

TRANSMISSION NETWORK CODE

**OF THE POLISH SECTION OF THE TRANSIT GAS
PIPELINE SYSTEM JAMAL – EUROPE**

PART II

BALANCING AND SGT CONGESTION MANAGEMENT

Warsaw, August 2011

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1. DEFINITIONS AND UNITS

1.1 DEFINITIONS

Definitions and units used herein are defined in Art. 1 of Part 1 of the TNC.

2. SUBMISSION OF TRANSMISSION CONTRACTS FOR IMPLEMENTATION

2.1 NOMINATIONS – GENERAL RULES

- 2.1.1 To implement a transmission contract, a Transmission Service User (ZUP) shall submit the quantities of gas for transmission in nominations. Nominations may be amended under the re-nomination procedure. Any re-nomination which is approved in accordance with this TNC shall receive the status of the approved nomination.
- 2.1.2 The approved nomination (re-nomination) constitutes the basis for transmission service settlement.
- 2.1.3 The quantities of gas are specified in the nominations and re-nominations in m³.
- 2.1.4 Nominations shall be submitted in a daily cycle.
- 2.1.5 The total quantity of gas specified in the nominations and re-nominations for entry points shall equal the total quantity of gas specified in these nominations for exit points provided that, in the case a sales agreement referred to in Art. 2.2.2 of Part 1 of the TNC is concluded, ZUP's nominations related to the entry point shall take into account the quantity of gas specified in accordance with such an agreement.
- 2.1.6 Nominations and re-nominations submitted by ZUP shall take into account the restrictions that have been introduced in accordance with the provisions of the TNC.
- 2.1.7 To enable the OSGT to verify the compliance of nominations and re-nominations in the interoperating systems, nominations and re-nominations submitted for entry and exit points shall include information allowing for the clear identification of the quantity of gas by entity taking off or supplying gas in a given entry/exit point to/from the SGT.
- 2.1.8 ZUP is liable for providing information about the quantities of gas contained in nominations and re-nominations to the Interoperating System Operator (OSW) and entities that supply or take off gas to/from the SGT to the benefit of ZUP.
- 2.1.9 Nominations, re-nominations and information on the approval thereof are delivered in accordance with procedures and on terms and conditions set out in Art. 5.
- 2.1.10 OSGT may pass information on nominations and re-nominations to OSW and OPR.

2.2 DAILY NOMINATIONS

- 2.2.1 ZUP shall provide OSGT with daily nominations. Daily nominations specify the quantity of gas passed for transmission or off-taken from the SGT on a given gas day, for each entry point and exit point, set out in the transmission contract provided that in the case the sales agreement referred to in Art. 2.2.2 of Part 1 of the TNC is concluded, ZUP's nominations related to the entry point will take into account the quantities of gas specified in accordance with such an agreement.
- 2.2.2 Daily nomination defines the quantity of gas by hour, but hourly quantity may not be bigger than 1/24 of the contracted capacity.
- 2.2.3 The daily quantities of gas specified in nominations may not exceed the maximum quantities set out in the transmission contract as the applicable contracted capacity for a given point.

- 2.2.4 ZUPs that have concluded firm service contracts, including framework firm service contracts and long-term and short-term interruptible service contracts, excluding framework interruptible service contracts, shall deliver their nominations to OSGT for the next gas day till 17:00.
- 2.2.5 OSGT shall inform ZUP that it has not received nominations for the next gas day at 17:15. ZUP may submit the missing nomination to OSGT by 17:30.
- 2.2.6 In the case ZUP fails to deliver its nominations for the next gas day within time set out in Art. 2.2.4 or 2.2.5, the quantity of gas to be transmitted shall be deemed to be "0".
- 2.2.7 By 18:00, OSGT shall provide ZUP with information about irregularities in the nomination for the next gas day which may constitute the basis for the rejection of nomination, including, in particular:
- 2.2.7.1 inconsistencies with the provisions of the transmission contract or the TNC;
 - 2.2.7.2 exceeding the maximum quantities specified in accordance with the provisions of Art. 2.2.3;
 - 2.2.7.3 differences between the nominations for the entry points or exit points at the connection of the transit gas pipeline system with interoperating systems, which are found while undergoing the nomination matching procedure at the interoperating systems in accordance with Art. 2.3;
 - 2.2.7.4 notification by the SGT Owner, OSW or OPR at the entry points or exit points of congestion which prevent the performance of the service in accordance with the nominations submitted by ZUP;
 - 2.2.7.5 the failure to meet the condition set out in Art. 2.1.5 and 2.2.1.
- 2.2.8 Having received the information referred to in Art. 2.2.7, ZUP shall provide OSGT with its daily nomination by 18:15.
- 2.2.9 OSGT shall inform ZUP about the approval, the application of the procedure set out in Art. 2.3.4, proportional reduction or rejection of nominations (re-nominations) by 19:00.

2.3 NOMINATION MATCHING PROCESS WITH INTEROPERATING SYSTEMS

- 2.3.1 Nominations submitted by ZUP for entry points and exit points located on the interconnections between the transit gas pipeline system and interoperating systems shall be consistent with the corresponding nominations in such systems.
- 2.3.2 If the interoperating system matching process reveals a difference in nominations, OSGT shall notify ZUP of such an inconsistency in nominations in accordance with Art. 2.2.7.
- 2.3.3 In the case of any inconsistency in nominations referred to in Art. 2.3.2, the "lesser rule" shall be applied, which means that the quantities of gas in both systems will be reduced to the smaller level of the comparable nominations.
- 2.3.4 In the situation referred to in Art. 2.3.3, the nomination specifying the quantities of gas determined in accordance with the provisions of Art. 2.3.3 shall be accepted by OSGT as the approved nomination, and OSGT shall notify ZUP thereof.

2.4 NOMINATIONS FOR FIRM SERVICES FOR ONE GAS DAY

- 2.4.1 Nominations and re-nominations for firm services for one gas day shall be governed respectively by Art. 2.1 to 2.3 and 2.5 to 2.6 unless this art. 2.4 provides otherwise.
- 2.4.2 Together with the nomination, ZUP shall deliver the confirmation of supply, at the entry point to the transit gas pipeline system, of such a quantity of gas that is at least equal to the quantity specified in the nomination.

- 2.4.3 Capacities for ZUP which has concluded a valid framework firm service contract with OSGT for one gas day and met the conditions referred to in Art. 2.4.2 shall be allocated after the allocation of the firm capacity of the transit gas pipeline system to other firm services provided that there is still some firm capacity of the transit gas pipeline system available.
- 2.4.4 If the sum of the contracted capacity ordered at all nominations submitted by ZUPs that have concluded valid framework firm service contracts with OSGT exceeds 100% of the available capacity of the transit gas pipeline system, OSGT shall allocate capacities proportionally to the requested capacity and notify ZUPs thereof.
- 2.4.5 In the case ZUP that has concluded a valid framework firm service contract for one gas day with OSGT, the quantity of the contracted capacity specified in the already approved nomination shall be the minimum limit of the capacity of the transit gas pipeline system and the nomination may not be reduced below such a limit without ZUP's consent, subject to Art. 2.9 and Art. 4.

2.5 RE-NOMINATION OF DAILY GAS QUANTITIES

- 2.5.1 The provisions concerning nominations shall apply to re-nominations unless the TNC provides otherwise.
- 2.5.2 ZUP that has been informed by OSGT about the approval or proportional reduction of gas quantity in the submitted nomination by 19:00 may submit its re-nomination by 22:00 (or respectively 02:00 or 06:00) on a day preceding the gas day that such a re-nomination applies to.
- 2.5.3 ZUP that has been informed by OSGT about the approval of nominations (re-nominations) shall have a right to submit re-nominations at the latest, however, by 04:00 on a gas day that such a re-nomination applies to.
- 2.5.4 On a day preceding the gas day, re-nominations shall be reviewed at 22:00 and 02:00 and 06:00. While on the gas day, re-nominations shall be reviewed at the hour till 04:00, inclusive.
- 2.5.5 OSGT shall verify re-nominations and inform ZUP within thirty (30) minutes about their inconsistency, which may constitute the basis for rejection in accordance with Art. 2.2.7.
- 2.5.6 In the case ZUP receives information about inconsistencies in re-nominations, as referred to in Art. 2.5.5, it shall deliver the corrected re-nomination to OSGT within thirty (30) minutes.
- 2.5.7 OSGT shall inform ZUP about the approval or rejection of re-nominations within an (1) hour as of the notification. The execution of the approved re-nomination submitted on the gas day shall commence within an (1) hour as of the approval thereof.
- 2.5.8 In the case OSGT rejects the re-nomination, the latest approved nomination (re-nomination) shall be binding for the parties.

2.6 RE-NOMINATION MATCHING PROCESS IN INTEROPERATING SYSTEMS

- 2.6.1 Re-nominations submitted by ZUP for entry or exit points located on the point of interconnection of the transit gas pipeline system and the interoperating systems shall comply with corresponding nominations (re-nominations) in such systems.
- 2.6.2 If the matching process reveals any inconsistencies in re-nominations in the interoperating systems, OSGT shall notify ZUP thereof in accordance with Art. 2.5.5.
- 2.6.3 In the case of inconsistencies in re-nominations referred to in Art. 2.6.2 and ZUP failing to deliver the adjusted re-nomination, the provisions of Art. 2.3.3 and 2.3.4 shall apply respectively.

2.7 NOMINATIONS FOR INTERRUPTIBLE SERVICES, INCLUDING REVERSE FLOW TRANSMISSION

- 2.7.1 Nominations and re-nominations for interruptible services and reverse flow transmission services shall be governed respectively by Art. 2.1 to 2.6 unless this Art. 2.7 provides otherwise.
- 2.7.2 OSGT shall inform ZUPs which concluded a contract concerning interruptible transmission services, including reverse flow transmission, by 19:00 on a day preceding the gas day, about the approval of nominations, the reduction of gas specified for ZUP in the nomination approved by OSGT, or the rejection of nominations. The reduction shall be done with regard to the priority of implementation of long-term contracts, as compared to the short-term contracts, and in the event of the contracts concerning the same periods -- proportionally to the quantities specified in the nominations.
- 2.7.3 Apart from the information referred to in Art. 2.5.7, OSGT may also inform ZUP which has concluded a interruptible service contract, including reverse flow transmission services, about the reduction of gas quantities specified for ZUP in the nomination approved by OSGT. The reduction shall be done with regard to the priority of implementation of long-term contracts, as compared to the short-term contracts, and in the event of the contracts concerning the same periods -- proportionally to the quantities specified in the nominations.
- 2.7.4 Having received the information about the reduction of gas quantities in the submitted nomination or re-nomination, ZUP may, within thirty (30) minutes, submit its re-nomination provided that a quantity specified in the re-nomination may not exceed the quantity specified by OSGT in the above information. In the case ZUP does not submit re-nomination, the nomination specified by OSGT in accordance with Art. 2.5.7 and 2.7.3 shall be deemed to be the applicable approved nomination.
- 2.7.5 ZUP which, by 19:00, has received the notice of approval or proportional reduction of gas quantities in the submitted nomination from OSGT and has failed to submit its re-nomination may be informed by OSGT about proportional reduction or further proportional reduction of gas in the submitted nomination. Gas quantity in the submitted nomination shall be reduced (further reduced) if this is necessary because of re-nominations submitted by ZUPs which concluded firm transmission service contracts.
- 2.7.6 Having received the information referred to in Art. 2.7.5, ZUP may, within thirty (30) minutes correct the submitted nomination provided that the quantity of gas specified in the re-nomination may not exceed the quantity of gas specified by OSGT in accordance with Art. 2.7.5. In the case ZUP fails to submit its re-nomination, the quantity of gas specified in accordance with Art. 2.7.5 shall be deemed to be the applicable approved nomination.
- 2.7.7 The reverse flow transmission service contract shall provide for the maximum quantity of gas specified in the nomination in accordance with the following formula:

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

where:

$N_{\max \text{ rf}}$ – the maximum quantity of gas specified in the nomination for a reverse flow transmission service

$N_{\max \text{ of}}$ - the maximum quantity of gas specified in the nomination for a transmission service

Q_{\min} – the minimum amount of a physical flow for a transmission service.

2.7.8 In the case the nominated daily quantities of gas to be transmitted through the point where reverse flow transmission services are provided are smaller than Q_{min} defined for such a point (i.e. a difference between gas quantities specified in the nominations for the transmission service and the reverse flow transmission service is smaller than Q_{min}), then nominations for reverse flow transmission shall be reduced by OSGT on a *pro rata* basis.

2.8 NOMINATIONS FOR INTERRUPTIBLE SERVICES FOR ONE GAS DAY

2.8.1 Nominations and re-nominations for interruptible services for one gas day shall be governed respectively by Art. 2.1 to 2.7 unless this Art. 2.8 provides otherwise.

2.8.2 Every day, at 20:30 of a day preceding the gas day, OSGT shall publish information about the capacity of the transit gas pipeline system available as of the next gas day in its web site: www.gaz-system.pl.

2.8.3 By 22:00 on a day preceding the gas day, ZUP that has concluded a valid framework interruptible service contract with OSGT may submit nomination for the next gas day.

2.8.4 By 22:30 on a day preceding the gas day, OSGT shall inform ZUP about inconsistencies in the submitted nomination in accordance with Art. 2.2.7.

2.8.5 By 23:00 on a day preceding the gas day, ZUP may correct the submitted nomination by delivering its re-nomination.

2.8.6 If the sum of the contracted capacity ordered in all nominations submitted by ZUPs that have concluded valid framework interruptible service contracts exceeds the available capacity of the transit gas pipeline system, OSGT shall allocate capacities proportionally to the requested capacity and notify ZUPs thereof.

2.8.7 By 00:00 on a day preceding the gas day which the nomination applies to, OSGT shall inform ZUP about the approval, proportional reduction or rejection of the nominations.

2.8.8 By 07:00 on a day preceding the gas day which the nomination applies to and on the gas day by the hour, however not later than by 05:00, OSGT shall inform ZUP about the proportional reduction or further proportional reduction of gas in the submitted nomination. The quantity of gas in the submitted nomination shall be reduced (further reduced) if this is necessary because of re-nominations submitted by ZUPs that have concluded firm transmission service contracts and interruptible transmission service contracts. The information to be sent by OSGT to ZUP shall be deemed to be the approved nomination.

2.9 EMERGENCY SITUATIONS

2.9.1 In the case of emergency, the significant reduction of pressure of gas in the SGT or OSGT being informed by the SGT Owner, OSW or OPR, even otherwise than set out in Art. 2.3, about the incapacity to transmit the quantities of gas specified in the nomination, OSGT shall immediately notify ZUP thereof.

2.9.2 ZUP, within thirty (30) minutes as of the receipt of the above information, shall adjust the nomination at a given point and respectively at other entry points and exit points, and submit its re-nomination to OSGT.

2.9.3 Thirty (30) minutes after the receipt of the re-nomination, OSGT shall inform ZUP about inconsistencies in the re-nomination that may constitute the basis for the rejection thereof in accordance with the provisions of Art. 2.2.7.

2.9.4 Having received the information about inconsistencies in the re-nomination referred to in Art. 2.9.3, ZUP shall deliver the adjusted re-nomination within fifteen (15) minutes.

- 2.9.5 OSGT shall inform ZUP about the approval of the re-nomination, the reduction of gas quantities specified by ZUP in the re-nomination or the rejection of the re-nomination within one (1) hour as of the receipt thereof.
- 2.9.6 In the case of the reduction referred to in Art. 2.9.5, OSGT shall take into account the priority of implementation of firm services, the priority of implementation of long-term contracts in relation to short-term contracts, and the proportional reduction principle in relation to quantities specified in the re-nominations.
- 2.9.7 If ZUP fails to submit the re-nomination in accordance with Art. 2.9.2 or adjust the re-nomination in accordance with Art. 2.9.4, OSGT shall define the quantity of gas to be transmitted to such a ZUP at particular points and such a defined quantity of gas shall be deemed to be the approved nomination; OSGT will inform ZUP in accordance with point 2.9.1.

3 SGT BALANCING

3.1 GENERAL CONDITIONS OF BALANCING

- 3.1.1 Given the lack of regulatory instruments, like warehouse installations, gas must be supplied by ZUP for transmission in the SGT and off-taken from the SGT at the same quantities on each gas day.
- 3.1.2 Physical balancing is conducted by the OSGT in order to assure the safe implementation of transmission contracts.
- 3.1.3 Commercial balancing is performed in order to settle ZUP's imbalances within the framework of individual transmission contracts on the basis of the quantities of gas assigned to them in accordance with the allocation methods described in Art. 3.2.
- 3.1.4 The costs of balancing are settled within the framework of transmission service charges.

3.2 ALLOCATION

- 3.2.1 Allocation shall be based on the approved nominations.
- 3.2.2 OSGT shall conclude an agreement on the management of an operator account related to gas to be transmitted at the entry point or the exit point with OSW and/or the SGT Owner.
- 3.2.3 Throughout the term of the agreement referred to in Art. 3.2.2, the daily quantities of gas to be transmitted by ZUP at the entry point or to be taken off at the exit point shall be quantities specified in the nomination approved by OSGT for such a point.
- 3.2.4 Allocation shall be carried out on the above terms and conditions by OSGT together with the SGT Owner.

3.3 BALANCING

- 3.3.1 In the situation where there is an imbalance in the quantity of gas introduced for transmission and off-taken from the SGT, OSGT shall take, together with the SGT Owner, steps to stabilise system operation using, without limitation, the linepack capacity of the transit gas pipeline system.
- 3.3.2 In the case regulatory instruments described in Art. 3.3.1 are insufficient, OSGT may implement limitations at the entry points or exit points in accordance with the provisions of Art. 4.5.
- 3.3.3 OSGT shall define the daily quantity of imbalance for a given gas day as a difference between the quantity of gas that ZUP has supplied on the basis of the approved

nomination at the entry points and off-taken from the tSGT at the exit points on the basis of the approved nomination during one gas day.

- 3.3.4 Commercial balancing shall be carried out by OSGT after the end of a gas month on the basis of the approved nominations.
- 3.3.5 OSGT shall carry out commercial balancing for each ZUP. The commercial balancing procedure shall be implemented separately for each of transmission contracts concluded between ZUP and OSGT.
- 3.3.6 ZUP imbalance will be expressed in energy units – kWh.
- 3.3.7 In the case of any correction in monthly billing, the above quantities of gas shall be defined as a separate item in the Billing Report.
- 3.3.8 Quantities determined via commercial balancing shall be recorded in the Billing Report to be prepared by OSGT.

4. SYSTEM CONGESTION MANAGEMENT

4.1 REASONS FOR SYSTEM CONGESTION

- 4.1.1 System congestion may appear in the transit gas pipeline system in connection with:
 - 4.1.1.1 limited capacity of the network or technological system structures,
 - 4.1.1.2 a need to maintain the minimum pressure at entry points in the transit gas pipeline system,
 - 4.1.1.3 a need to maintain stable quality parameters of the gas in the transit gas pipeline system,
 - 4.1.1.4 work performed on the transit gas pipeline system or interoperating systems,
 - 4.1.1.5 the appearance of emergency situations,
 - 4.1.1.6 the actions of OSGT, its suppliers or customers, which are inconsistent with the provisions of the TNC or the transmission contract.

4.2 OSGT's ACTIVITIES HELPING TO ELIMINATE POTENTIAL SYSTEM CONGESTION

- 4.2.1 At the stage of reviewing requests to provide transmission services, OSGT shall analyse the opportunities for fulfilling new contracts such that they do not result in a reduction in the level of security of deliveries or quality of gas supplied to the existing ZUPs.
- 4.2.2 Should it be possible to fulfil transmission services, OSGT shall make free capacity available in accordance with the provisions of this TNC.
- 4.2.3 Should it not be possible to fulfil the transmission service on a firm basis, OSGT shall offer interruptible transmission services, if possible.
- 4.2.4. OSGT shall work with the SGT Owner and operators of interoperating systems on the terms and conditions specified in the interoperator agreements in order to prevent the emergence of system congestion.
- 4.2.5. Furthermore, OSGT shall take the following steps to prevent the emergence of system congestion:
 - 4.2.5.1 it concludes gas transmission contracts which include clauses on a manner of proceeding in the event the booked capacity is not used;

- 4.2.5.2 it manages and controls the maintenance and operation of the SGT and controls its operation so as to reduce the probability of the emergence of system congestion;
- 4.2.5.3 it monitors technical and quality parameters of gas transmitted;
- 4.2.5.4 it approves procedures for action in the event of an emergency situation appearing in the SGT, as prepared by the SGT Owner;
- 4.2.5.5. it introduces additional charges, as referred to in Art. 4.6.

4.3 SYSTEM CONGESTION MANAGEMENT IN THE EVENT OF THE APPEARANCE OF CONTRACTUAL CONGESTION

- 4.3.1 OSGT conducts ongoing assessments of the utilisation of the booked capacity, while taking into account the transmission services currently provided within the framework of the concluded transmission contracts. These analyses have the objective of preventing the possibility of blocking capacity in the SGT and the emergence of contractual congestion.
- 4.3.2 In the event of the emergence of contractual congestion, which prevents the conclusion of a transmission contract, OSGT shall make efforts to reduce this and enable the conclusion of a contract, at least on interruptible basis.
- 4.3.3 If, during the review of a new application for a transmission service, it transpires that there is no technical capacity, but, within the framework of the performed transmission contracts concluded with ZUP, there is booked, but unused capacity, OSGT shall take immediate action to make available the free capacity.
- 4.3.4 ZUP may sell or make available the free capacity pursuant to the provisions of Art. 4.3.6 to 4.3.17.
- 4.3.5 In order to facilitate the purchase, sale or making available of the free capacity (contracted capacity), OSGT shall post a Table of Free Capacity Offers, including ZUP's notifications (Bulletin Board) on their website.
- 4.3.6 In the event of the intention to sale or making the free capacity available, ZUP shall provide OSGT with an offer in accordance with a form published in the OSGT's website.
- 4.3.7 In the event of the intention to sale or making the free capacity available, ZUP may present OSGT with its offer including:
 - 4.3.7.1 ZUP's details, including: business name, registered office and address, name of a court where the company documentation is stored and a registration number, tax identification number (NIP) or another equivalent number assigned by tax authorities of the country of residence, the amount of share capital (in the case of a joint stock company, the amount of paid-up capital, as well);
 - 4.3.7.2 ZUP's contact data;
 - 4.3.7.3 the name and reference numbers of entry and exit points referred to in the offer;
 - 4.3.7.4 the offered capacity (contracted capacity);
 - 4.3.7.5 in the case of a sales offer, the enforcement date of a capacity sales offer;
 - 4.3.7.6 in the case of an offer of making the capacity available, dates as of which and till when the capacity is made available;
 - 4.3.7.7 the offer validity date.

- 4.3.8 The offer shall meet the following terms and conditions:
- 4.3.8.1 ZUP, pursuant to the transmission contract, must be entitled to the offered capacity at entry and exit points specified in the offer,
 - 4.3.8.2 in the case of offers for making capacity available – a period when the capacity is made available in the offer shall encompass full gas months,
 - 4.3.8.3 in the case of sales offers – the date from when the sale of capacity is offered shall fall on the first day of the gas month.
- 4.3.9 The offer form that complies with the specimen posted on the website of the operator shall be submitted to OSGT by e-mail to the following address: rynek.wtorny@gaz-system.pl and by registered mail to the seat of the OSGT, no later than fourteen (14) days before the date from which the sale, making available or acquisition is offered.
- 4.3.10 In the event of the offer not complying to the above requirements, OSGT reserves the right not to post the offer while at the same time informing ZUP about this fact in writing by e-mail to the address which the offer was sent from and by registered mail.
- 4.3.11 OSGT shall not be responsible for the content of the posted offers but it is responsible for the compliance of the posted offers with the form supplied by ZUP.
- 4.3.12 After the expiry of the offer validity date, OSGT shall remove the offer from the Table of Free Capacity Offers.
- 4.3.13 In the event of the sale of free capacity for the benefit of ZUP which OSGT, similarly to the selling ZUP, provides a transmission service to from the entry point to the exit point, the procedure specified hereunder shall be applied:
- 4.3.13.1 ZUP shall send to OSGT its declarations concerning the sale of the capacity, including information on the entry and exit points where the capacity is to be sold and the contracted capacity at those points, in the form posted in the OSGT's website;
 - 4.3.13.2 annexes to the transmission contracts signed by ZUP, specifying the entry and exit points, as well as new contracted capacities at those points shall be sent to OSGT in accordance with the provisions of the declaration on the sale of the capacity and new annual nominations;
 - 4.3.13.3 the documents referred to in Art. 4.3.13.1 and 4.3.13.2 shall be sent by ZUP to OSGT by e-mail to the following address: rynek.wtorny@gaz-system.pl and by registered mail to the seat of OSGT;
 - 4.3.13.4 OSGT shall check the annexes and gas transmission contracts in terms of its technical capacities to provide the transmission services, particularly in the field specified in Part I of the TNC, within 5 (five) working days from the day the complete application is received by the OSGT. In the event of a positive verification, OSGT shall sign annexes to the gas transmission contracts within the next 2 (two) working days;
 - 4.3.13.5 If during the verification referred to in Art. 4.3.13.4 it turns out that the documentation is incomplete or further documents need to be submitted, OSGT shall inform ZUP about this fact by sending a letter within a day as of the moment a decision to request such information is made. Once the incomplete documentation has been supplemented by ZUP, the procedure specified above shall be applied.
- 4.3.14 In the event of the intent to sell the free capacity (contracted capacity) in cases other than those referred to in point 4.3.13, the following documentation shall be submitted to OSGT:

- 4.3.14.1 a declaration of ZUP and a purchasing entity that the capacity is sold, including information on the entry and exit points whose capacity is to be sold, as well as the values of the contracted capacities at these points, in the form that is posted in the OSGT's website;
- 4.3.14.2 an application from the purchasing entity for the provision of transmission services;
- 4.3.14.3 an annex to the transmission contract, signed by ZUP and specifying the entry and exit points, as well as new contracted capacities at these points, in accordance with the provisions of the declaration to sell the capacity.
- 4.3.15 OSGT shall assess the application for the provision of transmission services in accordance with the procedures specified in Part I of the TNC. In the event of the acceptance of the application, OSGT shall sign a transmission contract with the purchasing entity, as well as an annex to the transmission contract concluded with ZUP.
- 4.3.16 In the event that free capacity (contracted capacity) is made available, ZUP shall present OSGT, at least three (3) days before the commencement of utilisation of the capacity by the new entity, in the form posted in the OSGT's website, a statement on making such capacity available, including following information:
- 4.3.16.1 the name of the entity which the capacity has been made available to,
- 4.3.16.2 the entry and exit points, as well as the levels of contracted capacities made available by ZUP at these points.
- 4.3.17 The documents referred to in Art. 4.3.16 shall be sent by the ZUP to OSGT by e-mail to the following address: rynek.wtorny@gaz-system.pl and by registered mail to the seat of OSGT.
- 4.3.18 Making the capacity available shall not result in an amendment to the provisions of the transmission contract concluded between ZUP and OSGT.
- 4.3.19 OSGT shall not charge ZUP with additional fees on account of activities related to the prevention or reduction of the impact of contractual congestion.
- 4.4 SYSTEM CONGESTION MANAGEMENT IN THE EVENT OF NON-CONFORMITY OF OFFTAKES OR GAS SUPPLIES WITH THE APPROVED NOMINATION OF ZUP (DELIVERY OR OFF-TAKE SCHEDULE)**
- 4.4.1 In accordance with the provisions of the TNC and the transmission contract, ZUP shall provide OSGT with nominations where the sum of the quantities of gas specified for the entry points should be equal to the sum of the quantity of gas specified for the exit points.
- 4.4.2 OSGT plans the operation of the transmission system on the basis of nominations and re-nominations received from ZUP.
- 4.5 SYSTEM CONGESTION MANAGEMENT IN THE EVENT OF THE IMBALANCE OF THE LEVELS OF DELIVERIES AND OFF-TAKES OF GAS**
- 4.5.1 OSGT shall enforce restrictions in the case of imbalance and inform ZUP about such restrictions commencement date, expected duration and the maximum hourly and daily capacity to transmit or take off gas from the SGT at the defined entry and exit points. In the case OSGT informs about the reduction of gas transmission services, ZUP, within thirty (30) minutes as of the receipt of such information shall provide OSGT with re-nomination taking account of the restrictions at a given point and respectively at other points. The provisions of Art. 2.9 shall apply respectively.

- 4.5.2 The restrictions enforced under Art. 4.5 shall be implemented by ZUP based on information to be provided by OSGT, in accordance with the provisions of Art. 2.9.7.
- 4.5.3 For the term of restrictions, OSGT shall be entitled to a fixed fee on transmission services at a part dependant on the contracted capacity to be determined in accordance with applicable rates.
- 4.5.4 In the case resources held by OSGT are not sufficient to maintain the stable operation of the SGT, OSGT shall initiate procedures referred to in Art. 6.

4.6 MANAGEMENT OF CONGESTION IN THE EVENT OF FAILURE TO MAINTAIN GAS QUALITY PARAMETERS AND MINIMUM PRESSURE

- 4.6.1 In situations where the appropriate quality parameters of gas are not observed at the entry points, OSGT may enforce restrictions on the receipt of gas for transmission at the entry points and off-take at the exit points with respect to ZUP which recorded circumstances resulting in such a situation.
- 4.6.2 When enforcing the restrictions referred to in Art. 4.6.1, OSGT shall inform ZUP about the enforcement date of such restrictions, their expected duration and the maximum hourly and daily capacity to transmit or off-take gas to/from the SGT at the specified points. In the case OSGT informs about the reduction or complete suspension of gas transmission services, ZUP shall, within thirty (30) minutes as of the receipt of such a notice, adjust its nomination at a given point and respectively at other entry points or exit points and deliver its re-nomination to OSGT. The provisions of Art. 2.9 shall apply respectively.
- 4.6.3 In the case ZUP does not obey the restriction, OSGT may suspend receiving gas to the SGT or apply the provisions of Art. 2.9.7.
- 4.6.4 The Gas Reference Price (GRP) is an average weighted price at which OSGT has bought gas in a previous gas month. OSGT shall define and publish GRP in its website by the twentieth (20th) day of each month. Such a GRP shall be valid in the next gas month. If gas is not bought in a given month, a previous GRP shall apply.
- 4.6.5 Additional charges shall be imposed or discounts shall be granted if gas introduced for transmission into the SGT at the entry point or transported for off-take at the exit point fails to satisfy the quality parameters specified in the table below.

Gas quality parameter	Measurement unit	Admissible value X_{SJNmax}
Hydrogen sulphide content*	mg/m ³	7.0
Total sulphur content*	mg/m ³	40,0

* The amounts in the table are specified for the following conditions: 293.15 K, 101.325 kPa.

- 4.6.6 If ZUP introduces, for transmission at the entry point, gas that does not meet at least one of the quality parameters specified in Art. 4.6.5, OSGT shall be entitled to charge ZUP with a fee for exceeding each of the quality parameters referred to in Art. 4.6.5. Such a fee shall be calculated in accordance with the following formula:

$$O_{NSJW} = I_{GI} * 0.2 * GRP * (X_{SJW} - X_{SJNmax}) / (X_{SJNmax})$$

where:

O_{NSJW} – a daily charge for not meeting the quality parameter [PLN],

I_{GI} – the daily quantity of gas that fails to meet the quality parameter of gas introduced for transmission at the entry point [m^3],

GRP – Gas Reference Price [PLN/ m^3],

X_{SJNmax} – the highest admissible value of a given quality parameter specified in Art. 4.6.5 [mg/m^3],

X_{SJW} – the actual measured average daily value of a given quality parameter of gas introduced for transmission at the entry point [mg/m^3].

4.6.7 The parties shall ensure the appropriate temperature of the water dew point of the gas introduced for transmission in entry points or introduced for off take at exit points from the SGT which is not bigger than $-8^{\circ}C$ at the pressure of 3.92 MPa.

4.6.8 In the event of introducing, for transmission in the entry point to the SGT, gas failing to meet the parameters specified in Art. 4.6.7, OSGT shall be entitled ZUP with a fee to be calculated in accordance with the following formula:

$$O_{NSTW} = I_{GI} * 0.1 * GRP * (X_{STW} - X_{STNmax}) / MOD(X_{STNmax})$$

where:

O_{NSTW} – a daily charge for not meeting the water dew point temperature parameter [PLN],

I_{GI} – a quantity of gas that fails to meet the water dew point temperature parameter [m^3],

GRP – Gas Reference Price [PLN/ m^3],

MOD – absolute value,

X_{STNmax} – the highest admissible value of the water dew point temperature [$^{\circ}C$],

X_{STW} – the actual value of the water dew point temperature of gas introduced for transmission at the entry point [$^{\circ}C$].

4.6.9 OSGT shall be entitled to charge ZUP with a fee that is calculated in accordance with the formula presented in Art. 4.6.6 or Art. 4.6.8 for each of the quality parameters referred to respectively in Art. 4.6.5 or 4.6.7. Such a fee shall be calculated separately for each of the quality parameters that have not been met.

4.6.10 If OSGT introduces gas, for off-take at the exit point, which does not meet at least one of the quality parameters specified in Art. 4.6.5, OSGT shall award ZUP with a discount for each of the quality parameters in referred to in Art. 4.6.5 that has been exceeded. Such a discount shall be calculated in accordance with the following formula:

$$B_{NSJW} = I_{GI} * 0.2 * GRP * (X_{SJW} - X_{SJNmax}) / (X_{SJNmax})$$

where:

B_{NSJW} – a daily discount on account of exceeding a given quality parameter at the exit point from the SGT [PLN],

I_{GI} – a quantity of gas that fails to meet a given quality parameter that is transported for off-take at the exit point from the SGT [m^3],

GRP – Gas Reference Price [PLN/ m^3],

X_{SJNmax} – the highest admissible value of a given quality parameter presented in Art. 4.6.5,

X_{SJW} – the actual value of a given quality parameter of gas transported for off-take at the exit point from the SGT.

- 4.6.11 OSGT shall award ZUP with a discount calculated in accordance with the formula presented in Art. 4.6.10 with regard to each of the quality parameters referred to in Art. 4.6.5. The discount shall be calculated separately for each of the quality parameters that have not been met. The discount shall be awarded provided that gas is delivered to the entry point in accordance with the requirements of Art. 4.6.5.
- 4.6.12 In the event of OSGT introducing, for off-take at the exit point from the SGT, gas that does not meet the parameters specified in Art. 4.6.7, OSGT shall award ZUP with a discount calculated in accordance with the following formula:

$$B_{NSTW} = I_{GI} * 0.1 * GRP * (X_{STW} - X_{STNmax}) / MOD(X_{STNmax})$$

where:

B_{NSTW} – a discount on failure to meet the water dew point temperature [PLN],

I_{GI} – the daily quantity of gas that fails to meet the water dew point temperature, which that is transported for off-take at the exit point from the SGT [m³],

GRP – Gas Reference Price [PLN/m³],

MOD – absolute value,

X_{STNmax} – the highest admissible value of the water dew point temperature [°C],

X_{STW} – the actual average daily value of the water dew point temperature of gas transported for off-take at the exit point from the SGT [°C].

- 4.6.13 The discount shall be granted provided that gas is delivered to the entry point in accordance with the requirements of Art. 4.6.5.
- 4.6.14 In the event of any reservations regarding the quality of gas transported, ZUP or OSGT may demand that this quality is analysed at an independent research laboratory that has accreditation of a certifying unit, obtained in accordance with law regulations. Unless the examination confirms that the above reservations are justified, the costs of this analysis shall be covered by an entity demanding the analysis, otherwise the costs of the analysis are to be covered by the other party.
- 4.6.15 The parties shall, in the case the quality of gas to be transmitted is likely to be insufficient, immediately inform each other about such a possibility.
- 4.6.16 In the case the contracted capacity at the exit points from the SGT is reduced because of inadequate pressure at the exit point from the SGT for a period longer than 180 minutes, unless ZUP has not delivered gas of the required pressure to the system, ZUP shall be entitled to a discount on a transmission fee proportionally to the amount and duration of such a reduction.
- 4.6.17 The discount referred to in Art. 4.6.16 shall not be payable if:
- 4.6.17.1 a drop in pressure has been caused by ZUP as a result of its exceeding the contracted capacity;
 - 4.6.17.2 ZUP has not met the contractual minimum pressures of deliveries at the exit point;
 - 4.6.17.3 a drop in pressure has been agreed by OSGT and ZUP and has not resulted in the reduction of daily quantities specified in the nomination.
- 4.6.18 OSGT shall grant or refuse to grant the discount referred to in Art. 4.6.16 within 30 days as of the submission of a relevant written request by ZUP.

- 4.6.19 The parties shall ensure that the pressure of gas delivered for transmission at the entry point or delivered for off-take at the exit point comes within the limits applicable at individual entry and exist points.
- 4.6.20 In the case ZUP does not ensure the pressure of gas set out in Art. 3.4.1.1 of Part 1 of the TNC at the entry point, the pressure of gas at the exit point shall not be smaller than pressure ensured at the entry point provided that transmission is technically feasible. In the case there are no technical conditions for transmission, OSGT shall enforce the restrictions referred to in Art. 4.6.2 on ZUP.
- 4.6.21 In the case ZUP fails to meet gas quality parameters set out in Art. 3.4.1.1 of Part 1 of the TNC at the entry point, gas quality parameters at the exit points shall not be worse than the quality parameters of gas introduced to the SGT at the entry point. ZUP may not refuse to take off gas from the SGT if its parameters are not worse than the parameters of gas introduced thereby to the SGT.
- 4.6.22 In the case ZUP fails to meet the parameters referred to in Art. 3.4.1.1 of Part 1 of the TNC at the entry point, OSGT shall have a right to enforce restrictions and inform ZUP about their enforcement date and the maximum hourly and daily capacity of delivering gas for transmission and receiving gas from the SGT at the defined entry and exist points. In the case OSGT notifies of the reduction or complete suspension of gas transmission services, ZUP shall, within thirty (30) minutes as of the receipt of such information, adjust its nomination at a given point and respectively and other entry and exit points, and deliver its re-nomination to OSGT. The provisions of Art. 2.9 shall apply respectively.
- 4.6.23 The restrictions enforced under Art. 4.6.20 shall be obeyed by ZUP on the basis of information to be submitted in accordance with Art. 4.6.22. In the case ZUP fails to obey the enforced restrictions, OSGT may suspend the receipt of gas from the SGT and gas delivery at the exit points.

5 INFORMATION INTERCHANGE RELATED TO THE SUBMISSION OF CONTRACTS FOR FULFILMENT, BALANCING AND CONGESTION SYSTEM MANAGEMENT

5.1 GENERAL PROVISIONS

- 5.1.1 The Exchange Information System (EIS) shall be used to exchange information related to the provision of transmission services between OSGT and ZUP, OSW, OPR or the SGT Owner.
- 5.1.2 The electronic interchange of information related to the performance of the transmission contracts shall be ultimately based on the electronic document interchange standard (EDI), in the version prepared for the gas industry, named EDIG@S (as described in the document entitled Edig@s Message Implementation Guidelines, available at www.edigas.org).
- 5.1.3 Until the electronic information interchange system, based on the electronic document interchange standard, EDIG@S, is implemented, information shall be mainly exchanged in writing.
- 5.1.4 Exception shall be documents on nominations, re-nominations and allocations, to be exchanged on a current basis and delivered by e-mail in the format described in Art. 5.2.

5.2 FORMAT OF FILES TRANSFERRED IN CONNECTION WITH THE EXCHANGE OF INFORMATION ON NOMINATIONS, RE-NOMINATIONS AND ALLOCATIONS

- 5.2.1 Information on nominations, re-nominations and allocations shall be sent in the form of ASCII or xml files.

5.2.2 The formats of files referred to in Art. 5.2.1 are described in detail in the OSGT website. Information on the change in the requirements regarding files to be transferred shall be delivered in writing and published in the website six months in advance.

5.3 METHOD OF INFORMATION INTERCHANGE

5.3.1 The files referred to in Art. 5.2.1 shall exchange by e-mail or via the Internet.

5.4 LIABILITY FOR THE CONTENT OF DATA

5.4.1 Liability for the form and content of information in the documents shall rest with the party sending the document.

5.5 INFORMATION INTERCHANGE IN THE NOMINATION PROCESS

5.5.1 ZUPs that concluded firm service contracts, including framework firm service contracts, as well as long-term and short-term interruptible service contracts, except for framework interruptible service contracts, shall deliver their nominations to OSGT by 17:00.

5.5.2 At 17:15, OSGT shall inform ZUP that it has failed to deliver nominations. By 17:30, ZUP may submit missing nominations to OSGT.

5.5.3 OSGT shall notify ZUP of inconsistencies in nominations, which may constitute the basis for the rejection of nominations, by 18:00.

5.5.4 Having received the information referred to in Art. 5.5.3, ZUP may submit its re-nominations to OSGT by 18:15.

5.5.5 OSGT shall notify ZUP of the approval or rejection of its daily nominations (re-nominations) by 19:00.

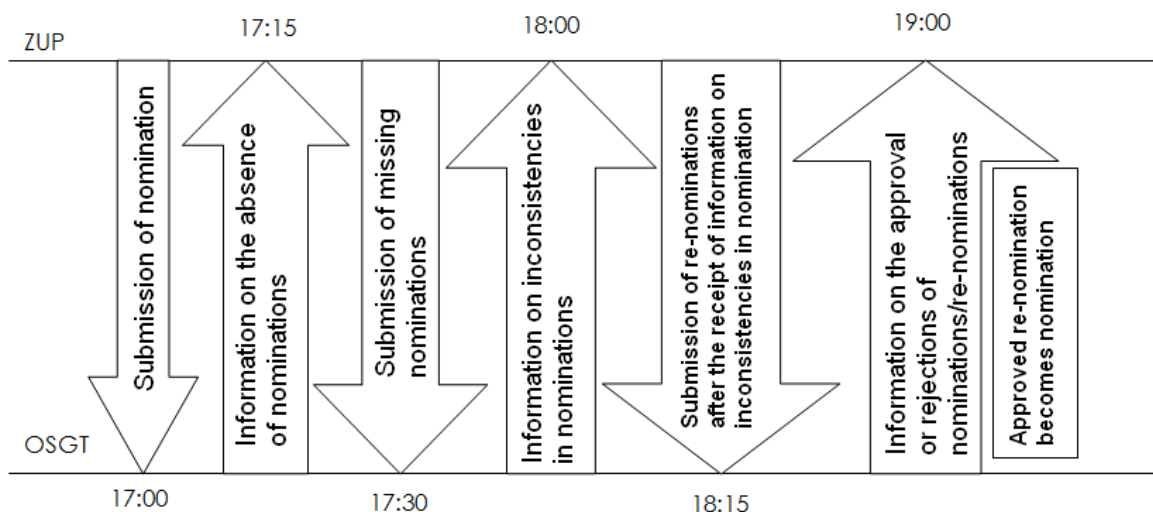


Figure No. 1 – Daily Nominations

5.6 INFORMATION INTERCHANGE IN THE RE-NOMINATION PROCESS

5.6.1 The process of daily re-nomination of gas quantities is described in Art. 2.5 and 2.6. The interchange of documents is presented in Figures No. 2 and 3.

5.6.2 ZUP may re-nominate gas quantities specified in the approved nominations (re-nominations) by 04:00 of the gas day which re-nomination applies to.

- 5.6.3 During thirty (30) minutes, OSGT shall notify ZUP of inconsistencies in re-nominations, which may constitute the basis for rejection, in accordance with Art. 2.2.7.
- 5.6.4 Having received a notice on inconsistencies in re-nomination referred to in Art. 5.6.2, ZUP shall submit its re-nomination within thirty (30) minutes.
- 5.6.5 OSGT shall notify ZUP of the acceptance or rejection of re-nominations referred to in Art. 5.6.2 within 1 hour as of the notification. The execution of the approved re-nomination submitted on the gas day shall commence within one (1) full hour as of its approval by OSGT.

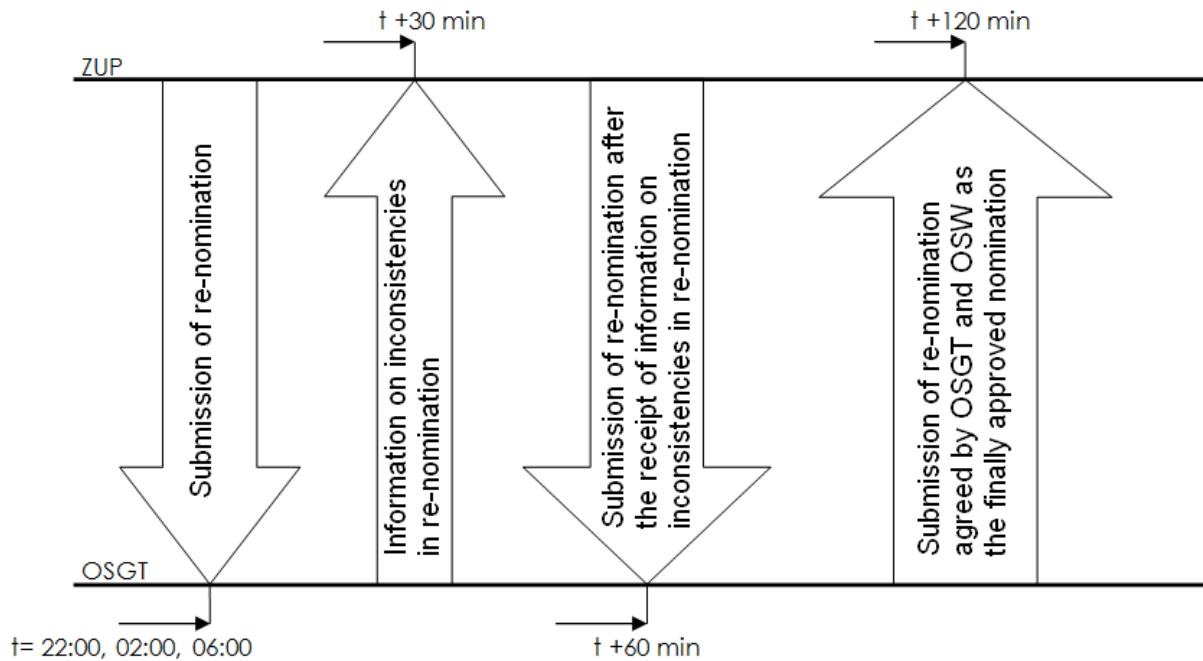


Figure 2 – re-nominations on a day preceding the gas day (D-1)

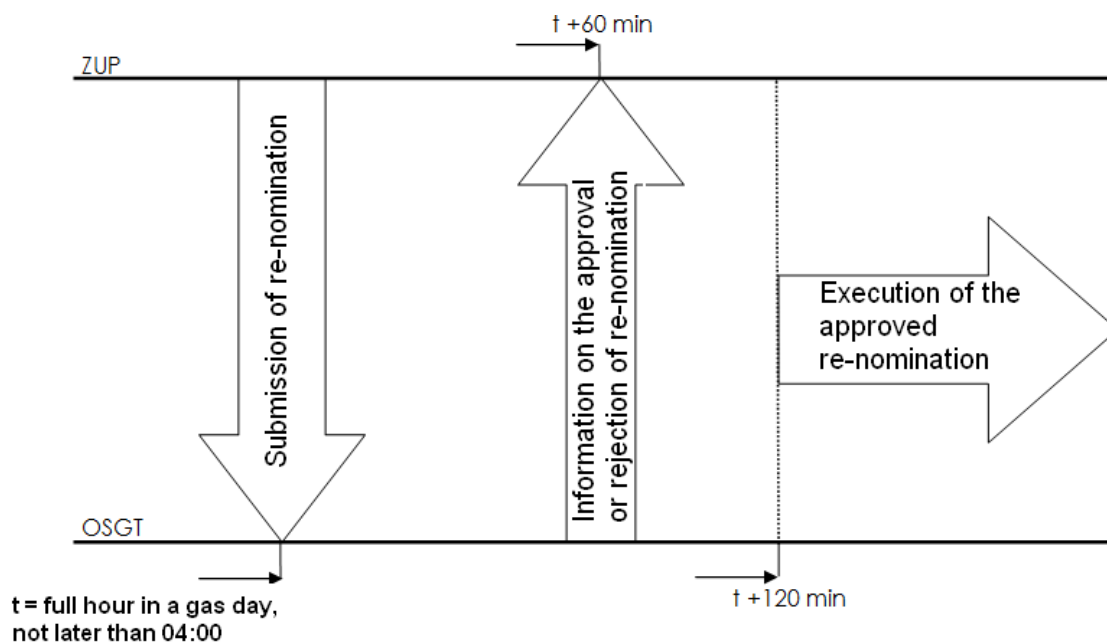


Figure 3 – re-nominations on the gas day (D)

5.7 INFORMATION INTERCHANGE IN THE COMMERCIAL BALANCING PROCESS

- 5.7.1 Commercial balancing is described in Art. 3.3 and information exchange is reflected in Figure No. 4.
- 5.7.2 OSGT carries out commercial balancing after the end of a gas month on the basis of the approved nominations in the form of agreed and signed billing certificates.
- 5.7.3 By the sixth (6th) working day of the next gas month, billing certificates for entry and exit points shall be prepared for a previous month. Such certificates shall specify the quantity of gas delivered to the point on the basis of the approved nominations, contracted capacity exceeding, and contractual gas parameter exceeding.
- 5.7.4 By the seventh (7th) working day of the next month, the Billing Report for a previous month shall be prepared and delivered.

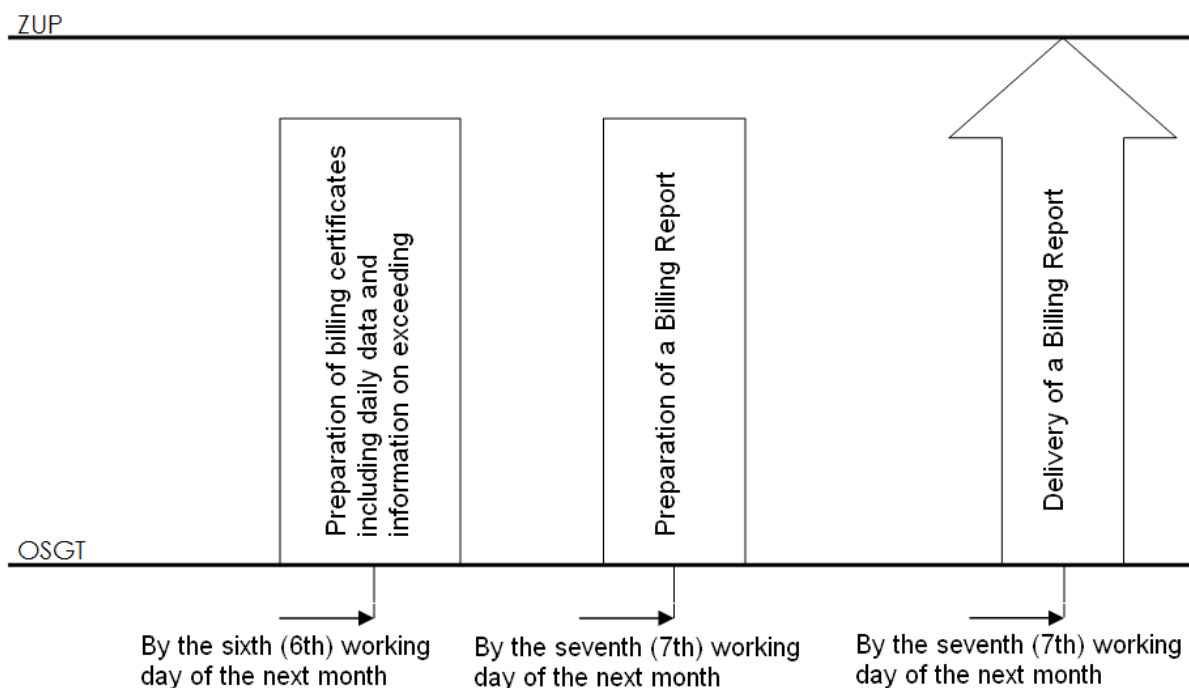


Figure 4 – commercial balancing

5.8 INTERCHANGE OF INFORMATION RELATED TO THE PREVENTION OF CONTRACTUAL CONGESTION

- 5.8.1 The prevention of contractual congestion is described in Art. 4.3 and illustrated in Figure 5.
- 5.8.2 In the event that OSGT finds out that ZUP fails to use the capacity in accordance with the provisions of Art. 4.3, it shall ZUP to submit written information on reasons for its failure to use the booked capacity.
- 5.8.3 ZUP shall present the explanations referred to above within 15 days as of the receipt of such a demand.

- 5.8.4 Should ZUP fail to present its explanations within 15 days or OSGT decides that its failure to use the capacity is unreasonable, OSGT, having consulted the President of the ERO, shall request ZUP resign, within 30 days, from its right to the unused capacity. The provisions of Art. 4.3.4 to 4.3.18 shall apply respectively.

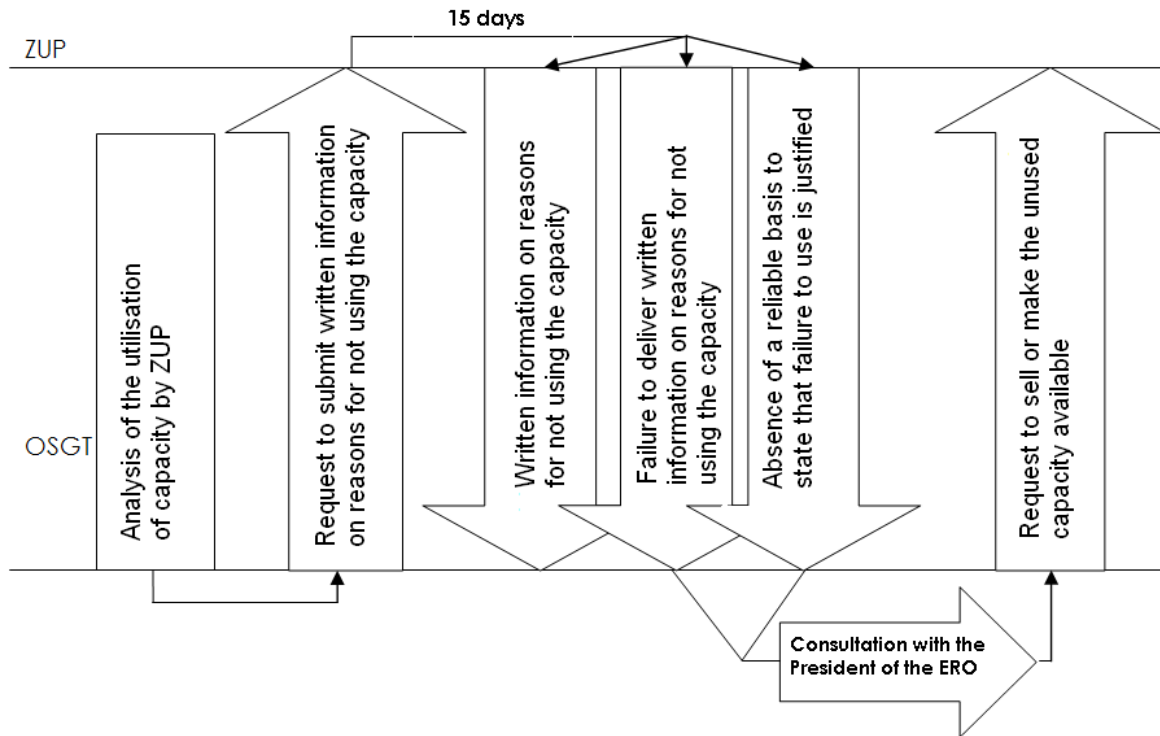


Figure 5 – contractual congestion

5.9 INFORMATION TO BE PROVIDED BY OSGT

- 5.9.1 OSGT shall publish the full text of the TNC, including standard terms and conditions providing for ZUP's rights and obligations, in its website.
- 5.9.2 OSGT shall publish the information specified by law, in particular, data on entry and exit points, as agreed with competent authorities.
- 5.9.3 OSGT shall publish a SGT chart, together with the list of entry and exit points, in its website.
- 5.9.4 OSGT shall notify, respectively ZUP and OSW, of all events likely to have any impact on the provision of gas transmission services, as well as the operation of interoperating systems, including changes in work deadlines and deadlines of previously unplanned works.
- 5.9.5 OSGT shall provide OSW with information about nominations and re-nominations received from ZUP in order to confirm that they may be fulfilled in the interoperating system.
- 5.9.6 OSGT shall provide ZUP, by the seventh (7th) day of the next month, with billing information about total monthly quantities of gas delivered and off-taken and average monthly calorific value of gas for particular entry and exit points between which a given transmission contract has been performed in a given gas month.
- 5.9.7 OSGT shall provide ZUP, by the seventh (7th) day of the next month, with the following billing data for the current gas month:

- 5.9.7.1 daily quantities of gas delivered and off-taken at individual entry and exit points between which a given transmission contract is performed;
- 5.9.7.2 total quantities of gas delivered and off-taken at entry and exit points between which a given transmission contract is performed, on individual gas days in a given gas month;
- 5.9.7.3 average daily delivery pressure and average daily gas quality parameters for next days in a given gas month, by individual entry and exit points between which a given transmission contract is performed.
- 5.9.8 The information referred to in Art. 5.9.5 to 5.9.7 shall be delivered in the formats specified by OSGT.

5.10 INFORMATION TO BE DELIVERED BY ZUP AND THE SGT OWNER

- 5.10.1 ZUPs shall deliver the following information to OSGT:
- 5.10.1.1 nominations and re-nominations of the quantity of gas in accordance with Art. 2;
- 5.10.1.2 information on interferences on the side of ZUP's suppliers, as well as in the interoperating system, which could affect the operating conditions of the SGT, including reasons for such interferences, their expected duration, reduction in capacity at the points of interconnection with the SGT, parameters that do not meet contractual conditions, and the confirmation of adjusted nominations arising from the interferences;
- 5.10.1.3 procedures prepared in accordance with the act of 16 February 2007 on the stock of crude oil, oil products, and earth gas and rules of proceeding in the case of threats to the fuel security of the State and disturbances in the oil market (Journal of Laws No. 2007.52.343, as amended).
- 5.10.2 The SGT Owner shall deliver the following information to OSGT for entry and exist points to/from the SGT, by the 5th working day of the next month:
- 5.10.2.1 measurement data, including daily and monthly quantities of gas accepted for transmission and average daily delivery pressure, except for points for which OSGT is OPR;
- 5.10.2.2 average daily gross calorific value of gas, average daily net calorific value, average daily content of total sulphur, hydrogen sulphide and water dew point temperature, as well as other data required by OSGT to bill ZUP.
- 5.10.3 The information referred to in Art. 5.10.1 to 5.10.2 shall be delivered in the formats agreed by OSGT and the SGT Owner.

6 METHODS OF PROCEEDING IN EMERGENCY SITUATIONS

6.1. EMERGENCY SITUATION IN THE SGT

- 6.1.1 In the event of the occurrence of an emergency situation resulting in a threat to the security of the SGT operation, OSGT, in cooperation with the SGT Owner, shall take immediate action to eliminate the emergency situation and recover the correct operation of the SGT.
- 6.1.2 In the event of the occurrence of an emergency situation resulting in a shortage of gas in the SGT, OSGT shall use in particular regulatory instruments referred to in Art. 3.3.1.

- 6.1.3 OSGT shall immediately inform ZUP and operators of interoperating systems about an emergency situation which is likely to affect the operation of their facilities, installations or networks and, in particular, about its expected duration and the extent of limitations to the transmission of gas.
- 6.1.4 In the event of the occurrence of an emergency situation, OSGT shall neither accept gas for transmission nor deliver gas to the exit point if this could result in a threat to security of the SGT operation, human health or life, natural environment or cause property damage.
- 6.1.5 In the case of emergency, ZUP shall cooperate with OSGT as required.
- 6.1.6 The parties' contact staff in the case of emergency are specified in the transmission contract.

6.2 EMERGENCY SITUATION IN THE INTEROPERATING SYSTEM

- 6.2.1 In the case of an emergency situation in the installation of a recipient or supplier of ZUP or in the interoperating system, likely to cause limitations to the transmission or receipt of gas, ZUP shall immediately notify OSGT thereof and specify the expected duration and scope of limitations.
- 6.2.2 The parties' contact staff in the case of emergency are specified in the transmission contract.

7. IMPLEMENTING REGULATIONS

- 7.1.1 The first gas period for which OSGT shall allocate the available transmission system capacity is a period from 08:00 of the first day of a calendar month following the expiry of two (2) months as of the enforcement date of the TNC till 08:00 on 1 January 2012.
- 7.1.2 In the first gas period, the following services shall be offered:
 - 7.1.2.1 firm short-term (quarterly and monthly) services,
 - 7.1.2.2 interruptible short-term (quarterly and monthly) services,
 - 7.1.2.3 short-term (quarterly and monthly) reverse flow transmission services,
 - 7.1.2.4 services for one gas day.
- 7.1.3 The available transmission system capacity shall be allocated in the first gas period respectively on the basis of Art. 7.3.5 of Part 1 of the TNC, but requests may be submitted within fourteen (14) days as of the TNC's enforcement date.