



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

**TRANSMISSION NETWORK CODE
(TNC)**

Part I

**General conditions for using the
transmission system**

Warsaw, September 2011

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1 DEFINITIONS AND UNITS

1.1 Definitions

<i>Allocation</i>	<i>The assignment of a quantity of gas to individual Shippers, which is introduced for transmission at the entry point or off-taken from the exit point, if the gas is introduced or off-taken at the given point within the framework of more than one transmission contract.</i>
<i>Physical balancing</i>	<i>The activities of a TSO which has common entry and exit points with our system in order to balance the quantity of gas introduced into and off-taken from the transmission system through on-going control of operation of the transmission system.</i>
<i>Commercial balancing</i>	<i>The activities of a TSO involving the definition and settlement of unbalanced values arising from the difference between the quantities of gaseous fuel introduced into and off-taken from the transmission system by the Shipper, separately for each of the transmission agreements concluded by such Shipper.</i>
<i>System balancing</i>	<i>The business activities conducted by a TSO within the framework of the transmission services provided involving the balancing of requirements for gaseous fuels with the suppliers of these fuels, including physical balancing and commercial balancing.</i>
<i>Reference Gas Price (CRG)</i>	<i>The weighted average purchase price of gaseous fuel by Gas Transmission Operator Gaz-System on the TSO's website and defined in accordance with the methodology specified in the TNC.</i>
<i>Gross calorific value (H_{SN})</i>	<i>Gross calorific value H_s [298.15 K, 101.325kPa, V (273.15 K, 101.325kPa) – the amount of heat that would be released as a result of the complete combustion in air of a certain quantity of gas, assuming that the reaction takes place under a constant pressure of 101.325 kPa, all the products of combustion, except for water, are in gaseous state, the water formed in the process of combustion process condenses and all the products of combustion (both those in the gaseous state and the water in the liquid state) are brought to the same temperature of 298.15 K as the substrates had.</i>
<i>Pressure</i>	<i>The pressure of gaseous fuel measured under static conditions as overpressure, which is the difference between the absolute static pressure of the gaseous fuel and atmospheric pressure.</i>
<i>Business Days</i>	<i>The days from Monday to Friday, except statutory holidays.</i>
<i>Gas day</i>	<i>The period from 22:00 hours on the previous day to 22:00 hours on the current day.</i>

<i>Direct gas pipeline</i>	<i>A gas pipeline that has been built to supply gaseous fuels directly to the Customer's installation, bypassing the gas system.</i>
<i>Interconnector</i>	<i>A gas transmission pipeline crossing the borders of European Union member states or member states of the European Free Trade Agreement (EFTA) - the parties to the agreement on the European Economic Zone, exclusively for the purpose of interconnecting the national transmission systems of these states.</i>
<i>Commercial Transmission Report (CTR)</i>	<i>A document prepared by the TSO containing a set of information on the provision of transmission services by the TSO to the Shipper in the settlement period (gas month).</i>
<i>Storage facility</i>	<i>Facility used to store gas including underground storage of gas and the linepack capacity of gas pipelines owned by an energy company or operated by that company including the part of the liquefaction of natural gas facility used for its storage, with the exception of that part of the facility which is used for the production activity, as well as facilities serving exclusively the performance of the tasks of transmission system operators.</i>
<i>Wobbe index</i>	<i>The ratio of the gross caloric value of gaseous fuel to the square root of its relative density under the same reference conditions.</i>
<i>Gas month</i>	<i>The period from 22:00 hours on the last day of the month immediately preceding the current month to 22:00 hours of the last day of the current month.</i>
<i>Connection capacity</i>	<i>Planned maximum hourly capability to supply or off-take gaseous fuel, used as the basis for the design of a connection, as defined in the agreement on connection to the network.</i>
<i>Contracted capacity</i>	<i>The maximum hourly quantity of gas under normal conditions, as specified in the transmission contract, which can be admitted for transmission at the entry point or off-taken from the transmission system at the exit point.</i>
<i>Imbalance</i>	<i>The difference between the quantity of gas that the Shipper has introduced at the entry points for transmission and off-taken from the transmission system at the exit points, calculated on the basis of the results of measurements and the methods of allocation within the framework of the performance of a given transmission contract.</i>
<i>Nomination</i>	<i>The Shipper's declaration passed to the TSO regarding the quantity of gaseous fuel that will be introduced at the entry points of the transmission system by the Shipper at a specified time and off-taken by the Shipper from the transmission system at the exit points.</i>
<i>Customer</i>	<i>Any party that receives or withdraws Gas under an agreement with an energy company.</i>
<i>Final Customer</i>	<i>A Customer purchasing gaseous fuel for own use.</i>

<i>Contractual congestion</i>	<i>Restrictions on the possibility of transmitting gas arising from capacity booking by Shippers in excess of the actually used capacity.</i>
<i>Technical congestion</i>	<i>Restrictions on the ability to transmit gaseous fuel arising from congestion in the technical facilities, installations or networks.</i>
<i>Billing Point Operator (BPO)</i>	<i>An entity performing measurement and billing tasks at the entry points to or exit points from the transmission system.</i>
<i>Distribution System Operator (DSO)</i>	<i>An energy company that distributes gas, which is responsible for network operation in the gas distribution system, the duties of which are specified in the Energy Law.</i>
<i>Storage System Operator (SSO)</i>	<i>An energy company that stores gas, which is responsible for the maintenance of the storage installation, the duties of which are specified by the Energy Law.</i>
<i>Transmission System Operator (TSO)</i>	<i>Operator Gazociągów Przesyłowych Gaz-System S.A. An energy company that distributes gas, which is responsible for network operation in the gas distribution system, the duties of which are specified in the Energy Law.</i>
<i>Interoperating System Operator (ISO)</i>	<i>The DSO, SSO or the operator of a system interoperating with the TSO's transmission system, other than the TSO.</i>
<i>Gaseous fuel</i>	<i>High-methane natural gas or low-methane natural gas transported through the transmission system.</i>
<i>Linepack</i>	<i>The quantity of gas that is under pressure in the gas pipelines.</i>
<i>Technical capacity</i>	<i>The maximum constant capacity of the transmission system available for the TSO to provide gas transmission services.</i>
<i>Reserved capacity</i>	<i>(Contracted capacity) A part of the technical capacity of the transmission system that is reserved under transmission contracts and connection agreements signed by the TSO, unless the deadline set out therein for the conclusion of an agreement to be the basis for the supply of gaseous fuels has lapsed.</i>
<i>Transmission</i>	<i>The transportation of gaseous fuel through the transmission network between entry points and exit points.</i>
<i>Importation</i>	<i>The importation of gas into the territory of the Republic of Poland as part of intra-community acquisition or imports, within the meaning of the Act on reserves.</i>
<i>Entry point</i>	<i>The place where gaseous fuel is introduced into the transmission system.</i>
<i>Exit point</i>	<i>The place where gaseous fuel is taken from the transmission system.</i>
<i>Re-nomination</i>	<i>A change to the approved nomination.</i>

<i>Gas year</i>	<i>The period from 22:00 hours on 31 December of the previous year to 22:00 hours on 31 December of the current year.</i>
<i>Distribution network / distribution system</i>	<i>A high, medium and low pressure gas network excluding upstream and direct gas pipelines, for the operation of which the DSO is responsible.</i>
<i>Transmission network / transmission system</i>	<i>A high, medium and low pressure gas network excluding upstream and direct gas pipelines, for the operation of which the TSO is responsible.</i>
<i>Force majeure</i>	<i>An extraordinary external event that is independent of the will of a party, which prevents the permanent or temporary performance of an agreement, the event or the consequences of which the party was unable to predict with due care at the time of signature of an agreement, or avoid or overcome.</i>
<i>Interoperating system</i>	<i>A distribution, storage or transmission system other than the TSO's transmission system that interoperates with the TSO's transmission system.</i>
<i>Emergency situation</i>	<i>A situation resulting in the loss of technical operability of the transmission network, or the interconnected networks, installations or devices, or a direct threat to human life, health, property, the environment, or a sudden need to take measures in order to prevent or avoid the emergence of such threats or to eliminate the consequences caused by their emergence, and resulting in a restriction in the supply, transmission or off-take of gaseous fuel.</i>
<i>Tariff</i>	<i>A set of prices and charges, as well as the conditions for applying them, which is introduced as obligatory in the settlements with the Shippers.</i>
<i>Gas week</i>	<i>The period from 22:00 hours on Sunday of the week prior to the current week and 22:00 hours on Sunday of the current week.</i>
<i>Transmission contract</i>	<i>A gas transmission contract concluded by and between the Shipper and the TSO.</i>
<i>Framework agreement</i>	<i>A transmission contract for transmission services to be provided of a firm and interruptible basis for the term of a single gas day.</i>
<i>Reverse transmission service</i>	<i>A transmission service provided by the TSO on an interruptible basis to the reverse exit points specified in the TSO's website.</i>
<i>Transmission system user</i>	<i>A Customer or potential customer of the services provided by the TSO, as well as the TSO itself to the extent that such use is necessary for the performance of its transmission functions.</i>
<i>Energy Law</i>	<i>The Energy Law of 10 April 1997 - consolidated text (Journal of Laws of 2006, No. 89, item 625, as amended).</i>
<i>Act on reserves</i>	<i>The Act of 16 February 2007 on the reserves of crude oil, petroleum products and natural gas and the course of action in the event of a threat to the state fuel security and disruptions on petroleum market (Journal of Laws of 2007, no. 52, item 343,</i>

	<i>as amended)</i>
<i>Net calorific value</i>	<i>Net calorific value H_i [298.15 K, 101.325 kPa, V (273.15 K, 101.325 kPa) –the amount of heat that would be released as a result of the complete combustion of a certain quantity of gas, assuming that the reaction takes place under a constant pressure of 101.325 kPa, all the products of combustion are in the gaseous state and have been brought up to the same temperature of 298.15 K as the substrates had.</i>
<i>Normal Conditions</i>	<i>The reference conditions for billing purposes, absolute pressure of 101.325 kPa and temperature of 273.15 K.</i>
<i>System congestion management</i>	<i>Business activities conducted by the TSO within the framework of the transmission services provided in order to ensure the safe operation of the transmission system and to provide the required technical parameters of gas in the event of the appearance of technical congestion in this system’s capacity.</i>
<i>Shipper</i>	<i>A natural or legal person, as well as an entity not having legal personality, but having legal capacity, which uses transmission services under a transmission contract concluded with the TSO.</i>

1.2 Units

1.2.1 The units of measure used in this TNC are:

m ³	cubic metre (defined in the TNC under normal conditions)
°C	degree Celsius,
h	hour,
K	Kelvin,
km	kilometre,
MJ	megajoule,
mg	milligramme,
µg	microgramme,
MPa	megapascal,
kPa	kilopascal,
kWh	kilowatt-hour

1.2.2 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 GENERAL PROVISIONS

2.1 Introduction

- 2.1.1 Gas Transmission Operator GAZ-SYSTEM S.A., (the Transmission System Operator), provides gas transmission services under a licence for transmission of gaseous fuels and a decision of the President of the Energy Regulatory Office (“ERO”) concerning the designation of the transmission system operator.
- 2.1.2 The TSO provides gas transmission services to the Shipper on the basis of a gas transmission contract, in accordance with the terms and conditions set out in the Transmission Network Code (“TNC”).
- 2.1.3 The TNC constitutes a set of regulations established in accordance with Article 9 g of the Energy Law, which specifies, in particular, the following:
- 2.1.3.1 rights and duties of the TSO and the Shipper,
 - 2.1.3.2 conditions for the provision of the gas transmission services,
 - 2.1.3.3 processes required for a safe and efficient provision of the gas transmission services,
 - 2.1.3.4 scope of cooperation between the TSO and the system users and ISOs and BPOs.
- 2.1.4 The TNC is delivered to any party that intends to use transmission services upon the conclusion of a transmission contract, and is made available for any party applying for a connection to the transmission network.
- 2.1.5 The Shipper using the transmission services on the basis of a transmission contract concluded with the TSO is obliged to observe all the provisions of the TNC.
- 2.1.6 The TNC is delivered to distribution system operators and storage system operators upon the conclusion of the agreements referred to in point 3.7. DSOs and SSOs are obliged to observe all the provisions of the TNC that apply to them, based on the agreement they have concluded with the TSO.
- 2.1.7 System users, including Customers, whose appliances, facilities or networks are connected to the transmission system, are obliged to observe the provisions of the TNC.
- 2.1.8 The TNC and the supplementary documents are prepared in Polish. In addition, the TSO shall publish, solely for information purposes, the TNC and the accompanying documents in English language.
- 2.1.9 The current version of the TNC is published on the TSO's website www.gaz-system.pl.

2.2 The TSO's rights and duties

- 2.2.1 While applying objective and transparent principles assuring equal treatment of transmission system users and taking into account the environmental protection requirements, the TSO is responsible for:

- 2.2.1.1 security of delivery of gaseous fuel by assuring security of functioning of the transmission system and implementation of the transmission contracts with the Shippers,
- 2.2.1.2 the management of network operation in a coordinated and efficient manner, while maintaining the required reliability of gas fuel transmission and quality,
- 2.2.1.3 operation, maintenance and repairs of the network, installations and facilities of the transmission system, together with the interconnections with other gas systems in a manner that guarantees the reliability of the transmission system functioning,
- 2.2.1.4 the assurance of the long-term capability of the transmission system to satisfy legitimate demand for transmission of gaseous fuels, as well as the expansion of the transmission system, and where applicable, expansion of interconnections with other gas systems,
- 2.2.1.5 cooperation with the interoperating system operators or other energy companies in order for the gas systems to operate reliably and efficiently, as well as to coordinate their development,
- 2.2.1.6 the use of the capacity of storage facilities in accordance with the provisions of Part II of the TNC,
- 2.2.1.7 the management of the flows of gaseous fuel and the maintenance of the quality parameters of such fuel in the transmission system and at the connections with interoperating systems,
- 2.2.1.8 the provision of the services required for proper operation of the transmission system,
- 2.2.1.9 balancing of the system and management of congestion in the transmission system, as well as handling settlements with the Shippers, which arise from their imbalance,
- 2.2.1.10 the provision of information to the system users and the ISOs on the terms and conditions for the provision of transmission services, including interoperation with connected gas systems,
- 2.2.1.11 the preparation of plans for introducing restrictions in gas take for Customers, including Shippers, connected directly to the transmission network, subject to restrictions in gaseous fuel take pursuant to the Act on reserves as well as agreeing such plans with the President of the ERO,
- 2.2.1.12 the performance of duties connected with the implementation of the restrictions in gaseous fuel take, introduced in accordance with the provisions of the Act on reserves
- 2.2.1.13 holding periodic market screening exercises to assess the demand for new transmission infrastructure, with a view to using the results of such surveys in the definition of the capacity development or allocation plans,
- 2.2.1.14 delivering gaseous fuel at the exit point from the transmission system and ensuring that such gaseous fuel conforms to the quality parameters specified in point 3.2.1 and at the pressure specified in accordance with point 3.3.10.

2.2.2 The TSO provides transmission services within the limits of the technical capacity of the transmission network.

2.2.3 The TSO purchases gaseous fuel for its own needs and for the purposes of the transmission system balancing from the following sources:

- 2.2.3.1 direct suppliers of gaseous fuel, i.e. entities engaged in gas trading, having their registered offices outside the Republic of Poland, or producers of gaseous fuels,
- 2.2.3.2 energy companies involved in gas trading,
- 2.2.3.3 Shippers, through the purchase of a portion of the gaseous fuel delivered for transmission.

2.2.4 The TSO may select the supplier of gaseous fuel referred to in point 2.2.3 (point 2.2.3.1, point 2.2.3.2) by tender or auction, depending on the availability of sources of gaseous fuel that will offer the technical capabilities of delivering gaseous fuel for the TSO's purposes at the place and on the conditions that guarantee security of supply for the TSO.

2.2.5 In case when there is no possibility of securing the deliveries of gaseous fuel under an open procedure, the TSO may purchase gaseous fuel directly from the Shippers to be used for process purposes and to cover network losses resulting from the performance of a transmission contract concluded by and between the parties, subject to the quantities and the conditions specified in the transmission contract.

2.2.6 The TSO receives gaseous fuel from, or transfers it to the Shipper in the situation of an imbalance of the quantity of gaseous fuel introduced for transmission or off-taken from the transmission system by the Shipper, in accordance with the provisions of Part II of the TNC, within the limits of the technical capabilities available to the TSO.

2.2.7 As part of system congestion management, the TSO has the right to provide access to capacity reserved but not utilized by the Shipper, which limits the access to the transmission system for other parties. The conditions and procedures for selling or making available the capacity not utilized by the Shipper are specified in Part II of the TNC.

2.2.8 In the case of an unexpected increase in gaseous fuel consumption by Customers, the emergence of interference in the supply of gaseous fuel, an emergency situation, including in interoperating systems, resulting in the emergence of a threat to the security of operation of the transmission system, the TSO shall take the steps described in Part II of the TNC.

2.2.9 In the event of an emergency situation, the TSO shall take the necessary steps to restore proper operation of the transmission system in accordance with the procedures specified in Part II of the TNC.

2.2.10 The TSO shall publish the relevant information on its website in accordance with the applicable regulations.

2.3 The rights and obligations of the Shipper

2.3.1 The Shipper uses the gas transmission services subject to the principles set out in the Energy Law, the TNC and the transmission contract. The Shipper is obliged to pay charges specified in the Tariff and in Part II of the TNC to the TSO.

2.3.2 As a user of the gas transmission service, the Shipper is required to observe the provisions of the TNC, in particular to:

- 2.3.2.1 deliver gaseous fuel for transmission and off-take from the system in quantities specified in the approved nominations for the entry and exit points in accordance with the provisions of Part II of the TNC,
- 2.3.2.2 ensure that the gaseous fuel delivered for transmission at the entry point to the transmission system conforms to the quality requirements set out in point 3.2 and the pressure levels set out in point 3.3.10,
- 2.3.2.3 not exceed the contracted capacities specified in the transmission contract,
- 2.3.2.4 not exceed the imbalance limits specified in Part II of the TNC,
- 2.3.2.5 make payments in accordance with the provisions of point 9 and the transmission contract,
- 2.3.2.6 reflect the restrictions specified in Part II of the TNC in the submitted nominations,
- 2.3.2.7 immediately notify the TSO of any change in the formal/legal and commercial conditions that constitute the basis for the conclusion of the transmission contract, as specified in point 6,
- 2.3.2.8 provide the ability of 24-hour contact with the Shipper and its Customers who are connected directly to the transmission system in the event of the occurrence of any unexpected events that affect the provision of the transmission services,
- 2.3.2.9 immediately obey the instructions of the TSO dispatcher services and assure fulfilment of such instructions by the entities delivering gaseous fuel to or taking it from the transmission system for the Shipper,

2.4 Rights and obligations of the final Customer

2.4.1 The final Customer whose equipment or facilities are connected to the transmission system shall adhere to the provisions of the TNC, and specifically it shall:

- 2.4.1.1 provide for the access by the TSO to measurement and billing facilities and should enable the performance of measurements of the values set forth in point 3.3.2 and the transfer of measurement data to the TSO in case when the final Consumer has the title to measurement facilities installed at the entry or exit point.
- 2.4.1.2 provide the relevant information to the TSO so as to enable the TSO to take into account the final Consumer's demand in the projection of the national demand for gas fuel,
- 2.4.1.3 conform to the provisions enabling the change of supplier by the final Customer,
- 2.4.1.4 make allocations in respect of the points where gaseous fuel is transferred directly to the final Customer and provides the TSO with the information on the allocated quantities in accordance with Part II of the TNC,
- 2.4.1.5 advise the TSO, by 31 July each year, on the minimum level of gas fuel consumption which does not result in a threat to the safety of people or damage or destruction of any process facilities, and corresponds to the

- maximum allowable level of gaseous fuel consumption under the 10th degree of supply rationing,
- 2.4.1.6 conform to the restrictions in gaseous fuel consumption, involving the reduction of the maximum hourly and daily volume of gas fuel consumption in accordance with the announcements of the TSO published in the manner and under the principles specified in the Act on reserves.
 - 2.4.1.7 ensure the ability of 24-hour contact with the final Customer in the event of the occurrence of any unexpected events that affect the delivery of gaseous fuel to the final Customer,
 - 2.4.1.8 immediately execute the instructions of the TSO's dispatcher services.
- 2.4.2 The final Customer who is the owner of a measurement and billing system shall be responsible for:
- 2.4.2.1 maintaining the gas station facilities in adequate technical condition,
 - 2.4.2.2 conforming to the provisions of PGNiG S.A.'s internal standards series ZN G 4001÷4010, or other standards and regulations that may replace them,
 - 2.4.2.3 performing routine maintenance of measurement facilities at the point of gaseous fuel consumption,
 - 2.4.2.4 advising the TSO on the scheduled dates of routine maintenance and provide for the possibility for its representatives to be present during the performance of the relevant works,
 - 2.4.2.5 providing for the possibility of verifying the correctness of the measurement system operation, upon each request of the TSO
 - 2.4.2.6 enabling the representatives of the TSO to affix protective seals on the measurement system facilities,
 - 2.4.2.7 enabling remote reading by the TSO services of the measurement data in case when a telemetry system is in place at the gas station,
 - 2.4.2.8 permitting the TSO to install its own telemetry system, in case when not available at the gas station,
- 2.4.3 The final Customer who is the owner of a measurement and settlement system:
- 2.4.3.1 shall be advised on the scheduled dates of routine maintenance to be carried out by the TSO services and have the right to be present during the performance of the relevant works,
 - 2.4.3.2 may affix protective seals on the measurement system facilities,
 - 2.4.3.3 may take remote readings of the measurement data in case when a telemetry system is in place at the gas station,
 - 2.4.3.4 may install its own telemetry system, in case when not available at the gas station.
- 2.4.4 A final Customer connected directly to the system has the right to request the TSO, two times a year, for a pressure adjustment at the exit point(s) where the final Customer takes gaseous fuel. The TSO shall make such an adjustment to the extent that technical capabilities for pressure adjustment exist at the specified exit point(s):

2.5 Supplementary documents

- 2.5.1 Chart of the transmission system and the list of entry points and exit points.
- 2.5.2 Application forms for definition of the conditions for connection to the transmission network.
- 2.5.3 Application form for the provision of transmission service.
- 2.5.4 Specimen transmission contract.
- 2.5.5 Specimen framework agreement.
- 2.5.6 The Tariff.
- 2.5.7 The supplementary documents are posted on the TSO's website www.gaz-system.pl.

2.6 Update of the TNC

- 2.6.1 Amendments to the TNC are introduced by the TSO.
- 2.6.2 The TSO drafts the amendments to the TNC specifying the content of the proposed amendments and the planned effective date.
- 2.6.3 The TSO holds consultations with the transmission system users with regard to the proposed amendments to the TNC. The TSO posts the proposed amendments to the TNC on the TSO's website and makes it available for review at the TSO's registered office.
- 2.6.4 The entities referred to in point 2.6.3 may submit to the TSO their comments on the proposed amendments to the TNC within fifteen (15) days from the date of the posting on the TSO's website.
- 2.6.5 The TSO shall review the received comments and prepare the final wording of the amendments to the TNC.
- 2.6.6 The TSO presents the amendments to TNC to the President of ERO for approval, together with information on the comments submitted by the system users and how they were considered. The TSO posts the documents on its website.
- 2.6.7 The amendments to the TNC are published in the ERO Bulletin. The consolidated text of the TNC containing all the introduced amendments is posted on the TSO's website and made available for review at the TSO's registered office.
- 2.6.8 The TSO distributes the consolidated text of the TNC, containing all the introduced amendments, to the Shippers, DSOs, SSOs and any entities being a party to an agreement on connection to the transmission network.
- 2.6.9 The amended or new provisions of the TNC shall become binding for the TSO, Shippers, system users, including the Customers, ISOs and BPOs whose

appliances, facilities or networks are connected to the transmission system, upon their approval by the President of ERO and promulgation in the ERO Bulletin, as of the date stated in the relevant decision of the President of ERO.

2.6.10 The TNC constitutes a part of the transmission contract. The amended or new provisions of the TNC shall become a part of the transmission contract starting from the date state in the relevant decision of the President of ERO concerning their approval.

2.6.11 In case of non-acceptance of the amendments to the TNC, the Shipper shall have the right to terminate the transmission contract within thirty (30) days of the date of delivery of the wording of the TNC or its promulgation in the ERO Bulletin, subject to two months' notice. The right to terminate the agreement applies to agreements concluded both a specified and an indefinite term. The new or amended provisions of the TNC shall not apply to a Shipper that has given notice of termination during the period from the date of delivery of the notice of termination of the transmission contract to the TSO until the date of its termination. The above provision shall apply, *mutatis mutandis*, to agreements concluded with DSOs, SSOs and owners of storage facilities.

2.6.12 The TSO registers subsequent amendments to the TNC in the list of changes posted on its website.

3 DESCRIPTION OF THE TRANSMISSION SYSTEM

3.1 Components of the transmission system

3.1.1 The transmission services are provided by the TSO in two transmission systems designed for:

- 3.1.1.1 group E high methane natural gas (GZ-50),
- 3.1.1.2 group L, sub-group Lw low-methane natural gas (GZ-41.5),

3.1.2 The following interoperate with the TSO's transmission system:

- 3.1.2.1 group L, sub-group Ln and Lm low-methane natural gas pipelines that transport gas to nitrogen removal and gas mixing facilities,
- 3.1.2.2 upstream gas pipelines transporting gas from the fields to the entry points into the transmission system,
- 3.1.2.3 systems, networks and facilities of other operators.

3.1.3 The entry points in the transmission system are classified into those related to:

- 3.1.3.1 gas fuel imports,
- 3.1.3.2 domestic fields,
- 3.1.3.3 delivery of gaseous fuel from the facilities or networks of other energy companies,
- 3.1.3.4 storage facilities,
- 3.1.3.5 gas mixing facilities,
- 3.1.3.6 delivery of gaseous fuel from nitrogen removal plants,

3.1.3.7 reverse-flow entry points.

3.1.4 The exit points in the transmission system are classified into those related to:

- 3.1.4.1 gas fuel exports,
- 3.1.4.2 the supply of gaseous fuel directly to the final Customer,
- 3.1.4.3 the supply of gaseous fuel to the networks of other energy companies,
- 3.1.4.4 storage facilities,
- 3.1.4.5 gas mixing facilities,
- 3.1.4.6 reverse-flow exit points.

3.2 Quality parameters of gaseous fuel

3.2.1 The following ranges of gross calorific value (H_{SN}) shall be applicable to gaseous fuel transported in the transmission system:

3.2.1.1 for the group E high methane natural gas system:

$$\text{from } H_{SNmin} = 38.0 \text{ to } H_{SNmax} = 41.6 \text{ MJ/m}^3,$$

3.2.1.2 for the Lw subgroup low-methane natural gas system:

$$\text{from } H_{SNmin} = 30.0 \text{ to } H_{SNmax} = 33.5 \text{ MJ/m}^3,$$

3.2.2 In the event that the gaseous fuel supplied to the group E high methane natural gas system has a gross caloric value within the range of $34.0 \leq H_{SN} < 38.0 \text{ MJ/m}^3$, the TSO may refuse to accept such fuel, and in the event that it is introduced into the system, an extra charge, as specified in Part II of the TNC, shall be collected from the Shipper.

3.2.3 The TSO may refuse to accept group E high-methane gaseous fuel of gross caloric value within the range of $34.0 \leq H_{SN} < 38.0 \text{ MJ/m}^3$, or quality parameters that differ from those specified in point 3.2.5 if this could result in:

- 3.2.3.1 deterioration of the quality of gaseous fuel delivered to the exit point to below the parameters specified in the transmission contract concluded by the TSO,
- 3.2.3.2 a detrimental change in the extent of supply of gaseous fuels to Customers connected to the transmission system,
- 3.2.3.3 a breach of rights or interests of Customers connected to the transmission system.

3.2.4 Gaseous fuel with a gross caloric value below of the following limits must not be introduced into the transmission system:

3.2.4.1 $H_{SNmingr} = 34 \text{ MJ/m}^3$ for the group E high methane gas system,

3.2.4.2 $H_{SNmingr} = 30 \text{ MJ/m}^3$ for the Lw subgroup low-methane gas system,

3.2.5 Requirements applicable to other quality parameters of the gaseous fuel transported by the transmission system:

Gaseous fuel quality characteristic	Unit of measure	Maximum allowed value / range
Hydrogen sulphide content*	mg/m ³	7.0
Oxygen content*	% (mol/mol)	0.2
Carbon dioxide content*	% (mol/mol)	3.0
Mercury fumes content*	µg/m ³	30.0
Mercapthane sulphur content*	mg/m ³	16.0
Total sulphur content*	mg/m ³	40.0
Water dew point temperature for the pressure of 5.5 MPa from 1 April to 30 September	°C	+3.7
Water dew point temperature for 5.5 MPa from 1 October to 31 March	°C	-5.0
Hydrocarbon dew-point temperature	°C	0
Dust content of a particle diameter of greater than 5 µm*	mg/m ³	1.0
Range of the Wobbe index variability for group E gaseous fuel	MJ/m ³	45.0-54.0
Range of the Wobbe index variability for Lw sub-group gaseous fuel	MJ/m ³	37.5-45.0
Range of the temperature variability of gaseous fuels introduced to the transmission system	°C	0-50

* *Except for the water dew point temperatures, all values in the table refer to normal conditions.*

3.3 Measurements of pressure, quantities and quality parameters of gaseous fuel in the transmission system

3.3.1 Measurement of pressure, quantities and quality parameters of the transported gaseous fuel are taken for the purpose of billing for the transmission services.

3.3.2 The following values are specified, respectively, at the entry points and exit points:

- 3.3.2.1 hourly quantity of gaseous fuel,
- 3.3.2.2 daily quantity of gaseous fuel,
- 3.3.2.3 monthly quantity of gaseous fuel,
- 3.3.2.4 maximum hourly quantity of gaseous fuel for the gas day or gas month, determined as the integral part of the value recorded in a given hour, disregarding the fractional part,
- 3.3.2.5 the minimum pressure in the gas day or gas month.
- 3.3.2.6 gross calorific value.

- 3.3.3 Depending on the value of the connection capacity and contracted capacity, appropriate configurations of the measurement systems are used at the entry points and exit points.
- 3.3.4 The description of the measurement systems at the entry points and exit points, as well as the calculation methodology (when different than described in point 3.5) are set out in technical annexes to the relevant ISO or BPO agreements.
- 3.3.5 The measurements of the quality parameters of the transported gaseous fuel are taken by the TSO at the designated points of the transmission system. The places and frequency of measurement taking and their results are posted on the TSO's website www.gaz-system.pl
- 3.3.6 The gross calorific value of gaseous fuel, which serves as the basis for determining the quality of gaseous fuel shall be defined as follows:
- 3.3.6.1 for entry point which are provided with chromatographs – for each hour as the arithmetic average of the measurements taken at such point
 - 3.3.6.2 for entry points which are not provided with a system for continuous measurement of the gaseous fuel composition (no chromatographs installed) – based on the most recent measurement provided to the TSO by the BPO of the entry point in question, and posted on the TSO's website www.gaz-system.pl.
 - 3.3.6.3 For all exit points, the gross calorific value is determined for each hour as the arithmetic average resulting from the measurements taken at points designated in accordance with point 3.3.7. If the analyses gaseous fuel composition at a given point of measurement are made less frequently than once an hour, the hourly gross calorific value shall be deemed to correspond to the value of the last correct measurement.
- 3.3.7 The TSO shall define settlement areas in such a manner as to ensure that the average gross calorific value for any area does not differ by more than +/-3% from the gross calorific value of the gaseous fuel as determined at any point of such settlement area. The assignment of exit points to a specific area (point of measurement) is published on www.gaz-system.pl.
- 3.3.8 The gross calorific value for settlement purposes is determined in accordance with point 3.3.6.
- 3.3.9 In case when a measurement facility has been installed, as agreed with the TSO and subject to regular verification by an accredited laboratory, and such facility enables the determination of the gross caloric value of gaseous fuel at the entry point or at the exit point, the gross caloric value shall be determined on the basis of the readings from such facility.
- 3.3.10 Upon a written request of the Shipper, the TSO shall verify the accuracy of the measurement facility referred to in point 3.3.9 no later than within twenty-one (21) days of such request.
- 3.3.11 The Shipper shall have the right to request a verification of the accuracy of the measurement facility referred to in point 3.3.9 by an independent laboratory with an accreditation of a certification body obtained in accordance with the relevant

regulations. The measurement facility should undergo verification within twenty-one (21) days of the communication of such request by the Shipper.

- 3.3.12 The Shipper shall cover the costs the accuracy verification of the measurement facility referred to in point 3.3.10 and the verification referred to in point 3.3.11 performed at its request in the event that no faults in the performance of any of the components of the measurement facility have been discovered.
- 3.3.13 In the event that any faults have been discovered in the performance of the measurement facility referred to in point 3.3.9, the owner of the facility shall cover the costs of the accuracy verification of the measurement facility, as referred to in point 3.3.11.
- 3.3.14 Any disputes between the Shipper and the TSO concerning the accuracy of the measurements taken by the TSO as the basis for billing purposes shall be resolved by the competent common courts.
- 3.3.15 The submission of a request referred to in point 3.3.10 or 3.3.11 shall not release the Shipper from the obligation to pay the amounts due as invoiced.
- 3.3.16 In case when reservations concerning an invoice that has been paid in full are admitted, the provisions of point 9.5.8 shall apply accordingly.
- 3.3.17 The pressures at which gaseous fuel should delivered for transmission at the entry point or taken at the exit points is posted on the TSO's website www.gaz-system.pl.
- 3.3.18 The minimum pressure in a given month shall be deemed to correspond to the minimum average daily pressure recorded in a given gas month.
- 3.3.19 Upon a request from a final Customer connected directly to the transmission system, as submitted directly to the TSO, the TSO shall adjust, twice a year, the pressure at the exit point where such final Customer takes gaseous fuel, to the extent that technical capabilities for pressure adjustment exist at such points. The procedure for pressure adjustment at exit points to distribution systems is defined in relevant inter-operator agreements.
- 3.3.20 In the case of an entry point or exit point where the TSO has a legal title to the measurement facility, the TSO shall be responsible for the performance of measurements at such point.
- 3.3.21 In case of an overload or damage of a gas meter at an entry or exit point, caused by increased consumption of gaseous fuel by the Shipper or the Customer in excess of the upper limit of the range of volumetric flow measurement, the gas meter should undergo repeated verification. Any costs related to such repeated verification, including but not limited to the costs of transport, verification and repair (if any) shall be borne by the Shipper, subject to the presentation by the TSO of documents evidencing the incurred costs.
- 3.3.22 If the TSO does not have a legal title to the measurement facilities installed at the entry or exit point, the ISO, BPO or the Consumer having the legal title to the facilities installed at such point, or the Shipper, shall provide the TSO with access to the measurement and billing facilities, the possibility to take the measurements of the values set out in point 3.3.2 and the communication of measurement data to the

TSO. The measurement frequency and dates and format of data communication shall be defined, in case of a Shipper, in a technical annex constituting an integral part of the transmission contract, and in case of an ISO or BPO, in a technical annex to the relevant agreement with the ISO or BPO.

3.4 Telemetry system

3.4.1 In the event that the TSO has the legal title to a given entry or exit point, upon launching a telemetry system at such point, on the Shipper's request the TSO shall agree on the scope and conditions of telemetry data sharing with the Shipper.

3.4.2 In the event that the TSO does not have the legal title to a given entry or exit point, the Shipper undertakes to make it possible for the TSO to:

3.4.2.1 install telemetry facilities at such point, for the purpose of transmitting transmit measurement data to the TSO, provided that the ownership right to the installed telemetry facilities shall remain with the TSO,

3.4.2.2 directly access the telemetry facilities and measurement facilities installed at such point.

3.4.3 The TSO and the Shipper cover their own costs related to the transmission of telemetry data to their respective services.

3.4.4 The transmission of telemetry data from a given point to the TSO should be effected using one or two independent transmission routes, depending on the importance of the point in the transmission system.

3.4.5 In the event of a failure of the telemetry system, the duty to notify the parties using the telemetry data of the failure that has taken place lies with the entity that operates the telemetry facilities. When the TSO is not the entity that operates the telemetry facilities, the BPO, ISO or the final Customer shall inform the TSO of the failure that has occurred.

3.4.6 In the event that the given entry or exit point is not connected to the telemetry system or a failure occurred within the telemetry system, the necessary data will be communicated by the owner of the system in the manner set out in a technical annex to the relevant inter-operator agreement.

3.5 Technical requirements

3.5.1 Measurement facilities.

3.5.1.1 The requirements applicable to measurement stations, turbine, differential and rotary gas meters, installation kits for those gas meters that are used in metering for billing purposes, as well as the billing principles are contained in the following standards:

3.5.1.1.1 ZN-G-4002:2001: Billing principles and metering techniques

3.5.1.1.2 ZN-G-4003:2001: Measurement stations. Requirements and control

3.5.1.1.3 PN-EN 12261:2005/A1:2008 Gas meters. Turbine gas meters,

- 3.5.1.1.4 ZN-G-4005:2001: Turbine gas meters. Requirements, tests and installation.
- 3.5.1.1.5 ZN-G-4008:2001: Turbine gas meters. Design of installation kits.
- 3.5.1.1.6 ZN-G-4006:2001 Orifice gas meters – Requirements, tests and installation
- 3.5.1.1.7 ZN-G-4009:2001: Orifice gas meters. Design of installation kits.
- 3.5.1.1.8 PN-EN 12480:2005/A1:2008 Gas meters. Rotary gas meters,
- 3.5.1.1.9 ZN-G-4010:2001: Rotary gas meters. Requirements, tests and installation.
- 3.5.1.1.10 PN-EN ISO 5167-1 to 4:2005 Measurement of fluid flow by means of pressure differential devices inserted in circular cross-section conduits running full
- 3.5.1.2 The use of gas meters which do not conform to the requirements of the standards specified in point 3.5.1.1 in metering for billing purposes is subject to arrangements set out the connection agreement or the transmission contract.
- 3.5.1.3 In flow computers, volume conversion of PTZ or GNG type applies in accordance with the standard ZN-G-4003:2001. Measurement stations. Requirements and control.
- 3.5.1.4 The requirements applicable to flow computers, pressure converters and pressure differential values, temperature converters and sensors, aerometers, chromatographs, hygrometers, impulse conveyors and registers are specified in the standard ZN-G-4007:2001: Electronic devices. Requirements and tests.
- 3.5.1.5 The uncertainty of the measurements taken with the use of the above-mentioned measurement devices is estimated in accordance with the standard ZN-G-4002:2001: Billing principles and metering techniques.
- 3.5.1.6 Flow computers used for measuring the volume of transported gaseous fuel operate based on the standard winter time (UTC+1) throughout the gas year. The TSO shall bill the Shipper in accordance with the official time.
- 3.5.2 Gas pipelines.
- 3.5.2.1 The basic requirements applicable to newly-built transmission pipelines are specified in the Regulation of the Minister of Economy of 30 July 2001 concerning technical conditions to be met by gas networks (Journal of Laws of 2001, No. 97, item 1055) and the standard PN EN 1594:2006 Gas supply systems - Pipelines for maximum operating pressure over 16 bar - Functional requirements.
- 3.5.2.2 The regulations that apply to existing gas pipelines are those that applied at the time they were built.
- 3.5.3 Transmission system components.

- 3.5.3.1 The basic requirements applicable to newly-built compressor stations in the transmission system are specified in the Regulation of the Minister of Economy of 30 July 2001 concerning technical conditions to be met by gas networks (Journal of Laws of 2001, No. 97, item 1055) and the standard PN-EN 12583:2005 Gas supply systems – Compressor stations. Functional Requirements.
- 3.5.3.2 The basic requirements applicable to newly-built gas stations are specified in the Regulation of the Minister of Economy of 30 July 2001 concerning technical conditions to be met by gas networks (Journal of Laws of 2001, No. 97, item 1055) and in the following standards: PN-EN 12186:2004 Gas supply systems – Gas pressure regulating stations for transmission and distribution - Functional requirements, PN-EN 12279:2004 Gas supply systems – Gas pressure regulating installations on service lines. Functional requirements, ZN-G-4120:2004. Gas stations. General requirements, ZN-G-4121:2004: Gas stations in transmission and distribution. Requirements, ZN-G-4122:2004: Gas pressure reduction installations on service lines. Requirements.
- 3.5.4 The rights to the ZN-G internal standards mentioned in point 3.5 are vested in Polskie Górnictwo Naftowe i Gazownictwo S.A. (PGNiG S.A.), a company having its registered office in Warsaw.
- 3.5.5 The above standards are applicable to the extent they conform to the current legal regulations.
- 3.5.6 Orders for internal standards of PGNiG S.A. should be placed with the Chamber of Natural Gas Industry, 01-224 Warszawa, ul. Kasprzaka 25, phone: +4822 691 87 80; +4822 691 87 40, fax. +4822 691 87 81, e-mail: office.kst@igg.pl
- 3.5.7 Detailed technical requirements concerning the entry point to the transmission system and the entry points from the transmission system shall be set out in technical annexes to the relevant agreements with ISOs or BPOs.
- 3.6 Safety criteria for the functioning of the transmission system
- 3.6.1 The TSO adopts the following safety criteria for the functioning of the transmission system:
- 3.6.1.1 the maintenance of a capacity reserve providing for the capability to transport gaseous fuel in periods of exceptionally high demand, i.e. when the average ambient temperature during the day in three consecutive days is at a level of -15°C ,
- 3.6.1.2 the maintenance of a daily imbalance in the transmission system within the limit of $\pm 5\%$ of the projected maximum daily demand in the transmission system,
- 3.6.1.3 the maintenance of a cumulative imbalance in the transmission system within the limit of $\pm 20\%$ of the projected maximum daily demand in the transmission system,
- 3.6.1.4 the maintenance of the pressure at the entry and exit points within the ranges specified in accordance with point 3.3.17 of Part I of the TNC,

- 3.6.1.5 the maintenance of the quality parameters of the gaseous fuel, as specified in the TNC and the transmission contracts.
- 3.6.2 In order to meet the criteria specified in point 3.6.1 and in order to assure the performance of the transmission contracts, the TSO shall:
- 3.6.2.1 hold reserves of gaseous fuel accumulated in storage facilities with a view to covering any shortages of gaseous fuel that may arise from the imbalance of Shippers within the admissible imbalance limits,
 - 3.6.2.2 withdraw from the transmission system any excess gaseous fuel that may arise from the imbalance of the Shippers within the admissible limits of imbalance, or the occurrence of an emergency situation in the transmission system, to the extent allowed by the storage capacity held in storage facilities,
 - 3.6.2.3 prepare, and submit for approval by the President of ERO, gas curtailment plans with respect to Customers, including Shippers, connected directly to the transmission network who are subject to restrictions in gaseous fuel consumption in accordance with the Act on reserves,
 - 3.6.2.4 in the cases specified in the Act on reserves, perform the duties and obligations connected with the introduction of gas curtailment measures by establishing and announcing to the public the degrees of supply rationing, pursuant to gas curtailment plans,
 - 3.6.2.5 prepare procedures applicable in the event of an emergency situation in the transmission system,
 - 3.6.2.6 prepare procedures applicable in the event of the disturbance in the operation of interoperating systems, within the framework of the relevant agreements with the ISOs,
 - 3.6.2.7 maintain and develop control and measurement systems, control and telemetry systems and building automation systems to enable a fast response to potential threats within the transmission system,
 - 3.6.2.8 maintain the system facilities, installations, networks and structures in good technical condition, in accordance with the applicable regulations, ensure on-going operational monitoring and provide for technical emergency teams to be continuously on duty and, in the event of any threat, take immediate action to eliminate such threat,
 - 3.6.2.9 conduct assessments of the technical condition of the transmission system and, on its basis, prepare investment and maintenance plans.
- 3.6.3 In order to assure security of operation of the transmission system and security of supply of gaseous fuel to Customers, the Shipper is obliged to:
- 3.6.3.1 not exceed the contracted capacities set out in the transmission contract or resulting from the introduced curtailment measures,
 - 3.6.3.2 prepare and submit for approval to the TSO operating procedures, as agreed with the undertakings responsible for their implementation, including, as appropriate, the operators of other gas systems or Customers, which are applicable in the event of:
 - 3.6.3.2.1 disturbance in the supply of gaseous fuel to the transmission system,

- 3.6.3.2.2 unforeseen increase in the consumption of the gaseous fuel by Customers,
 - 3.6.3.2.3 emergency situation in the transmission system, or
 - 3.6.3.2.4 specify, in particular, the method of activating additional supplies of gaseous fuel from alternative sources of directions and reducing the consumption of gaseous fuel by Customers, on accordance the relevant agreements concluded with them,
- 3.6.3.3 deliver gaseous fuel for transmission at the entry points to the transmission system while conforming to the quality parameters required under in the TNC, and maintaining the pressure within the ranges specified in accordance with point 3.3.10 of Part I of the TNC,
- 3.6.3.4 not exceed the admissible imbalance limits specified in the TNC,
- 3.6.3.5 deliver gaseous fuel for transmission at the entry points and take it at the exit points in accordance with the approved nominations,
- 3.6.3.6 immediately inform the TSO of all events that could affect the security of supply of gaseous fuel to the entry points.
- 3.6.4 With a view to optimizing the operation of the transmission system, the following groups of exit points shall be established and comprise the following points:
- 3.6.4.1 Group 1: (ID 435101) Mościce - Wygoda, (ID 435112) Wygoda - Tarnów;
 - 3.6.4.2 Group 2: (ID 435109) Warzyce - Gorlice, (ID 435111) Wygoda - Siołkowa;
 - 3.6.4.3 Group 3: (ID 435113) Turaszówka - Warzyce, (ID 435114) Turaszówka - Krosno, (ID 435110) Warzyce - Gliniczek; (ID 435107) Targowiska - Krosno, (ID 435108) Targowiska - Miejsce Piastowe, (ID 435104) Strachocina - Targowiska.
 - 3.6.4.4 Group 4: (ID 302296) Szobiszowice, (ID 302110) Szopienice, (ID 302113) Tworzeń - Dąbrowa G., (ID 302116) Tworzeń -Szopienice-Pogoria and (ID 302120) Ząbkowice-Pogoria.
- 3.6.5 The TSO in coordination with DSOs may establish other groups of exit point, in addition to those identified in point 3.6.4, such groups to be posted on the TSO's website www.gaz-system.pl.
- 3.6.6 The TSO may decide, at its sole discretion, about the utilization of individual exit points belonging to a specific group of exit points, as defined in point 3.6.4, within a limit corresponding to the total volume of gaseous fuel resulting from the nominations approved for the exit points comprised in such group. The TSO shall allocate the stream of gaseous fuel among the points comprised in a group of points. Any disconformity of the actual volumes with the nominations approved for such points shall be established on an aggregate basis.
- 3.6.7 The Shipper shall place an order with the TSO for contractual capacity by individual exit point comprised in each of the group of exit points specified in point 3.6.4. The order for each exit point comprised in the group of exit points specified in point 3.6.4 should be greater than zero and must not exceed the maximum measurement range of the relevant measurement facility.

3.6.8 The contractual capacity within a group of exit points specified in point 3.6.4 is only exceeded in such an hour when the aggregate contractual capacity ordered at the exit points comprised in the relevant group of exit points is smaller than the aggregate volume of gaseous fuel taken during such hour at those exit points.

3.6.9 The fixed and variable transmission charge and the charge for exceeding the contractual capacity within a group of exit points specified in point 3.6.4 shall be calculated in accordance with the TSO's Tariff, provided that the determination of the applicable transmission charges shall be made on the basis of the Tariff group corresponding to the aggregate contractual capacity for the relevant group of exit points specified in point 3.6.4.

3.7 Scope of the cooperation between the TSO and the interoperating system operators

3.7.1 The specific conditions and forms of cooperation with interoperating system operators shall be defined in separate agreements, including technical annexes to the relevant agreements concluded with ISOs or BPOs, which contain a description of measurement systems at the entry and exit points and the calculation methodology (when different than specified in point 3.5).

3.7.2 The agreements with the operators of the distribution systems should regulate, in particular, the following:

3.7.2.1 submission and matching of annual and weekly nominations (re-nominations), as well as the contracted capacities of the interoperating systems,

3.7.2.2 communication of allocated volumes of gaseous fuel at the system interconnection points,

3.7.2.3 exchange of information, including the specification of the data format and communication protocols to enable the interoperability of information exchange systems,

3.7.2.4 sharing of measurement and billing data,

3.7.2.5 management of the operation of the gas stations located at the connection between the interoperating systems,

3.7.2.6 maintenance and upgrading processes in the interoperating systems,

3.7.2.7 alignment of the schedules for maintenance, upgrades and other works in the interoperating systems, which affect the operating conditions of another interoperating system,

3.7.2.8 approaches and exchange of information with regard to the procedures for providing access to the transmission and distribution network,

3.7.2.9 exchange of information on planned investments that affect the operating conditions of another interoperating system,

3.7.2.10 cooperation on the connection of new points - interconnections between the transmission and distribution systems,

3.7.2.11 cooperation in the event of any disturbance concerning the quality of gaseous fuel that affects the operation of an interoperating system,

- 3.7.2.12 exchange of information between dispatcher services and handling of emergency situations that affect the operation of an interoperating system,
 - 3.7.2.13 procedures applicable in the event of the introduction gas curtailment measures,
 - 3.7.2.14 reporting during the application of gas curtailment plans approved the President of ERO,
- 3.7.3 The agreements concluded with the operators of other transmission systems should regulate, in particular, the following:
- 3.7.3.1 handling any discrepancies in the starting/ending times of the gas day in the interoperating systems,
 - 3.7.3.2 determination of the daily volumes of gas fuel per gas day,
 - 3.7.3.3 determination of the quality of the gas fuel delivered at the points of interconnection between the systems,
 - 3.7.3.4 access of representatives of a party that is not the owner of a measurement and billing point to the site,
 - 3.7.3.5 inspection of the measurement systems,
 - 3.7.3.6 sharing of telemetry data,
 - 3.7.3.7 sharing of measurement and billing data,
 - 3.7.3.8 submission and matching of annual and weekly nominations (re-nominations), as well as the contracted capacities of the interoperating systems,
 - 3.7.3.9 the allocation of the delivered volumes of gaseous fuel among individual transmission contracts being implemented at system interconnection points,
 - 3.7.3.10 transfer of data concerning the allocations at the system interconnection points,
 - 3.7.3.11 management of the operation of the gas stations located at the connections between the systems,
 - 3.7.3.12 alignment of the schedules for maintenance, upgrades and other works in the interoperating systems, which affect the operating conditions of another interoperating system,
 - 3.7.3.13 maintenance and upgrading of the measurement and billing points located at the connections between the interoperating systems,
 - 3.7.3.14 approaches and exchange of information with regard to the procedures for providing access to the transmission network in respect of measurement and billing points,
 - 3.7.3.15 exchange of information on planned investments that affect the operating conditions of another interoperating system,
 - 3.7.3.16 cooperation in the event of any disturbance concerning the quality of gaseous fuel that affects the operation of an interoperating system,
 - 3.7.3.17 alignment of emergency procedures,
 - 3.7.3.18 handling of emergency situations that affect the functioning of another interoperating system,

- 3.7.3.19 cooperation in planning, coordination, construction and operation of interconnector pipelines and connections with other systems,
- 3.7.4 Interoperator agreements concluded with a SSO, the owner of the storage facilities and the operators of the entry points from domestic sources should regulate at least the following:
- 3.7.4.1 submission and matching of annual and weekly nominations (renominations), as well as the contracted capacities of the interoperating systems,
 - 3.7.4.2 transfer of data concerning the allocations at the system interconnection points,
 - 3.7.4.3 sharing of telemetry data,
 - 3.7.4.4 sharing of measurement and billing data,
 - 3.7.4.5 management of the operation of the gas stations located at the connections between the systems,
 - 3.7.4.6 maintenance and upgrading of the gas stations located at the connections between the systems,
 - 3.7.4.7 exchange of information on planned investments that affect the operating conditions of the systems,
 - 3.7.4.8 cooperation in the event of off-spec quality of gaseous fuel that affects the operation of the transmission system,
 - 3.7.4.9 alignment of emergency procedures,
 - 3.7.4.10 handling emergency systems that affect the functioning of the transmission system,
- 3.7.5 The specification of the data format and communication protocols used for the exchange of information between the TSO, DSO and SSO shall be defined by the TSO.

4 PLANNING OF THE TRANSMISSION SYSTEM DEVELOPMENT

4.1 Development planning

- 4.1.1 The development of the transmission system is a responsibility of the TSO.
- 4.1.2 The development of the transmission systems is managed on the basis of the criteria defined in the guidelines for the national energy policy and the strategy of the transmission system operator, which account for the need of satisfying the current and future demand for gaseous fuel while ensuring long-term capabilities of the transmission system.
- 4.1.3 The TSO holds regular market screening exercises to assess the demand for new transmission infrastructure, including interconnectors.
- 4.1.4 The TSO gathers information on long-term projections of demand for gaseous fuels for individual areas of the country for the purposes of planning the transmission network development.

- 4.1.5 The TSO develops projects of the country's demand for gaseous fuel on the basis of the information received from ISOs, Shippers, customers and suppliers, while taking into account the guidelines for national energy policy, assessment of their implementation, as well as results of the market research carried out in accordance with point 4.1.3.
- 4.1.6 The TSO shall prepare the following plans, which are updated annually:
- 4.1.6.1 development plans,
 - 4.1.6.2 investment plans,
 - 4.1.6.3 maintenance plans.
- 4.1.7 In the definition of the plans mentioned in point 4.1.6 above the TSO shall take into consideration the following:
- 4.1.7.1 security of the transmission system operation and the continuity of transmission services,
 - 4.1.7.2 need to adapt the transmission system to the applicable standards, as well as legal and technical regulations,
 - 4.1.7.3 the technical condition of the components of the transmission system,
 - 4.1.7.4 reduction of the costs of operation,
 - 4.1.7.5 improvement of the technical capacity of the transmission system,
 - 4.1.7.6 connections to the transmission system,
 - 4.1.7.7 economic efficiency of investment projects.
- 4.1.8 In addition to considering the criteria mentioned in 4.1 above, the TSO shall work together with distribution system operators, energy companies engaged in the storage, liquefaction or re-gasification of gaseous fuels and energy companies engaged in trade and supply of gaseous fuels with regard to planning the development of gas networks.

5 CONNECTION TO THE TRANSMISSION NETWORK

5.1 General conditions for connecting to the transmission network

- 5.1.1 In order to maximise the utilisation of the existing transmission infrastructure, the priority shall be given to connecting sources of supply, Customers and networks of other operators to the existing entry and exit points.
- 5.1.2 When it is not possible to connect to an existing transmission system point, the TSO may specify the connection conditions for a new point.
- 5.1.3 The entity applying for the connection to the transmission network must have a legal title to the property, facility or network to be connected.
- 5.1.4 The connection to the transmission network takes place under a connection agreement, following to the fulfilment by the entity applying for the connection of the requirements specified by the TSO in the conditions for connection to the transmission network.

5.1.5 Apart from the connection agreement, the connection of direct gas pipelines, transmission networks of other operators, distribution networks, storage facilities, LNG facilities, nitrogen removal plants, upstream delivery facilities, including producing fields and mixing facilities to the transmission network operated by the TSO, shall require signing a separate agreement with the TSO, as referred to in point 3.7, such agreement to set out the terms and ways of co-operation between the operators of such gas pipelines and facilities with the transmission system.

5.1.6 The process of connection to the transmission network involves the following steps:

- 5.1.6.1 submission of an application by the applying entity for the specification of the connection conditions,
- 5.1.6.2 specification of the connection conditions by the TSO,
- 5.1.6.3 delivery of the conditions along with a draft connection agreement to the entity applying for the connection to the transmission network by the TSO,
- 5.1.6.4 signature of the connection agreement,
- 5.1.6.5 implementation of the connection agreement.

5.2 Application for the definition of conditions for connection to the transmission network

5.2.1 An entity applying for connection to the transmission network submits an application to the TSO for the definition of conditions for connection to the transmission network, together with the appendices, using the applicable form that is available at the TSO's offices posted on its website.

5.2.2 When gaseous fuel is to be transported to a new exit point in the transmission system, a projection of the expected quantity of gaseous fuel to be taken at such point should be attached to the application.

5.2.3 At the request of an entity that does not have a title to use the site where the facilities, installations or networks to be connected will be operated, the TSO provides information regarding the feasibility of connection to the network. The provisions of point 5.3 shall apply accordingly.

5.3 Conditions for connection to the transmission network

5.3.1 The TSO examines the application that was filed by the entity on the basis of information provided in the application and the attached documents.

5.3.2 In the event that the application fails to satisfy the formal requirements:

- 5.3.2.1 the TSO shall request the entity within 7 days of the date of its receipt to supplement the application,
- 5.3.2.2 the entity shall be obliged to deliver a supplemented application within the deadline set by the TSO. The deadline set by the TSO must not be shorter than 21 days of the receipt of the request referred to in point 5.3.2.1,
- 5.3.2.3 if no supplemented application is delivered within the specified deadline, the TSO leaves the application without considering it.

- 5.3.3 When the application conforms to formal requirements, a technical and economic analysis is carried out, during which the TSO assesses whether connection to the transmission network is technically feasible and economically justified.
- 5.3.4 When considering the application, the TSO takes into account the existing connection agreements, unless the deadline set out therein for the conclusion of an agreement to be the basis for the supply of gaseous fuels has lapsed.
- 5.3.5 The TSO shall have the right to request a declaration on the conformity the facilities, installations and networks of the entities applying for the connection to the relevant legal metrological requirements with a view to ensuring:
- 5.3.5.1 safety of the operation of the transmission system,
 - 5.3.5.2 protection of the transmission system against damage caused by any inappropriate operation of the connected facilities, installations and networks,
 - 5.3.5.3 protection of the connected facilities, installations and networks against damage in the event of an emergency or imposition on curtailment measures on the consumption or supply of gaseous fuels,
 - 5.3.5.4 adherence to the quality parameters of the gaseous fuel at the place of connection of the facilities, installations and networks,
 - 5.3.5.5 fulfilment of environmental requirements specified in separate regulations,
 - 5.3.5.6 ability to take measurements of the necessary values and parameters required for managing network operation and billing for the transmission of gaseous fuel.
- 5.3.6 Specifically, it is deemed that technical conditions for connection to the transmission network do not exist when the provision of transmission services to the entity applying for the connection could undermine the reliability of transmission or quality of gaseous fuel or could prevent the TSO from fulfilling other obligations imposed on it with regard to the protection of the interests of Customers and environmental protection.
- 5.3.7 When analysing the economic conditions of connection, the TSO uses the following basic criteria of economic efficiency:
- 5.3.7.1 net present value (NPV) of the incremental cash flows related to the investment, discounted by the weighted average cost of capital (WACC) appropriate for the TSO must be greater than "0",
 - 5.3.7.2 internal rate of return (IRR) must be higher than the weighted average cost of capital (WACC) that is appropriate for the TSO.
- 5.3.8 Furthermore, the following additional criteria of economic efficiency are used when choosing among alternative connection options:
- 5.3.8.1 discounted payback period,
 - 5.3.8.2 B/C profitability ratio as the ratio of the discounted values of cash flows from the projects to the discounted values of capital and operational expenditure.
- 5.3.9 Specifically, it is deemed that economic conditions for connection to the transmission network do not exist when the connection could result in a detrimental change in the

level of prices or charges for the provision of transmission services to other entities connected to the network.

5.3.10 The TSO may refuse to define the conditions for connection to the transmission network in the event when no economic or technical conditions exist for such a connection. This does not exclude the application of the provisions of Article 7.9 of the Energy Law.

5.3.11 In the event of a refusal to define the connection conditions, the TSO informs the interested party and the President of ERO of the refusal, providing the grounds for the refusal.

5.3.12 In the event of a refusal to define the connection conditions due to technical or economic reasons, the TSO shall present, at the request of the entity applying for the connection, information on the necessary expansion of the network that should be undertaken in order to enable the requested connection to the network. The TSO shall charge a fee for the preparation of such information, in the amount agreed with the entity, which should reflect the cost of its preparation.

5.3.13 The TSO shall define the connection conditions or provide the information on the inability to connect within the maximum deadline of:

5.3.13.1 60 days for entities engaged in transmission, distribution, production, processing, extraction or storage of gaseous fuel and liquefaction or re-gasification of liquefied natural gas,

5.3.13.2 45 days for any other entities except for those specified in point 5.3.13.1, whose facilities and installations are directly connected to a high-pressure transmission network,

counting from the submission date of a complete application conforming to the formal requirements.

5.3.13.3 The TSO shall immediately inform the entities applying for the connection about any different date for issuing the connection conditions in the event that the deadlines set out in point 5.3.13 cannot be met due to some material reasons, and shall state the reasons for such failure to meet the deadline.

5.3.14 Any change in the connection conditions shall only be possible by way of submitting a new application to the TSO for the definition of connection conditions.

5.3.15 The connection conditions shall specify, in particular, the following:

5.3.15.1 place of connection of facilities, installations or networks, and their technical parameters,

5.3.15.2 extent of necessary adaptations in the network related to the connection to a gas network,

5.3.15.3 technical parameters of the connection line to the gas network,

5.3.15.4 group and sub-group of the gaseous fuel in accordance with PN-C-04750/2011 "Gaseous fuels, classification, labelling and requirements",

5.3.15.5 minimum and maximum pressures for the supply and off-take of gaseous fuel,

- 5.3.15.6 requirements applicable to the measurement system and the location where it is to be installed,
 - 5.3.15.7 connection capacity,
 - 5.3.15.8 delivery and off-take profile, including the minimum and maximum hourly, daily and annual quantities of gaseous fuel to be delivered and taken,
 - 5.3.15.9 place of the delivery and off-take of the gaseous fuel,
 - 5.3.15.10 point delimiting the ownership of the TSO's transmission system and the facilities, installations or networks owned by the entity to be connected,
 - 5.3.15.11 principles applicable to the use of alternative sources of energy by the Customer in the event of interruption of or restrictions in gas supply,
 - 5.3.15.12 requirements related to the features of a gas station or a measurement system, type of such system, as well as telemetry and cathodic protection systems,
 - 5.3.15.13 expected starting date for off-take of gaseous fuel,
 - 5.3.15.14 intended use for the gaseous fuel.
- 5.3.16 In addition to the data specified in point 5.3.15, the connection conditions for a storage facility shall specify:
- 5.3.16.1 working volume of the storage facility,
 - 5.3.16.2 operating characteristics of the storage facility,
 - 5.3.16.3 maximum and minimum rate of gaseous fuel injection to and withdrawal from the storage facility.
- 5.3.17 In addition to the data specified in point 5.3.15, the connection conditions for sources interoperating with the transmission system shall also specify the composition of the gaseous fuel supplied to the transmission system.
- 5.3.18 In the event when multiple applications for the definition of conditions for connection to the transmission network have been submitted, and their implementation would involve the use of the same technical capacity of the transmission system, or when the submitted applications concern entirely or partly overlapping areas– the TSO shall define the connection conditions for all the entities whose applications meet the technical and economic criteria of connection, indicating this fact to the parties concerned.
- #### 5.4 Network connection agreement
- 5.4.1 The network connection agreement is concluded when technical and economic conditions exist for connection to the transmission network or in the case specified in Article 7.9 of the Energy Law.
- 5.4.1.1 The conditions of connection to the transmission network are delivered to the applicant along with a draft network connection agreement.
 - 5.4.1.2 The draft network connection agreement shall be subject to negotiation between the Parties in the case when the applicant submitted comments or reservations thereto.

- 5.4.1.3 The draft network connection agreement remains binding for thirty (30) days from the day of delivery to the applicant, subject to the provisions of point 5.4.2.1.
- 5.4.2 The TSO is obliged to enter into a network connection agreement, in accordance with the principle of non-discriminatory treatment of entities applying for such connection, if the technical and economic conditions for connecting to the network have been satisfied and the entity applying for the conclusion of the agreement satisfies the conditions for connection to the network.
- 5.4.2.1 When network connection conditions have been defined and the fulfilment of such conditions would require the use of the same technical capacity of the transmission system, or the network connection conditions concern an entirely or partly overlapping area, the TSO shall enter into network connection agreements taking into account the order of receiving complete applications for the definition of connection conditions, to the extent allowed by the existing technical conditions, including in particular the available technical capacity of the transmission network.
- 5.4.2.2 Draft network connection agreements shall be delivered to applicants in accordance with the order of their respective applications for the definition of connection conditions.
- 5.4.2.3 If the applicant fails to sign the network connection agreement and deliver it to the TSO within 30 days of receiving a draft network connection agreement, the TSO shall send a draft agreement on connection to the transmission network to the next applicant.
- 5.4.2.4 For the first applicant the thirty-day deadline mentioned in point 5.4.1.3 starts running from the day of delivery of the conditions along with the draft connection agreement, whereas for subsequent applicants from the day of informing them of the possibility of entering into a connection agreement pursuant to the provisions of point 5.4.2.3.
- 5.4.2.5 The TSO shall advise the entities referred to in point 5.3.18 of:
- 5.4.2.5.1 definition of the conditions and delivery of draft network connection agreements to subsequent applicants, when the performance of such agreements it would require the use the same technical capacity of the transmission system, or the definition of the connection conditions and delivery of draft network connection agreements to other applicants, when such agreements concern an entirely or in part overlapping area.
- 5.4.2.5.2 execution of network connection agreements and the lack of technical conditions for connection to the transmission network (i.e. expiry of the transmission network connection conditions).
- 5.4.3 The network connection agreement shall constitute a basis for the commencement of engineering design and construction and assembly work subject to the terms and conditions set out therein.
- 5.4.4 The network connection agreement shall specify in particular the following:
- 5.4.4.1 the rights and obligations of the parties, including the expected date of entering into an agreement that will constitute the basis for the supply of gaseous fuel, connection capacity for the entry point to be connected,

- quantity of gaseous fuel to be taken, contract term and the conditions of its termination,
- 5.4.4.2 the liability of the parties for a default under the network connection agreement, including any delay in the completion of work with respect to the deadlines set out in the agreement, a failure to perform the duties referred to in point 5.4.4.1, or withdrawal from the agreement,
- 5.4.4.3 date of connection, amount of the connection charge, point delimiting the ownership of the transmission network and the facilities of the connected entity, scope of necessary works required to develop the connection, requirements concerning the location of the measurement and billing system and its parameters, conditions of access to the property of the connected entity for the purposes of the construction or expansion of the network that is required for the connection.

6 PROCEDURE FOR CONCLUDING THE TRANSMISSION CONTRACT

6.1 The conditions for the provision of the gas transmission services

6.1.1 Scope of services

- 6.1.1.1 The basic service provided by the TSO are the services in respect of gas transmission from the entry point(s) selected by the Shipper to the exit point(s) selected by the Shipper, based on the transmission contract concluded by and between the TSO and the Shipper.
- 6.1.1.2 Subject to point 6.1.1.3, the connection procedure shall apply in the event that the Shipper files an application for the provision of gas transmission services from or to a point not listed in the list of points in the transmission system, which is available on the TSO's website. The connection procedure shall also apply when the application concerns a point listed in the above list but the transmission service requires upgrading of such point.
- 6.1.1.3 The capacity of newly built and expanded entry or exit points on the interconnectors is made available by the TSO under a non-discriminatory and transparent procedure of the Opens Season type, under terms and conditions determined each time in relevant regulations agreed by the President of ERO;
- 6.1.1.3.1 The TSO shall announce the commencement of the procedure on its website at least 14 days in advance. In principle, the procedure shall be performed in accordance with the ERGEG guidelines concerning the application of the Open Season procedure of 21 May 2007 (ref: C06-GWG-29-05c, <http://www.ceer-eu.org>);
- 6.1.1.3.2 A refusal to allocate capacity under the procedure may not be due to the fact that the technical capacity of the transmission system (including the measurement facilities) which is the subject of this procedure does not exist and will be constructed after concluding the transmission contract.
- 6.1.1.4 The capacity of an existing entry or exit point on an interconnector with the transmission system of an EU member state may be made available by the TSO under a non-discriminatory and transparent procedure, in line with associated principles, under terms and conditions determined each time in

relevant regulations agreed by the President of ERO. The TSO shall announce the commencement of the procedure on its website at least 14 days in advance.

6.1.1.5 The TSO shall provide long-term and short-term gas transmission services. The basic term for providing transmission services is one gas year. Contracts for long-term services are concluded for a term of one gas year or longer but not more than 4 (four) gas years. Contracts for the provision of transmission services concluded under the procedure referred to in point 6.1.1.3 may be concluded for a term longer than 4 (four) gas years. Contracts for the provision of short-term services are concluded for a term shorter than one year in accordance with the principles set out in the Tariff. Gas transmission services for a term of one-day are provided under a framework agreement and a nomination approved by the TSO.

6.1.1.5.1 When the TSO provides transmission services on a firm basis the Shipper is assured of continuous performance of the ordered transmission services, except for cases of agreed scheduled maintenance in the transmission system or emergency situations and the imposition of curtailment measures in accordance with the provisions described in Part II of the TNC.

6.1.1.5.2 Whenever the provision of firm services is impossible, the TSO shall provide an interruptible transmission service on, and in such case the Shipper is assured of the performance of the ordered transmission service in accordance with point 6.8, subject to the principles agreed in the transmission contract under which the TSO may reduce or completely interrupt the performance of the gas transmission service.

6.1.2 Charges related to the performance of the transmission contract

6.1.2.1 The charges for the provision of the gas transmission service shall be calculated in accordance with the applicable Tariff.

6.1.2.2 Charges not included in the Tariff shall be calculated in accordance with the provisions of the TNC, as approved by the President of ERO.

6.1.3 Formal and legal conditions

6.1.3.1 The TSO provides transmission services to final Customers eligible to select their supplier and to energy companies that are engaged in the sale and/or trading of gaseous fuels.

6.1.3.2 Before signing the contract, the entity applying for the provision of transmission services by the TSO shall present, together with the application for the provision of transmission services, the following documents and certificates:

6.1.3.2.1 entities having their registered offices in the territory of the Republic of Poland present a certificate of entry in the Central Register and Database of Business Activity or a current excerpt from the National Court Register, or another document evidencing the entity's legal capacity,

6.1.3.2.2 a power of attorney or other documents evidencing the authority of the persons representing the entity to incur liabilities on its behalf,

- 6.1.3.2.3 a document evidencing the assignment of a tax identification number for VAT purposes – for entities established in any of the member states of the European Union,
- 6.1.3.2.4 entities having their registered offices in the territory of the Republic of Poland shall present a certificate of being assigned a REGON statistical number,
- 6.1.3.2.5 entities carrying out an activity in the territory of the Republic of Poland shall present an excerpt of the concession or a declaration signed by persons authorised to represent the entity that the activities carried out by the entity do not require a licence, as provided for by the Energy Law.

6.1.4 Technical Conditions

6.1.4.1 The transmission contract will be concluded when:

- 6.1.4.1.1 the transmission system has technical capacity enabling the transmission of gaseous fuel from the entry points to the exit points specified in the application for the provision of transmission services,
- 6.1.4.1.2 the equipment at the entry and exit points enables measurement and registration of the quantity of transported gaseous fuel,
- 6.1.4.1.3 the pressure specified in the application at the given entry or exit point falls within the range corresponding to the upper and lower limit specified by the TSO,
- 6.1.4.1.4 the quality parameters of the gaseous fuel delivered for transmission at the entry points specified in the application will not result in the deterioration of the quality of gaseous fuel, as specified in separate regulations or the TNC, or any adverse changes to the scope of supply of gaseous fuels to Customers connected to the transmission system,
- 6.1.4.1.5 there are no other circumstances that would cause the reliability of the transmission of gaseous fuel to decrease below the parameters set forth in the relevant legal regulations or the provisions of the TNC.
- 6.1.4.1.6 the conclusion of the contract does not prevent the TSO from performing its obligations related to the protection of the interests of customers or environmental protection.

6.1.5 Commercial requirements

6.1.5.1 Prior to signing the transmission contract with the TSO, the entity applying for the provision of transmission services by the TSO shall present, together with an application for the provision of transmission services, any contracts or agreements, either existing or promised, preliminary agreements or excerpts from these documents, which:

- 6.1.5.1.1 have been concluded with its suppliers or ISOs and confirm the obligation of such suppliers or ISOs to supply gaseous fuel to the entry points to the TSO's transmission system,

- 6.1.5.1.2 concern the storage of gaseous fuel, when the applicant requesting the provision of transmission services by the TSO declares the requirement for the transmission of gaseous fuel to and from a storage facility connected to the TSO's transmission system,
- 6.1.5.2 The contracts or agreements, or excerpts from the documents referred to above, should contain at least the following data:
- 6.1.5.2.1 term of agreement with all clauses limiting its performance including the termination conditions,
- 6.1.5.2.2 contracted capacities (together with the definition accepted in the relevant agreement) for each year of the agreement,
- 6.1.5.2.3 confirmation of conformity to quality parameters and pressure levels at the entry points, in accordance with the requirements set forth and published by the TSO.
- 6.1.5.3 The contracts or agreements referred to in point 6.1.5.1 should be presented either in the form of an original, or an excerpt of the agreement prepared by a notary public or a photocopy certified as being in conformity with the original by a legal counsel, attorney or authorised representative. The excerpts of the contracts or agreements referred to in point 6.1.5.1 should contain a declaration by authorised representatives of the entity that the details contained in the excerpt are consistent with the wording of the agreements concluded by such entity.
- 6.1.5.4 When the contracted capacities under the presented contracts or agreements are expressed in volume units at the temperature of 20°C, the coefficient of 0.93168 shall be used for their conversion to the reference temperature of 0 C.
- 6.1.6 Financial standing
- 6.1.6.1 Before signing the transmission contract with the TSO, subject to the provisions of point 6.1.6.2, entities applying for the provision of the transmission service by the TSO shall provide a financial security in the amount and form specified in points 6.1.6.3 to 6.1.6.5.
- 6.1.6.2 With respect to entities applying for the provision of transmission services and Shippers that have a financial rating of no lower than:
- 6.1.6.2.1 Baa1 for Moody's,
- 6.1.6.2.2 BBB+ for Standard and Poor's,
- 6.1.6.2.3 BBB+ for Fitch.
- the provisions of points 6.1.6.3 to 6.1.6.7 shall not apply.
- 6.1.6.3 The value of a security provided by the entity applying for or using the transmission services shall be, subject to the provisions of point 6.1.6.4, equal to the double of the average monthly value of the entity's financial liabilities to the TSO in a given gas year arising from the performance of the transmission services, as determined on the basis of the contracted capacity and quantities stated in an approved annual nomination.

- 6.1.6.4 The level of security submitted by an entity applying for or using transmission services under short term agreements for periods of one gas day shall be equal to the entity's financial liabilities towards the TSO calculated on the basis of the declared aggregate maximum capacity and the number of days (no more than 30 days), during which the transmission services will be provided and the declared quantities of gaseous fuel.
- 6.1.6.5 The security referred to in points 6.1.6.3 and 6.1.6.4 may be presented in the following forms:
- 6.1.6.5.1 a cash deposit made to a bank account specified by the TSO, which is returned upon the termination of the provision of the transmission services, together with bank interest at a rate agreed for such account at the time when such deposit is made, less any costs of maintaining the account and costs of a bank transfer,
 - 6.1.6.5.2 an irrevocable and unconditional bank or insurance guarantee payable on the TSO's first demand,
 - 6.1.6.5.3 other irrevocable, unconditional form of financial security payable on the first demand, as may be accepted by the TSO.
- 6.1.6.6 The validity term of guarantees for framework agreements with terms corresponding to one gas day should lapse 2 months after the contemplated term of the relevant framework agreement.
- 6.1.6.7 Within the limits specified in point 6.1.6.3, the TSO or a Shipper shall have the right to demand that the security be adjusted during the term the transmission contract, if the level of the Shipper's liabilities with respect to the TSO, as established on the basis of issued invoices, is higher or lower by more than 10% than the value of the established financial security.
- 6.1.6.8 Within the limits specified in point 6.1.6.4, the TSO shall have the right to demand that the security be adjusted or refuse to provide the transmission services of gaseous fuel if the level of liabilities of the Shipper towards the TSO determined on the basis of actual capacity, number of days and quantity of gaseous fuel is more than 20% of the level of the financial security established.
- 6.1.6.9 The Shipper shall present an appropriate financial security to the TSO in the event of a loss of the financial rating referred to in point 6.1.6.2, or the expiry of the security referred to in point 6.1.6.5.
- 6.1.6.10 If the Shipper makes timely payments for the services provided by the TSO, the level of its financial security, as referred to in points 6.1.6.3 to 6.1.6.6 will be reduced each year, starting from the date of the first payment, by 25% of the value specified in point 6.1.6.3. The lowest level to which the level of the financial security may be reduced is 25% of the value specified in accordance with point 6.1.6.3.
- 6.1.6.11 In the event that the Shipper defaults on the payment for the services provided by the TSO, the level of the financial security referred to in point 6.1.6.3 to 6.1.6.6 shall be increased by 25% of the value specified in point 6.1.6.3. In such a case, the maximum value of the financial security cannot exceed the value specified in accordance with point 6.1.6.3.

6.2 Capacity allocation principles

6.2.1 The TSO shall allocate the available capacity of the transmission system for:

- 6.2.1.1 firm long-term services;
- 6.2.1.2 firm short-term services;
- 6.2.1.3 interruptible long- and short-term services;
- 6.2.1.4 long- and short-term reverse flow services.

6.2.2 The TSO shall determine available capacity having considered:

- 6.2.2.1 transmission service agreements already concluded;
- 6.2.2.2 network connection agreements already concluded, unless the expected date for the conclusion of the gaseous fuel supply agreement specified under these agreements has already passed.

6.2.3 Allocation of available capacities at the entry point is done in accordance with the following principles:

- 6.2.3.1 the capacity of the entry point at the connection with the LNG terminal facility (regasification facility) is first allocated to the entity which has concluded an agreement with a TSO subsidiary, under which gaseous fuel will be supplied to the entry point of the transmission system in the quantity equal to the capacity allocated under the regasification agreement, including any amendment principles in the subsequent years therein contained, however not more than the capacity of the entry point to the transmission system, provided a complete application for the provision of gaseous fuel transmission services is submitted to the TSO within 90 days after the conclusion of the said agreement;
- 6.2.3.2 the maximum of 90% of the technical capacity of a given entry point is allocated under long-term agreements, for a period of more than one (1) gas year and the maximum of 4 gas years;
- 6.2.3.3 at least 10% of the technical capacity is allocated for a period of not more than one (1) gas year;
- 6.2.3.4 If the demand for the capacity referred to under point 6.2.3.3 is above the available level, the capacity is allocated through auction in accordance with the regulations agreed by the President of ERO.

6.2.4 Allocation of available capacity at the entry and exit points for long-term firm services and 6-month, 3-month and 1-month short-term firm services is done under the capacity allocation procedure specified under point 6.4.

6.2.5 The TSO shall allocate the firm capacity at the entry points in the following order: first the long-term firm capacity, and then the remaining short-term capacity (in the following order: 6-month, 3-month, 1-month and 1-gas-day short-term capacity).

6.2.6 If the demand for firm capacity allocated in the capacity offering process at the entry points exceeds the amount of capacity available in a given gas year, capacity allocation in that gas years, subject to the provisions of point 6.2.5, shall be in proportion to the contracted capacity requested in the application.

- 6.2.7 If the sum of capacities contracted at the exit point exceeds the available capacity, capacity allocation under the capacity offering process shall be in accordance with the following principles:
- 6.2.7.1 if the applicant is a Customer (the entity receiving gaseous fuel at this point under a comprehensive agreement), it shall have priority in the capacity allocation process at this exit point,
 - 6.2.7.2 if an order for capacity at a given point is submitted by an existing seller or a new seller who has submitted a customer's statement (the entity receiving gaseous fuel at this point under a comprehensive agreement) that such customer shall receive gaseous fuel from the new seller, such new seller shall have priority in capacity allocation at this exit point.
 - 6.2.7.3 Otherwise, contracted capacity shall be allocated in proportion to the contracted capacity specified in the application.
- 6.2.8 Fixed capacity which is not allocated through auction or under the capacity allocation procedure, is made available for the subsequent gas year (provided the relevant application is submitted by the end of the year preceding the year in which the transmission service is to be provided) or within the gas year, as part of short-term services which are completed by the end of the gas year, in the order of submission of complete applications, subject to point 6.2.7 or in accordance with the provisions of point 6.7.9. If the demand for capacity as per applications submitted in the same day exceeds the available amount, the capacity is allocated in proportion to contracted capacity specified in the application, subject to point 6.2.7.
- 6.2.9 The processing of applications for firm services, submitted before or after the period specified for the auction and the capacity allocation procedure, shall be postponed until the processing of applications submitted in respect of the auction and the capacity allocation procedure has been completed.
- 6.2.10 Subject to the provisions of points 6.2.8, 6.2.9 and 6.4.2, applications for the provision of firm services over a period of less than one gas year shall be submitted no earlier than five (5) months and no later than three (3) months prior to the transmission commencement date.
- 6.2.11 Interrupted capacity, including reverse transmission services, shall be made available in accordance with the order of submission of complete applications; each applicant may receive a capacity equal to the technical capacity of the point. Subsequently, the TSO shall allocate capacity under a nomination procedure. If the aggregate contracted capacity ordered under all nominations submitted by Shippers being party to interruptible contracts at the same level of transmission reliability, exceeds the available capacity, the TSO shall allocate the capacity in the following order: multi-year long-term contracts, 1-year long-term contracts, 6-month short-term contracts, 3-month short-term contracts, 1-month short-term contracts, and one-gas-day contracts.
- 6.2.12 An application for the provision of interruptible services or for the conclusion of a framework agreement shall be submitted no later than three(3) months prior to the planned transmission commencement date.
- 6.2.13 The application for the provision of transmission services shall be submitted by the applicant to the TSO using the applicable forms published on the TSO's website.

- 6.2.14 Each application shall be accompanied by the documents specified in point 6.1.3.2 and point 6.1.5, and a declaration on the choice of the form of financial security referred to in point 6.1.6.3.
- 6.2.15 Applications for long-term services shall be submitted for full gas years. For each gas year the applicant may apply for different contracted capacities, although the same, unchangeable contracted capacity shall apply over each full gas year.
- 6.2.16 The TSO may specify the entry points into the transmission network, at which, due to technical limitations, the contracted capacity may vary in different months of the year. The list of such points shall be published on the TSO's website.
- 6.2.17 The application is deemed submitted as of the time it is delivered to the TSO.

6.3 Application review

- 6.3.1 Based on the information provided in the application and the documents attached to it, the TSO shall review the application for the provision of transmission services for formal and legal compliance against the requirements specified in points 6.1.3, 6.1.5 and 6.1.6.
- 6.3.2 In the event of the failure to present the documents referred to in point 6.2.14 or when the documents presented do not satisfy the requirements specified in point 6.1.3 and point 6.1.6, or if the submitted application form that contains errors or omissions, the TSO shall, no later than five (5) business days from the date of receipt of the application, request the applicant to submit a correctly completed application or to supplement it with the appropriate documents and information within fourteen (14) days of the date of delivery of such demand.
- 6.3.3 If the applicant fails to deliver a supplemented application by the date set out in point 6.3.2 the application shall be left without considering, subject to point 6.6.
- 6.3.4 After passing successfully the formal and legal examination, the application is subject to a technical analysis.
- 6.3.5 During the technical analysis, the TSO makes an assessment as to whether the technical capabilities specified in point 6.1.4 have been fulfilled, and specifically whether the technical capabilities exist for the performance of the requested services at the indicated entry and exist points.
- 6.3.6 If there is no spare technical capacity in the gas pipelines of the transmission system, the applicant that applied for the provision of firm services will be informed about the lack of capability to provide such service. At the same time the applicant will be informed about the available firm capacity and offered a service on an interruptible basis. The TSO may, when so instructed by the applicant, present information on the actions that need to be implemented to enable the conclusion of the requested transmission contract. The TSO shall charge a fee for the preparation of such information, in the amount agreed with the applicant, which should reflect the cost of its preparation.
- 6.3.7 In case of when no spare capacity exists in the process facilities at the requested entry point and the supplier switching process is not applicable, the applicant that

requested firm services will be informed about the necessity to submit an application for the definition of conditions for connecting to the transmission network.

6.3.8 The TSO may refuse to conclude a transmission contract in cases where:

6.3.8.1 conclusion of the transmission contract with a given entity could lead to the deterioration of the reliability of supply and quality of gaseous fuels below the acceptable level specified in the TNC and could result in a detrimental change in the level of prices or charges for supplying gaseous fuels or the scope of their delivery to Customers connected to the transmission network, or prevents the TSO from performing its obligations related to the protection of the interests of Customers and environmental protection, and specifically when any formal/legal, technical, commercial or financial conditions referred to in points 6.1.3 to 6.1.6 have not been met,

6.3.8.2 gaseous fuel planned for delivery was to originate from a gas system of another country, and such country had not imposed the obligation to provide transmission services on companies operating in such country, or the customer to whom such gaseous fuel is to be delivered would not have been considered an eligible Customer with respect to the use of such services in the country.

6.3.9 Subject to the provisions of point 6.2.9, the TSO shall inform the applicant of the result of the application consideration process within the deadline specified in the rules of an auction or capacity offering process (point 6.4), or within thirty (30) days of receiving the application conforming to the applicable formal and legal requirements.

6.3.10 In the event of the rejection of the application or the refusal to sign a transmission contract, the TSO shall immediately notify the interested entity and the President of ERO stating the grounds for such refusal.

6.4 Capacity offering process

6.4.1 Each applicant may submit one application as part of the capacity offering process in which it shall specify its order for long-term and short-term services.

6.4.2 Applications eligible for capacity allocation as part of the capacity allocation procedure include those submitted between 15 August and 15 September, concerning any of the four (4) gas years following the gas year in which the application is submitted and have passed the formal, legal and technical examination, pursuant to point 6.3, by 15 October of the year preceding the transmission commencement year, as well as applications whose defects may be remedied pursuant to point 6.6. The procedure is obligatory for short-term services whose provision is due for commencement on 1 January or 1 February of the gas year following the year in which the capacity is allocated.

6.4.3 The TSO shall announce the available capacity at the entry points over the subsequent four years on the www.gaz-system.pl website by 30 July.

6.4.4 The level of contracted capacity specified by the applicant at a given entry point may not exceed 100% of the capacity offered, pursuant to the provisions under point 6.4.3 for each gas year and the technical capacity of such point.

- 6.4.5 The aggregate contracted capacities specified for the entry points at a given time may not be more than the aggregate contracted capacities at exit point. The above principle shall be applied accordingly, taking into account the provisions of the transmission contract concluded with the Shipper.
- 6.4.6 The TSO shall inform the applicant by 30 October 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.
- 6.4.7 Within three (3) working days of acquiring the information referred to under point 6.4.6 the applicant shall confirm in writing the contracted capacity allocated to it. The applicant may also apply for the allocation a lower contracted capacity than the level determined in the TSO's notice.
- 6.4.8 The TSO shall inform the applicant by 15 November of the final level of allocated capacity, level of financial security by submitting to the applicant a draft transmission contract or annex to the transmission contract.
- 6.4.9 The applicant shall, by 30 November, 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.
- 6.4.10 If any of thy applicants fails to confirm the capacity allocated to it or fails to apply for a lower contracted capacity or fails to submit the financial security required within due time, its application shall be rejected and the TSO shall, depending on the number of confirmations, transmission contracts (or annexes thereto) and financial securities received, propose to the applicants whose requested capacities were reduced in the allocation process and who confirmed the capacity allocated to them that they take additional contracted capacity. Such additional capacity shall be allocated by the TSO in proportion to the capacity which has already been allocated to and confirmed by the applicants.
- 6.4.11 Any correspondence concerning points 6.4.6, 6.4.7, 6.4.8, shall be submitted in writing and/or in the form of electronic scans of relevant documents. Any information is deemed submitted upon the submission of relevant documents in electronic form.
- 6.4.12 The TSO may cancel the capacity allocation TSO procedure due to compelling reasons at any time.
- 6.5 Transmission contract
- 6.5.1 In order to ensure non-discriminatory treatment of all entities applying for the conclusion of a transmission contract, the TSO shall use a standard form of the transmission contract, which is published on the TSO's website.
- 6.5.2 Subject to the provisions of point 6.4, in case of accepting the application, the TSO shall send a draft transmission contract to the applicant against a confirmation of receipt within three (3) business days of finalising the application consideration process, such draft to be prepared on the basis of the currently applicable specimen.

- 6.5.3 Subject to the provisions of point 6.4 the applicant shall submit the signed draft agreement to the TSO with a confirmation of receipt within twelve (12) business days of the delivery date. 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.
- 6.5.4 Subject to the provisions of point 6.4, the TSO shall send the signed transmission contract to the applicant against a confirmation of receipt within twelve (12) business days of the date of delivery of the agreement signed by the applicant.
- 6.5.5 If the applicant fails to deliver a signed draft transmission contract within the deadline specified in point 6.5.3, its application for the provision of the transmission services shall be deemed withdrawn and the applicant will be informed thereof by the TSO without delay.
- 6.5.6 If the rejected application affected the consideration of other applications for the provision of transmission services, the TSO shall review them once again in accordance with the provisions of point 6.2 and point 6.3.
- 6.5.7 Upon the conclusion of the transmission contract, the applicant receives the status of a Shipper.
- 6.5.8 The contract signing by the applicant is synonymous with the acceptance of all conditions of the transmission contract and all the provisions of the TNC.
- 6.5.9 An increase in the contracted capacity or addition of new entry or exit points, including additional provision of short-term services for the Shipper which has entered into the framework agreement shall be in the form of an annex to the already concluded transmission contract. The transmission contract may also be expanded to include provisions concerning the provision of one-gas-day services.

6.6 Conditional gas transmission contract

- 6.6.1 In the event that the applicant fails to present the documents referred to in point 6.1.5.1 and point 6.1.3.2.5, or if the start of the provision of the transmission service depends on specific conditions being satisfied, the TSO may, on the Applicant's request, conclude a conditional transmission contract ("conditional contract").
- 6.6.2 The contract referred to in point 6.6.1 will be concluded subject to a condition precedent that at least fifteen (15) days before the start of the provision of the transmission service specified in the conditional contract, but in any case not later than six (6) months from the date of conclusion of the conditional contract the Shipper submits to the TSO, as appropriate, the following:
- 6.6.2.1 documents referred to in point 6.1.5.1 and point 6.1.3.2.5,
 - 6.6.2.2 or satisfies the conditions specified in the conditional contract.
- 6.6.3 Before signing a conditional contract, the applicant shall pay a deposit in the amount of the financial security specified in point 6.1.6.3. The deposit shall be in one of the forms stipulated for the financial security referred to in point 6.1.6.5.
- 6.6.4 When the conditions referred to in point 6.6.2 are satisfied, the provided deposit shall become the financial security referred to in point 6.1.6. Where the deposit has

been provided in the form of a bank or insurance guarantee, such guarantee may constitute a financial security to the extent provided for in its terms. A deposit made in cash by an entity that has a financial rating at the level specified in point 6.1.6.2 shall be returned within seven (7) days of the date on which the condition precedent is satisfied. In the event that the conditions referred to in point 6.6.2 are not satisfied within the deadline specified in the conditional contract, the TSO shall have the right to retain the deposit paid in cash or demand the payment of the amount corresponding to the amount of the deposit.

6.7 Framework agreement

6.7.1 Short-term firm and interruptible services for a period of one gas day shall be provided under a framework agreement and a nomination approved by the TSO.

6.7.2 An entity intending to conclude a framework agreement shall submit a framework agreement application, using the standard application form available from the TSO's website. Each application shall be accompanied by the documents specified in point 6.1.3.2 and , and a declaration on the choice of the form of financial security referred to in point 6.1.6.

6.7.3 Prior to the conclusion of the framework agreement, the applicant shall submit the financial security pursuant to the provisions of point 6.1.6.

6.7.4 The framework agreement application shall be considered pursuant to the provisions of point 6.1.3, point 6.1.6, point 6.1.4 (exclusive of 6.1.4.1.1) as well as point 6.3 and point 6.5, as applicable.

6.7.5 Under the framework agreement, the Shipper shall not have any right to contracted capacity at any entry or exit points of the transmission system. Under the framework agreement the Shipper may apply for being awarded the right to use the transmission services at the entry and exit points for a period of one gas day, at the contracted capacity of no more than the maximum capacity specified under the framework agreement. The basis for determining the fixed charge shall be the contracted capacity, defined as the maximum hourly quantity under the nomination approved by the TSO, as described under point 6.7.8.2.

6.7.6 Upon the approval of the Shipper's nomination by the TSO, all provisions of the TNC and Tariff shall apply, unless otherwise provided under this point 6.7.

6.7.7 The Shipper which has entered into the framework agreement shall submit a nomination to the TSO no sooner than three (3) gas days prior to the gas day to which the nomination applies and no later than by 8am of the gas day preceding the gas day in which the transmission services are to be provided.

6.7.8 A nomination concerning the one-gas-day service referred to under point 6.7.7 should specify:

6.7.8.1 entry and exit points between which the transmission services are to be provided;

6.7.8.2 Hourly quantities of gaseous fuel to transmit from the entry points to the exit points in particular hours of a given gas day.

- 6.7.9 If the technical conditions for providing the transmission service in accordance with the nomination are available, the TSO shall confirm the performance of the service by 2pm of the gas day preceding the gas day to which the nomination applies. If firm capacity is not available, the Shipper shall be allocated interruptible capacity at level 4 of transmission reliability.
- 6.7.10 The TSO shall allocate capacity for one-gas-day services pursuant to the principle defined under section 2 of Part II of the TNC.
- 6.7.11 The framework agreement shall be terminated no later than upon the expiry or exhaustion of the financial security.
- 6.7.12 Each of the parties may terminate the framework agreement at three months' notice.

6.8 Interruptible transmission services

- 6.8.1 If firm transmission services are unavailable, the TSO shall offer interruptible transmission services.
- 6.8.2 Interruptible transmission services are offered only in the event of congestion occurring in respect of a given entry or exit point, which makes it impossible for the TSO to provide firm transmission services.
- 6.8.3 For a given entry or exit point, the Shipper may conclude an agreement for the provision of both firm and interruptible transmission services. Under the firm gaseous fuel transmission services the contracted capacity is not subject to the reduction referred to under point 6.8.11.
- 6.8.4 For a given entry or exit point, the agreement with the Shipper may provide for interruptible transmission services provided only at one gaseous fuel transmission reliability level, as described under point 6.8.6.
- 6.8.5 Immediately upon the termination of conditions justifying the provision of interruptible transmission services by the TSO at a given exit point and notifying the Shipper in writing of the date by which the mode of the service will be changed, the TSO shall provide firm transmission services at such exit point to the Shipper receiving interruptible transmission services until then. Similar principles shall apply to entry points. However in this case, firm transmission services shall be provided until the end of the gas year and, for agreements with shorter terms, upon their termination.
- 6.8.6 The conditions for interruptible transmission services provided by the TSO vary depending on level of gaseous fuel transmission reliability.
- 6.8.7 The conditions for interruptible transmission services, in particular transmission reliability levels, as well as duration and frequency of interruptions are defined in the Tariff.
- 6.8.8 For each entry and exit point and each level of gaseous fuel transmission, the level of available interruptible contracted capacity is offered by the TSO ensuring equal treatment of Shippers.

- 6.8.9 At a given entry or exit point, the TSO shall offer interruptible gas transmission services at the highest available level of transmission reliability, where interruptible contracted capacity level 1 is defined as the highest gaseous fuel transmission reliability level, whereas interruptible contracted capacity level 4 is defined as the lowest gaseous fuel transmission reliability level, subject to the provisions of point 6.8.4.
- 6.8.10 The Shipper shall not apply for the provision of transmission services in respect of Customers or facilities where this could cause threats or disturbances referred to in Article 2.2 of the regulation of the Council of Ministers of 19 September 2007 concerning the method and procedure for introducing restrictions in the natural gas off-take (Journal of Laws No 178, Item 1252).
- 6.8.11 As regards interruptible transmission services provided upon conditions defined under the agreement for particular transmission reliability levels, the TSO shall have the right to reduce the interruptible contracted capacity at a given entry or exit point with a two (2) hours' minimum notice of such planned capacity reduction.
- 6.8.12 The Shipper shall conform to the interruptible contracted capacity restriction introduced by the TSO in accordance with the provisions of point 6.8.11 at a given entry or exit point.
- 6.8.13 The restrictions referred to under article 6.8.11 shall be introduced by the TSO at a given entry or exit point, starting with the interruptible contracted capacity with the lowest gaseous fuel transmission reliability, subject to the provisions of point 6.8.14.
- 6.8.14 If the transmission services are provided at a given entry or exit point at the same reliability level for two or more Shippers, the interruptible contracted capacities are restricted in conformity with the priority of long-term agreements over short-term agreements and, in the case of similar agreement terms, in proportion to the number of nominations given.
- 6.8.15 Restrictions of the interruptible contracted capacity for a given Shipper may be up to the available capacity at a given entry or exit point.
- 6.8.16 For the purpose of determining the duration of each interruptible contracted capacity restriction, each such restriction in any given day is deemed to be introduced for the duration of the whole gas day.
- 6.8.17 If the Shipper fails to conform in a given gas day to the restrictions introduced by the TSO pursuant to point 6.8.11, the restriction introduced for a given gas day shall not be deemed as using the limit of gas days defined in the agreement when the contracted capacity may be subject to restrictions (d_n) in respect of interruptible transmission services.
- 6.8.18 If the Shipper fails to conform to the restrictions introduced by the TSO pursuant to point 6.8.11, the TSO shall undertake steps described under section 2 of Part II of the TNC. If the Shipper fails to conform to the restrictions introduced by the TSO, the TSO, having called upon the Shipper by fax at the number specified under the agreement to conform to such restrictions under pain of agreement termination, shall have the right to terminate the agreement immediately for its part concerning interruptible transmission services.

6.8.19 Providing interruptible transmission services shall not constitute a waiver of the restrictions which may be introduced under Part II of the TNC.

6.8.20 Introducing restrictions on the maximum hourly gaseous fuel up-take rates pursuant to the Act on reserves is not deemed a restriction on the interruptible contracted capacity referred to under point 6.8.11. The period of restriction on the maximum hourly gaseous fuel up-take rates pursuant to the Act on reserves shall not be deemed as using the limit of gas days defined in the agreement when the contracted capacity may be subject to restrictions (d_n) in respect of interruptible reverse flow services

6.9 Reverse flow service

6.9.1 The TSO provides reverse flow services to a limited number of points defined on the TSO's website (www.gaz-system.pl) as reverse exit points. The reverse exit points are subject to the relevant TNC regulations, unless otherwise specified under this point 6.9.

6.9.2 Reverse flow services are provided from entry points, including storage facilities, and exit points at interconnectors with distribution systems to which gaseous fuel sources are connected.

6.9.3 Reverse flow services at the reverse entry point are provided as interruptible transmission services at level 4 of transmission reliability. Unless otherwise provided under this point, reverse flow services are subject to the provisions of point 6.8 of Part II of the TNC.

6.9.4 The TSO shall compensate nominations and re-nominations in respect of transmission to the reverse entry and exit points described under point 6.9.1 submitted by the same or different Shippers. This compensation shall consist in adequate reduction of the gaseous fuel stream taken off at the entry point without reducing the delivery of the nominations submitted by particular Shippers.

6.9.5 Nominations under the reverse flow services contract are submitted pursuant to the principles set out in Part II of the TNC.

6.10 Suspension and reinstatement of gaseous fuel transmission

6.10.1 The TSO is authorised to suspend the transmission of gaseous fuel in the event that:

6.10.1.1 illegal off-take of gaseous fuel is discovered at a given exit point as a result of an inspection, when such illegal off-take involves the off-take of gaseous fuel by the Shipper or its Customer without entering into a transmission contract or bypassing, in full or in part, the measurement system, or in an interference with this system which distorts the measurements taken by this measurement system, in particular in the event of damaging the fittings at the exit point caused by the Shipper or its Customer exceeding the upper limit of the measurement range,

6.10.1.2 a facility located at the Shipper's or its Customer's site creates a direct threat to human lives, health or the environment,

6.10.1.3 the Shipper is in arrears with payment for the provided services for at least a month after the due date, despite a prior written notice of the intention to

terminate the contract and setting an additional deadline of two weeks for the payment of the outstanding and current obligations,

- 6.10.2 The TSO shall restore the transmission of full quantities of gaseous fuel immediately after the reasons for the suspension have ceased.
- 6.10.3 The TSO shall suspend the transmission of gaseous fuel to the exit point as ordered by the Shipper. The suspension order referred to under this point may be issued exclusively if the premises laid down in Article 6.3a of the Energy Law are met.
- 6.10.4 If a Shipper's customer is in delay with payment of any amounts due for gaseous fuel sold, the Shipper shall have the right to submit an order to the TSO to suspend the delivery of gaseous fuel to the exit point from which the Shipper's customer being in delay with payment takes off gaseous fuel.
- 6.10.5 Such orders may only refer to the exit points which have the technical capacity to suspend the supply/transmission of gaseous fuel to the Shippers customer. The exit points which have the technical capacity to suspend gaseous fuel deliveries are determined under the transmission contract.
- 6.10.6 Prior to submitting the suspension order to the TSO, the Shipper shall notify its customer taking off gaseous fuel at the exit point specified in the order referred to under point 6.10.3 of the date in which gaseous fuel transmission will be withheld.
- 6.10.7 The order shall be supported by any and all documents which confirm that the legal prerequisites for suspending the transmission of gaseous fuel are met. The Shipper's order should specify the following:
- 6.10.7.1 exit point to which the order refers;
 - 6.10.7.2 date in which the order is to be performed by the TSO, not earlier, however, than the first day following an additional two-week notice period given by the Shipper to its customer to pay its outstanding and current liabilities;
 - 6.10.7.3 contact details of the Shippers representative authorised to act as a 24/7 contact with the TSO in respect of the performance of the order (name, title, phone no. and fax no.) and make a valid written decision to revoke the order; and
 - 6.10.7.4 in the case of a suspension order, the Shipper shall attach a copy of the Shipper's letter sent to its customer including proof of delivery, concerning the Shipper's intention to terminate the gaseous fuel sale agreement and giving the customer and additional period of two weeks in which to pay its outstanding and current liabilities,
- 6.10.8 The TSO shall perform the order, provided it receives the documents specified under point 6.10.7 no later than seven (7) days prior to the date given in the suspension order.
- 6.10.9 If the TSO, despite having exercised due diligence and having exhausted all legal means available to it within the time specified in the order, is unable to perform the order, it shall notify the Shipper's representative of the above. The TSO may withdraw from the performance of the order 12 hours after it has notified the Shipper. Under such circumstances, the Parties shall agree their further actions in order to

effectively suspend the supply of gaseous fuel and negotiate the principles of purchasing part of the Shipper's claims towards its customer.

6.10.10 The Shipper's representative shall witness the performance of the order.

6.10.11 Immediately after receiving a resuming order from the Shipper, the TSO shall resume gaseous fuel deliveries to the exit point in respect of which the reason for a suspension of deliveries ceased to apply. Such gaseous fuel supply resuming shall be effected by sending a written resuming order and submitting a relevant nomination in accordance with the provisions of the contract.

6.10.12 A suspension effected upon the Shipper's order shall not release the Shipper from the obligation to pay fixed charges in respect of the exit point under the transmission contract.

6.10.13 The TSO is not liable for the failure to transmit gaseous fuel in the event of withholding the transmission of gaseous fuel in the situations described in this section.

6.11 Termination of the transmission contract

6.11.1 The transmission contract shall be terminated as follows:

6.11.1.1 by a written agreement between the parties,

6.11.1.2 on the date of expiry of the legally required licences for conducting activity covered by the contract as a result of the expiry of its validity or the validity of the licence has not been extended or if the party or its legal successor has not received a new licence that would enable a continued performance of the contract,

6.11.1.3 after the lapse of the term determined by President of ERO in a decision ordering the party to continue its activity notwithstanding the expiry of its licence,

6.11.1.4 on the date on which the President of ERO withdraws the licence or decision regarding activities related to the performance of the contract.

6.11.2 The party affected by the circumstances described in point 6.11.1.2 to point 6.11.1.4 shall be obliged to inform the other party in writing at least 14 days in advance of the date on which the contract is to be terminated.

6.11.3 The TSO shall have the right to terminate the contract subject to one-month notice in the following circumstances:

6.11.3.1 when the Shipper is in arrears with payment for the provided services for at least a month after the date such payment was due, despite a prior written notice of the intention to terminate the contract and setting of an additional deadline of at least two weeks for the payment of the outstanding and current obligations, and the Shipper has failed to pay all current and outstanding obligations within the next 30 days after the lapse of the deadline set,

6.11.3.2 a failure to extent the validity of the financial security, or to top it up to the full amount in in the cases and form specified in the transmission contract, despite a written demand to top it up within a specified deadline, which cannot be shorter than fourteen (14) days,

- 6.11.3.3 a failure by the Shipper to observe the gas curtailment measures that have been introduced in accordance with the respective provisions of the law or provisions of the TNC.
- 6.11.3.4 when the Shipper fails to meet the requirements foreseen by the provisions of the law, in particular the provisions of the Act on reserves.
- 6.11.4 In the event that the Shipper itself, or the suppliers or Customers it is responsible for cause a threat to the security of the functioning of the transmission system, or the performance of any existing transmission contracts, in particular by delivering gaseous fuel of an inadequate quality for transmission or through an imbalance in excess of the admissible limits, the TSO shall have the right to terminate the contract with respect to the part concerning the contracted capacity at the points that affected the occurrence of a threat to the security of the functioning of the transmission system, subject to one month's notice.
- 6.11.5 The Shipper shall have the right to terminate the contract, subject to one month's notice, in the event that the TSO fails to provide the transmission service for a period of thirty (30) days in a gas year, or the TSO breaches any material provision of the transmission contract and fails to cure such breach within the deadline agreed by the parties.
- 6.11.6 Neither party shall have the right to terminate the contract if the reasons that constitute the grounds for its termination were a consequence of a force majeure, subject to point 6.11.7.
- 6.11.7 If a force majeure or the elimination of its causes last longer than sixty (60) days, either party shall have the right to terminate the transmission contract with immediate effect.
- 6.11.8 In the event of the termination of the contract by the TSO in the situations described in point 6.11.3, the TSO shall not be liable for any possible losses or lost benefits on the part of the Shipper. In the event of the termination of the contract by the Shipper for the reasons described in point 6.11.5, the Shipper shall have the right to demand compensation based on the principles set out in the provisions of the law.
- 6.12 Supplier switching process
- 6.12.1 In the event of gaseous fuel supplier switching by the Customer whose facilities, installations or networks are connected directly to the transmission system:
- 6.12.1.1 the Customer shall conclude a sale agreement with a new supplier;
- 6.12.1.2 the Customer or the new supplier acting on behalf of the Customer shall terminate the agreement with the existing supplier;
- 6.12.1.3 the new supplier or Customer shall conclude a transmission contract or an annex to the transmission contract with the TSO under which gaseous fuel transmission services will be provided to the exit point from which gaseous fuel is taken by the Customer involved in the supplier switching process;
- 6.12.1.4 the new supplier of the Customer shall submit an application for the provision of transmission services no later than three (3) weeks prior to the date in

which the sale of gaseous fuel to the Customer commences. The application should be accompanied by the Customer's statement that the agreement with the existing supplier has been effectively terminated. A model application form is available from the TSO's website. The provisions of point 6.1.4.1.1 of Part I of the TNC shall not apply;

- 6.12.1.5 if the application contains formal defects or errors, in particular if the application fails to provide all the information and attachments required, the TSO shall notify the applicant of such defects and/or errors and call upon the applicant to correct them within 5 days of the date of delivery of the TSO's notice. Any application whose formal defects and errors are not corrected by the specified date, shall not be considered by the TSO;
- 6.12.1.6 the new supplier shall inform the existing supplier and the TSO of the date in which the sale of gaseous fuel to the Customer is commenced;
- 6.12.1.7 as of the date in which the gaseous fuel sale by the new supplier is commenced:
- 6.12.1.7.1 if, due to technical reasons, it is impossible to simultaneously perform the agreement with the Shippers (existing supplier and new supplier), the transmission contract concluded between the TSO and the Shipper (existing supplier), whereby the contracted capacity shall be reduced at the exit point from which the customer used to take gaseous fuel, by the amount specified under the transmission contract concluded with the Shipper (new supplier), not more, however, than the capacity specified under the transmission contract concluded with the Shipper (existing supplier) for such exit point. The TSO and the Shipper (existing Shipper) shall confirm the amendments to the transmission contract by signing a relevant annex within fourteen (14) days. The provisions of point 7.1.2 of Part I of the TNC shall not apply.
- 6.12.1.7.2 The Shipper (new supplier or Customer) shall purchase the contracted capacity at the exit point at which the supplier switching occurs, in the amount specified under the transmission contract or annex thereto concluded by the Customer with the new supplier and specified under the agreement concluded with the TSO pursuant to point 6.12.1.3 and point 6.12.1.4 of Part I of the TNC;
- 6.12.1.8 The TSO shall perform the measurement system reading for the purpose of the settlement between the existing supplier and the Customer:
- 6.12.1.9 Within the time specified under point 9.2 of Part I of the TNC, the TSO shall submit the data necessary for the settlement referred to under point 6.12.1.8 to the existing supplier and the Shipper (new supplier or Customer).
- 6.12.2 The reading referred to under point 6.12.1.8 shall be performed by the TSO no later than within five (5) business days of the last day of term of the sale agreement concluded with the Shipper (existing supplier). In the event that such reading may not be performed, the TSO shall provide an estimate of the amount of gaseous fuel as at the last day of term of the sale agreement concluded with the Shipper (existing supplier).

6.12.3 In the event of gaseous fuel supplier switching by the Customer whose facilities, installations or networks are connected to an ISO's network downstream of the exit point from the transmission system:

6.12.3.1 The provisions of point 6.12.1.1, point 6.12.1.2, point 6.12.1.4, point 6.12.1.5 and 6.12.1.6 shall apply accordingly;

6.12.3.2 The new supplier or Customer shall conclude a transmission contract or an annex to the transmission contract with the TSO under which gaseous fuel transmission services will be provided to the exit point from which gaseous fuel is supplied to the ISO network in order to be distributed to the Customer involved in the supplier switching process;

6.12.3.3 as of the date in which the gaseous fuel sale by the new supplier is commenced:

6.12.3.3.1 if, due to technical reasons, it is impossible to simultaneously perform the agreement with the Shippers (existing supplier and new supplier), the transmission contract concluded between the TSO and the Shipper (existing supplier), whereby the contracted capacity shall be reduced at the exit point at which gaseous fuel is supplied to the ISO network in order to be distributed to the Customer switching the supplier, by the amount specified under the agreement concluded with the Shipper (new supplier or Customer), not more, however, than the contracted capacity specified under the agreement concluded by the Shipper (Distribution Shipper) with the ISO and the contracted capacity specified under the transmission contract concluded with the Shipper (existing supplier) for such exit point. The TSO and the Shipper (existing Shipper) shall confirm the amendments to the transmission contract by signing a relevant annex within fourteen (14) days. The provisions of point 7.1.2 of Part I of the TNC shall not apply.

6.12.3.3.2 The Shipper (new supplier or Customer) shall purchase the contracted capacity at the exit point at which gaseous fuel is supplied to the ISO network to be distributed to the Customer involved in the supplier switching process, in the amount specified under the agreement concluded with the TSO pursuant to point 6.12.3.2 of Part I of the TNC, the transmission contract or an annex thereto;

7 PRINCIPLES OF ESTABLISHING CONTRACTED CAPACITY

7.1 General conditions for establishing the contracted capacity

7.1.1 The transmission contract shall specify the level of contracted capacity for each entry and exit point. The contracted capacity may be changed in accordance with the provisions of the TNC.

7.1.2 The transmission contract shall specify the level of contracted capacity:

7.1.2.1 for a given gas year (the same level applies for each month) – in case of long-term contracts,

7.1.2.2 for the entire contract term – in case of short-term contracts,

subject to the provisions of point 6.12.1.7.1, point 6.12.3.3 and point 6.2.16 of Part II of the TNC, and any curtailment measures introduced in accordance with the Act on reserves.

7.1.3 The level of contracted capacity should fit within the measurement range of the measurement devices and the capacity of the process equipment installed at the given entry or exit point.

7.2 Change of contracted capacity and removal of an exit point during the term of a transmission contract

7.2.1 By 15 September of any gas year the Shipper may come up with an application to the TSO for a reduction of the contracted capacity agreed by the parties for the next gas year and the subsequent gas years (until the end of the contract term), including a removal of a specific point from the contract. The reduced contracted capacity shall be binding until the end of the contract term. An increase of the contracted capacity takes place on the principles set out in point 6.2, point 6.3 and point 6.4, by way of submitting an application for the provision of transmission services.

7.2.2 By 15 October, the TSO shall advise the Shippers applying for a reduction of the contracted capacity for specific points of the possibility to change the contracted capacity for the next gas year and the subsequent gas years, or the lack thereof.

7.2.3 With respect to those points for which the Shipper has not come up with an application for a reduction of the contracted capacity for the next gas year and the subsequent gas years, by the deadline mentioned in point 7.2.1, the Shipper shall be entitled to the contracted capacity specified in the transmission contract.

7.2.4 In justified cases, upon a Shipper's request and subject to an approval by the TSO, the contracted capacity for exit points, as specified in the transmission contract, may be changed during a given gas year, and specifically in the event of:

- 7.2.4.1 connection of new Customers of the Shipper during the gas year, who are to be supplied from a distribution network;
- 7.2.4.2 upgrading and expansion of a pressure reduction and/or metering station, which results in a permanent increase of the contracted capacity;
- 7.2.4.3 change in the technology process of a Shipper's Customer, which results in a permanent change of the contracted capacity;
- 7.2.4.4 launch of additional production driven by increased demand for products of a Customer, resulting in a permanent increase in the contracted capacity (i.e. for a period over 12 months).

7.2.5 The application for a capacity reduction under point 7.2.4 may be submitted on the condition that such reduction is posted on the Bulletin Board as an offer for resale of spare transmission capacity in the secondary market for a period of at least one (1) month.

7.2.6 The application referred to in point 7.2.4 shall be considered taking into account the provisions of point 6.2.8, point 6.2.14, point 6.2.15 and point 6.2.16 of Part I of the TNC.

- 7.2.7 In case of applications concerning a reduction of capacity, submitted during the gas year, the TSO shall advise the Shipper of its consideration of such an application within thirty (30) days of the submission date of a complete application.
- 7.2.8 The TSO may refuse to change the contracted capacity in the event that the conditions specified in point 6.1.4 are not satisfied.
- 7.2.9 The Parties shall exclude a given exit point from the transmission contract or reduce the contracted capacity accordingly at the exit point pursuant to the provisions of point 6.12 if:
- 7.2.9.1 the Shipper discontinues the supply of gaseous fuel to its Customer supplied from this point (or through this point), and
 - 7.2.9.2 the Customer or the new supplier concludes a separate transmission contract with the TSO.
- 7.2.10 The Parties shall conclude an annex to the contract, pursuant to the provisions of point 7.2.9 immediately after the submission of a relevant application by either Party, the new supplier or the Customer.
- 7.2.11 Upon the Shipper's request submitted by 15 October, an exit point (whose contracted capacity is "0") shall be excluded from the transmission contract as of the end of the gas year. Upon the Shippers request, subject to the TSO's consent, an exit point (whose contracted capacity is "0") may be excluded from the transmission contract during the gas year.
- 7.2.12 Any change of the contracted capacity shall require confirmation in the form of an annex to the transmission contract, otherwise being null and void.
- 7.2.13 When the change of the contracted capacity at the given entry or exit point requires reconstruction of such point, the respective provisions of the Tariff shall apply.
- 7.2.14 In the cases referred to in point 7.2.13, the change of the contracted may take place after the start-up of the reconstructed point.
- 7.2.15 If the TSO and the Shipper have concluded more than one transmission contract for long term services, during the period in which their terms overlap, such contracts shall be delivered jointly, so that, for the purpose of settlements, nominations and balancing, it is assumed that the entry and exit points and the aggregate contracted capacities at particular points under all the contracts, shall be deemed part of one transmission contract. The above provisions shall apply accordingly to short term services, subject to the reservation that the settlement principles for long- and short-term contracts are specified in the Tariff. The parties shall determine in writing common principles for the delivery of contracts with overlapping terms, particularly in respect of the points specified under such contracts.

8 WORKS IN THE TRANSMISSION SYSTEM

8.1 Planning of works that affect the conditions of the transmission system functioning

- 8.1.1 The TSO shall carry out the necessary operations, diagnostic, maintenance, servicing and connection, installation and modernisation works (hereinafter the

“works”) in order to ensure the safety and adequate operating reliability of the transmission system.

- 8.1.2 By 20 October of the current gas year, the Shipper shall present an information to the TSO with regard to the works planned for the following gas year in the facilities of Customers connected directly to the transmission system, which may affect the conditions of gas fuel off-take, including a potential reduction of the quantity of gaseous fuel to be taken.
- 8.1.3 The TSO shall agree the scope and timing of work planned in the interoperating systems with the ISOs on the conditions specified in the agreements referred to in point 3.7.
- 8.1.4 By 20 November of a gas year the TSO shall post information on its website regarding the works planned for the following gas year, which may affect the conditions of the transmission system functioning leading to reduced gas transmission capacity. In the above information, the TSO shall include the information provided in accordance with the provisions of point 8.1.2 and point 8.1.3 and shall make efforts for the timing of the works to be conducted by the TSO takes account of the timing provided by the entities mentioned above.
- 8.1.5 In the information referred to in point 8.1.4, the TSO shall provide a list of entry and exit points where reductions affecting the off-take and supply of gaseous fuels may occur, and the expected duration of such reductions.
- 8.1.6 Specific arrangements as to the scope and timing of the works shall be agreed between the TSO and the Shipper or the ISO not later than twenty-one (21) days before the beginning of such works.
- 8.1.7 In justified cases, the TSO may introduce changes to the scope of the works during the gas year. Such changes may also be introduced by the TSO upon a justified request of a Shipper or ISO. The TSO, Shipper and ISO shall make every effort to minimize the effects of the restrictions caused by the planned works.
- 8.1.8 The TSO shall provide the Shippers concerned with information on any changes to the timing of the works and the timing of any works that had not been previously scheduled.
- 8.1.9 In the event that planned works are carried out by the Shipper or ISO, the TSO, upon a request submitted by the Shipper or the ISO at least seven (7) prior to the planned works commencement date may ensure the possibility of off-take or supply of additional amounts of gaseous fuel at particular entry and exit points, in particular by giving its consent to overrun the contracted capacity at such points over a specified period of time.
- 8.1.10 The request submitted by the Shipper or ISO referred to under point 8.1.9 should specify the point or points at which additional supply or off-take of gaseous fuel is to occur and the level of the possible overrun of the contracted capacity. The TSO shall either give or refuse its consent in writing within three (3) days of receiving such request from the Shipper or ISO. In the event of refusal to overrun the contracted capacity, the TSO shall provide the rationale for its decision.

8.1.11 The TSO may ensure the possibility of off-take or supply of additional amounts of gaseous fuel at particular entry and exit points, in particular by giving its consent to exceed the contracted capacity in the event of interruptions or disturbances in the transmission of gaseous fuel which are beyond the control of the Shipper or ISO. The TSO shall agree with the ISO or Shipper the measurement systems (entry or exit points) as well as the dates and volumes of additional supplies or off-takes of gaseous fuel as well as the possible exceeding of the contracted capacity. The ISO or Shipper shall confirm to the TSO in writing, within three (3) days, and immediately in emergency situations, whether such disturbances or interruptions cause any actual reductions of gaseous fuel supply to the Customers.

8.2 Notification of the Shippers of changes in the conditions of the transmission system functioning

8.2.1 The TSO shall notify the Shippers affected by the reductions of the timing, duration and scope of such reductions at the entry and exit points, as well as about the capacity available at the points covered by the reductions:

8.2.1.1 in the event that such works result in an interruption in the supply of gaseous fuel to the Shipper's Customers - at least twenty-one (21) days prior to the commencement date of the planned works,

8.2.1.2 in the event that such works do not result in an interruption in the supply of gaseous fuel to the Shipper's Customers - at least five (5) days prior to the commencement date of the planned works,

8.2.1.3 In the event that such works result in capacity congestion at the import entry points, but do not result in an interruption in the supply of gaseous fuel to the Shipper's Customers - by Wednesday of the week preceding the week in which the planned works are due for commencement,

8.2.2 The Shipper shall be informed by an individual notice in writing, by telephone or via another form of communication.

8.2.3 The Shipper shall take the reductions referred to in point 8.2.1 into account in its nominations.

8.2.4 The Shipper shall inform and commit the Shipper's Customers located downstream of the exit points that are affected by the reductions to introduce appropriate reductions with respect to the off-take of gaseous fuel.

8.2.5 The Shipper shall inform and commit the Shipper's suppliers located upstream of the entry points that are affected by the reductions to introduce appropriate reductions with respect to the supply of gaseous fuel.

8.2.6 During the periods when reductions due to the performance of the works the system, as referred to in point 8.2.1, the TSO shall be released from the obligation to accept gaseous fuel for transmission at the entry points or to transport gaseous fuel to the exit points, which are affected by the reductions due to the performance of such works.

8.2.7 For the period of suspension or reduction of the transported quantity of gaseous fuel due to the works carried out by the TSO in the transmission system, the fixed charge

for the transmission service shall be reduced in accordance with the principles set out in the applicable Tariff.

8.2.8 In the event that the Shipper or its Customers, despite the notification referred to in point 8.2.1, fail to adjust the level of off-take or supply of gaseous fuel to the curtailment measures, the TSO shall apply a charge for contracted capacity overrun in accordance with the provisions of the Tariff.

9 PAYMENTS FOR THE TRANSMISSION SERVICE

9.1 Documents that constitute the basis for the application of charges.

9.1.1 The TSO shall issue invoices substantially in the form conforming to the applicable legal regulations.

9.1.2 The following documents may constitute the basis for the application of charges:

9.1.2.1 preliminary invoice - issued by the TSO for the transmission service in the gas month, based on the monthly quantities specified in the approved annual nomination, and the contracted capacities,

9.1.2.2 basic invoice – issued by the TSO for performed transmission services pursuant to a billing report from the relevant exit points for the gas month, including the gas transmission services provided for the term of one gas day,

9.1.2.3 additional invoice - issued by the TSO on the basis of a Commercial Transmission Report and a billing report containing contracted capacity overruns for such gas month,

9.1.2.4 adjustment invoice - issued in the event of errors in billing and/or invoicing, as well as in the event of the acceptance of a complaint filed by the Shipper,

9.1.2.5 invoice for additional services – issued by the TSO after the performance of a transmission service, on the grounds of documented additional costs incurred by the TSO in the performance of such transmission service,

9.1.2.6 interest note - issued by the TSO in the event that the payment terms are exceeded by a Shipper.

9.1.3 The reference gas price and the rates and charges set out in the TNC are exclusive of the value-added tax (VAT). VAT is applied in accordance with the current provisions of the tax law.

9.2 Billing and monthly invoicing for provided transmission services

9.2.1 By the fourteenth (14th) day of the gas month, the TSO shall issue a preliminary invoice. The amount of the preliminary invoice is calculated as the sum of 100% of the fixed charge calculated on the basis of the applicable contracted capacity and 50% of the variable charge for the transmission service that is determined on the basis of the monthly quantity of gaseous fuel specified in the approved annual nomination.

9.2.2 A billing report containing the monthly quantities of gaseous fuel assigned to the Shipper at the exit points is prepared and agreed by the seventh (7th) business day

of the following gas month. In the event that the Shipper fails to authorise its representatives to agree the report, or its representatives unreasonably refuse to agree the report, it shall be signed unilaterally by the TSO. If the parties fail to agree the report containing the monthly quantities of transported gaseous fuel, the Shipper shall have the right to file a complaint.

9.2.3 TSO shall issue the basic invoice for the transmission service performed in the previous gas month, including any daily gas transmission service, and the subscription charge for the previous gas month by the fourteenth (14th) day of the following gas month. The amount stated in the invoice shall be reduced by the amount arising from the preliminary invoice referred to in point 9.1.2.1. The agreed billing report from the exit point containing the monthly quantities of gaseous fuel shall constitute an attachment to the basic invoice.

9.2.4 Billing reports containing the daily quantities of gaseous fuel and any contracted capacity overruns shall be prepared and agreed by the twenty-first (21st) day of the following gas month. In the event that the Shipper fails to authorise its representatives to agree the report or its representatives unreasonably refuse to agree the report, it shall be signed unilaterally by the TSO. In the event that the parties fail to agree the above report, the Shipper is shall have the right to file a complaint.

9.2.5 By the fourteenth (14th) day of the following gas month, the TSO shall issue an invoice for additional services, which reflects the additional costs incurred by the TSO in the performance of transmission services rendered in the previous gas month.

9.2.6 By the twenty eighth (28th) day of the following gas month, the TSO shall issue an additional invoice reflecting the additional charges due for the previous gas month that had not been taken into consideration in the invoices referred to in point 9.1.2.1 and 9.1.2.2. The additional invoice shall include any charges related to the transmission system balancing in accordance with the provisions of Part II of the TNC. The Commercial Transmission Report (CTR) and the billing report containing any contracted capacity overruns shall constitute an attachment to the additional invoice.

9.2.7 Within seven (7) days from receiving the additional invoice based on the Commercial Transmission Report attached thereto, the Shipper shall issue an invoice containing the charges for the sale of gaseous fuel to the TSO for the balancing purposes, according to the conditions specified in Part II of the TNC.

9.3 Sending and receiving invoices

9.3.1 Invoices together with the attachments that constitute the basis for their issuance shall be sent by registered mail or delivered by other means against a confirmation of receipt to the Shipper's address specified in the transmission contract.

9.3.2 The Shipper shall send the invoice referred to in point 9.2.7 by registered mail or by other means against a confirmation of receipt to the TSO's address specified in the transmission contract.

9.4 Method and terms of payment

- 9.4.1 The amounts arising from the invoices are payable by a bank transfer to the TSO's account specified on the invoices.
- 9.4.2 Payment of the invoices referred to in point 9.1.2 shall be made on the following terms:
- 9.4.2.1 fourteen (14) days from the date of the preliminary invoice,
 - 9.4.2.2 fourteen (14) days from the date of the basic invoice,
 - 9.4.2.3 fourteen (14) days from the date of the additional invoice,
 - 9.4.2.4 fourteen (14) days from the date of the adjustment invoice,
 - 9.4.2.5 fourteen (14) days from the date of the invoice for additional services.
- 9.4.3 The date of payment of the amounts due is the date on which the TSO's bank account is credited.
- 9.4.4 Any payment made by the Shipper shall be applied towards the oldest receivables, including, in the first instance, statutory interest.
- 9.4.5 The invoice for the sale of gaseous fuel referred to in point 9.2.7 shall be paid within fourteen (14) days of the date of the Shipper's invoice.

9.5 Exceeding the payment term

- 9.5.1 Late payment of the financial liabilities by the Shipper shall result in the accrual of statutory interest for every day of delay. The amount of statutory interest that accrues shall be payable on the basis of interest notes issued by the TSO within fourteen (14) days of the date of issuance of such note to the Shipper.
- 9.5.2 The TSO may take advantage of the security described in Part II of the TNC in the event that the Shipper is in arrears with payment for the transmitted gaseous fuel for at least one (1) month from the lapse of the date when payment was due, despite a prior written notice of the intention to terminate the contract and setting an additional term of two weeks to pay the outstanding and current receivables.
- 9.5.3 Termination of the contract shall not release the Shipper from the duty to pay the entire amount due, together with the applicable interest.
- 9.5.4 Any complaints regarding invoices should be filed by the Shipper no later than within twenty-one (21) business days of the invoice receipt.
- 9.5.5 In the event when the complaint concerns errors in the invoice calculation, the Shipper shall make a timely payment of the correctly calculated amount that is agreed with the TSO.
- 9.5.6 The filing of a claim by the Shipper other than one that concerns calculation errors shall not release the Shipper from the obligation to pay the amounts due arising from the invoices.
- 9.5.7 The TSO shall consider the complaint within fourteen (14) days of the date of its receipt.

9.5.8 In the event that the complaint is admitted, the TSO shall issue an adjustment invoice within seven (7) days of the date of admitting the complaint and shall send it to the Shipper forthwith. The overpayment, if any, shall be applied towards future payments due and settled in the next invoice to be issued, unless the Shipper demands a refund thereof within 7 Business Days of the receipt of the adjustment invoice, in which case the refund shall be transferred to the Shipper's bank account.

9.6 Settlement of disputes arising from invoicing and payments

9.6.1 If a dispute arises between the Shipper and the TSO regarding invoices issued by the TSO, the parties shall make every effort to expediently settle the dispute through negotiations.

9.6.2 If the parties fail to reach an agreement within thirty (30) days of the date of delivery of the demand to amicably settle the dispute, the disputed matters shall be settled by a competent common court of law.

10 DATA PROCESSING SECURITY

10.1 Entities responsible for data processing security

10.1.1 The provisions of this section 10 shall apply to:

10.1.1.1 TSO,

10.1.1.2 any entity filing an application for a connection to the transmission network, the entity filing an application for a transmission contract, the parties to the network connection agreement and the parties to the transmission contract,

10.1.1.3 DSOs, SSOs, owners of storage facilities,
(hereinafter referred to as the "Entities").

10.2 Data processing security

10.2.1 The entities undertake to protect any technical, technological, commercial, strategic, financial and economic information they obtained during the process of connecting to the transmission network, or in connection with the procedure of entering into and the performance of a transmission contract, or the interoperator agreements referred to in point 3.7 and the agreements on the use of the storage facilities, which is not in the public domain, and with respect to which any Entity had taken the necessary measures in order to keep it confidential (hereinafter referred to as "trade secret"). In particular, the Entities undertake to:

10.2.1.1 treat the above information as confidential, and refrain from publishing or disclosing it to any third parties,

10.2.1.2 refrain from using the above information for any other purposes than those related to the process of connecting to the transmission network, the procedure of entering into and the performance of a transmission contract, or the interoperator agreements referred to in point 3.7 and the agreements on the use of the storage facilities,

10.2.1.3 take all the necessary measures to protect the above information,

- 10.2.1.4 restrict the exchange of the above confidential information, as well as access to it, to people who need this information in connection with the process of connecting to the transmission network, or the procedure for entering into and the performance of the contracts and agreements referred to in point 10.2.1.2 and, in any case, inform such people of the confidential nature of such information,
- 10.2.2 The Entities undertake to protect any classified information in accordance with provisions of the act on the protection of classified information of 5 August 2010 (Journal of Laws of 2010, No. 182, item 1228, hereinafter referred to as the "Act on the Protection of Classified Information").
- 10.2.3 Users of the Information Interchange System (IIS) are responsible for ensuring the protection of the storage and transfer of information against any unauthorised access by third parties and to secure it against any unauthorised changes in its content.
- 10.2.4 If, at the stage of the consideration by the TSO of an application for connection to the transmission network, an application for the provision of transmission services or during the performance of an agreement concluded by the TSO and the Entity, it becomes evident that the information that should be attached to or contained in the application constitutes a trade secret or is subject to protection as classified information within the meaning of the Act on the Protection of Classified Information (hereinafter referred to as "classified information"), the Entity undertakes to:
- 10.2.4.1 notify the TSO of thereof,
- 10.2.4.2 if necessary, obtain the consent of a third party to provide the TSO with access the information that constitutes a trade secret, such that the disclosure of this information does not constitute an act of unfair competition.
- 10.2.5 If the entity does not provide the TSO with access to the information referred to in point 10.2.4, the TSO shall leave the application for connection to the transmission network without considering it, or shall reject the application for the provision of transmission services.
- 10.2.6 Information that constitutes a trade secret may be disclosed to authorities that are entitled to request the provision of such information in accordance with the provisions of the law. In such a case, the Entity that was requested to provide the information should inform the other party to the agreement prior to the disclosure, and provide a copy of the demand to provide the information to that party. With respect to any classified information, the respective provisions of the Act on the Protection of Classified Information regarding the provision of access to such information to authorised bodies, authorities or services shall apply.
- 10.2.7 Any breach of the provisions of this section 10 shall give the affected Entity the right to seek compensation based on generally applicable principles.