

National Regulatory Authority in Natural Gas Sector

**DECISION**  
**regarding approval for Natural Gas Underground Storage Framework -Contract**

Considering the provisions of art. 2 para. (2) in Law no. 469/2002 regarding some measures for strengthening the contractual discipline, with subsequent modifications,

According to provisions of art. 5 c) and 8 para. (4) and (5) in Government Ordinance no. 41/2000 concerning establishment, organization and function of National Regulatory Authority in Natural Gas Sector (ANRGN), approved and amended by Law 791/2001, with subsequent modifications,

**the President of National Regulatory Authority in Natural Gas Sector** adopts the present decision.

**Art. 1.** - Natural Gas Underground Storage Framework-Contract, foreseen in the appendix part of the present decision, is approved.

**Art. 2.** – (1) The amount of natural gas remained into the deposit at the end of the complete storage cycle shall be the subject of a new underground storage contract, concluded before the date of ending the validity of the initial contract and valid from the first calendar day of the next storage cycle.

(2) The natural gas underground storage contract, concluded under the terms of para. (1), shall content, comparing to the provisions of the framework contract, the obligations of the beneficiary to pay to the exclusive provider the equivalent value of the capacity reservation for the new complete storage cycle, as well as the value of the extraction of the natural gas amount foreseen at para. (1).

**Art. 3** - The amount of natural gas remained into the deposit at the end of the complete underground storage cycle 2003-2004 shall be the subject of an underground storage contract, concluded within 15 calendar days from coming into force of the present decision, in compliance with the provisions at art. 2 para. (2).

**Art. 4** – On the date of coming into force of the present decision, the Decision of the President of National Regulatory Authority in Natural Gas Sector no. 247/2002 on approval the Natural Gas Underground Storage Framework –Contract, published in Monitorul Oficial of Romania, Part I, no. 149 on February 28, 2002.

**Art. 5.** – The specialty departments within National Regulatory Authority in Natural Gas Sector, as well as the contracting parties in the natural gas underground storage contracts are obliged to fulfill the provisions in the present decision.

**Art. 6.** – The present decision will be published in Monitorul Oficial of Romania, Part I, and will come into force from the date of starting the new complete underground storage cycle 2004-2005.

President of National Regulatory Authority  
in Natural Gas Sector  
**Dan Pantilie**

Bucharest, April 1, 2004  
No. 456.

## FRAMEWORK-CONTRACT for natural gas underground storage

### I Contracting parties

Trade company ....., having its headquarters in.....str. ...., no..., county/sector....., postal code....., phone number....., fax ....., registered with the Commercial Registry from....., under no. ...., having account no. ...., opened at ....., legally represented by ....., as a service provider for natural gas underground storage, licensee for natural gas underground storage, hereinafter referred to as provider, DISGN operator, on one side,

and

Trade Company ....., having its headquarters in.....str. ...., no..., county/sector....., postal code....., phone number....., fax ....., registered with the Commercial Registry from....., under no. ...., having account no. ...., opened at ....., legally represented by ....., as a beneficiary of natural gas underground storage service, hereinafter referred to as *beneficiary*, on the other side,

have agreed to conclude the present contract.

### II Terminology and abbreviations

**Art. 1. – (1)** Terms used in the present contract are defined in annex no. 1 and in the Technical Code in Natural Gas Sector, approved by Decision of the President of ANRGN.

**(2)** The list containing the abbreviations is foreseen in annex no. 2.

### III Purpose of the contract

**Art. 2 – (1)** The subject of the present contract consists in providing natural gas underground storage service, meaning all the activities and operations accomplished by the provider for or related to depositing capacity reservation into underground facilities and for the injection, storage in and extraction from these capacities of some specific natural gas amounts.

**(2)** Reserving natural gas underground storage capacity is performed by the provider, at the beneficiary's request, in compliance with the allocation of the capacities by underground facilities, according to legislation in force., The reserved capacity complies with the complete cycle of natural gas underground storage and is foreseen in annex no. 3.

**(3)** The natural gas amount will be stored within underground facility/facilities, according to the schedule settled by the contracting parties, in compliance with annex no. 4.

#### **IV. Duration of the contract**

**Art. 3.** The present contract is concluded for the period ....., agreed by the parties, within the complete storage cycle....., but no more than the complete storage cycle.

**Art. 4.** – In case that the present contract is concluded for a period shorter than a complete storage cycle, the parties may prolong the present contract, under the terms of art. 3, for a period of ....., with a previous notification, minimum 30 calendar days before this date.

#### **V. Natural gas commercial hand over-take over; natural gas metering**

**Art. 5.** – (1) The beneficiary will ensure the hourly/daily/monthly natural gas amounts, injected in compliance with the schedule foreseen in annex no. 5.

(2) The natural gas amounts existing into the facilities will be extracted according to the schedule foreseen in annex no. 6.

**Art. 6.** – (1) Metering the natural gas amounts meant for injection in and extraction from underground facilities is continuously performed during the storage period, at the commercial hand over-take over points, in compliance with the Technical Agreement on operating the commercial hand over-take over points, approved by decision of the President of ANRGN, hereinafter called *Technical Agreement*.

(2) The metering is accomplished by metering devices/systems and measurement equipment that fulfill the conditions foreseen by metrological rules and standards in force.

(3) The natural gas amounts meant for injection are metered at the interface SNT with DISGN and the extracted ones at the interface DISGN with SNT and they will be monthly mentioned by the reports concluded by the transmission system operator with the storage operator, in the presence of beneficiary's representative; natural gas amounts determination at the commercial hand over-take over points is performed daily, in compliance with the provisions in the Technical Agreement.

(4) The concluded reports will base the invoice for injection/extraction service.

**Art. 7.** - The parties could contest natural gas amounts metering and determination and in this event the provisions of the Technical Agreement will be applied.

**Art. 8.** – (1) Natural gas delivered within the extraction cycle will have a different composition compared to natural gas delivered for injection cycle, as a result of the fact that natural gas delivered for injection into underground storage facilities will be blended with the gas from the pipeline system and the one remained into the facility from the previous cycle.

(2) The quality of natural gas delivered by the beneficiary/provider according to the present contract must fulfill the standards in force, being certified by the analysis report of the sampling from the commercial transfer stations, at the beginning of injection/extraction cycle, monthly performed or any time the beneficiary requests, complying with the provisions in the Technical Agreement.

#### **VI. Tariffs for underground storage services; payment ways and conditions**

**Art. 9.** - The beneficiary will pay to the provider the equivalent value of the underground storage services for natural gas, calculated based on the regulated tariffs for underground storage services, foreseen in annex. no. 7, settled for each underground storage facility, in compliance with the legislation in force.

**Art. 10.** – (1) Monthly invoicing of natural gas underground storage service, the way and legal tools for payment, as well as the nomination of the banks agreed to develop bank operations are mutually established, in compliance with the legislation in force.

(2) The payment for the equivalent value of the natural gas underground storage is accomplished monthly, within 15 calendar days from the date the supplier issues the invoice. In case that the term is not a working day, the term is considered fulfilled in the following working day.

## **VII. Provider's rights and obligations**

**Art. 11.** – The provider has the following rights:

- a) to cash the equivalent value of the natural gas underground storage service;
- b) to interrupt natural gas injection/extraction cycle into/from underground facilities, in case of not fulfilling the payment obligations on the terms specified by the present contract and complying with the legislation in force;
- c) to interrupt partially or totally natural gas injection/extraction cycle complying with the legal regulations in force regarding the revisions and repairs or for removing the damages at the compression installation/ground technological installation, it being resumed within .... calendar days from the date of removing the causes;
- d) to initiate modification and/or completion of the present contract, in the event of modifying the circumstances which based its conclusion.

**Art. 12.**– The provider has the following obligations:

- a) to invoice the beneficiary for the equivalent value of natural gas underground storage service according to the legislation in force;
- b) to keep at beneficiary's disposal the contracted capacity, according to the present contract;
- c) to take over from the beneficiary, in order to be stored, from the commercial hand over-take over point from the interface SNT with DISGN, the natural gas amounts foreseen by the natural gas storage schedule, in compliance with the legal regulations in force;
- d) to delivery to the beneficiary the extracted natural gas amounts, according to the schedule agreed for the extraction cycle, on quality terms agreed in the present contract, at the transfer commercial hand over-take over point at the interface DISGN with SNT, in compliance with the legal regulations in force;
- e) to notify immediately the beneficiary and the transporter, in compliance with the legal regulations in force about the interruptions during natural gas injection/extraction cycle, in order to remedy the damages at its own installations;

- f) to warn immediately, by phone, the beneficiary and the transporter about the accidental interruptions during natural gas injection/extraction cycle and to subsequently notify them, within no more than 12 hours from the event;
- g) to resume the natural gas injection/extraction program into/from underground facilities, in compliance with the legal regulations in force, after ..... calendar days from payment, having a notice of ... calendar days; injection/extraction of amounts of natural gas not injected/not extracted within the interruption period of the storage services for not payment shall be accomplished only according to technological parameters of each underground storage facility and of SNT, the schedule for natural gas underground storage being modified in consequence;
- h) to permit, in the presence of its representative, the access of beneficiary/transporter's representatives to metering equipment, complying the Technical Agreement;
- i) to ensure the necessary technical conditions for storage into underground facilities of the natural gas amounts foreseen by the present contract;
- j) to ensure the correct operating of metering systems and equipment for natural gas injection/extraction cycle, according to metrological regulations in force;
- k) to take the risk related to the circulation of natural gas through the pipelines related to DISGN, designed to be stored and that related to underground storage, on the terms that natural gas designed to be stored is taken over at the pressures in the present contract;

### **VIII. Beneficiary's rights and obligations**

**Art. 13.** – The beneficiary has the following rights:

- a) to request and to receive from the DISGN operator, within the period ....., in compliance with the legal regulations in force, the data regarding natural gas contracted by the beneficiary, injected/extracted into/from underground storage facilities;
- b) to contest with justification, the natural gas amounts delivered by the provider at the commercial hand over-take over point at the interface DISGN with SNT;
- c) to request the provider the modification and/or completion of the present contract in the event of modification of the circumstances that based its conclusion.

**Art. 14.** – The beneficiary has the following obligations:

- a) to pay entirely and in time the invoices issued by the natural gas underground storage service provider;
- b) to ensure the provider with the natural gas amounts for injection cycle, according to annex no. 5, in compliance with the legal regulations in force, on the quality terms agreed by the present contract, at the commercial hand over-take over point at the interface SNT with DISGN;
- c) to take over natural gas from extraction cycle, according to annex no. 6, in compliance with the legal regulations in force on quality terms agreed by the

present contract, at the commercial hand over-take over point at the interface DISGN with SNT;

## **IX. Guarantees**

**Art. 15. – (1)** On the date of concluding the present contract, the parties are obliged to present each other one or more instruments for warranting their own obligations, agreed by them, as it follows:

- a) financial guarantees;
- b) real guarantees, excepting the stored natural gas.

**(2)** The guarantee foreseen at para. (1) is meant to fulfill the contractual obligations of the parties, in case of their guilt not fulfillment.

**(3)** In case of execution of the guarantee at the para. (1), the involved party is obliged to reconstruct the deposited guarantee, within ..... calendar days from the execution.

**Art. 16. –** If the parties present real guaranties, the guarantee contracts shall be perfected in the same time with signing the present contract.

## **X. Conditions for developing natural gas underground storage services**

**Art. 17. – (1)** Natural gas injection/extraction schedule shall be established when concluding the present contract, according to the necessary period for reevaluation of active stocks, when passing from the injection cycle to the extraction cycle and to the timetable for revisions and repairs.

**(2)** The parties are obliged to notify to each other the modifications at the storage program minimum 10 calendar days before starting the injection/extraction delivery month. In this regard the parties will agree the modifications within two calendar days from the request date.

**(3)** In case that the notified party does not send the observations within the term foreseen at para. (2), the notified storage schedule will be considered accepted by the both parties.

**Art. 18. –** The parties will notify DNGN the natural gas underground storage schedule agreed by the present contract, within 5 calendar days from signing this contract, as well as any modification of this program, minimum 5 calendar days before the injection/extraction month starts.

**Art. 19. –** The parties could agree related to variations of daily and monthly natural gas amounts from the established program within +/-.....%, on the terms that this does not affect the safety operation of underground facility.

**Art. 21. –** The parties are obliged to notify to each other periodical maintenance and repair works that could lead to a temporary limitation or a limitation of the injection or extraction of natural gas amounts, minimum 3 calendar days before performing.

## **XI. Confidentiality clause**

**Art. 22. – (1)** The parties are obliged to keep the confidentiality of the data, documents and information obtained based upon it for the whole valid period of the contract.

(2) Exceptions from the provisions of para. (1) are the following data, documents and information:

- a) those for whose reveal the written approval of the other party was received;
- b) those which are public circulation at the date of revealing;
- c) those requested by the enforced bodies of the state, according to a legal obligation for information.

## **XII. Contractual liability**

**Art. 23. - (1)** In the event that the provider does not fulfill his obligation of performing the natural gas underground storage service, according to the schedule agreed by the present contract, as well as any other obligations established by the present contract, the beneficiary is entitled to request and to receive compensations, corresponding to the damage.

(2) The non fulfillment of the payment obligation for the equivalent value for natural gas underground storage service, foreseen at art. 10 para. (2), shall be followed by:

- a) delay penalty equal to that one settled for non paying on term of the obligations to state budget, for each day of delay, starting with the 16<sup>th</sup> calendar day from invoicing date, until it is entirely covered, including the payday, in case of not fulfilling within 30 calendar days from the term of the obligation to pay the equivalent value of the supplied natural gas;
- b) interruption of the natural injection/extraction services into/from underground storage facilities, with a ... calendar days notice, starting with the 46<sup>th</sup> calendar day from invoicing;
- c) execution of the guarantee settled according to art. 15;
- d) the retention right on stored natural gas amount.

(3) Exerting the right to execute the guarantee and the retention could be also accomplished in case of not fulfilling the beneficiary's contractual obligations, others than that foreseen at para. (2).

(4) In case that the measures foreseen at para. (2) and (3) do not cover entirely the damage recorded by the provider, the beneficiary shall pay compensations, in compliance with the legislation in force.

## **XIII. Ceasing the contract**

**Art. 24. –** The parties are entitled to cease the contract in the following situations:

- a) one of the parties does not fulfill its contractual obligations
- b) bankruptcy procedure for one of the parties;
- c) if within 30 calendar days starting from the date of notification the amending intention for the present contract, the parties do not agree for its modification and/or completion.

**Art. 25. –** The intention for ceasing the present contract, in case foreseen at art. 24 a), should be notified to the other party within ...calendar days starting from the last date of the non-fulfilled obligation.

**Art. 26.** – Total or partial cease of the clauses of the present contract has no effect over the already due obligations.

#### **XIV. Notifications**

**Art. 27.** – (1) The parties are obliged that during development of the present contract to notify to each other any modification of the circumstances at the date of concluding the present contract.

(2) The notification term is 5 calendar days starting from the date of modification the circumstances, unless the present contract foresees other term.

(3) In the event that the notification is sent by mail, this will be sent by registered letter, considering that the receiver got it on the date he mentioned in the record.

(4) Notifications sent by fax are considered received in the first working day after their sending.

#### **XV. Force Majeure**

**Art. 28.** – (1) Force majeure is that future event, absolutely unpredictable and that cannot be avoid, which exonerates the responsibility of the party that invokes it.

(2) Party that invokes force majeure is obliged to notify to the other party within 48 hours from the ceasing of the event, and to send the justified documents within 5 calendar days starting from this date; the respective party is also obliged to action in the appropriate manner to limit its consequences as much as possible.

(3) The Romanian Chamber of Commerce and Industry shall certify the force majeure case.

(4) If within 60 days the event does not stop, parties shall have the right to notify each other determination by law of the present contract, without asking for compensations.

#### **XVI. Applicable legislation; solving the litigations**

**Art. 29.** – The provisions of the present contract are submitted to the Romanian legislation in force.

**Art. 30.** – (1) Parties agree as all the disputes concerning validity of the present contract or results from its interpretation, operation or ceasing to be solved by amicable settlement.

(2) Otherwise, the litigations will be solved by competent court or will be submitted to arbitrage.

#### **XVII. Ceding**

**Art. 31.** – (1) No one of the parties could cede or transfer by any way, everything or parts of it, the rights and/or the obligations arising from the contract unless having the written approval and previous of the other party.

(2) The parties agreed not to refuse unjustified the ceding of the rights and duties arising from the present contract.

(3) The approval foreseen at para. (1) has to be communicated to the other party in minimum ..... calendar days before the date of ceding or transfer; in the event that the party does not communicate its answer to the other party within maximum .... calendar days, it is assumed that this party has not agreed the ceding of the contract.

**XIX. Final clauses**

**Art. 32.** – In the event of changing the judicial form/judicial reorganization the parties are obliged to communicate, within maximum....calendar days starting from this date, the way of taking over the mutual contractual obligations.

**Art. 33.** – The disposals of the present contract will be completed with the provisions of the Commercial Code, the Civil Code, as well as the other regulations in force.

**Art. 34.** – The present contract could be modified and/or completed based on additional documents.

**Art. 35.** – Appendix no. 1 “Glossary of terms”, annex no. 2 “List containing abbreviations”, annex no. 3 “Reserving the capacity for natural gas underground storage”, annex no. 4 “Program for natural gas underground storage”, annex no. 5 “Program concerning natural gas injection cycle”, annex no. 6 “Program concerning natural gas extraction cycle”, annex no. 7 “Tariff for natural gas underground storage service” are parts of the present contract.

The present contract has been concluded today .....in two copies equal certified or having the same judicial value, each for every party.

Provider  
Legal Representative

Beneficiary  
Legal Representative

.....

.....

Certified  
Legal Office

Certified  
Legal Office

**Note:**

The present framework contract could be modified and/or completed with specific provisions, according to the agreement between the parties, under the condition that those to be not unconfomed with the parties’ obligations, to be not contrary to the provisions in the present framework contract, as well as the other legal indications in force.

ANNEX no. 1  
at the frame contract

## GLOSSARY OF TERMS

**Beneficiary** – legal person, Romanian or foreign, licensed/accredited by ANRGN, that could have access to underground storage facilities: producer, holder of the oil agreement and licensee for supplying/supplier, supplying licensee, /transporter, transmission licensee, /distributor, distribution licensee and supplying, /natural gas eligible consumer/beneficiary party in a transit contract.

**Hourly/daily/monthly contracted quantity** - natural gas amount established by the contract, expressed in m<sup>3</sup>, referring to each calendar month/day content from the period of the contract.

**Reserved storage capacity** – part of the utilizable storage capacity, which the provider shall keep by the contract at the beneficiary's disposal at any moment; it is expressed in 1,000 m<sup>3</sup>/complete storage cycle.

**Utilizable storage capacity** – the capacity of the underground facility that the provider could provide to the beneficiaries, determined under specific regulations.

**Complete storage cycle** – continuous period that covers successively natural gas injection cycle and extraction cycle within an underground facility.

**Injection cycle** – calendar period foreseen for natural gas injection into an underground facility.

**Extraction cycle** – calendar period foreseen for natural gas extraction into an underground facility.

**Underground storage facility** – tight deposit/part of deposit – depleted, aquifer, saliferous, where natural gas under pressure could be temporary stored, at programmed volumes, by injection cycle and from where this natural gas amounts could be extracted during extraction cycle.

**Natural gas underground storage** – assembly of activities consisting on reserving the capacity for natural gas underground storage, as well as of injection/extraction of natural gas amounts into/from underground deposits, using the related surface and underground infrastructure.

**Circumstances modification** – modification of the technical, commercial, economic-financial and legal conditions that were taken into consideration on the date of signing the contract.

**DISGN operator** – legal person, licensee for storage.

**Natural gas commercial hand over-take over point:**

- a) injection cycle – set of installations ensuring natural gas metering from the place where natural gas is transferred from SNT to provider’s installation in order to ensure the underground storage;
- b) extraction cycle - set of installations ensuring natural gas metering from the place where natural gas is transferred from provider’s installation to SNT in order to ensure the transmission and supply to beneficiary.

**Active stock of natural gas** – natural gas amount existing in an underground storage facility at a certain moment, economically and technically recoverable.

**Tariffs for underground storage services** – regulated tariffs related to the activities and operations developed by the provider in order to or related to reserving the storage capacity into underground facilities and for injection into and extraction from these capacities of some natural gas amounts.

*ANNEX no. 2*  
*at the frame contract*

**List containing abbreviations**

**ANRGN** - National Regulatory Authority in Natural Gas Sector

**DNGN** – National Natural Gas Dispatching Center.

**DISGN** - Natural Gas Underground Storage Facilities

**SNT** – Natural Gas National Transport System

Annex no. 3. – Reserving the capacity for natural gas underground storage (table)

Annex no. 4 - Program for natural gas underground storage (table)

Annex no. 5 - Program concerning natural gas injection cycle (table)

Annex no. 6 - Program concerning natural gas extraction cycle (table)

Annex no. 7- Tariffs for natural gas underground storage service (table)

