**Decision No. 1/12 of the Board of the Public Utilities Commission**

Adopted 10 September 2015

Regulations Regarding the Use of Natural Gas Transmission System of the Joint Stock Company “Latvijas Gāze”

*Approved in accordance with*

*Section 15, Paragraph seven and*

*Section 452Paragraphs three and six of the Energy Law*

1. General Provisions

1. The Regulation has been approved taking into account derogations from individual requirements granted to Latvia by Article 49 of Directive No 2009/73/EC of the European Parliament and of the Council of 9 July 2013 concerning common rules for the internal market in natural gas, and also taking into account that laid down in Paragraph 32 of the Transitional Provisions of the Energy Law.

2. This Regulation prescribes:

2.1. the provisions for the use of the transmission system (hereinafter - transmission system) belonging to the joint stock company "Latvijas Gāze" (hereinafter - transmission system operator);

2.2. the procedures for granting the rights of use to the free capacity of the transmission system;

2.3. the procedure for the use of the transmission system and cases, in which the transmission system operator may terminate or limit the use of the transmission system;

2.4. the rights and obligations of the transmission system operator;

2.5. the rights and obligations of the user of the transmission system (hereinafter - user of the system);

2.6. the payment procedures for the use of the transmission system;

2.7. the procedures for continuous performance of balancing of the transmission system by the transmission system operator by ensuring balancing of the amount of natural gas entered into and discharged from the transmission system (hereinafter - balancing), and also the procedures and the criteria for requesting guarantees by the transmission system operator to ensure payments for balancing of the transmission system.

3. Terms used in this Regulation:

3.1. free capacity - the capacity of natural gas transmission system available to the applicants for the use of transmission system services;

3.2. natural gas measuring station (hereinafter — the GMS) — a station where the transmission system operator registers the amount of natural gas entered into and discharged from the transmission system, and also the quality characteristics of natural gas;

3.3. gas day — a time period at the closing of the daily gas balance, which begins each day at 7:00 a.m. and ends next day at 7:00 a.m. UTC (Coordinated Universal Time);

3.4. injection season — a time period during which the storage facility operator injects natural gas into the storage facility and which lasts approximately from April-May of each year to October-November of each year;

3.5. extraction season — a time period during which the storage facility operator extracts natural gas from the storage facility and which lasts approximately from October-November of each year to March-April of the next year;

3.6. storage facility — Inčukalns Underground Gas Storage Facility of the joint stock company “Latvijas Gāze”;

3.7. storage facility operator — the joint stock company "Latvijas Gāze", which provides natural gas storage services in the storage facility (injection of natural gas into the storage facility, storage and extraction from the storage facility);

3.8. agreement — the agreement entered into between the transmission system operator and the user of the system for the receipt of the transmission system services;

3.9. disbalance — situation during transportation of natural gas when the amount of natural gas entered into the transmission system by the user of the system is different from the amount of natural gas that the respective user of the system has extracted from the transmission system during the balancing period, or the situation when the summary amount of natural gas entered into the transmission system differs from the summary amount of natural gas extracted from the transmission system;

3.10. nomination — a timely notice of the user of the system to the transmission system operator on the actual quantity of natural gas that the user of the system is willing to inject into the transmission system or extract from it;

3.11. physical overload of the transmission system capacity – a situation when at some point the demand for the actual natural gas transportation capacity exceeds the technical capacity of the transmission system;

3.12. transmission system service — transportation of natural gas in the transmission system;

3.13. application for access — a document that the applicant submits to the transmission system operator regarding reservation of free capacity of the transmission system;

3.14. applicant — a merchant which has submitted the documents laid down in Paragraph 21 of this Regulation and wishes to receive the transmission system services;

3.15. distribution system operator — the joint stock company "Latvijas Gāze", which provides distribution system services;

3.16. user of the system — a merchant, which receives the transmission system services in accordance with the agreement;

3.17. trader — the joint stock company “Latvijas Gāze”, which provides natural gas trade services.

4. The transmission system operator shall provide applicants with objectively substantiated, economically justified, fair, equal, non-discriminatory and open access to the free capacity of the transmission system services that has been determined in accordance with Paragraph 12 of this Regulation.

5. The transmission system operator shall provide the transmission system services in the amount determined in the agreement according to the tariffs determined in accordance with the procedure laid down in the Energy Law and the Law on Regulators of Public Utilities. The transmission system operator shall publish on its website the Model Agreement for Transmission System Services (Annex 2), and the effective tariffs for the transmission system.

2. Technical Characteristics of the Transmission System

6. The transmission system includes the following gas pipelines located in the territory of the Republic of Latvia:

6.1. UGP Izborsk – Inčukalns UGSF;

6.2. UGP Valday – Pskov – Riga;

6.3. UGP Riga – Inčukalns UGSF, line I;

6.4. UGP Riga – Inčukalns UGSF, line II;

6.5. UGP Vilnius – Riga;

6.6. UGP Riga – Panevežys;

6.7. UGP Vireši – Tallinn;

6.8. UGP Iecava – Brocēni – Liepāja;

6.9. UGP Riga – Daugavpils;

6.10. UGP Upmala – Preiļi – Rēzekne.

7. It is possible to enter natural gas into the transmission system in the following locations (hereinafter the entry points):

7.1. the transmission system interconnection with the natural gas transmission system of the Russian Federation:

7.1.1. natural gas accounting site — GMS Izborsk;

7.1.2. natural gas accounting site — GMS Korneti;

7.2. the transmission system interconnection with the natural gas transmission system of the Republic of Lithuania: natural gas accounting site — GMS Kemenai;

7.3. the transmission system interconnection with the natural gas transmission system of the Republic of Estonia: natural gas accounting site — GMS Karksi;

7.4. the transmission system interconnection with the storage facility:

7.4.1. natural gas accounting site — GMS 1;

7.4.2. natural gas accounting site — GMS 2;

7.4.3. natural gas accounting site — gas measuring node of the gas collection point No. 1.

8. It is possible to discharge natural gas from the transmission system in the following locations (hereinafter - the exit points):

8.1. the transmission system interconnection with the natural gas transmission system of the Republic of Lithuania: natural gas accounting site –—GMS Kemenai;

8.2. the transmission system interconnection with the natural gas transmission system of the Russian Federation:

8.2.1. natural gas accounting site — GMS Korneti;

8.2.2. natural gas accounting site — GMS Izborsk;

8.3. the transmission system interconnection with the natural gas transmission system of the Republic of Estonia: natural gas accounting site — GMS Karksi;

8.4. the transmission system interconnection with the storage facility:

8.4.1. natural gas accounting site — GMS 1;

8.4.2. natural gas accounting site — GMS 2;

8.4.3. natural gas accounting site — gas measuring node of the gas collection point No. 1.

8.5. the exit points from the transmission system to the natural gas distribution system

or the connections of gasified objects of end users to the transmission system.

9. The transmission system operator shall determine the operational mode of the transmission system and the natural gas supply directions, and, taking into account the technical condition of the respective gas pipeline of the transmission system, the maximal admissible working pressure for each gas pipeline of the transmission system, and shall publish the abovementioned information on its website. The minimum working pressure in a gas pipeline of the transmission system is 2.5 MPa.

10. The transmission system operator, upon agreement with the storage facility operator, before each injection/extraction season, shall determine the maximum/minimum pressure of natural gas flow, by which the transmission system operator shall transfer natural gas to the storage facility operator for injecting into the storage facility, and the storage facility operator shall extract natural gas from the storage facility to enter into the transmission system, and shall publish the abovementioned information on its website.

11. In order to calculate the free capacity of the transmission system services, the transmission system operator together with the distribution system operator and the storage facility operator shall co-ordinate the estimated natural gas transmission system capacity summaries by seasons, months, days and hours, including determining the maximum and minimum loads.

12. The transmission system operator shall, in accordance with the procedures laid down in Paragraph 19 of this Regulation publish on its website the information regarding the free capacity of the transmission system services at each entry/exit point, the information regarding the technically possible capacity of each entry/exit point and the total capacity reserved by the applications for access and the agreements at each entry/exit point. The transmission system operator shall calculate the free capacity of each entry/exit point in accordance with the following formula:

A = B - C + D, *where*

A — free capacity of the entry/exit point (m3);

B — technically possible capacity of the entry/exit point (m3);

C — a part of the natural gas transmission service (m3) that is required for the joint stock company "Latvijas Gāze" for fulfilment of the provisions of the issued natural gas transmission, natural gas storage, natural gas distribution, and also natural gas trade licences, for fulfilment of the terms and conditions of the concluded natural gas procurement agreements, insofar as it conforms to the legal norms of the European Union and national competition, and also which is reserved in accordance with the agreements or the applications for access, or the State orders;

D — a part of the transmission system services (m3), with regard to which the user of the system with whom the agreement has been concluded, has duly informed the transmission system operator that it will not use the transmission system capacity determined in the agreement, and also with regard to which the applicant has not concluded the agreement within the time period laid down in this Regulation and which can be technically offered for access to other applicants (additional free capacity).

3. Natural Gas Accounting and Quality Control

13. The quality of natural gas, biogas and gas produced from biomass, and also liquefied natural gas that has been turned into a gaseous state, which is entered into the transmission system, shall conform to the natural gas quality characteristics determined by the Cabinet. The transmission system operator shall publish on its website the regulations regarding the control of quality of the natural gas entered into and discharged from the transmission system, the places of acceptance-delivery of natural gas and determination of quality, and also the technical standards and requirements used for quality determination.

14. The transmission system operator shall ensure the accounting of the transmitted natural gas at the transmission system entry and exit points and the natural gas accounting sites by regularly recording the amount, pressure and temperature of the transmitted natural gas.

15. A location defined by the transmission system operator where natural gas amount, pressure, temperature and quality parameter measurements (random) may be performed shall be at each natural gas accounting site which may not match the transmission system entry/exit points.

16. The transmission system operator shall use the capacity units for natural gas accounting and reports. The natural gas amount (capacity) measuring unit is a cubic meter (m3) determined in the following standard conditions: the absolute gas pressure is 101.325 kPa and the temperature is 200C.

17. The following natural gas transmission volumes shall be accounted in the entry and exit points according to the capacity units determined for the accounting sites:

17.1. the amount of natural gas transmitted per hour (m3/h);

17.2. the maximum amount of natural gas transmitted during one hour of a day (m3/h);

17.3. the amount of natural gas transmitted per day that is expressed as a sum of amounts of natural gas transmitted during the hours of the day (m3/h);

17.4. the amount of natural gas transmitted per month that is expressed as a sum of amounts of natural gas transmitted during the days of the calendar month (m3/h);

17.5. the amount of natural gas transmitted per year that is expressed as a sum of amounts of natural gas transmitted during the months of the year (m3/h).

18. For entering biogas and gas produced from biomass, and also liquefied natural gas that has been turned into a gaseous state into the transmission system, the natural gas accounting and determination of quality shall be ensured at the respective entry point of the transmission system. Natural gas accounting and determination of quality at the entry points shall be ensured by the supplier of biogas and gas produced from biomass, and also liquefied natural gas that has been turned into a gaseous state, but at the exit points — by the transmission system operator. The user of the system that is entering the gas abovementioned in this Paragraph into the transmission system shall ensure continued monitoring of physical and chemical indicators of the fuel gas by using appropriately certified measuring equipment, and also accumulating the measurement data and constant remote access of the transmission system operator to this information.

4. Request for Access to the Transmission System

19. The transmission system operator shall publish, maintain and renew the information on a daily basis regarding the free capacities in the transmission system, the information regarding the technically possible capacity of each entry/exit point, the total capacity reserved by the applications for access and the agreements for each day within the current year, for the transportation of which the applicant may submit an application for access to the transmission system operator, by taking into account the technical possibilities of the transmission system entry/exit points and the allowed operational ranges of gas accounting measuring devices installed therein.

20. The transmission system operator shall, not later than on the next working day after the receipt of information regarding additional free capacity that is technically possible to be offered for access by the applicants, publish information on its website regarding the amount of the additional free capacity.

21. The applicant , who wishes to receive the transmission system services, shall submit an application for access to the transmission system operator by fully completing the form of the application for access attached as Annex 1 to this Regulation and the following documents:

21.1. an updated statement from the Lursoft Database of Enterprises regarding the applicant or an excerpt from the register of enterprises of the home country of the applicant or registers equal to them according to the regulations of the country, in which the applicant has been established;

21.2. a copy of decision taken by the Enterprise Register of the Republic of Latvia regarding the representation rights of the executive body of the applicant or a procure, or a relevant authorisation, certifying the rights of the representative of the applicant to submit the application for access;

21.3. a statement from a competent state tax authority, which certifies that the applicant has no tax debts in Latvia and its country of domicile, including debts of mandatory State social insurance contributions, that in each country exceed EUR 150 in the aggregate (issued not earlier than twenty days before submitting the application for access);

21.4. a statement from the Enterprise Register of the Republic of Latvia or register of enterprises of the home country of the applicant or equivalent registers, issued not earlier than twenty days prior to the day of submitting the application for access, certifying that an insolvency procedure of the applicant has not been announced, the economic activity of the applicant is not suspended or terminated, the court proceedings regarding bankruptcy of the applicant is not initiated, and also it is not established that the applicant will be liquidated until the expected final date of fulfilment of the agreement;

21.5. a copy of the registration certificate of a value added tax (hereinafter — VAT) payer, certified in accordance with the procedures laid down in laws and regulations. If the applicant is registered as a VAT payer in several European Union countries, a copy of the registration certificate shall be attached with regard to the VAT payer's registration number, under which the applicant has planned to perform transactions regarding the transmission system services.

22. The documents issued by institutions of the home country of an applicant not registered with the Commercial Register of the Republic of Latvia or of a user of the system, shall be submitted by the applicant or user of the system to the transmission system operator, together with a translation into the official language, which has been certified in accordance with the procedures stipulated by the Cabinet or notarially certified.

23. The applicant shall submit the application for access to the transmission system operator in writing not later than thirty working days before the date specified in the application for access, starting from which the user of the system wishes to start using the transmission system services. The user of the system that wishes to extend a valid agreement with the transmission system operator regarding use of free capacities of the transmission system does not need to repeatedly submit the documents referred to in Paragraph 21 of this Regulation.

24. If the applicant has failed to indicate in the application for access all the information required therein or has failed to attach all documents referred to in Paragraph 21 of this Regulation, the transmission system operator shall request the required information from the applicant by sending a request to the electronic mail address of the applicant indicated in the application for access. The applicant has a duty to be reachable at the address indicated and accept the request sent by the transmission system operator. The request shall be deemed received on the second working day after sending thereof. The applicant shall deliver the information and documents indicated by the transmission system operator within seven working days after receipt of the request of the transmission system operator. If the applicant fails to submit the requested information or documents within the time period laid down in this Paragraph, it shall be deemed that the applicant has revoked its application for access.

25. After the receipt of the information and documents referred to in Paragraph 21 of this Regulation, the transmission system operator shall register the received application for access. The transmission system operator shall maintain on its website a public register of the received applications for access to the transmission system by ensuring protection of commercial information, wherein it shall specify the sequence number of the application for access, the time of its receipt and the volume of the transmission system capacity requested by the applicant.

26. Information, exchanged by the applicant and the transmission system operator after submission of the application for access, and also the agreement shall be confidential, and the parties shall not make this information public or otherwise disclose this information to any third party, except the cases laid down in the law.

5. Capacity Distribution Mechanism, Overload Management and Balancing Procedures

27. The transmission system operator shall have a constant obligation to grant to the distribution system operator the transmission system capacity necessary to deliver natural gas to the natural gas users in Latvia and to grant the transmission system capacity to the trader necessary to deliver natural gas to the natural gas users in Latvia and to perform the conditions of long-term natural gas procurement agreements concluded with the natural gas suppliers, insofar as it conforms to the legal norms of the European Union and national competition.

28. The transmission system operator shall examine the application for access within five working days after the registration of the application for access and shall take the decision regarding the possibility to reserve free capacity of the transmission system or a part thereof and receive the transmission system services for the relevant applicant.

29. If during examination of the application for access the transmission system operator establishes that it is not technically possible to perform transportation of natural gas in the Republic of Latvia in the amount indicated in the application for access, the transmission system operator shall, within three working days, send a proposal to the applicant to the electronic mail address of the applicant specified in the application for access, to amend the amount of natural gas specified in the application for access or split thereof according to months and days.

30. The applicant has a duty to be reachable at the specified address and accept the proposal sent by the transmission system operator. The proposal shall be deemed received on the second working day after sending thereof. The applicant shall review the proposal of the transmission system operator and submit the updated distribution of the amount of natural gas within three working days after receipt of the proposal of the transmission system operator by sending the updated distribution of the amount of natural gas to the electronic mail address specified by the transmission system operator. If the applicant fails to submit the updated proposal within the time period laid down in this Paragraph, it shall be deemed that the applicant has revoked its application for access.

31. If the total transmission system capacity requested in the applications for access submitted by the applicants exceeds the free capacity of the transmission system, the transmission system operator shall reserve the free capacity for the applicant, whose application for access has been registered first.

32. The user of the system has the right to transfer the transmission system capacity not used by it under the agreement to another merchant. In the case referred to in this Paragraph the user of the system shall be responsible for fulfilment of the liabilities of the agreement towards the transmission system operator.

33. If physical overload of the transmission system capacity occurs during transportation of natural gas, the transmission system operator, within the framework of the overload management, at first, shall ensure transportation of natural gas required for the needs of the natural gas users in Latvia, and then shall distribute the remaining transmission system capacity between the users of the systems in compliance with the provisions of this Regulation.

34. The transmission system operator shall perform separate accounting of the transmission system services provided to each user of the system, and also the transmission system services provided in accordance with each agreement.

35. If the disbalance caused by a user of the system poses risk to safe operation of the transmission system or performance of the valid agreements, the transmission system operator has the right to restrict (terminate) transmission of natural gas for the respective user of the system without prior warning and to issue mandatory instructions to the user of the system and the storage facility operator. The restriction referred to in this Paragraph shall be terminated (transportation of natural gas shall be renewed) only when safe functioning of the transmission system is ensured.

36. The balancing period shall be one month, during which each user of the system shall ensure that the amount of natural gas removed from the transmission system corresponds to the amount of natural gas entered into the transmission system. Within the balancing period, the amount of natural gas removed from the transmission system by the user of the system during one gas day may differ from the amount of natural gas entered into the transmission system during one gas day by not more than 5 %.

37. The user of the system that is supplying natural gas from the storage facility or to it is obliged to deliver to the transmission system operator a schedule coordinated with the storage facility operator in which the natural gas delivery procedures, the amount of natural gas to be delivered, the time period, and also the natural gas quality and pressure parameters are specified, according to which the user of the system shall deliver natural gas from or to the storage facility.

38. The user of the system delivering natural gas from another natural gas transmission system is obliged to deliver to the transmission system operator, 20 working days prior to starting the natural gas deliveries, the schedule coordinated with the operator of another natural gas transmission system, in which the natural gas delivery procedures, the amount of natural gas to be delivered, the time period, and also the natural gas quality and pressure parameters are specified.

39. In order to ensure balancing of the transmission system, the transmission system operator shall use the services of the storage facility.

40. In order to ensure effective functioning of the transmission system, the transmission system operator shall coordinate the natural gas transmission modes and cooperate in balancing issues with the storage facility operator and the transmission system operators of the Republic of Estonia, the Russian Federation and the Republic of Lithuania.

6. Basic Conditions for Concluding an Agreement

41. If the transmission system operator has granted the free capacity of the transmission system or a part thereof to the applicant, simultaneously with the decision regarding granting the free capacity of the transmission system or a part thereof, the transmission system operator shall send a draft agreement to the applicant, to the electronic mail address indicated in the applicant’s application for access, that the applicant shall submit to the transmission system operator signed within five working days. If the applicant has failed to submit the signed agreement to the transmission system operator within the laid down time period, the transmission system operator shall grant the capacity of the storage facility, reserved for the relevant applicant, to the next applicant or, if there is none — publish information regarding additional free capacity on its website within the time period laid down in Paragraph 20 of this Regulation.

42. The transmission system operator, upon receiving the signed agreement, shall sign it within three working days and shall send it to the applicant to the mail address indicated in the application for access.

43. If the applicant, which has failed previously to perform the terms and conditions of the agreement as the user of the transmission system, is willing to enter into the agreement, the relevant applicant has an obligation to pay a security deposit to the transmission system operator in the amount of the agreement price.

7. Refusal of Access to the Transmission System

44. The transmission system operator has the right to provide a motivated refusal of access to the free capacity in the following cases:

44.1. in the cases laid down in the Energy Law and the Law On Regulators of Public Utilities;

44.2. information provided in the application for access of the applicant is not complete or it becomes known that it is not true;

44.3. the application for access has not been submitted within the term laid down in Paragraph 23 of this Regulation;

44.4. it is not possible to provide the transmission system services specified in the application for access due to technical reasons (emergency, gas pipeline repair, working pressure limitation, insufficient gas pipeline throughput);

44.5. the applicant has not paid for the transmission system services received before;

44.6. the natural gas system connected to the transmission system does not comply with the technical requirements laid down in laws and regulations;

44.7. in other cases laid down in laws and regulations.

45. The transmission system operator shall inform the applicant regarding the refusal of access to the transmission system electronically within one working day after its adoption by sending a notification to the electronic mail address indicated in the application of the applicant. The transmission system operator shall send the original copy of the decision via mail within seven working days from taking of the decision to the address indicated in the application for access.

8. Payment Procedures

46. The user of the system shall pay the transmission system operator for the received transmission system services, and also for the reserved but unused transmission system capacity in accordance with the procedures, amount and within the time periods laid down in the agreement.

47. The user of the system shall pay the transmission system operator the compensation laid down in the agreement if:

47.1. the user of the system has delivered for transmission a smaller amount of natural gas than agreed under the agreement or has failed to deliver for transmission the amount of natural gas laid down in the agreement;

47.2. the user of the system has removed from the transmission system a smaller amount of natural gas than it has delivered for transmission or has delivered for transmission a larger amount of natural gas than laid down in the agreement.

48. The transmission system operator shall calculate the compensation referred to in Paragraph 47 of this Regulation after the end of the balancing period.

49. If the user of the system fails to observe the time period or payment procedures for the transmission system services laid down in the agreement, the user of the system has an obligation to pay the transmission system operator a security deposit in the amount of the agreement price.

50. If the user of the system has failed to pay the security deposit:

50.1. the transmission system operator has an obligation to notify the user of the system regarding covering non-fulfilled liabilities thereof from the security deposit;

the user of the system has an obligation to restore the security deposit to its full amount upon request of the transmissions system operator if the transmission system operator has covered non-fulfilled liabilities of the user of the system from it;

50.3. upon termination of the contractual relations, the transmission system operator has an obligation to refund to the user of the system the sum of the security deposit that has not been used to cover the non-fulfilled liabilities of the user of the system within five working days.

51. If the transmission system operator fails to provide the reservation of the transmission system capacity laid down in the agreement, the transmission system operator shall pay the user of the system a penalty in the amount laid down in the agreement of the sum of the services laid down in the agreement, but not provided. The transmission system operator need not pay the contractual penalty laid down in the agreement if the transmission services have not been provided to the user of the system in accordance with Paragraphs 57 and 59 of this Regulation.

9. Rights and Obligations of the Transmission System Operator

52. Obligations of the transmission system operator:

52.1. to publish information regarding free capacity of the transmission system services within the time periods laid down in this Regulation on its website;

52.2. to control the chemical composition and physical characteristics of natural gas entered into the transmission system;

52.3. to ensure balance of natural gas in the transmission system;

52.4. to ensure transportation of the amount of natural gas required for natural gas users in Latvia;

52.5. to provide the required information related to the transmission services to the users of the system;

52.6. to ensure the provision of the transmission system services to the users of the system in accordance with the agreement;

52.7. to review submissions of the user of the system with regard to the provision of the transmission system services and fulfilment of the agreement, and to provide a written reply to the user of the system within the time period laid down in the Energy Law;

52.8. to cooperate with the storage facility operator in order to ensure effective and safe operation of the transmission system and the storage facility connected to the transmission system;

52.9. to co-operate with the distribution system operator in order to ensure effective and safe operation of the transmission system and the distribution system connected to the transmission system;

52.10. together with the storage facility operator to review the applications for access of the applicants that are related to transportation of natural gas for storage in the storage facility;

52.11. to organise the localisation and liquidation of potential accidents in the transmission system.

53. Rights of the transmission system operator:

53.1. to terminate or limit provision of the transmission system services in the cases laid down in the Energy Law, this Regulation, and the agreement;

53.2. to determine the minimum amount of natural gas to be transported per day for each user of the system;

53.3. to determine limitations for the user of the system in respect of the maximum amount of natural gas transported per day, which the transmission system operator, in compliance with the provisions of Paragraph 33 of this Regulation, shall determine as a proportion of the amount of natural gas transported by the respective user of the system to the maximum possible amount of the natural gas to be transported in the transmission system;

53.4. to give binding instructions to users of the system to ensure safe use of the transmission system and provision of high quality transmission system services;

53.5. to request information required for the transmission system operator from the users of the system, including the storage facility operator and the distribution system operator;

53.6. to cooperate with the storage facility operator and the distribution system operator;

53.7. to acquire and process data regarding users of the transmission system and applicants.

10. Rights and Obligations of the User of the System

54. The user of the system has the following obligations:

54.1. to comply with the operational modes of the transmission system and natural gas transportation directions in the transmission system laid down in the transmission system operator agreement;

54.2. to ensure that within the framework of the balancing period the same amount of natural gas is extracted from the transmission system as the user of the system has entered into the transmission system by taking into account that the amount of natural gas extracted from the transmission system during one gas day may differ from the amount of natural gas entered into the transmission system during one gas day by not more than 5%;

54.3. to pay the transmission system operator for the received transmission system services, natural gas balancing and also the transmission system services reserved under the agreement, but not used, within the deadlines, in the amount and in accordance with the procedures laid down in the agreement;

54.4. not later than within 10 days after receipt of the invoice, to inform the transmission system operator in writing regarding the objections against the content of the invoice; unless it is an obvious arithmetic error, the objections against the invoice issued by the transmission system operator shall not provide the right for the user of the system to suspend or reduce, or refuse to make the payment;

54.5. to ensure that natural gas which corresponds to the natural gas quality characteristics determined by the Cabinet is delivered to the transmission system operator at the transmission system entry point;

54.6. to accept from the transmission system operator the natural gas at the transmission system exit point;

54.7. perform the instructions of the transmission system operator that are related to receipt of the transmission system services and natural gas balancing;

54.8. not to use the rights for the capacity of the transmission system in a way, which provides for restriction, misrepresentation or delay of competition, for example, through hidden accumulation of the capacity;

54.9. to provide the information required to provide the transmission services as requested by the transmission system operator;

54.10. in accordance with the procedures and within the time periods laid down in the agreement, to provide the information to the transmission system operator regarding the amount, quality and physical and chemical indicators of the forwarded and received natural gas;

54.11. to perform other duties determined for the users of the system in this Regulation, the agreement, standards and other laws and regulations in the field of natural gas transportation.

55. Rights of the user of the system:

55.1. to receive from the transmission system operator the natural gas transmission and balancing services in accordance with the procedures and amount determined in the transmission agreement;

55.2. to request information from the transmission system operator regarding the payments made by the relevant user of the system;

55.3. to receive information from the transmission system operator regarding the natural gas transportation restriction or termination, reasons thereof and possible time of renewal of service provision.

56. The user of the system shall be responsible for the capacity reservations and provision of the necessary volume of natural gas required for the provision of transmission services, and also for acceptance of natural gas upon its discharge from the transmission system in accordance with the agreement and the technical regulations and procedures.

11. Discontinuation or Restriction of the Provision of Transmission System Services

57. The transmission system operator has the right to immediately, without prior notice, restrict and terminate acceptance of natural gas in the transmission system, its transportation and discharge from the transmission system in the following cases:

57.1. it is established that the natural gas supply system connected to the transmission system poses danger to human life, health or property;

57.2. activity of the user of the system has caused an emergency situation (or its possibility) in the transmission system or is compromising safety of the transmission system;

57.3. the natural gas to be entered into the transmission system according to its physical and chemical properties fails to conform to the natural gas quality characteristics laid down in this Regulation and the quality requirements of natural gas determined in the agreement;

57.4. the flow pressure of the natural gas to be entered into the transmission system fails to conform to the requirements determined in the agreement;

57.5. an accident has happened or an emergency situation has formed in the transmission system, or energy crisis has been announced in accordance with the Energy Law;

57.6. there are damages in the transmission system, in the distribution system or in the storage facility that may cause an emergency or accidents in the transmission system;

57.7. there are deviations from normal operational mode in the transmission system, in the natural gas distribution system of Latvia or in the storage facility, or there are damages in the transmission system, in the natural gas distribution system of Latvia or in the storage facility and the transmission system operator or the distribution system operator, or the natural gas storage facility operator of the Republic of Estonia or the Republic of Lithuania, or the Russian Federation has requested immediate discontinuation of transportation of natural gas to/from the relevant system;

57.8. the user of the system fails to comply with the natural gas entry or discharge regime determined in the agreement;

57.9. transportation of natural gas into the territory of the Republic of Latvia is terminated or restricted and the natural gas supply system operators of Latvia do not have sufficient reserves of natural gas;

57.10. if functioning or safety of the transmission system or performance of provisions of the agreements is endangered due to disbalance caused by the user of the system;

57.11. it is necessary to perform urgent repair works in order to prevent an emergency situation in the transmission system or in the storage facility.

58. If transportation of natural gas is restricted or discontinued in the cases referred to in Paragraph 57 of this Regulation, the transmission system operator has an obligation to promptly, however within no later than 24 hours after restriction or discontinuation of transportation of natural, publish information thereof on its website and inform the users of the system in accordance with the procedures determined in the agreement.

59. Upon at least five-day-advance notice to the user of the system, the transmission system operator has the right to restrict and discontinue acceptance of natural gas to the transmission system, its transportation and discharge from the transmission system in the following cases:

59.1. if the user of the system, by disregarding the warning received from the transmission system operator, is causing disturbances and adversely affecting the quality of natural gas by its activity or inactivity;

59.2. the user of the system prohibits the transmission system operator, the distribution system operator or employees servicing the natural gas accounting system from access to the territory or premises where the transmission system is located in order to install, monitor or change the accounting equipment of natural gas or record readings thereof;

59.3. in other cases laid down in laws and regulations, and the agreement.

60. 60. The transmission system operator shall publish information regarding the planned transmission system maintenance, repair, connection, disconnection or disassembling works on its website, and shall inform the transmission system users in accordance with the procedure determined in the agreement not later than thirty days in advance.

61. If any circumstances have been established that give evidence of the possibility of occurrence of an emergency situation in the transmission system, the transmission system operator has the right to prohibit or restrict the use of the transmission system capacities by the users of the system.

12. Closing Provisions

62. Legal framework included in this Regulation, including the rights and obligations of the transmission system operator and user of the system, shall apply to legal relations that have been established after entering into force of this Regulation.

63. Until adoption of the Cabinet Regulation referred to in Paragraphs 13 and 54.5 of this Regulation, the quality of natural gas, biogas and gas produced from biomass, and also liquefied natural gas that has been turned into a gaseous state, which are entered into the transmission system, shall conform to LVS 459:2014 "Combustible gases. Gas properties, parameters, quality assessment" and LVS 460:2014 "Utilization of gases manufactured from renewable sources in natural gas distribution system".

64. The transmission system operator shall ensure publication of the information referred to in this Regulation regarding the total capacity reserved by the applications for access at each entry/exit point, and also the public register of the received applications for access to the transmission system on its website not later than starting from 1 November 2015.

65. Upon occurrence of one of the circumstances referred to in Paragraph 32 of the Transitional Provisions of the Energy Law, this Regulation shall be applied insofar as it does not contradict Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (hereinafter - Regulation No 715/2009) in conformity with implementing acts of the European Commission adopted by supplementing Regulation No 715/2009.

66. This Regulation shall come into force on the day following the publication thereof in the official gazette *Latvijas Vēstnesis*.

Chairman V. Lokenbahs

**Annex 1**

to Decision No. 1/12 of 10 September 2015 of

the Public Utilities Commission

### Application for Access to Natural Gas Transportation in the Transmission System of the Republic of Latvia

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 201\_\_ |  | No. |  |  |  |
|  |  |  |  |  | */Place of drafting/* |

|  |  |
| --- | --- |
| Addressee: | **The joint stock company "Latvijas Gāze**", unified registration No. 40003000642, Operational Sector "Gāzes transports",14 Stigu Street, Riga, LV – 1021, Latvia. |
| Applicant: |  |
|  | Registration number: |  |
|  | Legal address: |  |

Based on the information published on the website of the joint stock company "Latvijas Gāze" as the transmission system operator (hereinafter — the TSO) regarding the free capacities of the transmission system, in accordance with the regulations for use of the transmission system (hereinafter - the Regulations) and the model agreement of the joint stock company "Latvijas Gāze", we, the undersigned, certify that (hereinafter — the Applicant) is willing **to purchase the services of the natural gas transmission system in the transmission system of the joint stock company "Latvijas Gāze"** in the following amount:

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Month | Nominated transportation volume m3(200C; 101.325 kPa) | Transportation route |
| Entry point | Exit point |
| 1. | January |  |  |  |
| 2. | February |  |  |  |
| 3. | March |  |  |  |
| 4. | April |  |  |  |
| 5. | May |  |  |  |
| 6. | June |  |  |  |
| 7. | July |  |  |  |
| 8. | August |  |  |  |
| 9. | September |  |  |  |
| 10. | October |  |  |  |
| 11. | November |  |  |  |
| 12. | December |  |  |  |
|  | **IN TOTAL** |  |  |  |

We certify that if our application is accepted, the Applicant will conclude the agreement regarding the use of the transmission system services (hereinafter – the Agreement) within the time period laid down in the Regulations and will make payment for the transmission system services within the time period, in accordance with the procedures and in the amount laid down in the Agreement.

We undertake to submit to the TSO of the Republic of Latvia in a timely manner the natural gas transportation volume schedule by months, in breakdown by days, coordinated with the TSO of the Republic of Lithuania and the TSO of the Republic of Estonia.

We agree that the TSO, taking into account the technical possibilities of the transmission system of Latvia, is entitled to make changes to the nominated volumes for injection by months and in the natural gas transportation schedule submitted by us.

### Information regarding the responsible person of the Applicant, who will ensure negotiations with the TSO regarding all issues with regard to this application for access, including conclusion of the Agreement:

|  |
| --- |
|  |

*(given name, surname, position taken, contact information (telephone, electronic mail, fax))*

### Information regarding the fact whether the Applicant is/is not deemed as an undertaking related to the joint stock company “Latvijas Gāze” within the meaning of the Law On Enterprise Income Tax

|  |
| --- |
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|  |

**Information regarding whether the Applicant is/is not registered in the country, with which the Republic of Latvia has concluded the Convention for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion**

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By signing this application for access the Applicant confirms that the application for access of the Applicant shall be valid until \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_ and the TSO may, at any time prior to its expiry, grant to the Applicant the free capacities of the transmission system referred to in this application for access, propose to update the capacities of the transmission system and/or the time periods of use of the transmission system services referred to in this application for access, and also refuse access to the free capacities of the transmission system in the cases referred to in the Regulation.

### Appended:

*1. an updated statement from the Lursoft Database of Enterprises regarding the Applicant or an excerpt from the register of enterprises of the home country of the applicant or registers equal to them according to the regulations of the country, in which the Applicant has been established;*

*2. a copy of decision taken by the Enterprise Register of the Republic of Latvia regarding the representation rights of the executive body of the Applicant or a procure, or a relevant authorisation, certifying the rights of the representative of the Applicant to submit the application for access;*

*3. a statement of the competent national tax authority (issued not earlier than 20 days prior to the day of submitting the application for access) which certifies that the Applicant does not have any tax debts in Latvia and its home country, including a debt of mandatory State social insurance contributions, in total exceeding EUR 150 in each country;*

*4. a statement from the Register of Enterprises of the Republic of Latvia or register of enterprises of the home country of the Applicant or equivalent registers, issued not earlier than 20 days prior to the day of submitting the application for access, which certifies that an insolvency procedure of the Applicant has not been announced, the economic activity of the Applicant is not suspended or terminated, the court proceedings regarding the bankruptcy of the Applicant have not been initiated, as well as it is not detected that the Applicant will be liquidated until the expected final date of fulfilment of the agreement;*

*5. a copy of the registration certificate of a value added tax (hereinafter — VAT) payer, certified in accordance with the procedures laid down in laws and regulations. If the Applicant is registered as a VAT payer in several European Union countries, a copy of the registration certificate shall be attached with regard to the registration number of the VAT payer, under which the applicant has intended to perform transactions regarding the natural gas transportation services.*

*The Applicant shall submit documents, which were issued by the home country authority of the user of the applicant not registered in the Commercial Register of the Republic of Latvia, together with translation in the official language certified in accordance with the procedures stipulated by the Cabinet or notarially certified.*

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|  |

*(Signature, position taken by the representative(s) of the Applicant)*

Chairman V. Lokenbahs

**Annex 2**

to Decision No. 1/12 of 10 September 2015 of

the Public Utilities Commission

*Agreement № \_\_\_\_\_\_*

### between

**the joint stock company “Latvijas Gāze”**

**and**

#### \_\_\_\_\_\_\_\_\_\_\_\_ name of the merchant \_\_\_\_\_\_\_\_\_\_\_\_

**regarding**

**the transmission of gas in the territory of the Republic of Latvia**

|  |  |
| --- | --- |
| Riga | \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_\_\_\_. |

**The joint stock company "Latvijas Gāze"** (unified registration No. 40003000642), hereinafter - the Transmission System Operator, represented under the Articles of Association/commercial power of attorney of \_\_\_\_\_\_\_\_\_\_\_ by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the party of the first part, and \_\_\_\_ *name of the merchant*\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (unified registration No. \_\_\_\_\_\_\_\_\_\_\_\_), hereinafter the **User of the System**, represented under the \_\_ *basis for the representation*\_\_\_ by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, the party of the other part, hereinafter jointly referred to as the Parties, each individually as the Party, **whereas,** based on the application for reservation of free capacity of the natural gas transmission system services submitted by the User of the System to the Transmission System Operator on \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_, on \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_ the Transmission System Operator\* has taken a decision “Regarding Reservation of Free Capacity of the Natural Gas Transmission System for \_\_\_\_\_\_\_\_\_ *name of the merchant* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” in accordance with the Decision No. \_\_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 2015 of the Public Utilities Commission “Regulations Regarding the Use of Natural Gas Transmission System of the Joint Stock Company “Latvijas Gāze” (hereinafter - the Regulation).

On \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_ the operator of the Inčukalns underground gas storage facility belonging to the joint stock company "Latvijas Gāze" (hereinafter - the storage facility)\* has taken a decision No. \_\_\_\_ “Regarding Reservation of Free Capacity of the Storage Facility Services for \_\_\_\_\_\_\_\_\_ *name of the merchant* \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” and in accordance with the Decision No.\_\_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 2015 of the Public Utilities Commission “Regulations Regarding the Use of Inčukalns Underground Gas Storage Facility of the Joint Stock Company "Latvijas Gāze"” the Transmission System Operator has reserved the cross-border transmission system capacity required for the User of the System for injecting natural gas into the storage facility and extracting it from the storage facility to transmit it to the natural gas discharge point,

\* indicate a decision in the agreement which applies to a particular User of the System

enter into the agreement of the following content, hereinafter – the Agreement:

### Chapter 1 Terms

Terms used in this Agreement shall have the following meaning:

1.1. gas day — a time period consisting of 24 consecutive hours between 7:00 AM in universal time coordinated, hereinafter UTC, from morning of any calendar day until 7:00 AM in UTC on the next calendar day;

1.2. year — a time period from the first calendar day of the year at 7:00 AM in UTC until the first calendar day of the year following the reporting year at 7:00 AM in UTC;

1.3. gas — natural gas, i.e., deposit product of subterranean depths (fuel gas), the main component of which is methane and the quality of which conforms to the Latvian National Standard LVS 459/:2014 “Combustible gases. Gas properties, parameters, quality assessment” (hereinafter — LVS 459);

1.4. legal transfer of gas — transfer of the risk of accidental loss of gas from the Transmission System Operator to the Users of the System after the transmission of gas over the entire territory of the Republic of Latvia for delivery to the User of the System on the border of the Republic of Latvia and the Republic of Estonia or the border of the Republic of Latvia and the Republic of Lithuania, and also transfer of the risk of accidental loss of gas from the User of the System to the Transmission System Operator upon the User of the System delivering the gas on the border of the Republic of Latvia for the transmission of gas over the territory of the Republic of Latvia;

1.5. gas transmission system — the natural gas transmission system, owned by the joint stock company “Latvijas Gāze”;

1.6. technical delivery-acceptance of gas — delivery-acceptance of gas according to the amount and quality;

1.7. gas capacity — the volume of gas in m3, determined under standard conditions: t = 20 degrees centigrade and Р = 101.325 kPa;

1.8. gas pressure — the difference between the absolute gas pressure in the gas pipeline and the atmospheric pressure;

1.9. gas caloric value risk — differences of the lowest caloric value readings in kcal/m3 of gas accepted in the GMS Kemenai and delivered to the Customer to the GMS Karksi\* or the storage facility\*, or after taking out of the storage facility and delivered to the GMS Kemenai\*;

\* the place of delivery of gas applicable to the respective Customer shall be indicated in the agreement

1.10. degree centigrade — a certain interval between any temperature according to Kelvin and temperature 273.15 degrees according to Kelvin, as laid down in International Standard ISO 100/1973;

1.11. GMS — gas measuring station;

1.12. kcal — volume of heat, required for heating of one kilogram of distilled water between +19.5 and + 20.5 degrees centigrade at atmospheric pressure;

1.13. storage facility operator — the joint stock company "Latvijas Gāze";

1.14. m3 — amount of dry gas that occupies the volume of one cubic meter at the temperature of + 20 degrees Celsius and absolute pressure 101.325 kPa;

1.15. month — a time period from the first calendar day of the month at 7:00 AM in UTC until the first calendar day of the month following the reporting month at 7:00 AM in UTC;

1.16. milligram (mg) — one millionth of a kilogram;

1.17. TSO – the gas transmission system operator;

1.18. dew point — water vapour dew point — a condition in which the gas at a given pressure is saturated with water vapour, leading to a constant pressure, when the temperature changes, a part of the water vapour begins to condense from the gaseous phase into a liquid phase;

1.19. the lowest calorific value — the amount of heat determined in kcal/m3 that is emitted at complete combustion of one cubic meter of dry natural gas at the temperature of +20/25 (measuring/combustion) degrees Celsius and absolute pressure 101.325 kPa, provided that water vapour contained in the combustion products remain in a gaseous state.

### Chapter 2 Subject-Matter of the Agreement

2.1. The Transmission System Operator shall, in the amount and within the time period referred to in Annex 2 to the Agreement the transmission of the gas belonging to the User of the System in the territory of the Republic of Latvia from the border of the Republic of Latvia and the Republic of Lithuania (technical delivery-acceptance at the GMS Kemenai) to the border of the Republic of Latvia and the Republic of Estonia (technical delivery-acceptance at the GMS Karksi), the total gas transmission distance 272.928 km\* or to the storage facility to ensure injection of the gas into the storage facility and transportation of gas after extracting it from the storage facility - to the GMS Karksi/ GMS Kemenai\*.

\* the service applicable to the particular User of the System shall be indicated in the agreement

The amount of gas shall be determined by the gas delivery-acceptance acts that shall be executed and signed by the authorised representatives of the Parties and/or the TSO of the Republic of Lithuania, and/or the storage facility operator and/or the TSO of the Republic of Estonia.

The amount of gas that the Transmission System Operator accepts for transportation in the territory of the Republic of Latvia from the border of the Republic of Latvia and the Republic of Lithuania (technical delivery-acceptance at the GMS Kemenai) to the border of the Republic of Latvia and the Republic of Estonia (technical delivery-acceptance at the GMS Karksi) or to the storage facility shall be determined in m3 under standard conditions: t = 20 degrees Celsius and Р = 101.325 kPa at the lowest calorific value.

In the cases laid down in the Regulations, the Transmission System Operator has the right to unilaterally terminate the transmission of gas or to reduce the amounts of transmission referred to in Annex 2 to the Agreement. The Transmission System Operator shall inform the User of the System regarding the discontinuation of transmission of gas or the transmission in reduced amount within the time period indicated in Paragraph 4.11 of the Agreement. Upon setting in of the above-mentioned case, the Parties shall enter into the agreement regarding the reduction of gas transmission amount or shall agree on the time when the Transmission System Operator will perform the transmission of gas in full amount.

2.2. The User of the System shall undertake to pay the Transmission System Operator, in the amount, in accordance with procedures and within the deadlines laid down in the Agreement, for the transmission services for the gas belonging to the User of the System in the territory of the Republic of Latvia in the distance of 272.928 km\* or in the distance of \_\_\_\_\_\_\_\_\_ km, which is calculated from the point of technical delivery of gas to the Transmission System Operator to the storage facility and from the storage facility to the point of technical delivery of gas to the User of the System\* in conformity with the invoices issued by the Transmission System Operator and according to the tariffs determined in accordance with the procedures referred to in Paragraph 3.1 of the Agreement.

\* the distance applicable to the relevant User of the System shall be indicated

2.3. The User of the System shall also undertake:

2.3.1. to perform all procedures laid down in the laws and regulations that are related to gas supply (including customs procedures) after legal transfer of gas on the border of the Republic of Latvia and the Republic of Lithuania and technical delivery of gas in the GMS Kemenai, and within 3 (three) working days after completion of customs procedures (if such are required) submit the copies of documents confirming performance of customs procedures to the Transmission System Operator;\*

2.3.2. to perform all necessary procedures that are related to the acceptance of gas (including customs procedures) after legal transfer of gas on the border of the Republic of Latvia and the Republic of Estonia and technical delivery of gas in the GMS Karksi, and within 3 (three) working days after completion of customs procedures (if such are required) submit the copies of documents confirming performance of customs procedures to the Transmission System Operator;\*

2.3.3. to enter into the agreement with the TSO of the Republic of Lithuania and/or the TSO of the Republic of Estonia and/or the storage facility operator\*, which would ensure the performance of obligations under this Agreement for the User of the System by taking into account that the amount of gas is determined in cubic meters under standard conditions: t = 20 degrees Celsius and Р = 101.325 kPa;

\* the agreement shall indicate the requirement applicable to the relevant User of the System

2.3.4. to inform the Transmission System Operator in accordance with the procedures and within the time periods referred to in Paragraph 4.9 of the Agreement regarding commencing of gas delivery, including extraction from the storage facility;

2.3.5. to coordinate in a timely manner with the TSO of the Republic of Lithuania (if necessary), the storage facility operator (if necessary) and the TSO of the Republic of Estonia (if necessary) the total amount of gas to be transported and its distribution by month and day in conformity with Annex 2 to the Agreement. Not later than 24 (twenty four) hours before commencement of gas transmission the User of the System shall send the agreement referred to in this Paragraph to the Transmission System Operator to the electronic mail address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ and the fax number: \_\_\_\_\_\_\_\_\_\_\_\_\_. If the agreement with the TSO of another country is not necessary or if a respective agreement between the operators has been reached, the User of the System shall send the information referred to in this Paragraph to the Transmission System Operator to the electronic mail address and the fax number indicated in this Paragraph not later than 16 (sixteen) hours before the commencement of gas transmission;

2.3.6. to pay the security deposit within the time period and in accordance with the procedures provided for in Paragraph 3.9 of the Agreement. *Paragraph 2.3.6 of the Agreement shall be included only in those agreements, which will be entered into with the Users of the System that have previously failed to comply with the time period or procedures for payment for the transmission system services laid down in the Agreement.*

### Chapter 3 Total Sum of the Agreement, Procedures of Settlement and Payment

3.1. Payment for the transmission services shall be determined in accordance with the valid tariffs for transmission services of natural gas determined in accordance with the procedures laid down in the Energy Law and the Law On Regulators of Public Utilities. The value added tax shall be applicable in accordance with the laws and regulations of the Republic of Latvia.

3.2. At the moment of concluding the Agreement, the tariff for transmission service of natural gas approved by the Regulator is determined EUR \_\_\_\_ (\_\_\_\_\_ *euros* \_\_\_\_\_ *cents*) for 1,000 m3 per 100 km.

3.3. The User of the System shall pay the Transmission System Operator for gas transmission performed during the current month (Annex 3) not later than by the fifteenth date of the following month according to the tariff laid down in Paragraph 3.2 of the Agreement based on the gas delivery-acceptance act, the transfer-acceptance act of the works performed (Annex 4) and the invoice issued by the Transmission System Operator.

The Transmission System Operator shall send the invoice to the User of the System for coordination to the electronic mail address: \_\_\_\_\_\_\_@\_\_\_\_\_\_\_. The Transmission System Operator shall send the original invoice to the User of the System by mail.

If the User of the System has not submitted any objections within 10 (ten) days after receipt of the invoice from the Transmission System Operator , the sum of the invoice shall be deemed accepted and shall exclude any disagreements between the Parties.

3.4. The User of the System shall pay to the Transmission System Operator a late payment interest (Section 1753 of the Civil Law) — 0.15 % per day of the outstanding amount for each day of delay of the payment.

3.5. The day, when the money is transferred into the current account of the Transmission System Operator, shall be deemed as the payment date.

3.6. Transfer of funds shall be made at the expense of the User of the System.

3.7. In case of any disagreements arising between the User of the System and the Transmission System Operator in relation to the invoice submitted by the Transmission System Operator, they shall be settled according to the procedures laid down in this Agreement. In the case of disagreements, within the time period referred to in Paragraph 3.3 of the Agreement, the User of the System shall perform all payments for the transmission services provided by the Transmission System Operator, with respect to which no disagreements have arisen between the Parties. Final settlement of accounts and adjustments in invoices, if necessary, are performed upon reaching the agreement between the Parties or after a court judgement entering into effect.

3.8. The total sum of the Agreement shall be EUR \_\_\_\_ (\_\_\_\_\_ *euros* \_\_\_\_\_ *cents*).

3.9. Within \_\_\_ days after entering into effect of this Agreement the User of the System shall pay into the account of the Transmission System Operator and maintain the security deposit in the amount of EUR \_\_\_\_\_\_ (\_\_\_\_\_\_\_ *euros* \_\_\_\_\_ *cents*) as a guarantee for fulfilment of this Agreement. Upon the User of the System fulfilling all terms and conditions of the Agreement, the Transmission System Operator shall use the sum of the security deposit to cover the sum of the last invoice for the transmission system services provided by the Transmission System Operator. If the security deposit exceeds the sum of the last invoice issued by the Transmission System Operator, the Transmission System Operator shall, within five working days, refund to the User of the System the remainder of the security deposit by transferring it to the account of the User of the System indicated in the Agreement.

3.10. If the User of the System has paid the security deposit to the Transmission System Operator as the security for due performance of contractual obligations arising from the Agreement:

3.10.1. the Transmission System Operator has an obligation to notify the User of the System regarding covering of non-fulfilled liabilities from the security deposit;

3.10.2. the User of the System has an obligation to restore the security deposit to its full amount upon request of the Transmissions System Operator if the Transmission System Operator has covered non-fulfilled liabilities of the User of the System from it;;

3.10.3. upon termination of contractual relations, the Transmission System Operator has an obligation to refund to the User of the System the sum of the security deposit that has not been used to cover the non-fulfilled liabilities of the User of the System within 5 (five) working days.

*Paragraphs 3.9 and 3.10 of the Agreement shall be included only in those agreements, which will be entered into with the Users of the System that have previously failed to comply with the time period or procedures for payment for the transmission system services laid down in the Agreement.*

### Chapter 4 Procedures for Accounting of the Transmitted Gas

Option 1. 4.1. Legal transfer of gas from the User of the System to the Transmission System Operator is performed on the border of the Republic of Lithuania and the Republic of Latvia, at the place and time when the gas comes into the gas transmission system of the TSO of the Republic of Latvia, technical delivery - according to the readings of the GMS Kemenai.\*

Option 2. 4.1. Legal transfer of gas from the User of the System to the Transmission System Operator is performed in the interconnection of the transmission system with the storage facility, at the place and time when the gas comes into the gas transmission system of the Transmission System Operator, technical delivery - according to the readings of the GMS 1 or GMS 2.\*

Option 3. 4.2. Legal transfer of gas to the User of the System is performed on the border of the Republic of Latvia and the Republic of Estonia, at the place and time when the gas comes into the gas transmission system of the TSO of the Republic of Estonia, technical delivery — according to the readings of the GMS Karksi.\*

Option 4. 4.2. Legal transfer of gas to the User of the System is performed on the border of the Republic of Latvia and the Republic of Lithuania, at the place and time when the gas comes into the gas transmission system of the TSO of the Republic of Lithuania, technical delivery — according to the readings of the GMS Kemenai.\*

4.3. The gas of the User of the System that, after its transmission in the territory of Republic of Latvia, crosses the border of the Republic of Latvia and the Republic of Estonia, shall be accounted in the GMS Karksi, and based on the readings of measuring devices of the GMS Karksi a tri-partite gas delivery-acceptance act, Annex 3 to the Agreement, shall be drafted, which is executed and signed by the authorised representatives of the Parties and the representative of the TSO of the Republic of Estonia.

4.4. The gas of the User of the System that, after its transmission in the territory of the Republic of Latvia, crosses the border of the Republic of Latvia and the Republic of Lithuania, shall be accounted in the GMS Kemenai, and based on the readings of measuring devices of the GMS Kemenai a tri-partite gas delivery-acceptance act, Annex 3 to the Agreement, shall be drafted, which is executed and signed by the authorised representatives of the Parties and the representative of the TSO of the Republic of Lithuania.

\* Option 1 or 2 and option 3 or 4 shall be specified in the Agreement.

4.5. Each Party has an obligation to provide information to the other Party regarding the performance of the Agreement.

All documentation regarding the current month shall be submitted upon request of the customs institutions of the Republic of Lithuania, the Republic of Estonia and the Republic of Latvia.

4.6. The amount and quality of gas shall be determined according to the International Standardisation Organisation regulations ISO:6974 as amended, ISO 6976:1995 as amended and ISO 9951:1993 as amended.

4.7. The authorised representatives of the Parties for the drawing up of the monthly acts regarding the amounts of gas delivered-accepted via the GMS Kemenai and/or the GMS Karksi and/or the storage facility shall be:

4.7.1. On behalf of the User of the System: — \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

4.7.2. On behalf of the Transmission System Operator: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

4.8. The delivery-acceptance acts for the gas transmitted via the GMS Kemenai and the GMS Karksi shall be drafted according to the readings of the GMS Kemenai and the GMS Karksi.

The authorised representatives of the Parties shall sign the monthly delivery-acceptance acts by the fifth date of each month. Coordination of the delivery-acceptance acts shall be performed in electronic form; the Transmission System Operator electronic mail address: \_\_\_\_\_@\_\_\_\_\_\_.\_\_ or fax +\_\_\_\_\_\_\_\_\_\_\_ and the User of the System electronic mail address: \_\_\_\_\_@\_\_\_\_\_\_.\_\_ or fax +\_\_\_\_\_\_\_\_\_\_. After coordination, the User of the System shall send the original delivery-acceptance acts to the Transmission System Operator for signing.

4.9. The amount of gas specified in the monthly delivery-acceptance acts shall serve as the basis for performance of mutual settlement of accounts.

4.10. The User of the System and the Transmission System Operator shall agree in a timely manner on the gas transmission modes and amounts (hour, day) by taking into account the technical possibilities of the transmission systems of the Transmission System Operator and the technical possibilities of the storage facility, and that the gas transmission modes and amounts shall meet the technical characteristics of the GMS Kemenai and the GMS Karksi.

The User of the System shall send its proposals, coordinated with the TSO of the Republic of Lithuania (if necessary) and the TSO of the Republic of Estonia (if necessary), and the storage facility operator (if necessary), to the electronic mail address of the Transmission System Operator: \_\_\_\_\_@\_\_\_\_\_\_.\_\_ and fax +\_\_\_\_\_\_\_\_\_\_\_ not later than 20 (twenty) days prior to commencing the gas transmission. The User of the System shall coordinate the updated amounts of gas transmission with the Transmission System Operator, the TSO of the Republic of Lithuania (if necessary) and the TSO of the Republic of Estonia (if necessary), and the storage facility operator (if necessary) 24 (twenty four) hours prior to commencing the gas transmission. If coordination with the TSO of another country is not necessary or the respective agreement between the operators has been made, the User of the System shall send the information referred to in this Paragraph to the Transmission System Operator to the electronic mail address and fax number indicated in this Paragraph not later than 16 (sixteen) hours before the commencement of gas transmission.

The Transmission System Operator, by taking into account the technical possibilities of the transmission system and provided that the total amount of gas transmitted per month is retained, shall review the application of the User of the System regarding the changes in the amount of the transmitted gas of up to 5 % of the monthly average amount of gas transmitted per day.

The User of the System has an obligation to coordinate the applications regarding the changes in the gas transmission schedule with the TSO of the Republic of Lithuania (if necessary) and the TSO of the Republic of Estonia (if necessary), and the storage facility operator (if necessary) and submit it to the Transmission System Operator 24 (twenty four) hours before the start of the planned changes in the gas transmission. If coordination with the TSO of another country is not necessary or the relevant agreement between the operators has been made, the User of the System shall send the information indicated in this Paragraph to the Transmission System Operator to the electronic mail address and fax number indicated in this Paragraph not later than 16 (sixteen) hours before the start of the planned changes in the gas transmission. The Transmission System Operator shall afterwards inform the User of the System regarding the decision made.

Information shall be exchanged via the electronic mail address of the Transmission System Operator: \_\_\_\_\_@\_\_\_\_\_\_.\_\_ and fax +\_\_\_\_\_\_\_\_\_\_\_ and the electronic mail address of the User of the System: \_\_\_\_\_@\_\_\_\_\_\_.\_\_ and fax +\_\_\_\_\_\_\_\_\_\_.

4.11. If in the case referred to in Paragraph 2.1 the Transmission System Operator discontinues the gas transmission or reduces the amount of the gas transmission, the Transmission System Operator shall inform the User of the System thereof at least 5 days before discontinuation or reduction of the gas transmission.

### Chapter 5 Gas Quality

Physico-chemical indicators of the gas that the Parties deliver to each other shall meet the requirements and norms referred to in Annex 1 to the Agreement and LVS 459:2014 “Combustible gases. Gas properties, parameters, quality assessment” and LVS 460:2014 “Utilization of gases manufactured from renewable sources in natural gas distribution system”.

The quality indicators of the gas delivered to the Transmission System Operator shall be determined in the GMS Kemenai or in the storage facility, but the ones of the gas delivered to the User of the System — in the GMS Karksi, GSM Kemenai or the storage facility. The gas caloric value risk shall be assumed by the User of the System.

### Chapter 6 Responsibility of the Parties

6.1. The Parties shall be responsible for fulfilment of the terms and conditions of this Agreement. The Parties shall compensate losses, arising to the other Party, if the guilty Party fails to fulfil or fulfils the terms and conditions of this Agreement in poor quality.

6.2. The Party, which has properly fulfilled its liabilities under the Agreement, is entitled to request the other Party to fulfil liabilities in full, regardless of the expiry of this Agreement.

6.3. If the User of the System has delivered for transmission a smaller amount of natural gas than laid down in Annex 2 to the Agreement or has failed to deliver for transmission the amount of natural gas laid down in the Agreement, the User of the System shall pay the Transmission System Operator a compensation for reservation of capacity and provision of balancing in the transmission system. The Transmission System Operator shall calculate the compensation by multiplying the amount of gas that has not been delivered for the transmission by the tariff laid down in Paragraph 3.2 of the Agreement in double amount. The Transmission System Operator shall calculate the compensation referred to in this Paragraph after the end of the balancing period.

6.4. If the User of the System has extracted from the transmission system a smaller amount of natural gas than it has delivered for transmission or has delivered for transmission a larger amount of natural gas than laid down in the Agreement, the User of the System shall pay a compensation to the Transmission System Operator. The Transmission System Operator shall determine the compensation by multiplying the amount of gas that the User of the System has not extracted from the transmission system or the amount of gas that exceeds the one laid down in the Agreement by the tariff laid down in Paragraph 3.2 of the Agreement in double amount and the tariffs for gas storage service in double amount. The tariff for gas storage service shall be determined in accordance with the procedures referred to in Paragraph 3.1 of the Agreement and at the time of entering into the Agreement it is set at \_\_\_\_ EUR/thsd m3. The Transmission System Operator shall calculate the compensation referred to in this Paragraph after the end of the balancing period.

The balancing period is one month, during which each user of the system shall ensure that the amount of natural gas extracted from the transmission system corresponds to the amount of natural gas entered into the transmission system. Within the framework of balancing period, the amount of natural gas extracted from the transmission system by the User of the System during one gas day may differ from the amount of natural gas entered into the transmission system during one gas day by not more than 5 %.

6.5. If any Party deliver to the other Party the gas, the physical and chemical indicators of which fail to conform to the parameters specified in Annex 1 to the Agreement, the Party, performing the acceptance of gas, shall promptly cease to accept such gas. Acceptance of gas shall be resumed only when the relevant Party ensures an appropriate composition of gas. Discontinuation of acceptance of gas in accordance with this Paragraph by the Transmission System Operator shall not be deemed as a breach of provisions of the Agreement.

6.7. If the User of the System fails to enter into the agreement with the TSO of the Republic of Lithuania or the TSO of the Republic of Estonia or the storage facility operator regarding the respective supply or acceptance of gas for securing the performance of the Agreement, the Transmission System Operator is entitled to terminate the Agreement unilaterally by sending a written notification to the User of the System to the address of the User of the System indicated in the Agreement. In such case, the Agreement shall be deemed terminated after the 5th day after the date when the Transmission System Operator has sent the relevant notification to the User of the System.

6.8. If the User of the System fails to conform to the time period or the procedures of payments for the transmission system services determined in the Agreement, the Transmission System Operator has the right to request the User of the System to submit a security for proper fulfilment of its contractual obligations - to pay and maintain the security deposit in the amount of the sum of the Agreement.

6.9. If the User of the System has paid the security deposit to the Transmission System Operator as a security for proper fulfilment of contractual obligations:

6.9.1. the Transmission System Operator has an obligation to notify the User of the System regarding covering of non-fulfilled liabilities thereof from the security deposit;

6.9.2. the User of the System has an obligation to restore the security deposit to its full amount upon request of the Transmissions System Operator if the Transmission System Operator has covered non-fulfilled liabilities of the User of the System from it;

6.9.3. upon termination of the contractual relations, the Transmission System Operator has an obligations to refund to the User of the System the sum of the security deposit that has not been used to cover the non-fulfilled liabilities of the User of the System within 5 (five) working days.

6.10. If the gas is entered into the gas transmission system of the Transmission System Operator but is not delivered to the TSO of the Republic of Estonia or the TSO of the Republic of Lithuania\* due to the fault of the User of the System, the User of the System shall pay a compensation to the Transmission System Operator according to Paragraph 6.4 of the Agreement.

\* reference shall be made in the Agreement to the respective TSO.

### 7. Applicable Legal Norms and Settlement of Disputes

7.1. This Agreement has been drawn up, and also legal relations arising from this Agreement are governed, executed, and interpreted in accordance with the legal acts of the Republic of Latvia.

7.2. All disputes and disagreements (hereinafter referred to in this Paragraph as – Dispute) between the Parties are settled by mutual negotiations. In case of a Dispute, the Party, referring to the existence of a Dispute, shall submit to the other Party a written notice, specifying the description of the Dispute, offered solution of the Dispute and persons who are authorised to conduct negotiations with regard to the Dispute on behalf of the Party.

7.3. If the Parties fail to settle the Dispute within 30 (thirty) days (unless the authorised persons of the Parties have agreed on other time period for the settlement of the Dispute) from the time of occurrence thereof by negotiations, the Dispute shall be settled in accordance with the procedures laid down in the legal acts in force in the Republic of Latvia.

### Chapter 8 Force Majeure

8.1. The Parties shall not be responsible for complete or partial non-fulfilment of liabilities of this Agreement if such a non-fulfilment has occurred due to force majeure circumstances. Within the meaning of this Paragraph force majeure circumstance is an obstacle arising beyond control of the affected Party, making it difficult for the Party to fulfil its liabilities laid down in this Agreement and which the Party is not able to prevent. The following circumstances shall be primarily deemed as such: disasters, fire, earthquake, and other natural calamities, war activities, and also economic sanctions, embargo, instructions and orders of courts, administrative and state authorities or any other circumstances, which could not be predicted by the Parties during the conclusion of this Agreement.

8.2. Obstacles arising due to personal reasons of the Parties and, in particular, economic circumstances, shall not be deemed as force majeure circumstances. Also certain obstacles for fulfilment of this Agreement, arising during the time when the Party, failing to fulfil the liabilities of this Agreement, was late in the fulfilment of its liabilities of this Agreement, shall not be deemed as force majeure circumstances.

8.3. The existence of force majeure circumstances shall be confirmed by the Chamber of Commerce of the relevant Party within two weeks from the day of occurrence of such circumstances. If force majeure circumstances last for more than 3 (three) months, the Parties shall commence negotiations regarding acceptable solution for fulfilment of liabilities of this Agreement. In such event, termination of the Agreement is possible only by mutual agreement of the Parties.

### Chapter 9 Confidentiality

9.1. All information, which has become known to the Parties in relation to conclusion of this Agreement and fulfilment of liabilities laid down in this Agreement, shall be confidential and shall not be disclosed to third parties without receipt of a prior written consent from authorised representatives of the Parties, except the information, the disclosure of which is provided for in the laws and regulations.

9.2. Within the meaning of Paragraph 9 of this Agreement also employees of the contracting parties, the job description and obligations to be performed by whom would not regularly require access to such documents as this Agreement, shall be deemed as a third party. However, third parties shall not include external advisors and co-operation partners of the contracting parties, who are involved in commercial activity of the relevant contracting party and who are concurrently bound with this contracting party by contractual or legal confidentiality liabilities at least at the same level as provided for in this Agreement.

9.3. Termination of the Agreement or expiry of the period of validity of this Agreement shall not terminate the duty of the Parties regarding non-disclosure of confidential information.

### Chapter 10 Other Provisions

10.1. Amendments and supplementations to this Agreement may be made upon mutual agreement between the Parties. All amendments and supplementations shall be made in writing and they shall enter into effect only when both Parties have signed them

10.2. The Agreement may be terminated prematurely upon written agreement of the Parties or in the case referred to in Paragraph 10.3 of the Agreement

10.3. Any of the Parties may unilaterally terminate this Agreement, if the other Party fails to fulfil or inadequately fulfils its liabilities laid down in this Agreement. In such case the Party, wishing to terminate this Agreement on such grounds, shall notify the other Party thereof in writing, indicating the reason for termination of this Agreement, no later than 30 (thirty) days prior to the termination of this Agreement. This Agreement shall be deemed as terminated on the day indicated in the notice.

10.4. The Parties shall be obliged to notify each other of the changes of their legal addresses, electronic mail addresses, telephone and fax numbers not later than within 1 working day.

10.5. In order to ensure fulfilment of the liabilities laid down in this Agreement, the Parties are entitled to take additional measures, including insurance and other activities.

10.6. On the day of signing the Agreement all previous correspondence, documents, and negotiations between the Parties with regard to the issues forming the subject of the Agreement shall become void.

10.7. The Parties are not entitled to transfer or delegate any of their obligations under the Agreement to any third party without prior written consent of the other Party.

10.8. If separate paragraphs of this Agreement lose their effect, it shall not serve as the grounds for cancellation of other paragraphs of this Agreement. In such case the Parties shall replace the invalid paragraph of this Agreement, taking into account the laws and regulations in force in the Republic of Latvia, in a way that the new paragraph would be as similar to the invalid paragraph as possible according to the content and purpose thereof.

10.9. Authorised representatives of the Parties:

On behalf of the Transmission System Operator - Head of the Dispatcher Section \_\_\_\_\_\_\_ or

Deputy Head of the Dispatcher Section \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

On behalf of the User of the System: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

10.10. When signing this Agreement, the following annexes shall be appended thereto and considered as integral parts of the Agreement:

Annex No. 1 — Physico-chemical Indicators of the Composition of Gas;

Annex No. 2 — Amount of Gas Transmission and the Schedule of Its Distribution;

Annex No, 3 — Monthly Delivery-Acceptance Act;

Annex No. 4 — General Delivery-Acceptance Act.

### Chapter 11 Period of Validity of the Agreement

11.1. The Agreement shall take effect with the condition that the User of the System has performed the duties referred to in Paragraph 2.3.5 of the Agreement.

11.2. The term of validity of the Agreement shall be from \_\_ \_\_\_\_\_\_\_\_\_ 201\_ to \_\_ \_\_\_\_\_\_\_\_\_\_\_ 201\_. The Agreement has been concluded in Riga, in two counterparts, one of which shall be held by the User of the System and the other - by the Transmission System Operator. Both counterparts have the same legal effect.

### Chapter 12. Legal Addresses and Details of the Parties

|  |  |  |
| --- | --- | --- |
| The User of the System: |  | Transmission System Operator: |
|  |  | The joint stock company |
| Uniform registration No. |  |  | "Latvijas Gāze" |
| VAT No. |  |  | Uniform registration No. 40003000642 |
|  |  | 20 Vagonu Street, Riga, |
|  |  | LV-1009, Republic of Latvia |
| Phone |  |  | phone 67369132, 67369117 |
|  |  | Fax: 67821406 |
|  |  | Current account |
| Fax: |  |  | LV38PARX0000004461018 |
| E-mail: |  |  | VAT No. 40003000642 |
| Cc: |  |  | SWIFT PARXLV22 |
| IBAN |  |  | JSC “Citadele banka”, |
| SWIFT |  |  | 2a Republikas laukums, Riga |
|  |  | LV–1010, Republic of Latvia |
|  |  |  |
|  |  |  |
| Position of the representative of the User of the System holding the right to sign |  | Position of the representative of the Transmission System Operator holding the right to sign |
|  |  |  |
|  |  |  |

### Annex No. 1

**to the agreement No. \_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_**

**between the joint stock company “Latvijas Gāze” and**

|  |  |
| --- | --- |
| ***(the User of the System)*** | **regarding** |

**transportation of gas in the territory of the Republic of Latvia**

In accordance with agreement No. \_\_\_\_\_ entered into on \_\_ \_\_\_\_\_\_\_\_ 201\_ between the joint stock company "Latvijas Gāze" and \_\_\_\_\_\_\_\_\_\_\_(*the User of the System*)\_\_\_\_\_\_\_\_\_\_\_\_ regarding the transportation of gas in the territory of the Republic of Latvia (hereinafter - the Agreement) the physical and chemical indicators of the gas to be transmitted that the Parties deliver to each other for the performance of their obligations under the Agreement shall conform to the requirements indicated in the table of this Annex.

### Physico - chemical Indicators of the Gas

|  |  |  |  |
| --- | --- | --- | --- |
| No. | Indicators | Unit of measurement | Value |
| 1. | Wobbe number (index), **WS,b,** under the base temperature conditions (combustion/measuring) 25/20oC | kcal/m3MJ/m3 | 11230 – 1302047.02 – 54.5 |
| 2. | Combustion heat (lowest) at 200C and 101.325 kPa, under the base temperature conditions (combustion/measuring) 25/20oC | kcal/m3MJ/m3 | Not less than760031.82 |
| 3. | Relative density, **d** |  | **0.55 - 0.75** |
| 4. | Sulphur total, **S** | mg/m3 | **≤30** |
| 5. | Hydrogen sulphide + carbon sulphide,**H2S + COS (**as **S)** | mg/m3 | **≤7** |
| 6. | Mercaptans, **RSH** (as **S**) | mg/m3 | **16** |
| 7. | Methane, CH4 | mol, % | **≥90** |
| 8. | Ethane, C2H6 | mol, % | **≤8** |
| 9. | Propan, C3H8 | mol, % | **≤3** |
| 10. | Sum of ethane and propane, C2H6 + C3H8 | mol, % | **≤8.5** |
| 11. | Butane, C4H10 and highest hydrocarbons | mol, % | **≤1** |
| 12. | Nitrogen, N2 | mol, % | **≤3** |
| 13. | Oxygen, **O2** | mol, % | **≤0.02** |
| 14. | Carbon dioxide, **CO2** | mol, % | **≤2.5** |
| 15. | Water dew point, **H2O DP** | 0C, at 3.92 MPa | **- 101)** |
| 16. | Hydrocarbon dew point, **HC DP** | 0C, at1-5.5 MPa | **- 2** |
| 17. | Mechanical impurities | g/m3 | **0.001** |

1) At the absolute pressure 3.92 MPa

### Annex No. 2

**to the agreement No. \_\_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_**

**between the joint stock company “Latvijas Gāze” and**

|  |  |
| --- | --- |
| ***(the User of the System)*** | **regarding** |

**transportation of gas in the territory of the Republic of Latvia**

### Transported gas amount distribution request

|  |  |  |  |
| --- | --- | --- | --- |
| \_\_\_ \_\_\_\_\_\_\_\_ 201\_\_ |  | - |  |
|  | *(month)* |  | *(month)* |

**Drafted on \_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_ \_\_\_\_\_\_\_\_\_** **thsd.m3**

|  |  |  |  |
| --- | --- | --- | --- |
| **Date/Month** | **\_\_\_ \_\_\_\_\_\_\_\_ 201\_\_*****(month)*** | **\_\_\_ \_\_\_\_\_\_\_\_ 201\_\_*****(month)*** | **\_\_\_ \_\_\_\_\_\_\_\_ 201\_\_*****(month)*** |
| 1 |  |  |  |
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| 27 |  |  |  |
| 28 |  |  |  |
| 29 |  |  |  |
| 30 |  |  |  |
| 31 |  |  |  |
| **TOTAL:** |  |  |  |

Amounts of gas under standard conditions: t = 20 degrees Celsius and Р = 101.325 kPa.

|  |  |  |
| --- | --- | --- |
| *(Representative of the user of the system holding the right to sign)* |  | Given name, Surname |
| **AGREED** |  | **AGREED** |
| Representative of the |  | Representative of the |
| TSO of Lithuania |  | TSO of Estonia |
|  |  |  |
|  |  |  |
| \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_\_\_\_ |  | \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_\_\_\_ |

### Annex No. 3.1

**to the agreement No, \_\_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_**

**between the joint stock company “Latvijas Gāze” and**

|  |  |
| --- | --- |
| ***(the user of the system)*** | **regarding** |

**transportation of gas in the territory of the Republic of Latvia**

### gas delivery-acceptance

**ACT No. \_\_\_\_**

In accordance with agreement No. \_\_\_\_\_ entered into on \_\_ \_\_\_\_\_\_\_\_ 201\_ between the joint stock company "Latvijas Gāze" and \_\_\_\_\_\_\_\_\_\_\_(*the User of the System*)\_\_\_\_\_\_\_\_\_\_\_\_ regarding the transmission of gas in the territory of the Republic of Latvia

|  |  |
| --- | --- |
| Tallinn, | \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_ |

Within the total gas flow via the gas pipeline Vireši – Tallinn, based on the measurements made in the delivery-acceptance point GMS Karksi on the border of the Republic of Latvia and the Republic of Estonia, the joint stock company "Latvijas Gāze" has delivered and the TSO of Estonia has accepted during the period of time

from "1" \_\_\_\_\_\_\_\_\_*month*  201\_\_ at "7:00" (UTC)

to "1" \_\_\_\_\_\_\_\_\_*month +1*  201\_\_ at "7:00" (UTC)

the following amount of gas intended for the transportation for

 (*user of the system)* :

 *(amount in words)* **million \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ thsd.m3** ( **thsd.m3**)

with the lowest calorific value \_\_\_\_\_\_ **kcal/m3** under standard conditions: t = +20oC and Р = 101.325 kPa.

Notes: none

The act has been drawn up in three counterparts, one for each Party.

|  |  |  |
| --- | --- | --- |
| TSO of Estonia | Joint Stock Company | User of the System |
| Name | "Latvijas Gāze" | Name |
| Unified reg. No. | Unified reg. No. | Unified reg. No. |
| Address | 40003000642, | Address |
|  |  |  |
|  | 20 Vagonu Street, Riga, |  |
|  |  |  |
| Position of the representative holding the right to sign | Position of the representative holding the right to sign | Position of the representative holding the right to sign |
|  |  |  |
|  |  |  |
|  | Given name, Surname |  | Given name, Surname |  | Given name, Surname |

### Annex No. 3.2

**to the agreement No. \_\_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_**

**between the joint stock company “Latvijas Gāze”**

|  |  |
| --- | --- |
| ***(the User of the System)*** | **regarding** |

**transportation of gas in the territory of the Republic of Latvia**

### gas delivery-acceptance

**ACT No. \_\_\_\_**

In accordance with the agreement No. \_\_\_\_\_ entered into on \_\_ \_\_\_\_\_\_\_\_ 201\_ between the joint stock company "Latvijas Gāze" and \_\_\_\_\_\_\_\_\_\_\_\_\_\_(*the user of the system*) \_\_\_\_\_\_\_\_\_\_\_\_ regarding the transmission of gas in the territory of the Republic of Latvia

|  |  |
| --- | --- |
| Riga, | \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_\_\_\_ |

Within the total gas flow via the gas pipeline Riga – Panevežys, based on the measurements made in the delivery-acceptance point GMS Kemenai on the border of the Republic of Latvia and the Republic of Lithuania, the joint stock company "Latvijas Gāze" has delivered from the Inčukalns UGSF and the TSO of Lithuania has accepted during the period of time

from "1" \_\_\_\_\_\_\_\_\_ *month*  201\_\_ at "7:00" (UTC)

to “1” *month +1*  201\_ at „7-00” (UTC)

the following amount of gas intended for the transportation for

 (*User of the System)* :

 *(amount in words )* **million \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ thsd.m3** ( **thsd.m3**)

with the lowest calorific value \_\_\_\_\_\_ **kcal/m3** under standard conditions: t = 20 degrees Celsius and Р = 101.325 kPa.

Notes: none

The act has been drawn up in three counterparts, one for each Party.

|  |  |  |
| --- | --- | --- |
| The joint stock company | TSO of Lithuania | Name of the User of the System |
| "Latvijas Gāze" | Name |
|  |  | Name |
| Unified reg. No. | Unified reg. No. | Unified reg. No. |
| 40003000642, | Address | Address |
|  |  |  |
| 20 Vagonu Street, Riga, |  |  |
|  |  |  |
| Position of the representative holding the right to sign | Position of the representative holding the right to sign | Position of the representative holding the right to sign |
|  |  |  |
|  |  |  |
|  | Given name, Surname |  | Given name, Surname |  | Given name, Surname |

### Annex No. 3.3

**to the agreement No. \_\_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_**

**between the joint stock company “Latvijas Gāze” and**

|  |  |
| --- | --- |
| ***(the User of the System)*** | **regarding** |

**transportation of gas in the territory of the Republic of Latvia**

### gas delivery-acceptance

**ACT No. \_\_\_\_**

In accordance with agreement No. \_\_\_\_\_ entered into between the joint stock company "Latvijas Gāze" and \_\_\_\_\_\_\_\_\_\_\_\_\_\_(*the user of the system*) \_\_\_\_\_\_\_\_\_\_\_\_ regarding the transmission of gas in the territory of the Republic of Latvia

|  |  |
| --- | --- |
| Riga, | \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_\_\_\_ |

Within the total gas flow via the gas pipeline Riga – Panevežys, based on the measurements made in the delivery-acceptance point GMS Kemenai on the border of the Republic of Lithuania and the Republic of Latvia and the measurements of the Inčukalns UGSF GMS-1 or GMS-2, the TSO of Lithuania and the joint stock company "Latvijas Gāze" Inčukalns UGSF has accepted during the period of time

from “1” *month*  201\_ at „7-00” (UTC)

to “1” month *+1* 201\_ at „7-00” (UTC)

the following amount of gas intended for injecting into the Inčukalns UGSF, storage, extraction and transportation for

 (*User of the System)* :

 (*amount in words*)\_\_\_\_\_\_\_\_\_ **thsd. m3 (** **thsd. m3)**

with the lowest calorific value \_\_\_\_\_\_ **kcal/m3** in standard conditions: t = 20 degrees Celsius and Р = 101.325 kPa.

Notes: none

The act has been drawn up in two counterparts, one for each Party.

|  |  |
| --- | --- |
| The joint stock company | User of the System |
| "Latvijas Gāze" | Name |
| Unified reg. No. 40003000642, | Unified reg. No. |
|  | Address |
| 20 Vagonu Street, Riga, |  |
|  |  |
| Position of the representative holding the right to sign | Position of the representative holding the right to sign |
|  |  |
|  |  |
|  | Given name, Surname |  | Given name, Surname |

### Annex No. 4

**to the agreement No. \_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_ 201\_ between**

**the joint stock company “Latvijas Gāze”**

|  |  |
| --- | --- |
| ***(the User of the System)*** | **regarding** |

**transportation of gas in the territory of the Republic of Latvia**

delivery-acceptance **ACT No. \_\_\_\_**

of the works performed in \_\_\_\_\_\_\_\_\_\_\_ 201\_\_

|  |  |
| --- | --- |
| Riga, | \_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_\_\_\_ |

We, the undersigned representatives of the joint stock company "Latvijas Gāze" (hereinafter JSC "Latvijas Gāze") and (*the User of the System*) in accordance with the agreement No. \_\_\_\_ of \_\_ \_\_\_\_\_\_\_\_\_\_\_\_ 201\_\_ between JSC "Latvijas Gāze" and (*the User of the System*) regarding the transportation of gas in the territory of the Republic of Latvia, have drawn up this act regarding the fact that in (*month*) 201\_ JSC "Latvijas Gāze" performed the transmission services of gas owned by *(the User of the System*) in the amount of (*amount in words*) thsd m3 from the border of the Republic of Lithuania and the Republic of Latvia (GMS Kemenai) to the border of the Republic of Latvia and the Republic of Estonia (GMS Karksi)\* or from the border of the Republic of Lithuania and the Republic of Latvia (GMS Kemenai) to the Inčukalns UGSF (GMS1 or GMS2)\*, or from the Inčukalns UGSF (GMS1 or GMS2) to the border of the Republic of Lithuania and the Republic of Latvia (GMS Kemenai)\*, or from the Inčukalns UGSF (GMS1 or GMS2) to the border of the Republic of Estonia (GMS Karksi)\*:

(*\* specify the service applicable to the respective User of the System*)

### - transportation services in the transmission gas pipeline system:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| \_\_\_\_\_\_\_ | thsd.m3 х | *Natural gas transmission**service tariff* | EUR х | *Transportation distance* | km: 100 = |
| \_\_\_\_\_\_\_ | **EUR** |  |  |  |  |

Total sum of service: \_\_\_\_\_\_\_\_ EUR *((sum in words)* thsd \_\_\_\_\_\_\_\_\_\_ EUR and \_\_ euro cents).

The act has been drawn up in two counterparts, one for each Party.

|  |  |
| --- | --- |
| The joint stock company | User of the System |
| "Latvijas Gāze" | Name |
| Unified reg. No. 40003000642 | Unified reg. No. |
|  | Address |
| 20 Vagonu Street, Riga, |  |
|  |  |
| Position of the representative holding the right to sign | Position of the representative holding the right to sign |
|  |  |
|  |  |
|  | Given name, Surname |  | Given name, Surname |

Chairman V. Lokenbahs