

Buenos Aires, November 7, 1994

PURSUANT TO Law 24076, Resolution ENARGAS 41/93, and,

WHEREAS:

The mechanisms for safety and quality inspection are to be carried out for qualifying and controlling Refueling Stations of Compressed Natural Gas (CNG) to be used in motor vehicles.

The regulatory authority implies the responsibility of establishing a regulatory framework for guaranteeing quality and safety of supplied service.

The Distribution Licensees are primarily in charge of controlling quality and safety on CNG Refueling Stations (Transfer Agreements, Annex XXVII) and of periodically inspecting their Clients' installations so as to guarantee compliance of Regulation of Service General and Special Conditions of Service (Sec. 13, Subsection f).

Refueling Stations are to be efficiently controlled for complying with safety standards.

Compliance of this regulation shall be demanded to all CNG System Responsible Persons.

System Responsible Persons are obliged to comply with the legal and technical regulations in force as regards gas refueling; therefore, CNG Refueling Stations must be covered by an insurance against liabilities to third parties.

Refueling Stations must be controlled and monitored, anomalies in service rendering must be detected and corrective actions implemented, and their procedures guaranteed.

It is recommended to systematize the Centralized IT Registry of CNG Refueling Stations.

It is necessary to repeal the provisions stated by this Authority in this regard within Resolution ENARGAS Nr. 41/93, by incorporating its stipulations in this general standard.

The ENTE NACIONAL REGULADOR DEL GAS is empowered to issue this Resolution as regards the stipulations of Sections 2, subsection c), 21 and 52, subsection b), of Law 24076.

THEREFORE:

THE ENTE NACIONAL REGULADOR DEL GAS BOARD OF DIRECTORS RESOLVES:

SECTION 1: Mechanisms for safety and quality inspection to be carried out for qualifying Compressed Natural Gas (CNG) Refueling Stations by Gas Distribution Licensees are approved all in accordance with Annexes I and II.

SECTION 2: Resolution ENARGAS Nr. 41/93 (Official Bulletin 01.06.94) is hereby repealed.

SECTION 3: In those territories in which Licenses, Concessions or Permits by virtue of Law 24076 were not granted, Licensees tasks stated in this Resolution related to CNG Refueling Stations shall be performed by the ENTE NACIONAL REGULADOR DEL GAS or any person appointed by it.

SECTION 4: This Resolution shall be in force as of the next day of its publication.

SECTION 5: Communicate, deliver to the NATIONAL BUREAU OF OFFICIAL REGISTRY, publish and file it.

RESOLUTION ENARGAS Nr. 93.

[Signed by Raul E. García, President. Ente Nacional Regulador del Gas and Gilberto E. Oviedo, Director. Ente Nacional Regulador del Gas]

ANNEX I
REGULATIONS FOR CNG REFUELING STATIONS

- 1) In this Resolution, “RDS” or “CNG System Responsible Persons” mean: CNG Refueling Stations and Distribution Licensees.
- 2) Distribution Licensees shall take all the necessary measures to ensure compliance of the applicable standards in force or any future standard issued by the ENTE NACIONAL REGULADOR DEL GAS, and shall perform the control and surveillance tasks implied by this Resolution; otherwise, the penalties foreseen in Annex X of License Basic Rules shall apply.
- 3) ENARGAS or anyone appointed by it shall audit RDS, either according to a schedule or not, so as to verify compliance of the regulations in force.
- 4) Licensees shall inspect CNG Refueling Stations so as to verify compliance with the regulations in force and shall record the information compiled in an Inspection Record – which shall be the basis for future proceedings or file -, keeping evidence on the Refueling Station News Book.
- 5) Each Inspection Record shall be drafted in triplicate, including:
 - Place and date
 - Name of inspected RDS
 - Owner and/or responsible person name, if applicable
 - Details of inspected issues.
 - Signature and type or print name of the owner and/or legal representative and/or responsible person.
 - Inspector’s signature and seal.
- 6) Licensee shall deliver the original Inspection Record to the Centralized IT Registry (hereinafter “RIC”), filing a copy and delivering the other copy to the audited Refueling Station. The lists of all the inspections carried out in a month shall be delivered to the RIC on a monthly basis.
- 7) In case of violation to the regulations in force, the responsible Distributor shall attribute the detected failure to the Refueling Station and shall grant it a FORTY EIGHT (48) hour-term so as to present its defense and demand regulation compliance. If it corresponds, Licensee shall apply the penalty deemed reasonable, and shall inform the Refueling Station that it may resort to this Regulatory Authority within TEN (10) days as of notice. Licensee shall inform all the issue to the ENARGAS within FIVE (5) days of the occurrence.
- 8) If the anomaly poses a current or future risk on public safety, Distributors are empowered to order preventive closures and inform the situation to ENARGAS within TWENTY FOUR (24) hours as of the anomaly detection.

9) According to the anomaly severity, the penalties deemed reasonable shall be applied and they shall include the following:

9.1) FINES: From one thousand Argentine pesos (AR\$ 1,000) up to one hundred thousand Argentine pesos (AR\$ 100,000) according to the failure seriousness. If the regulatory Authority or anyone appointed by it or the Gas Distribution Licensee requires information within a certain term and it is not provided or else, it is not correctly provided, fines from fifty Argentine pesos (AR\$ 50) to five hundred Argentine pesos (AR\$ 500) shall be applied per each delayed day. Fines amounts shall be deposited in any account duly determined by the ENTE NACIONAL REGULADOR DEL GAS.

9.2) QUALIFICATION WITHDRAWAL: One (1) to three (3) months, when the Refueling Station makes two or more severe violations within a one year term.

9.3) DISQUALIFICATION: Final, when fraud or incapacity for complying with the usual responsibilities related to the activity is detected and/or when the Refueling Station has been withdrawn more than three (3) times.

Qualification withdrawal and/or disqualification shall be applied by ENARGAS at Licensees' request.

10) Violations shall be considered formal and shall disregard fraud or negligence of Refueling Stations and/or those persons represented by them, except otherwise stated.

11) Penalty enforced in the main administrative office shall constitute a background to consider when incurring in the same infraction.

12) Regardless of the penalties application, the Refueling Stations shall have to compensate for damages and it shall not prevent the Control Authority from initiating proceedings for the fulfillment of those obligations and of any other legal obligation that may correspond.

13) CNG Refueling Stations shall be covered by an insurance against liabilities to third parties which shall obligatorily inspect the risk, before renewing the policy; not implying any limitation as regards their obligations.

ANNEX II

- 1) Qualify the Centralized IT Registry (RIC) for registering data specified in points 2 and 3 of CNG Refueling Stations within the scope of the ENTE NACIONAL REGULADOR DEL GAS (ENARGAS).
- 2) Within THIRTY (30) days as of the date in which this resolution is enforced, Distributors shall deliver the following data to the RIC: trade name, holder, address (street, number, locality, province, zip code), telephone, fax, technical representative, license, flag, station type, qualification date, compressors make, type and number, compression nominal flow, compressors driving motors, storage type, storage cylinders make and expiration, dispensers model and serial number and hose number.
- 3) Each month, not later than the TENTH (10) day, Licensees shall deliver to ENARGAS in a magnetic device prepared to that effect, the information about the Refueling Stations covering the previous month. Such information shall include incorporations, removals, modifications and dates of inspections carried out and shall be entered into the RIC for analysis.