



**Gas Transmission Operator
GAZ-SYSTEM S.A.**

**TRANSMISSION NETWORK CODE
(TNC)**

**Part II
Balancing and System Congestion
Management**

Warsaw, September 2011

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1 DEFINITIONS AND UNITS

1.1 Definitions are set out in section 1 of Part I of this TNC.

1.2 Units

1.2.1 The units of measure used in this TNC are:

1.2.2 m³ cubic metre (defined in the TNC under normal conditions)

°C degree Celsius,

h hour,

K Kelvin,

km kilometre,

MJ megajoule,

mg miligramme,

µg microgramme,

MPa megapascal,

kPa kilopascal,

kWh kilowatt-hour

1.2.3 Any reference to a “quantity of gaseous fuel” in this TNC means a reference to such “quantity of gaseous fuel” expressed in m³, unless specifically indicated otherwise. The “quantity” and “volume of gaseous fuel” is expressed in cubic metres under normal conditions.

2 SUBMISSION OF TRANSMISSION CONTRACTS FOR IMPLEMENTATION

2.1 Procedures for submitting contracts for implementation

2.1.1 In order to implement a transmission contract the Shipper shall submit the quantities of gaseous fuel for transmission in its nominations. The nominations may be amended under the re-nomination procedure. A re-nomination approved in accordance with the provisions of the TNC receives the status of an approved nomination.

2.1.2 The quantities of gaseous fuel in the nominations and re-nominations shall be specified in m³.

2.1.3 Nominations shall be submitted on an annual and weekly basis.

2.1.4 The total quantity of gaseous fuel specified in annual nominations and annual re-nominations for the entry points should equal the total quantity of gaseous fuel specified in the corresponding nominations the for exit points.

- 2.1.5 The aggregate quantity of gaseous fuel specified in weekly nominations or weekly re-nominations for any gas day may differ from the aggregate quantity of gaseous fuel specified in the corresponding nominations for the exit point in any gas day by no more than 5 % of the aggregate quantity of gaseous fuel specified in such nominations or re-nominations for the entry points in the gas day.
- 2.1.6 Nominations and re-nominations submitted by the Shipper should take into consideration the reductions and suspensions that have been introduced in accordance with the provisions of TNC.
- 2.1.7 In view of the existing system congestion, the transmission contract shall define the minimum quantities of gaseous fuel that have to be delivered to the transmission system and included in the nominations and re-nominations submitted by the Shipper for specific entry points. Subject to the TSO's consent, the minimum values of the nominations may change during periods of agreed maintenance work or in the event of an emergency situation resulting in a reduced capability to supply gaseous fuel in accordance with the nomination.
- 2.1.8 Should the TSO be informed by an ISO or a Billing Point Operator, also when under different a procedure than those specified in point 2.3 or point 2.4, of the lack of the possibility to transmit the quantities of gaseous fuel specified in the weekly nominations, the TSO shall immediately inform the Shipper thereof. The Shipper shall adjust its nomination at the relevant point and, as appropriate, at other entry points or exit points and to submit a re-nomination to the TSO within two (2) hours of the receipt of the above information.
- 2.1.9 The Shipper shall be responsible for providing the information on the quantities of gaseous fuel contained in the nominations and re-nominations to his suppliers and Customers.
- 2.1.10 Nominations and re-nominations, as well as the information on their approval, shall be submitted in accordance with the procedures and on the terms and conditions specified in section 5.
- 2.1.11 The TSO may pass on the information on nominations and re-nominations to the ISOs and BPOs.
- 2.1.12 The parties to the transmission contract may specify groups of exit points for which the aggregate value of the disconformity of the actual volumes with the nominations approved for such points will be established.
- 2.1.12.1 Exit points that belong to a given group must satisfy the following criteria:
- 2.1.12.1.1 exit points to be provided with a hydraulic connection at the distribution network side or the side of the final Customer's facilities,
- 2.1.12.1.2 in the summer period, the quantity of gaseous fuel taken at any selected exit point within the group can be taken over by the remaining exit points belonging to such group.
- 2.1.12.2 Subject to an agreement of the parties, groups of points may be created based on other criteria.

- 2.1.13 The entry point Lwówek (ID 772413) and the entry point Włocławek (ID 672412) constitute a single group of points, for which the aggregate value of the disconformity of the actual volumes with the nominations approved for these points will be established. The TSO allocates the flow of gaseous fuel between the Lwówek and Włocławek points within the total nominations, provided that the annual quantities specified in the annual nomination are not exceeded.
- 2.1.14 Within two (2) hours from receiving the information concerning a reduction of interruptible contracted capacity, the Shipper shall adjust the nomination at the relevant point and, as appropriate, at other entry points or exit points and shall submit a re-nomination to the TSO within the deadline set out in point 2.5.5.3.
- 2.1.15 In the event when the Shipper fails to adjust the nominations in the cases mentioned in point 2.1.8, point 2.1.14 or point 4.7.30, the TSO shall not be responsible for the performance of gas transmission services, including for maintaining the pressure and quality parameters of the gaseous fuel.
- 2.1.16 The principles under which the TSO may reduce the interruptible contracted capacity shall be set out in the TNC, the tariff and the relevant interruptible transmission contract.

2.2 Annual nominations

- 2.2.1 The transmission contracts shall specify the annual nominations for the entry points and the exit points, stating the quantity of gaseous fuel to be delivered for transmission and taken from the transmission system in a given year, broken down by month. The annual nomination submitted for short-term transmission contracts shall specify the quantity of gaseous fuel for the months in which the transmission service is to be provided.
- 2.2.2 The monthly quantities of gaseous fuel specified in the annual nominations and re-nominations must not exceed the maximum quantities defined as the product of the number of days in the given month and twenty-four times the applicable contracted capacity for the relevant point, as agreed in accordance with the provisions of Part I of the TNC.
- 2.2.3 The Shipper shall provide the annual nomination for the following gas year, with a breakdown by month, to the TSO by 30 November of each gas year.
- 2.2.4 The TSO shall inform the Shipper that the annual nomination has been accepted or rejected by 10 December. A failure to provide the information specified in the previous sentence shall be deemed an approval of the annual nomination.
- 2.2.5 A nomination may be rejected due to:
- 2.2.5.1 inconsistency with the provisions of point 2.1, point 2.2 or the Contract,
 - 2.2.5.2 overrun of the maximum quantities specified in accordance with the provisions of point 2.2.2,
 - 2.2.5.3 notification of capacity congestion by an ISO or a Billing Point Operator at the entry points or exit points, which prevents the performance of services in accordance with the nominations submitted by the Shipper,

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- 2.2.5.4 failure to satisfy the condition of a minimum nomination value, as referred to in point 2.1.7.
- 2.2.6 In the event that a nomination is rejected, the TSO shall state the reason for the rejection of the nomination.
- 2.2.7 In the event of a rejection of the nomination, the Shipper shall submit an adjusted annual nomination to the TSO within three (3) business days from the date of notification of the rejection of the nomination.
- 2.2.8 The TSO shall notify the Shipper of whether the adjusted nomination has been accepted or rejected within seven (7) business days of the date of its receipt.
- 2.2.9 In the event that the Shipper fails to submit an annual nomination by the date set out in point 2.2.3 or in point 2.2.7., the TSO shall assume that the monthly quantities of gaseous fuel to be transported are equal to "0".

2.3 Weekly nominations

- 2.3.1 The Shipper shall submit weekly nominations to the TSO. The weekly nominations shall specify the quantity of gaseous fuel to be delivered for transmission or taken from the transmission system for every gas day of every gas week for every entry point or exit point specified in the transmission contract.
- 2.3.2 The daily quantities of gaseous fuel specified in the weekly nominations and re-nominations cannot exceed the maximum quantities specified as twenty-four times the applicable contracted capacity for the relevant point. The nominations and re-nominations should take into account the transition from summer time to winter time and from winter time to summer time. In such case the gas day is, as appropriate, longer or shorter by one hour, and the daily quantities of gaseous fuel cannot exceed twenty-three times or twenty-five times of the applicable contracted capacity for the relevant point.
- 2.3.3 The Shipper shall submit their weekly nominations to the TSO every Thursday by 10am.
- 2.3.4 The TSO shall advise the Shipper of its approval or rejection of the weekly nomination by Friday at 10am.
- 2.3.5 A nomination may be rejected due to:
 - 2.3.5.1 inconsistency with the provisions of the Contract, TNC, and specifically with points 2.1 to 2.5 of Part I of the TNC,
 - 2.3.5.2 overrun of the maximum quantities specified in accordance with the provisions of point 2.3.2,
 - 2.3.5.3 notification of capacity congestion by an ISO or a Billing Point Operator at the entry points or exit points, which prevents the performance of services in accordance with the nominations submitted by the Shipper,

- 2.3.5.4 failure to satisfy the conditions of the minimum values of the nominations, as referred to in point 2.1.7.
- 2.3.6 In the event that a nomination is rejected, the TSO shall state the reason for the rejection of the nomination.
- 2.3.7 In the event of the rejection of a nomination within the deadline specified in point 2.3.4, the Shipper shall send an adjusted weekly nomination to the TSO by Friday at 2pm.
- 2.3.8 The TSO shall inform the Shipper of whether the weekly nomination has been approved or rejected by Friday at 4pm.
- 2.3.9 In the event when the parties fail to agree a weekly nomination in the manner described above, the TSO shall assume that the quantities of gaseous fuel for transmission are equal to "0".
- 2.3.10 In the event when the Shipper fails to submit a nomination for the following gas week to the TSO within the deadline specified in point 2.3.3 or point 2.3.7., the TSO shall assume that the quantities of gaseous fuel for transmission are equal to "0".
- 2.3.11 The difference between the daily quantities of gaseous fuel delivered for transmission and taken from the transmission system by the Shipper, and the daily quantities of gaseous fuel specified in the corresponding approved weekly nominations shall be established for every gas day. In the case of the groups of points referred to in point 2.1.12, the difference is established for the aggregate of the nominations and the actual volumes for all the points belonging to the relevant group.
- 2.3.12 Subject to the provisions of point 3.2.4, in the event that the difference referred to in point 2.3.11 at any point or group of points is greater than 10% of the daily quantity of gaseous fuel specified in the weekly nomination, the TSO shall apply a charge for the Shipper in accordance with the provisions of point 4.5.
- 2.3.13 The quantities of gaseous fuel shall be specified by hour, for each gas day, in the nominations and re-nominations submitted for:
- 2.3.13.1 entry point at connections with another transmission system;
 - 2.3.13.2 entry points to and exit points from a storage facility;
 - 2.3.13.3 exit points specified by the TSO and posted on the website.
- 2.3.14 In order to enable the verification by the TSO of the consistency of nominations and re-nominations in the interoperating systems, the nominations and re-nominations submitted for entry points shall contain information on the quantities of gaseous fuel broken down by supplier of the Shipper.
- 2.3.15 In order to enable the verification by the TSO of the consistency of nominations and re-nominations in the interoperating systems, the nominations and re-nominations submitted for exit points shall contain information on the quantities of

gaseous fuel broken down by customer of the Shipper (Shippers on the part of the relevant interoperating system).

- 2.3.16 A contract for reverse transmission services shall define the maximum quantity of gaseous fuel, as specified in a weekly nomination, in accordance with the following formula:

$$N_{\max \text{ rf}} = N_{\max \text{ of}} - Q_{\min}$$

where:

$N_{\max \text{ rf}}$ – maximum quantity of gaseous fuel specified in weekly nominations for the reverse transmission service for all Shippers using a reverse transmission service at the relevant point

$N_{\max \text{ of}}$ – maximum quantity of gaseous fuel specified in weekly nominations for the transmission service for all Shippers using a transmission service at the relevant point

Q_{\min} – minimum value of physical flow for the transmission service

- 2.3.17 In the event that the nominated hourly quantities of gaseous fuel to be transmitted through a point where reverse transmission services are provided are lower than the Q_{\min} established for such point (i.e. the difference between the quantities of gaseous fuel specified in the respective nominations for the transmission service and the reverse transmission service is lower than Q_{\min}) then the nominations for reverse transmission shall be reduced by the TSO on a pro rata basis. In such case point 2.1.5 shall not apply.
- 2.3.18 In the process of approving weekly nominations, the process of nomination matching, as described in point 2.4.1, shall not be carried out with respect to operators of interoperating systems located within the European Union. The nomination matching with the operators of interoperating systems located within the European Union shall be effected during the gas day preceding the day concerned by the nomination.
- 2.3.19 In the Lw low-methane gas system weekly nominations specifying the daily quantities of gaseous fuel shall be submitted for exit points only.

2.4 Nomination matching for interoperating systems

2.4.1 Nomination matching for transmission systems

- 2.4.1.1 Nominations submitted by Shippers for entry points or exit points located at interconnections between the transmission system and other transmission systems should be consistent with the corresponding nominations in other transmission systems.
- 2.4.1.2 If the process of nomination matching to other transmission systems reveals any divergence of nominations, the “lower flow” principle shall apply, which means that the flows in both systems will be reduced to the level of the lower of the compared nominations.

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2.4.1.3 In the situation referred to in point 2.4.1.2, the TSO shall deem the nomination that specifies quantities of gaseous fuel established in accordance with the provisions of point 2.4.1.2 to be approved, and the TSO shall inform the Shipper of the approved nominations applying the “lower flow” principle. In case when the “lower flow” principle applies, the provisions of point 2.1.5 shall not be applicable

2.4.2 Nomination matching process in distribution systems and storage facilities

2.4.2.1 The nominations submitted by Shippers for entry or exit points located at interconnections between the transmission system and distribution systems or storage facilities should be consistent with the corresponding nominations in the distribution systems or storage facilities, to the extent that such nominations are submitted to DSOs and SSOs.

2.4.2.2 The TSO shall pass on to DSOs and SSOs weekly nominations submitted by Shippers every Thursday by 11am in order to match the Shippers' nominations with the quantities of gaseous fuel notified in distribution systems and storage facilities.

2.4.2.3 A DSO and SSO shall advise the TSO of the results of the nomination matching on Thursday by 8pm.

2.4.2.4 In case of mismatching nominations, the “lower flow” principle shall be applied, which means that the flows in both systems will be reduced to the level of the lower of the compared quantities of gaseous fuel. Furthermore, the provisions of point 2.3.9 shall be applicable. The TSO shall inform the Shipper of the approved weekly nominations on Friday by 6pm. In case when the “lower flow” principle applies, the provisions of point 2.1.5 shall not be applicable

2.5 Re-nominations

2.5.1 Annual re-nomination of monthly quantities of gaseous fuel

2.5.1.1 The Shipper may re-nominate the quantities declared in the annual nomination approved by the TSO.

2.5.1.2 The re-nomination may concern a period of one month or several months.

2.5.1.3 The Shipper shall provide the re-nomination to the TSO not later than 20 business days before the start of the period concerned by the re-nomination.

2.5.1.4 The TSO shall inform the Shipper of whether the re-nomination has been accepted or rejected within 10 business days of the receipt of the re-nomination from the Shipper. In the event that a nomination is rejected, the TSO shall state the reason for the rejection. A nomination may be rejected for one of the reasons mentioned in point 2.2.5. In the event of a rejection of a re-nomination by the TSO, the last annual nomination approved by the TSO shall remain binding on the parties.

2.5.2 Weekly re-nomination of the daily quantities of gaseous fuel

- 2.5.2.1 The Shipper may re-nominate daily quantities of gaseous fuel specified in its weekly nomination by 3pm of the day preceding that to which the re-nomination relates. In the event that several re-nominations are submitted in a given day, the last re-nomination submitted is considered.
- 2.5.2.2 The TSO shall inform the Shipper of whether the re-nomination has been accepted or rejected stating the reasons for rejecting the nomination, on the same day by 4pm.
- 2.5.2.3 The re-nomination may be rejected for the reasons specified in point 2.3.5.
- 2.5.2.4 In the event that a re-nomination referred to in point 2.5.2.2 is rejected, the Shipper shall send, by 6pm, an adjusted re-nomination, taking into consideration the reasons for the rejection stated by the TSO.
- 2.5.2.5 The TSO shall inform the Shipper whether the nomination referred to in point 2.5.2.4 has been accepted or rejected by 8pm on the day preceding the gas day, concerned by such nomination.
- 2.5.2.6 In the event when a re-nomination referred to in point 2.5.2.4 or point 2.5.2.7 is rejected by the TSO, the last weekly nomination approved by the TSO shall remain binding for the parties, subject to points 2.5.3.3 and 2.5.4.3, taking into account the reductions and suspensions referred to in point 2.1.6 and point 2.3.5.
- 2.5.2.7 For entry points or exit points where the Shipper specifies the quantities of gaseous fuel for each hour of the gas day in its nominations or re-nominations under the TNC or the transmission contract, the Shipper may submit a re-nomination two (2) hours before the first hour for which the nomination is to be changed.
- 2.5.2.8 The re-nomination referred to in point 2.5.2.7 may be rejected due to the reasons set out in point 2.3.5, and when no technical capability exists for the execution of such re-nomination.
- 2.5.2.9 Within one hour of receiving the re-nomination referred to in point 2.5.2.7, the TSO shall inform the Shipper whether the re-nomination has been approved or rejected, in the latter case stating the reasons for such rejection.
- 2.5.3 Re-nomination matching for transmission systems
- 2.5.3.1 Re-nominations submitted by Shippers for entry points or exit points located at interconnections between the transmission system and other transmission systems should be consistent with the corresponding nominations (re-nominations) in other transmission systems.
- 2.5.3.2 If the process of re-nomination matching to other transmission systems reveals any divergence of re-nominations, the “lower flow” principle shall apply, which means that the flows in both systems will be reduced to the level of the lower of the compared re-nominations.
- 2.5.3.3 In the situation referred to in point 2.5.3.2, the TSO shall deem the re-nomination that specifies the quantities of gaseous fuel established in

accordance with the provisions of point 2.5.3.2 to be approved. In case when the “lower flow” principle applies, the provisions of point 2.1.5 shall not be applicable

2.5.4 Re-nomination matching process in distribution systems and storage facilities

2.5.4.1 In the event that the Shipper submits to the TSO weekly re-nominations specifying the daily quantities of gaseous fuel pursuant to point 2.5.2.1, the TSO shall pass on such re-nomination to the DSO and SSO on the same day by 3.15pm.

2.5.4.2 The DSO and SSO shall match the re-nomination and provide the TSO with information on the results of the re-nomination matching on the same day by 3.45pm.

2.5.4.3 In case of mismatching weekly re-nominations specifying the daily quantities of gaseous fuel, which are referred to in point 2.5.4.2, the “lower flow” principle shall be applied, which means that the flows in both systems will be reduced to the level of the lower of the compared quantities of gaseous fuel. The TSO shall inform the Shipper of the re-nomination approval in accordance with point 2.5.2.5 In case when the “lower flow” principle applies, the provisions of point 2.1.5 shall not be applicable

2.5.5 Nominations for interruptible services and daily transmission services

2.5.5.1 The provisions of point 2 shall apply to nominations and re-nominations for interruptible services, including reverse transmission services and daily transmission services, unless provided otherwise herein.

2.5.5.2 The TSO shall advise the Shippers with interruptible transmission contracts, including contracts in respect of reverse transmission services and daily transmission services, by 2pm of the day preceding the gas day, of either: the approval of their nomination, reduction of the gaseous fuel specified for the Shipper in the nomination approved by the TSO, or rejection of such nomination. Any reductions shall be made taking into account the priority of service performance at the highest level of transmission reliability and the priority given to the implementation of long-term contracts with respect to short-term contracts, and in case of contracts with the same duration, such reductions shall be proportional to the quantities specified in the respective nominations.

2.5.5.3 After receiving the information on a reduction in the quantity of gaseous fuel the Shipper may submit, within thirty (30) minutes, an adjusted nomination, provided that the quantity specified in such nomination cannot exceed the quantity specified by the TSO in its information. In case when the Shipper fails to submit an adjusted nomination, the quantity specified by the TSO shall be deemed to apply.

2.5.5.4 The Shipper that received, by 2pm, the information on the approval or proportional reduction of the quantity of gaseous fuel in the submitted nomination, and did not submit any re-nomination, may be advised by the TSO of further proportional reduction of the quantity of gaseous fuel in the submitted nomination. Such further reduction of the quantity of gaseous fuel in the

submitted nomination shall be applied when necessitated by the re-nominations submitted by Shippers who have firm transmission contracts.

- 2.5.5.5 After receiving the information referred to in point 2.5.5.4, the Shipper may, within thirty (30) minutes, correct the submitted nomination, provided that the quantity of gaseous fuel specified in the nomination must not exceed the quantity of gaseous fuel specified by the TSO, in accordance with point 2.5.5.4. In case when the Shipper fails to submit a re-nomination, the quantity of gaseous fuel specified in accordance with point 2.5.5.4 shall be deemed to apply.

3 TRANSMISSION SYSTEM BALANCING

3.1 General conditions of balancing

- 3.1.1 The TSO provides balancing services in the group E high-methane gas system.
- 3.1.2 In view of the lack of the relevant regulatory instruments related to the shortage of linepack capacity and the lack of storage facilities in the Lw sub-group low-methane gas systems, the quantities of low-methane gas delivered by the Shipper for transmission in the transmission system and those taken must be the same in any given gas day.
- 3.1.3 Physical balancing is realized by the TSO in order to ensure safe implementation of the transmission contracts.
- 3.1.4 Commercial balancing is performed in order to settle the Shippers' imbalances arising under individual transmission contracts on the basis of the quantities of gaseous fuel assigned to the Shippers in accordance with the allocation methods described in point 3.2.

3.2 Allocation

- 3.2.1 In the event that gaseous fuel is, respectively, delivered for transmission or taken at a given entry point or exit point by only one Shipper, the entire quantity of gaseous fuel or the maximum hourly quantity of gaseous fuel specified on the basis of the results of measurements for the relevant point shall be assigned to that Shipper.
- 3.2.2 In the event that gaseous fuel is, respectively, delivered for transmission or taken at the given entry point or exit point by only one Shipper who has concluded at least two transmission contracts with the TSO covering such point, the quantity of gaseous fuel and the maximum hourly quantity of gaseous fuel specified on the basis of the results of the measurements for the relevant point shall be assigned proportionally to the approved nominations under each of the transmission contracts concluded with the Shipper, unless the Shipper specifies another method of allocation, which shall apply at the given point after acceptance by the TSO.

- 3.2.3 With respect to every entry point into the transmission system the TSO may enter into an agreement with at least one Shipper being a user of such a point, whereby the Shipper will agree to the assignment of the difference between the quantities of gaseous fuel specified in the approved nominations and the quantities delivered for transmission at this point.
- 3.2.4 In the event when the agreement referred to in point 3.2.3 is concluded, the differences between the actual quantities and the nomination at the relevant entry point shall be taken into consideration in the determination of charge for the inconsistency of the nomination with the actual quantities and when settling imbalances on the terms and conditions set out in the agreement entered into with the Shipper.
- 3.2.5 The Shippers who are users of a given entry point may enter into an agreement that specifies the methods of allocation applicable to such point in accordance with the provisions of point 3.2.8, and such agreement shall apply after TSO's acceptance. In order to enable the Shipper to conclude an agreement on allocation, the TSO shall advise any Shipper operating at a given point of the conclusion by the TSO of an additional transmission contract at that point not later than thirty (30) days before the date when the start of transmission services under such additional contract is planned.
- 3.2.6 In the event of a change in any of the users of a point, including a situation when an entity being a party to the agreement referred to in point 3.2.5 stops using the relevant point, the agreement shall remain valid – with respect to the TSO – between the parties to the agreement that continue to be the users of such point, to the extent that the provisions of the agreement, despite the change in its parties, remain consistent with the provisions of point 3.2.8. In the event that a new entity joins the agreement, the amended wording of the agreement shall be binding – with respect to the TSO – upon its acceptance by the TSO.
- 3.2.7 In the case of exit points from which gas is transported to the networks of ISOs or directly to Customers, the allocation methods shall be established, as applicable, by the ISO or the Customer who is a user of the relevant exit point.
- 3.2.8 The allocation method agreed in accordance with point 3.2.5 and point 3.2.7 should enable full allocation of the quantities of gas delivered for transmission or taken from the transmission system during any individual gas day, and the determination of the maximum hourly quantities of gaseous fuel by Shipper at such point. The agreement referred to in point 3.2.5 and the principles established in accordance with point 3.2.7 should define the methods of allocation among the Shippers who are the users of the relevant point in case of a failure to meet the quality parameters of gaseous fuel as specified in the TNC, or the delivery pressure specified in the website www.gaz-system.pl.
- 3.2.9 If the allocation method was not agreed under point 3.2.3 or point 3.2.5, or point 3.2.7, and if the provisions of point 3.2.10 or point 3.2.11 are not applicable, the quantity of gas delivered for transmission or taken at the individual entry points or exit points shall be assigned to the individual Shippers in proportion to the approved nominations.
- 3.2.10 In the event that the agreement referred to in point 3.2.3 or point 3.2.5 is not concluded, the differences between the total quantity of gaseous fuel specified in

all the approved nominations for the given entry point and the quantities delivered for transmission at that entry point, they shall be allocated to the Shipper that is entitled to at least 70% of the total ordered contracted capacity at such point. The above principles are not applicable in the event of a failure to ensure in a given entry point the minimum pressure of the supply or the quality parameters of the gaseous fuel.

- 3.2.11 In the event an interoperator agreement referred to in point 3.2.17 is concluded, the daily quantities of gaseous fuel delivered by the Shipper for transmission shall be deemed as the quantities specified in the approved nomination for the relevant point.
- 3.2.12 In the situation in which the agreement referred to in point 3.2.5 was concluded between all the Shippers being the users of the relevant point and the circumstances referred in point 3.2.7 do not apply, the quantities of gaseous fuel delivered for transmission or taken from the transmission system at a given entry or exit point will be allocated in aggregate to all the Shippers who are a party to the agreement and the Shippers who are not a party to the agreement, proportionally to the sum of the approved nominations for the Shippers who are party to the agreement and the approved nominations of the Shippers who are not a party to the agreement. The quantity of gaseous fuel delivered for transmission or taken from any individual entry or exit points for the Shippers who are a party to the agreement referred to in point 3.2.5 shall be allocated in accordance with the terms and conditions of that agreement.
- 3.2.13 In the event when the agreement referred to in point 3.2.3 or point 3.2.5 has not been concluded or the provisions of point 3.2.10 or 3.2.11 are not applicable, the maximum hourly quantities of gaseous fuel in a given gas month at each of the entry and exit points shall be determined for individual Shippers based on the total maximum hourly quantity of gaseous fuel delivered for transmission or taken from the transmission system at a given point proportionally to the approved nominations prevailing on the day on which the largest total hourly quantity of gaseous fuel delivered for transmission or taken from the transmission system in a given month, occurred.
- 3.2.14 Subject to point 3.2.15, the allocation on the terms and conditions specified above is made by the TSO.
- 3.2.15 With respect to points for which the Billing Point Operator is an entity other than the TSO or the gaseous fuel at a given exit point is delivered to an ISO's network or directly to a Customer, the allocation is made, as appropriate, by the ISO or such Customer. The Shipper shall obligate the Billing Point Operator to provide information the TSO with information on the results of the measurements of gaseous fuel. The Shipper shall obligate the ISO or the Customer to make the allocation in accordance with the provisions of this point within the deadlines specified in point 3.2.16.
- 3.2.16 In the cases described in point 3.2.15, the BPO, ISO and Customer shall submit information to the TSO, every day by 09:00 hours, on the quantities assigned to the individual Shippers for the previous gas day, and the monthly settlement reports containing the daily data assigned to the individual Shippers shall be provided to the TSO by the 5th business day of the month following the month to which the report applies.

3.2.17 The TSO may conclude an agreement with an operator of another transmission system or a SSO on an operator's account to be maintained for the gaseous fuel delivered at the entry point to the TSO's transmission system. The agreement may be concluded if the technical capabilities exist for such an account to be maintained. The agreement should specify in particular:

3.2.17.1 the maximum quantity of gaseous fuel that can be exchanged between operators in order to level out the differences between the quantities specified in the approved nomination for the relevant point and the quantities actually transmitted between the transmission systems. The value of such differences is established based on the settlement data for the actual flow between the systems.

3.2.17.2 principles of making up the balance of the operator's account and the settlement principles with regard to the delivered or taken gaseous fuel upon the expiry of the term of the agreement.

3.3 Physical balancing

3.3.1 In case of imbalance of the quantities of gaseous fuel delivered for transmission and taken from the transmission system, the TSO shall take steps to stabilise system operation using the following regulatory instruments:

3.3.1.1 linepack capacity available in the transmission system,

3.3.1.2 storage capacity reserved for balancing purposes.

3.3.2 The storage system operator connected to the transmission system is obliged to offer the TSO the access to a certain part of the working volume of the storage facility and the injection and withdrawal capacity required for the performance of the duties of TSO.

3.3.3 By 15 October of each year, the TSO shall inform the entity referred to in point 3.3.2 about the working volume, withdrawal capacity and injection capacity of the storage facility reserved by the TSO for the following year (from 1 April to 31 March of the subsequent year).

3.3.4 The working volume of the storage facility that is reserved for the TSO cannot be made available to other entities without the TSO's consent.

3.3.5 The gaseous fuel injected into the storage facilities and withdrawn from the storage facilities should conform to the quality parameters specified in Part I of the TNC.

3.3.6 The detailed terms and conditions regarding the TSO's use of the reserved working volume, as well as injection and withdrawal capacity of storage facilities shall be specified in the contract or the interoperator agreement concluded with the entity referred to in point 3.3.2.

3.3.7 As part of physical balancing, the TSO shall deliver to or take from Shippers the necessary quantities of gaseous fuel required to balance the difference between the quantity of gaseous fuel that has been delivered by the Shipper for

transmission at the entry points and taken by the Shipper at the exit points from the transmission system.

- 3.3.8 In the event that the regulatory instruments described in point 3.3.1 are prove insufficient, the TSO may impose restrictions on entry points or exit points in accordance with the provisions of point 4.6.

3.4 Commercial balancing

3.4.1 Terms and conditions of commercial balancing

- 3.4.1.1 The TSO shall specify the daily imbalance quantity (DIN) for the given gas day as the difference between the quantities of gaseous fuel that the Shipper has delivered at the entry point and taken from the transmission system at the exit points during any gas day, calculated separately for each transmission contract between the TSO and the Shipper. The imbalance value shall be specified in m³.
- 3.4.1.2 Two levels of imbalance limits shall apply: daily imbalance limit (DLN) the top daily imbalance limit (GDLN).
- 3.4.1.3 Daily imbalance limit, DLN, amounts to 5 % of the quantity of gaseous fuel delivered by the Shipper for transmission at the entry points in a given gas day under the relevant transmission contract.
- 3.4.1.4 Top daily imbalance limit, GDLN, amounts to 15 % of the quantity of gaseous fuel delivered by the Shipper for transmission at the entry points in a given gas day under the relevant transmission contract.
- 3.4.1.5 In the event that the absolute daily imbalance quantity, DIN, of a given Shipper is:
- 3.4.1.5.1 less than or equal to DLN, the balancing is performed by the TSO without any additional charges,
 - 3.4.1.5.2 greater than DLN, but less than or equal to GDLN, the Shipper is obliged to pay a standard charge for the balancing in excess of the limits in accordance with point 3.5.1,
 - 3.4.1.5.3 greater than GDLN, the Shipper is obliged to pay an increased charge for balancing in excess of the limits in accordance with point 3.5.2.
- 3.4.1.6 The Shipper is obliged to maintain the balance of the quantity of gaseous fuel delivered to and taken from the transmission system under the applicable transmission contract such that the cumulative imbalance quantity (NIN), being the sum of DLN values on the successive gas days of a gas month, does not exceed the maximum cumulative imbalance quantity (MNIN).
- 3.4.1.7 For Shippers whose total contracted capacities at the exit points are less than or equal to 15,000 m³/h, the value (MNIN) shall be set at 40% of the nominal monthly quantity of gaseous fuel for the given gas month specified in the approved annual nomination at the entry points, divided by the number of days in the gas month.

- 3.4.1.8 For Shippers whose total contracted capacities at the exit points are greater than 15.000 m³/h, the value (MNIN) shall be set at 20% of the nominal monthly quantity of gaseous fuel for the given gas month specified in the approved annual nomination at the entry points divided by the number of days in the gas month.
- 3.4.1.9 Any instance of the overrun of MNIN during the gas month results in a charge being imposed in accordance with the provisions of point 3.5.3.
- 3.4.1.10 At the end of each gas month, the parties shall make settlement of the quantity of gaseous fuel required for balancing in the given gas month which was delivered by the TSO to the Shipper or taken by the TSO from the Shipper, being the difference between the amount of gaseous fuel delivered by the Shipper for transmission at the entry points and taken by the Shipper at the exit points from the transmission system in accordance with the provisions of point 3.6 and Part I of the TNC.
- 3.4.1.11 In the event that the quantity of gaseous fuel delivered at the entry points during the gas day in question is "0" and the quantity taken at the exit points is different than "0", then DIN shall be deemed to be equal to 100% of the quantity delivered at the exit points.
- 3.4.2 Operational balancing
- 3.4.2.1 As part of operational balancing, the TSO shall establish, for each Shipper, the estimated value of the daily imbalance quantity (DIN) in the previous day.
- 3.4.2.2 Operational balancing is carried out by the TSO w daily frequency on the basis of the results of measurements, estimated volumes and agreed allocation methods.
- 3.4.2.3 Should it be discovered that a Shipper exceeded the imbalance limit in excess of the MNIN value, which could cause a threat to the security of performance of other transmission contracts, the TSO may introduce restrictions on the quantity of gaseous fuel delivered for transmission at the entry points and taken from the transmission system at the exit points in accordance with the provisions of point 4.6.
- 3.4.2.4 The TSO shall keep the Shippers informed for the purposes of specifying the status of the Shipper's imbalance. The level of information provided shall reflect the level of information that the TSO has available.
- 3.4.3 Billing balancing
- 3.4.3.1 Billing balancing is carried out by the TSO after the end of the gas month on the basis of the results of measurements that are approved in the form of billing reports.
- 3.4.3.2 The TSO shall carry out the billing balancing procedure for every Shipper, which involves the calculation of the value of DIN for every day in the month. The billing balancing procedure is carried out separately for each of the transmission contracts concluded by the Shipper with the TSO.

- 3.4.3.3 In the event of a correction to the monthly settlement or if the gaseous fuel used for process purposes is taken downstream of the point of measurement of the quantity of gaseous fuel taken by the Shipper, the above quantities of gaseous fuel shall be enumerated as a separate item in the CTR and taken into account in the calculation of the cumulative amount of imbalance (NIN).
- 3.4.3.4 The amounts specified on the basis of the billing balancing shall be included in the Commercial Transmission Report (CTR) prepared by the TSO.
- 3.4.3.5 The Gas Reference Price (CRG) means the weighted average price at which the TSO purchased gaseous fuel in the previous gas month. The TSO SHALL establish and publish the CRG on its website by the twentieth (20th) day of every month. Such CRG is applicable during the following gas month. If gaseous fuel was not purchased in a given month, the previous CRG shall apply.

3.5 Charges for balancing in excess of the limits

- 3.5.1 In the situation where absolute value of the daily imbalance quantity (DIN) is greater than the daily imbalance limit (DLN), but does not exceed the top daily imbalance limit (GDLN), the TSO shall apply a standard charge for balancing in excess of the limits (OZB) calculated according to the following formula:

$$\mathbf{OZB = OZB_s * (MOD(DIN) - DLN)}$$

where:

OZB_s – rate of the standard charge for balancing in excess of the limits, amounting to PLN 0.1681 per m³,

MOD – absolute value,

DIN – daily imbalance quantity,

DIL – daily imbalance limit.

- 3.5.2 In the situation where the absolute value of the daily imbalance quantity (DIN) exceeds the top daily imbalance limit (GDLN), the TSO shall apply an increased charge for balancing in excess of the limits (ICB), calculated according to the following formula:

$$\mathbf{OPB = OPB_s * (MOD(DIN) - DLN)}$$

where:

OPB_s – rate of the increased charge for balancing in excess of the limits, amounting to PLN 0.3362 per m³,

MOD – absolute value,

DIN – daily imbalance quantity,

DIL – daily imbalance limit.

- 3.5.3 In the event that the absolute cumulative amount of imbalance (NIN) exceeds the value of the maximum cumulative amount of imbalance (MNIN), the Shipper shall

be obliged to pay the TSO an additional charge (OPD) for overrunning the MNIN, which shall be established as follows:

$$\text{OPD} = (\text{MOD}(\text{MAXNIN}) - \text{MNIN}) * 0,1 * \text{CRG} * d$$

where:

MOD – absolute value,

MAXNIN – the highest overrun value of the maximum cumulative imbalance quantity (MNIN) for every period when MNIN was exceeded,

MNIN – maximum cumulative imbalance quantity,

CRG – reference price for gaseous fuel,

d – number of days in the period of MNIN overrun.

- 3.5.4 In the event when the absolute value of the cumulative imbalance quantity (NIN) at the end of the gas month exceeds 3% of the average daily quantity of gaseous fuel as specified in the annual nomination at the entry points for such month, the Shipper shall be obliged to pay the TSO an additional charge (OPR), which shall be established as follows:

$$\text{OPR} = 0,2 * \text{CRG} * \text{MOD}(\text{NIN})$$

where:

CRG – reference price for gaseous fuel,

MOD – absolute value,

NIN – cumulative imbalance quantity.

3.6 Settlement for the delivery or off-take of gaseous fuel related to balancing.

- 3.6.1 At the end of each gas month, if the value (NIN) is different than zero, and:

- 3.6.1.1 NIN < 0, the Shipper shall be obliged to pay the TSO a charge for the delivered gaseous fuel (OPM), which shall be established in the following manner:

$$\text{OPM} = \text{MOD}(\text{NIN}) * \text{CRG}$$

where:

MOD – absolute value,

NIN – cumulative imbalance quantity,

CRG – reference price for gaseous fuel.

- 3.6.1.2 NIN > 0, the TSO shall be obliged to pay the Shipper a charge for the received gaseous fuel (OPM), which shall be established in the following manner:

$$\text{OPM} = \text{NIN} * \text{CRG}$$

where:

NIN – cumulative imbalance quantity,

CRG – reference price for gaseous fuel.

3.6.2 After making the settlement referred to in point 3.6.1, the value (NIN) shall be set at “0”.

4 SYSTEM CONGESTION MANAGEMENT

4.1 Reasons for the occurrence of system congestion

4.1.1 Congestion may occur in the transmission system in connection with:

- 4.1.1.1 limited capacity of the network or system facilities,
- 4.1.1.2 limited capability of the TSO to store gaseous fuel in the transmission system and in the interoperating storage facilities,
- 4.1.1.3 need to maintain minimum pressure at exit points from the transmission system,
- 4.1.1.4 the need to maintain stable quality parameters of the gaseous fuel in the transmission system,
- 4.1.1.5 works carried out within the transmission system operated by the TSO or in other interoperating systems,
- 4.1.1.6 occurrence of an emergency situation,
- 4.1.1.7 actions of a Shipper, its suppliers or Customers, which are in breach with the provisions of the TNC or the transmission contract.

4.2 Measures taken by the TSO to eliminate the potential occurrence of system congestion

- 4.2.1 At the stage of reviewing applications for the provision of transmission services, the TSO analyses the capabilities to perform new agreements such that they do not result in a reduction in the level of security of supply or quality of the gaseous fuel supplied to the existing Shippers.
- 4.2.2 In case when the capabilities exist for the performance of transmission services, the TSO shall offer spare capacity in accordance with the provisions of the TNC.
- 4.2.3 In case of the lack of the capability to provide firm transmission services, the TSO shall offer interruptible transmission services, to the extent this is possible.
- 4.2.4 In case of the lack of the capability to provide transmission services, the TSO may prepare, at the request of the interested entity, information on the necessary expansion of the transportation system in order to enable the provision of the requested services. The TSO shall charge a fee for the preparation of such information, in the amount agreed in the relevant agreement, which shall reflect the cost of its preparation.

- 4.2.5 The TSO shall cooperate with the ISOs on the terms and conditions specified in the interoperator agreements in order to prevent any occurrence of system congestion.
- 4.2.6 Furthermore, the TSO shall take the following measures with a view to preventing the occurrence of system congestion:
- 4.2.6.1 plan and implement the expansion of the transmission system,
 - 4.2.6.2 conclude gas transmission contracts containing provisions concerning the procedures applicable in the event that the reserved capacity is not used,
 - 4.2.6.3 operate the transmission system and control its operation so as to reduce the probability of any occurrence of system congestion,
 - 4.2.6.4 monitor technical and quality parameters of the transported gaseous fuel,
 - 4.2.6.5 schedule the work in the system so to avoid causing any congestion, and when congestion is unavoidable in connection with the works to be carried out, make efforts to mitigate the consequences of the congestion caused by the planned works,
 - 4.2.6.6 prepare operating procedures in the event of an emergency situation in the transmission system,
 - 4.2.6.7 introduce additional charges, as referred to in point 3.5, point 4.5 and point 4.7.

4.3 System congestion management in case of contractual congestion

- 4.3.1 The TSO shall carry out on-going assessment of the utilisation of the reserved capacity, while taking into account the transmission services currently provided under the existing transmission contracts, accepted applications for the provision of transmission services and the signed agreements on the connection to the transmission network. The above analyses are aimed at preventing any possibility of capacity blocking in the in the transmission system and the occurrence of contractual congestion.
- 4.3.2 In the event of the occurrence of contractual congestion, which prevents the conclusion of a transmission contract, the TSO shall make efforts to mitigate such congestion and to enable the conclusion of a contract, at least on an interruptible basis.
- 4.3.3 If, during the review of a new application for transmission service it is revealed that no free technical capacity is available and some capacity reserved under the existing contracts remains not utilized, the TSO, following a consultation with the President of ERO, shall request the Shipper that utilizes less than 80 % of the reserved contracted capacity of the transmission system for the period of six (6) consecutive months, including the period from December till March (of the following year), to give up within thirty (30) days the right to the capacity not utilized by such Shipper.
- 4.3.4 If, as a result of an amendment of the terms of an existing transmission contract, or its termination, free technical capacity becomes available in the transmission

system, which may be offered on a firm basis, the TSO shall offer such capacity to the Shipper that concluded an interruptible transmission contract, in accordance with the provisions of the TNC and the tariff.

- 4.3.5 The Shipper may sell or make available the unused capacity pursuant to the provisions of point 4.3.7 or point 4.3.18.3.
- 4.3.6 In order to facilitate the purchase, sale or offering of the unused capacity (contracted capacity) the TSO shall post a Bulletin Board in its website containing the available free capacity and Shipper requests.
- 4.3.7 In the event of the intention to purchase, sell or offer unused capacity, the Shipper shall place a bid with the TSO in compliance with the specimen posted on the TSO's website.
- 4.3.8 In the event of the intention to purchase unused capacity, the Shipper may place a buying bid with the TSO, which shall contain:
- 4.3.8.1 Shipper's details including in particular: company name, registered office and address, designation of the court register where the company's documentation is kept along with the number under which the company has been entered into the register, the tax identification number (NIP), the amount of share capital (in the case of a joint stock company also the amount of paid-in capital),
 - 4.3.8.2 Shipper's contact details,
 - 4.3.8.3 the name and reference numbers of the entry and exit the bid relates to,
 - 4.3.8.4 required capacity (contracted capacity),
 - 4.3.8.5 starting and/or ending date from or until which the Shipper wishes to purchase the capacity,
 - 4.3.8.6 date by which the bid remains binding
- 4.3.9 In the event of the intention to sell or offer unused capacity, the Shipper may place with the TSO a bid containing:
- 4.3.9.1 Shipper's details including in particular: company name, registered office and address, designation of the court register where the company's documentation is kept along with the number under which the company has been entered into the register, the tax identification number (NIP), the amount of share capital (in the case of a joint stock company also the amount of paid-in capital),
 - 4.3.9.2 Shipper's contact details,
 - 4.3.9.3 the name and reference numbers of the entry and exit the bid relates to,
 - 4.3.9.4 capacity offered (contracted capacity),
 - 4.3.9.5 in the case of a selling bid, the date from when the capacity is offered for sale,

- 4.3.9.6 in the case of an offer to make capacity available, the date from when and up until when the capacity is to be made available,
- 4.3.9.7 date by which the bid remains binding
- 4.3.10 The bid should conform to the following requirements:
- 4.3.10.1 the Shipper, pursuant to the transmission contract, must be entitled to the offered capacity at entry and exit points specified in the bid,
- 4.3.10.2 in the case of offers for making capacity available – the date on which the capacity is made available in the offer, it should encompass full gas months,
- 4.3.10.3 in the case of offers for sale of capacity – the date from when the sale of capacity is offered, it should fall on the first day of a gas month.
- 4.3.11 The bid form that complies with the specimen posted on the website of the operator should be submitted to the TSO by e-mail to the following address: rynek.wtorny@gaz-system.pl and by registered mail to the offices of the TSO, no later than fourteen (14) days before the date from which the capacity is offered for sale, purchase or is to be made available.
- 4.3.12 In the event that the bid does not conform to the above requirements, the TSO reserves the right not to post the bid while at the same time informing the Shipper of this fact in writing by e-mail to the address from which the offer was sent and by registered mail.
- 4.3.13 The TSO shall not be responsible for the content of the bids posted but it is responsible for the consistency of the bids posted with the form delivered by the Shipper.
- 4.3.14 After the expiry of the binding date of the bid, the TSO shall remove the bid from the Bulletin Board for unused capacity.
- 4.3.15 In case of the sale of unused capacity to a Shipper to whom the TSO, similarly to the selling Shipper, provides transmission services from an entry point to an exit point in the transmission system for the same gaseous fuel (E or Lw grade), the following procedure shall be applicable:
- 4.3.15.1 The declarations of the Shipper shall be sent to the TSO concerning the sale of the capacity containing information on the entry and exit points where the capacity is to be sold and the contracted capacity values at those points, in the form posted on the TSO's website.
- 4.3.15.2 Annexes to the transmission contracts signed unilaterally by the Shippers shall be sent to the TSO and shall specify the entry and exit points along with the new contracted capacity at those points, pursuant to the provisions of the declaration on the sale of the capacity and new annual nominations.
- 4.3.15.3 The documents referred to in point 4.3.15.1 and point 4.3.15.2 shall be sent by the Shipper to the TSO by e-mail to the following address: rynek.wtorny@gaz-system.pl and by registered mail to the offices of the TSO.

- 4.3.15.4 The TSO shall review the annexes and transmission contracts with respect to the technical capabilities to provide transmission services, and specifically as specified in Part I of the TNC, within 5 (five) business days counting from the receipt of a duly completed application by the TSO. When the result of the above review is positive, the TSO shall sign annexes to the gas transmission contracts within the next 2 (two) business days.
- 4.3.15.5 If, in the process of the review referred to in point 4.3.15.4 it is revealed that the documents are incomplete or further documents need to be submitted, the TSO shall inform the Shipper of this fact by sending a letter during one day of becoming aware of such need. Once the incomplete documentation has been supplemented by the Shipper, the procedure specified above shall be applied.
- 4.3.16 In the event of the intention to sell unused capacity (contracted capacity) in cases other than those referred to in point 4.3.15, the following documents shall be submitted to the TSO:
- 4.3.16.1 a declaration by the Shipper and the purchasing entity concerning the resale of the capacity, which shall contain information on the entry and exit points at which the capacity is to be resold, as well as the values of the contracted capacities at these points, in the form that is posted on the TSO's website.
- 4.3.16.2 an application from the purchasing entity for the provision of transmission services,
- 4.3.16.3 an annex to the transmission contract signed by the Shipper specifying the entry and exit points, together with the new contracted capacities at these points, in accordance with the provisions of the declaration to sell the capacity and new annual nominations.
- 4.3.17 The TSO shall assess the application for the provision of transmission services in accordance with the procedures specified in Part I of the TNC. In the event of the acceptance of the application, the TSO shall sign a transmission contract with the purchasing entity, as well as an annex to the transmission contract with the Shipper.
- 4.3.18 In the event that unused capacity (contracted capacity) is to be made available, the Shipper shall present a declaration to the TSO to the effect that making the capacity is made available, at least three (3) days before the date when the new entity is to start using such capacity, in the form posted on the TSO's website, which shall contain the following information:
- 4.3.18.1 name of the entity to which the capacity has been made available,
- 4.3.18.2 the entry and exit points, as well as the levels of contracted capacities made available by the Shipper at these points.
- 4.3.18.3 Documents referred to in point 4.3.18 shall be sent by the Shipper to the TSO by e-mail to the following address: rynek.wtorny@gaz-system.pl and by registered mail to the offices of the TSO.

- 4.3.19 In case when capacity is made available, this shall not result in any amendment to the provisions of the transmission contract concluded between the Shipper and the TSO.
- 4.3.20 The TSO shall not apply any additional charges from the Shippers in respect of the measures related to the prevention or mitigation of contractual congestion.
- 4.4 System congestion management in case of incompatibility of the off-take or deliveries of gaseous fuel with the Shippers' approved nomination (delivery or off-take schedule).
- 4.4.1 In accordance with the provisions of the TNC and the transmission contract the Shipper shall send nominations to the TSO, and the aggregate quantities of gaseous fuel specified for entry points should not differ from the aggregate quantities of gaseous fuel specified for exit points by more than specified in point 2.1.5.
- 4.4.2 The TSO schedules the operation of the transmission system on the basis of the nominations and re-nominations received from the Shippers.
- 4.4.3 In the event that the quantities of gaseous fuel delivered for transmission and the quantities taken from the transmission system are inconsistent with the approved nominations, the TSO shall take additional steps to adjust the system's operation to the new conditions.
- 4.4.4 If the inconsistency between the actual volumes and the nomination exceeds the acceptable tolerance, as specified in point 2.3.12, the TSO shall apply additional charges in accordance with point 4.5.
- 4.5 The method of calculating the charges for inconsistency with the approved nominations
- 4.5.1 The charge for inconsistency with the daily quantities of gaseous fuel specified in the approved weekly nomination at the entry point (ONW) shall be calculated as follows:
- 4.5.1.1 the relative inconsistency with the nomination at the entry point (PNW) shall be calculated according to the following formula:

$$\text{PNW} = [\text{MOD}(N_z - I_G)/N_z] * 100\%$$

where:

MOD – absolute value,

N_z – daily quantity of gaseous fuel specified in the approved weekly nomination,

I_G – daily quantity of gaseous fuel delivered by the Shipper.

- 4.5.1.2 if $\text{PNW} > 10\%$, the TSO shall calculate and apply a charge for the inconsistency with the nomination at an entry point (ONW), which shall be calculated according to the following formula:

$$\text{ONW} = (\text{PNW} - 10\%) * N_z * \text{SNW}$$

where:

PNW – relative inconsistency with the nomination at an entry point,

N_z – daily quantity of gaseous fuel specified in the approved weekly nomination,

SNW – rate of the charge for inconsistency with the nomination at an entry point, amounting to PLN 0.020 per m^3

- 4.5.1.3 In the event that the value of the daily quantity of gaseous fuel at the given entry point is nominated as zero ($N_z = 0$), the TSO shall calculate and apply a charge for inconsistency with the nomination at an entry point (ONW), which shall be calculated according to the following formula:

$$ONW = I_G * SNW$$

where:

I_G – quantity of gaseous fuel delivered by the Shipper.

SNW – rate of the charge for inconsistency with the nomination at an entry point, amounting to PLN 0.020 per m^3

- 4.5.2 The charge for inconsistency with the daily quantities of gaseous fuel specified in the approved weekly nomination at the exit point (ONWW) shall be calculated as follows:

- 4.5.2.1 the relative inconsistency with the nomination at the exit point (PNWW) shall be calculated according to the following formula:

$$PNWW = [MOD(N_z - I_G)/N_z] * 100\%$$

where:

MOD – absolute value,

N_z – daily quantity of gaseous fuel specified in the approved weekly nomination,

I_G – daily quantity of gaseous fuel taken by the Shipper.

- 4.5.2.2 if $PNW > 10\%$, the TSO shall calculate and apply a charge for the inconsistency with the nomination at the exit point, which shall be calculated according to the following formula:

$$ONWW = (PNWW - 10\%) * N_z * SNWW$$

where:

PNWW – relative inconsistency with the nomination at an exit point,

N_z – daily quantity of gaseous fuel specified in the approved weekly nomination,

SNWW – rate of the charge for inconsistency with the nomination at an exit point, amounting to PLN 0.020 per m^3

- 4.5.2.3 In the event that the value of the daily quantity at the given exit point is nominated as zero ($N_z = 0$), the TSO shall calculate and apply a charge for inconsistency with the nomination at an exit point (ONWW), which shall be calculated according to the following formula:

$$\text{ONWW} = I_G * \text{SNWW}$$

where:

I_G – daily quantity of gaseous fuel taken by the Shipper.

SNWW – rate of the charge for inconsistency with the nomination at an entry point, amounting to PLN 0.020 per m³

- 4.5.3 The TSO shall not apply the charges for inconsistency with the approved nominations at entry or exit points when the Shipper demonstrates that the inconsistency with the approved nomination arose from reasons within the control of the TSO.
- 4.5.4 For the following entry points: Tarnów II (ID 470003), Dzików (ID 472103), Zablotce (ID 472102) and Mełgiew (ID 472130) the Shipper shall be released from any charges for inconsistency with nominations.
- 4.5.5 For the following entry points: Lasów (ID 272411), Gubin (ID 272416), Branice (ID 372414), Głuchołazy (ID 372415), Drozdowicze (ID 472401), Tietierowka (ID 572405) and Wysokoje (ID 572407) the Shipper:
- 4.5.5.1 shall be released from any charges for inconsistency with nominations in case when the pressure of the gaseous fuel delivered for transmission is equal or greater than the pressure specified in accordance with the provisions of Part I of the TNC;
- 4.5.5.2 shall be released from any charges for inconsistency with nominations and off-spec pressure in case when the actual volumes will exceed the nomination, and the pressure of gaseous fuel delivered for transmission will be lower than the pressure specified in accordance with the provisions of Part I of the TNC;
- 4.6 System congestion management in the event of the imbalance of the levels of deliveries and off-takes of gaseous fuel
- 4.6.1 In situations when the Shipper's imbalance leads to the inability to maintain integrity of the transmission system after using the methods of regulation described in point 3.3.1, the TSO may introduce restrictions on the Shippers who have caused the situation of the shortfall or the excess of gaseous fuel in the transmission system:
- 4.6.1.1 on the acceptance of gaseous fuel for transmission at the entry points in a situation of excess gaseous fuel in the transmission system or
- 4.6.1.2 in the off-take of gaseous fuel from the transmission system at the exit points in the situation of a shortfall of gaseous fuel in the transmission system.
- 4.6.2 When introducing the restrictions specified in point 4.6.1, the TSO shall inform the Shipper of the timing of the start of the restrictions, their expected duration and the maximum hourly and daily ability to deliver gaseous fuel to or off-take gaseous fuel from the transmission system at a given point.
- 4.6.3 The restrictions introduced in accordance with point 4.6 shall be implemented by the Shipper in accordance with the information provided by the TSO through the

reduction of their deliveries or off-takes of gaseous fuel to / from the transmission system.

- 4.6.4 The costs of the restrictions in the quantities of gaseous fuel, as well as the restoration of the transmission of the contracted quantities of gaseous fuel are borne by the Shipper.
- 4.6.5 Throughout the period of the restriction, the TSO shall be entitled to a fixed charge for the transmission services at a level that depends on the contracted capacity, as determined in accordance with the applicable tariff.
- 4.6.6 In the event referred to in point 4.6.1.2 and when the measures available to the TSO are not sufficient for the maintenance of the stable operations of the transmission system, the TSO shall initiate the procedures described in point 6.2 and in point 6.4.
- 4.7 Congestion management in case of the failure to maintain the quality parameters of the gaseous fuel and the minimum pressure
- 4.7.1 In situations where the relevant quality parameters of the gaseous fuel are not met at the entry points, the TSO may introduce restrictions on the acceptance of gaseous fuel for transmission at the entry points and the off-take at the exit points with respect to the Shipper on whose part circumstances have arisen resulting in such a situation.
- 4.7.2 When introducing the restrictions, TSO shall inform the Shipper of the timing of the start of the restrictions, their expected duration and the maximum hourly and daily ability to deliver gaseous fuel to or off-take gaseous fuel from the transmission system at the specified points.
- 4.7.3 The restrictions introduced in accordance with point 4.7.1 shall be implemented by the Shipper in accordance with the information provided by the TSO through the reduction or deliveries or off-takes of gaseous fuel to or from the transmission system. In the event of the Shipper failing to observe the restriction that is introduced, the TSO may suspend the acceptance of gaseous fuel into the transmission system.
- 4.7.4 The following ranges of gross calorific value (H_{SN}) shall be applicable to gaseous fuel transported in the transmission system:
- 4.7.4.1 for the group E high methane natural gas system:
from $H_{SNmin} = 38.0$ to $H_{SNmax} = 41.6$ MJ/m³,
- 4.7.4.2 for the Lw sub--group low-methane natural gas system:
from $H_{SNmin} = 30.0$ to $H_{SNmax} = 33.5$ MJ/m³,
- 4.7.5 If the Shipper introduces gaseous fuel with a gross calorific value within the limits specified in point 4.7.4 at the entry point and off-takes it from the exit point, the parties to the transmission contract do not make any additional settlements in this regard.

4.7.6 If the Shipper delivers gaseous fuel of a higher gross calorific value than H_{SNmax} into the transmission system at the entry point, the parties to the transmission contract do not make any additional settlements in this regard. In such a case, the TSO is obliged to ensure that the gross calorific value of the gaseous fuel at the exit point is no lower than H_{SNmin} .

4.7.7 In the event of the delivery of gaseous fuel of a gross calorific value of less than $H_{SNmingr}$ into the transmission system at the entry point, which, for the individual systems, amounts to:

$$\begin{aligned} H_{SNmingr} &= 34.0 \text{ MJ/m}^3 \text{ for the group E high methane gas system,} \\ H_{SNmingr} &= 30.0 \text{ MJ/m}^3 \text{ for the Lw sub-group low-methane gas system,} \end{aligned}$$

a charge shall be applied with respect to the Shipper, which is calculated according to the following formula:

$$O_{NCWgr} = I_{GI} * 2 * CRG * (1 - H_{ZW}/H_{SNmin})$$

where:

- O_{NCWgr} - charge for an off-spec gross calorific value at an entry point [PLN],
- I_{GI} - quantity of gaseous fuel with off-spec gross calorific value of the gaseous fuel delivered for transmission at the entry point,
- CRG - Reference Gas Price,
- H_{ZW} - actual gross calorific value of the gaseous fuel delivered for transmission at the entry point [MJ/m^3],
- H_{SNmin} - minimum gross calorific value referred to in point 4.7.4 [MJ/m^3].

4.7.8 In the event that group E gaseous fuel of a gross calorific value of more than $H_{SNmingr}$ amounting to 34 MJ/m^3 , but less than H_{SNmin} amounting to 38.0 MJ/m^3 , is delivered for transmission, a charge shall be collected from the Shipper in the amount calculated according to the following formula:

$$O_{NCW} = I_{GI} * CRG * (1 - H_{ZW}/H_{SNmin})$$

where:

- O_{NCW} - charge for an off-spec gross calorific value at an entry point [PLN],
- I_{GI} - quantity of gaseous fuel with off-spec gross calorific value of the gaseous fuel delivered for transmission at the entry point,
- CRG - Reference Gas Price,
- H_{ZW} - actual gross calorific value of the gaseous fuel delivered for transmission at the entry point [MJ/m^3].

H_{SNmin} - minimum gross calorific value referred to in point 4.7.4[MJ/m³].

- 4.7.9 In case when the TSO expresses its consent in writing to accept for transmission group E gaseous fuel with gross calorific value, as specified in point 4.7.8, the charge for the delivery of such gaseous fuel into the transmission system amounts to 50% of the charge referred to in point 4.7.8. The TSO's consent to the acceptance of gaseous fuel with reduced gross calorific value that lies within the range specified in point 4.7.8 at the entry point may only be expressed upon the Shipper's written request, which is to be submitted at least 48 hours before the planned delivery of such gaseous fuel to the entry point.
- 4.7.10 The gross calorific value for billing purposes (H_{ZW}) shall be calculated as the arithmetic average of the values arising from the measurements taken by the TSO of the gross calorific value during the billing period at specified points in the transmission system.
- 4.7.11 Additional charges shall be imposed or discounts shall be granted if the gaseous fuel delivered for transmission into the transmission system at the entry point or transported for off-take at the exit point fails to satisfy the quality parameters specified in the table below.

Gaseous fuel quality characteristics	Unit of measure	Maximum allowed value X_{SjNmax}
Hydrogen sulphide content*	mg/m ³	7.0
Mercury fumes content*	µg/m ³	30.0
Total sulphur content*	mg/m ³	40.0

* The figures in the table refer to normal conditions.

- 4.7.12 If the Shipper delivers gaseous fuel for transmission at an entry point, and such gaseous fuel does not satisfy at least one of the quality parameters specified in point 4.7.11, the TSO shall be entitled to a charge from the Shipper for each of the quality parameters in point 4.7.11 that is exceeded, which is to be calculated according to the following formula:

$$O_{NSJW} = I_{GI} * 2 * CRG * (X_{SJW} - X_{SjNmax}) / MOD(X_{SjNmax})$$

where:

- O_{NSJW} - charge for an off-spec quality parameter [PLN],
- I_{GI} - quantity of gaseous fuel with off-spec value of a given quality parameter, as delivered for transmission at the entry point,
- CRG - Reference Gas Price,
- MOD - Absolute value,
- X_{SjNmax} - the highest admissible value of the given quality parameter as set out in point 4.7.11,
- X_{SJW} - actual value of the relevant quality parameter of gaseous fuel delivered for transmission at the entry point.

- 4.7.13 The parties shall ensure an adequate level of water dew-point of the gaseous fuel delivered for transmission at entry points or delivered for off-take at exit points from the transmission system pursuant to the following requirements:

4.7.13.1 the highest acceptable value of water dew-point (X_{STNmax}) for 5.5 MPa from 1 April until 30 September is +3.7 °C (276.85 K),

4.7.13.2 the highest acceptable value of the water dew point (X_{STNmax}) for 5.5 MPa from 1 October until 31 March is -5 °C (268.15 K).

- 4.7.14 In the event when the gaseous fuel delivered to the transmission system at the entry point is off-spec with regard to the parameters specified in point 4.7.13, the TSO shall be entitled to a charge from the Shipper in the amount calculated according to the following formula:

$$O_{NSTW} = I_{GI} * 0,1 * CRG * (X_{STW} - X_{STNmax}) / MOD(X_{STNmax})$$

where:

- O_{NSTW} - charge for an off-spec water dew point parameter [PLN],
- I_{GI} - quantity of gaseous fuel with off-spec value of the water dew point parameter,
- CRG - Reference Gas Price,
- MOD - Absolute value,
- X_{STNmax} - the highest acceptable value of water dew point [K],
- X_{STW} - actual value of the water dew point of gaseous fuel delivered for transmission at the entry point [K].

4.7.15 The TSO shall be entitled to a charge from the Shipper, which shall be calculated in accordance with the formula set out in point 4.7.12 or point 4.7.14 for each of the quality parameters referred to in point 4.7.11 or point 4.7.13. The above charge shall be calculated for each of the off-spec quality parameters individually.

4.7.16 In the event that gaseous fuel with a gross calorific value of less than $H_{SNmingr}$, as specified in point 4.7.7 is delivered for off-take at the exit point from the transmission system, the TSO shall grant the Shipper a discount calculated according to the following formula:

$$B_{NCWgr} = I_{GI} * 2 * CRG * (1 - H_{ZW}/H_{SNmin})$$

where:

- B_{NCWgr} - discount for an off-spec gross calorific value at the exit point from the transmission system,
- I_{GI} - actual quantity of gaseous fuel with off-spec gross calorific value that is transported for off-take at the exit point from the transmission system,
- CRG - Reference Gas Price,
- H_{ZW} - actual gross calorific value of the gaseous fuel transported for off-take at the exit point from the transmission system [MJ/m³],
- H_{SNmin} - minimum gross calorific value referred to in point 4.7.4[MJ/m³].

4.7.17 If the TSO delivers group E gaseous fuel with a gross calorific value greater than $H_{SNmingr}$ equal to 34.0 MJ/m³, but less than H_{SNmin} equal to 38.0 MJ/m³, to the exit point from the transmission system without the Shipper's consent, the TSO shall grant the Shipper a discount calculated according to the following formula:

$$B_{NCW} = I_{GI} * CRG * (1 - H_{ZW}/H_{SNmin})$$

where:

- B_{NCW} - discount for an off-spec gross calorific value at the exit point from the transmission system [PLN],

- I_{GI} - actual quantity of gaseous fuel with off-spec gross calorific value that is transported for off-take at the exit point from the transmission system,
- CRG - Reference Gas Price,
- H_{ZW} - actual gross calorific value of the gaseous fuel transported for off-take at the exit point from the transmission system [MJ/m^3],
- H_{SNmin} - minimum gross calorific value referred to in point 4.7.4 [MJ/m^3].

- 4.7.18 If the TSO transports gaseous fuel of a gross calorific value, H_{ZW} , of greater than H_{SNmax} , as referred to in point 4.7.4 for off-take at the exit point, the transmission contract is considered properly performed and the parties shall not make additional settlements in this regard.
- 4.7.19 If the Shipper expresses his written consent to the acceptance of gaseous fuel of a reduced gross calorific value, the Shipper is entitled to a 50% discount for the quantity of gaseous fuel accepted, as referred to respectively in point 4.7.16 and point 4.7.17.
- 4.7.20 If the TSO delivers gaseous fuel for off-take at the exit point and such gaseous fuel is off-spec with respect to at least one of the quality parameters specified in point 4.7.11, the TSO shall grant the Shipper a discount in respect of each of the quality parameters in point 4.7.11 that is off-spec, such discount to be calculated according to the following formula:

$$B_{NSJW} = I_{GI} * 2 * CRG * (X_{SJW} - X_{SJNmax}) / MOD(X_{SJNmax})$$

where:

- B_{NSJW} - discount for the exceeding the given quality parameter at the exit point from the transmission system [PLN],
- I_{GI} - quantity of gaseous fuel with off-spec given quality parameter that is transported for off-take at the exit point from the transmission system,
- CRG - Reference Gas Price,
- MOD - Absolute value,
- X_{SJNmax} - the highest admissible value of the given quality parameter presented in point 4.7.11.
- X_{SJW} - actual value of the given quality parameter of gaseous fuel transported for off-take at the exit point from the transmission system.

- 4.7.21 The TSO shall grant the Shipper a discount, which is calculated in accordance with the formula set out in point 4.7.20 with respect to each of the quality parameters referred to in point 4.7.11. This discount shall be calculated for each of the off-spec quality parameters individually.

- 4.7.22 In the event when the gaseous fuel transported by the TSO for off-take at an exit point from the transmission system is off-spec with regard to the parameters specified in point 4.7.13, the TSO shall grant a discount to the Shipper, which shall be calculated according to the following formula:

$$B_{NSTW} = I_{GI} * 0,1 * CRG * (X_{STW} - X_{STNmax}) / MOD(X_{STNmax})$$

where:

- B_{NSTW} - discount for an off-spec water dew point parameter [PLN],
 - I_{GI} - quantity of gaseous fuel with off-spec water dew point parameter that is transported for off-take at the exit point from the transmission system,
 - CRG - Reference Gas Price,
 - MOD - Absolute value,
 - X_{STNmax} - the highest acceptable value of the water dew point [K],
 - X_{STW} - actual value of the water dew point of gaseous fuel delivered for transmission at the entry point [K].
- 4.7.23 In calculating the water dew point for different pressures the tables found in Appendix A to the Polish Standard PN-C-04752 should be applied.
- 4.7.24 In the event of any reservations regarding the quality of gaseous fuel transported, the Shipper or the TSO may demand that such quality is analysed at an independent research laboratory that has accreditation of a certifying unit obtained in accordance with separate regulations. In the event that it is found that the quality of the gaseous fuel complies with the parameters specified in point 4.7.4 or point 4.7.11 or point 4.7.13, the costs of shall analysis shall be covered by the entity demanding that the analysis is performed, otherwise the costs of the analysis are covered by the other party.
- 4.7.25 The parties are required, in the event of assessing the capacity of transporting gaseous fuel of an inadequate quality, to immediately inform the other party of the possibility of such a situation occurring.
- 4.7.26 In the event of a reduction in the contracted capacity at the exit points from the transmission system caused by a temporary drop in pressure at the exit point from the transmission system, the Shipper is entitled to be granted a discount from the TSO that is specified in the tariff.
- 4.7.27 In the event of failing to maintain the minimum delivery pressure at an entry point to the transmission system, the TSO is entitled to a charge from the Shipper on this account, and the amount of such charge shall be calculated according to the following formula:

$$O_{NMC} = 0,0043 \sum_{i=1}^n (I_{GI} \cdot \Delta p_i)$$

where:

- O_{NMC} - charge for an off-spec minimum pressure of the contractual capacity at the entry point [PLN],
- I_{GI} - quantity of gaseous fuel with off-spec contractual pressure parameter that is delivered for transmission at the entry point to the transmission system,
- Δp_i - difference between the average daily pressure of gaseous fuel delivered for transmission at the entry point to the transmission system and the contractual pressure [MPa]
- n - gas days in which the contractual pressure parameter was off-spec

- 4.7.28 In the event of failing to keep the adequate pressure of the supply in the entry point to the transmission system, the TSO may request the Shipper, apart from the charge specified in point 4.7.27, to cover the amounts of compensation or discounts that the TSO paid to other users of the transmission system for failing to maintain the pressure at the exit points.
- 4.7.29 In the event of failing to maintain the minimum pressure of the supply in the entry point to the transmission system, the TSO may introduce in relation to the Shipper on the side of which the circumstances causing such a situation arose, to limit the acceptance of gaseous fuel for transmission at the entry points and off-take at the exit points to a level enabling the maintenance of the contractual pressure.
- 4.7.30 The TSO, by introducing restrictions, shall pass on to the Shipper information on the date of introducing the restrictions and their duration, as well as the maximum hourly and daily capacity available for the delivery of gaseous fuel for transmission and off-take from the transmission system at the specified entry and exit points. In the event that the TSO passes on information on restrictions or total interruption in the performance of the gas transmission services, the Shipper, within two (2) hours of obtaining such information, shall be required to adjust the nomination at a given point and correspondingly at the remaining entry and exit points and to submit re-nominations to the TSO.
- 4.7.31 The restrictions introduced pursuant to point 4.7.29 shall be implemented by the Shipper according to the information submitted pursuant to point 4.7.30. In the event when the Shipper fails to observe a restriction imposed on it, the TSO may interrupt the acceptance of gaseous fuel into the transmission system and its transmission to exit points.
- 4.7.32 Any payments in respect of the damage of measurement facilities resulting from the overrun of the upper limit of the measurement range of the gas volumetric flow, as established in the contract, shall be made by the Shipper following the delivery of the copies of relevant documents confirmed by the TSO, including a report confirming the damage of the measurement instrument with identification of the instrument, invoice evidencing the cost of repair of the damaged measurement instrument, of verification of the measurement instrument after its repair.
- 4.7.33 Any payments in respect the overrun of the upper limit of the measurement range of the gas volumetric flow, as established in the contract, shall be made by the Shipper following the delivery of the copies of relevant documents confirmed by

the TSO, including a report confirming the overrun of the upper limit of the measurement instrument with identification of the instrument, invoices evidencing the costs of inspection of the of the measurement instrument and an inspection report containing the characteristics of the measurement instrument and the calibration certificate of the measurement instrument.

- 4.7.34 In case when contracts for multiple Shippers are executed at a given point, the charges referred to in point 4.7.32 and point 4.7.33 shall be divided among the Shippers in proportion to the contracted capacity of each of them at such point.

5 EXCHANGE INFORMATION RELATED TO PRESENTATION OF CONTRACTS FOR EXECUTION, BALANCING AND SYSTEM CONGESTION MANAGEMENT

5.1 General provisions

- 5.1.1 The Information Interchange System (SWI) shall serve for the exchange of information related to the provision of transmission services between the TSO and the Shipper, the ISO or the BPO.
- 5.1.2 Electronic exchange of information related to the performance of the concluded transmission contracts shall ultimately be based on the electronic document interchange standard (EDI), in the version prepared for the gas industry, named EDIG@S (as described in the document entitled Edig@s Message Implementation Guidelines, which is available through the website www.edigas.org).
- 5.1.3 The system of information exchange based on the electronic document interchange standard (EDI) EDIG@S (xml) shall be implemented as of 1 January 2012 .
- 5.1.4 By then the documents exchanged on a day-to-day basis regarding nominations, re-nominations and allocations, which are transferred by e-mail in the format described in point 5.2.

5.2 Format of files transferred in connection with the exchange of information on nominations, re-nominations and allocations until the implementation date set out in point 5.1.3.

- 5.2.1 Information on nominations, re-nominations and allocations shall be sent in the form of ASCII or xml files.
- 5.2.2 The file formats referred to in point 5.2.1 have been described in detail on the TSO website. Information on the change in the requirements regarding the files to be transmitted shall be provided in writing six months in advance, and shall be posted on the website with the same advance notice.

5.3 Method of information interchange

5.3.1 The interchange of the files referred to in point 5.2.1 shall take place by e-mail or through the Internet.

5.3.2 The TSO, DSO, BPO, SSO, the owner of the storage facilities and the Shipper shall ensure protection and integrity of the files transferred.

5.4 Responsibility for the content of data transferred

5.4.1 The responsibility for the form and content of the information of the documents rests with the party sending the document.

5.5 Information interchange chart for the annual nomination process

5.5.1 The annual nomination process is described in point 2.2, while the document interchange chart is illustrated in Figure 1.

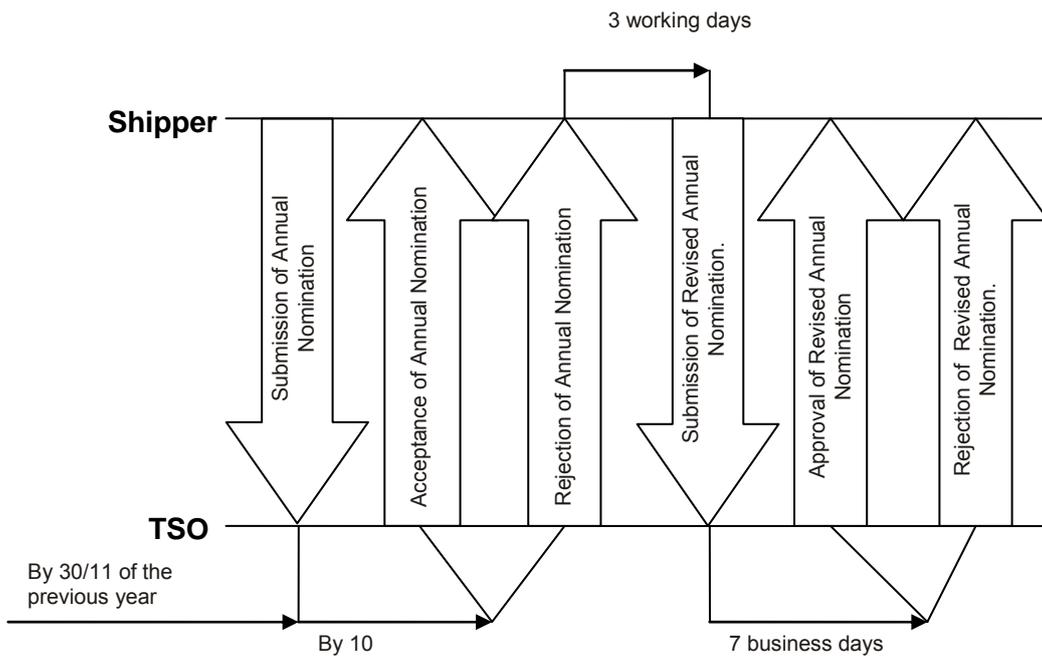


Figure 1 – Annual nominations

The Shipper shall supply the annual nomination to the TSO by 30 November of the previous year for the next gas year in which the transmission services are to be provided.

5.5.2 With respect to contracts concluded for a term shorter than one year or performed during the period between the conclusion of the contract and the beginning of the next gas year, the monthly quantities set out in the transmission contract shall be deemed to constitute monthly quantities in the annual nomination.

5.5.3 The TSO shall inform the Shipper that the annual nomination has been accepted or rejected by 10 December.

- 5.5.4 In the event of a rejection of the nomination, the Shipper shall submit an adjusted annual nomination to the TSO within three (3) business days of the date of receiving the information on the rejection.
- 5.5.5 The TSO shall notify the Shipper of whether the adjusted nomination has been accepted or rejected within seven (7) business days of the date of its receipt.

5.6 Information interchange chart for the annual re-nomination process.

- 5.6.1 The annual re-nomination process (change in the monthly quantities) is described in point 2.5.1, while the chart of document interchange is illustrated in Figure 2.
- 5.6.2 The Shipper shall supply the re-nomination to the TSO no later than twenty (20) business days before the start of the period to which the re-nomination applies.
- 5.6.3 The TSO shall inform the Shipper of whether the re-nomination has been accepted or rejected within ten (10) business days of the receipt of the re-nomination from the Shipper.

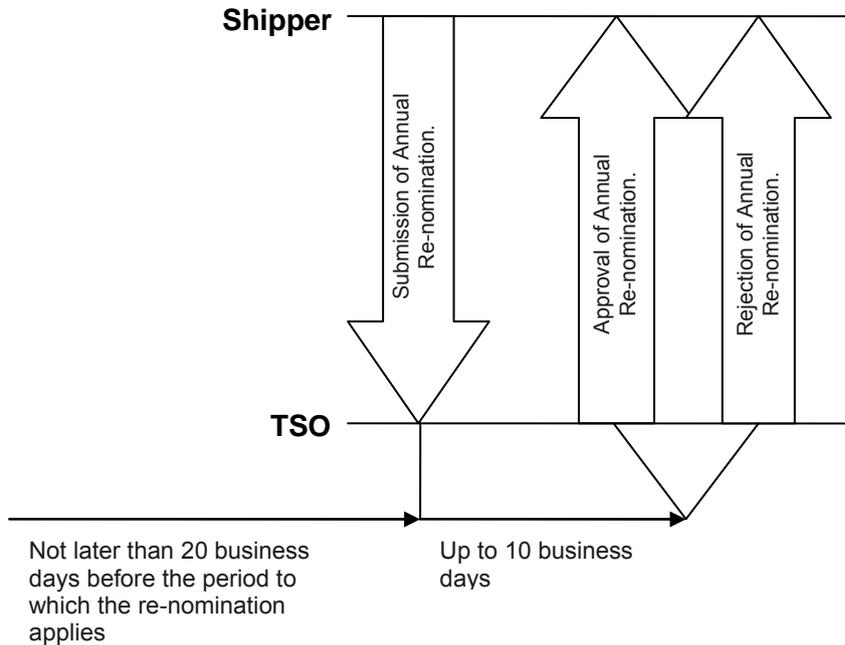


Figure 2 – Annual re-nominations

5.7 Information interchange chart for the weekly nomination process

- 5.7.1 The weekly nomination process is described in point 2.3, while the document interchange chart is illustrated in Figure 3.

- 5.7.2 The shipper shall submit weekly nominations to the TSO every Thursday by 10am.
- 5.7.3 TSO shall advise the Shipper of its approval or rejection of the weekly nomination by Friday 10am.
- 5.7.4 In the event of a rejection of the nomination, the Shipper shall deliver an adjusted weekly nomination to the TSO by Friday 2pm.
- 5.7.5 The TSO shall inform the Shipper of whether the weekly nomination has been approved or rejected by Friday at 4pm.

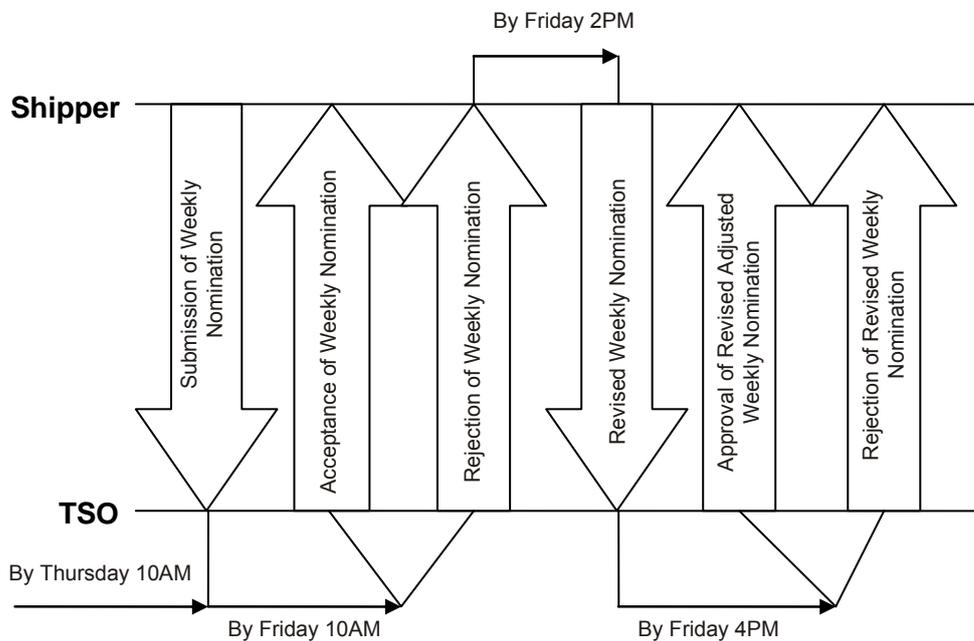


Figure 3 – Weekly nominations

Information interchange chart for the process of re-nomination of daily quantities

- 5.7.6 The process of re-nomination of daily quantities of gaseous fuel is described in point 2.5.2, point 2.5.3 and point 2.5.4, while the chart of document interchange is illustrated in Figure 4.
- 5.7.7 The Shipper may re-nominate daily quantities of gaseous fuel specified in its weekly nomination by 3pm of the day preceding that to which the re-nomination relates.
- 5.7.8 The TSO shall inform the Shipper of whether the re-nomination has been accepted or rejected on the same day by 4pm.
- 5.7.9 In the event of rejection of the re-nomination referred to in point 5.7.8, the Shipper shall submit to the TSO an adjusted re-nomination by 6pm.

- 5.7.10 On the same day by 8pm, the TSO shall inform the Shipper of acceptance or rejection of the re-nomination referred to in point 5.7.9.

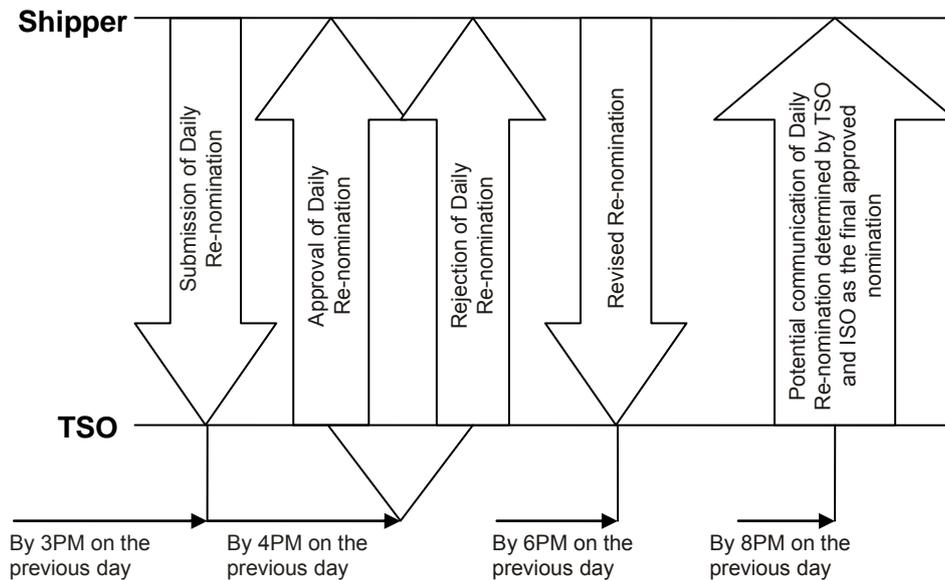


Figure 4 - Daily re-nominations

5.8 Information interchange in the process of billing balancing

- 5.8.1 The process of billing balancing is described in point 3.4.3, while the information interchange is illustrated in Figure 5.
- 5.8.2 Billing balancing is carried out by the TSO after the end of the gas month on the basis of the results of approved measurements in the form of agreed and signed billing reports.
- 5.8.3 Billing reports from the entry and exit points shall be prepared by the twenty-first (21st) day of the gas month for the previous month, and shall specify: overruns of the contracted capacity, quantities not taken and not delivered, daily quantities of gaseous fuel, maximum hourly quantities of gaseous fuel on the individual days and any instance of off-spec gaseous fuel.
- 5.8.4 The Commercial Transmission Report for the previous month shall be prepared and submitted by the twenty-eighth (28th) day of the gas month.

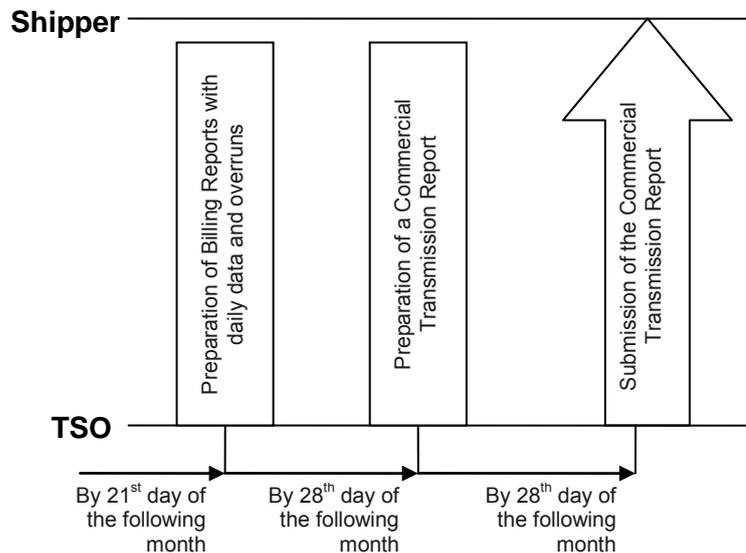


Figure 5 - billing balancing

5.9 Exchange of information related to the prevention of contractual congestion

- 5.9.1 The process of preventing contractual congestion is described in point 4.3 and illustrated in Figure 6.
- 5.9.2 In case when the TSO determines, in accordance with the provisions of point 4.3, that capacity remains unused by the Shipper, the TSO shall request the Shipper, following to consultation with the President of ERO, to give up the right to the capacity that is not used by the Shipper within thirty (30) days.

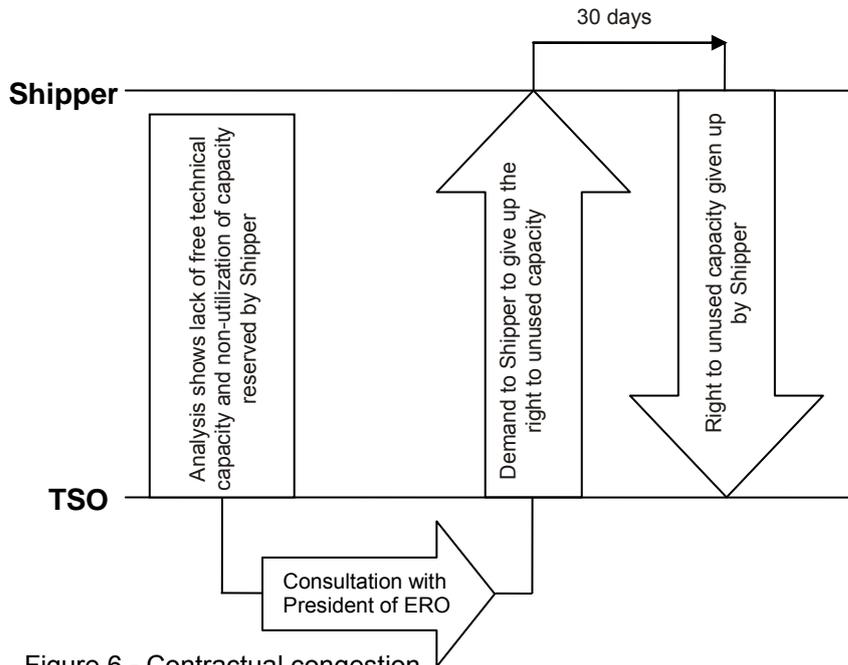


Figure 6 - Contractual congestion

5.10 Information provided by the TSO

- 5.10.1 The TSO shall publish the full wording of the TNC on its website, which contains standard terms and conditions specifying the Shipper's rights and obligations.
- 5.10.2 The TSO shall publish the relevant information, as required under the legal regulations, and specifically the data concerning entry and exit points, as agreed with the competent authorities.
- 5.10.3 The TSO shall publish the transmission system chart, together with a list of entry and exit points on its website.
- 5.10.4 The TSO shall notify the Shipper and the ISO, as appropriate, of any events that could have an impact on the provision of gas transmission services, as well as the operation of interoperating systems, including changes in the timing of work and the timing of previously unscheduled work.
- 5.10.5 The TSO shall submit to the ISO information on the nomination and re-nomination received from the Shipper in order to confirm the possibility of performing them in the interconnecting system.
- 5.10.6 The TSO shall advise the shippers with whom it has entered into agreements for storage capacity management, about the need to change their nominations for entry points, in case when the Shipper's imbalance is expected by the TSO due to the technical withdrawal or injection capabilities of underground gas storage facilities (UGS).
- 5.10.7 The TSO shall provide the Shipper, by the twelfth (12th) day of the following month, with billing information on the total monthly quantities of gaseous fuel delivered and taken, as well as the monthly average gross calorific value of

gaseous fuel for given entry and exit points, between which the given transmission contract is performed in a given gas month.

- 5.10.8 The TSO shall send to the Shipper, by the twenty eighth (28th) day of the following month, an electronic communication with the following billing data concerning the current gas month:
- 5.10.8.1 The daily quantities of gaseous fuel delivered and taken at individual entry and exit points between which the relevant transmission contract is performed;
 - 5.10.8.2 Information on the difference between the daily quantities of gaseous fuel in the approved nominations and the quantities of gaseous fuel transported and taken at individual entry and exit points between which the relevant transmission contract is performed;
 - 5.10.8.3 The total quantities of gaseous fuel included in the approved nominations for the entry and exit points between which the given transmission contract is performed for each gas day of the current gas month;
 - 5.10.8.4 The total quantities of gaseous fuel delivered and taken at entry and exit points between which the relevant transmission contract is performed, in each gas day in the gas month;
 - 5.10.8.5 The daily and cumulative imbalance by gas day;
 - 5.10.8.6 The value of the DLN and GDL and MNIN overruns, if any;
 - 5.10.8.7 The quantity of gaseous fuel resulting from the cumulative imbalance;
 - 5.10.8.8 The maximum hourly quantity of gas off-taken by the Shipper, as registered in the month at each of the exit points where the relevant transmission contract is performed, along with information on the overruns of the contracted capacity, if any;
 - 5.10.8.9 The average daily pressure of the supply of gaseous fuel for the following days in the gas month at each entry and exit points between which the given transmission contract is being performed;
- 5.10.9 The TSO shall submit to the DSO for the exit points operated by the TSO and located on the connection point of the transmission system and the distribution system by the third (3rd) business day of the next month, the following information on the given gas month:
- 5.10.9.1 measurement data containing the daily and monthly quantities of transmitted gaseous fuel, the pressure of the supply and the maximum registered hourly quantity of gaseous fuel taken at the point,
 - 5.10.9.2 average monthly gross calorific value of gaseous fuel determined based on the performed analyses, as well as the total sulphur content and the water dew point, if available,

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- 5.10.10 The value of the parameters referred to in point 5.10.9.2 is determined based on the measurements taken at points of the transmission system designated by the TSO.
- 5.11 The TSO shall provide the Shipper, by 12.00 (noon) with information concerning the previous gas day, with regard to:
- 5.11.1 the Shipper's imbalance status, i.e. the Shipper's imbalance quantity
 - 5.11.2 performance of the Shipper's nominations for the entry points and exit points, for which the TSO has such data available
 - 5.11.3 The above information does not constitute billing data.
- 5.12 For the exit points where the TSO acts as the BPO and is unable to provide the relevant data in accordance with the procedure set out in point 5.11.2, the TSO shall not apply any charges in respect of inconsistency with nominations.
- 5.13 The information referred to in point 5.11 shall be sent by the TSO in an electronic format by electronic mail to the address of the Shipper's dispatcher services or using the information exchange system available at the TSO's website.
- 5.13.1 The information referred to in points from 5.10.5 to 5.10.10 shall be provided in formats specified by the TSO.
- 5.14 Information provided by the DSO
- 5.14.1 DSOs shall provide the following information to the TSO:
 - 5.14.1.1 information confirming the capacity to perform the nominations and re-nominations submitted by the Shipper at the points of interconnection of the systems in accordance with the provisions of point 2.4.2 and 2.5.4,
 - 5.14.1.2 information on the quantities of gaseous fuel assigned to the individual transmission contracts with the Shippers from the exit point of the TSO's transmission system from which the gaseous fuel is transported to the DSO's system, in accordance with the arrangements set out the agreements on the methods of allocation, in accordance with the procedure and by the dates set out in point 3.2.16,
 - 5.14.1.3 together with a curtailment plan applicable to the Customers connected to the DSO's distribution system, as approved by the President of ERO, the following information concerning the Customers covered by such plan: rank number in the curtailment plan, Customer name and registered address together with postal code, Customer's REGON number, name and address of the connected plant (off-take point for gaseous fuel), type of business activity, contracted capacity and a list of exit points from the TSO's transmission system that are or may be used for supplying gaseous fuel to the Customer,
 - 5.14.1.4 a notification of the disconnection of a Customer covered by an approved curtailment plan, from the distribution system within seven (7) days from the interruption of the deliveries,

- 5.14.1.5 curtailment plans for individual Customers and the degrees of supply rationing, after their approval by the President of ERO, containing updated tables with the daily and hourly quantities,
 - 5.14.1.6 the total daily quantities of gaseous fuel used in the previous month by Customers covered by curtailment plans prepared by the DSO, broken down by types of gaseous fuel, by the 10th day of each month,
 - 5.14.1.7 during the period of applicability of the restrictions introduced by the Council of Ministers under the procedure of Article 56 of the Act on reserves, the DSO shall report the daily quantities of gaseous fuel for the previous gas day for the individual Customers covered by the curtailment plan prepared by the DSO, each day by 10am,
 - 5.14.1.8 a notification on the occurrence of a disruption in the DSO's system, which could affect the conditions of the off-take of gaseous fuel from the TSO system, containing information on the reason for the occurrence of disruptions, their expected duration, the reduction in capacity at the points of interconnect with the TSO system, the values of the parameters that are off-spec with respect to the contractual conditions and a confirmation of the revised nominations arising from the disruptions.
- 5.14.2 The DSO shall deliver to the TSO, by the third (3rd) business day of the following month, the necessary information concerning the stations that comprise the substitute exit points, which is required for the billing for the gas transmission services, i.e. the measurement data obtained from the facilities of the gas stations including the daily, monthly and hourly quantities of transmitted gaseous fuel.
- 5.14.3 The data referred to in point 5.14.1.6 and point 5.14.1.7 shall be delivered to the TSO electronically, in the file format specified by the TSO in the agreements referred to in point 3.7, Part I of the TNC.
- 5.14.4 The DSO shall inform the dispatcher service of the TSO of any failure of the distribution network that influences or may influence the functioning of the transmission network within one (1) hour of its occurrence.
- 5.15 Information to be provided by the SSO
- 5.15.1 SSOs shall supply the following to the TSO:
 - 5.15.1.1 information on the matching of the nominations and re-nominations at the exit / entry points connected to the storage facilities in accordance with the provisions of section 2,
 - 5.15.1.2 at the request of the TSO within seven (7) days, the profiles of injection and withdrawal from the storage facilities and their updates,
 - 5.15.1.3 telemetry data on pressure, quantity and quality of the gaseous fuel injected to and withdrawn from the storage facilities,
 - 5.15.1.4 data on the quantity of gaseous fuel withdrawn from and injected into storage on the previous gas day and the balance of the working volume of the storage facility for the previous gas day by 8am of every day,

- 5.15.1.5 a notification on the occurrence of disruptions in the operation of the storage facilities, when such d could affect the conditions under which these facilities interoperate with the transmission system, containing information on the reason for the occurrence of the disruptions, their expected duration, the reduction in capacity at the points of interconnect with the TSO system, the values of the parameters that are off-spec with regard to the contractual conditions and a confirmation of the revised nominations arising from the disruptions.
- 5.15.1.6 information on work planned in the storage facilities, when such work could affect the conditions under which these facilities interoperate with the transmission system, in order to agree the possible timing and duration of the work with TSO.
- 5.15.1.7 Information on the owners and the daily quantities of gaseous fuel withdrawn from the storage facilities, within seven (7) days from the day when the compulsory stocks of gaseous fuel referred to in the Act on reserves are mobilized, on the basis of the information submitted by the TSO pursuant to point 6.2.6.
- 5.15.2 Furthermore, in the event that the SSO makes an allocation at the exit / entry points connected with the storage facilities, it shall provide information to the TSO on the quantities of gaseous fuel assigned to the individual transmission contracts with the Shippers in accordance with the arrangements set out in the agreement on the methods of allocation, in accordance with the procedure and time frame described in point 3.2.16.
- 5.16 Information to be provided by the Shippers
- 5.16.1 The Shippers supply the following to the TSO:
- 5.16.1.1 nominations and re-nominations of the quantity of gaseous fuel in accordance with the provisions of section 2,
- 5.16.1.2 information on any disruptions the side of the Shipper's Customers and suppliers, which could affect the operating conditions of the TSO's transmission system, including the reason for the occurrence of such disruptions, their expected duration, the reduction in capacity at the points of interconnect with the TSO system, the values of the parameters that are off-spec with respect to the contractual conditions and a confirmation of the revised nominations arising from the disruptions,
- 5.16.1.3 information on the Shipper's Customers directly connected to the TSO's transmission system that are subject to the restrictions in the supply and off-take of the gaseous fuels – by 31 July of every year. This information should contain the Customer's name and address, the identification of the exit point to which the given Customer is connected, as well as the contracted capacity,
- 5.16.1.4 information on the level of compulsory stocks and the characteristics of the storage facility pursuant to point 6.6,

- 5.16.1.5 information on the level of compulsory stocks of gaseous fuel, as verified or established under a decision of the President of ERO by 15 June of every year,
 - 5.16.1.6 the actual level of compulsory stocks of gaseous fuel held and the location of their storage, based on the status as at the 15th September – by 20th September of every year,
 - 5.16.1.7 operating procedures prepared pursuant to point 6.4.1.
- 5.16.2 The Shipper shall provide the TSO with the following information from the entry points to the transmission system, which are not utilised by the TSO, by the 3rd business day of the following month:
- 5.16.2.1 measurement data, containing the hourly, daily and monthly quantities of gaseous fuel delivered for transmission, and the delivery pressure,
 - 5.16.2.2 average monthly gross calorific value of gaseous fuel, total sulphur content and the values of water dew point, if available.
- 5.16.3 The information referred to in points from 5.16.1 to 5.16.2 shall be provided in formats specified by the TSO.

6 PROCEDURES APPLICABLE IN EMERGENCY SITUATIONS

6.1 An emergency situation in the transmission system

- 6.1.1 In case of an emergency situation resulting in a threat to the security of the transmission system operations, the TSO shall take immediate action to eliminate the emergency situation and to restore proper operation of the transmission system.
- 6.1.2 In case of an emergency situation resulting in a shortage of gaseous fuel in the transmission system, the TSO shall, in particular, take the following actions:
 - 6.1.2.1 take advantage of the regulatory instruments referred to in point 3.3.1,
 - 6.1.2.2 take the necessary steps in cooperation with the interested entities, as specified in point 6.2 and point 6.4.
- 6.1.3 If the measures referred to in point 6.1.2 prove inadequate, the TSO shall report to the competent minister for the economy the necessity to impose restrictions in accordance with Article 53 in connection with Article 56 of the Act on reserves.
- 6.1.4 The TSO shall immediately inform the Shippers, final Customers taking the gaseous fuel directly from the transmission system and the ISOs that an emergency situation has taken place, which could affect the operation of their facilities, installations or networks and, in particular, of the expected duration and extent of the restrictions in the transmission of gaseous fuel.
- 6.1.5 In case of an emergency situation, the TSO shall not accept gaseous fuel for transmission or shall not deliver gaseous fuel to an exit point, if this could result in

a threat to security of the transmission system operations, human health or lives or the environment, or could cause damage to property.

6.1.6 In an emergency situation, the Shipper is obliged to cooperate with the TSO to the necessary extent.

6.1.7 The respective services of the parties authorised to act as contacts in case of an emergency situation shall be indicated in the transmission contract.

6.2 Procedure for mobilization of additional deliveries of gaseous fuel

6.2.1 In case of disruptions in the supply of gaseous fuel, unexpected increase in its consumption, or in the event of a sudden, unexpected damage or destruction of facilities, installations or networks resulting in an interruption in their use, or their loss of their characteristics, which presents a threat to the security of the transmission system operations, the TSO shall take steps, in cooperation with the energy companies engaged in activity in respect of foreign trade and supply of gaseous fuel, importers of gaseous fuel, other operators of gas systems, as well as Shippers, in order to ensure or restore proper operation of the transmission system.

6.2.2 In the cases referred to in point 6.2.1:

6.2.2.1 energy company engaged in business activity in respect of foreign trade and supply of gaseous fuel, importer of gaseous fuel, operators of storage facilities and natural gas liquefaction facilities, as well as entities responsible for the dispatch of the capacity in storage facilities and LNG facilities are required to remain in a state of readiness for the mobilization of compulsory stocks of gaseous fuel;

6.2.2.2 the TSO shall immediately inform the energy company engaged in business activity in respect of foreign trade and supply of gaseous fuel importers of gaseous fuel of the necessity and date of the mobilization of the compulsory stocks of gaseous fuel;

6.2.2.3 the energy company engaged in business activity in respect of foreign trade and supply of gaseous fuel, importers of gaseous fuels and Shippers are required to comply with the instructions of the TSO.

6.2.3 The TSO shall mobilize compulsory stocks of gaseous fuel after obtaining the relevant approval from the competent minister for the economy. The mobilization of the compulsory stocks of gaseous fuel shall be effected through an instruction given by the TSO to the SSO specifying the required hourly quantities of gaseous fuel that need to be delivered to the transmission system from designated storage facilities.

6.2.4 In case when the nominations do not match the demand for gaseous fuel in the transmission system, the TSO shall have the right to instruct the Shipper to mobilize any additional volumes of gaseous fuel held in storage facilities pursuant to Article 51 item 2 clause 3 of the Act on reserves, and such instruction shall be communicated to the relevant SSO.

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- 6.2.5 The TSO shall inform the Shipper of the mobilization of compulsory stocks for its benefit on the day of such mobilization. This information shall be passed on to the Shipper's dispatcher services via electronic means or by fax.
- 6.2.6 The TSO shall inform the SSO of the total quantity of the compulsory stocks mobilized from its storage facilities by 12.00 (noon) on the following day.
- 6.2.7 Immediately after obtaining the information from the SSO concerning the owners and quantities of gaseous fuel withdrawn from the storage facilities, the TSO shall pass on this information to:
- 6.2.7.1 the DSO whose shippers are concerned by this information,
 - 6.2.7.2 energy companies engaged in business activity in respect of foreign trade and supply of gaseous fuel or importers of gaseous fuel – when they are the owners of the taken gaseous fuel,
 - 6.2.7.3 the Shippers for the benefit of whom the additional deliveries of gaseous fuel were mobilized.
- 6.2.8 The settlements between the owners of the gaseous fuel and the entities for the benefit of whom the additional deliveries of gaseous fuel were mobilized shall take place under the principles specified in Article 52 of the Act on reserves.
- 6.2.9 In the event of the mobilization of the compulsory stocks of gaseous fuel, the energy company engaged in business activity in respect of foreign trade and supply of gaseous fuel or the importer of gaseous fuel shall be required to replenish such stocks up to the level established pursuant to Article 25 item 2 or item 5 of the Act on reserves within four (4) months, counting from the end of the month in which the additional supplies were mobilized. The Shipper shall inform the TSO about the replenishment of the compulsory stocks immediately after such replenishment.
- 6.2.10 In the event that the Shipper obtains an approval from the competent minister for economy for an extension of the period of compulsory stock replenishment in accordance with Article 26 item 4 of the Act on reserves, the Shipper shall immediately notify the TSO of such extension.
- 6.3 An emergency situation in an installation of the Shipper's Customer or supplier or in an interoperating system
- 6.3.1 In the event of an emergency situation that arises in an installation of the Shipper's Customer or supplier or in an interoperating system, which could lead to restrictions in the delivery of gaseous fuel for transmission or its off-take, the party to the transmission contract that will be the first to become aware of such fact, shall immediately inform the other party thereof. The Shipper shall immediately advise the TSO of the expected duration and scope of restrictions.
 - 6.3.2 The respective services of the parties authorised to act as contacts in case of an emergency situation shall be indicated in the transmission contract.
- 6.4 Cooperation between the Shipper and the TSO in the event of a threat to energy security

- 6.4.1 The Shipper shall prepare operating procedures in the event of the occurrence of disruptions in the supply of gaseous fuel and, in particular, in the event of the unexpected increase in consumption of gaseous fuel by Customers, the occurrence of disruptions in the deliveries of gaseous fuel and the occurrence of an emergency situation in an installation belonging to the Shipper's Customer or supplier. The procedures and their updates shall be immediately presented to the TSO, and in any case not later than within fourteen (14) days of the day of concluding the transmission contract or fourteen (14) days of the day of updating the procedure.
- 6.4.2 In case of any disruption in the supply of gaseous fuel to the transmission system or in the event of the unexpected increase in the consumption of gaseous fuel by the Shipper's Customers, the Shippers take measures to counteract such threat, including specifically the measures described in the operating procedures referred to in point 6.4.1. Furthermore, the Shippers engaged in the trading of gaseous fuels shall immediately inform the TSO of the potential occurrence of a threat to energy security in a specific area of the country, or a threat to the safety of people or a risk of significant material losses.
- 6.4.3 Once all the measures have been taken with a view to satisfying the demand of their Customers for gaseous fuel, the Shipper shall inform the TSO of the circumstances referred to in point 6.4.2 and the measures taken in order to ensure the security of gas supply to its Customers, or the inability to ensure such security, sufficiently early for any measures aimed at ensuring the security of supply of gaseous fuel to the Customers and proper operation of the transmission system to be taken.
- 6.4.4 After receiving the notification referred to in point 6.4.3 or in the event of a sudden, unexpected damage or destruction of equipment, facilities or networks resulting in an interruption in their use or the loss of their characteristics, which presents a threat to the security of the transmission system operations, the TSO shall undertake the necessary measures in order to ensure or restore proper functioning of such system, including in particular the measures described in point 6.2.
- 6.4.5 If, in the judgement of the TSO, the measures referred to above would not restore national fuel security in respect of gaseous fuel, the TSO, of its own initiative or on the grounds of information obtained from the Shipper, shall report to the competent minister for the economy on the necessity of introducing restrictions in gas take in accordance with the relevant curtailment plans.
- 6.4.6 During the period of restrictions in gas take, which may be introduced by the Council of Ministers in accordance with the provisions of the Act on reserves, the TSO shall:
- 6.4.6.1 perform the duties connected with the introduction of restrictions by defining and announcing the degrees of supply rationing, according to the curtailment plan,
 - 6.4.6.2 coordinate the actions of energy companies engaged in business activity in respect of trade and supply of gaseous fuel, DSOs, SSOs, LNG system operators in order to ensure the security of the transmission system and the implementation of the restrictions in gas take,

- 6.4.6.3 have at its disposal the entire capacity and volume of storage facilities and natural gas liquefaction facilities connected to the transmission system,
- 6.4.6.4 mobilize the compulsory stocks of gaseous fuel.
- 6.4.7 In its nominations, the Shipper shall take account of the restrictions that have been introduced in accordance with the provisions of Act on reserves.
- 6.4.8 The Shipper shall inform and commit to implementing the restrictions in gas take by the Shipper's Customers located downstream of the exit points that are subject to the restrictions.
- 6.4.9 The Shipper shall inform and commit to implementing the restrictions in the delivery of gaseous fuel the Shipper's suppliers that deliver gaseous fuel to the entry points covered by the restrictions.
- 6.4.10 In the event that the Shipper or its Customers fail to adjust the levels of gaseous fuel off-take to the restrictions that have been introduced, the TSO shall apply a charge for the overrun of the capacity resulting from the introduced restrictions, in accordance with the provisions of the tariff.
- 6.5 Preparation and implementation of the curtailment plan.
- 6.5.1 Curtailment plans shall specify the maximum hourly and daily quantities of gaseous fuel off-take by particular Customers connected to the transmission system, for each level of supply rationing.
- 6.5.2 The Customers and Shippers being Customers taking gaseous fuel from the transmission system that are subject to restrictions in gas take, shall inform the TSO by 31 July each year, of the minimum quantity of gaseous fuel the off-take of which does not constitute a threat to the safety of people and does not result in damage or destruction of any process facilities and corresponds to the maximum allowable off-take of gaseous fuel under the 10th degree of supply rationing.
- 6.5.3 The Shipper shall be required to provide the TSO, by 31 July, with information on the Shipper's Customers that are subject to restrictions in gas take, pursuant to the Act on reserves, and are connected to the TSO's transmission system.
- 6.5.4 The TSO may verify the information provided by the Customers concerning the minimum quantity of gaseous fuel the off-take of which does not constitute a threat to the safety of people and the damage or destruction of process facilities.
- 6.5.5 The verification shall be performed, at the request of the TSO, by certified auditors in the field of the energy industry, upon providing their certification and after supplying the company or person authorised thereby, with the authorisation to conduct the audit on the operations of the company issued by the operator.
- 6.5.6 The minimum hourly quantities of gaseous fuel the off-take of which does not result in a threat to the safety of people and which does not result in damage or destruction to the process facilities, as specified during the verification, shall be introduced to the curtailment plan as corresponding to the 10th degree of supply rationing.

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- 6.5.7 After the curtailment plan has been approved by the President of ERO, the TSO shall inform the Shipper referred to in point 6.5.3 and the customers referred to in point 6.5.2 of the respective maximum quantities of gaseous fuel off-take under each degree of supply rationing that was established for them in the approved curtailment plan.
- 6.5.8 The maximum quantities of gaseous fuel under the specific degrees of supply rationing, as established in the approved curtailment plans shall become an integral part of the transmission contract.
- 6.5.9 The Shipper and the Customers referred to in point 6.5.3 shall observe the restrictions of the gaseous fuel off-take putting a limitation on the maximum hourly and daily quantity of gaseous fuel to be taken pursuant to the announcements of the TSO published in the manner and under the principles specified in the Act on reserves.
- 6.5.10 DSOs or the companies fulfilling the function of operators, at the request of the TSO, shall provide the TSO with data for the daily off-take of gaseous fuel by Customers covered by the curtailment plans by the tenth (10th) day of every month for the previous month.
- 6.5.11 DSOs and the companies fulfilling the function of operators shall submit curtailment plants to the TSO within fifteen (15) days of their approval by the President of ERO.
- 6.6 Verification of the capability of delivering the compulsory stocks of gaseous fuel to the transmission system
- 6.6.1 The Shipper and other entities responsible for the determination of the level of compulsory stocks of gaseous fuel under the procedure of Article 25 item 1 and 2 of the Act on reserves, shall inform the TSO of:
- 6.6.1.1 volumes of compulsory stocks verified by the President of ERO, and
- 6.6.1.2 characteristics of the storage facility where the compulsory stocks of gaseous fuel are to be held, specifying:
- 6.6.1.2.1 entry and exit points through which the storage facility is connected to the transmission system,
- 6.6.1.2.2 quantities of gaseous fuel constituting compulsory stocks held in each storage facility,
- 6.6.1.2.3 the total utilised working volume of the relevant storage facility.
- 6.6.2 Entities that begin imports of gaseous fuel, with respect to whom the level of the compulsory stocks is determined under the procedure of Article 25 item 5 of the Act on reserves, shall inform the TSO of:
- 6.6.2.1 volume of compulsory stocks established by the President of ERO, and

- 6.6.2.2 characteristics of the storage facility where the compulsory stocks of gaseous fuel are to be held, specifying:
- 6.6.2.2.1 entry and exit points through which the storage facility is connected to the transmission system,
 - 6.6.2.2.2 quantities of gaseous fuel constituting compulsory stocks held in each storage facility,
 - 6.6.2.2.3 the total utilised working volume of the relevant storage facility.
- 6.6.3 The TSO shall advise the entity that provides the information referred to in point 6.6.1 or point 6.6.2 whether the technical parameters of a storage facility ensure the capabilities for delivering the compulsory stocks of gaseous fuel to the transmission system within a period that does not exceed forty (40) days, and such response shall be given within fourteen (14) days of the date of receiving the relevant information.
- 6.6.4 In the event when it is determined that the technical parameters of storage facilities do not ensure the capabilities for delivering the compulsory stocks of gaseous fuel to the transmission system within a period that does not exceed forty (40) days, the TSO shall also notify this fact to the President of ERO, such notification to be made within seven (7) days of discovering the above situation.

7 TRANSITORY PROVISIONS AND IMPLEMENTING PROVISIONS

- 7.1 As of 1 July 2012, the following provisions shall be amended with a view to using the energy units (kWh) in the billing for transmission services, including the balancing services:
- 7.1.1 the wording of the provisions of point 1.2.2 in Part I of the TNC and point 1.2.3 in Part II of the TNC shall be amended as follows: “Any reference to a “quantity of gaseous fuel” in this TNC means a reference to such “quantity of gaseous fuel” expressed in kWh, unless specifically indicated otherwise. The “quantity” and “volume of gaseous fuel” shall be expressed in cubic metres under normal conditions.”
 - 7.1.2 the wording of the provision of point 2.1.2 in Part II of the TNC shall be amended as follows: “The quantities of gaseous fuel in the nominations and re-nominations shall be specified in kWh.”
 - 7.1.3 in point 3.4.1.1 Part II of the TNC the last sentence shall read as follows: “The imbalance value shall be specified in kWh.”
 - 7.1.4 the value of the thresholds referred to in point 3.4.1.7 and point 3.4.1.8 Part II of the TNC shall be reset to 165 MWh,
 - 7.1.5 the value of OZB_s, which is referred to under point 3.5.1 shall be reset to 0.0153 PLN/kWh;
 - 7.1.6 the value of OPB_s, which is referred to under point 3.5.2 shall be recalculated to 0.0306 PLN/kWh;

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- 7.1.7 the value of SNW, which is referred to under point 4.5.1.2 and point 4.5.1.3 shall be reset to 0.0018 PLN/kWh;
- 7.1.8 the value of SNWW, which is referred to under point 4.5.2.2 and point 4.5.2.3 shall be reset to 0.0018 PLN/kWh;
- 7.1.9 the value of 0.0043, which is referred to under point 4.7.27 shall be reset to 0.0004 PLN/kWh;
- 7.1.10 The Reference Gas Prices shall be determined for a quantity expressed in kWh. If the sales price of gaseous fuel, as specified in the seller's tariff is determined for quantities expressed in m³, it shall be calculated based on the gross calorific value, as defined in such tariff, and in case when the gross calorific value is not defined in the tariff, at the monthly average gross calorific value, as determined by the TSO at the point where the gaseous fuel is purchased.
- 7.1.11 The provisions of point 3.3.6, the first sentence in Part I of the TNC, which read as follows: "The gross calorific value of gaseous fuel, which serves as the basis for determining the quality of gaseous fuel" shall be replaced with the following wording: "The gross calorific value of gaseous fuel, which serves as the basis for determining the transported quantities of gaseous fuel and settlements in respect of balancing:"
- 7.1.12 The provisions of point 3.3.8, Part I of the TNC shall be replaced with the following wording:
- "3.3.8 The quantities of gaseous fuel expressed in energy units shall be determined in the following manner:
- 3.3.8.1 The hourly quantity of gaseous fuel, expressed in energy units, delivered by the Shipper for transmission at the entry point and taken at the exit point, shall be determined as the product of the volume of the gaseous fuel measured at the relevant entry point or exit point and the gross calorific value established for such entry or exit point, in accordance with the provisions of point 3.3.5 and point 3.3.6 for the same hour.
- 3.3.8.2. The daily quantity of gaseous fuel expressed in energy units shall be determined as the sum of the hourly quantities of gaseous fuel, as determined in accordance with point 3.3.8.1.
- 3.3.8.3. The monthly quantity of gaseous fuel expressed in energy units shall be determined as the sum of the daily quantities of gaseous fuel, as determined in accordance with point 3.3.8.2."
- 7.1.13 In the nominations and re-nominations for the gas year 2012 the Shipper shall specify the quantities of gaseous fuel in both m³ and kWh.
- 7.1.14 By the date of nomination submission, as referred to in point 2.2.3, the Shipper shall place an order for contracted capacities for the gas year 2012 expressed in kWh/h, corresponding to the levels of contracted capacities confirmed by the TSO by the date referred to in point 7.2.2 in Part I of the TNC.

7.1.15 In case of applications to change the contracted capacity during the gas year 2012 and annual re-nominations submitted by the Shipper prior to the date referred to in point 7.1, the quantities and contracted capacities should be expressed both in m³ and kWh or m³/h and kWh/h.

7.2 As of 1 July 2012, the wording of the following definitions shall be as follows:

<i>Gas day</i>	<i>A period from 6am on the current day to 6am on the following day.</i>
<i>Gas year</i>	<i>A period from 6am of 1 January of the current year until 6am of 1 January of the year following the current year.</i>
<i>Gas week</i>	<i>A period from 6am on Monday of the current week until 6am on Monday in the week following the current week.</i>
<i>Gas month</i>	<i>A period from 6am of the first day of the current month until 6am of the first day of the month immediately following the current month.</i>

7.3 The gas day starting at 10pm on 29 June 2011 shall last until 6am of 1 July 2012 (shall be extended by eight (8) hours). Nominations and re-nominations concerning the above-mentioned gas day should take account of the additional period of eight (8) hours. The daily quantities of gaseous fuel specified in the above-mentioned nomination and re-nomination must not exceed the maximum quantities specified as thirty-six times the applicable contracted capacity for the given point.

7.4 Any applications for transmission contracts submitted prior to the effective date of this TNC shall remain unconsidered, subject to the provisions of point 7.6.

7.5 Applications concerning the access to capacity in the gas year 2011 shall be considered under the principles applicable to date.

7.6 Applications for change of contracted capacity agreed by the parties for the gas year 2012, submitted by 30 September 2011 in accordance with the provisions of point 7.2.1. of Part I of the Transmission Network Code of 15 December 2009, shall be considered under the principles set out in the TNC but within the deadline set out in point 7.2.5 of Part I of the Transmission Network Code of 15 December 2009.

7.7 The capacity offering process for the gas year 2012 for firm, interruptible and reverse flow services:

7.7.1 In the capacity offering process for the gas year 2012 the principles set out in point 6.4 of Part I of the TNC shall apply, unless otherwise provided for under this point 7.7.

7.7.2 The capacity allocation under the capacity offering process for the gas year 2012 shall cover the applications submitted in the period from 8 till 21 October 2011 and successfully passed the process of formal, legal and technical verification in accordance with the provisions of point 6.3, by 15 November 2011, and the applications that may have their deficiencies removed in accordance with point 6.6. The procedure shall be obligatory in respect of short-term services, which are to be provided starting from 1 January 2012 or 1 February 2012.

- 7.7.3 The capacity available at entry points in the gas year 2012, which will be subject to the capacity offering process for the gas year 2012, shall be announced by the TSO in the website www.gaz-system.pl by 7 October 2011.
- 7.7.4 The TSO shall inform the applicant by 30 November 2011 of the contracted capacity allocated to the applicant at the entry and exit points as part of the capacity offering process, and request the applicant to confirm the contracted capacity allocated to it.
- 7.7.5 The TSO shall inform the applicant by 9 December 2011 of the final level of allocated capacity and the level of financial security by sending to the applicant a draft transmission contract or annex to the transmission contract.
- 7.7.6 The applicant shall, by 16 December 2011, submit to the TSO a unilaterally signed transmission contract or annex to the transmission contract together with the financial security. If the contract draft, or an annex thereto, sent by the TSO contain manifest errors, the Parties shall agree the correct wording of the document by the means of electronic communication within the above-mentioned time frame.
- 7.7.7 If any of the applicants does not confirm the allocated capacity, or fails to request a reduction of the contracted capacity assigned to it, or fails to present the required financial security when due, its application shall be rejected. The provisions of point 6.4.10 of Part I of the TNC shall not apply to the capacity offering process for the gas year 2012.
- 7.7.8 If the aggregate firm capacity ordered under all the applications taking part in the procedure referred to in this point 7.7 exceeds 100 % of the technical capacity for the relevant entry point, the TSO shall allocate the available firm capacity at the entry point in proportion to the requested capacity. The provisions of point 6.2.3 of Part I of the TNC shall not apply.