

Rules for
DONG Storage's and
Energinet.dk Gaslager's
Intra Storage
Gas Transfer Facility
("Rules for ISGTF")

Terms and conditions for transfer of Natural Gas
between Stenlille and Lille Torup

Version 1.5

1 April 2011

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Appendix 1: Standard ISGTF Request

1. Introduction

The purpose of Rules for ISGTF is to enable a Storage Customer to transfer Natural Gas from one Storage Facility to the other at 06:00 hours on 1 May at the beginning of the Storage Year. Thus, Storage Customers storing Natural Gas in one of the Storage Facilities at the end of a Storage Year can freely choose to buy all or part of their Volume Capacity for the coming Storage Year from the other Storage Facility.

A Storage Customer's access to ISGTF depends, i.a., on:

- a) how much Natural Gas is at his disposal with the Transferring Storage Facility;
- b) the Volume Capacity at his disposal with the Receiving Storage Facility; and
- c) the size of the ISGTF Limits.

Storage Customers that wish to use the ISGTF are recommended to contact the Storage Companies as soon as possible for relevant guidance and to avoid problems with the deadlines and procedures stipulated in Rules for ISGTF, in REGL and in RfGS.

ISGTF transfers between the Storage Companies on 1 May 2011 are made free of charge, but the Storage Companies reserve the right to introduce a fee for transfers at a later stage.

Rules for ISGTF does not regulate the terms and conditions of payment for storage of Natural Gas with the Storage Companies which is a matter between the Storage Customer and the Storage Company storing the Natural Gas.

1.1 Commencement

Rules for ISGTF, version 1.5, commences on 1 April 2011 replacing on that date in its entirety Rules for ISGTF, version 1.4.

1.2 Definitions

Words written with a capital initial letter in Rules for ISGTF have the following meaning:

Business Day is any day on which banks in Denmark are open for normal banking transactions.

Check Time is the point in time when the Storage Companies check that a given Storage Customer meets the conditions for carrying out an ISGTF transfer as described in section 2.1. The Check Time is between 09:00 and 12:00 hours on the day prior to the Transfer Time.

DONG Storage is DONG Storage A/S, CVR no. 29851247, owning and operating Stenlille.

Energinet.dk Gaslager is Energinet.dk Gaslager A/S, CVR no. 29851255, owning and operating Lille Torup.

ISGTF is the Storage Companies' Intra Storage Gas Transfer Facility, which enables a Storage Customer to transfer Stored Gas from one Storage Facility to the other at the beginning of a Storage Year.

ISGTF Request is a Storage Customer's request issued to both Storage Companies for transfer of Stored Gas from the Transferring Storage Facility to the Receiving Storage Facility. The ISGTF Request shall be drafted and submitted in compliance with section 2.2.

ISGTF Limit is a limit on the amount of Stored Gas which as a maximum can be transferred from one Storage Facility to the other on 1 May in the Storage Year via ISGTF transfers.

kWh is 3.6×10^6 joules and expresses the quantity of heat that develops during combustion of natural gas in accordance with the definition of gross calorific value. Gross Calorific Value is the amount of heat developed by combustion of one cubic metre of gas at constant pressure when the gas and air for the combustion have a temperature of 25°C, the combustion products being brought to that temperature and the water formed by the combustion being present in liquid state. Gross Calorific Value is given in kWh/m³ or MJ/m³.

Lille Torup is Energinet.dk Gaslager's gas storage facility at Lille Torup.

Natural Gas is characterised as 2nd gas family, group H, as defined in DS/EN 437 "Test gases - Test pressures - Appliance categories" in the latest version published at any time by Danish Standards. Natural Gas is combustible gas that is:

- a) extracted directly from the subsoil;

- b) extracted indirectly from the subsoil as associated gas in connection with crude oil production; or
- c) produced by extraction or other form of concentration of a natural gas as mentioned in a) or b) that has a methane content constituting at an absolute pressure of one bar at least 75% by volume of the combustible gas components and exits in any physical form into which the gas can be converted by compression or cooling.

Receiving Storage Facility is the Facility to which a Storage Customer transfers Stored Gas applying an ISGTF transfer.

REGL is Energinet.dk Gaslager's Rules for Energinet.dk Gas Storage in the version applying at any time.

RfGS is DONG Storage's Rules for Gas Storage in the version applying at any time.

Rules for ISGTF is this Rules for DONG Storage's and Energinet.dk Gaslager's Intra Storage Gas Transfer Facility in the version applying at any time.

Stenlille is DONG Storage's gas storage facility at Stenlille.

Storage Companies are DONG Storage and Energinet.dk Gaslager.

Storage Customer is a Storage Customer with Energinet.dk Gaslager or DONG Storage that at the end of a Storage Year has Stored Gas in the Transferring Storage Facility and at the beginning of the subsequent Storage Year wishes to transfer the Stored Gas to his Volume Capacity with the Receiving Storage Facility.

Storage Facilities are Stenlille and Lille Torup.

Storage Year is the period commencing as from and including 1 May at 06:00 hours in any year and ending at 1 May at 06:00 hours the following year. The Storage Year 2011/2012 thus covers the period as from and including 1 May 2011 at 06:00 hours to 1 May 2012 at 06:00 hours, and so on.

Stored Gas is the quantity of Natural Gas stored by a Storage Customer in one of the Storage Facilities at a given time by virtue of (i) his allocations in the Storage Facility, (ii) transfers of stored gas or transfers of capacity and stored gas or (iii) an ISGTF transfer to or from the Storage Facility, in respect of (i) and (ii) in accordance with REGL (Lille Torup) or RfGS (Stenlille) and in respect of (iii) in accordance with Rules for ISGTF.

Transferring Storage Facility is the Storage Facility from which a Storage Customer transfers Stored Gas using an ISGTF transfer.

Transfer Time is the point in time as from which transfer of Stored Gas from the Transferring Storage Facility to the Receiving Storage Facility becomes effective.

Transmission Company is Energinet.dk SOV (Energinet.dk Gastransmission), which handles the transmission function, security of supply, market facilitation and the overall physical balancing responsibility in accordance with the natural gas supply act and act of Energinet.dk.

Volume Capacity is the total firm and interruptible volume capacity at the disposal of a Storage Customer in accordance with his storage contracts with the Receiving Storage Facility.

2. ISGTF transfers

With effect from 06.00 hours on 1 May, a Storage Customer may transfer Stored Gas via ISGTF from the Transferring Storage Facility to the Storage Customer's Volume Capacity in the Receiving Storage Facility.

ISGTF transfer of Stored Gas implies that the Storage Customer's Stored Gas in the Transferring Storage Facility is reduced by the transferred quantity of Stored Gas, and that the Storage Customer's Stored Gas in the Receiving Storage Facility is increased by the transferred quantity of Stored Gas.

The terms and conditions applying to transfer of Stored Gas via ISGTF are stipulated in sections 2.1 – 2.4.

2.1 Conditions applying to ISGTF transfers

The Transfer Time shall be at 06:00 hours on 1 May.

Not later than at the Check Time:

- a) the Storage Customer in the Transferring Storage Facility shall:
 - i) meet the conditions for acting as Storage Customer described in REGL (Transferring Storage Facility Lille Torup) or in RfGS (Transferring Storage Facility Stenlille);
 - ii) have at his disposal sufficient Stored Gas to be able to transfer the quantity of Natural Gas set out in the ISGTF Request. If in his ISGTF Request the Storage Customer has asked for transfer of his total Stored Gas at the Transfer Time, the aforesaid requirement that at the Check Time the Storage Customer shall have at his disposal sufficient Stored Gas to be able to transfer the quantity of Natural Gas set out in his ISGTF Request shall not apply; and
 - iii) have at his disposal sufficient Volume Capacity to accommodate the Stored Gas which cannot be transferred via ISGTF due to the ISGTF Limits.

and
- b) the Storage Customer in the Receiving Storage Facility shall:
 - i) meet the conditions for acting as Storage Customer described in REGL (Receiving Storage Facility Lille Torup) or RfGS (Receiving Storage Facility Stenlille); and
 - ii) have at his disposal sufficient Volume Capacity to accommodate the sum of natural gas quantities transferred via ISGTF and the Storage Customer's Stored Gas in the Receiving Storage Facility, if any.

The natural gas quantities set out in the ISGTF Request plus the natural gas quantities in the other Storage Customers' ISGTF Requests shall be within the ISGTF Limits. If this is not the case, the natural gas quantities in the Storage Customer's ISGTF Request shall be reduced in accordance with section 2.2.3.

2.2 ISGTF transfer procedure

The ISGTF transfer is initiated when a Storage Customer submits an ISGTF Request to both Storage Companies to be received before the deadline of 09:00 hours on the third Business Day prior to the Transfer Time.

The ISGTF Request submitted to the Transferring Storage Facility shall be identical to the one submitted to the Receiving Storage Facility. The ISGTF Request shall be sent to the addresses or e-mail addresses available from the Storage Companies' websites, using the standard ISGTF Request form applying at anytime and available from the Storage Companies' websites. Appendix 1 contains the standard ISGTF Request form applying at the time of commencement of the present Rules for ISGTF.

The ISGTF Request shall be signed and contain the following information:

- a) whether the Storage Customer wishes to transfer his total Stored Gas in the Transferring Storage Facility at the Transfer Time or only a part hereof and moreover the size of the natural gas quantity to be transferred expressed in kWh. If the Storage Customer wishes to transfer his total Stored Gas, the size of the quantity of natural gas requested for transfer shall be equivalent to his expected total Stored Gas in the Transferring Storage Facility at the Transfer Time;
- b) Transfer Time, i.e. 06:00 hours on 1 May;
- c) the Transferring Storage Facility and the Receiving Storage Facility;
- d) the Storage Customer's GLN; and
- e) the Storage Customer's contact person in connection with the transfer.

In the event that the Storage Customer is only able to meet the conditions described in section 2.1 b) ii) by being allocated interruptible Volume Capacity in the Receiving Storage Facility, the ISGTF Request is regarded as a request to the Receiving Storage Facility for the necessary interruptible Volume Capacity in accordance with REGL (Receiving Storage Facility Lille Torup) or RfGS (Receiving Storage Facility Stenlille).

2.2.1 Confirmation and matching of ISGTF Request

Provided fulfilment of the requirements in section 2.2, ISGTF Requests received by both Storage Companies before 09:00 hours on the third Business Day prior to the Transfer Time are subject to matching.

If the ISGTF Request is received by 09:00 hours on a Business Day, no later than at 09:00 hours on the Business Day following the receipt the Storage Companies shall submit a confirmation that the ISGTF Request has been matched. Matching of an ISGTF Request shall not be considered final until the Storage Customer has received confirmation of the matching from both Storage Companies. The confirmation shall be sent by e-mail to the contact person stated in the ISGTF Request.

A Storage Company's confirmation of matching of an ISGTF Request automatically becomes inoperative if the other Storage Company rejects the ISGTF Request.

2.2.2 Refusal of ISGTF Request

A Storage Company is entitled to refuse an ISGTF Request provided that:

- a) the requirements in section 2.2 have not been met; or
- b) the Storage Customer does not meet the conditions for acting as Storage Customer as stipulated in REGL (ISGTF Request to Energinet.dk Gaslager) or the RfGS (ISGTF Request to DONG Storage).

The Storage Companies shall submit their reasoned refusals of an ISGTF Request by e-mail to the contact person stated in the ISGTF Request no later than at 09:00 hours on the Business Day following receipt of the ISGTF Request provided that the ISGTF Request was received before 09:00 hours on a Business Day.

2.2.3 Execution or cancellation of matched ISGTF Request

If an ISGTF Request is matched in accordance with section 2.2.1, the Storage Companies check that the conditions stated in section 2.1 are met at the Check Time and then notify the contact person stated in the ISGTF Request by e-mail of whether the ISGTF Request shall be executed entirely, partly or not at all. If the conditions stated in section 2.1 are met at the Check Time, the Storage Companies shall execute the ISGTF transfer at the Transfer Time. The Storage Companies execute an ISGTF transfer by reducing the Storage Customer's registered Stored Gas in the Transferring Storage Facility by the transferred natural gas quantity and increasing the Storage Customer's registered Stored Gas in the Receiving Storage Facility by the transferred natural gas quantity.

If the conditions in section 2.1 – except the condition regarding the ISGTF Limits - are not met at the Check Time, the Storage Companies shall cancel the ISGTF transfer and in relation to both Storage Companies the Storage Customer's ISGTF Request is considered unmatched and unconfirmed.

If the condition in section 2.1 regarding the ISGTF Limit is not met at the Check Time, then the Transmission Company is allocated the quantities within the ISGTF Limit required for the Transmission Company to handle its obligations in accordance with the natural gas supply act §12, 1, no. 3 and 6 to ensure the security of supply and the system balance. Remaining quantities within the ISGTF Limit are allocated pro rata to the Storage Company's remaining Storage Customers.

If the conditions in section 2.1 are not met at the Transfer Time, the following procedure is applied:

- a) The Storage Customer's ISGTF Request only specifies transfer of part of his total Stored Gas in the Transferring Storage Facility at the Transfer Time: If the Storage Customer does not have at his disposal sufficient Stored Gas in the Transferring Storage Facility, he shall buy the deficit from the Transferring Storage Facility at this Storage Company's price for

sale of Stored Gas. The Storage Companies' price for sale of Stored Gas applying at any time is available from their respective websites;

- b) The Storage Customer's ISGTF Request specifies transfer of his total Stored Gas in the Transferring Storage Facility at the Transfer Time: If the Storage Customer's total Stored Gas in the Transferring Storage Facility at the Transfer Time is not equivalent to the natural gas quantity requested for transfer according to the ISGTF Request, the Storage Customer's request shall be complied with at the Transfer Time, but the transferred natural gas quantity shall be adjusted at 06:00 hours on the day following the Transfer Time so as to equal the total Stored Gas in the Transferring Storage Facility at the Transfer Time. If the Storage Customer's ISGTF Request specifies a natural gas quantity smaller than the total Stored Gas in the Transferring Storage Facility at the Transfer Time, he shall not have disposal of the difference in the Receiving Storage Facility until the adjustment has been made.
- c) If the Storage Customer's ISGTF transfer is reduced due to the ISGTF Limits, and the Storage Customer does not have sufficient Volume Capacity in the Transferring Storage Facility to accommodate the remaining Stored Gas, the Storage Customer sells the Stored Gas not accommodated by Volume Capacity, to the Transferring Storage Facility at this Storage Company's price for purchase of Stored Gas. The Storage Companies' price for purchase of Stored Gas applying at any time is available from their respective websites.
- d) If the Storage Customer does not have sufficient Volume Capacity in the Receiving Storage Facility to accommodate the transferred Stored Gas, the Storage Customer sells the transferred Stored Gas not accommodated by Volume Capacity to the Receiving Storage Facility at this Storage Company's price for purchase of Stored Gas. The Storage Companies' price for purchase of Stored Gas applying at any time is available from their respective websites.

Purchase/sale of Natural Gas pursuant to section 2.2.3 a), d) and d) is carried out at the Transfer Time, and the Storage Customer shall be invoiced/credited with the purchase/sales price via the next monthly invoice received by him in accordance with REGL (Lille Torup) or RfGS (Stenlille). The rules regulating payment etc. are laid down in REGL or RfGS.

If execution of an ISGTF Request is only possible if the Storage Customer is allocated interruptible Volume Capacity in the Receiving Storage Facility or the Storage Customer due to a reduction as a consequence of the ISGTF Limits needs interruptible Volume Capacity in the Transferring Storage Facility, and the conditions for allocation of interruptible Volume Capacity stipulated in REGL (Storage Facility Lille Torup) or RfGS (Storage Facility Stenlille) are met, the execution of the ISGTF transfer shall constitute the receiving Storage Company's or the transferring Storage Company's acceptance of allocating the Storage Customer the necessary interruptible Volume Capacity at the terms laid down in REGL or RfGS. The receiving Storage Company or the transferring Storage Company is subsequently entitled to demand to have the interruptible Volume Capacity returned in accordance with REGL (Storage Facility Lille Torup) or RfGS (Storage Facility Stenlille).

2.3 Adjustment of confirmed and matched ISGTF Request

In the event that a Storage Customer wishes to change an ISGTF Request already confirmed and matched as described in section 2.2.1, he must submit a new ISGTF Request in compliance with section 2.2, stating the required changes.

2.4 Fees

No fees are payable to the Storage Companies for ISGTF transfers at 06.00 on 1 May 2010.

The Storage Companies may choose to introduce the payment of fees in connection with ISGTF transfers at a later stage. If so, the respective fees shall appear from the Storage Companies' websites, and all registered Storage Customers shall be informed if and when fees are introduced.

3. Sundry terms and conditions

The terms and conditions laid down in REGL (applying to Energinet.dk Gaslager) and RfGS (applying to DONG Storage) with regard to force majeure, venue, governing law, claims for damages, confidentiality, headings and passivity shall also apply to the interaction between Storage Customers and Storage Companies described in Rules for ISGTF.