

Third-Party Access to Gas Storage

Case study by the Storage System Operator of Ukraine
Appendix 1

Agneta Kutselim

Head of the Department of Commercial Activity
Ukrtransgaz JSC



UNDERGROUND GAS STORAGES IN UKRAINE

1st Largest in Europe

12 UGSs

30.95/337 TOTAL CAPACITY BCM/TWh

1003 Clients from Ukraine and 27 countries



In January 2020, after completing the **unbundling of gas transportation** activities, Ukrtransgaz began operating as an independent Storage System Operator of Ukraine.

Total capacity of Ukrainian UGS is commensurate with the volumes of underground storage in Italy, France, Hungary, and Austria combined.

Total capacity of exit points to the Ukrainian gas transmission system (withdrawal) reaches 257.1 MCM or 2.71 TWh per day, and the injection capacity amount to 246.1 MCM or 2.6 TWh per day.

Storage System Operator of Ukraine provides access to its UGS on the regulated or contractual bases

CORE ALLOCATION PRINCIPLES:

- free gas storage capacity for a certain period is calculated considering the current storage level of UGS and terms stipulated in the valid storage agreement
- option of simultaneously use the annual capacity and individual services for customers
- allocation of free gas storage capacity shall be in the following merit order: annual capacity, individual monthly services.

Capacity allocation is regulated by the chapter VII of the Gas Storage Facilities Code

CAPACITY ALLOCATION. ACCESS TO THE STORAGE FACILITIES

Access to storage services (injection, withdrawal) of natural gas shall be done on the basis of a gas storage (injection, withdrawal) agreement, standard form of which is approved by the Regulator.

Required documents:

- Application for conclusion agreement
- EIC-code of the entity
- documents confirming the authority of the persons
- document to confirm the registration as an economic entity in the country of registration (for non-residents)

The Storage System Operator ensures compliance with the principle of non-discrimination when concluding natural gas storage (injection, selection) agreements with customers

Capacity allocation is regulated by the chapter VII of the Gas Storage Facilities Code

CAPACITY ALLOCATION. TERMS OF APPLICATION AND SUBMISSION

Data on free day-ahead gas storage capacity is published on SSO's website by 10:00 a.m. of the previous gas day.

Free annual gas storage capacity is published 30 calendar days prior to the beginning of receipt of applications

Annual capacity (90%):

- *period for submission*: from 01 February to 15 February of the current storage year
- *approval/refusal period*: until 1 March of the current year
- sending of the injection and withdrawal curves together with the approved application
- period for submission for increase of allocated capacity: by 15 April
- changings start from 1 May of respective storage year

Individual monthly services (10%):

- *period for submission*: not later than 10th day of the current month for the following month(s)
- *approval/refusal period*: not later than 14th day of current month
- duration of the application for working volume: monthly for a period from 1 month and up to the end of respective storage year
- option of booking additional individual working volume for month after expiry of the submission period
- duration of the application for injection/withdrawal: monthly for the following month.

CAPACITY ALLOCATION. TERMS OF APPLICATION AND SUBMISSION

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Free annual gas storage capacity is published 30 calendar days prior to the beginning of receipt of applications

Application for capacity allocation:

- date of submission of application
- its EIC and the number of agreement
- type of service (annual capacity/type of individual monthly service)
- requested volume
- period
- minimal obligatory volume

Background for allocation refusals:

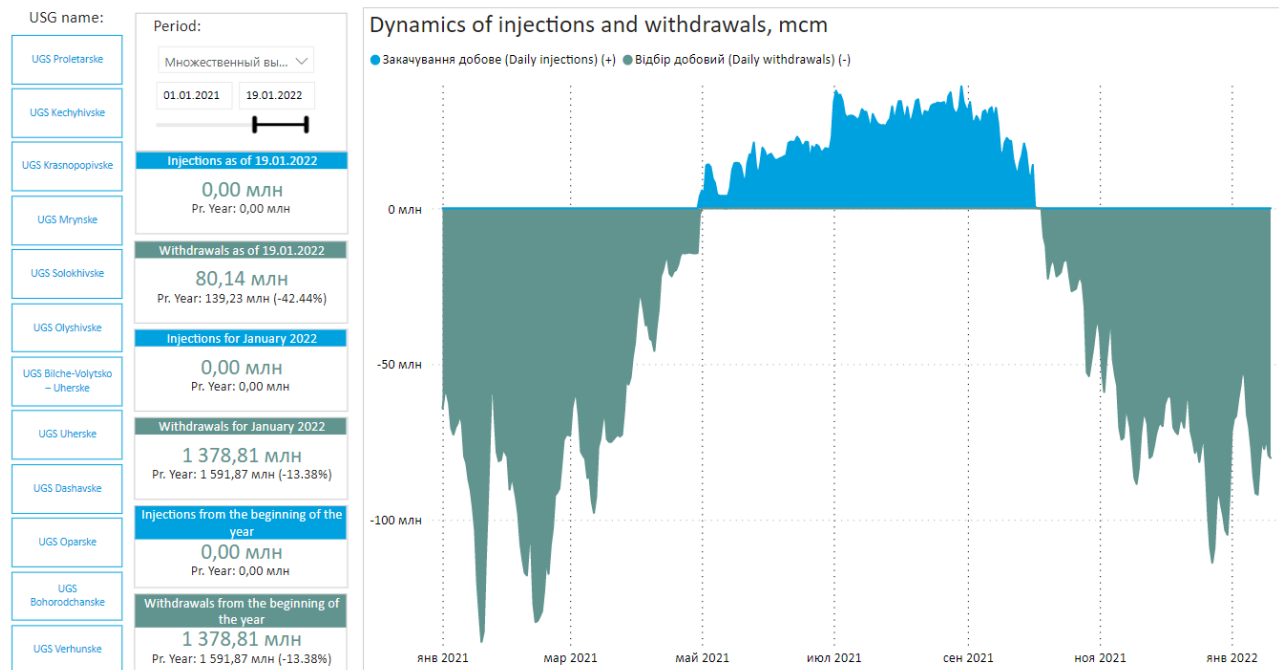
- absence of natural gas agreement
- overdue debt
- non-fulfilment of payment obligations
- lack of or insufficient free capacity of UGS
- default of Customers obligations
- provision of access will hinder the implementation by the SSO of public service obligations
- fulfilment of the requirements of the National action plan or natural gas security of supply rules by the SSO

INFORMATION AND TRANSPARENCY 1/2

The Storage System Operator adheres to the principles of openness and transparency to ensure effective operation of the storage business in Ukraine

Analytical panels of the Storage System Operator of Ukraine reflect both physical and commercial indicators of storage business in the real time as well as the historical data

© Physical indicators of injections and withdrawals as of 19.01.2022



SSO ANALYTICAL PANELS ARE:

- Key performance indicators of the company
- For the first time - public access to commercial performance
- Opportunity to see the dynamics and trends of the gas storage market
- Unique data archive

The SSO also publishes on its website the following data (according to the Gas Storage Facilities Code):

- the list of services
- tariffs and tariff calculator
- capacities of UGSs
- Gas storage Code and Standard agreement on natural gas storage (injection, withdrawal);
- forms of application for natural gas storage (injection, withdrawal) agreement, application for capacity allocation, form for nomination, form of acts
- free gas storage capacities which will be the subject to the annual capacity allocation procedure for the following 4 storage years (30 calendar days prior to the beginning of receipt of applications.)
- injection and withdrawal curves
- filling level, injection and withdrawal indicators and free capacities for each gas storage facility separately
- Allocated and free capacities on daily basis
- natural gas transfers
- scheduled works in the gas storage facilities that can affect the Customers
- historical information on filling level, injection, withdrawal, interruptions of storage services

In case of a force majeure:

- the Parties shall immediately inform about the force majeure
- provide supporting documents for its occurrence within 14 (fourteen) days upon its occurrence in accordance with the current legislation
- the force majeure shall be confirmed according to the procedure established by the current legislation

Force majeure conditions are determined in the section VII of the standard natural gas storage agreement

To avoid the possibility of contractual congestion the SSO:

- analyses the possibilities to fulfill new agreements at the stage of processing of the applications for capacity distribution;
- in case of available technical feasibility to offer natural gas storage services offers free firm capacity, and in the case of the lack thereof – natural gas storage service on the interruptible basis;
- prepares information about the scope of actions required for reconstruction of gas storage facility to increase its capacity at request from an interested entity. The SSO charges a fee for preparation of the information which reflects the expenses for its preparation;
- the underground SSO cooperates with the TSO;
- plans and performs modernization of gas storage facilities;
- operates natural gas storage facilities in a way to reduce the likelihood of congestion;
- develops and implements a plan of containment and liquidation of accidents and emergency situations.

Congestion management of the SSO of Ukraine is regulated by the chapter X of the Gas Storage Facilities Code



**UKRAINIAN UGS:
STORING GAS
FOR YOUR SAFETY**