

TPAO

SILIVRI UNDERGROUND NATURAL GAS  
STORAGE FACILITY

BASIC USAGE PRINCIPLES AND  
PROCEDURES  
(UPP)

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## 1. DEFINITIONS AND COMMENTARY

### 1.1 Definitions:

“Idle Capacity”, shall refer to the usable capacity that remains after capacity reservations made by the Storage Company.

“Month” based on which the term monthly is interpreted, shall refer to the period which starts on the first day of any calendar month at 08:00 and ends at the first day of the next calendar month at 08:00.

“Bar” shall refer to the meaning stated or defined in ISO 1000:1981(E).

“Maintenance” shall refer to any maintenance, repair, control, connection or renewal in any part of Storage Facility as well as preparatory work required therefor or all the work that is required for re-commissioning of any part of the Storage Facility after the abovementioned has been carried out.

“Days of Maintenance” shall refer to the days on which the Storage Company may, due to the planned maintenance, reduce the amount of gas to be received or delivered by the Storage Facility (down to zero when required).

“Maintenance Program” shall refer to the maintenance program prepared by the Storage Company for each year of storage.

“Applicant” shall refer to the legal entity which holds an Export License and/or Wholesale License and applies to the Storage Company for purchasing services.

“Operating Gas” shall refer to the Natural Gas, other than the Pillow Gas, which can be injected into the underground gas storage at certain periods during the year and brought into use through being re-produced when necessary.

“Storage” shall refer to the activity of storing the natural gas so as to meet daily and seasonal changes and compensate for the natural gas deficit that results from the decrease or halt in natural gas supply.

“Storage Activity” shall refer to the activities of injecting the natural gas into reservoirs in the form of gas, keeping the gas in reservoirs and re-producing in the reservoir.

“Storage Service Contract” or shortly “SSC” shall refer to the contract concluded by and between the Storage Company and Service Receiver for the supply of Standard Services.

“Storage Capacity” shall refer to the capacity announced by the Storage Company before a Storage Year, concerning the use of Storage Facility for the relevant year.

“Storage Company” shall refer to the legal entity which is authorized to undertake the storage of natural gas. The legal entity authorized as the Storage Company is Turkish Petroleum Corporation (TPAO).

“Storage Tariff” shall refer to arrangements on the price, provisions and terms concerning the storage activity and relevant services pertaining thereto.

“Storage Facility” shall refer to facility which are owned or operated by the Storage Company and devoted for storing the natural gas in the form of gas.

“Storage Year” shall refer to each period of successive 12 months which starts on the first day of each Injection Period and ends at the end of next Injection Preparatory Period. To avoid any doubt, Storage Year is the period between 1 April and 31 March every year.

“Natural Gas” or “Gas” shall refer to the hydrocarbons that are or can be extracted from underground in the form of gas and the form of such gas which has been pressurized through various methods or subjected to physical/chemical treatment (excluding liquefied petroleum gas- LPG), to be put on the market.

“Electronic Bulletin Sheet” shortly “EBS” shall refer to the electronic announcement sheet operated by the storage company, which enables Service Receivers to follow the storage facility activities.

“Injection Fee” shall refer to the fee receivable based on the amount of natural gas injection.

“Injection Period” shall refer to the period between 1 April and 16 October.

“Injection Preparatory Period” shall refer to the period between 25 March and 31 March.

“Inventory” shall refer to the amount of operating gas kept in the storage facility by the Storage Company on account of the Service Receiver.

“EMRA” shall refer to the Energy Market Regulatory Authority.

“Back Production Fee” shall refer to the fee receivable based on the amount of natural gas in the storage which has been offered through back production.

“Back Production Period” shall refer to the period between 1 November and 24 March.

“Back Production Preparatory Period” shall refer to the period between 17 October and 31 October.

“Day”, “Storage Day” or “System Day”, shortly D shall refer to the time period which starts at 08.00 any day and ends at 08.00 on the next day.

“D-1” shall refer to the day before that day.

“D+1” shall refer to the day after that day.

“Service Receiver” shall refer to the legal entity which holds an Export License and/or Wholesale License and signed a services contract with the Storage company for storage services.

“Service Cut-Off Fee” shall refer to the fee to be applied on the amount subject to service cut-off.

“Transmission Company” shall refer to the legal entity that undertakes transmission activities.

“Website” shall refer to the Storage Company’s website, <http://depolama.tpa.gov.tr/>, established to enable parties involved in the natural gas market to follow market activities.

“Working Day” shall refer to the period starting from Monday to Friday between 8:00 and 17:00 hours, except the official holidays.

“Quality Certificate” shall refer to the certificate that states the characteristics of the Natural Gas received or delivered by the Storage Company at the Measurement Station.

“Calorie” shall refer to the energy unit which equals to the amount of energy required to raise the temperature of 1 gram of pure water from 14.5°C to 15.5°C under normal atmospheric pressure (1.01325 Bar).

“Law” shall refer to Natural Gas Market Law no 4646 dated 18/04/2001.

“Capacity Fee” shall refer to the fee receivable based on the Contract Storage Capacity.

“Board” shall refer to the Energy Market Regulatory Board.

“Authority” shall refer to Energy Market Regulatory Authority.

“Maximum Daily Injection Amount” shall refer to the maximum amount of gas in  $\text{Sm}^3$  to be received for injection on a daily basis, by the Storage Company, at the Delivery and Reception Point. This amount shall be stated in the SSC to be signed with the Service Receivers.

“Maximum Daily Back Production Amount” shall refer to the maximum gas amount  $\text{Sm}^3$  to be delivered for back production on a daily basis, by the Storage Company, at the Delivery and Reception Point. This amount shall be stated in the SSC to be signed with the Service Receivers.

“Amount” or “Amounts” shall be stated in kWh,  $\text{Nm}^3$ ,  $\text{STDm}^3$ , Kcal,  $\text{Cm}^3$  (corrected according to 9155 kcal).

“Minimum Daily Injection Amount” shall refer to the minimum amount of gas in  $\text{Sm}^3$  to be received for injection on a daily basis, by the Storage Company, at the Delivery and Reception Point. This amount shall be stated in the SSC to be signed with the Service Receivers.

“Minimum Daily Back Production Amount” shall refer to the minimum gas amount  $\text{Sm}^3$  to be delivered for back production on a daily basis, by the Storage Company, at the Delivery and Reception Point. This amount shall be stated in the SSC to be signed with the Service Receivers.

“Normal cubic meter” shortly  $\text{Nm}^3$  shall refer to the amount of natural gas that fills 1 cubic meter of volume under  $0^\circ\text{C}$  and 1.01325 bar absolute pressure.

“Operational Flow Order (OFO)” shall refer to the order given by the Storage Company to any Service Receiver.

“Measurement Station” shall refer to the station where the gas received from National Transmission Network for injection or the gas delivered to the National Transmission Network after back production is measured.

“Program” shall refer to daily, monthly and annual information on the amount of gas approved by the Storage Company, which will be delivered to and received from the storages of the Storage Company by the Service Receivers.

“Pro-rata” shall refer to the distribution of amount or amounts based on the rate.

“Hour” shall refer to the local time used in Turkey.

“System” shall refer to the facility and equipment installed to fulfill natural gas production, transmission, storage and distribution functions.

“Contract Storage Capacity (CSC)” shall refer to the storage volume allocated to a Service Receiver that has signed a Storage Service Contract, for a whole Storage Year.

“Standard Service” shall refer to the services provided for realizing the storage activity.

“Standard cubic meter” shortly “ $\text{Sm}^3$ ” shall refer to the amount of natural gas with 9155 Kcal higher heating value which fills 1 cubic meter of volume at  $15^\circ\text{C}$  under 1.01325 bar absolute pressure.  $1 \text{ Sm}^3$  is 10.64 kWh.

“STD cubic meter” shall refer to the amount of gas that fills 1 cubic meter of volume at  $15^\circ\text{C}$  under 1.01325 bar absolute pressure. It denotes unit volume without a heating value limit.

“ $\text{ŞİD}$ ” shall refer to Principles of Transmission Network Operational Arrangements prepared under the framework of Natural Gas Market Law no 4646 and the relevant legislation

pertaining thereto, so as to provide for the certain rights and liabilities of parties involved in natural gas transport through transmission networks.

“Basic Usage Principles and Procedures” shortly “UPP” shall refer to usage principles and procedures concerning the Storage Facility, which has been prepared and submitted to EMRA by the Storage Company, to state the rights and liabilities of the parties related to the Standard Service.

“Delivery and Reception Point” shall refer to the isolated flange outlet at the Measurement Station in the Storage Facility.

“National Transmission Network” shall refer to high pressure pipelines as a part of National transmission system.

“Higher Heating Value” or “HHV” shall refer to the amount of heat stated in Kcal, which occurs, upon being applied to Natural Gas, when 1 m<sup>3</sup> is fully burned at 150 C fixed temperature under 1.01325 Bar absolute pressure, provided that the whole liquid that comes out during burning condensates at 150 C.

“Pillow Gas” shall refer to the gas which must be kept in the reservoirs for enabling the underground gas storage to serve for the storage activity.

## 1.2 Commentary:

Unless otherwise provided in the UPP;

1.2.1 Any term used in any law, statutory decree, by-law, regulation, communiqué, decision or circular shall cover the amendments, modifications or additions to be made on the abovementioned regulations as well as other regulations which will be issued as a part thereof.

1.2.2 Any term used in any agreement, contract or document shall cover the amendments and additions made on the agreement, contract or document.

1.2.3 Singular terms shall be interpreted as plural and plural terms shall be interpreted as singular.

1.2.4 Where any term or word has been defined in the UPP, any word and term similar or related to such term or word shall be interpreted according to the definition provided.

1.2.5 Numbers or titles given to sections, articles, paragraphs and sub-paragraphs in the UPP have been provided only to ensure ease of handling; these numbers or titles have no relevance whatsoever with the content of the related section, article, paragraph or sub-paragraph.

1.2.6 Terms “UPP” or “Basic Usage Principles and Procedures” shall denote the sections in this UPP as well as annexes thereto and shall be used to refer to a single document.

1.2.7 In case there is any conflict between UPP provisions and any SSC provision, UPP provisions shall apply.

## 2. BASIC PRACTICES

### 2.1 Introduction

2.1.1 Usage Principles and Procedures has been prepared based on the principles of administrating the Storage Facility Capacity to enable the safe and coordinated operationing of the system; avoiding the discriminative treatment of impartial and equal parties provided that the system is available; performing economical, efficient and safe operations.

2.1.2 UPP has been prepared under the framework of Natural Gas Market Law no 4646 and the legislation based thereon, so as to record each liability and responsibility of parties in TPAO Silivri Storage Facility, with respect to the storage of gas received from National Transmission Network and delivery of the gas to National Transmission Network after back production and also to regulate the technical and operational issues concerning the Storage Facility.

2.1.3 Every Service Receiver shall sign a “Storage Service Contract” (shortly SSC) with the Storage Company, and provisions of this UPP shall be an integral part of SSC. SSC shall provide for the mutual rights and liabilities of the Storage Company and Service Receiver on the use of Storage Facility as well as other provisions.

2.1.4 UPP shall include general principles providing for the mutual rights and responsibilities of the Storage Company and Service Receivers on the capacity allocation of storage facility, conditions of transmission, measurement and quality characteristics, daily operationing and maintenance requirements as well as other issues.

2.1.5 UPP shall aim at ensuring open, fair, transparent and indiscriminative treatment, in line with the relevant legislation, for those wishing to use the Storage Facility.

2.1.6 The Service Receiver shall act in line with the demands of the Storage Company concerning the additional information required by the Storage Company for the provision of services under the scope of this UPP.

2.1.7 Entry into force and amendment of UPP shall be put into effect after EMRA approval.

### 2.2 Technical Information concerning the Storage Facility

TPAO shall publish on its website the licensed technical specifications of the Storage Facility, in addition to any other up-to-date information that may be required by service receivers and/or potential service receivers.



### 3. CAPACITY AND APPLICATION

#### 3.1 Capacity reservation period

Capacity reservation period shall be one Storage Year.

#### 3.2 Capacity Announcement

3.2.1 Before each Storage Year, Storage Company shall announce the following information on the website until 15 August:

- i. Storage Capacity that can be used for the storage service,
- ii. Maximum Daily Injection Amount,
- iii. Maximum Daily Back Production Amount.

3.2.2 Capacity reservations to lay the grounds for SSC shall be based on the Storage Capacity announced by the Storage Company on its website before each Storage Year.

#### 3.3 Capacity Application

3.3.1 Applicants shall apply to the Storage Company until 1 September, by bringing the information and documents described in article 3.3.2.

3.3.2 Information and documents required:

3.3.2.1 Capacity Demand Application Form which is published on the website and includes the following information:

- i. Amount demanded to be reserved from Annual Storage Capacity;
- ii. Planned monthly distribution of annual amounts to be injected or back produced;

3.3.2.2 For the Contract Storage Capacity, an unconditional, irrevocable bank bid bond in-limit, to be taken from a bank in Turkey, payable upon first request, with at least 90 (ninety) days of duration, equaling to 10% (ten percent) of the Contract Storage Capacity Fee stated under Section 14 and relevant for the Storage Year when services will be received,

3.3.2.3 Copy of Import and/or Wholesale License,

3.3.2.4 Authorization letters and signature specimens of persons authorized to represent and bind the legal entity applicant signing the Capacity Demand Application Form, in the form of the original copy or true copies attested by the notary public,

3.3.3 Capacity Demand Application Form filled in by the Applicant and submitted officially to the Storage Company shall mean that UPP provisions hereby have been accepted.

3.3.4 The Storage Company shall respond to the demands of Applicants who have submitted the abovementioned information and documents, within 15 (fifteen) days after the date of application.

3.3.5 For applications, the address published by TPAO on its website shall be used.

#### 3.4 Evaluation of Applications and Capacity Reservations

3.4.1 Demand of all Applicants shall be evaluated by the Storage Company within the same period. If the sum of Demanded Storage Capacities is lower than the total capacity declared by the Storage Company, the capacity demanded by each Applicant shall be reserved. If the sum of Demanded Storage Capacities is higher than the total capacity declared by the Storage Company, reservations shall be made based on Pro-rata depending on the demands of Applicants.

3.4.2 In the event that the demand is refused by the Storage Company; grounds for refusal shall be notified to Applicants. Applicants whose application has been refused shall receive their bid bonds described in article 3.3.2.2 of this UPP, within 5 (five) working days subsequent to the notification of refusal.

3.4.3 The Storage Company shall notify the Applicants of Capacity Reservations on 15 September. Applicants' Capacity Reservations shall be finalized upon fulfillment of the conditions stated in article 3.5 of this UPP.

#### 3.5 Storage Service Contract (SSC)

3.5.1 The Applicants whose capacity has been reserved by the Storage Company must submit the two-year performance bond amounting up to 20% (twenty percent) of the contract storage capacity fee belonging to the storage year of service, referred to in section 14 and sign the SSC within 7 (seven) working days subsequent to their notification of the date of acceptance.

3.5.2 Applicants who bring an unconditional, irrevocable, in-limit, two-year bank performance bond that is payable upon first request and taken from a bank in Turkey and sign SSC, shall receive their bid bonds within 5 (five) working days subsequent to the signing of SSC.

3.5.3 The term for the SSC's signed with the Storage Company shall be one Storage Year.

3.5.4 Authorization letters and signature specimens of persons authorized to represent and bind the legal entity to sign the SSC, must be attached to the SSC in the form of the original copy or true copies attested by the notary public.

3.5.5 Provided that the Storage Company does not have any rights or receivables deriving from this UPP, SSC or provisions of the relevant legislation and the Service Receiver no longer has any liability under the scope of UPP, the bid bond submitted by the Service Receiver shall be returned within 5 (five) working days subsequent to the contract expiry.

### 3.6 Conditions for liquidating Letters of Guarantee

3.6.1 If Applicants whose demands have been accepted by the Storage Company, fail to sign the SSC within 7 (seven) working days subsequent to the notification of acceptance, their bid bonds shall be liquidated and registered as revenue for the Storage Company. Provided that the capacity reservation demand of the Applicant has been partially accepted, the amount to be registered as revenue shall be calculated based on the amount accrued as a result of pro-rata.

3.6.2 If the Service Receivers fail to pay the monthly bills made out for them by the Storage Company and/or fail to fulfill the liabilities provided for Service Receivers by this UPP, SSC and relevant legislation, after the notice period stated in article 14.6.2, performance bond described in article 3.5.1 of this UPP shall be liquidated and registered as revenue.

3.6.3. In the event that the SSC is terminated at an earlier time unilaterally by the Service Receiver, performance bond described in article 3.5.1 of this UPP shall be liquidated and registered as revenue by the Storage Company.

### 3.7 Idle Capacity

3.7.1 Idle capacity that remains after the evaluation of applications and finalization of capacity allocations shall be announced by the Storage Company on 1 October. Service Receivers that signed a SSC and legal entities that did not sign SSC for the relevant Storage Year may apply for the utilization of this idle capacity.

3.7.2 Priority shall be given to early applicants in idle capacity applications. Provided that applications made on the same day exceed the total amount of idle capacity, capacity shall be allocated through the application of pro-rata.

3.7.3 Applications shall be reviewed by the Storage Company as per the relevant provisions of UPP. Applicants shall be notified in writing concerning the evaluation whether the demands are met, partially met or not met, within 5 (five) working days following the date of application. An addendum shall be made to the existing SSC between the Storage Company and Service Receiver. A new SSC shall be signed with new applicants.

3.7.4 Fees applicable to the capacity reserved as a result of idle capacity applications shall be determined by the Board decision on the Storage Tariff.

3.7.5 Relevant articles of UPP shall apply in respect of issues which are not regulated under article 3.7 concerning idle capacity.

3.8 TPAO shall not be obliged to meet the daily total demand that is below the following actual amounts.

- i. Daily minimum injection amount: 1 million Sm<sup>3</sup>
- ii. Daily minimum back production amount: 0.3 million Sm<sup>3</sup>

3.9 Service Receivers' injection demands made during back production period and/or back production demands made during injection period may be refused by TPAO based on the principle of efficient and economic operations, and grounds for refusal shall be provided.

#### 4. CAPACITY TRANSFER

##### 4.1 Conditions of Capacity Transfer

4.1.1 The Service Receiver may transfer some or all of his reserved capacity for the Storage Year to other Service Receivers or new Applicants, provided that Storage Company gives written consent. Conditions of transfer shall in no way whatsoever contradict the provisions of this UPP. Temporary transfer cannot be made for the period which lasts until the end of Storage Year.

4.1.2 Transfer demand submitted to the Storage Company for approval shall include the following for each Service Receiver or new Applicant:

- i. SSC number of the Transferring Service Receiver,
- ii. SSC number of the Transferee Service Receiver or Capacity Demand Application form of the new Applicant,
- iii. Capacity amount to be transferred,
- iv. Commencement date of the Capacity Transfer.

4.1.3 Storage Company shall approve or refuse, along with its justifications, the transfer demand of the Service Receiver upon evaluating it, within 5 (five) working days subsequent to the date of application.

##### 4.2 Fulfilling the Capacity Transfer

4.2.1 In the event of transfer, if the transferee legal entity is a Service Receiver, the transfer shall be realized when this Service Receiver submits the additional letter of guarantee via extending the scope of its existing performance bond in line with the capacity it has been

transferred (submits a new performance bond in line with article 3.5.1) and issues an addendum to the existing SSC.

4.2.2 In the event of transfer, if the transferee legal entity is not a Service Receiver; the transfer shall be realized when this legal entity submits a performance bond (submits a new performance bond in line with article 3.5.1) and signs a SSC.

4.2.3 After the transfer, current performance bond of the transferring Service Receiver shall be returned under the following conditions;

i. Transferring Service Receiver submits the new performance bond reflecting its new reserved capacity, prepared in line with the specifications described in article 3.5.1, to the Storage Company,

ii. Transferee Service Receiver submits the new performance bond prepared in line with the specifications described in article 3.5.1.

4.2.4 In the event of transfer, transferring Service Receiver shall not use the transferred capacity after the transfer. Payment liabilities under SSC shall not apply for the capacity transferred by the Transferring Service Receiver.

4.2.5 In the event of transfer, transferee Service Receiver shall be responsible for all types of fees and financial liabilities related to the amount it has been transferred. In the event of transfer, transferee Service Receiver shall have all rights and liabilities regulated under the SSC of transferring Service Receiver and this UPP, which also include the right to transfer the capacity it has been transferred under the scope of this article.

## 5. INVENTORY TRANSFER

### 5.1 Inventory Transfer within the Storage Year

5.1.1 The Service Receiver may partially or completely transfer the inventory it holds within the Storage Year to other service receivers, provided that the Storage Company gives written consent, the transferee Service Receiver has sufficient capacity or is transferred sufficient capacity under the scope of section 4.

5.1.2 Inventory Transfer shall be performed in line with the procedure described in Section 4.

5.1.3 After the amount of gas to be transferred is transferred to the transferee Service Receiver, transferring and transferee Service Receivers shall revise their programs to reflect the amount of gas transferred/received.

5.1.4 In the event of transfer, transferee Service Receiver shall be responsible for all types of fees and financial liabilities related to the amount it has been transferred. In the event of transfer, transferee Service Receiver shall have all rights and liabilities regulated under the

SSC of transferring Service Receiver and this UPP, which also include the right to transfer the capacity it has been transferred under the scope of this article.

## 5.2 Inventory Transfer at the end of Storage Year

5.2.1 If the Service Receiver still has gas in storage at the end of the Storage Year, that gas shall be considered as transferred provided that the relevant Service Receiver and the Storage Company signs a new SSC for the subsequent Storage Year and there is sufficient reserved capacity available for the subsequent Storage Year.

5.2.2 The Service Receiver who does not make any capacity reservations for the subsequent year or is allocated with a capacity which is lower than the amount of gas remaining by the end of Storage Year shall be liable for back producing the gas exceeding its capacity in the storage and/or transfer this amount to another Service Receiver before the new Storage Year.

5.2.3 If the Service Receiver fails to fulfill its liability described in article 5.2.2, the remaining gas shall be back produced through application of provisions stated in this UPP Section 18. Fees to apply under these circumstances shall be determined as per the Board decision on Storage Tariff.

## 6. PROGRAMS

### 6.1 Program Contents

6.1.1 Annual Program: Gas amounts to be back produced and/or injected for each and every month shall be submitted by the Service Receiver to TPAO, having regard to the CSC, 15 (fifteen) days prior to the commencement of Back Production Period and Injection Period.

6.1.2 Monthly Program: Estimated programs for the relevant month shall be submitted in the form of daily amounts, by the Service Receiver to TPAO, as per the CSC, 5 (five) days before the start of each month.

#### 6.1.3 Daily Program:

6.1.3.1 The Storage Company shall announce daily capacity information which will serve as basis for the programs concerning any Day (D) or two subsequent days (D+1, D+2) until 16:00 on D-2. Service Receivers shall notify the Storage Company of their daily programs concerning any day (D) and two subsequent days (D+1, D+2) until 10:00 on D-1. Storage Company shall allocate daily capacity to all Service Receivers and notify Transmission Company until 11:00. Transmission Company shall evaluate whether daily capacity allocations of Service Receivers fit the Transmission Network and notify Storage Company of the corrected capacity amounts until 12:00. After its final evaluation, the Storage Company shall send the daily program to Service Receivers and the Transmission Company until 13:00.

6.1.3.2 If the Service Receiver has sent several daily programs on G-1 until 10:00, the most recently sent program shall be processed.

6.1.3.3 If Service Receivers fail to provide their daily program their program for the relevant day shall be considered as 0 (zero).

6.1.3.4 Daily Program shall not be submitted on weekends and official holidays. However, Service Receivers may submit their programs on the last working day before the weekend or official holiday, and this program may also cover the first working day after those days.

6.2 Upon notifying a program, the Service Receiver undertakes and guarantees that all regulatory approvals required for gas storage have been taken and contract regulations are available.

### 6.3 Program Announcement Methods

If information exchange between Service Receivers and the Storage Company fails to take place through the communication system provided by Storage Company website, information exchange shall take place using the following contact details (e-mail, fax or address).

TPAO DOĞAL GAZ DEPOLAMA MÜDÜRLÜĞÜ  
ALİPAŞA KÖYÜ MEVKİİ, TEM KINALI GİŞELERİ YANI  
34570 SİLİVRİ / İSTANBUL

E-MAIL : trakya\_depolama@tpao.gov.tr

TEL : 0 (212) 710 10 30-31-32

FAX : 0 (212) 710 10 33

6.4 At the end of each storage day, the Storage Company shall make available to all Service Receivers the information concerning programmed amounts including programs for the day and other changes on the program through publishing the relevant information on EBT.

### 6.5 Revised Programs:

Requests of program change for the subsequent day (D) shall be notified to the Storage Company by Service Receivers until 14:00 on D-1. Storage Company shall perform revised daily allocations of all Service Receivers and notify the Transmission Company until 14:30. Transmission Company shall evaluate whether revised daily capacity allocations of Service Receivers fit the Transmission Network and notify Storage Company of the corrected capacity until 15:00. After its final evaluation, the Storage Company shall send the finalized daily program to Service Receivers and the Transmission Company until 15:30.

6.6 The Storage Company shall reserve the right to refuse gas injection and/or back production which has not been programmed timely or in line with the UPP. The Storage Company shall not be liable to the Service Receiver or any other person whatsoever for the direct or indirect consequences of refusal, and the Service Receiver shall compensate the Storage Company for any damage, loss, expenditure, claim, litigation, action or legal proceeding that is imposed or initiated as a result of such refusal. However, this excludes any

damage, loss, expenditure, claim, litigation, action or legal proceeding that occurs due to gross fault or deliberation of the Storage Company.

## 7. ALLOCATIONS

7.1 If gas back production or injection amounts demanded by the Service Receiver within any Day are lower than daily capacity amounts announced by the Storage Company for the relevant day, amounts demanded by Service Receivers shall be allocated.

7.2 If gas back production or injection amounts demanded by the Service Receiver within any Day exceed daily capacity amounts announced by the Storage Company for the relevant day, capacity allocation shall take place pro-rata based on the demands of Service Receivers.

7.3 If on any injection day one or several of Service Receivers demand back production or on any back production day, one or several of Service Receivers demand injection, the gas shall be swapped by the Storage Company without using the Storage Facility. In dividing swapped amounts between the service receivers program amounts shall be considered. At the end of swap, inventory activities shall be recorded by the Storage Company based on the stored gas amounts and reservations of relevant service receivers.

### 7.4 Distribution of End-Of-Day Allocations

7.4.1 Amount allocated to the Service Receiver (HATM), amount of injection/ back production realized during the day shall be calculated by the Storage Company using the following Formula, in proportion to the programs of Service Receivers, until D+1 10.00:

HATM = Amount met be swap (TKM) + Amount met be actual operation (FOKM)

TKM= Program amount of the Service Receiver on the day of allocation x sum of programs contrary to the actual operation mode / sum of programs delivered by service receivers, in line with the actual operation mode

Actual Operation Mode: since due to the operationing principle of the Storage Facility two operation modes (injection and back production) cannot be operated simultaneously, depending on the daily demands of service receivers; either the sum of injection demands received or the sum of back production demands received, whichever is greater, shall be accepted as the actual operation mode.

FOKM= The program amount of the Service Receiver on the day of allocation x Operation realized through actual operation / sum of programs delivered by service receivers, in line with the actual operation mode

7.4.2 Actual operation mode in the Storage Facility shall be determined either as injection or back production depending on the daily programs. If injection and back production demands



are equal, demands of Service Receivers shall be fulfilled as they are, and the abovementioned formula shall not apply. Demands of Service Receivers which are contrary to the actual operation mode shall be fulfilled as they are, and the abovementioned formula shall not apply..

7.4.3 Allocations shall be notified to the Service Receiver via EBT.

## 8. OPERATING CONDITIONS

8.1 Pressure value of the natural gas to be injected or back produced must be between 50 and 75 bar (g) at Delivery and Reception Point.

8.2 Natural gas to be injected and back produced must comply with quality specifications described in section 11.

## 9. LIMITATION AND CUT-OFF

9.1 The Storage Company shall have the right to limit and/or cut-off completely storage services if deemed required by force majeure, inability to provide operating conditions or during period of maintenance. The Storage Company shall immediately notify the relevant limitation to Service Receivers, the Transmission Company and other Service Receivers that will be affected from the limitation. Notifications concerning limitation and cut-off shall be published on the EBT.

### 9.2 Limitation Reports and Notices

9.2.1 The Storage Company shall put any effort to notify the Service Receiver on the limitation within a reasonable period and through reasonable means under the existing circumstances and in any case the notice sent shall be confirmed in writing or through fax message. Fax message shall be considered as notification in this case.

9.2.2 The Storage Company shall not be obliged to inform customers of Service Receivers, on any notice of limitation.

### 9.3 Compliance with the Limitation

9.3.1 Upon receiving a notice of limitation, the affected Service Receiver shall be obliged to carry out the required operation stated in the notice. If the Service Receiver fails to comply with the notice of limitation, relevant notice of limitation shall gain the status of an Operational Flow Order and provisions stated in article 10 of this UPP shall apply.

9.3.2 If the Service Receiver fails to comply with the notice of limitation and/or Operational Flow Order issued by the Storage Company, the Service Receiver shall compensate the Storage Company for any damage, loss, expenditure, claim, litigation, action or legal proceeding that is imposed or initiated against the Storage Company due to the enforcement of

this article. However, this excludes any damage, loss, expenditure, claim, litigation, action or legal proceeding that occurs due to gross fault or deliberation of the Storage Company.

## 10. OPERATIONAL FLOW ORDERS (OFO)

10.1 If conditions threatening the integrity, safety or services of the storage facility arise or with a view to ensure compliance with the provisions of this UPP, TPAO shall have the right to issue binding Operational Flow Orders to each Service Receiver, in the form of instructions, to regulate reception or delivery.

10.2 Some conditions which may require the issuance of OFO's are the following without being limited thereto. Thus if;

i. Conditions requiring unplanned repair and maintenance which will affect the capacity should occur in the Storage Facility,

ii. Failure to comply with limitation orders should occur and threaten the safe operation of the Storage Facility,

iii. Failure to deliver the gas in line with the delivery program should occur and adversely affect the programmed services of the Storage Company.

10.3 An OFO may be issued to be valid for a certain period of time or until the next OFO is issued. Before an OFO is issued, the Storage Company shall try to take all reasonable measures to minimize the negative impacts which might occur as a result of issuing an OFO.

10.4 The right of the Storage Company to undertake operations that might be necessary to adjust actual gas injection and back production for mitigating conditions that threatens safe operation of the Storage Facility shall in no way be restricted. In such cases, all Service Receivers are obliged to cooperate with the Storage Company. Irregardless of the circumstances, during injection period the Service Receiver that demanded injection shall not be issued with an OFO on back production and during back production period the Service Receiver that demanded back production shall not be issued with an OFO on injection.

### 10.5 Status Reports, Notifications and Damages

10.5.1 The Storage Company shall notify the Service Receiver of the OFO in the shortest possible time, through the EBT, telephone, fax or e-mail. The notification shall include the date and time when the OFO will be initiated, term of effect for OFO, operations to be undertaken by the Service Receiver, reason for issuing an OFO and operational variables which laid the grounds for the OFO and all other information required depending on the occasion. Under normal conditions notification shall be prepared at 10:00, one day before the day when OFO enters into force, and sent to Service Receivers. Under normal conditions, OFO shall enter into force at 08.00 on the day subsequent to the day of notification. If required by operating conditions, three-hour or shorter notices may be issued. This notice

shall be delivered to the person appointed by the Service Receiver to submit or confirm the programs and/or any authorized person working for the Service Receiver.

10.5.2 The Storage Company shall publish on EBT the OFO and grounds for issuing an OFO and provide up-to-date information, beginning from the start of the day until it is notified to Service Receivers by the Storage Company that OFO has expired. Within 30 days after OFO expires, the Storage Company shall publish on EBT a report which explains OFO issuance and expiry.

10.5.3 The Storage Company shall have no responsibility to inform Service Receivers' customers on any OFO. Service Receivers that fail to comply with an OFO that has been notified, shall compensate all direct and indirect harms to occur therefore in the Storage Company and all expenses resulting from any action taken against the Storage Company. However, this excludes any damage, loss, expenditure, claim, litigation, action or legal proceeding that occurs due to gross fault or deliberation of the Storage Company.

10.5.4 The Service Receiver shall not claim any damages for the demand that has not be met due to any limitation and/or OFO. The Storage Company shall make efforts to eliminate or minimize such demand deviations through subsequent program revisions.

## 11. QUALITY

11.1 The gas to be received for storage services under this UPP shall have commercial value and comply with the quality specifications stated in the §ID. Should the quality specifications described in the §ID change, quality specifications that apply to this UPP shall also be considered as modified accordingly. The Storage Company shall have the right to refuse the gas which does not comply with §ID quality specifications.

11.2 Gas delivered to or on behalf of the Service Receiver by the Storage Company shall comply with quality specifications stated in the §ID.

11.3 A Delivery/Reception Amount and Quality Certificate shall be issued based on the quality control indexes identified daily in the measurement station, in line with Annex 2 of this UPP. This certificate shall be signed by the representative of the Storage Company and authorized representatives of the Transmission Company in the name of Service Receivers. Service Receivers shall reserve the right to have their representative during the time of recording.

11.4 Delivery/Reception Amount and Quality Certificate for the natural gas delivered shall be given the day after the delivery. Delivery/Reception Amount and Quality Certificate for natural gas delivered on holidays shall be given on the first working day following the date of delivery.

## 12. MEASUREMENTS AND TESTS

### 12.1 Reading the Meters

Meters shall be read collectively by the Storage Company and Transmission Company staff. Period of reading meters shall be determined by the parties. However, if Transmission Company representative fails to be present when meters are read, the Storage Company shall read the meters, and if there is no breakdown in the measurement system, amounts recorded in the meter's memory shall apply. Moreover, Service Receivers shall have the right to be present during the reading of meters.

## 12.2 Determining the amount of Natural Gas

12.2.1 Natural gas amount shall be measured by the Storage Company in line with ISO 5167 standard. Periodic calibration of all parts of the equipment measuring natural gas amount shall be made in line with national or international standards and regulations and authorized staff of the Transmission Company shall be present during this operation and the parties shall make a protocol to this end.

12.2.2 Parties may demand that the equipment shall be subject to calibration other than the periodic calibration. However, if no error is detected during such calibration, the party that demanded the calibration shall cover the expenses of such operation.

12.2.3 To measure the amount of natural gas, parallel measurement lines shall be established in the measurement station and both commercial and control measurement devices and flow computers shall be equipped through such lines. Measurement line shall always have back up and be available for auto switch based on flow.

12.2.4 Meter Pipe: Before installing a meter pipe or the plate of a diaphragm, representatives of the Transmission Company and Storage Company, shall measure the inner diameter of the meter pipe "D" and diaphragm diameter in the diaphragm plate "d" and check the characteristics of meter pipe and diaphragm plate. Control results of such measurements shall be recorded in a report to be signed by the related parties. Before activating a commercial meter and/or control meter, representatives of the Transmission Company and Storage Company, shall carry out an inspection in line with the instructions provided in this SSC.

12.2.5 Commercial Meters and Control Meters: Commercial and control measurement devices shall be connected to the orifice plate on the meter pipe. While doing this attention shall be paid to avoid any negative impact by the control measurement device on the operation of commercial measurement devices. To clearly distinguish commercial devices from control devices, they shall be labeled using numbers. Values yielded by commercial measurement devices shall be used to determine the amount of stored natural gas. Values yielded by control measurement devices shall be used for comparing those values yielded by commercial measurement devices. Values yielded by commercial meters and control meters on one day shall be compared the next day not less than once a day. Methods and operations to be used for comparing commercial and control meters and commissioning standby lines where necessary shall be determined as agreed by the Transmission Company and Storage Company.

12.2.6 Reliable Measurement Interval: Acceptable measurement errors of measurement devices, computer equipment and apparatus shall conform to accuracy tolerance values guarantee by the device manufacturer. Errors to be spotted during tests shall not exceed the following values.

For commercial measurement devices and control measurement devices:

Pressure Difference:  $\pm 0.25\%$

Pressure:  $\pm 0.25\%$

Temperature:  $\pm 0.5\text{ }^{\circ}\text{C}$

Higher Heating Value:  $\pm 0.25\%$

Density under Standard Conditions:  $\pm 0.2\%$

Density under Working Conditions  $\pm 0.2\%$

Flow Computer Error  $\pm 0.05\%$

#### 12.2.7 Inspection and Testing of Orifice Meter Systems

12.2.7.1 Visual inspection of meter pipes, orifice plates, devices sensing changes in pressure and pipelines, shall be carried out, once a year, as required by the Storage Service Contract.

12.2.7.2 Controls over commercial and control meters shall be carried out, in line with international standards and methods, not less than once a month.

12.2.7.3 In the event that a difference over acceptable limits stated in article 12.2.6 is spotted in calibration tests, the Storage Company shall be liable for eliminating the technical problems of measurement devices and instruments and re-adjustment thereof. If it is not possible to eliminate such errors on measurement devices and instruments, these devices and instruments shall be replaced with new ones.

12.2.7.4 Inspection and calibration shall be carried out by the Storage Company in the presence of Transmission Company representatives. Service Receiver representatives shall have the right to be present during inspection and calibration; however, nonattendance of a Service Receiver representative invited as per relevant procedures shall not prejudice the performing of a calibration.

12.2.7.5 Calibration and/or inspection results, errors spotted, steps followed with respect to the tests made shall be recorded in a report to be signed by Storage Company and Transmission Company representatives. If any error is spotted in measurement values yielded by a measurement device, values of this measurement device shall be corrected for the whole period that the error has been in effect and starting point for this period shall be considered as the time when the error occurred and the end point shall be considered as the time when the error was corrected or measurement was connected to the spare meter pipe. Correction shall be carried out to eliminate errors.

12.2.7.6 The Storage Company shall notify, in the shortest possible time, Transmission Company representatives of its intention to perform calibration on commercial and control meters. Calibrations performed shall be regulated under a report to be signed by Transmission Company and Storage Company representatives.

12.2.7.7 In addition to tests, precise measurements of orifice meter systems shall be performed by an authorized body once a year and documented in a report, all expenses shall be incurred by the Storage Company. A copy of this report shall be given to the Transmission Company and Service Receivers.

#### 12.2.8 Error and Deviation in Values

12.2.8.1 As described in article 12.2.7, if any error has been spotted to be over acceptable limits stated in article 12.2.6 during testing of one of the measurement devices on any one of meter pipes, it shall immediately be required to adjust this measurement device. If reading errors are not immediately corrected by adjusting the measurement device, meter pipe must be demounted and spare meter pipe shall be connected along with measurement devices pertaining thereto. Corrections to be made in the event of any measurement error spotted in any of the measurement devices shall be performed to cover the whole period when the error was in effect, to this end the start of this period shall be considered as the time when the error occurred and end of this period shall be the time when the error was corrected or measurement was connected to the spare meter pipe. Correction shall be carried out to eliminate errors.

12.2.8.2 If time of error occurrence cannot be determined or the parties cannot reach an agreement on the time of error occurrence, such correction (i.e. elimination of errors in value) shall be made to cover half of the period starting from the last calibration or testing date as described in article 12.2.7 until the time when error is corrected or measurement is connected to spare meter pipe (in any case without the going to the period before the Storage Year).

#### 12.2.9 Measurement of Natural Gas Amount

To carry out engineering calculations applied on the orifice plate and calculate the amount of gas passing through meter pipes, techniques described in ISO 5167 shall be utilized. Compressibility coefficient stated in ISO 5167 shall be calculated based on AGA-8 standard. Computer lists, graphics and reports concerning gas amounts shall be signed by Transmission Company and Storage Company representatives. Computer records and/or calculation results pertaining to the amounts shall be recorded in Delivery/Reception Amount and Quality Certificate.

#### 12.3 Record Keeping

All test data pertaining to measurement devices, graphics, Delivery/ Reception Amount and Quality Certificate and other similar records shall be kept for at least 5 (five) years.

#### 13. WEBSITE

13.1. The Storage Company shall designate a website to be used by any party including Service Receivers and potential Service Receivers, which shall also contain the Electronic Bulletin Table.

13.2. Service Receivers shall have passwords to access the information published on the Electronic Bulletin Table.

13.3 Information to be announced through the website shall cover the following:

- i. UPP,
- ii. The most recently licensed technical specifications of the Storage Facility,
- iii. Capacity Announcement for the Next Storage Year,
- iv. Idle Capacity Announcements,
- v. Capacity Demand Application Form,
- vi. UPP Amendment Proposal Form,
- vii. A model Storage Service Contract,
- viii. Other information and documents to be published as per the UPP.

13.4 Information to be published on the EBT shall include the following:

- i. Storage Capacity reserved on the basis of Service Receivers
- ii. Daily Capacities (Injection or Back Production),
- iii. Natural Gas Capacity stored for each Service Receiver in the storage for D-1,
- iv. Actual allocations for D-1,
- v. Gas calorific values for D-1,
- vi. OFO's,
- vii. Information on the maintenance program
- viii. Limitation and Cut-Off notices
- ix. Other information required for Service Receivers.

## 14. PRICING AND PAYMENT

Fees payable to the Storage Company shall be invoiced and paid as per article 14 hereby.

### 14.1 Pricing Items on Standard Services under SSC

When calculating the prices mentioned in this article, only the expenses related to the storage activity such as investment made to deliver the relevant services, operating costs, costs arising from internal use gas and pillow gas, and reasonable revenues shall be considered. Prices to be calculated based on the abovementioned costs shall be applied in line with principles of non-discrimination among equal parties and non-restriction of third party access. Storage fees shall be published on Storage Company website before the allocations period starts.

#### 14.1.1 Capacity Price

Capacity price shall be paid on a monthly basis in 12 installments. Monthly capacity price shall be 1/12 of the amount equal to the multiplication of Capacity Fee for the relevant month and the CSC contracted in SSC, and this shall be paid in advance at the beginning of every month without considering whether the Service Receiver has utilized the CSC. Monthly capacity price shall be invoiced within the first 5 (five) working days of the relevant month.

Provisions stated in the first paragraph of this sub-paragraph shall apply in respect of capacity price payments to be made for the idle capacity allocated before the storage year begins. However, Service Receivers demanding idle capacity within the Storage Year shall pay lump sum annual capacity price for the idle capacity based on the capacity fee that applied during the month when the SSC was signed.

#### 14.1.2 Injection Price

Injection Price shall be calculated monthly, using the following Formula through multiplying the injection amount of the Service Receiver by the injection fee applicable for the relevant month. Injection price shall be invoiced by the Storage Company within the first 5 (five) working days of the subsequent month.

$$IP = MIA \times IF$$

IP : Injection Price

IF : Injection Fee (to be calculated on Turkish Lira/ Sm<sup>3</sup>)

MIA: Monthly Injection Amount

#### 14.1.3 Back Production Price



Back Production Price shall be calculated using the following Formula, by multiplying the back production amount of the Service Receiver and the Back Production Fee that applies for the relevant month. Back Production Price shall be invoiced by the Storage Company within the first 5 (five) working days of the subsequent month.

$$\text{BPP} = \text{MBPA} \times \text{BPF}$$

BPP: Back Production Price

BPF: Back Production Fee (to be calculated on Turkish Lira/ Sm<sup>3</sup>)

MBPA: Monthly Back Production Amount

#### 14.1.4 Gas Swap Price

In the event of gas swap as per article 7.3 of this UPP, fees to apply for injection or back production amounts that are swapped shall be published by the Storage Company on its website before capacity allocation period starts.

#### 14.2 Service Cut-Off Price

In the event that services to be delivered by the Storage Company as per the UPP are not delivered or delivered inappropriately, the Storage Company shall pay relevant Service Receivers service cut-off price for the services which were not delivered or delivered inappropriately. Service cut-off price shall be calculated on the first day of the subsequent month by multiplying the amount of cut-off service in the relevant month and the service cut-off fee that apply to the relevant month.

#### 14.3 Invoice Content

In each invoice the following shall be stated.

- i. Identity of the Service Receiver,
- ii. Period covered by the invoice,
- iii. Prices set in article 14.1,
- iv. Service cut-off price stated in article 14.2,
- v. Reference number for invoice identification,
- vi. Information to be stated as per Turkish Code of Commerce (TCC) and Tax Procedure Law (TPL).

The Storage Company shall send to Service Receivers, detailed bill of costs for pricing attached to the invoice. Service cut-off price to be calculated as per article 14.2 may be deducted from the relevant amount to be calculated as per article 14.1.

#### 14.4 Payment

14.4.1 The Storage Company shall ensure that the Service Receiver receives the invoice within 10 (ten) days after the date of invoice. Service Receiver shall pay the Storage Company the total amount stated in the invoice sent by the Storage Company, within 18 (eighteen) days following the date of invoice (date of invoice included) (if the deadline for payment is an official holiday, it is the first working day after the official holiday).

14.4.2 Amounts to be calculated in Turkish Liras under this UPP shall be deposited to the bank account of the Storage Company stated in the SSC.

14.4.3 Amounts to be paid as per this UPP shall be independent and free from any limitation, term or condition. The Service Receiver shall not make any deductions from the payable amount under the name of compensation, set off or whatsoever. Organizations that carry out the payment processing of the Service Provider shall not make deductions from the payable amount.

#### 14.5 Tax

14.5.1 The invoice shall include all taxes in force which must be stated on a relevant invoice concerning all items of goods and services comprising the invoice.

14.5.2 Unless otherwise required by the relevant legislation, amounts pertaining to invoices payable as per this UPP shall be paid to the Storage Company without any tax cuts or withholding.

14.5.3 All taxes, duties and levies arising from the SSC to be signed under this UPP shall be paid by the Service Receiver.

#### 14.6 Unpaid Invoices

14.6.1 If the Service Receiver fails to pay the amounts due until the deadline stated in article 14.4, interest will be applied on the overdue liability. Interest amount shall be calculated starting from the due date of payment and the date when the payment was made, based on the interest rate and procedures stated in Law no 6183 on Procedure of Collection of Public Debts, article 51, paragraph 1.

14.6.2 If the Service Receiver fails to make the payment within 30 (thirty) days after the due date of payment, the Storage Company, during the 21 (twentyone) days of notice which shall be provided to the Service Receiver subsequent to the completion of this 30 (thirty)-day period, may suspend liabilities and responsibilities of the Storage Company to the Service Receiver as per the relevant SSC. The Storage Company shall not be liable for any direct or indirect harm caused to the Service Receiver or any other third party due to suspension.

14.6.3 If the Service Receiver fails to pay the principal amount and interest claimed through the notice stated in article 14.6.2, the Storage Company shall have the right to immediately annul the SSC of the Service Receiver as per article 3.6.2 and register the performance bond as revenue. No claims shall be placed by the Service Receiver to the Storage Company due to such annulment.

#### 14.7 Dispute

14.7.1 In the event of any problem or dispute with respect to the calculation of any invoice amount payable by the Service Receiver or payment of such amount (whether to pay or not), the Service Receiver shall notify the Storage Company about this problem or dispute and within 8 (eight) days following the reception of the problem or disputed invoice by the Service Receiver, grounds for disputed invoice amount shall be notified to the Storage Company in detail with accompanying objections; however, in any case, the Service Receiver shall fully and completely pay the amount in the disputed invoice as per the provisions stated in section 14 hereby.

14.7.2 After the dispute is settled, if any debt or receivable incurs for the Service Receiver or Storage Company, this amount shall be sent to the other party on a separate invoice. This invoice shall be paid within 7 (seven) working days subsequent to the reception of the invoice by the parties.

14.7.3 The Authority shall take necessary measures provided that the Storage Company violates, through its practices, the principles of non-discrimination among equal parties or non-restriction of third party access.

### 15. FORCE MAJEURE

#### 15.1 Conditions to be considered as Force Majeure

15.1.1 Force majeure shall refer to an incident or situation which occurs without the fault of the party affected by such incident, which cannot be anticipated and prevented by the affected party although that party has shown due diligence, and which renders impossible, partially or completely, the fulfillment of the liabilities of the affected party arising out of this UPP. The force majeure shall not be relied upon as the basis for the fulfillment of debt payment.

15.1.2 Force majeure shall include but not be limited to the following pursuant to the conditions provided for in the subparagraph 15.1.1,

- i. natural disasters such as nuclear radiation or contamination, earthquake, flood, lightning, landslide, and epidemic diseases,

- ii. war and terrorist acts, piracy,
- iii. actions or measures taken by a military authority or civil actions concerning the storage facility, or the embargo,
- iv. legal terms, court rulings, administrative decisions, decisions, regulations and restrictions of authorized bodies and authorities, which might influence the operationing of the Storage Facility,
- v. Fire, explosion, sabotage, gas or liquid leakage outside normal operating conditions in the Storage Facilities,
- vi. Strike, lock-out within the Storage Facility,
- vii. Power cut in the Storage Facility,
- viii. Archeological or historical remnants,
- ix. Requirement of urgent maintenance and repair in the Storage Facility,

15.2 Provided that the parties affected by the force majeure cannot fulfill their liabilities set forth in this UPP and SSC completely or partially due to the force majeure, the liabilities of parties shall be suspended until the respective force majeure is eliminated.

15.3 The Force Majeure shall not remove the responsibility or liability of the parties to send a notification pursuant to the UPP.

15.4 The Storage Company shall not pay any compensation due to the service cut-off caused by the force majeure.

15.5 The party affected by the force majeure shall notify the other parties about the situation as soon as possible, via the website, telephone, fax or e-mail. Other parties shall be notified in writing maximum on the next working day. The affected party shall inform the other party about all the details of the force majeure, its estimated impacts, its possible scope and duration of the suspension, which measures can be taken in order to overcome the force majeure and how to return to the regular operations. The possible duration of suspension and scope of the force majeure identified in such notification shall not be binding and obligatory but shall be intended for informative purposes only.

15.6 The parties shall determine the possible date to return to the regular operations by taking account of such notifications and this date shall be updated during the force majeure.

15.7 The parties shall take all the reasonable measures in order to return to performing the ordinary operations following the occurrence of a force majeure, and they shall undertake reasonable efforts to overcome the impacts of force majeure as soon as possible.

15.8 Force Majeure Dispute: Provided that the party not affected by the force majeure raise an objection that the incident notified by the other party does not constitute a force majeure, that party shall send his/her objection in writing to the affected party within 10 (ten) working days following the receipt of the written notice and s/he shall be deemed to have waived from her/his right to objection unless s/he sends such objection. Provided that the non-affected party duly sends the objection mentioned above to the affected party, the parties shall initiate negotiations in order to settle the dispute in good faith within 30 (Thirty) Days. In the event that the parties cannot settle the dispute by means of negotiations, the dispute shall be settled pursuant to the dispute settlement procedure set forth in the section 17 of this UPP.

## 16. PLANNED MAINTENANCE

### 16.1 Maintenance Planning

16.1.1 The Service Receiver shall submit to the Storage Company the information required for the preparations, schedule and implementation of the planned maintenance to be performed by the Storage Company, as soon as possible.

16.1.2 The Storage Company shall submit the maintenance schedule prepared for each Storage Year to the Service Receiver prior to the relevant Storage Year. The maintenance schedule shall indicate the services to be influenced by the planned maintenance as well as the duration of maintenance, if possible.

### 16.2 Maintenance Timetable

16.2.1 The Storage Company shall determine the maintenance plan of the Storage Year in consultation with Service Receivers, in March and October in the preceding Storage Year.

16.2.2 The Storage Company shall publish the maintenance schedule of each Storage Year on EBT by February 1<sup>st</sup> in the preceding Storage Year.

16.2.3 In the event that unanticipated circumstances occur, the Storage Company may modify the content, periods, dates, duration of maintenance identified in the maintenance schedule on condition that it notifies the affected Service Receivers minimum 15 (fifteen) Days in advance.

16.3 Provided that the service capacity of the Storage Facility decreases due to the maintenance caused by the planned maintenance or force majeure, the liabilities of the Storage Company to inject the gas, maintain the gas in the reservoirs and back produce the gas shall be cancelled pursuant to the UPP and SSC. The Storage Company shall reduce the services due to the maintenance fairly, explicitly (subject to the relevant confidentiality liabilities) and without any discrimination for the Service Receivers directly affected by the maintenance.

16.4 Maintenance Period: The scheduled maintenance within a Storage Year shall be limited to maximum 30 (thirty) days in total. TPAO shall take necessary measures to avoid scheduled maintenance on injection preparation period and back production preparation period.

16.5 In the event that unanticipated circumstances occur, TPAO shall have the right to perform an unscheduled maintenance deemed to be necessary for the operation of the Storage Facilities in addition to the scheduled maintenance provided that it informs the Service Receivers as soon as possible. Service Receivers shall be notified of such maintenance.

16.6 The payment liabilities of the Service Receiver regarding the capacity reservation shall continue during the maintenance.

## 17. DISPUTE SETTLEMENT and TERMINATION OF STORAGE SERVICE CONTRACT

17.1 The disputes arising between the Storage Company and Service Receiver with respect to,  
i) Capacity, Program and Allocations  
ii) Limitation and Cut-Off, OFO arising from the implementation of UPP

shall be settled by the EMRB and Board decisions shall be binding on the parties. Legal Action that might be taken by parties against Board Decisions shall be referred to the State Council as the first instance court.

17.2 The procedure for settlement of disputes which might arise due to the UPP and SSC relating to the matters other than the ones set forth in the Article 17.1 shall be regulated under the SSC.

17.3 In case of disputes, the records of the TPAO, the minutes and reports prepared, the invoices issued shall constitute the definitive evidence for the parties.

## 18. PROVISIONS TO APPLY IN CASE OF SSC TERMINATION

18.1 In the event of SSC termination, TPAO and the Service Receiver whose SSC has been terminated shall act jointly to prepare a back production program to ensure that the Service Receiver's gas available in the storage on the date of termination will be withdrawn from the Facility as soon as possible. TPAO shall deliver the remaining gas to the Service Receiver whose SSC has been terminated, in line with the program.

18.2 If TPAO and the Service Receiver whose SSC has been terminated cannot reach an agreement on the back production program for the remaining gas, TPAO shall develop a program to deliver the relevant amount to the Service Receiver whose SSC has been terminated, as soon as possible.

18.3 Without prejudice to reasons due to the facility operating conditions or force majeure, if the Service Receiver whose SSC has been terminated fails to act in line with the back

production program developed by TPAO and to withdraw the gas in time, TPAO shall have the following rights concerning the gas that remains in storage:

18.3.1 TPAO shall acquire the right of disposal on the relevant amount, free from all types of exception and objection. Based on the relevant provision it shall add to the SSC, TPAO shall have the right to sell the relevant amount of gas in the name and on behalf of the Service Receiver.

18.3.2 Financial liabilities that incurred for natural gas storage or failure to back produce the gas in time until the day when TPAO receives the right of disposal shall be covered through the amount obtained by the sale.

18.3.3 In the event that the total amount obtained through sale fails to cover the financial liabilities referred to in article 18.3.2; the amount which cannot be covered shall be collected through liquidating the performance bond submitted by the Service Receiver during the signing of SSC.

18.3.4 If there is any Money left from the sales revenue after the abovementioned deductions, the remaining balance shall be delivered to the Service Receiver.

18.3.5 In the event that TPAO does not or cannot sell the relevant gas, it shall reserve the right, in coordination with the Transmission Company, to deliver the gas to the Transmission Company in the name and on behalf of the Service Receiver, decide for gas transport and cover costs of balance through liquidating the performance bond.

18.3.6 In addition to the procedures set forth above, other damage that might occur on TPAO side shall be covered by the Service Receiver and the revenue generated shall be paid to the Service Receiver whose SSC has been terminated after deducting the expenses.

18.4 The period provided for the Service Receiver whose SSC has been terminated to back produce his/her gas remaining in the storage facility shall be extended one day per each day which did not allow for back production due to facility operating conditions and force majeure.

18.5 If there is any conflict among the stored gas records kept by the Service Receiver whose SSC has been terminated and the records of TPAO, records of TPAO shall prevail, and these records shall be taken as a basis for the subsequent procedures. Parties shall resort to reconciliation within 15 days following the termination of SSC, if parties fail to re-conciliate within the abovementioned period, provisions of article 17.2 on “Dispute Settlement” shall apply.

## 19. CONFIDENTIALITY

### 19.1 Confidential Information

The term “confidential information” shall refer to the commercial information and documents of the Service Receiver obtained by the Storage Company, and to the commercial information and documents of the Storage Company or of another Service Receiver obtained by the Service Receiver during the time of the UPP and SSC. The information owned by the public, already known by the public and published by the Storage Company in its website pursuant to the UPP shall not constitute confidential information.

## 19.2 Disclosure

19.2.1 Confidential information shall not be disclosed to any person without the written consent of the other party, excluding:

- i. EMRA and Competition Authority due to the inspections and investigations they will conduct,
- ii. the person authorized to represent and bind the TPAO or Service Receiver,
- iii. bank or financial institution that the TPAO or Service Receiver applies for their financial assistance or receive their financial assistance,
- iv. a governmental authority or institution due to the requirement of a law,
- v. Any judicial authority

19.2.2 Provided that the TPAO or Service Receiver discloses the confidential information to a third party other than the ones specified in the bullets (i), (iv) and (v) set forth in the subparagraph 19.2.1 above, s/he shall make it prerequisite for the third parties to guarantee that they will not disclose such information to other persons without his/her consent.

## 19.3 Continuity

The provisions set forth in this Article 19 shall continue to be binding on the Storage Company and Service Receiver during the term of SSC and for the following five years.

## 19.4 Data Property

19.4.1 Being subject to the provisions set forth in the Article 19, any data processed, recorded or maintained in miscellaneous systems of the Storage Facilities shall belong to the Storage Company and the Storage Company may use such data in a way it deems appropriate in order to deliver the storage service.

19.4.2 When a Service Receiver presents data to TPAO, it shall agree that it has permitted the utilization, copying and any kind of processing of that data for the execution of SSC and UPP and for other purposes specified in UPP without claiming any copyrights and without any restrictions.



19.4.3 Provided that TPAO communicates or make available certain data to the Service Receiver, the Service Receiver shall have the right to use such data free of charge for the execution of UPP and for other purposes set forth in UPP.

#### 19.5 Sanctions

If any party fails to comply with confidentiality provisions, the party spotting the breach shall notify it to the EMRA. Right to take action against the other party shall be reserved.

### 20. AMENDMENT ON UPP

20.1. The relevant sections of the UPP Amendment Proposal Form to be published by TPAO on its website shall be filled out by the party proposing the amendment and be submitted to TPAO between March 1<sup>st</sup> and March 15<sup>th</sup> in line with the following:

- i) Amendment shall be proposed in writing;
- ii) A separate form shall be filled in for each and every section/article/paragraph/sub-paragraph which is proposed for amendment;
- iii) The party proposing the amendment (except TPAO) shall appoint someone as its representative concerning the amendment proposed; On conditions required TPAO may call this person to its office for consultation on relevant matters;
- iv) In the amendment proposal, the structure and the purpose of amendment shall be explained in detail.

20.2 Amendment proposals which fail to comply with the abovementioned sub-paragraph shall not be taken into consideration by TPAO.

20.3 Amendment proposals submitted by Service Receivers in line with the abovementioned paragraph, opinion of TPAO on the relevant proposals and other opinions of TPAO shall be published on TPAO website between 1-30 April.

20.4 Other parties shall submit their opinions on the amendment proposals until the last day of publication for the amendment proposals (30 April) in line with the following:

- i. Opinions shall be submitted in writing;
- ii. Separate opinion shall be submitted for each and every amendment proposal.

Opinions which fail to comply with the abovementioned paragraph shall not be taken into consideration by TPAO.

20.5 TPAO shall assess amendment proposals and notify EMRA by June 1<sup>st</sup> about its assessment related to the amendments on the UPP it deems appropriate or the proposed amendments on UPP as well as the amendments required to be made due to the relevant legislation. The applications and notifications to be submitted by TPAO to EMRA shall also include the relevant amendment proposal as well as the opinions of the other parties related to such proposals (the filled-in UPP Amendment Proposal Form).

20.6 In the event that it is urgent to make amendments due to amendments on the relevant legislation which are deemed by the Storage Company as urgent issues to be put on the agenda or according to the assessment of the Authority, EMRA may amend UPP.

20.7 Any party that is capable of proposing amendments on the UPP, may submit to EMRA the amendment proposals that it considers as urgent for UPP, through means other than what is provided in section 20.

## 21. OTHER PROVISIONS

21.1 SSCs shall be executed and interpreted in compliance with the relevant legislation.

21.2 SSCs shall not create any rights for the third parties.

21.3 Unless otherwise required by any SSCs, all kinds of claims, requests, notifications or invoice notice envisaged shall be in writing. When such letters are sent to the mail address specified in the relevant SSC via registered mail, it shall be deemed to have been duly notified. The notifications related to the programs and correspondences may be sent by means of fax or electronic mail. The notifications submitted by hand in return for the signature of the authorized representative of the Service Receiver shall be deemed to have been notified in due form. The changes in the addresses of the parties specified in the SSC shall be notified by the relevant party to the other party in writing within 10 (ten) working days. Unless such change is notified within this period of time, the notification sent to the address specified in the SSC shall be deemed to have been sent in due form.

21.4 Any of the provisions set forth in this UPP shall not grant any rights or claims to the Customer of the Service Receiver, which they can put forward against the Storage Company, and shall not be interpreted in this way.

21.5 The Service Receiver shall not transfer its rights arising out of the SSC and UPP without obtaining the written consent of the Storage Company and without providing financial guarantees requested by the Storage Company.

21.6 Any responsibility and liability, which is not provided under this UPP, shall be regulated under the SSC in line with the relevant legislation.