

PURSUANT TO File Nr. 7549 of ENTE NACIONAL REGULADOR DEL GAS (ENARGAS) Records, Law 24076, Resolution ENARGAS Nr. 138/95, Resolution ENARGAS Nr. 139/95, Resolution ENARGAS Nr. 2603/02, and

WHEREAS:

On May 23, 2002, this Regulatory Authority announced Resolution ENARGAS Nr. 2603 enforcing review of the procedure duly approved by Resolution ENARGAS Nr. 139/95 for conversion, annual inspection, modification, dismounting, withdrawal or reinstallation of Compressed Natural Gas (CNG) fuel system in motor vehicles.

With the aim of assessing the results of this review application, a working meeting with CÁMARA ARGENTINA DEL GAS NATURAL COMPRIMIDO was coordinated and held at the headquarters of this Entity on October 2, 2002.

During said meeting, different supplementary measures for consolidating Resolution ENARGAS Nr. 2603 objectives were analyzed, mainly the measures intended to end with unlawful and illegal activities; therefore, the inclusion into ENARGAS website of information regarding new elements for CNG conversion before their launching into the market and after their approval was considered useful.

On October 3, 2002, CÁMARA ARGENTINA DEL GAS NATURAL COMPRIMIDO submitted a note stating the inconveniences for the implementation of Resolution ENARGAS Nr. 2603 due to unlawful acts of forging or falsification of data engraved in the cylinders, directly or indirectly associated to falsification of public documents as in the case of the sticker.

In that note, CÁMARA ARGENTINA DEL GAS NATURAL COMPRIMIDO stated that it would be adequate to use some fields of the cylinder manufacturers and importers forms to enter computerized data kept on their data bases allowing individuals or legal entities involved in the system to query it upon cylinders qualification.

CÁMARA ARGENTINA DEL GAS NATURAL COMPRIMIDO also highlights the importance of incorporating into the CNG IT Centralized System (SICGNC), a database of the CNG fuel system national or foreign components so as to allow their traceability and identification, thus enabling cross reference of the information available in the SICGNC.

For that purpose, it recommended that the Certification Organizations recognized by ENARGAS should enter that data in said database, therefore it would be useful to qualify them by lots or batches.

At present, CNG cylinders are approved by lots, and it is possible to enter into a database all cylinders which before their launching were qualified by the Certification Organization and those for which the manufacturer, importer or said Organization has reliable data about their approval before enforcement of this Resolution so as to increase the resources of the system.

Besides cylinders, the CNG pressure regulator is the other element that up to date enables adequate data traceability and therefore, it is necessary to implement its approval by lots before launching it into the market.

Testing included in the procedure developed for lot qualification is considered in Standards GE-N1-115 and GE-N1-117; thus, there is no change in the standards because no requirement of the application document is added or changed.

Non-destructive examinations were selected, so tested elements may be used in case tests results are satisfactory.

Lot qualification and publication of the CNG fuel system components serial numbers in the website would be a useful tool to mitigate forgery acts that affect the CNG system and to improve production controls and traceability of those components.

That measure would mark the difference between new and used elements; thus, making duplication of their serial numbers more difficult. Duplication is an issue of present concern. This measure will enable a better differentiation of already installed elements.

In this way, reliable statistical data would also be obtained and would provide more accuracy regarding the amount of new installations; thus facilitating the task of the Administración Federal de Ingresos Públicos (AFIP) (Federal Administration of Public Revenue).

The Team of Managers from different institutions appointed in the proceedings expressed its decision in their Report GD/GAL/ASI Nr. 79/2002.

The ENTE NACIONAL REGULADOR DEL GAS has the power to issue this Resolution based on the stipulations of Section 42 of the National Constitution and of Section 52, subsections a), b) and x) of Law 24076.

Therefore;

THE ENTE NACIONAL REGULADOR DEL GAS BOARD OF DIRECTORS

RESOLVES:

Section 1 – CNG cylinders qualified TWENTY (20) days as of the enforcement of this Resolution will not be launched into the market until the pertinent Certification Organization enters them into the item “Qualified new components” of ENARGAS website, as stated in the Qualification Record according to model 2 of the Annex.

Section 2 – Manufacturers and importers of CNG pressure regulators must submit their products for lot or batch approval according to the procedure set forth in the Annex, not later than FORTY FIVE (45) days as of the enforcement of this Resolution.

Section 3 – Pressure regulators qualified according to Section 2 will not be launched into the market until the pertinent Certification Organization enters them into the item “Qualified new components” of ENARGAS website as stated in the Qualification Record according to model 1.

Section 4 – Manufacturers and importers of the following elements must submit their products for lot approval according to the procedure set forth in the Annex, not later than ONE HUNDRED AND EIGHTY (180) days as of the enforcement of this Resolution.

- ◆ Fastening devices for cylinders.
- ◆ CNG solenoid valve.
- ◆ Gasoline solenoid valve.
- ◆ High pressure steel piping.
- ◆ Fuel valve.
- ◆ Cylinder manual lock up valve.
- ◆ Pressure gauge.

Section 5 – For each of the abovementioned elements, Certification Organizations must submit for ENARGAS consideration within sixty (60) days, a procedure addressing the stipulations of items 3. and 4. of the Annex, taking into account the respective applicable document and applying the same criteria for sampling.

Section 6 – Manufacturers, importers and Certification Organizations having reliable data about cylinder lots approval previous to the Resolution enforcement must enter

that information through the Certification Organization into the ENARGAS database, not later than TWENTY (20) days as of the enforcement of this Resolution.

Section 7 – In case of a conversion or new component installation, CNG Fuel System Suppliers must query the SICGNC to verify they are not installed or included in its IDI (incongruence, discontinuities or inconsistencies) record and that they are registered with the corresponding serial number under the item “Qualified new components”.

Section 8 – As regards fuel system cylinders, CNG Fuel System Suppliers must follow a procedure similar to the one specified in Section 7 in case of a reinstallation, based on data entered according to the specifications of Section 6.

Section 9 – Not later than TEN (10) days as of the enforcement of this Resolution, cylinders and regulators manufacturers and importers must submit for each homologated code, the exact format used for marking the serial number, specifying the number of digits and the numerical, alphabetical and symbol characters, explaining their meaning and providing an example for a better understanding.

Section 10 – Communicate, publish, deliver to the National Bureau of Official Registry, and file.

RESOLUTION ENARGAS Nr. 2760

ANNEX

1. The manufacturer or importer will request the CERTIFICATION ORGANIZATION, the approval of batches which may include several lots of continuous production units and with correlative serial numbers so as to ensure components traceability.
2. The CERTIFICATION ORGANIZATION must verify documentation supporting the technical suitability of materials used, according to the applicable standards, such as: ferrous elements anticorrosive protection, non-metal materials resistance to hydrocarbons, among others.
3. Based on the results obtained in item 2, the following must be done:
 - 3.1. In case of satisfactory verification of documentation, a sample will be taken per each five hundred (500) units or fraction to make at least the following checks:
 - Dimensional control in respect of the approved model.
 - Thread control.
 - Operational control of solenoid valves at extreme stresses.
 - Interstage pressure control.
 - Leakage control.
 - Relief valves opening control.
 - Marking control.

The CERTIFICATION ORGANIZATION will be able to incorporate, at its own discretion, other tests required for lot approval, in accordance with the approved model.

If results are not satisfactory for any of the previous items, the complete lot must be refused.
 - 3.2. If documentation verification is not satisfactory, the lot will be disqualified.
4. For each lot approval and only when it is for the national market, the CERTIFICATION ORGANIZATION must prepare a record based on model 1, including at least the items stated therein.
5. The CERTIFICATION ORGANIZATION must enter into the ENARGAS website “Qualified New Components” field, the pertinent data included in the abovementioned record, not later than FORTY EIGHT (48) hours after qualification.

Model 1

QUALIFICATION RECORD FOR REGULATORS

Place and Date:

Certification Organization:

Type of component: CNG pressure regulators

Make:

Model:

Homologation code:

Flow:

Quantity of stages.

Type: Suction/Electronic

Manufacturer/Importer:

Number of RMH (Registry of Qualification Licenses) license:

Amount of regulators in the lot:

Date of qualification:

Qualified serial numbers:

**SIGNATURE OF
CERTIFICATION ORGANIZATION**

**SIGNATURE OF
TECHNICAL REPRESENTATIVE**

Model 2

QUALIFICATION RECORD FOR CYLINDERS

Place and Date:

Certification Organization:

Type of component: CNG cylinder

Make:

Model:

Homologation code:

Nominal capacity:

Nominal diameter:

Nominal length:

Manufacturer/Importer:

Number of RMH (Registry of Qualification Licenses) license:

Material:

Amount of cylinders in the lot:

Serial numbers of tested cylinders:

Date of qualification:

Qualified serial numbers:

**SIGNATURE OF
CERTIFICATION ORGANIZATION**

**SIGNATURE OF
TECHNICAL REPRESENTATIVE**