on detailed rules of structuring and calculating of tariffs and settlements in trade with fuel gas

On the basis of article 46 section 1 and 2 of the Act dated 10 April 1997 – Energy Law (Official Journal of Laws 2006, No. 89, item 625 as amended) it is ordered as follows:

Chapter 1
General Provisions

§ 1. The Regulation determines detailed rules for:
1) structuring of tariffs for fuel gas;
2) price and fee rates calculation;
3) settlements with consumers and between power companies.

§ 2. The terms used in the Regulation shall have the following meaning:
1) characteristics of fuel gas consumption – contractual or actual quantities determining in particular:
   a) annual quantity of received fuel gas and the irregularity of its consumption in time;
   b) hourly power or 24-hour-quantity of received fuel gas;
   c) pressure on the fuel gas delivery spot;
2) tariff group – a group of consumers receiving fuel gas from a gas grid or using services connected with supplying consumers with these fuels for which one set of prices or fee rates and their application terms is determined;
3) connection power – planned, maximal hourly capacity to supply or receive fuel gas for the purpose of connection design, determined in the agreement on connection to the grid;
4) contractual power – maximal quantity of fuel gas that may be received during an hour or 24 hours, determined for a particular year in the agreement on:
   a) sale of fuel;
   b) rendering of services of transmission or distribution of fuel gas,
   c) fuel gas storage services
   d) on rendering services of liquefaction or re-gasification of liquefied natural gas,
   e) complex agreement;

1 The Minister of Economy manages the division of the governmental administration – economy on the basis of § 1 section 2 of the Regulation of the Prime Minister dated 16 November 2007 on the detailed scope of responsibilities of the Minister of Economy (Official Journal of Laws No. 216, item 1593).
2 This regulation was notified to the European Commission on 5 February 2008 under the number 2008/0050/PL, in accordance with § 4 of the Regulation of the Council of Ministers dated 23 December 2002 on the way of operation of the national system of legal norms and acts notification (Official Journal of Laws No. 239, item 2039 and of 2004 No. 65, item 597), which implements the directive 98/34/EC dated 22 June 1998 establishing a procedure to provide information in respect of technical norms and provisions (Official Journal EC L 204 of 21.07.1998 as amended, Official Journal of Laws EU Polish special edition as amended, chapter 13, volume 20, page 337, as amended).
3 Amendments to the unified text of the aforementioned act were announced in the Official Journal of Laws of 2006 No. 104, item 708, No. 158, item 1123 and No. 170, item 1217 as well as of 2007 No. 21, item 124, No. 52, item 343, No. 115, item 790 and No. 130, item 905.
5) regulation period – the period for which correction indexes values referred to in § 9 section 1 are determined;
6) fuel gas winning – purchase of fuel gas, transport of liquefied natural gas, including road transport and mining, production and processing of these fuels;
7) meter circuit – gas meters and other measuring as well as settlement and measuring devices, as well as connection circuits between them serving measurement of quantity of fuel gas consumed or delivered to grids and carrying out of settlements in volume, weight or energy units.

Chapter 2

Detailed Rules for Tariffs Structuring

§ 3. 1. The prices or fee rates for particular tariff groups determined in the tariff are differentiated with regard to justified costs of conducted business activity connected with supplying of fuel gas taking into account elimination of cross subsidizing.
2. The tariff shall be structured in such a way that the consumer is able to calculate on its basis payables corresponding with the scope of services connected with fuel gas supply, determined in an agreement on the sale of fuel gas or in an agreement on rendering of services of fuel gas transmission and distribution or in an agreement on fuel gas storage services or in an agreement on rendering of services of natural gas liquefaction or in a complex agreement.

§ 4. 1. A power company conducting its business activity in respect of transmission or distribution of fuel gas determines the following in the tariff:
   1) tariff groups and detailed criteria for assigning consumers to those groups;
   2) fee rates for rendering of fuel gas transmission services, hereinafter referred to as the “transmission fee rates”;
   3) fee rates for rendering of fuel gas distribution services, hereinafter referred to as the “distribution fee rates”;
   4) subscription fee rates;
   5) the way of determining the fee for connection to the high pressure transmission or distribution grid or fee rates for connection to the low or middle pressure distribution grid;
   6) the way of determining discounts for not meeting fuel gas quality parameters and customer service quality standards;
   7) the way of determining the fee for:
      a) exceeding contractual power,
      b) illegal consumption of fuel gas;
   8) the way of determining of fees or fee rates for services performed as a result of an additional order of a consumer.
2. A power company conducting its business activity in respect of fuel gas trade determines the following in the tariff:
   1) fuel gas prices;
   2) tariff groups and detailed criteria for assigning consumers to those groups;
   3) the way of determining of discounts for not meeting fuel gas quality parameters and customer service quality standards;
   4) subscription fee rates.
3. A power company conducting its business activity in respect of fuel gas storage determines the following in the tariff:
   1) tariff groups and detailed criteria for assigning consumers to those groups;
2) fee rates for fuel gas storage services, hereinafter referred to as the “storage fee rates”;
3) the way of determining of discounts for not meeting quality standards:
   a) of rendered fuel gas storage services,
   b) of customer service;
4) subscription fee rates.

4. A power company conducting its business activity in respect of natural gas liquefaction and liquefied natural gas re-gasification determines the following in the tariff:
   1) tariff groups and detailed criteria for assigning consumers to those groups;
   2) the way of determining of fee rates for natural gas liquefaction and liquefied natural gas re-gasification services;
   3) the way of determining of discounts for not meeting quality standards:
      a) of rendered liquefaction or liquefied natural gas re-gasification services,
      b) of customer service;
4) subscription fee rates.

5. A power company conducting its business activity in respect of fuel gas trade and rendering a complex service determines the following in the tariff:
   1) fuel gas prices;
   2) tariff groups and detailed criteria for assigning consumers to those groups;
   3) the way of determining fees for exceeding of contractual power;
   4) the way of determining of discounts for not meeting fuel gas quality parameters and customer service quality standards;
   5) grid fee rates;
   6) subscription fee rates

§ 5. 1. Consumers are divided into tariff groups depending on reasonable costs incurred by a power company in connection with delivery of fuel gas to consumers according to the following criteria:

1) the kind of the fuel gas;
2) volume and characteristics of fuel gas consumption in its consumption places;
3) settlement system;
4) places of delivery or consumption of fuel gas;
5) the scope of rendered services.

2. A consumer that consumes fuel gas from several consumption places from a gas grid is assigned to tariff groups separately in each of these places, unless the agreement with the power company stipulates otherwise.

Chapter 3

Detailed Rules for Prices and Fee Rates Calculation

§ 6. 1. The grounds for prices and fee rates calculations included in a tariff are costs referred to in section 2 and return on capital invested in business activity calculated in the manner referred to in section 3.
2. Justified costs considered in the calculation of prices and fee rates included in a tariff for conducted business activity in respect of:
   1) transmission or distribution of fuel gas, fuel gas storage as well as liquefaction or re-gasification of liquefied natural gas are planned for a particular year justified costs of a power company covering the following costs:
a) operating costs, excluding depreciation,
b) costs of depreciation of assets involved in the business of the power company,
c) costs of co-financing of undertakings as referred to in article 45 section 2 and 3 of the Act dated 10 April 1997 – Energy Law, hereinafter referred to as the “Act”;

2) fuel gas trade are planned for a particular year justified costs of a power company covering the following costs:
   a) operating costs, excluding the costs as referred to in letter b-e,
   b) costs of fuel gas winning,
   c) costs of transport with gas pipelines passing through the border of the Republic of Poland,
   d) costs of liquefaction and re-gasification of liquefied natural gas,
   e) costs of creating and maintaining of obligatory stocks as referred to in separate provisions,
   f) costs of co-financing of undertakings as referred to in article 45 section 2 and 3 of the Act;

3) fuel gas trade by a power company rendering a complex service are costs planned for a particular year as referred to in point 2 and justified costs of a power company covering the following costs:
   a) costs of fuel gas storage not connected with creating obligatory stocks as referred to in separate provisions,
   b) costs of system balancing and system limits management as referred to in article 9c section 1 point 9 of the Act, connected with performance of agreements on transmission and distribution of fuel gas in Poland, including costs of instructions as referred to in article 9g section 1 of the Act, subject to § 32 section 4.

3. Justified return on capital invested in conducted business activity of a power company in respect of transmission or distribution of fuel gas, fuel gas storage, liquefaction or re-gasification of liquefied natural gas or fuel gas trade, is calculated, subject to section 5, according to the following formula:

$$ZNK = \text{WACC} \times (\text{WRA} + \text{WC})$$

where particular symbols stand for:

ZNK – return on capital invested (in PLN);
WRA – net value of the regulated asset base (average value in a particular regulation period in PLN);
WC – working capital (average value in a particular regulation period in PLN);
WACC – weighted average cost of capital (average value in a particular regulation period in %);

4. The weighted average cost of capital indicated with the symbol “WACC” as referred to in section 3 shall be calculated according to the following formula:
\[ WACC = \frac{K_eE + K_dD}{E + D} \]

where particular symbols stand for:

- \( K_e \) – cost of equity;
- \( E \) – equity;
- \( K_d \) – loan capital cost;
- \( D \) – loan capital.

5. Cost of equity indicated with the symbol “\( K_e \)” shall be calculated according to the following formula:

\[ K_e = r_f + (r_m - r_f)\beta \]

where particular symbols stand for:

- \( r_f \) – risk free rate;
- \( r_m \) – premium for shareholders equity;
- \( \beta \) – equity beta coefficient

6. The value of the justified return on the capital invested in business activity in respect of fuel gas storage cannot be less than determined in article 45 section 1 point 1a of the Act.

7. A power company conducting its business activity within the scope as referred to in section 2 point 2 and 3 while calculating prices and fee rates included in the tariff takes also into account a justified margin connected with the risk under conducted business activity.

§ 7. 1. Costs as referred to in § 6 are determined in accordance with article 44 and 45 of the Act and the rules of recording costs determined in accountancy provisions in such a way that it is possible to determine fix and variable costs planned by the power company for particular kinds of business activity, considering sources of these costs.

2. The grounds for costs determination and evaluation as referred to in section 1 are comparable costs incurred by the power company in the calendar year preceding the year of tariff determination, determined on the basis of financial statements for particular kinds of business activity as referred to in article 44 section 2 of the Act.
3. The costs as referred to in § 6 are determined under assumption of fuel gas quantity planned for sale, transmission, distribution, storage, liquefaction or re-gasification of liquefied natural gas or volume of the contractual capacities and meter circuits or consumers number planned for each year of the regulation period.

§ 8.1. Common costs for all or several tariff groups and costs common for all or several kinds of the business activity conducted by a power company are distributed among particular tariff groups and among particular kinds of business activity in accordance with the method of costs distribution adopted in the company and with due care in the way of counting these costs towards particular tariff groups.

2. The costs distribution method, the rules of costs recording and division of consumers into tariff groups cannot be changed during the regulation period.

§ 9. 1. Fee rates in respect of transmission, distribution, storage, liquefaction or re-gasification of liquefied natural gas determined in a tariff for a particular year of its duration should be determined on such a level that the condition determined by the following formula is fulfilled:

\[
P_n \leq P_{n-1} \times [1 + (\text{RPI} - X_n)/100]
\]

where particular symbols stand for:

- \(P_n\) – calculation revenue for a particular kind of business activity in the particular year of tariff duration;
- \(P_{n-1}\) – calculation revenue for a particular kind of business activity in the year preceding the particular year of tariff duration;
- \(\text{RPI}\) - average annual index of goods and consumer services prices totally in the calendar year preceding the particular year of tariff duration, determined in the announcement of the President of the Main Statistics Office [GUS] announced in the Official Journal of the Republic of Poland “Monitor Polski” [in %];
- \(X_n\) - correction index, determined for a particular kind of business activity conducted by a power company in respect of supply of fuel gas, determining the planned improvement of efficiency of this company’s operation and change of conditions of this company’s conduct of a particular kind of business activity [w %]; for the first year of the regulation period the index \(X_n\) is taken into account in fee rates included in the tariff.
2. Calculation revenue for the particular year of tariff duration, indicated with the symbol “Pₙ” as referred to in section 1 for conducted business activity in respect of:

1) transmission or distribution of fuel gas – is calculated as product of transmission or distribution fee rates and subscription fees rates planned while calculating the tariff for a particular year of its duration and capacities, fuel quantity and the number of consumers covered by the service of transmission or distribution of fuel gas in the first year of the regulation period;

2) storage of fuel gas – is calculated as product of storage fee rates planned while calculating the tariff for a particular year of its duration and fuel quantity pumped and collected from a storehouse and ordered volume of the storehouse, considering the characteristics of fuel gas collection in the first year of the regulation period;

3) liquefaction of natural gas or re-gasification of liquefied natural gas – is calculated as product of fee rates planned in the tariff for a particular year of its duration and sales of these services considering the characteristics of fuel gas collection in the first year of the regulation period;

3. Calculation revenue for the year preceding the particular year of tariff effectiveness indicated with the symbol “Pₙ” as referred to in section 1 for conducted business activity is respectively calculated in a manner determined in section 2 on the basis of fee rates determined in the tariff applied in the preceding year and the volume and structure of sales of services planned for the first year of the regulation period.

4. Revenue covering justified costs, determined for each year of the regulation period, includes revenue made of:

1) fees for exceeding contractual capacity;

2) fees for services rendered at special consumer’s order.

5. The revenue as referred to in section 1 does not include revenue made of fees:

1) for illegal consumption of gas fuel;

2) for resuming delivery of fuel gas, if its delivery stop was caused by reasons as referred to in article 6 section 3 or section 3a of the Act.

§ 10.1 In the case of unforeseen, substantial change of conditions of the power company’s conduct of business activity this company may apply for correction of prices and fee rates
determined in the tariff applied according to the procedure determined in article 47 of the Act, having analysed and evaluated economic consequences of such changes.

2. The price correction as referred to in section 1 may in particular take place, if fuel gas is purchased at prices:
   1) higher of more than 5% compared to fuel gas purchase costs taken for calculation in the tariff;
   2) lower of more than 5% compared to fuel gas purchase costs taken for calculation in the tariff.

§ 11. In the case of newly established power companies or an existing company starting a new kind of business activity in respect of fuel gas supply the prices and fee rates are determined on the basis of planned revenue and sales volume for the first year of conducting a new business activity taking into account compare analysis with other power companies.

§ 12. The rates of transmission fees are calculated as rates of distance or group fee.

§ 13.1. The rates of transmission fee are calculated as rates of variable fee and rates of fix fee on the basis of reasonable costs of rendering of fuel gas transmission services to consumers assigned to particular tariff groups.

2. A power company conducting its business activity in respect of fuel gas transmission considers in its calculation of variable fee rates a part of fix costs that shall not be covered by fix fee rates.

§ 14. 1. Rates of the fix fee for a rendered service of fuel gas transmission are calculated on the basis of fix costs determined for a particular tariff group.

2. Fix fee rates may be differentiated according to the characteristics of fuel gas consumption.

3. The rates of fix distance fee are calculated per contractual power unit and length unit of the grid serving transmission of fuel gas.

4. The rates of fix group fee are calculated per contractual power unit.

§ 15. 1. The rates of the variable fee for rendered services of fuel gas transmission are calculated on the basis of variable costs determined for a particular tariff group.

2. The rates of variable distance or group fee for the service of fuel gas transmission are calculated per unit of transmitted fuel gas as rates independent on the distance of this fuel transmission or contractual power.
§ 16. 1. A power company conducting its business activity in respect of fuel gas transmission calculates in its tariffs the rates of subscription fee on the basis of reasonable costs incurred in connection with:

1) taking recordings of meter circuits and providing data from read off;
2) issue of invoices;
3) calculation and charging of receivables for the rendered service of fuel gas transmission;
4) execution of activities connected with inspection of meter circuits, complying with agreement terms and settlement correctness
   - as quotient of these costs and the number of meter circuits.

2. The rates of subscription fees are calculated as monthly fees, in PLN per a meter circuit.

§ 17. 1. A power company conducting its business activity in respect of fuel gas transmission determines in its tariff fee rates and the way of determining fees for services performed at the consumer’s additional order, in particular for:

1) discontinuance or resuming of fuel gas supply;
2) checking the correctness of meter circuit readings;
3) fuel gas odorizing;
4) supplied fuel gas quality testing;

2. Fee rates for services as referred to in section 1 are calculated on the basis of reasonable costs of service performance in a way eliminating through subsidising.

3. No fees as referred to in:

1) section 1 point 2 are charged in the case of determined incorrectness of meter circuit operation;
2) section 1 point 4 are charged in the case it is found the power company did not keep quality parameters of supplied fuel gas.

§ 18. The fee for performed service of fuel gas transmission:

1) for distance fees is calculated according to the following formula:

\[ O_{pd} = S_{zpd} \times Q + S_{spd} \times M \times L \times T + S_a \times k \]

where particular symbols stand for:

\[ O_{pd} \] – the fee for fuel gas transmission service [in PLN];
\[ S_{zpd} \] – the rate of the variable distance fee [in PLN/thousand m³];
\[ Q \] - fuel gas quantity transmitted in the settlement period [in thousand m³];
2) for group rates is calculated according to the following formula:

$$O_{pg} = S_{zpg} \times Q + S_{spg} \times M \times T + S_a \times k$$

where particular symbols stand for:

- $O_{pg}$ – the fee for fuel gas transmission service [in PLN];
- $S_{zpd}$ – the rate of the variable group fee [in PLN/m$^3$];
- $Q$ – fuel gas quantity transmitted in the settlement period [in m$^3$];
- $S_{spg}$ – the rate of the fix group fee [in PLN/m$^3$/hour (for each hour of the settlement period)];
- $M$ – contractual capacity [in m$^3$/hour];
- $T$ – number of hours in the settlement period;
- $S_a$ – the rate of the subscription fee [in PLN/month];
- $k$ – number of months in the settlement period.

§ 19. 1. The rates of distribution fees are calculated as group rates.

2. Group rates are calculated as variable fee rates and fix fee rates on the basis of reasonable costs of fuel gas distribution services to consumers assigned to particular tariff groups.

3. Variable fee rates are calculated per unit of the distributed fuel gas.

4. Fix fee rates are calculated per contractual power unit.

5. A power company conducting its business activity in respect of fuel gas distribution covers in its variable fee rate calculation a part of fix costs that will not be covered by fix fee rates.

§ 20. 1. Fix fee rates as referred to in § 19 section 2 are calculated on the basis of fix costs determined for a particular tariff group. These rates may be differentiated in line with the fuel gas consumption characteristics.

2. Variable fee rates as referred to in § 19 section 2 are calculated on the basis of variable costs determined for a particular tariff group.
§ 21.1 A power company conducting its business activity in respect of fuel gas distribution calculates in its tariff subscription fee rates on the basis of costs incurred in connection with:

1) taking recordings of meter circuits and providing data from read off;
2) issue of invoices;
3) calculation and charging of receivables for the rendered service of fuel gas distribution;
4) execution of activities connected with inspection of meter circuits, complying with agreement terms and settlement correctness
   - as quotient of these costs and the number of meter circuits.

2. The rates of subscription fees are calculated as monthly fees, in PLN per a meter circuit.

§ 22.1. A power company conducting its business activity in respect of fuel gas distribution determines in its tariff fee rates and the way of determining fees for services performed at the consumer’s additional order, in particular for:

1) discontinuance or resuming of fuel gas supply;
2) checking the correctness of meter circuit readings;
3) supplied fuel gas quality testing;

2. Fee rates for services as referred to in section 1 are calculated on the basis of reasonable costs of service performance in a way eliminating through subsidising.

3. No fees as referred to in:

1) section 1 point 2 are charged in the case of determined incorrectness of meter circuit operation;
2) section 1 point 4 are charged in the case it is found the power company did not keep quality parameters of supplied fuel gas.

§ 23.1. The fee for performed service of fuel gas distribution is calculated according to the following formula, subject to section 2:

\[ O_{dg} = S_{zd} \times Q + S_{sd} \times M \times T + S_a \times k \]

where particular symbols stand for:

\[ O_{dg} \] – the fee for fuel gas distribution service [in PLN];
\[ S_{zd} \] – the rate of the variable fee [in PLN/m^3];
\[ Q \] – fuel gas quantity distributed in the settlement period [in m^3];
\[ S_{sd} \] – the rate of fix fee [in PLN/(m^3 / hour) for each hour of the settlement period].
M - contractual capacity [in m³/hour];
T - number of hours in the settlement period;
Sₐ - the rate of the subscription fee [in PLN/month];
k - number of months in the settlement period.

2. The fee for the fuel gas distribution service for consumers that receive high-methane natural gas or LPG in a volume not exceeding 10 m³/hour or nitrited natural gas in volume not exceeding 25 m³/hour, is calculated according to the following formula:

\[ O_{dg} = S_{zd} \times Q + S_{sd} \times k + S_{a} \times k \]

where particular symbols stand for:

- \( O_{dg} \) – the fee for fuel gas distribution service [in PLN];
- \( S_{zd} \) – the rate of the variable fee [in PLN/m³];
- \( Q \) – fuel gas quantity distributed in the settlement period [in m³];
- \( S_{sd} \) – the rate of the fix fee [in PLN/month];
- \( S_{a} \) – the rate of the subscription fee [in PLN/month];
- \( k \) – number of months in the settlement period.

§ 24. A power company conducting its business activity in respect of fuel gas storage calculates its storage fee rates as:

1) rates of the variable fee for fuel gas storage service – on the basis of reasonable variable costs in respect of the fuel gas quantity pumped and collected from this storehouse;

2) rates of the fix fee for fuel gas storage services – on the basis of reasonable fix costs dependent on the type of the storehouse in respect of ordered active storehouse volume and ordered fuel gas consumption value form the storehouse.

§ 25.1 A power company conducting its business activity in respect of fuel gas storage calculates in its tariff subscription fee rates on the basis of reasonable costs incurred in connection with:

1) taking recordings of meter circuits and providing data from read off;
2) issue of invoices;
3) calculation and charging of receivables for the rendered service of fuel gas storage;
4) execution of activities connected with inspection of meter circuits, complying with agreement terms and settlement correctness
   - as quotient of these costs and the number of consumers.

2. The rates of subscription fees are calculated as monthly fees, in PLN per a consumer.
§ 26.1. A power company conducting its business activity in respect of fuel gas storage determines in its tariff fee rates for services performed at the consumer’s additional order, on the basis of planned costs of these services performance to be incurred.

2. The fee rates as referred to in section 1 are determined for:
   1) fuel gas treatment in order to receive desired quality parameters;
   2) supplied fuel gas quality testing.

3. No fee for supplied fuel gas quality testing is charged if it is found that the power company did not meet quality parameters in respect of fuel gas stored by this power company.

§ 27. The fee for rendered fuel gas storage service is calculated according to the following formula:

\[ O_m = S_{zz} \times V_z + S_{zo} \times V_o + S_{sv} \times V_c + S_{sm} \times M_m \times T + S_a \times k \]

where particular symbols stand for:

- \( O_m \) - fee for fuel gas storage service [in PLN];
- \( S_{zz} \) - the rate of the variable fee for pumping of fuel gas to a storehouse [in PLN/m³];
- \( V_z \) - fuel gas quantity pumped to the storehouse [in m³];
- \( S_{zo} \) - the rate of the variable fee for collecting fuel gas from the storehouse [in PLN/m³];
- \( V_o \) - fuel gas quantity collected from the storehouse [in m³];
- \( S_{sv} \) - the rate of the fix fee for ordered active storage volume in the settlement period [in PLN/m³];
- \( V_c \) - ordered active storage volume in the settlement period [m³];
- \( S_{sm} \) - the rate of the fix fee for ordered fuel gas collection value from the storehouse [in PLN/(m³/hour) for each hour of the settlement period];
- \( M_m \) - ordered fuel gas value from the storehouse in the settlement period [in PLN/m³/hour];
- \( T \) - number of hours in the settlement period;
- \( S_a \) - the rate of the subscription fee [in PLN/month];
- \( k \) - number of months in the settlement period.
§ 28. A power company conducting its business activity in respect of liquefaction or regasification of liquefied natural gas calculates its fee rates for liquefaction and re-gasification of natural gas services as:

1) rates of the variable fee for liquefaction or re-gasification of natural gas service – on the basis of reasonable variable costs dependent on the quantity of liquefied or undergone re-gasification natural gas in liquefied natural gas installation;

2) rates of the fix fee for liquefaction or re-gasification of liquefied natural gas – on the basis of reasonable fix costs dependent on the ordered fuel gas collection value from the liquefied natural gas installation.

§ 29.1 A power company conducting its business activity in respect of liquefaction and regasification of liquefied natural gas calculates in its tariff subscription fee rates on the basis of reasonable costs incurred in connection with:

1) taking recordings of meter circuits and providing data from read off;

2) issue of invoices;

3) calculation and charging of receivables for the rendered service of liquefaction and regasification of liquefied natural gas;

4) execution of activities connected with inspection of meter circuits, complying with agreement terms and settlement correctness
   - as quotient of these costs and the number of consumers.

2. The rates of subscription fees are calculated as monthly fees, in PLN per a consumer.

§ 30.1. A power company conducting its business activity in respect of liquefaction and regasification of liquefied natural gas determines in its tariff fee rates for services performed at the consumer’s additional order, on the basis of planned costs of these services performance to be incurred.

2. The fee rates as referred to in section 1 are determined for:

1) fuel gas treatment in order to receive desired technical parameters;

2) supplied fuel gas quality testing;

3) unloading, loading and reloading of liquefied natural gas.

§ 31. The fee for rendered service of liquefaction or re-gasification of liquefied natural gas is calculated according to the following formula:

\[ O_r = S_{sr} \times M_r \times T + S_{zl} \times Q_r + S_a \times k \]
where particular symbols stand for:

- \( O_r \) - fee for the service of liquefaction or re-gasification of liquefied natural gas [in PLN]
- \( S_{sr} \) - the rate of the fix fee for the service of liquefaction or re-gasification of liquefied natural gas [PLN/kg/24 hours or an hour or PLN/m³/24 hours or an hour];
- \( M_r \) - ordered contractual power of liquefied or undergone re-gasification natural gas [respectively in kg/24 hours or an hour or PLN/m³/24 hours or an hour];
- \( T \) - number of hours in the settlement period;
- \( S_{vr} \) - the rate of the variable fee for the service of liquefaction or re-gasification of liquefied natural gas [respectively in PLN/kg or in PLN/m³];
- \( Q_r \) - quantity of liquefied or undergone re-gasification natural gas in the settlement period [respectively in kg or in m³];
- \( S_a \) - the rate of the subscription fee [in PLN/month];
- \( k \) - number of months in the settlement period.

§ 32. 1. A power company conducting its business activity in respect of fuel gas trading calculates:

1) fuel gas prices – on the basis of costs as referred to in § 6 section 2 point 2;
2) subscription fee rates – on the basis of reasonable costs covering issue and delivery of invoices, calculating and charging of receivables as well as activities connected with justified inspection of meter circuits readings, compliance with agreement terms and settlements correctness, as quotient of these costs and the number of meter circuits.

2. Subscription fee rates are calculated as monthly rates in PLN per meter circuit.

3. A power company conducting its business activity in respect of fuel gas trading and rendering a complex service calculates in its tariff:

1) fuel gas prices – on the basis of costs as referred to in § 6 section 2 point 3;
2) subscription fee rates – on the basis of reasonable costs covering issue and delivery of invoices, calculating and charging of receivables as well as activities connected with justified inspection of readings and meter circuits, compliance with agreement terms and settlements correctness, as quotient of these costs determined for particular tariff groups and the number of meter circuits referring to a particular tariff group.

3) grid fee rates as:
a) fix fee rates – on the basis of fix costs incurred due to the power company ordering services in respect of transmission, distribution, storage, liquefaction or regasification of liquefied natural gas, costs of storage in company’s own installations as well as costs of system balancing and system limitations management as referred to in article 9c section 1 point 9 of the act, subject to § 39 section 5,

b) variable fee rates – on the basis of variable costs incurred due to circumstances as referred to in letter a, subject to § 39 section 5.

4. Grid fee rates are calculated as group rates.

§ 33.1 The fee for rendered complex service is calculated according to the following formula, subject to section 2:

$$O_k = C \times Q + S_{zs} \times Q + S_{ss} \times M \times T + S_a \times k$$

where particular symbols stand for:

- $O_k$ - fee for fuel gas supply under a complex agreement [in PLN];
- $C$ - fuel gas price [in PLN/m³];
- $Q$ - fuel gas quantity supplied during the settlement period [in m³];
- $S_{zs}$ - grid rate of the variable fee [in PLN/m³];
- $S_{ss}$ - grid rate of the fix fee [in PLN/m³/hour (for each hour of the settlement period)];
- $M$ - contractual power [in m³/hour];
- $T$ - number of hours in the settlement period;
- $S_a$ - subscription fee rate [in PLN/month];
- $k$ - number of months in the settlement period.

2. In the case of delivery of fuel gas to its consumers in households or to consumers consuming fuel gas in quantities up to 10 m³/hour in respect of high-methane natural gas or LPG or up to 25 m³/hour for nitrited natural gas, the fee for rendered complex service is calculated according to the following formula:

$$O_k = C \times Q + S_{zs} \times Q + S_{ss} \times k + S_a \times k$$

where particular symbols stand for:

- $O_k$ - fee for fuel gas supply under a complex agreement [in PLN];
- $C$ - fuel gas price [in PLN/m³];
- $S_{zs}$ - grid rate of the variable fee [in PLN/m³];
- $Q$ - fuel gas quantity supplied during the settlement period [in m³];
S_{ss} - grid rate of the fix fee [in PLN/month];
S_a - subscription fee rate [in PLN/month];
k - number of months in the settlement period.

§ 34. Entities applying for connection to a gas grid are assigned to the following connection groups:
1) group A – entities the devices, installations and grids of which are directly connected to an industrial grid or a high pressure distribution grid, excluding entities mentioned in point 3;
2) group B - entities the devices, installations and grids of which are connected to a distribution grid other than mentioned in point 1, excluding entities mentioned in point 3;
3) group C – entities conducting business activity in respect of fuel gas transmission or distribution, its production, processing or mining, fuel gas storage and liquefaction or re-gasification of liquefied fuel gas.

§ 35. A power company determines the fee amount for connection to the gas grid for entities assigned to:
1) group A – on the basis of one fourth of actual expenditures incurred in respect of connection execution;
2) group B – on the basis of calculated fee rates determined in the tariff, depending on:
   a) connection power;
   b) the length of the grid interval serving connection of the entities applying for connection or the kind of this interval;
3) group C – on the basis of actual expenditures in respect of connection execution.

§ 36. 1. Fee rates for connection to gas grids other than industrial grids and high pressure distribution grids for entities assigned to connection group B are calculated on the basis of one fourth of average annual investment expenditures towards construction of grid intervals serving connection of these entities determined in the development plan as referred to in article 16 section 1 of the Act.
2. The expenditures as referred to in section 1 cover in particular expenses incurred for:
   1) design and geodesic works;
   2) agreeing upon documentation;
3) obtaining of a location decision and of a building permit;
4) construction supervision costs;
5) construction and assembly works including necessary testing;
6) fees for plot occupation, including public fees and indemnification for owners of the real estates the entry of which was necessary in order to construct the grid interval and connection;
7) purchase and construction of standard elements of grid intervals and connections.

3. Standard connection elements as referred to in section 2 point 7 include: a switching system, a line pipe, a shut off valve, insulation joint or polyethylene – steel connections at the polyethylene attachment, main cock, gas regulator with a flow capacity of up to 10m³/h and protecting tubes at crossings with other underground development.

4. The fee for connection to gas grids other than transmission grids and high pressure distribution grids for entities assigned to connection group B, calculated on the basis of fee rates for connection in the tariff depending on the length of grid intervals serving connection constitutes the sum of:
   1) flat rate fee for construction of a grid interval serving connection of a length up to 15 m;
   2) fee for construction of a connection interval of a length of over 15 m, being the product of the fee rate for connection and the length of the interval serving connection.

5. The fee for connection to a gas grid as referred to in section 4 is calculated according to the following formula:

\[ O_p = O_R + S_p \times L_p \]

where particular symbols stand for:
- \( O_p \) - fee for connection [in PLN];
- \( O_R \) - flat rate for construction of a grid interval serving connection of a length of up to 15 m [in PLN];
- \( S_p \) - fee rate for connection for each connection meter over 15 m [in PLN/m]
- \( L_p \) - connection length of over 15 m [in m].

§ 37. 1. The fee for connection is charged once.
2. The power company may at connected entity’s request divide the fee as referred to in section 1 in instalments. The terms of instalment payment, including the costs of such an arrangement, are stipulated in the connection agreement.
3. The connection fee rates determined in the tariff do not cover costs of purchase and assembly of an unit designated for the main cock and measurement device.

4. Due to exchange or alteration of the connection without increasing the hitherto connection power, carried out at the connected entity’s request a fee is charged in the amount of actual investment.

5. For connection exchange or grid development with increased connection power a fee is charged in the amount as the fee for connection to the grid.

Chapter 4
Detailed Rules of Settlements with Consumers and Between Power Companies

§ 38. 1. A power company conducting its business activity in respect of fuel gas transmission or distribution provides the power company conducting its business activity in respect of fuel gas trading and the fuel gas consumer with which it entered into an agreement data concerning this service, in particular data concerning meter circuits readings or their correction without any additional fees.

2. In the case irregularities in the meter circuit operation are found or false readings of such meter circuits are taken for settlement and that caused overstating or understating of receivables for consumed fuel gas and rendered services in connection with its supply, the power company adjusts the previously issued invoices.

3. The adjustment as referred to in section 2 covers the whole settlement period or the period in which irregularities or mistakes occurred.

§ 39. 1. A power company performs settlements for consumed fuel gas or rendered services connected with fuel gas supply on the basis of meter circuit readings in settlement periods determined in the tariff:

1) with consumers consuming fuel gas in quantities of no more than 10 m³/hour for high-methane gas and LPG or no more than 25 m³/hour of nitrited gas – in periods of no more than 12 months;

2) with consumers consuming fuel gas in quantities of more than 10 m³/hour for high-methane gas and LPG or more than 25 m³/hour of nitrited gas – every month;

2. In the periods as referred to in section 1 point 1 and 2 fees for fuel gas or rendered services may be charged in the amount of forecasted consumption of this fuel.
3. If fee payment on the basis of forecasted consumption as referred to in section 2 results in overpayment or underpayment for consumed fuel gas or rendered services the power company shall immediately notify the consumers thereof.

4. If there is an overpayment or underpayment in respect of consumed fuel gas or rendered services:
   1) the overpayment is counted towards payments determined for the next settlement period, unless the consumer demands its repayment within a time limit determined in the notification as referred to in section 3 of not less than 7 days since the overpayment notification receipt;
   2) underpayment is added the first invoice, issued for the next settlement period.

5. A power company conducting its business activity in respect of fuel gas trading and rendering a complex service transfers to consumers taking fuel gas from a transmission grid fees connected with not complying with notified demand for fuel gas in their supply places or with exceeding of contractual power resulting from actions or omissions of these consumers according to fee rates determined in the tariff of the company dealing with fuel gas transmission.

§ 40. 1. A power company reduces for the consumer the amount of fees for services of fuel gas transmission or distribution, fuel gas storage, liquefaction or re-gasification of liquefied natural gas proportionally to the actual contractual power limitation and break or interruption duration, in particular in the case of breaks or interruptions resulting from:
   1) failure, explosion risk or explosion;
   2) fire risk or fire;
   3) carrying out works connected with failure removal;
   4) execution of planned maintenance or renovation works in respect of grids or gas installations;
   5) execution of works connected with consumers’ attachment;
   6) works connected with change of the kind of supplied fuel gas.

2. The power company determines in its tariff the detailed way of reducing fees as referred to in section 1.

§ 41. 1. Consumers are entitled to discounts if:
   1) the pressure of supplied fuel gas is reduced below the level determined in the agreement;
2) the fuel gas does not meet quality parameters determined in separate provisions.

2. A power company determines in its tariff the discount in a way proportional to the limitation of the pressure of the supplied fuel gas or non-compliance of the fuel gas with quality parameters.

3. A power company assigns or refuses the discount as referred to in section 1 within 30 days since consumer’s request.

§ 42. In the case a power company does not meet quality standards in respect of customer service fees are determined in the following way:

1) if consumers are refused requested information on foreseen time of resuming fuel gas supply, interrupted due to grid failure – the fee is 1/300 of average monthly remuneration in companies sector in the calendar year preceding the year of new tariff introduction, determined in the announcement of the President of the Main Statistics Office published in the official Journal of the Main Statistics Office (GUS);

2) if there is no notification – at least fourteen days in advance – of the time and duration of planned breaks in fuel gas supply, in the form of press advertisements, radio or TV communications or in another way usual for a particular area to consumers supplied from a transmission or distribution grid the fee is 1/150 of the remuneration as referred to in point 1;

3) if there is no notification in a written form, on the phone or using other means of telecommunication – at least fourteen days in advance – of the time and duration of breaks in fuel gas supply to consumers supplied from a transmission grid – the fee is 1/15 of the remuneration as referred to in point 1;

4) if consumers supplied from a transmission grid are not notified – a week in advance – of intended change of pressure and other parameters of fuel gas affecting mobile cooperation with the grid – the fee is 1/30 of the remuneration as referred to in point 1;

5) if it is refused to undertake – against payment – respective actions in the grid in order to enable the consumer or another entity to perform works in this grid influence area – the fee is 1/30 of the remuneration as referred to in point one;

6) if no information is provided at the consumer’s request as to the settlement rules and current tariffs – the fee is 1/300 of the remuneration as referred to in section 1.

§ 43. 1. A consumer that exceeded contractual power with the power company’s consent is charged fees being the product of the maximum value recorded by the meter circuit above the
contractual power, number of hours in the settlement period and triple value of the fix rate of
the transmission or distribution or grid fee determined in the tariff for the tariff group to
which it is assigned.

2. A consumer which did not comply with limitations introduced by a power company in
connection with performed connection or maintenance and renovation works is charged fees
being the product of maximum consumption recorded by the meter circuit above the
admissible consumption resulting from the limitation, its duration and the triple fix rate of the
transmission or distribution fee determined in the tariff for the tariff group to which it is
assigned.

§ 44. 1. In the case of illegal fuel gas consumption a power company conducting its business
in respect of fuel gas transmission or distribution may charge the entity that illegally
consumes fuel gas with fees in the amount of five-times value of the reference price of fuel
gas binding in the month of illegal consumption determination and lump fuel gas quantity,
determined according to the rules provided in the tariff.

2. Lump fuel quantity as referred to in section 1 is determined in the tariffs as maximum
quantities and while calculating fees the power company can take smaller quantities
considering actual possibilities of fuel gas consumption by a particular entity.

3. The reference price of fuel gas as referred to in section 1 is understood as average weighted
purchase price of this fuel, published by the transmission system operator or distribution
system operator on its website in the month preceding the month in which such price shall
apply.

§ 45. A power company may determine in the tariff fees for performance of the following
activities connected with determination of illegal fuel gas consumption:

1) exchange, assembly or disassembly of a gas meter or another measurement device
damaged or destroyed by the consumer;

2) sealing the device measuring power or another measurement device with new leads in
place of those removed or destroyed by the consumer;

3) inspection of the technical condition of the new meter circuit and sealing the main
cock, the measurement and settlement system or another element to be sealed with
new leads in place of those removed or destroyed by the consumer;

4) new verification of the measurement instrument due to the consumer’s removal or
destruction of verification seals;
5) cutting off fuel gas, if the consumer refuses access to cut-off fittings despite a written request to grant access to it.

§ 46. A power company established as a result of organisational transformations consisting in particular in merger, division or separation of another company from this company reserves the right to settle with consumers on the basis of prices and rates determined in the tariffs of companies that underwent organisational transformations until a tariff determined by this company and approved by the President of the Energy Regulatory Office becomes effective, for the period for which this tariff has been approved by the President of the Energy Regulatory Office, however not for longer than 12 months after the date of these transformations.

Chapter 5

Transitory and Final Provisions

§ 47. Provisions of this regulation shall apply to matters initiated and not finalised before the day of this regulation coming into forced.


§ 49. The Regulation becomes effective upon announcement.

MINISTER OF ECONOMY

/-/ signature
Waldemar Pawlak

[round seal with the state emblem and the inscription: “MINISTER OF ECONOMY”]