

Information for applicants

Auction for the reservation of firm storage capacity to be held on 10th November 2016

Company MND Gas Storage a.s. provides the following supplemental information to all potential bidders in the auction for the reservation of the storage capacity to be held on 10th November 2016.

I. Financial eligibility

Pursuant to Part II., Article 1, letters b) & c) of the Code of the gas storage operator, each applicant must submit an affirmation regarding its preparedness to meet financial eligibility criteria in case the storage agreement is to be concluded (a sample affirmation forms a part of overall documentation of the auction). Such affirmation must be submitted by each applicant by the end of the registration period for the auction.

In case an applicant is successful, ie. it is awarded storage capacity reservation, company MND Gas Storage a.s. will invite such applicant to submit documents that substantiate meeting of financial eligibility criteria – such documents are described in Annex No. 1 of the Code of the gas storage operator MND Gas Storage a.s. ([available online](#)). Unless such documents are provided, storage agreement may not be concluded nor the security deposit returned.

Further, as the storage price computation formula operates with indexes the value of which would be known only after the storage contract is concluded, company MND Gas Storage a.s. declares that for the computation of the “CE (credit exposure)” parameter of the financial eligibility criteria, an index of “winter bid minus summer offer” as announced in Heren European Spot Gas Markets / Germany / NCG / Price Assessment (ICIS) multiplied by exchange rate announced by the Czech National Bank, both valid for the (first) day of the auction, minus six Czech crowns fifty halers shall be decisive.

II. Further details on the auction

Company MND Gas Storage a.s. would like to remind to its applicants, especially foreign ones, that except for the Auction conditions and the Code of the gas storage operator, Regulation No. 349/2015 Coll. on the Gas market rules applies and sets the basic legal borders of the auction.

Currently, unofficial English translation of the Gas market rules is available from the webpages of the Czech Energy Regulatory Office ([available online](#) - though the only official and decisive language version shall be the one published in the official Czech law gazette).

Company MND Gas Storage a.s. strongly recommends to all applicants to familiarize themselves with the respective rules (especially Articles 51-53) as these will be decisive for the auction itself. As an example, applicants should pay attention to Article 52, Section 2, which states a cap on applicant's bid based on its bid in the previous auction round.

Based on transparency and non-discrimination principles, company MND Gas Storage a.s. will provide necessary assistance to all applicants, especially regarding the interpretation of the auction conditions and connected documents. If necessary, please contact our key personnel as stated in the general announcement of the auction.