

# OPERATING NOTE N° 4/2018 (initial)- 15<sup>th</sup> march

## Exceptional alternative mechanism for constitution of strategic character reserves for campaign 2018-2019

The deadline to set up strategic reservations in UGS is April 15<sup>th</sup>. Derived from the demand increase during 2017 and the increase in market share, there are 20 users who have seen their strategic reserve obligations increased in the 2018-2019 campaign.

From April 1<sup>st</sup>, 2018, in compliance with the Resolution of March 30<sup>th</sup>, 2017 of the SEE, which establishes the procedure for allocation of basic underground storage capacity, as well as injection and extraction rights, begins the new model for allocation of injection and extraction rights.

With the cited increase in strategic reserves and with the new injection rights allocation model, it is possible that those corresponding to several of these users are insufficient so that, through their own means of injection, they can constitute their strategic reserves at 15<sup>th</sup> April, thus fulfilling its obligations.

To facilitate that users can comply with the aforementioned obligations, in the period between April 1<sup>st</sup> and April 15<sup>th</sup>, an alternative and exceptional mechanism will be enabled for those users whose contracted capacity grants them insufficient rights for the constitution of these strategic nature stocks with its own means of injection.

Through this mechanism, these users will have an exceptional additional alternative injection capacity so that, if they so require, they can constitute the strategic stocks of the new campaign.

The daily alternative additional exceptional capacity of each user will be calculated as follows:

$$\text{Exceptional Dayly Iny. Cap.} = \frac{\text{Strategic Stocks}_{18-19} - [\text{UGS Stocks}_{03/31/18} + (\text{Dayly allocated rights}) \cdot 15]}{15}$$

Between March 21<sup>st</sup> and March 31<sup>st</sup>, as a continuation of this operating note, the total capacity contracted will be published in order to provide users with the calculation of their injection rights. Additionally, each user affected by this mechanism will be informed of the strategic exceptional stock, the exceptional daily additional capacity available according to the formula given in this note.