

## **Appendix No. 1 to the TNC**

Essential provisions of the Transmission Contract to be applied by the TSO upon conclusion of the Transmission Contract with sellers of gaseous fuels or entities providing comprehensive service to customers connected to the TSO's network.

This Appendix, pursuant to Article 9(g)(5)(d) of the Energy Law of 10 April 1997 (Journal of Laws of 2022, item 1385, as amended) (hereinafter referred to as the "Energy Law"), sets out the essential provisions of the contract for the provision of gaseous fuel transmission services, hereinafter referred to as the "Transmission Contract", the integral part of which is the TNC and GTC, and settlements of which are performed in accordance with the approved Tariff.

### **1. General provisions**

- 1.1 The subject matter of the Transmission Contract shall be the services rendered by the Transmission System Operator (hereinafter referred to as "TSO") to the System User, hereinafter jointly referred to as the Parties, comprising:
  - 1.1.1 the right to use the transmission system within the allocated capacity (PP),
  - 1.1.2 gaseous fuel transmission services within the transmission ability allocation (PZ),
  - 1.1.3 balancing the quantities of gaseous fuel delivered to and offtaken from the transmission system.
- 1.2 The provision of the available capacity (contractual capacity) at the entry point (PWE) or exit point from the transmission system (PWY) shall take place on the basis of the capacity allocation (PP) and within the deadline specified therein. The conclusion or modification of the capacity allocation (PP) shall take place according to the procedure specified in the TNC. The new capacity allocation (PP) accepted for implementation for a given PWE or PWY replaces the existing capacity allocation (PP) and is effective as of the date specified therein.
- 1.3 Contracting the gaseous fuel transmission services through the transmission system and balancing services provided by the TSO shall take place on the basis of the transmission ability allocation (PZ). The conclusion or modification of transmission ability allocation (PZ) shall take place in accordance to the procedure specified in the TNC. The new transmission ability allocation (PZ) accepted for implementation for a given entry point (PWE) or exit point (PWY) replaces the previous transmission ability allocation (PZ) and is effective as of the date specified therein.
- 1.4 The commencement of the provision of transmission services by the TSO shall take place on the date specified by the TSO in the capacity allocation (PP) or transmission ability allocation (PZ).

### **2. Fundamental obligations of the Parties**

- 2.1 Fundamental obligations of the Parties to the Transmission Contract are as follows:
  - 2.1.1 The Parties undertake to provide each other with information that may be of importance for maintenance, transmission network development

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planning and operation, as well as information necessary for settlement purposes.

2.1.2 The Parties undertake to inform each other without undue delay of any and all events that may affect the safety of persons, the operation of equipment, installations and networks of each Party concerned.

2.1.3 The Parties are obliged to keep IES users' data within the organisation up to date (including contact details for dispatching services).

2.2 Fundamental obligations of the TSO.

2.2.1 The TSO shall provide the available capacity at a physical entry point to the transmission system (FPWE) or at a physical exit point from the transmission system (FPWY) on the basis of the capacity allocation (PP) and within the time limits specified therein.

2.2.2 The TSO shall enable the transport of gaseous fuel through the transmission system and balancing on the basis of transmission ability allocation (PZ).

2.3 Fundamental obligations of the System User.

2.3.1 The System User is obliged to provide financial security according to the rules set out in the Mechanism ensuring the financial neutrality of the TSO balancing actions, approved by the decision of the President of the ERO.

2.3.2 The System User shall be obliged to make timely payments of due amounts to the TSO.

### **3. Quantity of transported gaseous fuels broken down by contractual periods and place of gaseous fuel supply and offtake**

3.1 The rules for determining the quantity of gaseous fuels broken down by contractual periods and place of delivery and offtake of gaseous fuel within the transmission system are laid down in the TNC.

### **4. Quality standards, technical parameters, conditions for ensuring reliability and continuity of gaseous fuels supply**

4.1 The qualitative and technical parameters of gaseous fuel as well as the conditions for ensuring reliability and continuity of gaseous fuel supply, including discounts for failing to meet the qualitative standards of the supplied gaseous fuel are specified in the TNC and in the Tariff.

### **5. Charges, fee rates, and tariff groups used in settlements, as well as conditions for amending such rates and tariff groups and the manner of performing settlements**

5.1 The method of calculating fees and charges for the performance of the Transmission Contract and the manner of performing settlements are set out in the Tariff and the TNC.

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### **6. Rules for the exchange of information between System Users and TSO**

6.1 The scope, form, mode as well as places and time limits as regards the exchange of information between the Parties are defined in the TNC.

### **7. Rules for suspension and reinstatement of gaseous fuel supply**

7.1 The rules for suspension and reinstatement of gaseous fuel supply are set out in the TNC.

### **8. The principles of securing the TSO's financial claims**

8.1 The principles of securing the TSO's financial claims are stipulated in the Mechanism ensuring the financial neutrality of the balancing actions of the TSO GAZ-SYSTEM S.A. with the registered office in Warsaw, in accordance with Commission Regulation (EU) 312/2014 of 26 March 2014 establishing a network code on gas balancing of transmission networks, in accordance with applicable decision of the President of the ERO in force.

### **9. Duration of the Transmission Contract**

9.1 The Transmission Contract shall be concluded for an indefinite period.

### **10. Expiry or suspension of the Transmission Contract (termination, notice, withdrawal).**

10.1 The transmission contract may be terminated:

10.1.1 at any time by the Parties' mutual agreement made in writing,

10.1.2 upon the expiry date of the licences required by law to perform the activities covered by the Transmission Contract or the decision designating the operator, if the validity of the licence has not been renewed, or if the Party or its legal successor has not obtained a new licence allowing continued performance of the Transmission Contract,

10.1.3 upon the expiry date specified in the decision of the President of the ERO ordering the Party to continue the performance despite the expiry of the licence, in the absence of renewal, or if the Party or its legal successor did not obtain a new decision allowing continued performance of the Transmission Contract

10.1.4 immediately after the TSO becomes aware of the issuance by the President of the ERO of a valid decision on withdrawal of a license or on withdrawal of a decision determining the conditions of activities related to the performance of the Transmission Contract, but not earlier than the date of the validation, unless the System User presents the TSO with a statement signed by persons authorized to represent the System User,

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stipulating that the activities performed by the System User do not require a license under the Energy Law, within seven (7) days of the date when the decision on withdrawal of the license becomes valid,

10.1.5 on the expiry of the termination date of the Transmission Contract.

10.2 The party affected by the circumstances described in point 10.1.2, point 10.1.3 or point 10.1.4, shall be obliged to inform the other Party in writing of the date on which the Transmission Contract is to be terminated, at least fourteen (14) days in advance.

10.3 The System User shall be entitled to terminate the Transmission Contract with fourteen (14) days' notice:

10.3.1 in the case of non-performance by the TSO of the services provided for in the Transmission Contract for a period of thirty (30) consecutive days,

10.3.2 in the case of a gross breach by the TSO of the provisions of the TNC, Tariff, Transmission Contract or GTC and a failure to remedy such breach in due time.

10.4 In the event of non-acceptance of amendments to the TNC or the provisions of a new TNC, the System User shall have the right to terminate the Transmission Contract within fourteen (14) days of the date of its publication with a fourteen (14) day notice period or any other (i.e. shorter or longer) set by the System User, however, no later than on the date preceding the entry into force of such amendments to the TNC or the new TNC, or without observing the notice period, effective as of the end of the gas day preceding the entry into force of such amendments to the TNC or the new TNC. In the event whereby an amendment to the TNC or the new TNC enters into force during the notice period, the System User shall apply the amended TNC or the new TNC with the revised wording throughout the notice period following the date of its entry into force.

10.5 Upon receipt of information from the TSO about amending the provisions of the GTC, the System User, within fourteen (14) days of the date of notification on the amended GTC, shall be entitled to terminate the Transmission Contract with fourteen (14) day notice.

10.6 In the event of any amendment to the Tariff, with the exception of changes in prices or fee rates set out in the approved Tariff, the System User shall be entitled to terminate the Transmission Contract within fourteen (14) days of the date of publication of the new or amended Tariff with effect as of the end of the term of the existing Tariff.

10.7 The TSO shall be entitled to terminate the Transmission Contract with fourteen (14) day notice in the case:

10.7.1 where the System User is in arrears for at least thirty (30) days after the expiry of the original due date, despite having notified in writing or by e-mail or IES of its intention to terminate the Transmission Contract and being given an additional period of minimum two (2) weeks for the payment of overdue and current charges, and the System User, despite the expiry of the additional period, has failed to pay all current and

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overdue charges within thirty (30) days after the expiry of the original due date,

- 10.7.2 of failing to extend the validity or to replenish the full amount of the Financial Security in the cases and form specified in the GTC, under the Mechanism ensuring the financial neutrality of the TSO balancing actions, despite a prior request received in writing, by email or IES, to replenish it within the prescribed time limit,
  - 10.7.3 of System User's failure to comply with the restrictions in the off-take of gaseous fuel implemented in accordance with applicable regulations or the provisions of the TNC,
  - 10.7.4 when no capacity allocation (PP) or transmission ability allocation (PZ) has been granted to the System User for a period of more than one (1) year,
  - 10.7.5 of System User's gross breach of the provisions of the TNC, Tariff, Transmission Contract or GTC and failure to remedy such breach in due time.
- 10.8 A Party shall not have the right to terminate the Transmission Contract, if the reasons underlying the termination were a consequence of a Force Majeure event, subject to point 10.9.
  - 10.9 If the circumstances of a Force Majeure event or the remedying of the consequences of a Force Majeure event persist for more than sixty (60) days, each Party shall have the right to terminate the Transmission Contract with immediate effect.
  - 10.10 Either Party is authorised to terminate the Transmission Contract without reasons, effective as of the end of a given gas year by notice submitted by 1 June of the respective gas year.