that reduction.

Relative to the impact made by unscheduled interventions, as per this paragraph, reference is made to the indicators:

- "Time, expressed in working days, between the date of making available to Shippers the plan of unscheduled actions, and the start date thereof", in Annex 1 to Chapter 12, section a) on the commercial quality of the Storage Service;
- "Number of days per year of outages/reductions of the capacity assigned as a result of unplanned interventions" in Annex 1 to Chapter 12, section b) relating to the continuity of the Storage Service.

4) PLANNING OF MAINTENANCE INTERVENTIONS WITH SRG

Stogit operates to minimise the impact of maintenance interventions on the services offered to Shippers by regularly coordinating with SRG, as provided for in chapter 14, paragraph 6.

5) COMMUNICATIONS BETWEEN PARTIES

Publication of the intervention planning is made by Stogit in order to inform affected Shippers of the event, with adequate advance notice.

OPERATIONAL COORDINATION

1) INTRODUCTION

Article 20, paragraph 2 of the RAST establishes that a storage company signs agreements with the transportation company so as to ensure the necessary coordination of storage and transportation, including the planning of injection and withdrawal campaigns.

This chapter describes the operational coordination procedures between Stogit and SRG.

2) PLANNING OF THE INJECTION AND WITHDRAWAL CAMPAIGNS

Stogit and SRG coordinate so as to guarantee that Injection into and Withdrawal from individual storage sites are carried out correctly.
For the Injection Phase checks are made on:

- the specific technical constraints for filling each storage field;
- the supply/transportation constraints of Shippers;
- technical constraints for SRG compression stations and operational constraints as regards the transportation on the RNT.

For the Withdrawal Phase checks are made on:

- the specific technical constraints for emptying each storage field;
- the supply/transportation constraints of Shippers;
- technical constraints for SRG compression stations and operational constraints as regards the transportation on the RNT.

3) DAILY PLANNING

Based on the plans (monthly, weekly and daily) submitted by the Shippers and SRG, Stogit performs simulations aimed at optimising the dynamic contribution of the Storage System performance, dividing the overall amounts required by the different storage sites on the basis of the technical availability of each one and as a function of overall optimisation of the System.

In relation to Shippers' planning, Stogit informs SRG of the quantities of gas that can be transported from/to each site so as to allow transportation checks.

Within the Gas Day, SRG can require, if the gas system needs it, changes to amounts entering (exiting) into (from) the Storage Service, which are ensured on verification by Stogit that they meet the safety parameters for the Storage Service.

In order to guarantee in any case the best operational conditions for managing the respective systems, the operational dispatching centres of Stogit and SRG coordinate continuously through contact and checks on the gas flow trend every Gas Day.

4) CHECKING THE COVERAGE FOR PEAK DEMAND FOR THE RIGID SEASONAL PERIOD WITH FREQUENCY OF TWENTY YEARS

Stogit contributes - jointly with SRG - to activities aimed at checking that the system can cope with the peak demand for an exceptionally cold period.

Based on data provided by SRG on the estimate for modulation storage demand, in terms of volume (in the case of a normally cold winter) and peak demand (in the case of exceptional cold), Stogit performs simulations for withdrawal from the Storage Service, sending the results to the "Technical Committee for emergency and monitoring" as per article 8 of the MD of 26/09/01.

5) CLIMATE EMERGENCY

During the Withdrawal Phase, as provided for by the MSE Decree of 12 December 2005, Stogit supports SRG in monitoring whether an emergency situation due to unfavourable climatic conditions is approaching and to cope with the shortage of cover for natural gas needs, as shown in chapter 19.

6) COORDINATION FOR PLANT UNAVAILABILITY

Stogit and SRG, in order to permit that the optimal volume bands for individual storage site are observed and as a function of the respective plant unavailability, have periodic co-ordination meetings to check and align, where possible, their respective maintenance programmes so as to minimise the impact on Shippers.

7) WORKING PRESSURES

For working pressures, Stogit and SRG coordinate as provided for in chapter 11 of this Code.

8) INFORMATION ON CONTRACTS

Stogit defines with SRG the methods for exchanging information on Storage Contracts stipulated by transportation shippers and vice versa.

9) MANAGEMENT OF GAS MEASUREMENT PLANTS BY VOLUME AND QUALITY

Measurement of Gas and its relative quality (for this please see chapters 9 and 10) is carried out by Stogit using its own measurement system for determining the volumes measured entering and exiting the storage sites, the implementation criteria and related management procedures of which are defined jointly with SRG.

Stogit and SRG have jointly drawn up an “Operating Manual” (see chapter 9) for managing checks of the equipment that makes up the measurement plants at the interconnections between the two systems and regulates any inefficiency of those plants.

10) GAS ACCOUNTING

The data for daily measurement of the Gas in Injection and Withdrawal and entering and exiting each storage site and for the quality of that Gas are made available by Stogit to SRG in order to allow daily quantities of Gas introduced and withdrawn from the Storage Service to be assigned between the Shippers.

11) INFORMATION CONCERNING THE BALANCING SYSTEM AS PER THE NETWORK CODE

Shippers explicitly agree that the coordination activities of Stogit with the Balancing Manager described in this Chapter regarding data concerning the balancing service, including the access of Snam Rete Gas in reading mode only to the Shippers' data regarding the service, are a condition necessary for acceptance of the storage guarantee as per paragraph 1.4.2 of chapter 5 of the Network Code.

ADMINISTRATION

Chapter 15 ("Tax Regulation") describes the responsibilities and obligations of STOGIT as a fiscal custodian.

Chapter 16 ("Invoicing and Payment") describes the types of invoices that STOGIT issues, their content and the terms of issue and payment as well as the methods used to provide information on invoicing documents. The chapter also provides the references used to calculate interests for cases of late payment and the procedures to implement in the event of non-payment.

Chapter 17 ("General conditions and settlement of disputes") details the causes, in addition to those pursuant to law, for the early termination of the Storage Contract by STOGIT, the effects of the termination and the conditions for the early termination by the SHIPPER. The means to be used for dispute resolution are also reported and the causes of force majeure are described as well as cases that can be defined as non-performance by STOGIT. It clarifies the mutual obligations of the SHIPPER and STOGIT in terms of industrial property, confidentiality, privacy and administrative responsibilities. Lastly, it clarifies the methods and constraints for completing the sale of the Storage Contract to third parties, both for transfer among SHIPPERS and for sale by STOGIT.

TAX REGULATION

1) GENERAL OVERVIEW

The regulatory framework for the responsibilities and obligations of STOGIT as a tax depositary includes taxes and payments shown as follows:

1. excise duties and additional regional taxes;
2. indirect taxes – Value Added Tax (VAT).

STOGIT is not a customs depositary. Thus all practices and operations connected with any gas importation (as well as exportation) by the SHIPPER shall be the responsibility of and charged to the SHIPPER itself.

2) EXCISE DUTIES AND ADDITIONAL REGIONAL TAXES

Excise duty is a tax concerning the "gas" product: in particular, as laid down by Legislative Decree No. 504 of 26 October 1995 ("Single text of the legal provisions concerning taxes on production and consumption and the related administrative and penal sanctions"), the product is taxed at the moment of it being sent for consumption, at different rates according to its destined use (civil, industrial, or other use).

Each plant used for natural gas storage (be it the property of a storage company or other company using the storage services as a concession holder) is considered a tax deposit. Several storage concessions relating to different plants, wherever they may be situated in Italy and having only one owner, can constitute, even for tax purposes, a sole tax deposit.

STOGIT manages a single "tax deposit" for all the sites making up the Storage Service, with the feature that Gas injected into the system is tax exempt until it is transferred to the final customer and the task of acquiring measurement data for ingoing and outgoing gas at its sites lies with the "depositary", i.e. in this case STOGIT.

STOGIT is tax-liable for its own internal consumption, to be more precise, for the Gas necessary for activities connected to plant function for the provision of the storage services made to the SHIPPERS.

Verification of excise duty on methane is carried out on the basis of an annual declaration of consumption made by STOGIT to the Ufficio Tecnico di Finanza (Ministry of Finance Technical Office or UTF) by February of the year following the calendar year to which the aforementioned consumption refers. This declaration must contain all the elements necessary for determining the tax debt.

Payment of excise duties by STOGIT must be made by regular monthly instalments based on the consumption of the previous calendar year and by the end of each month. The balance payment is made by the end of February in the year following the one to which the consumptions refers.

Excise duties are charged to the SHIPPERS, in the terms and manner as per chapter 16 on the basis of consumptions chargeable to each SHIPPER, as determined in the attachment 1 to chapter 7.

As well as the above-mentioned payment, current provisions of law impose further administrative payments.

2.1) Additional regional taxes on methane

In order to tax gas injected for consumption, as per Law No. 68 of 19 March 1993, the regions have been given the possibility of applying their own tax called "Additional regional tax on methane".

STOGIT must pay said tax on gas consumed for its own use. The methods for calculating and payment of the Additional regional tax by STOGIT, as well as those for STOGIT charging it to the SHIPPERS, replicate the processes already examined for excise duty.

2.2) Administrative Documentation

Current provisions of law also impose further specific administrative payments on the storage company.

At the head office of STOGIT a register of loading and unloading is kept, certified in advance by the UTF, in which the quantities of gas (expressed in cubic metres) handled in the various storage reservoirs are summarised and recorded monthly.

Finally, as per Presidential Decrees No. 472/96 and 441/97, STOGIT compiles monthly the withdrawal/delivery documents (the so-called "tax bills" of which a facsimile is shown in Annex 1 to this chapter) where it records the amount of the SHIPPERS' Gas deposited (withdrawn) in (from) the Storage Service, the transactions and the related stock by SHIPPER, so as to overcome the presumed purchase by STOGIT of the natural gas deposited. The said bills are sent to the SHIPPER for signing.

3) INDIRECT TAXES – VAT

STOGIT applies Value Added Tax (VAT) as per current national and international legislation on the amounts of charges invoiced for the storage service rendered and on any balancing charges or for the use of Strategic Gas.

15 A1 – FAC-SIMILE OF "TAX BILL"

ALLEGATO ALLA PROCEDURA OPERATIVA N. 18 del 18/05/2004
(rif. lettera META 16/2000 AZ del 13.12.2000)

DOCUMENTO DI CONSEGNA ART. 1 DPR 14.08.1996, N. 472

(copia per STOGIT)

MOVIMENTATO & GIACENZA

ENERGIA
GJ (un decimale)

STOGIT	STOGIT S.p.A. Via dell'Unione Europea 3 20097 S.Donato Mil. (MI) C.F. 13271380159	**UTENTE**	Pinco Pallino Via Torquato Tasso 30999 Sabaudia (Latina) C.F. 12345678911

FACSIMILE

		data	PCS (MJ/smc) Medio ponderale di flusso (per valori di allocato SRG)
N. RICEVUTA	**100**	15-mag-04	
Per il PERIODO DI	aprile-04		**39,5**

GAS NATURALE	ENERGIA (GJ)	NOTE		SMC
GIACENZA AL MESE PRECEDENTE	2.000.000,0	*come da documento fiscale nr*	58	
ALLOCATO DEFINITIVO SRG	135.000,0	*lettera inviata da SRG* / *prot. 78 / Prse del 15 Maggio 04*	*equivalente a SMC Nm3 (energia/PCS)*	**3.417.722**
TRANSAZIONE ACQUISTO / VENDITA / TRASFERIMENTO	15.000,0	*da Tizio*		
CONSUMI	-1.300,0	*sia in caso di iniezione che di erogazione*		
CONGUAGLIO Allocato MESE DI gennaio-04	210,0	*rettifica Fuel Gas + lettera SRG prot.*	*prot. 89 / Prse del 20 Maggio 03*	
Compensazione CONGUAGLIO MESE DI gennaio-04	-210,0	*venduti a Sempronio*		
TOTALE MOVIMENTATO DELLA BOLLETTA	148.700,0			
GIACENZA FINALE	2.148.700,0	Dati elaborati mese di aprile-04	con conguaglio mese di gennaio-04	

VALORE POSITIVO = INIEZIONE / ACQUISTO ***VALORE NEGATIVO = EROGAZIONE / VENDITA***

timbro e firma STOGIT ______________________

timbro e firma UTENTE ______________________

LA PRESENTE BOLLETTA E' EMESSA ANCHE AI FINI E PER GLI EFFETTI DEL DPR 10 NOVEMBRE 1997, n. 441

INVOICING AND PAYMENT

1) INTRODUCTION

Stogit, once all the relevant data are available, issues invoices for the charges for Storage Services in the terms and procedure shown below. The issuing of other invoices, such as - by way of example, but not limited to - interests for delayed payments, is also covered in this chapter. This chapter also regulates the terms of issue and payment of invoices for Strategic Gas.

For purposes of the present article, the following are defined:

- Reference Month (M): is the month when services as per the Contract are supplied;
- Invoicing Month (M+1): is the month following the Reference month

2) CHARGES FOR STORAGE SERVICES

The Shipper shall pay Stogit, for the provision of services, the amounts arising from the application of the tariffs published by Stogit on its website and structured, based on the content of the Authority's resolution 49/2014/R/gas or subsequent measures, as follows:

c_a (€cent/KWh/year)
c_S (€cent/KWh/year)
c_E (€cent/KWh/day)
c_I (€cent/KWh/day)
C_{COMP} (€cent/KWh/year)
CVS_{ETS} (€cent/KWh)

- The assignment charge c_A for the capacities assigned by the auction as set out in chapter 5, paragraphs 4.3, 4.4, 4.5, 4.6 applies, on an annual basis, to the Space assigned to the Shipper, updated to take into account the capacity trading described in chapter 8, paragraph 1.1. Any capacity assignments during the Thermal Year also entail paying the charge c_A in constant instalments over the entire Thermal Year; consequently, during the first month of the service, the instalments referring to the months that have passed since the start of the Thermal Year will be paid.
- The C_a assignment charge of the capacities assigned through the auction procedure, as per chapter 5, paragraph 5.1, applies to the Space and/or the Withdrawal Capacity

and/or the Injection Capacity assigned to the Shipper on a continuous and interruptible basis;

- The charge for Space c_s shall apply, on an annual basis, to the Space assigned to the Shipper for the Thermal Year, for the Hydrocarbon Storage Service and/or Balancing Service, updated to take into account any assignments during the Thermal Year or trading capacity referred to in chapter 8, paragraph 1.1.
- The charge to cover the charges relating to the C_{COMP}Compensatory Contribution shall apply, on an annual basis, to the Space assigned to the Shipper in accordance with chapter 5, paragraph 4, updated to take account of the capacity transfers referred to in chapter 8, paragraph 1.1. Any capacity assignments during the Thermal Year also entail paying the charge C_{COMP} in constant instalments over the entire Thermal Year; consequently, during the first month of the service, the instalments referring to the months that have passed since the start of the Thermal Year will be paid.
- The charge for daily peak availability for Withdrawal c_E is applied to the Withdrawal Capacity assigned on a firm basis to the Shipper of the Hydrocarbon Storage and Balancing Service, updated to take into account any assignments in progress during the Thermal Year or capacity trading as per chapter 8, paragraph 1.1.
- The charge for daily peak availability for Injection c_I is applied to the Injection Capacity assigned on a firm basis to the Shipper of the Hydrocarbon Storage Services, updated to take into account any assignments in progress during the Thermal Year or capacity trading as per chapter 8, paragraph 1.1.
- The CVS_{ETS} variable charge to cover the costs related to the Emission Trading system, differentiated for the injection and withdrawal phases[1]. For each Gas Day D:
    - to the Shipper that has moved gas in the storage facility in the same direction as the prevailing system flow, as published by Stogit on its website by 8:00 p.m. on Gas Day D-1, Stogit applies the variable charge CVS_{ETS} related to the direction of the prevailing flow (FP) multiplied by the quantity of gas moved;
    - to the Shipper that has moved gas in the storage facility in the opposite direction to that of the prevailing system flow, as published by Stogit on its website by 8:00 p.m. on Gas Day D-1, Stogit shall recognise the variable unit charge CVS_{ETS} related to the direction of the prevailing flow (FP) multiplied by the quantity of gas moved

The charges c_S, c_E, c_I, CVS_{ETS} are defined by Stogit on the basis of the criteria defined by the Authority.

In case of capacity trading as per chapter 8, paragraph 1.1, the transferee Shipper takes over from the transferring Shipper the payment of monthly instalments not yet paid.

[1] The CVS_{ETS} variable charge is not applied to gas movements related to the Multi-year Storage Service starting in Thermal Year 2019/20. The operating procedures relating to the invoicing of the variable charge CVS_{ETS} are made available by Stogit on its own Internet site.

3) INVOICE TYPES

Stogit issues separately and with different deadlines the following types of invoices:

a) invoices for the components of Space, Injection Capacity and Withdrawal Capacity (capacity invoices);

b) invoices for management costs;

c) invoices for balancing charges;

d) invoices for sale of Strategic Gas;

e) invoices for excise duties relating to the compression and treatment stations' consumption as Annex 1 to chapter 7;

f) invoices for repayment of the electricity costs as per Annex 1 to chapter 7;

g) interests invoices for late payment;

h) invoices for the portion of the transport capacity unit charge relating to the point of entry or the point of exit interconnected to the Storage System;

i) invoices regarding assignment of the percentage quotas of gas to cover the technical consumption of compression and treatment plants;

j) credit notes for automatic compensation in the event of failure to comply with the specific quality levels defined in chapter 12;

k) Invoices to cover the charges for the compensation contribution;

l) invoices for the variable charge CVS_{ETS} to cover the costs of the Emission Trading system referred to in Article 9 of the RTSG.

The invoices as per this paragraph are subject to possible adjustment, by way of example but not limited to, following correction of errors in already issued invoices.

4) THE CONTENT OF INVOICE DOCUMENTS

Every document associated with this invoicing shall contain:

- Shipper identification data;
- the invoice number;
- the type of invoice;
- the type of service (Hydrocarbon Storage, Multi-year Storage, Peak Modulation Storage, Flat Modulation Storage, Continuous performance "Fast-cycle", Balancing);
- the unit charge;
- the month (or other period) to which the invoice refers;
- the date of issue and deadline of the invoice;
- the description of every single item in the invoice;

- the quantity, expressed in the corresponding energy unit, regarding every single item in the invoice;
- the unit and total amount, expressed in euros, regarding every single item in the invoice;
- the total amount invoiced;
- the total of Value Added Tax on the amount of invoiced revenue as per current regulations;
- references to the invoices to be adjusted/corrected (where necessary);
- the items to be adjusted/corrected (where necessary);
- the interest rate applied (where necessary).

5) TERMS OF ISSUE AND PAYMENT OF INVOICES

5.1) Invoice issue terms

Stogit normally issues invoices within the terms shown in table 16.1 below.

Table 15.1

Invoice types	Issue terms
Capacity invoices	By the 15th of the month M+1.
Invoices for the variable charge CVS_{ETS}	By the 15th of the month M+1.
Invoices for the portion of the transport capacity unit charge relating to the point of entry or the point of exit interconnected to the Storage System	By the 15th of the month M+1.
Invoices for balancing charges for failure to observe volume bands during the Injection Phase and for "out-of-band flexibility" assignment	By the end of the month M+1.
Strategic Gas sale invoices, excluding invoices as per chapter 7, paragraph 5.1.	By month M1 for any Strategic Gas used by SRG.
Monthly and weekly credit note for the monthly, weekly and daily short-term capacities and for fortnightly withdrawal	By the 15th of the month M+2.

capacities	
Invoices regarding allocation of the percentage quotas of gas to cover the technical consumption of compression and treatment plants	By the third working day of Month M+2
Invoices for excise duty on compression and treatment consumption	Within the terms as per point 1.3 of Annex 1 to chapter 7
Invoices for re-debiting of costs for electric consumption and for plants with mixed powered compressors	Within the terms as per point 1.4 of Annex 1 to chapter 7
Invoices to cover the charges for the compensation contribution	By the 15th of the month M+1.

In relation to the invoicing of the capacity component, it is noted that:

- invoices for Space and Injection Capacity are issued by Stogit on a monthly basis for the duration of the Contract;
- invoices for Withdrawal Capacity are issued by Stogit:
  - monthly from November to March for the Hydrocarbon Storage Service, Peak Modulation Service and Flat Modulation service;
  - monthly for the Balancing Service for the length of the contract;
- invoices related to the assignment of capacity during the Course of the Thermal Year, indicated in chapter 5, paragraphs 4.4.4 and 4.4.5, are issued by Stogit on a monthly basis for the duration of the Contract.
- invoices for the Short-term capacities are issued by Stogit on a monthly basis during the month after the one from which the capacities assigned come into effect.
- invoices for fortnightly withdrawal capacities are issued by Stogit in the month after the one from which the capacities are assigned.
- invoices for the management charges are issued by Stogit on a monthly basis, in the month after the one in which the service is requested.

Invoices relating to the variable charge CVS_{ETS} are issued by Stogit on a monthly basis for the entire duration of the Contract; in the event that in a month M a Shipper is in credit overall, the same Shipper shall issue an invoice to Stogit normally by the end of month M+1, on the basis of the data communicated by Stogit to the same Shipper normally by the 15th of month M+1. The operating procedures relating to the invoicing of the variable charge CVS_{ETS} are made available by Stogit on its own Internet site.

The invoices referred to in paragraph 3, letter g) shall be issued by Stogit as soon as it is in possession of the elements enabling them to be determined.

The operating procedure and time-scales for invoicing relating to the assignment of percentages of gas to cover the technical consumption of compression and treatment plants are made available by Stogit on its website. With particular reference to month M, if Stogit attributes to the Shipper a total withdrawal from the stock in storage corresponding to the percentage quota of the technical consumption of compression and treatment plants, the Shipper shall issue an invoice to Stogit charging it for trading the gas, calculated on the basis of a conventional price established according to the prices recorded on the platform for trading the storage gas (MGS) managed by the GME and with due date equal to the last working day of month M+2 and Stogit shall recharge the Shipper the same amount with the same due date.

Stogit and the Shipper add to the amount of the invoiced charges the Value Added Tax according to applicable legislation.

5.2) Methods of issuing invoices

Stogit shall send, in electronic format, the invoice to the Shipper in the manner provided for by the applicable legislation on electronic invoicing and the relevant implementing provisions.
The issued invoices are made available to the Shipper through the functionalities of the Stogit information system.

5.3) Invoice payment terms

The Shipper and Stogit shall pay the invoices, in the currency and on the bank account set out thereon, no later than thirty days following the issue of the invoice, indicating the number, the date and the amount of each invoice. Any charges and commissions on the payments of the invoices issued by Stogit, and on the collection of the related amount, shall be fully borne by the Shipper and, when paid by Stogit, shall be re-charged to the Shipper on the subsequent invoice.

The credit note issued by Stogit is paid with the invoice to which it refers, if the latter has not yet been paid. If the issue of the credit note is subsequent to payment of the invoice to which it refers, then the credit note is paid with the first due payment.

Any printing and/or manifest calculation errors acknowledged by both Parties shall be corrected by Stogit before the payment term with the issue of the related correcting document.

5.4) Late payment interests

For all payments due to Stogit in the cases indicated in this chapter, Stogit applies interest, for each day of delay, to an extent equal to the reference rate established by the Central European Bank (as published in the daily newspaper "Ilsole24ore"), increased by 8 percentage points, within the limit of the maximum threshold rate laid down in article 2, subsection 4, of Law no. 108/1996 calculated on the basis of the TEGM rate for deposits and discounts for amounts of over 100,000 euros.

5.5) Failure to pay - Order for payment if the Shipper becomes insolvent and enforcement of the financial guarantee

In the presence of invoices due and not paid by the Shipper for amounts over the value of the guarantees given, also for the purpose of exercising, possibly, the right of retention as per chapter 17, paragraph 1.2. below, Stogit notifies the Shipper the quantity of gas in storage which, from the date of such a communication, may not be used by the Shipper itself.

This quantity will be calculated according to the amounts due and over the value of guarantees, applying the price as per paragraph 1.4.2.3 of Chapter 5 of the Network Code, and also taking into account the delay interest accrued on the communication date.

Once 15 days have elapsed from the above-mentioned communication without payment of the amount not covered by the existing guarantees, and having taken as reference the value as per paragraph 1.4.2.3 of chapter 5 of the Network Code, Stogit may proceed with selling the Gas, taking such a value as the basis for the bid, or it may exercise the right of retention as per chapter 17, paragraph 1.2 below for the quantity of gas corresponding to the credit for capital and default interests remaining after the profitable enforcement, calculated as above.

If the Shipper fully satisfies the uncovered credit before such a deadline, Stogit informs the Shipper of the day from which it will once again be possible to dispose totally or partially of the previously unusable gas. Stogit shall behave in a similar way when, after receiving satisfaction, no further cases have occurred involving unpaid and, at the same time, residual amounts of gas previously declared unusable.

In the event of an auction, Stogit shall deduct from the amount earned a fixed charge for managing the sale itself equal to 50,000 euros, to cover administration costs and any other type of cost incurred at the time. Such a sum, moreover, shall not be considered as payment of the amounts due.

It is understood that Stogit shall include the quantity of Gas as per this paragraph in the calculation of the Shipper's Gas availabilities for:

i) verification of observance of the Injection and Withdrawal profiles and the subsequent application of balancing charges;

ii) calculation of the available Injection and Withdrawal Capacities.

Where the Shipper has several expired debts towards Stogit, also referred to Contracts for previous Thermal Years, and partially pays the amounts due which do not entirely extinguish said debts, each single payment will be attributed, independently from any Shipper's indication, with this priority order:

a) invoices for the Basic Services tariffs, comprising the ones of letters c), d), g) j) and h) as per paragraph 3 (and to the relevant late payment interest), and, among them, to the elder ones;

b) invoices for the charges for buying Strategic Gas (and to the relevant late payment interests), and, among them, to the elder ones;

c) invoices for the charges for balancing (and to the relevant late payment interests), and, among them, to the elder ones;

d) the remaining invoices.

If Stogit exercises its right to enforce, partially or in full, the guarantees as per points a), b) or c) of chapter 5, paragraph 2.2, the amount subject of the enforcement shall be charged according to said priority order.

6) WRITTEN REQUESTS FOR BILLING DOCUMENTS

Written requests for billing documents must be made within 60 days from the date of issue of the invoice and shall contain the following minimum information:

1. the reference to the billing documents on which information is requested or that are disputed;
2. the argument for requiring the verification;
3. in the case of a request for rectification of certain fees, their designation.

The response by Stogit to such notices shall contain at least the following data:

4. the date of receipt of the request;
5. the trade name of the applicant,
6. the name and address of the person appointed by Stogit to provide any further clarification;
7. the description of the checks carried out by Stogit to assess the shipper's findings;
8. if the request is accepted, the date by which a billing adjustment will be issued;
9. if the request is rejected, the reasons thereof, supported by appropriate documentation.

Stogit's response to written requests relating to invoices shall be sent within 5 working days following the date of receipt of the request by Stogit.
Shippers, except for the possibility to send or make available to Stogit the communication in another form, must anticipate via certified email, their written requests relating to billing documents.

Stogit, without prejudice to the possibility of sending or making available to the Shipper the communication in any other form, must anticipate the reasoned reply to written requests relating to billing documents via certified email, unless the exchange of information is already by means of computer applications.

In applying the calculation of the response time as per art. 22.1 of resolution 596/2014/R/gas to check compliance with the indicator of art. 27.1 of the RQSG, only the applications received by Stogit by means of PEC certified email will be considered. To this end, the Shippers must inform Stogit of their certified email address. If the Shipper does not have its own certified email address, it may also use a certified email address of a trusted third party in addition to their non-certified email.

If the Shipper contests the invoiced amount, it shall in any case pay the full invoiced amount. If the dispute is justified, the compensating credit note is paid in the manner shown in paragraph 5.3 above, taking into account interests (as defined in the case of late payment).

No party will have the right to contest any invoice 60 days after the date of the same invoice and without written and duly motivated reasons sent first by PEC certified email and, if needed, by mail.

GENERAL CONDITIONS AND SETTLEMENT OF DISPUTES

1) TERMINATION OF THE STORAGE CONTRACT

1.1) Termination by Stogit

In addition to the causes provided for by law, the Storage Contract may be terminated by Stogit before the due date, sending written notification to the Shipper, pursuant to article 1456 of the Italian Civil Code, with a carbon copy to the Authority and MSE, if:

a) the Shipper loses, for any reason whatsoever, even one of the requisites provided for by the regulations in force, as indicated in chapter 5, for access to the Storage System and has not regained such requisite within the seventh calendar day following the date of communication of the loss of requisites sent by Stogit to the Shipper in advance by fax;

b) the Shipper becomes insolvent vis-à-vis its creditors, or must transfer its assets to creditors or is subject to any bankruptcy proceeding provided for by law, or it may be presumed, based on unique evidence, that the Shipper is about to undergo said proceedings, with the exception of the take-over of the Storage Contract by bodies discharging said procedures, as provided for by current legislation;

c) the Shipper has been put into liquidation or has not promptly informed Stogit it is about to undergo one of the proceedings indicated in article 2484 of the Italian Civil Code;

d) the financial guarantees as per chapter 5, paragraph 2.2 are not submitted, adjusted or reintegrated in the terms set out herein or are revoked or cancelled completely or in part, for whatever reason;

e) the Shipper uses the Stogit Portal in ways such as to prejudice its functionality or prevent its operation, even on a temporary basis

f) the Shipper fails to fulfil the obligations undertaken by signing the Storage Contract (including respect of the capacities assigned) or uses the Storage System in an improper manner.

Failure on the part of the Shipper to fulfil its obligation to pay the amounts accrued for any reason in favour of Stogit in connection with the execution of the Storage Contract, even if referring to a single invoice, shall entitle Stogit, without prejudice to any other remedy provided by law, by the Storage Code and by the Storage Contract, to terminate in advance the Storage Contract itself.

1.1.1) Exclusion of guarantees provided

In the event of early termination of the Storage Contract, Stogit shall enforce the guarantees provided with respect to all unpaid amounts. The enforcement of the guarantees provided shall be communicated by Stogit to the Shipper in writing.
Stogit shall enforce the guarantees provided by the Shipper in the following order of priority:

- Non-interest-bearing security deposit.

- Bank guarantee;

The Shipper expressly accepts that in all cases of termination of the Storage Contract or non-payment of invoices for the storage service, Stogit, after a reminder, shall immediately enforce the guarantee provided by the Shipper, in order to limit the burden on the natural gas system.

1.2) Termination effects

In all termination cases set out in paragraph 1.1 above, and in the cases in which the Shipper should fail continuously to fulfil the obligations set out in the Storage Contract, Stogit shall notify the Authority, MSE and SRG, for the adoption of the measures and actions for which they are cognizant.

In all termination cases the Shipper must pay Stogit, in addition to any payments due for whatever reason up to the termination date of the Storage Contract, a monetary amount equivalent to the present value - due at the termination date and at a discount rate equal to the annual average rate of return of the decennial Treasure Bonds of the last YEAR available, plus 0.75% - of the estimated payments due in respect of the capacity charge owed by the Shipper for the period from the date of the early termination to the original end date of the Storage Contract, indemnifying and not holding the latter liable for any claim for damages caused to SRG and the other shippers of the gas system.

Stogit, as depositary, shall also be entitled to retain any quantities of Gas owned by the Shipper which may be present in the Storage System not already covered by a real guarantee towards third parties (including the Balancing Manager) and may sell said Gas to satisfy its credit.

1.3) Termination by the Shipper

If an event occurs that prevents the Shipper's Injection or Withdrawal into/from the Storage Service for a period of more than six months in succession from the date of the occurrence of that event, the Contract may be terminated early by the Shipper, through written communication to Stogit, in accordance with article 1456 of the Italian Civil Code.

The affected Shipper, however, will be obliged to provide to Stogit the payments due under the paragraph 1.2 above.

In cases where the capacity held by the Shipper, whose Storage Contract is terminated, is assigned by Stogit, totally or partially, to another Shipper, the monetary amount related to the assigned capacity will be credited to the Shipper which has used its right to terminate as per this paragraph.

2) SETTLEMENT OF DISPUTES AND RULING COURT

Until the issuing of the regulation as per article 2.24 letter b) of Law No. 481 of 14 November 1995, in which the criteria, conditions, terms and methods for the experiment in reconciliation or arbitration procedure at the Authority are defined, disputes arising from the Storage Contract, including those relating to its validity, interpretation, execution and termination shall be provisionally governed on the basis of the following procedure.

It is understood that any disputes arising, such as any pending procedure of a conciliatory, arbitrational or judicial nature, shall not in any case entitle the Shipper to suspend or delay its payment obligations arising from the Storage Contract.

2.1) Attempt at conciliation

Unless otherwise provided for in paragraph 2.2, said disputes shall be submitted beforehand - on the initiative of each party and subject to written communication to the other - to joint examination by parties chosen by each party from its highest level of management to reach an amicable agreement.

2.2) Judicial termination

If the reconciliation attempt as per paragraph 2.1 above yields no positive result within sixty days of the date of the communication provided for therein or if one of the parties finds it necessary to resort to cautionary and/or emergency measures, the parties can, alternatively:

a) subject to appropriate compromise, appeal to the Authority to activate an arbitration procedure in the manner defined by the Authority in its own regulation;

b) resort to the Judicial Authority. In this case, the Parties give full jurisdiction to the Court of Milan.

3) NON-PERFORMANCE

With the exception of Force Majeure, as per paragraph 6 below and always that the conditions of paragraph 4 below apply, if Stogit does not fulfil its obligations arising from the Storage Contract and as a consequence of this non-fulfilment it is impossible for the Shipper to use the storage services, that Shipper, for the period where provision of said services is suspended, shall not be obliged to pay the capacity charge due.

The Shipper shall also have the right to obtain from Stogit, subject to submission of the appropriate documentation, reimbursement for all costs and charges resulting from the non- provision of said services, in the limits as per paragraph 5 below.

4) LIMITATIONS OF LIABILITY

Liability of one Party to the other for any damage resulting from or related to fulfilling, partially fulfilling or failing to fulfil the obligations of the Storage Contract, is limited only to cases of fraud and gross negligence.

5) COMPENSABLE DAMAGE

The Parties agree that, for the purposes of the Storage Contract, by "damage payable" it is meant exclusively damage arising, on the basis of direct causation, from the execution or non-execution, the partial or delayed execution of its own obligations in the Storage Contract.

Liability of one Party to the other, therefore, excludes:

a) indirect damages, including by way of example but not limited to, the interruption of the Shipper's contracts with its own customers and/or suppliers, any penalties, charges, outlays, reimbursements or payments in general which one of the Parties is obliged to pay in relation to contracts or relations with its own customers and/or suppliers and/or third parties and/or competent authorities;

b) loss of earnings, including by way of example but not limited to, loss of profits or income;

c) non-pecuniary related damages, including by way of example but not limited to, damage to image.

Consequently, for damages as per letters a), b) and c) above the each Party expressly indemnifies and releases the other from any claim, even if made by third parties.

6) FORCE MAJEURE

6.1) Definition

The term "Force Majeure" means all events, facts or circumstances relating to the Storage Service (i) not attributable to the appealing Party ("Involved Party") (ii) where it was not possible to avoid the event by adopting on-going due diligence and specific competencies (iii) which are such as to prevent the Involved Party from fulfilling the obligations of the Storage Contract, either in whole or in part, provided that the cause of Force Majeure continues.

6.2) Examples

Causes of Force Majeure include, by way of example but not limited to, the following events provided that they meet the provisions of paragraph 6.1 above:

- wars, terrorist action, sabotage, acts of vandalism, uprisings;
- natural adverse phenomena including lightening, earthquakes, landslides, fires and flooding involving, even by means of orders or measures of the competent administrations, the suspension/reduction of the Storage Service;
- explosions, radiation and chemical contamination;
- strikes, lockouts and other forms of industrial unrest, excluding company conflicts, declared on different occasions by collective bargaining, that prevent or prejudice the provision of storage services;
- acts, denials or absence of information which does not constitute consent by the Authorities or any provisions by the competent authorities which may result in suspension/reduction of the storage service (which are not a result of fraud, misconduct or negligence by the Involved Party they refer to).

The parties expressly agree that Force Majeure cannot be caused by any event, deed or circumstance that occurs outside the Storage Service. As an example, the impossibility of one Party to fulfil its payment obligations arising from the Storage Contract shall not be considered as a cause of Force Majeure.

6.3) Obligations and responsibilities of the Interested Party

The Interested Party is relieved of all responsibilities of non-fulfilment of the obligations specified in the Storage Contract, as well as for any damage or loss borne by the other party, to the extent, and for the duration, that the Interested Party is affected by Force Majeure.

In any case, said Interested Party must:

a) make all attempts, in as far as it is possible, to limit the negative effects of the event as per paragraph 6.1.1 above in order to reinstate its normal contract obligations in as brief a time as possible;

b) inform the other Party promptly of:

- the occurrence of the event, providing a clear indication about the nature of the event and also indicating, if it is possible to estimate it, the time which could be necessary to remedy it;
- the development of the event, providing an update on its expected duration;
- the cessation of the Force Majeure event.

6.4) Tariff reductions

In the case of a Force Majeure event, and for the period of time said circumstances exist, the Shipper's capacity charges for storage services are waived in proportion to the effective reduction of the performance of the said services.

If the circumstances of Force Majeure result in a total interruption of the provision of storage services, the Shipper shall be exempted from payment of the charges owed under the Contract for the length of that interruption.

7) INDUSTRIAL PROPERTY

The Shipper undertakes to observe fully the provisions safeguarding Stogit's industrial property and, in particular, those of Legislative Decree No. 30 of 10 February 2005 and relative provisions for amendments, integrations and implementation thereof.

With specific reference to Stogit's Portal, the Shipper also undertakes to access and use it scrupulously observing the provisions of chapter 4.

8) CONFIDENTIALITY

8.1) Confidential information

All information regarding the Parties' activities, the Storage Contract and all other documentation relating to the Parties or the Contract are strictly confidential; each Party undertakes not to divulge it, or communicate it to third parties unless: (i) in execution of the Storage Contract, (ii) subject to written consent from the other Party and (iii) subject to a written undertaking from the parties, to which that information is communicated, to maintain its confidentiality and not to use it for purposes other than that for which the communication was made.

The parties also undertake to take every precaution necessary for ensuring compliance with these confidentiality obligations by its own personnel or, in any case, persons, companies, connected entities of any sort (e.g. subsidiaries and associates, pursuant to article 2359 of the Italian Civil Code), assuming full responsibility for any breach of these obligations.

If the Shipper should accidentally come to know information regarding other shippers, it must immediately inform Stogit, it being understood that it is forbidden to use, copy, divulge or undertake any other action relating to that information.

8.2) Exceptions

As exceptions to the first paragraph of the previous paragraph there is information:

- regarding the "information coordination", which is exchanged between Stogit and the other storage companies, as provided for in chapter 5;
- regarding the "operational coordination", which is exchanged between the Parties and SRG, as provided for in chapter 14;
- regarding the management of the "Emergency Climate Procedure", which is exchanged between Stogit and the parties as per MD 12 December 2005, as provided for in chapter 19;
- communicated to administrative, regulatory or judicial bodies and/or authorities and/or in any case in fulfilment of current legislation or provisions.

9) PRIVACY

The Parties jointly undertake to process personal data exchanged at the end of the stipulation of the Storage Contract, in full compliance with EU Regulation 2016/679 and relative provisions for amendments, integrations and implementation thereof.

Stogit shall send the Shipper that has signed the Storage Contract the information document on the processing of personal date pursuant to EU Regulation 2016/679 by publishing the same on its own Internet site.

10) TRANSFER OF THE STORAGE CONTRACT

In the manner and terms set out in this paragraph, the Shipper may transfer the Storage Contract, in full or in part, exclusively to third parties which: (i) meet the eligibility requirements set out in this Code, (ii) formally assume the commitments undertaken by the transferor in the Storage Contract. It is agreed between the Parties that the absence of any one of these conditions renders the assignment ineffective vis-à-vis the assigned party.

Each Party shall be entitled to transfer the Storage Contract to subsidiary or affiliated companies pursuant to article 2359 of the Italian Civil Code, providing simple written notice to the other Party.
On the date when the transfer contract comes into effect, all rights and obligations of the transferring party under the Storage Contract shall be undertaken by the transferee.

The transferring party shall in any case remain liable to the contacted party for any breach of the obligations assumed by the transferee, in accordance with the second section of article 1408 of the Italian Civil Code.

11) ADMINISTRATIVE RESPONSIBILITY

The Shipper declares that it knows the laws in force concerning the administrative responsibility of legal entities and, in particular, Legislative Decree no. 231 of 8 June 2001 and that it has examined the document "Form 231", which also includes the Code of Ethics, drafted by Stogit in reference to applicable legislation concerning administrative offence by corporate entities resulting from a crime committed by administrators, employees and/or co-workers.

Form 231 is available on the Internet site of Stogit. At all times, the Shipper shall also have the right to ask Stogit for a paper-based copy of the same.

12) COMMUNICATIONS

Unless otherwise provided for in other paragraphs of this Storage Code, all notices relating to the Storage Contract between the Shipper e Stogit shall be made in writing and delivered personally or sent by registered letter with notification of receipt, or by fax to the following addresses:

- For Stogit:

References published on the Stogit Internet site

- For the Shipper:

To the address indicated in the Assignment Application.

Said notices shall be considered valid only if sent to the above addresses.

By way of exception to the above, notices related to operational planning shall be sent to the addresses indicated by the Parties after stipulating the Contract.

Each Party may amend its address informing the other party in writing at least fifteen (15) days in advance.

EMERGENCIES

Chapter 18 ("Management of service emergencies") outlines the definition of service emergencies and clarifies the responsibilities and procedures to be applied in case of emergency. The procedures set up by STOGIT for emergencies, have the following objectives:

- to eliminate, as quickly as possible, any cause which might affect the safety of persons and/or property;
- to eliminate, as quickly as possible, any possible cause that could aggravate the emergency or its consequences;
- to take the necessary measures as quickly as possible to fully resume the services.

Chapter 19 ("Change from conditions of standard exercise to general emergency") describes that in case of unfavourable weather conditions the "Technical Committee for Emergency and Monitoring the Gas System" prepares the relevant procedure and proposes it to the MSE for approval so as to identify the rules to be adopted in emergency conditions

MANAGEMENT OF SERVICE EMERGENCIES

1) INTRODUCTION

A service emergency is when an unpredicted temporary malfunction arises which interferes with the normal safe operation of the Storage Service or which places special constraints to its development and which may be detrimental to the safety of persons or cause damage to property or to the environment, as specified in the guidelines of the Comitato Italiano Gas on the matter, published on their website.

These events concern surface plants, wells and the *flow lines* connecting wells and plants.

2) TYPES OF EMERGENCY

A Service Emergency is divided into the following categories, distinguishing whether or not an uncontrolled release of gas occurs:

- total or partial unplanned unavailability of connecting pipelines;
- total or partial unplanned unavailability of treatment plants and/or compression stations;
- damages to plants.

3) RESPONSIBILITIES

STOGIT is responsible for activating and executing the procedures, as per paragraph 5 below, as well as informing SHIPPERS affected by the emergency as provided for in that paragraph.

These situations in the Storage Service involve many company functions, each at a set level of responsibility.

Dispatching (described in chapter 2, paragraph 1.6), as a continuously manned structure, carries out the actions necessary to coordinate and manage the Storage Service so as to:

- configure the remote controlled plants and carry out remote controlled manoeuvres;
- activate the staff on call;
- collate the relevant information from the local control centres;

- ensure communication with other company functions, together with the SHIPPERS affected by any reduction/breakdown of the storage service as a result of the emergency;

- ensure information flow and coordination with SRG.

The operating centre responsible for the management of the storage site has the responsibility of removing, as quickly as possible, any cause that could aggravate the emergency or its consequences. In view of this need, these structures will contain suitable staff with the appropriate professional skills coordinating to carry out the first intervention on site and implement the provisions for meeting that emergency.

All other company functions carry out support activities, under their remit, in the emergency.

4) OBJECTIVES OF THE INTERVENTIONS

The procedures provided by STOGIT, as per paragraph 3 above, put forward the following objectives:

- to resolve, as quickly as possible, any cause which may endanger the safety of people and things;
- to remove, as quickly as possible, any possible cause that could aggravate the emergency or its consequences;
- to undertake, as quickly as possible, the actions – in relation to the emergency situation - required to restore fully normal operation.

5) EMERGENCY PROCEDURES

In the framework of emergency procedures, for every STOGIT site there are documents showing the following information:

- Person responsible for managing the emergency;
- Emergency plan with the measures to be taken to secure the part of the plant affected by the emergency and ensure return to previous safety conditions and the normal operating conditions;
- Methods and timing of communication to the CIG of a service emergency;

The storage company shall also record, for each service emergency:

- The code with which the storage company identifies the emergency;

- The unique code of the reservoir affected by the emergency;
- The date/time of the event;
- The classification of the emergency according to the criteria in paragraph 17.2;
- The cause of the emergency distinguishing between
    - natural events
    - due to third parties
    - due to the storage company, including businesses operating on assignment or contract on behalf of the storage company.

STOGIT shall report to the CIG, service emergencies in accordance with the guidelines prepared thereby, and to the Authority, upon request thereof, the information described in the preceding list.

STOGIT keeps an update of stand-by shifts, means of communication, means of transport and material suitable for managing said emergencies.

STOGIT also informs the SHIPPERS, by publication on its Portal, of the start, development and end of the emergency stage and of any reduction in available capacities following said emergency.

STOGIT shall publish on its website a telephone landline number to receive any emergency alerts or requests for intervention for safety reasons relating to managed reservoirs. If that telephone number changes STOGIT must inform in writing the Storage Service Shippers and the transport companies.

STOGIT must show the telephone number described in the preceding paragraph on appropriate signs posted in all areas where there are parts of the system deployed in the territory and/or near population.

CHANGE FROM CONDITIONS OF STANDARD EXERCISE TO GENERAL EMERGENCY

1) INTRODUCTION

In order to define the terms and conditions of the activities to be carried out, as well as the appropriate responsible parties, in cases where severe weather conditions cause gas withdrawal shortages in relation with winter demand, the "Technical Committee for emergency and gas system monitoring" (hereinafter "The Committee"), created in accordance with the MD of 26/09/2001, has drawn up the relevant procedure and has put it forward to the MSE for approval - as laid down in Article 8.4 of the same Decree - which laid down its adoption, in order to specify the rules to be adopted in emergency conditions.

2) APPLICATION OF THE PROCEDURES IN AN EMERGENCY

In the cases as per paragraph 1 above, Stogit applies the provisions in the procedures for a gas emergency mentioned therein, as well as the provisions issued by the competent authorities on any amendment, suspension and/or reduction of balancing charges.

2.1 Measures under Annex 2 of Ministerial Decree 18/10/2017

Measures for managing crisis levels

If one or more of the conditions provided for under the Emergency Plan, paragraphs 2.2 and 2.3 (Annex 2 to Ministerial Decree 18/10/2017) are met and the Balancing Manager has requested to Stogit additional Withdrawal Capacity compared to the Withdrawal Capacity assigned to the Shippers, which it expects to be necessary for the purposes of balancing the System, reporting conditions of:

- Sudden reduction or interruption of one or more of the supply sources, and/or
- Exceptionally high gas demand, and/or
- Significant alteration of withdrawal,

Stogit shall make available to the Shippers a quantity of additional Withdrawal Capacity (hereinafter: Additional Withdrawal Capacity), defined considering the limits of the technical constraints of the Storage System, up to a maximum equal to the quantity requested by the Balancing Manager.

This capacity is offered within the framework of the assignment processes of day-ahead capacity and/or intra-day capacity referred to in chapter 5, paragraph 5.1 at a sale charge defined on the basis of as set out in Resolution 612/2018/R/gas, point 3, equal to 47,3 €/MWh.

In the event that Stogit makes available additional Withdrawal Capacity against a reduction in the performance in a subsequent period (hereinafter: early Additional Withdrawal Capacity), Stogit shall publish on its website the quantity constraints, the reintegration period, the cost function and the conversion coefficients of the withdrawal performance differentiated according to the day/period of the Withdrawal Phase to which the reduction refers for the purposes of the request to Stogit for reduction of the Withdrawal performance by the Shippers. The procedures for submitting and accepting

requests for reduction in withdrawal performance are defined in chapter 8, paragraph 2.1, without prejudice to the provisions of the following paragraph "Measures referred to in Resolution 612/2018/R/gas".

Any difference between the total available additional early withdrawal capacity and the capacity subject to offers to reduce the Withdrawal performance in a subsequent period by Shippers is offered for sale by Stogit in the same assignment process at a sale charge equal to the provisions of Resolution 612/2018/R/gas, point 3.

Stogit reserves the right to organise auctions for the offer of additional Withdrawal Capacity and/or early additional Withdrawal Capacity in advance with different time frames with respect to those provided for the assignment processes referred to in chapter 5, paragraph 5.1; the information on the assignment processes of additional Withdrawal Capacity and/or early additional Withdrawal Capacity shall be made known to Shippers through the functions of the Stogit website[1], with a notice of no less than 1 hour.

Measures referred to in Resolution 612/2018/R/gas[2]

In the event that the additional Withdrawal Capacity and/or the early additional Withdrawal Capacity is not fully assigned as part of the assignment processes referred to in the paragraph "Measures for managing crisis levels", pursuant to Resolution 612/2018/R/gas Stogit shall make available on the trading platform referred to in paragraph 1.3, letter c), of the TIB (MGAS Platform managed by the GME, at the MI-GAS market), corresponding volumes of gas at a price equal to a sale charge defined on the basis of the provisions of Resolution 612/2018/R/gas, point 5, as the sum of:

- the sale charge of the additional Withdrawal Capacity and/or early additional Withdrawal Capacity, as referred to in the previous paragraph "Measures for managing crisis levels";
- the average of the last five prices available on the Platform for Trading Gas in Storage (MGS Platform) operated by the GME.

In the event that such offer is partially/totally accepted within the MGAS Platform managed by the GME, Stogit pursuant to Resolution 612/2018/R/gas, point 6 shall:

- accept the requests for reduction of the Shippers' Withdrawal performance referred to in the previous paragraph "Measures for managing crisis levels". To this end, the Shippers' sales offers shall be selected in ascending order (starting with the offer with the lowest charge) up to a quantity equal to the volume of gas transferred on the MGAS Platform managed by the GME; and
- repurchase within the MGS Platform managed by the GME the volumes of gas withdrawn and transferred within the MGAS Platform referred to in Resolution 612/2018/R/gas, point 5.

[1] These functionalities include the tools for publishing inside information as referred to in Article 4 of Regulation (EU) 1227/2011 of 25 October 2011
[2] The application rules are published by STOGIT on its website.

Subsequent measures

Stogit, taking into account the outcome of the measures described in the previous paragraphs and verifying the effect of the use of the additional Withdrawal Capacity on the continuation of the Withdrawal campaign, has the right to adopt, according to the order of priority indicated below, one or more of the following measures referred to in the Emergency Plan, paragraphs 2.2 and 2.3 (Annex 2 to MD 18/10/2017):

i. partial or total reduction of the offer of Withdrawal Capacity within the capacity booking in accordance with chapter 5, paragraph 5.1, according to the following order of priority:
    a. Not otherwise usable Withdrawal capacities;
    b. Withdrawal capacities subject to release by the Balancing Manager in accordance with the provisions of chapter 8, paragraph 2.1;
    c. Secondary Withdrawal capacities.

ii. possible further buy-back on auction basis of the Withdrawal Capacity already assigned to the Shippers. For this purpose, Stogit shall make available on its website the quantities of Withdrawal Capacity subject to buy-back and the related time frames for the selection of sales offers of Withdrawal Capacity by Shippers. To this end, the Shippers' sales offers shall be selected in ascending order (starting with the offer with the lowest charge) up to a quantity subject to buy-back. For each Shipper, the assignment charge of the capacity subject to buy-back is equal to the charge of the accepted offer. The Stogit purchase offer is made within the limits of any proceeds actually received and the costs arising from the application of the measures for managing crisis levels.

iii. possible revision of the Withdrawal Performance available to the Shippers on a pro-rata basis, in accordance with chapter 3. The Shippers are informed about the update of the Withdrawal Capacity within 3 working days from the occurrence of the exceeding of the available Withdrawal Capacity; the update shall be effective from the first change of the multiplication/demultiplication coefficients as per Ministerial Decree 15/02/2013 (and subsequent regulatory measures). Stogit shall pay to the Shippers, on a pro-rata basis with respect to the Withdrawal Capacity subject to revision, the charge referred to in Resolution 612/2018/R/gas, point 4, within the limits of any proceeds actually collected and the costs arising from the application of the measures for managing crisis levels. Said payment shall be made in the next invoicing cycle referred to in chapter 16, paragraph 3.

UPDATE OF THE STORAGE CODE

Chapter 20 ("Update of the Storage Code") contains the rules governing the presentation and evaluation of requests for modification of the Storage Code. In particular it clarifies:

- The parties entitled to lodge requests to modify the Storage Code;
- The requirements for acceptance of the modification requests:
- The criteria used to assess the modification requests:
- The phases of the update and transmission process to the Authority of the modification requests;
- The references for reporting.

UPDATE OF THE STORAGE CODE

1) INTRODUCTION

The procedure for updating the Storage Code as per this chapter (hereinafter "Procedure") governs the submission and evaluation of the modification requests and of proposal of update of the Code which:

- become necessary following changes in legislation and/or reference regulations or changed technical or market conditions;

or

- are deemed suitable in order to make the services offered by STOGIT more efficient.

The procedure is based on these criteria:

- ensure that all interested parties have the opportunity to participate in updating the Code;
- ensure that all the modification requests and of update proposals comply with the fundamental principles of the Storage Code;
- ensure that in the process of approval of update proposals there are taken into account:
  - the benefits that could be derived from accepting the update proposal;
  - the degree of technical complexity of the proposal;
  - any necessity to adjust the computer support systems or make investment following acceptance of the proposal;
  - generally, the time needed to implement the accepted update proposals.

2) PARTIES ENTITLED TO PROPOSE MODIFICATION REQUESTS TO THE STORAGE CODE

- In every moment of the year the following parties may exclusively propose modifications requests to the Storage Code: the SHIPPERS of the service, in a single or associated way;
- the others companies (transportation, regasification) e and the trade association of the distribution companies, only with reference to the themes in which they are directly involved;

3) REQUIREMENTS FOR THE ACCEPTABILITY OF THE REQUEST PROPOSAL

Every modification request to be submitted under consultation for the Code, must, necessarily:

- be in writing and include information about the proposer (name of the company, legal address, etc.) and about at least one proposer's representative (name, telephone number, fax number, e-mail address, etc.) that can be contacted with respect to the request under review;

- contain a short description of the nature and purpose of the proposed request;

- show why the proposer believes the proposed request should be implemented;

- make reference to the paragraphs of the Storage Code to which the request refers;

- attach any document (analyses, reports, etc.) supporting the proposed request;

- specify a proposed implementation date, from which the proposed request would take effect, which may not be prior to the date on which it is submitted.

The modification requests can be submitted in every moments of the Thermal Year.

STOGIT checks that the modification request complies with the said requirements within three working days from its receipt, and communicates to the subject that submitted it in case of unacceptability, indicating the integrations and the modifications needed. If there are no communications in the time said, the modification request will be accepted. The subject who submitted the request, that has been considered unacceptable, can forward it to STOGIT with the necessary integrations and/or adjustments. In this case the limit of 20 days as per the paragraphs 19.4 and 19.5 below will start from the receipt by STOGIT of the new request

During this process the proposal is said to be "in receipt".

4) CRITERIA FOR EVALUATION OF MODIFICATION REQUESTS

If the check for being acceptable, according to the prior paragraph, gives positive outcome, STOGIT declare acceptable the modification request and evaluates it on the basis of the following criteria:

- the compliance of modifications with the legislative framework and with the principles of the Storage Code;

- the methods through which these proposals improve the functionality of the Storage Code;

- the operative implications compared to the Storage Service;

- the impact of the requested implementations compared to the informative and management systems of STOGIT in terms of adjustments and costs created.

During this process the request is "in evaluation".

If the request has been evaluated in a negative way, STOGIT makes it available to the Authority, within 20 days of the receipt by STOGIT of the modification request considered

acceptable, together with a report that explains the reasons for not having put it on consultation. If the Authority points out the opportunity of put on consultation a modification request received as said above, STOGIT will start the process of consultation within 15 days from the communication by the Authority, and will inform the interested subject.

5) EVALUATION PROCESS OF UPDATING PROPOSALS AND TRANSMISSION TO THE AUTHORITY

If the evaluation, according to the prior paragraph, has been positive, the modification request becomes update proposal: STOGIT will publish the update proposal on its website for the consultation process within 20 days from the receipt by STOGIT of the acceptable request.

During this process the request is "on consultation".

The update proposal made by STOGIT in compliance with the decrees, resolutions and provisions drawn by the competent authorities, will be published on the website within 15 days from the publication of the provision, except if the provision provides different deadline.

STOGIT can propose update proposals in every moment of the Thermal Year.

The consultation phase lasts:

- 45 days, or
- 30 days if the update proposal has been made by STOGIT in compliance with the decrees, resolutions and provisions drawn by the competent authorities, except if the provision provides different deadline.

During the consultation phase:

- the Consultation committee for storage activity, set up according to the article 5 of the resolution ARG/gas 55/09, makes available its opinion.
- others parties, not taking part in the committee, can express their opinions.

Within 20 days from the end of the consultation phase, STOGIT will make available to the Authority the update proposal of the Code, together with:

- a report explaining the reasons of the proposal;
- the Consultation committee opinion;
- the comments received from the parties not taking part in the Consultation committee;

- the adjustments made to the proposal in the Consultation process, and the related explanations;

- others remarks came out during the consultation that the company deemed not being acceptable, with the related explanations.

The deadline indicated above is reduced to 10 days if the update proposal has been made by STOGIT in compliance with the decrees, resolutions and provisions drawn by the competent authorities.

During this process the request is "check of compliance" by the Authority.

STOGIT will publish the updated code on its website within 10 days from the publication on the website of the Authority of the update; by the same deadline STOGIT will forward the related communication to the SHIPPERS by its website.

6) NOTICES

All communications and documentation relating to this Procedure must be sent to STOGIT by fax or e-mail (address: codice@snam.it).

The deadline for the check of being acceptable and for the possible consultation and forwarding to the Authority of the modification requests starts from the day in which STOGIT receives the communications as per the present paragraph.