



Polska Spółka Gazownictwa sp. z o.o.

based in Tarnów,

**Distribution Network Code
(DNC)**

The English version is provided for information purpose only. If any discrepancy arises between the translation and the Polish original, the Polish original shall prevail.

Warsaw, December 2019

Polska Spółka Gazownictwa sp. z o.o.

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PART I: GENERAL PROVISIONS

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1. INTRODUCTION AND DEFINITIONS

1.1 This Distribution Network Code regulates the conditions for the provision of distribution services in the Distribution System of Polska Spółka Gazownictwa sp. z o.o. with its seat in Tarnów, designated as the Distribution System Operator by the decision of the President of the ERO.

1.2 Definitions.

Allocation	Assigning the amount of gaseous fuel to individual ZUPs or ZUDs, appropriately transferred to the distribution or collected at the output point.
Operative allocation	Assigning estimated amounts of gaseous fuel to individual ZUDs in PWE_{OSP} or PWE_{OSPL} and PWY_{OSP} or PWY_{OSPL} , for 4 and 8 hours of the current day and in the previous Gas Day.
Settlement allocation	Assigning individual ZUDs to quantities of gaseous fuel in PWE_{OSP} or PWE_{OSPL} and PWY_{OSP} or PWY_{OSPL} in individual Gas Days of the completed billing period, for the purposes of the OSP's Commercial Balancing.
Failure	An unexpected event that resulted in a significant loss of technical efficiency of the distribution network or the networks, installations or devices connected to it, or a direct serious threat to human health, property or the environment, or a sudden need to prevent or avoid such threats and remove the effects caused by their occurrence, which may result in restrictions in the supply, distribution or consumption of gaseous fuel.
Physical balancing	OSD's activity aimed at balancing the amount of gaseous fuel supplied to and taken from the Local Distribution Area.
Commercial balancing of the OSP	The OSP's activity consisting in determining and billing the amount of imbalance resulting from the difference between the quantities of gaseous fuel delivered and taken in the balancing area defined in the TNC, performed in accordance with the principles set out in the TNC.
Commercial balancing of the Local Distribution Area	OSD's activity consisting in determining and billing the difference between the quantity of gaseous fuel delivered and taken in the Local Distribution Area.
Biogas	Gas obtained from biomass, in particular from installations for the processing of animal or vegetable waste, sewage treatment plants and landfills.
Agricultural biogas	The gas obtained in the process of methane fermentation of agricultural raw materials, agricultural by-products, liquid or solid animal excrements, by-products, waste or residue from the processing of agricultural products or forest biomass, or plant biomass collected from areas other than those registered as agricultural or forestry, with the exception of biogas obtained from raw materials from sewage treatment plants and landfills.
Gas Reference Price (GRP)	The weighted average price of gaseous fuel purchased by the OSD, published on the OSD's website and determined separately for each type of gas.

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Gas reference price for the purposes of settling commercial balancing of the Local Distribution Area (CRG_{BIL})	The price of gaseous fuel published on the OSD's website and set separately for each type of Local Distribution Areas, for the purposes of billing under the Commercial Balancing of Local Distribution Areas.
Gas reference price for the purposes of the Compensation settlement (CW)	The price of gaseous fuel published on the OSD's website and determined separately for the distribution area E and distribution area Lw, used by the OSD for the purposes of billing under the Compensation procedure.
Gross calorific value	The amount of energy that would be released in the form of heat as a result of complete combustion of 1 m ³ of gaseous fuel in the air under normal conditions, if the reaction took place under a constant absolute pressure of 101.325 kPa, and all combustion products, except water, were in a gaseous state, water vapor formed in the combustion process condensed and all combustion products (both gaseous products and liquid water) were brought to the temperature of 25° C.
Pressure	Gaseous fuel pressure measured under static conditions as overpressure, which is the difference between the absolute static pressure of the gaseous fuel and the atmospheric pressure.
Zone absorbency	The amount of gaseous fuel that can be taken by the OSD within one hour in the Distribution Zone, corresponding to the minimum hourly amount of gaseous fuel taken by all End Customers supplied from this Distribution Zone.
Working days	Days from Monday to Friday, excluding statutory holidays.
Gas day	The period from 06:00 on a given day to 06:00 on the next day.
Distribution	Transport of gaseous fuel through distribution networks for the purpose of delivery to customers or transport to another gas system.
Natural gas (PN-C-04750)	Combustible gas, the main component of which is methane, and which is extracted from underground deposits.
Gas Exchange	An entity operating a commodity exchange within the meaning of the Act of 26 October 2000 on Commodity Exchanges (Journal of Laws of 2019, item 312, as amended), where gaseous fuel sales transactions are concluded, or an entity operating in the territory of the Republic of Poland, a regulated market within the meaning of the Act of 29 July 2005 on Trading in Financial Instruments (Journal of Laws of 2018, item 2286, as amended) organizing trading in exchange commodities within the meaning of the Act on Commodity Exchanges, including gaseous fuel.
Biogas installation	Installation for Biogas manufacture.
Agricultural biogas installation	Installation for agricultural biogas manufacture.
LNG regasification installation	Installation for regasification of liquefied natural gas, supplying the Distribution System.
Code (DNC)	Distribution Network Code.

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Wobbe number (PN-C-04750)	The ratio of the gross calorific value to the square root of its relative density, under the same reference conditions.
Local Distribution Area	A distribution area that is not connected to the Transmission System.
Gas month	The period from 06:00 on the first day of a given month to 06:00 on the first day of the following month.
Inter-operator Distribution agreement (MUD)	Type of the Distribution Agreement concluded between the OSD and the OSDW, whose distribution system is supplied from the OSD's distribution area, or whose distribution system is supplied by the OSD's distribution system.
Contracted power	The maximum hourly amount of gaseous fuel, as specified in the Distribution Agreement or the Comprehensive Agreement, expressed in kWh/h, which can be delivered to the Distribution at the Input Point or taken from the Distribution System at the Output Point.
Connected power	The scheduled maximum hourly capacity to supply or receive gaseous fuel, used to design the Connection, specified in the connection agreement, expressed in m ³ /h.
Metrological control	Verification whether the gas meter, which is not subject to legal metrological control within the meaning of the Measures Act, meets the technical and metrological requirements specified in the DNC.
Imbalance	The difference between the quantities of gaseous fuel delivered to the Distribution at the Input Points and taken at the Output Points within the Local Distribution Area, calculated on the basis of the measurement results and allocation methods.
Nomination	The ZUD's statement submitted to OSD and approved by the OSD regarding the amount of gaseous fuel that will be taken by the ZUD at a specified time from the Distribution System at the output point or introduced at a specific time into the Distribution System at the input point from a Biogas Installation or Agricultural Biogas Installation (PWE _B).
Nominal gross calorific value	The gross calorific value determined separately for each type of natural gas and amounting to: – 10,972 kWh/m ³ [39.5 MJ/m ³] for group E high-methane natural gas, – 9,111 kWh/m ³ [32.8 MJ/m ³] for nitrogen-rich natural gas in the Lw group, – 8,000 kWh/m ³ [28.8 MJ/m ³] for nitrogen-rich natural gas in the Ls group, – 5,416 kWh/m ³ [19.5 MJ/m ³] for coke oven gas.
Distribution area	A separate part of the Distribution System, supplied from a specific input point or points.
Distribution area E	The distribution area includes the E group high-methane natural gas subsystem.
Distribution area Lw	Distribution area including nitrogen-rich natural gas subsystem in group L, subgroup Lw.
Customer	Anyone receiving or taking gaseous fuels under a contract with an energy company.

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Household customer	The End Customer purchasing gaseous fuel solely for household consumption.
End customer	A Customer whose devices or systems are connected to the Distribution System, purchasing gaseous fuel for their own use; own use does not include gaseous fuels purchased for consumption for the purposes of transmission, distribution, storage of gaseous fuels, liquefaction of natural gas or regasification of liquefied natural gas.
Reading period	Period between successive readings of metering systems in WS type output points.
Billing period	The interval specified in the Tariff and the Agreement, which is the basis for billing for the distribution service provided by the OSD.
Compensation Period	The time period which is the basis for the billing under the Compensation, covering the period from 6.00 am on 1 January of the previous year to 6.00 am on 1 January of a given year.
Distribution System Operator (OSD)	Polska Spółka Gazownictwa sp. z o.o. based in Tarnów – an energy company dealing with distribution, responsible for network traffic in the Distribution System, current and long-term security of the functioning of this system, operation, maintenance and repairs of the Distribution Network and its necessary expansion, including connections with other gas systems, designated as operator by the decision of the President of ERO.
Transmission System Operator (OSP)	Operator Gazociągów Przesyłowych GAZ–SYSTEM S.A. – an energy company dealing in the transmission of gaseous fuel, responsible for network traffic in the Transmission System, current and long-term security of the operation of this system, operation, maintenance and repairs of the Transmission Network and its necessary expansion, including connections with other Gas Systems, designated as operator by decision of the President of ERO.
Cooperating Distribution System Operator (OSDW)	The Distribution System Operator supplied from the OSD Distribution System or supplying the OSD Distribution System, designated as operator by the decision of the President of ERO.
Cooperating System Operator (OSW)	The OSP, OSD or other operator of a Gas System cooperating with the OSD Distribution System.
Source Operator	An entity other than the OSD, managing the Source that supplies the Distribution System, including the entity managing a Biogas System, Agricultural Biogas System, LNG Regasification Installation, entity managing a gas mixing plant, entity managing a natural gas mine.
Gaseous fuel	High-methane or nitrogen-rich natural gas, including liquefied natural gas or other types of combustible gas, supplied via the Gas Network, as well as agricultural biogas, regardless of their intended use.
Restriction plan	Plan to introduce restrictions on natural gas consumption within the meaning of the Act on Stocks.
Single Distribution order (PZD)	An order placed under the Distribution Agreement for distribution to one output point. One distribution agreement

	may contain multiple PZDs.
Single distribution order for the period of technological start-up	A single distribution order with specific terms and conditions of the Contracted Capacity, submitted for a period of technological start-up for a new or modernized output point.
Single Distribution order type OSDW (PZD_{OSDW})	A single Distribution order submitted by the OSD based on the MUD, on the basis of which the OSD orders the Contracted Capacity from MFPWY _{SDW} or MFPWE _{SDW} .
Single Distribution order type P (PZDP)	A single Distribution order from an input point or multiple input points to a single WR output point, included in one Distribution Area, submitted for the purpose of providing an interruptible distribution service.
Single Distribution order type R (PZDR)	A single Distribution order from an input point or multiple input points to a single WR output point, included in one Distribution Area, submitted for the purpose of providing a continuous distribution service.
Single Distribution order type S (PZDS)	A single Distribution order from an input point or multiple input points to a single WS output point, included in one Distribution Area, submitted for the purpose of providing a continuous distribution service.
Single Distribution order type W (PZDW)	A single Distribution order to PWY _{OSDW} or PWE _{OSDW} , submitted to provide the continuous distribution service, under the contracted capacity granted to the OSD in MFPWY _{OSDW} or MFPWE _{OSDW} , which are part of this PWY _{OSDW} or PWE _{OSDW} .
Single Distribution order type Z (PZDZ)	A single distribution order to the PWY _{OSP} output point, submitted in order to provide the reverse distribution service.
Single distribution order type WSP (PZDSP)	Single distribution order to a single WS outputs point where the Prepayment Metering System has been installed.
SLP profile	The consumption profile used to estimate the readings and billing for the distribution service provided to WS-type output points.
Prepayment metering system	Gas meters or other measurement or measurement-billing devices, as well as connection systems between them, measuring the pre-paid volume or quantity of Gaseous Fuel and automatically suspending the supply of Gaseous Fuel when the entire paid volume of Gaseous Fuel has been received.
Throughput	The maximum hourly amount of gaseous fuel expressed in energy units (kWh/h) that can be transferred to the Distribution at the Input Point or taken from the Distribution System at the Output Point.
Technical throughput	The maximum continuous Distribution System Capacity, within which the OSD may provide Distribution services.
Reserved throughput	Part of the technical throughput of the Distribution System reserved in connection with the Distribution Agreements and Connection Agreements concluded by the OSD, unless the deadline for concluding the Agreement on the basis of which the gaseous fuel was to be delivered has not expired.
Transfer	Gaseous fuel transport via the OSP transmission networks.
Connection	A section of the network from the supply gas pipeline to the cut-off fittings used to connect the connected entity's

	devices or systems to the gas network.
Input point	The point from which gaseous fuel is delivered to the Distribution Area.
Output point	The point specified in the PZD where the distribution services are billed.
Re-nomination	Change of the approved Nomination.
Gas year	The period from 06:00 on October 1 of the previous year to 06:00 on October 1 of the current year.
Distribution network	An increased medium, medium, and low pressure gas network, excluding mining and direct gas pipelines, whose network operation lies with the OSD.
Gas network	Installations connected and cooperating with one another, including gas pipelines with gas stations and metering systems for the transmission or distribution of gaseous fuel, belonging to an energy company.
Transfer network	A high pressure gas network, excluding mining and direct gas pipelines, whose network operation lies with the OSD.
Official supplier	An energy company with a license to trade in gaseous fuels, providing comprehensive services to household consumers not exercising the right to choose a supplier.
Distribution zone	Dedicated area in the distribution system, hydraulically connected and powered from specified input point or points.
Distribution system	Distribution networks and the devices and systems connected to them and cooperating with the distribution network.
Gas system	Gas networks and the devices and systems connected to them and cooperating with the gas network.
Transmission system	Transmission networks and devices and installations connected to them and cooperating with the transmission network, managed by the OSP in accordance with the TNC.
Telemetry system	A system allowing for remote transmission of meter data from the Metering System or the gas network's operating parameters to the OSD at the point of its installation.
Tariff	A set of fee rates and the conditions of their application, set by the OSD and introduced as binding for the distribution system users specified therein in the manner set out in the Energy Law.
Measuring system	Gas meters and other measuring devices, as well as connection systems between them, used to measure the volume or quantity of gaseous fuel taken or delivered to a gas network.
Agreement	Connection agreement or Distribution agreement or Comprehensive agreement.
Distribution agreement	Agreement for the provision of distribution services concluded between the ZUD and the OSD, based on which the OSD provides distribution services to the ZUD.

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Comprehensive agreement	Agreement containing the provisions of the gaseous fuel sale agreement and the distribution agreement concluded between the ZUD and the Customer or the OSW; the agreement may also contain the provisions of the agreement for the provision of Transmission or storage services for such Fuel.
Connection agreement	The agreement specifying the rights and obligations of the parties in the process of connecting an entity to the distribution network.
Distribution System User	An entity supplying gaseous fuel to the Distribution System or supplied from this system, including the ZUD or the Customer.
Normal conditions	Reference conditions for billing purposes: absolute pressure 101.325 kPa and temperature 273.15 K.
Conversion rate	The coefficient for specifying the amount of gaseous fuel, determined in accordance with the principles set out in item 6.6.5 DNC.
Settlement	The OSD's activity consisting in determining and settling the difference between the total amount of gaseous fuel assigned to the ZUD in the Settlement Allocation in the Compensation Period and the total amount of Gaseous Fuel received by the ZUD in this period from the Distribution Area E or Lw, as determined for the purposes of settling distribution services based on the indications of the Metering Systems or the estimation methodology described in Chapter 21.
Calibration	Activities establishing a relationship between the values of the measured quantity indicated by the gas meter and the appropriate values of physical quantities realized by the standard measurement unit.
Restriction management	Business activity performed by the OSD as part of the distribution services provided in order to ensure the safe operation of the Distribution System and to ensure the required technical parameters of gaseous fuel in the event of technical restrictions in the System's Throughput.
Collective Demand Notification (ZZZ)	Determining the amount of gaseous fuel that the ZUD will introduce to and receive from the Distribution System
Distribution Service Customer (ZUD)	A natural or legal person, as well as an organizational unit without legal personality, but having legal capacity, which uses the distribution service under the terms of the Distribution Agreement.
Transmission Service Customer (ZUP)	A natural or legal person, as well as an organizational unit without legal personality, but having legal capacity, which uses the transmission or balancing services under the terms of the transmission agreement concluded with the OSP.
Source	Place of obtaining gaseous fuel, i.e. : mine, LNG regasification installation, biogas installation, agricultural biogas installation, mixing plant, distribution networks other than the OSD's Distribution System, transmission networks other than the OSP's Transmission System.

1.3 List of abbreviations used.

CRG	OSD gas reference price for a given gas group
CRG_{BIL}	Gas reference price for the purposes of settling commercial balancing of the Local Distribution Area
°C	Degree Celsius
DNS	ZUD imbalance with index n
E	High-methane natural gas
H	Time
HRD	Commercial Distribution Report
HRN	Commercial Balancing Report for the Local Distribution Area
HRW	Commercial Compensation Report
HSN	The gross calorific value for gaseous fuel transported through the distribution system
HSN_{min}	The minimum gross calorific value of gaseous fuel transported through the distribution system
HSN_{mingr}	The minimum gross calorific value of gaseous fuel transported through the distribution system below the lower limit specified in item 6.8.1.2
H_{zw}	Actual gross calorific value of gaseous fuel supplied by ZUD to the Distribution System or taken from the Distribution System
I_G	Amount of gaseous fuel supplied by ZUD to the Distribution System at the input point [kWh]
IN	The amount of gaseous fuel taken at the input point to the Distribution System with quality parameters inconsistent with the DNC
DNC	Distribution Network Code
TNC	Distribution Network Code
kPa	Kilopascal
kWh	Kilowatt-hour
K_{WR}	Conversion rate for WR Points
K_{WS}	Conversion rate for WS Points
Ls	Nitrogen-rich natural gas in group L, subgroup Ls
Lw	Nitrogen-rich natural gas in group L, subgroup Lw
m³	Cubic meter under normal conditions
mg	Milligram
MFPWE_{OSD}	Intersystem Physical Input Points from the Distribution Area, defined in TNC
MFPWY_{OSD}	Intersystem Physical Output Points to the Distribution Area, defined in TNC
MFPWE_{OSDW}	Interconnection Physical Input Points from the OSDW distribution system to the distribution area
MFPWY_{OSDW}	Intersystem physical output points from the Distribution Area to the OSDW distribution system
MFPWE_{OSP}	Interconnection Physical Input Points from the Transmission System
MFPWY_{OSP}	Intersystem Physical Output Points to the Transmission System
MJ	Megajoule
MOD	Absolute value
MUD	Inter-operator Distribution agreement
MUP	Inter-operator Transmission Agreement
N_z	Daily amount of gaseous fuel specified in the approved ZUD Nomination
ONC	Fee for failure to maintain the gross calorific value at the Input Point
ONP	Fee for failure to meet the parameters of gaseous fuel at the Input Point

ONT	Fee for failure to meet the dew point temperature parameter at the Input Point
ONWW	Fee for failure to meet the amount of gaseous fuel specified in the approved ZUD Nomination at the output point
ORCS	Gross calorific value billing area
OSD	Distribution System Operator
OSDW	Cooperating Distribution System Operator
OSP	Transmission System Operator
OSW	Cooperating System Operator
PNWW	Relative failure to meet the ZUD Nomination at the Output Point
PWE_B	Input point from biogas installations or agricultural biogas installations,
PWE_K	Input point from the mine
PWE_{LNG}	Input point from the LNG Regasification Installation
PWE_M	Input point from the gas mixing plant
PWE_{OSD}	The input point from the Distribution System to the Transmission System specified in the TNC
PWE_{OSDW}	The input point to the Distribution Area from the OSDW distribution system
PWE_{OSP}	The input point to the Distribution Area E from the Transmission System
PWE_{OSPL}	The input point to the Lw distribution area from the Transmission System
PWE_z	Input point from the source
PWY_{OSD}	The Output Point to the Distribution System from the Transmission System specified in the TNC
PWY_{OSDW}	The output point from the Distribution Area to the OSDW distribution system
PWY_{OSP}	The output point from the Distribution Area E to the Transmission System
PWY_{OSPL}	The output point from the Distribution Area Lw to the Transmission System
PZD	Single Distribution order
PZD_{OSDW}	Single distribution order type OSDW
PZDP	Single Distribution order type P
PZDR	Single Distribution order type R
PZDS	Single Distribution order type S
PZDW	Single Distribution order type W
PZDSP	Single Distribution order type WSP
PZDZ	Single Distribution order type Z
µg	Microgram
SHO	Detailed Readout Schedule
URE	Energy Regulatory Authority
WR	Output points billed based on the ordered contracted capacity and the quantity of delivered gaseous fuel, including output points to other gas systems
WS	Output points billed solely on the amount of gas supplied
WSK	A temperature indicator specifying the change in the average daily consumption of gas caused by a temperature change by one degree Celsius, established on the basis of an analysis of the impact of temperatures on consumption during at least one year, for which the readings of the state of the Metering Systems were made

X_{SJNmax}	The highest acceptable value of a given quality parameter, presented in the table in item 1.1.1
X_{SJW}	The actual value of a given quality parameter of gaseous fuel delivered to the distribution at an input point or taken at the output point
X_{STNmax}	The highest permissible value of the water dew point [K]
X_{STW}	The actual value of water dew point [K] of gaseous fuel delivered to the distribution at an input point or taken at the output point.
ZUD	Distribution Service Customer
ZUP	Transmission Service Customer
ZZZ	Collective Demand Notification
Z_w	The amount of gaseous fuel consumed for the OSD's own needs

1.4 Unless expressly provided otherwise, a reference to the "quantity of gaseous fuel" used in the DNC shall be understood as a reference to the "quantity of gaseous fuel expressed in kWh." "Gaseous Fuel Volume" is expressed in cubic meters under normal conditions.

1.5 List of the legal acts cited:

- 1.5.1 EU Commission Regulation No. 312/2014 of March 26, 2014 establishing a network code on gas balancing in transmission networks (OJ L EU 2014.91.15) – hereinafter the "Balancing Code",
- 1.5.2 Act of April 10, 1997, the Energy Law (Journal of Laws of 2019, item 755, as amended) – hereinafter the "Energy Law Act",
- 1.5.3 Act of April 23, 1964, the Civil Code (Journal of Laws of 2019, item 1145) – hereinafter the "Civil Code",
- 1.5.4 Act of February 16, 2007 on stocks of crude oil, petroleum products and natural gas and the rules of conduct in situations of a threat to the state's fuel security and disruptions on the crude oil market (Journal of Laws No. of 2018, item 1323, as amended) – hereinafter the "Act on Stocks",
- 1.5.5 Act of May 11, 2001 – Measures Law (Journal of Laws of 2019, item 541) – hereinafter the "Measures Law Act",
- 1.5.6 Act of April 16, 1993, the Civil Code (Journal of Laws of 2019, item 1010) – hereinafter the "Civil Code",
- 1.5.7 Act of 30 May 2014, on consumer rights (Journal of Laws of 2019, item 134) – hereinafter the "Act on consumer rights",
- 1.5.8 Act of August 5, 2010 on the protection of classified information (i.e. Journal of Laws of 2019, item 742, as amended), hereinafter the "Act on the protection of classified information",
- 1.5.9 Regulation of the Minister of Energy of March 15, 2018 on the detailed principles of making and calculating tariffs and billing for gaseous fuel trading (Journal of Laws of 2018, item 640) – hereinafter the "Tariff Regulation",

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- 1.5.10 Regulation of the Minister of Economy of December 28, 2007 on the requirements to be met by gas meters and converters for gas meters, and the detailed scope of checks performed during legal metrological control of these metering instruments (Journal of Laws of 2019, item 1298) – hereinafter the "Regulation on metrological control of gas meters",
- 1.5.11 Regulation of the Minister of Development and Finance of April 13, 2017 on legal metrological checks of metering instruments (Journal of Laws of 2017, item 969) – hereinafter the "Regulation on metrological control of metering instruments",
- 1.5.12 Regulation of the Minister of Economy of 2 July 2010 on detailed conditions for the operation of the gas system (Journal of Laws of 2018, item 1158, as amended) – hereinafter the "System Regulation",
- 1.5.13 Regulation of the Minister of Economy of April 26, 2013 on technical conditions to be met by gas networks and their location (Journal of Laws of 2013, item 640) – hereinafter "Technical Regulation",
- 1.5.14 Regulation of the Council of Ministers of September 19, 2007 on the manner and procedure for introducing restrictions on natural gas consumption (Journal of Laws of 2007, No. 178, item 1252) – hereinafter the "Regulation on restrictions."
- 1.5.15 Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 (Journal of Laws of the EU L. of 2017 No. 280) – hereinafter the "SoS Regulation",
- 1.5.16 Directive 2014/32/EU of the European Parliament and of the Council of February 26, 2014 on the harmonization of the laws of the Member States relating to the making available on the market of measuring instruments (recast version) (Official Journal L 96 of 29/03/2019, p. 149)) – hereinafter the "MID Directive."

2 LEGAL GROUNDS AND CONDITIONS OF APPLICATION OF THE DNC

- 2.1 The DNC is developed by the OSD in accordance with the requirements of Article 9g of the Energy Law.
- 2.2 In line with the requirements of Article 9g item 5 of the Energy Law Act, the DNC takes into account the requirements specified in the TNC.
- 2.3 The DNC was approved by the President of the ERO in accordance with the requirements of Article 9g item 8 of the Energy Law.
- 2.4 All amendments to the DNC are introduced on the principles set out in the Energy Law, in particular in compliance with the provisions of Article 9g item 2 of the Energy Law.
- 2.5 The DNC is an integral part of the Distribution Agreement. By signing the Distribution Agreement, the parties to this Distribution Agreement undertake to comply throughout its entire term with all the provisions of the DNC, in accordance with its current version.

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2.6 The DNC defines the rules for the provision of distribution services, the terms of use of the Distribution Network, as well as the conditions and method of operation and planning the development of the Distribution Network, in particular regarding:

- 2.6.1 connection of distribution networks, devices of End Customers, interconnections and direct gas pipelines;
- 2.6.2 technical requirements for devices, installations and networks with the necessary auxiliary infrastructure;
- 2.6.3 safety criteria for the Gas System's operation;
- 2.6.4 cooperation between gas system operators;
- 2.6.5 transferring information between energy enterprises and between energy enterprises and Customers;
- 2.6.6 quality parameters of gaseous fuels and quality standards of services for the Distribution System Users.

2.7 Distribution System Users, including Customers, whose devices, installations or networks are connected to the Distribution System or who use the services provided by the OSD, are obliged to apply the provisions of the DNC.

2.8 The DNC and supplementary documents are in Polish.

3 RELATED DOCUMENTS

3.1 The documents related to the DNC are:

- 3.1.1 TNC,
- 3.1.2 OSD Restriction Plan,
- 3.1.3 Applicable OSD Tariff,
- 3.1.4 OSD compliance program
- 3.1.5 currently applicable Polish Standards.

4 ADDITIONAL INFORMATION

4.1 The OSD publishes information and documents on its website in accordance with applicable regulations, in particular:

- 4.1.1 DNC,
- 4.1.2 a message on the commencement of the consultation procedure regarding the amendment of the DNC and the list of planned amendments to the DNC,
- 4.1.3 list of amendments to the DNC approved by the President of the ERO,
- 4.1.4 procedure of changing the supplier,
- 4.1.5 Distribution areas,
- 4.1.6 ORCS,
- 4.1.7 weighted average gross calorific value in ORCS,

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- 4.1.8 templates of applications for entities applying for connection to the distribution network,
- 4.1.9 templates of applications for entities applying for the provision of Distribution services,
- 4.1.10 template application for the conclusion of MUD,
- 4.1.11 template of the Distribution Agreement,
- 4.1.12 MUD reference,
- 4.1.13 PZD form template,
- 4.1.14 template of the ZZZ form,
- 4.1.15 HRD reference,
- 4.1.16 Part I of the Restriction Plan OSD,
- 4.1.17 applicable Tariff,
- 4.1.18 CRG (current and historical values) for all distribution areas),
- 4.1.19 CRG_{BIL} (current and historical values) for all local distribution areas,
- 4.1.20 CW for the distribution area E or Lw,
- 4.1.21 phone numbers and addresses of OSD units,
- 4.1.22 a list of suppliers with whom the OSD concluded a distribution agreement,
- 4.1.23 backup suppliers list,
- 4.1.24 gaseous fuel consumption profiles of the Customers connected to the Distribution Network, for which the recording of the volume of gas taken is less frequent than once daily,
- 4.1.25 monthly consumption profiles for WS type Points, prepared for the needs of updating the ZZZ,
- 4.1.26 operative heating gas demand value – ΔLDG_o (current and historical values),
- 4.1.27 billing value of heating gas demand – ΔLDG_r (current and historical values),
- 4.1.28 operative and billing value of the coefficient correcting the average daily consumption of gaseous fuel at WS type Output Points in individual tariff groups (DZ), if the ΔLDG is negative
- 4.1.29 the list of MFPWY_{OSDW} or MFPWE_{OSDW} in which the OSD is entitled to the Contracted Capacity and the list of PWY_{OSDW} or PWE_{OSDW} established on their basis,
- 4.1.30 standard technical requirements for telemetry systems,
- 4.1.31 rules for remote sharing of metering data,
- 4.1.32 coefficients or data used by the OSD for the purpose of determining SLP Profiles, i.e. parameters regarding the A, B, C, D coefficients and daily coefficients (WD),
- 4.1.33 temperature areas.

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PART II: GENERAL TERMS OF USE OF THE DISTRIBUTION SYSTEM

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5 GAS REFERENCE PRICE (GRP)

5.1 The gas reference price (CRG), used for the purposes of OSD billing to the extent specified in applicable law, the DNC or the Tariff, is determined by the OSD separately for:

- 5.1.1 Group E high-methane natural gas distributed in the Distribution Area E and in the Local Distribution Areas consisting of the high-methane natural gas subsystem group E;
- 5.1.2 Group Lw nitrogen-rich natural gas distributed in the Distribution Area Lw and in the Local Distribution Areas consisting of the nitrogen-rich natural gas subsystem subgroup Lw;
- 5.1.3 Group Ls nitrogen-rich natural gas distributed in the Local Distribution Areas consisting of the nitrogen-rich natural gas subsystem subgroup Ls;
- 5.1.4 Group E high-methane natural gas distributed in Local Distribution Areas supplied from the LNG Regasification Installation.

5.2 The CRGs are determined based on the weighted average purchase price of a given type of gaseous fuel by the OSD in the Gas Month preceding the Gas Month in which they are published on the OSD's website. These prices shall apply in the Gas Month following the one in which they are published. If in the Gas Month being the basis for determining the Gas Reference Price, gaseous fuel is not purchased for the OSD's own needs, the previous CRG shall apply.

5.3 The OSD sets the CRG in [gr/kWh] to three decimal places.

6 DISTRIBUTION SYSTEM

6.1 Description of the Distribution System.

- 6.1.1 According to the PN-C-04750:2011 classification, the distribution system managed by the OS is broken down into:
 - 6.1.1.1 high-methane natural gas subsystem group E,
 - 6.1.1.2 nitrogen-rich natural gas subsystem in group L, subgroup Lw,
 - 6.1.1.3 nitrogen-rich natural gas subsystem in group L, subgroup Ls,
 - 6.1.1.4 coke oven gas subsystem,
- 6.1.2 The following can cooperate with the Distribution System:
 - 6.1.2.1 gas pipelines supplying gas from gas mines to the Distribution System input points,
 - 6.1.2.2 Biogas installations or agricultural biogas installations,
 - 6.1.2.3 other operators' systems, networks and installations,
 - 6.1.2.4 nitrogen-rich natural gas pipelines under group L, subgroups Lw and Ls, transporting gas to the denitrifying and gas mixing plant,
 - 6.1.2.5 coke oven gas pipelines,

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- 6.1.2.6 gas mixing plants,
- 6.1.2.7 storage installations,
- 6.1.2.8 LNG regasification installations,
- 6.1.2.9 CNG installations.

6.1.3 The distribution system does not include gas pipelines, installations and equipment to which the OSDF has no legal title. In particular, unless the Agreement provides otherwise, the Distribution System does not include systems located downstream of the main valve located at the entrance to the Customer's installation or the OSW's network.

6.2 Places where gas is introduced into the Distribution System.

6.2.1 The following physical input points are distinguished in the Distribution System:

6.2.1.1 the sites of physical delivery of gaseous fuel from the Transmission System to the Distribution Area E or Distribution Area Lw, referred to as interconnection physical input points from the transmission system ($MFPWE_{OSP}$), which correspond to the interconnection physical output points to the Distribution Area ($MFPWY_{OSD}$), as defined in the TNC,

6.2.1.2 places of physical delivery of gaseous fuel from other systems or installations than the OSP's Transmission System (PWE_z), which are:

6.2.1.2.1 transmission networks other than the OSP Transmission System (PWE_{SP}),

6.2.1.2.2 distribution networks other than the OSD's Distribution System, including the places of physical delivery of gaseous fuel from the OSDs distribution system to the Distribution Area, called interconnection physical input points from the OSDs distribution systems to the Distribution Area ($MFPWE_{OSDW}$),

6.2.1.2.3 gas mines (PWE_K),

6.2.1.2.4 Biogas installations or agricultural biogas installations (PWE_B),

6.2.1.2.5 LNG regasification installations (PWE_{LNG}).

6.2.2 The following contractual input points are distinguished in the Distribution System:

6.2.2.1 Input points to the Distribution Area E from the OSP's Transmission System (PWE_{OSP}), which correspond to the Distribution System output points (PWY_{OSD}) defined in DNC, i.e. points created on the basis of the physical interconnection Distribution System output points ($MFPWY_{OSD}$) defined by the OSP,

6.2.2.2 Output points from the Distribution Area Lw to the OSP's Transmission System (PWY_{OSP}), which correspond to the Distribution System Input Points (PWE_{OSPL}) defined in TNC, i.e. points created on the basis of the physical interconnection Distribution System input points ($MFPWE_{OSD}$) defined by the OSP,

6.2.2.3 Input points to the Distribution Area from the OSDW distribution system

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(PWE_{OSDW}), i.e. points created on the basis of inter-system physical input points from the OSDW distribution system ($MFPWE_{OSDW}$) specified by the OSD.

6.3 Reception point of gas from the Distribution System.

6.3.1 There are the following physical output points supplied from the Distribution Area:

6.3.1.1 the sites of physical offtake of gaseous fuel from the Distribution Area E or Distribution Area Lw to the OSP's Transmission System, referred to as interconnection physical output points to the transmission system ($MFPWY_{OSP}$), which correspond to the interconnection physical input points from the Distribution Area ($MFPWE_{OSD}$), as defined in the TNC,

6.3.1.2 intersystem physical output points from the Distribution Area to the OSDW distribution systems ($MFPWY_{OSDW}$),

6.3.1.3 Output points to Customers' systems, OSW or gas mixing plants, within which there are WR type output points and WS type output points.

6.3.2 The following contractual output points are distinguished in the Distribution System:

6.3.2.1 Output points from the Distribution Area E to the OSP's Transmission System (PWY_{OSP}), which correspond to the Distribution System Input Points (PWE_{OSD}) defined in TNC, i.e. points created on the basis of the physical interconnection Distribution System input points ($MFPWE_{OSD}$) defined by the OSP,

6.3.2.2 Output points from the Distribution Area Lw to the OSP's Transmission System (PWY_{OSPL}), which correspond to the Distribution System Input Points (PWE_{OSD}) defined in DNC, i.e. points created on the basis of the physical interconnection Distribution System input points ($MFPWE_{OSD}$) defined by the OSP,

6.3.2.3 Output points to the Distribution Area to the OSDW distribution system (PWY_{OSDW}), i.e. points created on the basis of inter-system physical output points from the OSDW distribution system ($MFPWY_{OSDW}$) specified by the OSD.

6.4 Place of issue of gaseous fuel and risk transfer.

6.4.1 The risk related to the distributed gaseous fuel is transferred to the OSD at the moment of the physical introduction of gaseous fuel to the Distribution System, i.e. in the points specified in item 6.2.1.

6.4.2 The risk related to the distributed gaseous fuel is transferred to the User of the Distribution System at the moment of the physical receipt of gaseous fuel from the Distribution System, i.e. at the points specified in item 6.3.1, in places defined as the boundary of the Distribution Network, which may be, in particular, the main tap located at the entrance to the Customer's system or the OSW network.

6.4.3 In the case of gas reception points where the metering systems are located within the Customer's system, in particular in buildings where the systems distributing gaseous fuel to many End Customers do not belong to the OSD, the following procedures apply:

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6.4.3.1 unless the Connection Agreement provides otherwise, the place of delivery of gaseous fuel, where the risk related to the distributed gaseous fuel is transferred to the Distribution System's User, is the main tap located at the entrance to the Customer's system (the place of physical receipt of gaseous fuel from the Distribution System),

6.4.3.2 unless the Agreement provides otherwise, the place where the OSD ensures the quality parameters and the gaseous fuel pressure, in particular within the meaning of the provisions of item 6.8 and chapter 1, is the main tap located at the entrance to the Customer's system,

6.4.3.3 billing related to the provided distribution services are carried out using the Metering Systems installed at the output point

6.4.3.4 The OSD does not provide distribution services in systems and networks downstream of the main valve located, unless the Agreement provides otherwise, at the entrance to the Customer's system, to which the OSD has no legal title.

6.5 Distribution areas.

6.5.1 The following Distribution Areas are distinguished in the Distribution System, taking into account the main source of power for these areas:

6.5.1.1 Distribution area E, which is part of the Distribution System that is supplied from the Group E high-methane natural gas transmission system, including all MFPWE_{OSP} and MFPWY_{OSP} for Group E high-methane natural gas, and PWE_z connected to this network,

6.5.1.2 Distribution area Lw, which is part of the Distribution System that is supplied from the Group Lw nitrogen-rich natural gas transmission system, including all MFPWE_{OSP} and MFPWY_{OSP} for Group Lw nitrogen-rich natural gas, and PWE_z connected to this network,

6.5.1.3 Local Distribution Areas:

6.5.1.3.1 supplied by LNG regasification installations (PWE_{LNG}),

6.5.1.3.2 supplied by the OSDW network (PWE_{OSDW}),

6.5.1.3.3 consisting of a nitrogen-rich natural gas subsystem Lw,

6.5.1.3.4 consisting of a nitrogen-rich natural gas subsystem Ls,

6.5.1.3.5 consisting of a coke oven gas subsystem.

6.5.2 The OSD publishes the breakdown of the Distribution System into Distribution Areas on its website, indicating:

6.5.2.1 Distribution area number,

6.5.2.2 ID and name of the input point or points to the Distribution Area,

6.5.2.3 names of municipalities and towns belonging to a given Distribution Area,

6.5.2.4 type of gas fuel distributed in the Distribution Area.

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6.6 Gross calorific value billing areas (ORCS).

6.6.1 The gross calorific value of gaseous fuel is determined for a Gas Month for individual ORCS as follows:

6.6.1.1 if the only physical input point supplying the ORCS is $MFPWE_{OSP}$, the value of gross calorific value is taken from measurements made by OSP or OSD;

6.6.1.2 If the only physical ORCS Supply Input Point is PWE_z , the gross calorific value is determined on the principles set out in item 6.6.2;

6.6.1.3 If the only physical ORCS Supply Input Point is the input point from the OSW Gas System, the gross calorific value is determined on the basis of data received from the OSW;

6.6.1.4 where the ORCS is supplied from different physical Input Points, the gross calorific value is determined as the weighted average of the gross calorific value from the $MFPWE_{OSP}$ supplying this ORCS, as determined in accordance with item 6.6.1.1, from the PWE_z supplying this ORCS, as determined in accordance with item 6.6.2, from the Input Points supplying this ORCS from the OSW Gas System, as determined on the terms set out in item 6.6.1.3, and the weight for determining the average value is the volume of gaseous fuel delivered at these points to the given ORCS.

6.6.2 In PWE_z , where measurements are done by:

6.6.2.1 Source Operator, the gross calorific value is taken from measurements performed by that Source Operator;

6.6.2.2 OSD, the gross calorific value is assumed:

6.6.2.2.1 as the arithmetic mean of the values resulting from the measurements taken in the gas month at the points of the area designated by the OSD,

6.6.2.2.2 for each hour as the arithmetic mean of the measurements made at the Point where the chromatograph was installed.

6.6.3 The OSD determines ORCS in such a way that the average value of gross calorific value determined for them does not differ by more than $\pm 3\%$ from the value of gross calorific value of gaseous fuel determined at any point of this ORCS. The OSD publishes the ORCS areas on the website along with the determined gross calorific value, on the terms specified in the Tariff Regulation.

6.6.4 The smallest ORCS specified by the OSD is the Distribution Zone. ORCS may consist of one or several distribution areas. If gas is supplied to the Distribution Area from one or more Input Points with a gross calorific value significantly different from the other Input Points, making it impossible to meet the criterion specified in item 6.6.3, the OSD shall break down the distribution area into smaller sub-areas.

6.6.5 The weighted average value of the gross calorific value is given in MJ/m^3 with three decimal places. The OSD determines the conversion factor by dividing the weighted average value of gross calorific value determined in MJ/m^3 by the factor of 3.6. The

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value of the Conversion Rate in kWh/m³ is rounded to three decimal places and is the basis for the calculation of the amount of gaseous fuel expressed in kWh. The value of the Conversion Rate is rounded up to three decimal places, and the amount of gaseous fuel expressed in kWh is given with the accuracy of 1 kWh.

- 6.6.6 The Customer has the right to install, at his own expense, a chromatograph at the Output Point, where he receives the gaseous fuel and can be billed on the basis of the arithmetic mean of the gross calorific value from measurements made by this chromatograph during the Billing Period. To this end, the OSD and the Customer shall conclude an agreement that specifies the technical conditions as well as the rules and dates for the transmission of the gross calorific value, designated on the basis of the chromatograph installed by the Customer, to the OSD by the Customer. In this case, settlements for the supply of gaseous fuel to the Output Point will be carried out on the basis of the gross calorific value, as determined based on the indications of the installed chromatograph, of which the OSD shall immediately inform the ZUD supplying the gaseous fuel to this Customer. A change in the method of determining the gross calorific value at such Output Point may take place not more than once per Gas Year, except for the situation described in item 6.6.9.
- 6.6.7 The OSD agrees to use the gross calorific value, as determined by the chromatograph referred to in item 6.6.6, provided that the chromatograph and the method of its installation meet the requirements specified in the agreement referred to in item 6.6.6.
- 6.6.8 The chromatographs referred to in item 6.6.6 are subject to verification by an accredited laboratory, at the cost of the Customer, at least once per Gas Year, and each time after removing a failure of such a chromatograph and each time at the request of the OSD. If the chromatograph is checked at the request of the OSD, the Customer shall bear the cost of such inspection only if the inspection shows the device to be defective.
- 6.6.9 In the event of a failure or other irregularities in the operation of the chromatograph referred to in item 6.6.6, during the Billing Period, the OSD shall determine the gross calorific value for the Output Point where this chromatograph has been installed, according to the general rules specified in item 6.6.1 above. A prerequisite for restoring the principles of determining the gross calorific value, as referred to in item 6.6.6, is to document the correct operation of the chromatograph by presenting the chromatograph verification protocol by the Customer and accepting such protocol by the OSD. The OSD is obliged to accept the protocol referred to in the preceding sentence, if the protocol was issued by a laboratory holding the appropriate accreditation, and the results of the chromatograph verification indicated in the protocol allow for billing based on the chromatograph's indications. In this case, the OSD shall start determining the gross calorific value in accordance with the principles set out in item 6.6.6, on the first day of the Billing Period following the Billing Period in which the chromatograph verification protocol was accepted by the OSD.

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6.6.10 If a biogas installation or an agricultural biogas installation or a gas mine is connected to the Distribution System, the Source Operator is obliged to install a hygrometer at the input point from the biogas installation or agricultural biogas installation (PWE_B) or at the input point from the gas mine (PWE_K), respectively, and a chromatograph, which will be the basis for billing and will allow controlling the quality parameters of the gaseous fuel introduced to the Distribution System. In the case referred to in the preceding sentence, items 6.6.8 – 6.6.9 shall apply accordingly. The hygrometer and chromatographs installed in PWE_B or PWE_K used for settlements should meet the requirements specified in the Connection Agreement or the agreement referred to in item 6.6.6.

6.7 Technical requirements for devices and networks with the necessary auxiliary infrastructure.

6.7.1 Metering systems – general requirements.

6.7.1.1 Supervision over the correct operation of the Metering Systems in the Distribution System is performed by the OSD, applying the requirements specified in Polish Standards and legal regulations.

6.7.1.2 The provisions of law, the provisions of the DNC and the Agreements concluded with the ZUD or the OSW have priority over the provisions of the Polish Standards.

6.7.2 Gas pipelines.

6.7.2.1 Gas pipelines, devices and other elements of the OSD's Distribution System and domestic cooperating systems and installations are designed and manufactured in accordance with the requirements of the Technical Regulation, relevant current Polish Standards and other regulations concerning the Distribution Network.

6.8 Quality parameters of gaseous fuel.

6.8.1 Gross calorific value.

6.8.1.1 The gross calorific values (HSN) are determined for the Gaseous Fuel transported through the Distribution System:

6.8.1.1.1 for the group E high-methane natural gas system: from 38.0 MJ/m^3 ($10,555 \text{ kWh/m}^3$), where $HSN_{\min} = 38.0 \text{ MJ/m}^3$ ($10,555 \text{ kWh/m}^3$),

6.8.1.1.2 for the group L nitrogen-rich natural gas system, subgroup Lw: from 30.0 MJ/m^3 ($8,333 \text{ kWh/m}^3$), where $HSN_{\min} = 30.0 \text{ MJ/m}^3$ ($8,333 \text{ kWh/m}^3$),

6.8.1.1.3 for the group L nitrogen-rich natural gas system, subgroup Ls: from 26.0 MJ/m^3 ($7,222 \text{ kWh/m}^3$), where $HSN_{\min} = 26.0 \text{ MJ/m}^3$ ($7,222 \text{ kWh/m}^3$),

6.8.1.2 The Distribution System cannot be supplied with gaseous fuel with a gross calorific value lower than:

6.8.1.2.1 $HSN_{\text{mingr}} = 34.0 \text{ MJ/m}^3$ ($9,444 \text{ kWh/m}^3$) for the group E high-methane

natural gas system,

6.8.1.2.2 $HSN_{\text{mingr}} = 30.0 \text{ MJ/m}^3$ (8,333 kWh/m³) for the group E nitrogen-rich natural gas system, subgroup Lw,

6.8.1.2.3 $HSN_{\text{mingr}} = 26.0 \text{ MJ/m}^3$ (7,222 kWh/m³) for the group E nitrogen-rich natural gas system, subgroup Ls,

6.8.1.3 In case of introducing gaseous fuel with a gross calorific value in the range of $34.0 \leq HSN < 38.0 \text{ MJ/m}^3$ ($9.444 \leq HSN < 10.555 \text{ kWh/m}^3$) to the Distribution System at the physical Input Point (MFPWE_{OSP} or PWE_z), the OSD has the right to make a settlement with the ZUD, introducing this fuel to the Distribution System, on the terms set out in item 1.1.1, subject to item 6.8.1.4.

6.8.1.4 The OSD may refuse to accept gaseous fuel with a gross calorific value in the range of $34.0 \leq HSN < 38.0 \text{ MJ/m}^3$ ($9.444 \leq HSN < 10.555 \text{ kWh/m}^3$), including biogas or agricultural biogas introduced into the Group E High-methane Natural Gas Distribution System in PWE_B, if it could result in:

6.8.1.4.1 reduction of the quality of the gaseous fuel delivered to the Output Points below the parameters specified in item 6.8.1.1,

6.8.1.4.2 violation of the rights or interests of Customers connected to the Distribution System.

6.8.2 Regardless of item 6.8.1, the gaseous fuel delivered to and transported through the OSD's distribution system meets the quality parameters specified in the applicable legal provisions and Polish Standards (reference conditions 273.15 K; 101.325 kPa):

No.	Details	System			
		j. m.	High-methane natural gas (group E)	Nitrogen-rich natural gas (Lw group)	Nitrogen-rich natural gas (Ls group)
1.	Wobbe number				
1.1.	– <i>nominal</i> **	MJ/m ³	53.5	41.2	35.0
		kWh/ m ³	14.861	11.528	9.722
1.2.	– <i>variability range</i> **	MJ/m ³	45 – 56.9	37.5 – 45.0	32.5 – 37.5
		kWh/ m ³	12,500–15,806	10.417 – 12.500	9.028 – 10.417
2.	intensity of the gas smell perceptible in the air at a concentration*	% (V/V)	1.0	1.2	1.3
3.	hydrogen sulfide content	mg/m ³	≤ 7	≤ 7	≤ 7

4.	mercaptan sulfur content	mg/m ³	≤ 16	≤ 16	≤ 16
5.	total sulfur content	mg/m ³	≤ 40	≤ 40	≤ 40
6.	mercury vapor content	μg/m ³	≤ 30	≤ 30	≤ 30
7.	water dew point at 5.5 MPa from April 1 to September 30	°C	≤ + 3.7	≤ + 3.7	≤ + 3.7
8.	water dew point at 5.5 MPa from October 1 to March 31	°C	≤ – 5.0	≤ – 5.0	≤ – 5.0
9.	oxygen content	% (mole/mole)	≤ 0.2	≤ 0.2	≤ 0.2

* required for low and medium pressure gas pipelines

**reference conditions (298.15 K, 101.325 kPa)

6.8.3 The OSP and ZUD are responsible for delivering to MFPWE_{OSP} or PWE_Z the gaseous fuel that meets the requirements specified above and in item 6.8.6, except for the parameters specified in the table indicated in item 6.8.2 under point 2.

6.8.4 The OSD is responsible for delivering gaseous fuel that meets the requirements specified above to the output point from the Distribution System.

6.8.5 Liquefied natural gas may be introduced into the LNG regasification installation supplying the Distribution System, meeting the quality parameters for Gaseous fuel specified in item 6.8.1.2 and 6.8.2 and additionally meeting the following parameters:

6.8.5.1 temperature ≤ negative 150 °C;

6.8.5.2 density ≥ 430 kg/m³.

6.8.6 Biogas or agricultural biogas meeting the quality parameters specified in the Connection Conditions may be introduced into the Distribution System at PWE_B.

6.9 Safety criteria for the functioning of the distribution system.

6.9.1 The safety of the operation of the distribution system managed by the OSD is based on the following safety criteria:

6.9.1.1 ensuring the Distribution System Throughput enabling the performance of the Distribution Agreements concluded,

6.9.1.2 maintaining the appropriate pressure of gaseous fuel at individual output points,

6.9.1.3 maintaining the quality parameters and the gross calorific value of gaseous fuel in the Distribution System, as specified in the DNC.

6.9.2 In order to ensure compliance with the safety criteria of the operation of the distribution system, the OSD undertakes the following actions:

6.9.2.1 manage the distribution system on an ongoing basis, including through the procedures specified in the DNC, in a manner ensuring that the security criteria for the operation of this system are met,

6.9.2.2 prevent the delivery of gaseous fuel with quality parameters inconsistent with

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- the DNC by ZUD or other entities to the Distribution System,
- 6.9.2.3 maintain and develop metering and control systems for the quantity, capacity, pressure, quality parameters and gross calorific value of gaseous fuel,
- 6.9.2.4 develop Restriction Plans,
- 6.9.2.5 agree and implement the terms of cooperation with the OSW specifying the procedure to be followed in the event of a threat to the safety of the operation of these systems,
- 6.9.2.6 maintain the technical condition of the distribution system in accordance with the applicable regulations and the Polish Standards,
- 6.9.2.7 provide fixed gas emergency services in order to immediately take action in the event of a Failure.

7 OSD COOPERATION WITH GAS SYSTEM OPERATORS

- 7.1 The terms of cooperation between the OSD and the OSP are specified in the interconnection transmission agreement (MUP). The objective scope of the MUP is specified in the TNC.
- 7.2 The terms of cooperation between the OSD and the OSW are set out in the cooperation agreement, which specifies in particular:
 - 7.2.1 rules of submitting and checking the compliance of Nominations (Re-nominations) and contracted capacities in cooperating systems,
 - 7.2.2 rules of providing information as part of the Allocation procedure performed for Points located on the interface between cooperating systems,
 - 7.2.3 rules of information exchange, including specifications of data format and communication protocols enabling cooperation of information exchange systems, as well as contact details of the OSD and OSW services,
 - 7.2.4 rules of sharing measurement data, as well principles of preparing and agreeing billing protocols,
 - 7.2.5 rules of running and operating gas stations located at the interface between cooperating systems,
 - 7.2.6 rules of carrying out repairs and modernization in cooperating systems, particularly including the rules of agreeing schedules, repairs, modernization and works in cooperating systems, as long as they affect the working conditions of the other cooperating system,
 - 7.2.7 rules of conduct and exchange of information in the implementation of procedures for granting access to the network
 - 7.2.8 rules of exchange of information on planned investments affecting the cooperating system" operating conditions,
 - 7.2.9 rules of cooperation in terms of connecting new points – connections of cooperating

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systems,

- 7.2.10 rules of the exchange of information between dispatching services and proceedings in the event of a Failure affecting the functioning of the cooperating system, as well as in the event of disturbances in the quality of gaseous fuel affecting the operation of the cooperating system,
- 7.2.11 rules of conduct in the event of introducing restrictions on gas consumption, particularly including the rules for providing information during the application of restrictions on natural gas consumption.
- 7.3 The terms of cooperation between the OSD and the OSDW are set out in the Inter-Operator Distribution Agreement (MUD), which specifies in particular:
 - 7.3.1 obligations of the OSD and OSDW,
 - 7.3.2 the terms and conditions of ordering Contracted Power by OSDW in MFPWY_{OSDW} or MFPWE_{OSDW},
 - 7.3.3 conditions for billing for the contracted power ordered by OSDW in MFPWY_{OSDW} or MFPWE_{OSDW},
 - 7.3.4 rules for submitting collateral by the OSD.
 - 7.3.5 conditions of technical and organizational cooperation, regulating the issues specified in item 7.2.
- 7.4 The terms of cooperation between the OSD and the Source Operator are set out in the cooperation agreement, which specifies in particular:
 - 7.4.1 principles transfer of Allocation data at Points located at the interface of systems,
 - 7.4.2 rules for sharing telemetry data,
 - 7.4.3 rules for sharing metering data,
 - 7.4.4 principles of preparing and agreeing billing protocols,
 - 7.4.5 principles of running and operating gas stations located at the interface of systems,
 - 7.4.6 principles of conducting repairs and modernization of gas stations located at the interface of systems,
 - 7.4.7 principles of exchange of information on planned investments affecting the systems' operating conditions,
 - 7.4.8 rules of cooperation in the event of improper quality of gaseous fuel affecting the operation of the distribution system,
 - 7.4.9 principles of agreeing emergency procedures,
 - 7.4.10 rules of dealing with a failure affecting the functioning of the distribution system.

8 CUSTOMERS' RIGHTS AND OBLIGATIONS

- 8.1 The customer whose equipment or installations are connected to the OSD distribution system, applies the provisions of the DNC, and in particular:

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- 8.1.1 provides the OSD with access to the Metering System, including the Metering System installed within the Customer's installation, and enables the OSD to perform measurements of the values specified in item 18.4.4. and to carry out the necessary repair, operation, modernization and security works, as well as certification of the Metering System in the manner specified in the applicable provisions of law, or carry out activities as part of the metrological control performed in accordance with the principles specified in item 18.6,
 - 8.1.2 provides access to the Metering System and the gas installation (the condition of which is the Customer's or building owner's responsibility) and gas devices, in order to control the Customer's compliance with the provisions of the Comprehensive Agreement, conducted on behalf of the supplier (ZUD),
 - 8.1.3 enables the disassembly of the installed Metering System, as well as its delivery to OSD's representatives, if the Metering System is not the property of the OSD or the Customer, in the event of suspension of the gas supply or the lack of a Distribution or Comprehensive Agreement, in particular as a result of its expiry or termination and the Customer's failure to conclude an agreement with a new supplier,
 - 8.1.4 protects the Metering System and Gas Reduction System against destruction or damage; does not make any changes to them (does not paint the Metering System or the Gas Reduction System) and covers the full amount of losses resulting from damage, destruction or loss of these devices, unless it was for reasons the Customer is not responsible for,
 - 8.1.5 protects all seals located on or next to the Metering System against destruction, damage or breaking, as well as other seals placed by the Metering System's manufacturer, the OSD or another authorized entity, and covers the full amount of losses resulting from damage, destruction or loss of these seals, unless it happened for reasons the Customer is not responsible for,
 - 8.1.6 immediately informs the OSD about any defects or faults in the Metering System, as well as about any interruptions or disruptions in the supply and receipt of gaseous fuel.
- 8.2 A Customer subject to restrictions in the consumption of gaseous fuel in accordance with the Act on Stocks and secondary legislation thereto, regardless of the obligations set out in item 8.1 shall:
- 8.2.1 provide the OSD with information enabling the OSD to take into account the Customer's needs in the forecasted demand for gaseous fuel,
 - 8.2.2 inform the OSD by July 31 each year about the minimum amount of gaseous fuel, the consumption of which does not endanger the safety of people and does not damage or destroy technological facilities, and corresponds to the maximum permissible consumption of gaseous fuel in the 10th supply stage,
 - 8.2.3 adjust to the restrictions on gaseous fuel consumption, consisting in limiting the

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maximum hourly and daily amount of gaseous fuel consumption in accordance with the OSP's announcements published in the manner and on the terms set out in the Act on Stocks and secondary legislation thereto,

8.2.4 provide the possibility of 24/7 contact with the Customer in the event of sudden events affecting the delivery of gaseous fuel to the Customer,

8.2.5 in the event of a threat to the security or stability of the operation of the distribution system, immediately execute the orders of the OSD's dispatching services.

8.3 A customer who is the owner of the Metering System, regardless of the obligations set out in item 8.1, is required to:

8.3.1 allow the performance of the metering system control at the OSD's each request,

8.3.2 allow the OSD's representatives to put security seals on the metering system,

8.3.3 allow the OSD to perform remote reading of meter data in the case of the functioning of Telemetry Systems connected directly to the Metering Systems of this Customer,

8.3.4 allow the OSD to install their own Telemetry Systems, in the absence of Telemetry Systems directly connected to the Customer's Metering Systems,

8.3.5 maintain the metering systems in proper technical condition, as well as verify these systems in accordance with applicable law or the requirements of metrological control performed on the principles set out in item 18.6,

8.3.6 respect the provisions of Polish Standards,

8.3.7 perform periodic inspections of the metering systems at the gas consumption point,

8.3.8 inform the OSD about the dates of periodic inspections carried out and allow its representatives to be present during the works.

8.4 In the event that the Customer does not fulfill the obligations referred to in item 8.3, the OSD has the right to install his own Metering System, the indications of which shall be the basis for billing.

8.5 With regard to the customer service quality standards, including users of the distribution system, the OSD:

8.5.1 accepts 24/7 reports and complaints regarding gaseous fuel supplies from the Distribution System,

8.5.2 immediately begins removing disruptions in the supply of gaseous fuel, caused by incorrect operation of the distribution system,

8.5.3 provides information on the expected date of resuming the supply of gaseous fuel, interrupted due to a Distribution System Failure,

8.5.4 communicates the dates and duration of planned interruptions in the supply of gaseous fuel, in the form of press, internet, radio or television announcements, or otherwise customary in a given area, or individual notifications in writing, by phone, or by other means of telecommunications, in accordance with applicable regulations,

8.5.5 takes appropriate steps for a fee to enable the safe performance of works by the

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- Distribution System User or another entity in the area of this system,
- 8.5.6 provides information on billing and the current Tariff free of charge,
 - 8.5.7 provides answers to inquiries not related to billing, submitted in writing in the form of a letter or electronically in accordance with the principles set out in the Energy Law and implementing acts.
- 8.6 The customer who has the legal title to the devices installed at the Output or Input Point is obliged to provide the OSD with the data referred to in item 19.8.
- 8.7 Customer who is not the owner of the metering system:
- 8.7.1 will be informed about the dates of periodic inspections performed by the OSD's services and the right to be present during the works,
 - 8.7.2 may place security seals on the metering system devices, after agreeing it with the OSD,
 - 8.7.3 can read the meter data remotely, if there are technical possibilities to provide data from the Telemetry System installed at the gas station,
 - 8.7.4 may install its own Telemetry System, in the absence of a Telemetry System at the gas station, provided that the necessary technical requirements for the expansion are previously agreed with the OSD. Standard technical requirements for Telemetry Systems installed by Customers are published on the OSD's website; however, in justified cases the technical requirements agreed between the OSD and the Customer may differ from the standard technical requirements published on the OSD website.
- 8.8 In the event of a change in the characteristics of gas consumption that prevents correct measurement at a given input or output point, in particular in the event of a change in the contracted capacity or the amount of distributed gaseous fuel, a Customer who is the owner of the Metering System is obliged, at the request of the OSD, to change the existing Metering System accordingly.
- 8.9 A customer who meets the conditions to be considered a sensitive customer of gaseous fuels within the meaning of the Energy Law has the right to submit a request to the OSD for the installation of Prepayment Metering Systems.
- 8.10 If the Customer participates in the reading of the Metering System's indications, the OSD's representative prepares and signs a protocol on the activities performed. The customer has the right to sign the report or object to it.

9 PLANNING THE DEVELOPMENT OF THE DISTRIBUTION SYSTEM

- 9.1 The OSD is responsible for developing the distribution system.
- 9.2 The development of the distribution system is carried out on the basis of criteria defined in the country's energy policy and the OSD's strategy, taking into account meeting the current and future demand for gaseous fuel, ensuring the long-term capacity of the distribution system, taking into account local spatial development plans.

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- 9.3 The OSD forecasts the demand for gaseous fuel in the area of its operation on the basis of information obtained from OSW, ZUD, Customers and suppliers, taking into account the country's energy policy.
- 9.4 The OSD prepares and updates development plans in the period required by law.
- 9.5 In the development plan, the OSD takes into account the demand for new capacities in the distribution system reported by entities connected to the distribution network or entities applying for connection to the distribution network.
- 9.6 The development plans prepared by OSD take into account the long-term maximization of the efficiency of outlays and costs incurred by the OSD, so that the outlays and costs do not cause excessive increases in prices and fees for the supply of gaseous fuel in individual years, while ensuring continuity, reliability and quality of supply.
- 9.7 The OSD cooperates with entities connected to the Distribution Network, municipalities, OSPs, OSWs, energy companies dealing with liquefaction or regasification, and energy companies dealing in gas fuel trading, in terms of planning the development of gas networks, in particular in the preparation of a development plan. Cooperation should particularly consist in:
- 9.7.1 providing entities connected to the Distribution Network, upon their request, with information on planned projects to the extent to which these undertakings will affect the operation of devices connected to the Distribution Network or change the terms of connection or supply of gaseous fuel;
 - 9.7.2 ensuring the consistency of the OSD's development plan with the development plans of the OSP, OSW, as well as municipal gas fuel supply plans;
 - 9.7.3 coordinating the development of the distribution system, in particular by providing updated information on planned investments and forecasts of gaseous fuel demand at least once a year.
- 9.8 The development plan prepared by the OSD takes into account the development plan prepared by the OSP.

10 CONNECTION TO A DISTRIBUTION NETWORK

- 10.1 Rules for connecting entities to the distribution network.
- 10.1.1 The entities are connected to the distribution network by the OSD.
 - 10.1.2 Connection to the distribution network takes place on the basis of the Connection Agreement, after the entity applying for the connection meets the requirements specified by the DSO OSD in the conditions for connection to the distribution network.
 - 10.1.3 The provisions of this chapter shall apply appropriately to the entity that notifies the change in the consumption of gaseous fuel resulting in the necessity to replace components of the distribution network or expand this network. The aforementioned change is considered, in particular, a change in the connection capacity or the characteristics of gas consumption exceeding the permissible operating range of the

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devices installed at the Distribution Network output point. Fees for the performance of the above works are collected in accordance with the provisions of the Tariff.

- 10.1.4 The OSD may refuse to connect to the distribution network when the entity applying for the connection does not have a legal title to use the real estate, facility or premises to be connected to the network.
- 10.1.5 At the request of the entity that does not have a legal title to use the real estate, facility or premises where the connected devices, systems and networks would be used, the OSD issues information about the possibility of connecting to the distribution network.
- 10.1.6 Apart from the Connection Agreement, connecting to the distribution network other OSWs networks, storage facilities, liquefied natural gas installations, Biogas installations, agricultural biogas installations, LNG regasification installations, denitrifying plants, supply and reception installations from sources, including mines and mixing plants, requires signing a separate agreement with the OSD establishing the terms and methods of cooperation between the operators of these gas pipelines and systems with the distribution system, or concluding a MUD.
- 10.1.7 In the process of connecting an entity to the distribution network, the following activities are distinguished:
 - 10.1.7.1 the entity applying for connection sending an application for the determination of connection conditions,
 - 10.1.7.2 determination of the connection conditions by the OSD,
 - 10.1.7.3 sending the entity applying for connection the conditions for connection to the distribution network and, upon its request, the draft connection agreement,
 - 10.1.7.4 the entity applying for connection sending an application for the conclusion of a Connection Agreement,
 - 10.1.7.5 conclusion of the Connection Agreement,
 - 10.1.7.6 preparation and implementation of connection.
- 10.1.8 Detailed rules for connecting entities to the distribution network are specified in the Energy Law and in the secondary legislation thereto.
- 10.1.9 Additional information related to connection to the distribution network and templates of documents related to the connection process are available at the premises and on the OSD's website.
- 10.2 Application for specifying the conditions for connection to the distribution network.
 - 10.2.1 An entity applying for connection to the distribution network submits an application to the OSD for specifying the conditions for connection to the distribution network, together with appendices, using the applicable form available at the premises and published on the OSD's website.
 - 10.2.2 The application for specifying the conditions for connection to the distribution network and all attachments should be made in Polish. The OSD allows the possibility of

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submitting attachments to the application in a foreign language together with a sworn translation into Polish.

10.2.3 An entity applying for connection to the Distribution Network being part of the Local Distribution Area is obliged to select a gas supplier and submit a declaration on the conclusion or intention to conclude a Sales Agreement or a Comprehensive Agreement in order to confirm the possibility of supplying gaseous fuel to this area.

10.3 Conditions for connecting to the distribution network.

10.3.1 The OSD verifies the application submitted by an entity on the basis of the information provided in the application and in the attached documents.

10.3.2 If the application does not meet the formal requirements:

10.3.2.1 Within 7 days from the date of receipt of the application, the OSD calls on the entity in writing to complete it,

10.3.2.2 the entity is obliged to deliver the completed application within the time limit set by the OSD, wherein said time limit set by the OSD may not be shorter than 21 days from the date of the applicant's receiving the request referred to in item 10.3.2.1,

10.3.2.3 if the supplemented application is not delivered within the prescribed period, the OSD shall leave the application without consideration.

10.3.3 A complete application meeting the formal requirements is subject to a technical and economic analysis, during which the OSD assesses whether the connection to the distribution network is technically possible and economically justified.

10.3.4 When considering an application, the OSD takes into account the concluded Distribution Agreements, previously submitted applications for the provision of distribution services and the concluded Connection Agreements, unless the deadline for concluding the agreement, based on which the gaseous fuel was to be delivered, has expired.

10.3.5 Technical and economic analysis is conducted by the OSD on the basis of information contained in the application and based on the following activities:

10.3.5.1 analysis of the existence of technical possibilities for connection and distribution of gaseous fuel to the connected Output Point,

10.3.5.2 analysis of the existence of technical capabilities of the Distribution System for the reception of gaseous fuel (i.e. assessment of the distribution area's Absorption Capacity) from the Source, particularly including a biogas installation or agricultural biogas installation (PWE_B), an LNG regasification installation (PWE_{LNG}) or a mine (PWE_K).

10.3.5.3 analysis of connection variants,

10.3.5.4 assessment of Distribution costs, expenditure on connections and system expansion,

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- 10.3.5.5 economic analysis of the connection's profitability,
- 10.3.6 The OSD may refuse to connect to the distribution network when the connection is technically impossible or economically unjustified. In the case of connecting sources to the distribution network, including the biogas installation or agricultural biogas installation (PWE_B), the LNG Regasification Installation (PWE_{LNG}) and the mine (PWE_K), the lack of technical connection conditions may be caused, e.g., by lack of sufficient absorption capacity in the distribution area necessary to receive the amount of gaseous fuels, in accordance with the connection capacity requested by the entity applying for connection, if increasing the absorbency of the distribution area is economically unjustified. This does not exclude the application of the provisions of Article 7 item 9 of the Energy Law.
- 10.3.7 In the event of a refusal to conclude a Connection Agreement, the OSD shall immediately inform the interested entity and the President of ERO of the refusal, stating the reasons for the refusal and informing the entity applying for connection to the Distribution Network about its right to use the procedure provided for in Article 8 item 1 of the Energy Law.
- 10.3.8 In the event of a refusal to specify the connection conditions for technical or economic reasons, the OSD shall, at the request of the entity applying for the connection, present information on the activities that must be undertaken in the scope of network development in order to connect to the distribution network.
- 10.3.9 When issuing connection conditions, the OSD specifies in particular:
- 10.3.9.1 place of connection of devices, installations or networks and their technical parameters,
 - 10.3.9.2 scope of necessary changes in the network related to connection to the distribution network,
 - 10.3.9.3 technical parameters of the Connection,
 - 10.3.9.4 the minimum and maximum Pressure for the supply and receipt of gaseous Fuel,
 - 10.3.9.5 requirements for the metering system and the place of its installation,
 - 10.3.9.6 Connected capacity,
 - 10.3.9.7 characteristics of gaseous fuel delivery and collection, including minimum and maximum hourly, daily and annual amounts of its delivery and collection,
 - 10.3.9.8 the interface between the ownership of the distribution system and the installations, devices or networks of the connected entity,
 - 10.3.9.9 requirements for the equipment of the gas station or the metering system, the type of such system, as well as the telemetry system and corrosion protection,
 - 10.3.9.10 requirements regarding the obligation to install a chromatograph or other devices in the case of connecting the Source, including a biogas installation

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or an agricultural biogas installation,

10.3.9.11 requirements for the quality parameters of biogas or agricultural biogas, in the case of connecting a biogas installation or agricultural biogas installation,

10.3.9.12 validity period of the connection conditions.

10.3.10 The connection conditions issued to the entity included in the B connection group subgroup I do not contain the information referred to in item 10.3.9.2, item 10.3.9.7 and item 10.3.9.9.

10.3.11 The conditions for connecting Sources cooperating with the Distribution System, in addition to the data specified in item 10.3.9, define the quality and technical parameters of the gaseous fuel supplied to the Distribution System and the technical capabilities of the Distribution System for the reception of gaseous fuel supplied from the Source, including the Biogas System or the Agricultural Biogas System (PWE_B), the LNG Regasification System (PWE_{LNG}) and the mine (PWE_K).

10.3.12 The OSD issues connection conditions or informs about the impossibility of connection within the following time frames:

10.3.12.1 21 days from the date of submission of a complete application by the applicant from connection group B, subgroup I;

10.3.12.2 45 days from the date of submission of a complete application by the applicant to connection group A or connection group B, subgroup II;

10.3.12.3 60 days from the date of submission of a complete application by the applicant from connection group C.

10.3.13 In the event that the issuance of connection conditions depends on obtaining the connection conditions from the OSW, the deadlines referred to in item 10.3.12 shall be extended by the period necessary to obtain these conditions from the OSW.

10.3.14 The OSD shall immediately inform the applicant of the need to obtain the connection conditions from the OSW and the date of their issuance.

10.3.15 In the event that the deadline referred to in item 10.3.12 can not be kept for valid reasons, the ODD shall immediately notify the applicant of a different date for issuing the connection conditions, including the reasons for failure to meet said deadline.

10.3.16 If more than one application has been submitted for the definition of the connection conditions to the Distribution Network, whose implementation would require using the same Technical Capacity of the Distribution System and the Absorption Capacity of the distribution area, or the applications concern an area that coincides in whole or in part – the OSD issues separate connection conditions for all entities whose applications meet the economic and technical criteria for connection to the distribution network. In the connection conditions issued, the OSD informs subsequent entities for which it specifies the conditions for connection to the distribution network about the fact of issuing the conditions earlier within the same Throughput and Capacity of

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the distribution area or conditions for the area fully or partially coinciding with the area which the applications of these entities relate to.

10.3.17 The connection agreement is concluded at the request of the entity having valid conditions for connection to the distribution network, subject to item 10.3.20.

10.3.18 In the connection conditions, the OSD specifies their validity period, not shorter than 60 days, taking into account the demand for technical capacity in a given area and the capacity of the distribution area, including technical limitations of the distribution system and technical limitations of the system supplying it.

10.3.19 The connection conditions contain information in accordance with item 10.3.20 and that the template of the Connection Agreement is made available on the OSD's website.

10.3.20 If within 30 days from the date of receiving the connection conditions, the entity does not apply to the OSD for the conclusion of the Connection Agreement, and the conditions for connection to the Distribution Network have been defined, whose implementation would be necessary to use the same Technical Capacity of the Distribution System and the Absorption Capacity of the distribution area, or specific conditions for connection to the Distribution Network, which relate to the territorially overlapping area in whole or in part, the OSD concludes Connection Agreements taking into account the order of receipt of the draft Connection Agreements unilaterally signed by applicants, depending on the existing technical conditions, in particular the available technical capacity of the distribution system and absorptive capacity of the distribution area.

10.3.21 The connection conditions may only be changed by submitting a new application to the OSD to specify connection conditions, subject to item 10.3.22.

10.3.22 In the event of a change in the operating conditions of the Distribution System, the OSD determines new connection conditions, without the need for the connected entity to submit a new connection application.

10.3.23 At the request of the entity applying for connection or the company dealing with the sale of gaseous fuel, authorized by the entity applying for connection to the distribution network, as stated in the application for the issuance of connection conditions, the OSD informs about the process of issuing connection conditions and concluding the Connection Agreement with respect to the indicated entity.

10.4 Connection agreement.

10.4.1 The connection of new points to the Distribution Network takes place on the basis of the Connection Agreement concluded between the OSD and the entity to be connected.

10.4.2 The OSD is obliged to conclude the Connection Agreement on the equal treatment principle for entities applying for connection, if there are technical and economic conditions for connection to the Distribution Network, and the applicant for the

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Connection Agreement meets the conditions for connection to the Distribution Network. The OSD may conclude a Connection Agreement in the case specified in Article 7 item 9 of the Energy Law.

- 10.4.3 The draft Connection Agreement, sent by the OSD at the request of the entity having valid conditions for connection to the distribution network, is valid for the time specified by the OSD.
- 10.4.4 The Connection Agreement is the basis for the OSD and the entity to be connected to commence the implementation of design, construction and assembly works and their financing by the parties under the conditions specified therein.
- 10.4.5 The connection agreement specifies in particular:
 - 10.4.5.1 rights and obligations of the parties, including the expected date of contract conclusion of the agreement, based on which the gaseous fuel will be delivered to the entity, Connection capacity for the connected Input or Output Point, the amount of gaseous fuel to be taken, the term of the Agreement and the conditions for its termination,
 - 10.4.5.2 liability of the parties for failure to comply with the terms of the Connection Agreement, including delay in the completion of works in relation to the period specified in the Agreement, failure to comply with the obligations referred to in item 10.4.5.1, or withdrawal from the Agreement,
 - 10.4.5.3 the date of the connection, the amount of the connection fee, the place where the ownership of the Distribution Network and the connected entity's system are demarcated, the scope of works necessary for the connection, technical requirements for the location of the Metering System and its parameters, conditions for providing access to real estate belonging to the entity being connected for the purpose of building or expanding the Distribution Network necessary for the connection,
 - 10.4.5.4 in the case of connecting to the Source Distribution Network – the connected entity's obligation to ensure that a Distribution Agreement with the OSD is concluded within a specified period and the PZD is submitted, on the basis of which the Distribution Service will be provided in relation to gaseous fuel delivered to the Distribution Network from the Source, and where the Source is connected to the Distribution Area E or Lw, also that an agreement for the provision of transmission services is concluded with the OSP and an application for Capacity Allocation (PZ) is submitted.
- 10.4.6 On the day of concluding the Connection Agreement, the Throughput and Capacity in the Distribution Area are reserved for the entity, in the amount consistent with the parameters specified in the connection conditions. The reservation is valid until the date of submission of the PZD specified in the Connection Agreement.
- 10.4.7 At the request of the entity applying for the connection or the company dealing in the

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sale of gaseous fuel, authorized by the entity being connected in the application for the conclusion of the Connection Agreement, the OSD shall inform about the implementation status of the Connection Agreement in relation to the indicated entity.

10.5 Technical requirements for new Points.

10.5.1 Points connected to the Distribution Network should be designed, manufactured, received and operated in a manner ensuring the continuity of gaseous fuel supply, work safety and measurement accuracy, as well as meet the conditions referred to in item 6.7.

10.5.2 Metering systems should work in conditions consistent with their technical documentation.

10.5.3 The obligation to maintain the full operational efficiency of the components of a given input or output point shall rest with the party that has legal title to that point.

11 DISTRIBUTION AGREEMENT

11.1 The parties to the Distribution Agreement are:

11.1.1 Distribution Service Customer (ZUD),

11.1.2 Distribution System Operator (OSD).

11.2 In order to ensure non-discriminatory treatment of all entities applying for the conclusion of the Distribution Agreement, the OSD uses a standard template of the Agreement, which is published on the OSD's website.

11.3 Deadlines for submitting and addressing applications for the conclusion of a Distribution Agreement.

11.3.1 Applications to conclude a Distribution Agreement are considered in the order of receipt, within 21 days of their receipt, subject to item 11.3.2.

11.3.2 In the case of supplementing an application due to failure to meet formal requirements, the date of submission of the application is the date of its submission in the correct form, required by the provisions of the DNC. Minor formal shortcomings, which do not prevent the application from being considered, do not affect the date of submitting the application.

11.4 Submitting an application for the conclusion of a Distribution Agreement.

11.4.1 The applicant submits an application to the OSD for the conclusion of the Distribution Agreement using the applicable "Application for the provision of the distribution service through the OSD's Distribution Network". The application template is available on the OSD's website.

11.4.2 Documents must be attached to the application, as specified in item 11.5.1.2.

11.4.3 The application for the conclusion of the Distribution Agreement and all attachments thereto should be made in Polish. The OSD allows the possibility of submitting attachments to the application in a foreign language together with a sworn translation

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into Polish.

11.4.4 The distribution agreement is framework in nature. The Applicant may submit an application for the conclusion of a Distribution Agreement without the need to simultaneously submit a Single Distribution Order (PZD).

11.5 Conditions required for concluding a Distribution Agreement.

11.5.1 The entity applying for the conclusion of a Distribution Agreement should:

11.5.1.1 provide a correctly completed application for the conclusion of the Distribution Agreement, including all attachments, following the procedure described in this chapter,

11.5.1.2 provide the following documents and certificates:

11.5.1.2.1 a document confirming the assignment of a tax identification number for the purposes of value added tax for entities established in the territory of the European Union; if it is not verifiable by the OSD through electronic access to the Central Registration and Information on Business (CEIDG) or the National Court Register (KRS) – in the original or a certified copy,

11.5.1.2.2 ID card or passport – in the case of a natural person who does not conduct business activity.

11.6 Addressing an application for the conclusion of a Distribution Agreement.

11.6.1 The OSD examines the applications for the conclusion of a Distribution Agreement, taking into account:

11.6.1.1 applicable law,

11.6.1.2 the applicant's meeting of the conditions referred to in item 11.5.

11.6.2 Addressing an application for the conclusion of a Distribution Agreement includes formal verification of the application and the documents attached to it in terms of:

11.6.2.1 compliance with the DNC requirements of data and information included in the application for the conclusion of a Distribution Agreement,

11.6.2.2 compliance with formal requirements, such as completeness and correctness of data and documents.

11.6.3 If the application for the conclusion of a Distribution Agreement does not meet the formal requirements or if there are errors or deficiencies in the application, the OSD shall, no later than 7 working days from the date of receiving the application, call on the applicant to submit a correctly completed application or supplement with the required documents and information within 7 working days from the date of delivery of the summons.

11.6.4 If the applicant fails to send a correctly completed or supplemented application within the time limit referred to in item 11.6.3, the application shall not be considered.

11.6.5 Within 14 days of submitting a correctly completed and complete application for the

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conclusion of the Distribution Agreement, the OSD informs the applicant about its acceptance, rejection or refusal to conclude the Distribution Agreement.

- 11.6.6 The application for the conclusion of a Distribution Agreement may be rejected if it does not meet the requirements referred to in item 11.5.
- 11.6.7 If the application for the conclusion of a Distribution Agreement is approved, the OSD shall, no later than 3 working days from the date of completion of its examination, provide the applicant with an initialed Distribution Agreement, prepared on the basis of the currently applicable template of the Agreement, available on the OSD's website.
- 11.6.8 The Applicant shall, within 30 working days from the date of delivery of the initialed Distribution Agreement, submit a unilaterally signed Distribution Agreement to the OSD, with acknowledgment of receipt.
- 11.6.9 The OSD shall send the applicant, with acknowledgment of receipt, the signed Distribution Agreement, within 7 working days from the date of delivery of the Agreement signed by the applicant.
- 11.6.10 The applicant's failure to send the signed Distribution Agreement or to submit comments in writing to the content of the initialed Distribution Agreement provided to him by the OSD, within the time limit specified in item 11.6.8, shall be deemed tantamount to withdrawing the application for the conclusion of the Distribution Agreement, of which the applicant shall be immediately informed by the OSD, subject to item 11.6.11. Any re-application for the conclusion of the Distribution Agreement requires re-submitting the application for the conclusion of the Distribution Agreement.
- 11.6.11 If an applicant who is a consumer does not send the signed Distribution Agreement or an applicant fails to submit comments in writing to the content of the initialed Distribution Agreement provided to him by the OSD, within the time limit specified in item 11.6.8, the OSD shall set such applicant an additional deadline for sending the signed Agreement. Such an applicant's failure to send the signed Agreement, despite setting an additional deadline, shall be deemed tantamount to be the withdrawal of the application for conclusion of the Distribution Agreement. Any re-application for the conclusion of the Distribution Agreement requires re-submitting the application for the conclusion of the Distribution Agreement.
- 11.6.12 The applicant's signing of the Distribution Agreement is tantamount to accepting all its terms and conditions and all provisions of the DNC.
- 11.6.13 After concluding the Distribution Agreement, the applicant obtains the status of a ZUD.

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- 11.7 The OSD may refuse to conclude a Distribution Agreement in any case that fails to meet the formal and legal conditions referred to in item 11.5, wherein minor formal deficiencies in the application for the conclusion of the Distribution Agreement, which do not prevent the application from being considered, shall not constitute grounds for refusing to conclude the Agreement.
- 11.8 The distribution agreement specifies the rules for its discontinuation, including termination.
- 11.9 Obligations of the OSD in the event of concluding a Distribution Agreement:
- 11.9.1 maintaining the capacity of equipment and the distribution network to supply gaseous fuel in a continuous and reliable manner, while maintaining the applicable quality requirements, subject to item 11.9.2,
 - 11.9.2 maintaining the quality parameters of gaseous fuel, as specified in item 6.8 and the gaseous fuel pressure, provided that the OSP or ZUD, respectively, fulfill their obligations specified in the MUP, the Distribution Agreement or the DNC, which affect the maintenance of said parameters,
 - 11.9.3 providing all Customers, companies dealing in the sale of gaseous fuel to Customers, including backup suppliers and official suppliers with distribution services on equal treatment terms, under the conditions and to the extent specified in the Energy Law and the DNC,
 - 11.9.4 application of objective and transparent rules ensuring equal treatment of users of the distribution system and taking into account environmental protection requirements, particularly including responsibility for:
 - 11.9.4.1 safety of gaseous fuel supply by ensuring the safe operation of the distribution system and the implementation of contracts with users of the distribution system
 - 11.9.4.2 conducting network traffic in a mutually coordinated and effective manner, while maintaining the required reliability of gas supply and its quality,
 - 11.9.4.3 operation, maintenance and repairs of networks and devices, including connections with other gas systems, in a manner that guarantees the reliable operation of the distribution system,
 - 11.9.4.4 ensuring the Distribution System's long-term ability to meet the justified needs of distribution, as well as the expansion of the Distribution System and, where applicable, the expansion of interconnections with other Gas Systems,
 - 11.9.4.5 cooperation with other gas system operators or energy companies for the reliable and effective functioning of gas systems and coordinating their development,
 - 11.9.4.6 management of the flows of gaseous fuel and maintenance of its quality parameters in the Distribution System and at connections with other gas systems,
 - 11.9.4.7 provision of services necessary for the proper functioning of the distribution system,

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- 11.9.4.8 Restriction management and billing with the Users of the distribution system resulting from the Compensation procedure or Commercial Balancing of the Local Distribution Area,
- 11.9.4.9 providing Distribution System Users and operators of other gas systems with information on the terms and conditions of the distribution service, including cooperation with interconnected gas systems,
- 11.9.4.10 implementation of restrictions in the supply of gaseous fuel,
- 11.9.4.11 maintaining the appropriate degree of odorization of the gaseous fuel in the OSD's Distribution System in accordance with the requirements set out in the implementing acts to the Energy Law.
- 11.9.5 The OSD's rights in the event of concluding a Distribution Agreement:
 - 11.9.5.1 collecting fees for services provided on the terms specified in the Tariff, Distribution Agreement and the DNC,
 - 11.9.5.2 the right to terminate the Distribution Agreement in the cases specified in the Distribution Agreement or the DNC.
- 11.10 Obligations of the ZUD in the event of concluding a Distribution Agreement:
 - 11.10.1 supplying and taking gaseous fuel from the Distribution System and maintaining the balance between the volumes and quantities of gaseous fuel supplied by it at input points and taken by it at output points included in the Distribution Area,
 - 11.10.2 delivery to Input Points specified in item 6.2, with the exception of PWE_{OSP} , PWE_{OSPL} and PWE_{OSDW} , of gaseous fuel meeting the quality requirements specified in the DNC and the technical requirements (pressure) specified in the Agreement,
 - 11.10.3 informing, in writing, within 7 working days, of any significant changes that will occur during the implementation of the Distribution Agreement, regarding the documents and data listed in item 11.5.1.2 and the financial conditions specified in the Distribution Agreement,
 - 11.10.4 cooperation in the supplier change procedure by informing Customers about the identification number of the output point assigned by the OSD, where they take gaseous fuel; such information should be included in the documents constituting the basis for the Customer's payment,
 - 11.10.5 informing Customers about the provisions of the DNC, to which the Customers are entitled or obliged to apply, as well as taking actions to enforce the implementation of these obligations by the ZUD's Customers, in the case of ZUDs concluding comprehensive agreements with Customers,
 - 11.10.6 informing the OSD, by 30 September of the current year, about the scope of works planned by the ZUD's Customers in the next calendar year at output points, where the Contracted or total Contracted Capacity is at least 4,580 kWh/h for Distribution Area E or 3,800 kWh/h for Distribution Area Lw, provided that such work may affect the conditions for the receipt of gaseous fuel, including the restriction of the amount

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of gaseous fuel taken.

11.10.7 cooperation with the OSD under the backup sale procedure;

11.10.8 establishing a financial security to secure possible ZUD claims under the Distribution Agreement.

11.11 The ZUD's rights in the event of concluding a Distribution Agreement:

11.11.1 using the distribution services provided by the OSD, on the terms set out in the Energy Law, the DNC and the Distribution Agreement and in accordance with the fee rates set out in the applicable Tariff, implemented in an objective and non-discriminatory manner, provided that the requirements referred to in item 12.3 and the financial terms set out in the Distribution Agreement are met.

11.12 If the OSDW requests to conclude a MUD, the procedure set out in item 11.2 – 11.7 shall be applied accordingly, taking into account the following requirements:

11.12.1 The OSDW, whose distribution system is connected to the OSD's Distribution Area, is obliged to apply to the OSD for concluding a MUD and assigning it the entire Contracted Capacity in MFPWY_{OSDW} or MFPWE_{OSDW}.

11.12.2 As part of the application for the conclusion of the MUD and the allocation of the Contracted Capacity in the MFPWY_{OSDW} or the MFPWE_{OSDW}, the OSDW indicates the amount of the Contracted Capacity ordered from the MFWY_{OSDW} or the MFPWE_{OSDW}, respectively.

11.12.3 The OSD reviews the application for the conclusion of MUD within 21 days from the date of its receipt.

11.12.4 Based on the MUD concluded, the OSDW orders the contracted capacity from MFPWY_{OSDW} or MFPWE_{OSDW} and undertakes to:

11.12.4.1 not to exceed the contractual powers,

11.12.4.2 submitting PZD_{OSDW} on the terms specified in the DNC,

11.12.4.3 billing with the OSD in accordance with the provisions of the Tariff, for the Contracted Capacity ordered and in the event of exceeding the Contracted Capacity

11.12.4.4 performance of obligations to perform the Allocations referred to in chapter 22,

11.12.4.5 submission of transport forecasts,

11.12.4.6 submission of collateral in the form and amount specified in the MUD,

11.12.4.7 providing the OSD with access to the Metering Systems and taking measurements of the quantities specified in the DNC and transferring meter data to the OSD if it has a legal title,

11.12.4.8 informing the OSD by 30 September of the current year about the scope of works planned in the next calendar year in its networks or installations, which may affect the terms of gas collection, including the limitation of the amount of gaseous fuel taken.

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11.12.5 It is possible to trade in gaseous fuels in MFPWY_{OSDW} and MFPWE_{OSDW}.

12 CONDITIONS FOR PROVIDING DISTRIBUTION SERVICES

12.1 The scope of services provided by the OSD.

12.1.1 The OSD provides distribution services to one or more output points selected by the ZUD, based on the Distribution Agreement and the PZD.

12.1.2 In the event that the ZUD submits the PZD for the provision of distribution services from a non-existent input point or to a non-existent output point, the connection procedure shall be applied. The connection procedure is also applied when the implementation of distribution services requires the reconstruction of an input point or output point. The rules referred to in the preceding sentences shall not apply to PWE_{OSP}, PWE_{OSPL}, PWE_{OSDW} or PWY_{OSP} or PWY_{OSPL} or PWY_{OSDW}.

12.1.3 The OSD provides long-term and short-term distribution services. The primary period for providing distribution services is a Gas Year. Under the concluded Distribution Agreement, ZUD submits:

12.1.3.1 Long-term PZD – for a period of consecutive 12 months or longer; Long-term PZDs are available for all ZUDs,

12.1.3.2 Short-term PZD for a period below 12 months, in accordance with the principles set out in the Tariff; Short-term PZDs are available to ZUDs ordering the contracted capacity in excess of 110 kWh/h.

12.1.4 In terms of the possibility of limiting their provision, distribution services are broken down into:

12.1.4.1 continuous services – under which the ZUD is provided with the performance of the ordered services throughout the entire contractual period, except for the occurrence of a Failure or scheduled and agreed repair and modernization works,

12.1.4.2 interruptible services – under which the ZUD is provided with the performance of the ordered services throughout the entire contractual period, except for situations specified in the Agreement, in which the OSD may restrict or completely suspend the provision of distribution services.

12.1.5 The OSD may offer distribution services related to specific terms and conditions of their provision, on the terms set out in the Tariff.

12.2 Provision of Virtual Reverse Distribution Services.

12.2.1 The OSD offers a virtual reverse distribution service in the direction opposite to the physical flow of the gaseous fuel stream. The OSD publishes the points where it is possible to provide the virtual reverse distribution service on its website.

12.2.2 The virtual reverse distribution service is provided in the Distribution Area E or Lw from the PWE_z input point to PWY_{OSP} or PWY_{OSPL}.

12.2.3 The OSD charges the ZUD fees for the provision of virtual reverse distribution service to PWY_{OSP} or PWY_{OSPL} in accordance with the applicable Tariff,

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12.2.4 If the amounts of gaseous fuel allocated to PWY_{OSP} or PWY_{OSPL} in accordance with the principles set out in Chapter 22 are greater in PWY_{OSP} or PWY_{OSPL} than the amount of gaseous fuel allocated to PWE_{OSP} or PWE_{OSPL} , the difference between these values is the daily amount of the virtual reverse distribution service.

12.3 Technical conditions.

12.3.1 The OSD provides distribution services between the output points indicated by the ZUD and the input points listed in the list of input points included in one Distribution Area, for which there are technical conditions for distribution. The lists of input points are published on the OSD website.

12.3.2 The technical assessment is made at the stage of considering the PZD, in accordance with item 13.4. The point in question does not apply to PZDW.

12.3.3 The technical conditions of Distribution are understood as meeting the following terms:

12.3.3.1 the existence of gas pipeline connections within the OSD's Distribution System, allowing Distribution to output points indicated by the ZUD,

12.3.3.2 the presence of a metering system at the output point that enables the billing of distribution services,

12.3.3.3 compliance with the quality parameters of the gaseous fuel for which the applicant applies for distribution, in accordance with the criteria set out in item 6.8,

12.3.3.4 the existence of available Throughput within the Distribution System, the use of which to provide distribution services to the ZUD will not worsen the distribution conditions for the ZUD whose PZD has been accepted for implementation,

12.3.3.5 The pressure of the gaseous fuel supplied to the Distribution System at the PWE_z input point must be within the pressure range specified by the OSD for that input point, and in the case of input points (places of physical gaseous fuel supply) at the connection with the OSP or OSW – within the pressure specified by the OSD in consultation with the OSP or OSW,

12.3.3.6 the existence of technical capabilities for the reception of gaseous fuel by the Distribution System (Distribution Area Absorption Capacity) in the case of introducing gaseous fuel to the Distribution System at PWE_z

12.3.3.7 the ZUD's ensuring gaseous fuel supplies to the Local Distribution Areas allowing the OSD to provide continuous distribution services.

12.3.4 In the absence of free capacity referred to in item 12.3.3.4 and the lack of technical conditions for the provision of continuous distribution services, the OSD may, after analyzing the distribution services provided, propose the ZUD to provide interruptible distribution services.

12.3.5 In the event that, due to the technical conditions of the Transmission System (e.g. the contingent continuous capacity on an interruptible basis applicable in accordance with

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the TNC), the provision of Distribution services by the OSD to a given output point depends on the continuity of gaseous fuel supplies to MFPWE_{OSD}, the OSD may order the ZUD to adjust consumption of gaseous fuel to such an amount that will not interfere with the continuity of gas supplies to this point and other Customers.

12.3.6 In the case of the provision of distribution services using the Distribution System powered from the LNG Regasification Installation, the prerequisite for the provision of distribution services by the OSD is the ZUD's ensuring supplies of liquefied natural gas to the LNG Regasification Installation that meets the quality parameters specified in item 6.8.5, in the amounts corresponding to the demand of the ZUD's customers connected to such Distribution System. Deliveries of liquefied natural gas to the LNG Regasification Installation shall take place on the principles set out in the Terms & Conditions for the supply of liquefied natural gas to the LNG Regasification Installation, published on the OSD's website.

12.4 Financial conditions.

12.4.1 The OSD has the right to collect financial security to secure the OSD's claims under the Distribution Agreement, in the amount and form specified by the OSD in the template of the Distribution Agreement or in the OSD's security regulations applicable to all ZUDs and constituting a contractual template within the meaning of Article 384 and following of the Civil Code.

13 PROCEDURE FOR SUBMITTING CONTRACTS FOR FULFILLMENT

13.1 Principles of commissioning the Distribution service.

13.1.1 The ZUD orders the provision of the distribution service by submitting a Single Distribution Order (PZD) to the OSD.

13.1.2 By ordering a change in the terms of the distribution service, the ZUD may submit a Collective PZD Application, covering many PZDs.

13.1.3 In the PZD, the ZUD indicates the Distribution Area with the selected input point or points to which gaseous fuel will be delivered, and the output point from the Distribution Area to which the distribution service is to be provided by the OSD.

13.1.4 ZUD submits the PZD to the OSD by exchanging electronic messages, on the terms set out in item 17.1. The OSD may consent to the submission of the PZD using the form published on the OSD's website, on the terms specified in the Distribution Agreement.

13.1.5 In the PZD's content, the ZUD makes the following statements:

13.1.5.1 statement on having the status of a ZUP and having a transmission capacity allocation (PZ), based on the rules set out in the TNC, which provides the basis for the supply of gaseous fuel to PWE_{OSP} or PWE_{OSPL} is ensured, or a statement that the supply of gaseous fuel to the PWE_z input point is ensured – in the case of submitting the PZD for the purpose of providing distribution services within

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Distribution Area E or Distribution Area Lw;

- 13.1.5.2 statement on having a Distribution Service Agreement concluded with OSDW and the possibility of receiving gas fuel at PWY_{OSDW} or delivering gas fuel to PWE_{OSDW} – in the case of submitting the PZDW to provide Distribution services to PWE_{OSDW} or PWY_{OSDW} ;
- 13.1.5.3 statement that the supply of gaseous fuel to an input point supplying the Local Distribution Area is ensured – in the case of submitting the PZD for the purpose of providing distribution services within the Local Distribution Area.
- 13.1.6 At the request of the OSD, submitted at any time, the ZUD is obliged to provide data or documents confirming the declaration referred to in item 13.1.5. The scope of data and documents required by the OSD shall be indicated in the request, wherein the document confirming the declaration referred to:
- 13.1.6.1 in item 13.1.5.1 – may be, in particular, a agreement or an excerpt from an agreement for the provision of transmission services concluded by the ZUD with the OSP and the capacity allocation the ZUD is entitled to (PZ);
- 13.1.6.2 in item 13.1.5.2 – may be, in particular, an agreement or an excerpt from the agreement for the provision of distribution services concluded by the ZUD with the OSDW;
- 13.1.6.3 in item 13.1.5.3 – may be, in particular, an excerpt from the promise or preliminary agreement for the supply or sale of gaseous fuel, or another document from which such assurance results.
- 13.1.7 Excerpts from the documents referred to in item 13.1.6 should contain a declaration of persons authorized to represent the entity that the data contained in the excerpt are consistent with the content of the agreement concluded by such entity.
- 13.2 Due to the deadline for the implementation of the distribution services, there are long-term PZDs and short-term PZDs, as referred to in item 12.1.3.
- 13.3 Within the framework of the PZD qualification, the following types of PZDs are distinguished: PZD type R (PZDR), PZDR for the technological commissioning period, PZD type S (PZDS), PZD type WSP (PZDSP), PZD type Z (PZDZ), PZD type P (PZDP), PZD type OSDW (PZD_{OSDW}) and PZD type W (PZDW), as well as PZD – Supplier Change.
- 13.3.1 Rules for ordering distribution services to output points types WR or WS (PZDR, PZDR for the technological commissioning period, PZDS, PZDSP).
- 13.3.1.1 The PZDR applies to output points billed based on the ordered contracted capacity and the quantity of delivered gaseous fuel (WR Points). In particular, the PZDR specifies the contracted capacity and amounts of gaseous fuel at the output point. One or more PZDR may be submitted for a given WR type output point. In such case, the settlement of the Distribution services is determined based on the allocation for individual PZDR, made in accordance with chapter 22.

13.3.1.2 PZDS is applied to output points billed on the basis of the amount of gaseous fuel taken (WS Points). In particular, the PZDS specifies the amounts of gaseous fuel taken at the output point. Only one PZDS may be submitted for a given WS output point.

13.3.1.3 Qualification for a specific type of PZDS or PZDR is made separately for each output point, based on the contracted capacity and gas pressure.

13.3.1.4 An order for an output point where the gaseous fuel Pressure is not higher than 0.5 MPa is qualified in accordance with the table below:

Contracted capacity for the output point the distribution service is billed for b [kWh/h]	Type PZD
$b \leq 110$	PZDS
$b > 110$	PZDR

13.3.1.5 An order for an output point where the gaseous fuel Pressure is higher than 0.5 MPa is qualified to PZDR.

13.3.1.6 The PZDR for the technological commissioning period is submitted in order to provide the distribution service to a new or modernized output point during the technological commissioning period, which does not exceed the maximum period of provision of such a service specified in the Tariff and at the same time constitutes the commencement period for the provision of a long-term distribution service. The PZDR commenced with the technological commissioning period under the conditions specified in the Tariff should be submitted for a period of not less than one year. The PZDR commenced with the technological commissioning period in order to provide the distribution service to a modernized output point may be submitted only if the modernization of this output point is carried out based on new or changed connection conditions issued by the OSD, on the basis of which the connection capacity for this output point has been changed.

13.3.1.7 The PZDSP is submitted for the purpose of providing the distribution service to an output point fitted with a Prepayment Metering System. As part of the PZDSP, the ZUD specifies in particular the amount of gaseous fuel to be supplied by the OSD to the output point fitted with a Prepayment Metering System. The principles of PZDSP implementation are specified in the Distribution Agreement.

13.3.2 Rules for ordering the virtual reverse distribution service (PZDZ).

13.3.2.1 PZDZ is submitted in order to provide the virtual reverse distribution service.

13.3.2.2 The PZDZ is defined for each ZUD supplying gaseous fuel at PWE_z input points to the Distribution Area E or Distribution Area Lw.

13.3.3 Principles of ordering Distribution services on an interruptible basis (PZDP).

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- 13.3.3.1 The PZDPs are submitted in order to provide the distribution service on an interruptible basis for the WR output points.
- 13.3.3.2 The ZUD may submit the PZDR on a continuous basis and the PZDP on an interruptible basis for one WR type Output Point.
- 13.3.3.3 The PZDP applies to only one level of certainty of gaseous fuel supplies, as specified in the Tariff.
- 13.3.3.4 The provision of distribution services on an interruptible basis does not exclude the possibility of introducing restrictions referred to in the Act on Stocks, as well as in items 16.2, 23.5.5.1, 1.1.1, 1.1.1, 1.1, 1.1 DNC.
- 13.3.3.5 One may not apply for the provision of the distribution service on an interruptible basis to Customers or facilities where the provision of such a service could cause threats or disruptions referred to in § 2 item 2 of the Restriction Regulation.
- 13.3.4 Principles for ordering Distribution services to MFPWY_{OSDW} or from MFPWE_{OSDW} (PZD_{OSDW} and PZDW). PZD_{OSDW} in order to order the entire Contractual Capacity in MFPWY_{OSDW} or MFPWE_{OSDW}.
- 13.3.4.1 The OSDW orders contracted power in MFPWY_{OSDW} or MFPWE_{OSDW} by submitting a PZD_{OSDW} to the OSD.
- 13.3.4.2 Under the PZD_{OSDW}, the OSDW specifies:
- 13.3.4.2.1 MFPWY_{OSDW} or MFPWE_{OSDW}, where the contracted capacity is ordered,
- 13.3.4.2.2 the amount of contracted capacity ordered in MFPWY_{OSDW} or MFPWE_{OSDW},
- 13.3.4.2.3 proposed date of granting the Contracted Capacity in MFPWY_{OSDW} or MFPWE_{OSDW},
- 13.3.4.2.4 period for which the contracted capacity is ordered in MFPWY_{OSDW} or MFPWE_{OSDW}.
- 13.3.4.3 The amount of contracted capacity specified in PZD_{OSDW} should be within the measuring range of the Metering Systems, the throughput of technological devices and connections for MFPWY_{OSDW} or MFPWE_{OSDW}.
- 13.3.4.4 PZD_{OSDW} valid from the date indicated in the content of PZD_{OSDW}.
- 13.3.4.5 In the event of a change in the contracted capacity allocated to the OSDW in MFPWY_{OSDW} or MFPWE_{OSDW}, the OSDW applies for a change in the PZD_{OSDW}. In this case, the procedure set out in item 13.3.4 shall apply accordingly. Changing the Contracted Capacity by OSD may take place in accordance with the provisions of the Tariff governing the rules for changing the Contracted Capacity.
- 13.3.4.6 In a situation where a change of the contracted capacity ordered by the OSDW requires the reconstruction of the Metering System, the OSD shall inform the OSDW about the need to apply for issuing new conditions for connection to the distribution network and implementation of the connection procedure as specified in chapter 10. In such a case, the PZD_{OSDW} is submitted no later than 14 days

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before the OSD starts to provide the distribution service based on the changed Contracted Capacity.

- 13.3.4.7 A ZUD intending to supply gaseous fuel to Customers connected to the OSD's distribution system or to trade in MFPWY_{OSDW} or MFPWE_{OSDW}, shall submit to the OSD a PZDW to order the distribution service to PWY_{OSDW} or PWE_{OSDW}. The condition for the ZUD to accept the implementation of the PZDW is the OSD's prior approval for the implementation of the PZD_{OSDW} submitted by the OSDW, on the basis of which the Contracted Capacity in MFPWY_{OSDW} or MFPWE_{OSDW}, which are part of PWY_{OSDW} or PWE_{OSDW}, which the PZDW refers to, was granted to the OSDW.
- 13.3.4.8 In the content of the PZDW, the ZUD specifies the PWY_{OSDW}, where gaseous fuel will be taken from the Distribution System or PWE_{OSDW}, where gas fuel will be delivered to the Distribution System.
- 13.3.5 Rules for ordering distribution services under the supplier change procedure (PZD – Supplier Change).
 - 13.3.5.1 PZD – The change of supplier is submitted in the case of the supplier switching procedure, according to the rules specified in chapter 15.
- 13.4 Procedure for consideration of PZD.
 - 13.4.1 The ZUD submits the PZD not earlier than one year and not later than 14 days before the date of commencement of the distribution service provision, as requested in this PZD, except for the case described in item 13.4.9. In the case of ordering the provision of the distribution service for a period of the Gas Day or a multiple thereof, the ZUD submits the PZD to the OSD no later than 7 days before the requested date of commencement of the distribution service. The DSO does not handle the PZDs submitted on dates other than those indicated in the preceding sentences.
 - 13.4.2 DSO considers PZDs taking into account:
 - 13.4.2.1 applicable law,
 - 13.4.2.2 the ZUD's fulfillment of the conditions referred to in item 12.3, and the financial terms specified in the Distribution Agreement.
 - 13.4.3 Consideration of the PZD is carried out in two stages:
 - 13.4.3.1 Stage 1 – formal verification,
 - 13.4.3.2 Stage 2 – substantive verification.
 - 13.4.4 At the stage of formal verification, the compliance of the data and information contained in the PZD and the attached documents with the formal requirements concerning them specified in the DNC is checked.
 - 13.4.5 If the PZD does not meet the formal requirements or if there are errors or deficiencies in the submitted PZD, the OSD shall, not later than 7 days (or 5 days for short-term services) from the date of receipt of the PZD, call the ZUD to submit a correctly completed PZD or supplement it with the required documents and information, within

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7 days from the date of delivery of the summons to the ZUD.

- 13.4.6 If the ZUD does not send a correctly completed or supplemented PZD within the time limit specified in item 13.4.5, the PZD is left without consideration.
- 13.4.7 At the stage of substantive verification of the PZD, the OSD assesses whether the technical conditions for the implementation of the requested services have been met, as specified in item 12.3.
- 13.4.8 PZDs are considered in the order of their receipt. Within 14 days from the date of submission of a correctly completed and complete PZD, the OSD shall inform the ZUD about its acceptance, rejection or refusal to provide distribution services. If the PZD is accepted, the OSD informs the ZUD about the obligation to submit Nominations for the points covered by the PZD of a given ZUD.
- 13.4.9 The OSD implements the PZD related to the launch of the distribution service to the newly connected output point, immediately, but not later than within 14 days from the date of submitting a correctly completed and thorough PZD. The date of installation of the gas meter will be assumed by the OSD as the date of commencement of the provision of the distribution service on the basis of the PZD, unless the gas meter has been installed before the actual commencement of the supply of gaseous fuels – in such a case the date of the actual commencement of gaseous fuel deliveries will be assumed by the OSD as the date of distribution commencement based on the PZD.
- 13.4.10 The PZD may be rejected if the ZUD does not meet the conditions for the provision of distribution services referred to in item 12.3 and the financial terms specified in the Distribution Agreement.
- 13.4.11 Consideration of the PZD may be suspended until the ZUD submits the documents referred to in item 13.1.6, or until the creation or increase in the value of financial collateral under the provisions of the Distribution Agreement.
- 13.4.12 If the PZD which was not approved for implementation had an impact on the consideration of other PZDs, the OSD shall re-analyze it in terms of meeting the conditions referred to in chapter 12 and this chapter 13.
- 13.4.13 The ZUD may apply to the OSD with a request to withdraw the approved PZD. The application for the withdrawal of an approved PZD cannot be submitted later than 3 working days before the date of commencement of the validity of the PZD as indicated in the content of the approved PZD, subject to item 13.13.7.
- 13.4.14 The PZD is valid until the date specified in the approved PZD or until the end of gaseous fuel delivery on the basis of this PZD. The PZD is also valid during the period of suspension of gaseous fuel supply, in accordance with item 13.13.
- 13.4.15 The ZUD's failure to indicate in the PZD the output point identification number assigned by the OSD does not constitute a basis for rejecting the PZD related to the launch of the distribution service to the new output point.
- 13.4.16 From the moment IT tool is made available to the ZUD by the OSD, which allows

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independently searching for the identification number of the output point, failure to indicate this number will be the basis for rejecting the PZD related to the launch of the distribution service to the new output point.

13.5 Cases of refusal to provide Distribution services.

13.5.1 The OSD may refuse to provide distribution services in any of the following cases:

13.5.1.1 the technical conditions are not met, as referred to in item 12.3 or the financial conditions specified in the Distribution Agreement, in particular when the ZUD fails to establish or increase the amount of the financial collateral as referred to in item 12.4.1;

13.5.1.2 in cases provided for by law,

13.5.1.3 if the ZUD does not have the option of delivering gaseous fuel to PWE_{OSP} , PWE_{OSPL} , PWE_{OSDW} , PWE_z or another input point, and also in the event that it does not have the option to collect gaseous fuel at PWY_{OSP} , PWY_{OSPL} , PWY_{OSDW} or another output point,

13.5.1.4 in the event that the ZUD does not have the ability to deliver gaseous fuel to the Local Distribution Area.

13.6 Principles of completing the implementation of PZD.

13.6.1 The rules for completing the PZD implementation are specified in the Distribution Agreement.

13.6.2 The PZDSP is terminated upon receipt at the output point where the Prepayment Metering System is installed, of the amount of gaseous fuel under the specified PZDSP, unless the ZUD submits the PZDSP in which it specifies an additional amount of gaseous fuel to be delivered to this output point, or sends the PZDSP at the end, indicating the moment of completing the supply of gaseous fuel to the Customer who has a Prepayment Metering System installed.

13.7 The PZD, where PWE_z to Distribution Area E is indicated as input points or PWY_{OSP} is indicated as the output point, shall be terminated on the date of termination of the Transmission service agreement concluded by the ZUD with the OSP or transmission capacity allocation (PZ) for the input point from the Distribution System defined in the TNC (PWE_{OSD}).

13.8 The PZDs, where PWE_{OSP} or PWE_{OSPL} are indicated as input points, shall be terminated on the date of termination of the Transmission Service Agreement concluded by the ZUD and the OSP, or loss of transmission capacity allocation (PZ) for the Distribution System output point (PWY_{OSD}) defined in the TNC.

13.9 The PZDW is terminated on the date of termination of PZD_{OSDW} , on the basis of which the OSDW was granted Contracted Capacity in $MFPWY_{OSDW}$ or $MFPWE_{OSDW}$ included in PWY_{OSDW} or PWE_{OSDW} which the PZDW applies to.

13.10 Principles of terminating the PZD.

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- 13.10.1 The terms of terminating the PZD are specified in the Distribution Agreement.
- 13.11 Principles for determining and changing the ordered Contractual Capacity under the PZD.
- 13.11.1 The rules for determining and changing the Contracted Capacity regarding output points are specified in the Tariff.
- 13.11.2 The change in the Contractual Capacity specified in the PZD at the Output Point is done in the same mode as submitting the PZD.
- 13.11.3 The ordered contracted capacity must be within the measurement range of the metering system installed at the output point.
- 13.12 The contracted capacity ordered by the ZUD should be consistent with the contracted capacity specified in the agreement between the DSC and the Recipient (Comprehensive Agreement).
- 13.13 Suspension and resumption of the supply of gaseous fuel to the Output Point based on an order issued by the ZUD to suspend or resume the supply of gaseous fuel, submitted using the PZD form.
- 13.13.1 The suspension or resumption of gaseous fuel supply is performed by the OSD as part of the distribution services provided on the basis of an order issued by the ZUD to suspend or resume the supply of gaseous fuel to a given Output Point, subject to applicable regulations. If the suspension of the supply of gaseous fuel may result in a threat to life, health, the environment, or damage or destruction of the ZUD's Customer's technological facilities, the ZUD, together with the issued order to suspend the supply of gaseous fuel, is obliged to indicate the date by which it will be possible to safely suspend the supply of gaseous fuel to the ZUD's Customer.
- 13.13.2 In the order referred to in item 13.13.1, the ZUD is obliged to determine:
- 13.13.2.1 The output point the command applies to,
- 13.13.2.2 time limit for order performance, subject to item 13.13.4,
- 13.13.2.3 the type of command (suspend or resume delivery).
- 13.13.3 Before submitting the order to suspend the supply of gaseous fuel to a given output point, the ZUD shall fulfill all legal requirements towards the Customer, as specified in the Energy Law.
- 13.13.4 The ZUD is obliged to deliver an order to suspend the supply of gaseous fuel no later than 2 working days before the date of suspension of the supply of gaseous fuel indicated in such order.
- 13.13.5 The OSD is obliged to perform the instruction to suspend the supply of gaseous fuel immediately, but not later than within 5 working days from the date of suspension of the supply of gaseous fuel indicated in the instruction, and to immediately provide information on the performance of said instruction.
- 13.13.6 where the OSD, despite exercising the highest diligence and using legally available

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applicable means, is not able to carry out the order within the time limit specified in item 13.13.5, he is obliged to notify the ZUD immediately. In this case, the next order to suspend the supply of gaseous fuel is submitted by the ZUD after taking steps to ensure that the Customer will fulfill the obligations set out in item 8.1.3.

- 13.13.7 The ZUD may submit an application for withdrawing the PZD containing an order to suspend the supply of gaseous fuel at the latest by the date indicated in the approved PZD as the day of the suspension of gaseous fuel supply.
- 13.13.8 Immediately, but not later than within 3 working days of receiving an order from the ZUD to resume the supply of gaseous fuel, the OSD is obliged to agree with the Customer the date of resuming the supply of gaseous fuel and resume the supply of gaseous fuel to the Output Point within the agreed timeframe. According to Article 6d item 1 of the Energy Law, the OSD resumes the supply of gaseous fuel to a household Customer within 3 days from the date of delivering the Customer's complaint to the OSD, regarding the suspended supply of gaseous fuel to them, pending the consideration of the complaint. The OSD immediately informs the ZUD about the execution of the command to resume gaseous fuel supply.
- 13.13.9 The fees for the services of suspending and resuming the supply of gaseous fuel performed at the request of the ZUD shall be borne by the ZUD in the amount specified in the Tariff.
- 13.13.10 In the event that there are more than one PZD at one output point, the physical suspension of gas supplies takes place when the order to suspend gas supplies applies to all PZDs. The resumption of gas supplies takes place when the order to resume gaseous fuel supplies concerns at least one PZD.
- 13.14 If the PZD approved by the OSD concerns an output point, where the PZD concluded with the current supplier has been terminated, and at the same time the gaseous fuel deliveries have not been actually completed, the provision of distribution services is restarted on the day the OSD reads the Metering System. In the event that, despite the application of the highest diligence by the OSD, the reading is prevented by the Customer, the OSD shall immediately notify the ZUD and estimate the amount of gaseous fuel for the date of commencement of the provision of distribution services to the ZUD, as indicated in the PZD.
- 13.15 Principles of developing and updating the collective demand notification.
- 13.15.1 Based on the PZD adopted for implementation under the Distribution Agreement, the OSD prepares or updates the Collective Demand Notification (ZZZ) for the next Gas Year, broken down into months, separately for individual Distribution Areas.
- 13.15.2 The ZZZ template is published on the OSD's website.
- 13.15.3 The ZZZ contains separate data on WS type output points, WR type output points and input points (PWE_z), it includes in particular:
- 13.15.3.1 the name of the distribution area which the ZZZ relates to,

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- 13.15.3.2 amount of gaseous fuel at the input point or points to a given Distribution Area,
 - 13.15.3.3 monthly quantities of gaseous fuel and contracted capacity at individual WR type output points broken down into tariff groups with information about qualification to the tariff group,
 - 13.15.3.4 monthly quantities of gaseous fuel at WS type output points, broken down into tariff groups and the number of WS type output points,
 - 13.15.3.5 monthly quantities of gaseous fuel at the Distribution Area output point (PWY_{OSP}) as part of the virtual reverse distribution service,
 - 13.15.3.6 name of the OSW introducing monthly quantities of gaseous fuel at the input point or points to the Distribution Area and contracted capacity at individual WR type output points with information about qualification to the tariff group.
- 13.15.4 The ZZZ is updated by the OSD after the PZD is accepted for implementation or after the PZD is excluded from the Agreement. After updating the ZZZ, at least until the last day of the month to which the billing of the Distribution service applies, the OSD shall make it available or forward it to the ZUD in electronic form. Moreover, the OSD updates the ZZZ with regard to the monthly quantities of gaseous fuel taken at the WS type points based on the monthly consumption profiles for WS type points published by the OSD.
- 13.15.5 In the event of a change of input points, including PWE_z or the input point to the Distribution Area (PWE_{OSP}), from which gas is supplied to the Distribution Areas, or the commencement of using the output point from the Distribution Area E to the OSP's Transmission System (PWY_{OSP}), the ZUD shall update the ZZZ 7 days in advance in the part concerning said input points. At the OSD's request, the ZUD attaches to the PZD application a photocopy of the Transmission Capacity Allocation (PZ) for the Distribution Area input point (PWE_{OSD}) defined in the TNC or the Transmission Capacity Allocation (PZ) for the Distribution Area output point (PWY_{OSD}) defined in the TNC.
- 13.15.6 The OSD shall inform the ZUD about the acceptance or rejection of the ZZZ, along with the reasons, immediately, though no later than within 14 days of receiving the ZZZ.

14 BOOK-UP SALE

- 14.1 The OSD initiates the backup sale procedure in the following cases:
- 14.1.1 receiving from the ZUD information about the need to stop selling gaseous fuels or providing distribution services to End Users with whom the ZUD has concluded comprehensive agreements, or
 - 14.1.2 obtaining information about the ZUD's discontinuation of sales of gaseous fuel to end Customers with whom the ZUD had concluded comprehensive agreements, or
 - 14.1.3 the OSD learns about the occurrence of an event resulting in the need to completely

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cease providing distribution services to the ZUD supplying gaseous fuel to End Customers, in particular:

- 14.1.3.1 receiving information from the OSP about the termination of the transmission service agreement concluded by the ZUD with the OSP or the ZUD's loss of the allocated transmission capacity (PZ) for the Distribution System output point (PWY_{OSD}), as defined in the TNC, or
- 14.1.3.2 termination of the Distribution Agreement or the PZD constituting the basis for the provision of distribution services to the ZUD supplying gaseous fuel to end customers.
- 14.1.4 receiving information from the supplier of gaseous fuels, regarding the necessity to stop selling gaseous fuels to end Customers with whom the seller has concluded agreements for the sale of gaseous fuels;
- 14.1.5 obtaining information about the seller's discontinuation of sales of gaseous fuel to end Customers with whom this seller has concluded gas fuel sales contracts.
- 14.2 The backup sale procedure shall not be initiated in the following cases:
 - 14.2.1 referred to in Article 6a items 3 and 6b of the Energy Law and in other cases of temporary suspension of the provision of distribution services on the terms specified in the DNC or applicable law, or
 - 14.2.2 a PZD – Supplier's Change application or another PZD application has been submitted, under which it is possible to continue the supply of gaseous fuels to the End Customer, with the proviso that the backup sale procedure will be initiated in the event that the current supplier stops selling due to the occurrence of the conditions referred to in item 14.1, and at the same time the PZD – Supplier Change or other PZD submitted by the new supplier is not accepted by the OSD for implementation or the ZUD being the new supplier does not start selling gaseous fuels to the End Customer, or
 - 14.2.3 the ZUD or the End Customer informed the OSD about the Customer's ending or intention to end consumption of gaseous fuel from the OSD's Distribution System, or
 - 14.2.4 the term for the provision of the Distribution Service specified in the Distribution Agreement or the PZD has expired, with the proviso that the backup sale procedure will be initiated in the event that PZD is submitted in order to continue deliveries to the End Customer, which is not accepted by the OSD for execution or the supplier selected by that End Customer does not sell gaseous fuels to them.
- 14.3 The ZUD is obliged to provide the OSD with the information referred to in item 14.1.1 no later than within 2 days from the date of the ZUD becoming aware of the impossibility of further performance of the Comprehensive Agreement concluded with the end Customer, in written or electronic form to the addresses indicated in the Distribution Agreement.

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- 14.4 In the event of receiving information about the occurrence of the premises referred to in item 14.1, the OSD immediately informs the OSP about the need to initiate the backup sale procedure.
- 14.5 Immediately after the OSD receives information about the occurrence of the circumstances referred to in item 14.1 of the DNC, the OSD shall submit, on behalf of and for the benefit of the end Customer, a declaration of acceptance of the backup sale offer of the ZUD being a backup supplier indicated by that end Customer. The statement referred to in the preceding sentence shall be submitted to the e-mail address specified in the Distribution Agreement.
- 14.6 The backup sale is carried out from the beginning of the Gas Day after the Gas Day, on which the ZUD ceased to supply gaseous fuel to end customers, and if it is initiated:
- 14.6.1 as a result of the information provided to the OSD by the ZUD in accordance with item 14.1.1, the OSD assumes that the ZUD has ceased to supply gaseous fuel to end customers on the indicated date, unless it is possible to set a different date in accordance with item 14.6.2 – 14.6.3,
- 14.6.2 in view of the information provided to the OSD by the OSP in accordance with item 14.1.3.1, the OSD assumes that the ZUD has ceased supplying gaseous fuel to End Customers at the end of the Gas Day on which the Transmission Agreement or Transmission Capacity Allocation (PZ) was terminated;
- 14.6.3 as a result of the termination of the Distribution Agreement or the PZD, in accordance with item 14.1.3.2, the OSD assumes that the ZUD has ceased supplying gaseous fuel to end customers at the end of the Gas Day on which the Distribution Agreement or the PZD was terminated;
- 14.6.4 as a result of the information provided to the OSD by the supplier in accordance with item 14.1.4, the OSD assumes that the supplier has ceased to sell gaseous fuel to end customers on the indicated date, unless it is possible to set a different date, subject to item 14.6.2 – 14.6.3,
- 14.7 Within 5 days of the conclusion of the backup sale agreement or the comprehensive agreement containing the provisions of backup sale, the OSD informs the End Customers of the conclusion of such agreement on their behalf, while also providing information on:
- 14.7.1 the reasons for the conclusion of the agreement;
- 14.7.2 contact details of ZUDs who are backup suppliers;
- 14.7.3 the website addresses of the ZUD backup suppliers, where the conditions of backup sale are published;
- 14.7.4 date of concluding the agreement;
- 14.7.5 starting date of the backup sale.
- 14.8 In case of:
- 14.8.1 the Agreement between the End Customer and the current supplier not specifying a

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backup supplier, or the ZUD indicated by the End Customer was not entered by the OSD on the backup suppliers list;

14.8.2 the Agreement between the End Customer and the current supplier does not include the OSD's authorization to conclude a sales agreement or a comprehensive agreement, on behalf of or for the benefit of the End Customer, containing the provisions of the backup sale agreement;

14.8.3 Back-up supplier designated by that end customer may not, did not, or has ceased to conduct back-up sale,

In the event of the premises referred to in item 14.1, the OSD makes a statement, on behalf of and for the benefit of the End Customer, on the acceptance of the official supplier's offer. In this case, the procedure set out in item 14.1 – 14.7 shall apply accordingly.

14.9 At the beginning of the Gas Day, in which the implementation of the backup sale began, as determined in accordance with item 14.6, the OSD transfers to a backup supplier or official supplier the contracted capacity at a given output point of the ZUD, which has ceased to supply gaseous fuels to the End Customer, or the contracted capacity of the End Customer collecting gaseous fuels on the basis of a gaseous fuel sales agreement concluded with a supplier who has ceased selling these fuels.

14.10 The OSD reads the Metering System in order to enable the ZUD who is the current supplier to make billings with the End Customer and provides such data to that ZUD and the ZUD who is the backup or official supplier within 14 days from the start of the backup sale.

14.11 The OSD maintains, and also makes available at its headquarters and publishes on its website, a list of ZUDs offering backup sales along with their contact details and information about the distribution or tariff area on which a ZUD acts as a backup supplier. The ZUD acting as an official supplier is entered on the list referred to in the preceding sentence.

14.12 The list referred to in item 14.11 may include a ZUD that has submitted an application to the DSO. The conditions for entering and removing from the list are specified in the Distribution Agreement or the general terms and conditions of the Distribution Agreement published on the OSD's website. The ZUD submitting an application for entry on the list of backup suppliers is obliged to conclude a Distribution Agreement with the OSD or an agreement introducing changes to the Distribution Agreement, which will help determine the e-mail address of the backup supplier to which the OSD will submit, on behalf and for the benefit of the End Customer, a declaration of accepting a backup supplier's offer, in the manner specified in item 14.5, as well as the procedure for exchanging documents and information under the backup sale procedure. The ZUD is obliged to indicate the OSD the Distribution Area referred to in item 6.5 and the tariff area in which it will conduct backup sales and immediately update information about this area in the event of a change.

14.13 A ZUD entered on the list of back-up suppliers is obliged to make the back-up sale offer available at its headquarters and publish it on its website, including the template of the back-up sale agreement or the comprehensive agreement containing the provisions of

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the back-up sale agreement and a list of current prices and fees, terms of their application and rules conducting settlements with End Users for back-up sales, and providing the OSD with information about the website address on which the back-up sale offer addressed to End Users connected to the OSD's network was published. In the event that the ZUD does not publish the backup sale offer on the website despite the OSD's request, or fails to provide the OSD with information about said website's address within the deadline indicated by the OSD, the OSD shall delete the ZUD from the backup suppliers list. The OSD informs the other ZUDs who are gaseous fuel suppliers about the deletion of the ZUD from the list of backup suppliers.

- 14.14 The termination of the backup sale or the implementation of the Comprehensive Agreement with the official supplier may take place by changing the supplier or by terminating it.
- 14.15 In the event that the backup sale agreement or the comprehensive agreement containing the provisions of the backup sale ceases to be in force or is terminated, and the OSD does not receive the PZD – Supplier Change in connection with the End Customer's conclusion of the Comprehensive Agreement or the Sale Agreement of gaseous fuels with another supplier under the supplier change procedure, the OSD ceases to supply gaseous fuels to the End Customers.
- 14.16 In order to enable the OSD to perform the backup sale procedure, each ZUD being a gaseous fuel supplier is obliged in particular to:
 - 14.16.1 providing the OSD with contact details of End Customers with whom the ZUD has concluded Comprehensive Agreements or Sales Agreements, as well as updating such data on a current basis. The information referred to in the preceding sentence shall be sent to the OSD's e-mail address indicated in the Distribution Agreement;
 - 14.16.2 concluding Comprehensive Agreements in which End Customers indicate a backup supplier, unless such Customers do not indicate a backup supplier or such an obligation does not result from applicable law;
 - 14.16.3 providing the OSD with information about the backup supplier selected by the End Customer, as well as about any change of the backup supplier selected by the End Customer, no later than within 14 days from the date of selecting or changing the backup supplier by the End Customer. The information referred to in the preceding sentence shall be sent to the OSD's e-mail address indicated in the Distribution Agreement.

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15 PROCEDURE OF CHANGING THE SUPPLIER

- 15.1 A Customer connected to the OSD's Distribution Network has the right to change their gaseous fuel supplier. The Customer does not pay any fees to the OSD related to the supplier change process. The supplier change procedure lasts no longer than 21 days from the date of submission to the PZD – Supplier Change to the OSD, provided that it is positively verified by the OSD, unless a later date has been specified in the PZD – Supplier Change.
- 15.2 As part of the supplier change procedure, the Customer selects a new supplier and concludes a Comprehensive Agreement or a Gaseous Fuel Sales Agreement with them.
- 15.3 The Customer or the new supplier acting under behalf of the Customer terminates or partially terminates the sales agreement or the comprehensive agreement with the current supplier. The Customer or the new supplier notifies the current supplier and the OSD about the conclusion of a sales agreement or a comprehensive agreement and about the date of completion or partial completion of the sale by the current supplier and the date of commencement of the sale of gaseous fuel by the new supplier to the Customer. The OSD is informed by submitting the PZD – Supplier Change or a collective PZD – Supplier Change report, the template of which is available on the OSD website. Changing the supplier does not require confirmation of the termination of the sales agreement or the comprehensive agreement by the current supplier.
- 15.4 The supplier change procedure is initiated upon the OSD's receiving the PZD – Supplier Change. A new supplier or Customer who has taken over the transport obligations of gaseous fuel to the output point from the OSD's Distribution Network must have a Distribution Agreement concluded with the OSD and have the status of a ZUD. The distribution agreement with the OSD should be concluded before or simultaneously with the submission of the PZD – Change of Supplier.
- 15.5 In the event that the supplier changes as a result of the Customer's concluding a Comprehensive Agreement with the ZUD who is the new supplier, the ZUD submits the PZD – Supplier Change, under which the distribution service will be provided to the output point, where the gas fuel is collected by the Customer changing the supplier. The ZUD who is the new supplier should submit the PZD – Supplier Change no later than 21 days before the planned date of commencement of gaseous fuel sales to the Customer. The PZD – Supplier Change must contain the Customer's statement on the complete or partial termination of the gaseous fuel sales agreement or the comprehensive agreement with the ZUD being the current supplier as at the date of the commencement of sale by the ZUD being the new supplier. In the event that the Customer's declaration, referred to in the preceding sentence, is submitted by the ZUD who is the new supplier, the ZUD is obliged to obtain the power of attorney of the Customer changing the supplier to submit such a statement and submit a statement to the OSD that he has such powers of attorney.
- 15.6 If the supplier is changed due to the Customer's taking over the obligation to transport gaseous fuel, in particular as a result of the Customer's purchase of gaseous fuel at a

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virtual point in the OSP's Transmission Network or another input point to the OSP's Transmission Network, the Customer shall conclude a transmission agreement with the OSP and a distribution agreement with the OSD (if it is not already a party to such agreements) for the transport of gaseous fuel to the output point and submit the PZD – Supplier Change, under which the distribution service shall be provided to the output point. In PZD – Supplier Change, the Customer declares that he has terminated the Comprehensive Agreement or the Agreement for the sale of gaseous fuel in whole or in part with the current supplier or has changed the place of gas delivery to a point in the Transmission Network as of the date of commencement of the provision of the Distribution service to the Customer (on the basis of PZD – Supplier Change). The Customer submits the PZD – Supplier Change at least 21 days before the scheduled date of taking over the transport obligation.

15.7 The date of changing the supplier is the day specified in the PZD – Supplier Change, as approved by the OSD. In the event that the OSD does not approve the PZD – Supplier Change submitted by the ZUD, which is the new supplier or the Customer, the OSD continues to provide the distribution service to the Customer on the basis of the applicable PZD due to the ZUD being the current supplier.

15.8 PZD – In particular, the supplier change should additionally include:

15.8.1 ZUD data,

15.8.2 the date on which the sale of gaseous fuel is to be commenced by a new supplier or the place of sale referred to in item 15.6, and the commencement of the provision of the distribution service on the basis of a new PZD – Supplier Change, wherein this date should be no earlier than 21 days from the date of submitting the PZD – Supplier Change,

15.8.3 the exact address of gaseous fuel consumption and the output point identification number assigned by the OSD;

15.8.4 the Customer's data – name and surname and PESEL number in the case of a natural person and name, NIP, REGON or KRS number – in the case of an End Customer other than a natural person not conducting business activity (depending on the legal form of such a customer).

15.9 PZD – Changing the supplier is considered as follows:

15.9.1 The OSD considers PZDs – Change of supplier taking into account:

15.9.1.1 applicable law,

15.9.1.2 the ZUD's fulfillment of the conditions referred to in item 12.3, excluding item 12.3.3.2 and the financial terms specified respectively in the Distribution Agreement or the DNC.

15.9.2 Consideration of the PZD – Supplier change is carried out in two stages:

15.9.2.1 stage 1 – formal verification,

15.9.2.2 stage 2 – substantive verification,

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- 15.9.3 At the stage of formal verification, the compliance of the data and information contained in the PZD – Supplier Change and the attached documents with the formal requirements concerning them (in particular, the completeness and correctness of data and documents).
- 15.9.4 In the event of formal deficiencies or errors in the PZD – Supplier Change, in particular, if the PZD – Supplier Change fails to indicate all required information or attached documents, the OSD calls the ZUD to supplement the shortcomings or remove errors, indicating in writing or electronically the existing shortcomings or errors, within 5 working days from the date of delivery of the PZD – Supplier Change, setting the ZUD a period of 5 working days, counted from the date of delivery of the request to supplement the indicated shortcomings or errors. At the same time, based on the provisions of the Distribution Agreement or the DNC, respectively, the OSD may call the ZUD to increase the value of the financial security.
- 15.9.5 In the event that it is not possible to start the provision of distribution services within the time limit specified in the PZD – Supplier Change for reasons attributable to the ZUD, in particular when the date indicated by the ZUD does not meet the requirements specified in item 15.8.2, the OSD calls on the ZUD to indicate the correct proposed date of supplier change.
- 15.9.6 If the ZUD does not send a correctly completed or supplemented PZD – Supplier Change within the time limit specified in item 15.9.4, the PZD – Supplier Change is left without consideration.
- 15.9.7 At the stage of substantive verification of the PZD – Supplier Change, the OSD assesses whether the conditions for the implementation requested in the PZD – Supplier Change are met.
- 15.9.8 Consideration of the PZD – Supplier Change may be suspended until the ZUD submits the documents referred to in item 13.1.6, or until the increase in the value of financial collateral under the respective provisions of the Distribution Agreement.
- 15.9.9 The PZD – Supplier Change may be rejected if the ZUD being a new supplier or the Customer does not meet the financial conditions specified in the Distribution Agreement and the DNC.
- 15.9.10 Within 7 days from the date of submission of a correctly completed and complete PZD – Supplier Change, the OSD shall inform the ZUD being the new supplier or customer and the ZUD being the previous supplier about its acceptance, rejection or refusal to provide distribution services. At the same time, the OSD informs the ZUD being the new supplier about the date of commencement of the implementation of the PZD – Supplier Change and the ZUD being the current supplier about the date of completion of the PZD he is entitled to.
- 15.9.11 The ZUD being a new supplier or Customer may request the OSD to withdraw the approved PZD – Supplier Change if the Customer decides not to change the supplier. The application for the withdrawal of an approved PZD – Supplier Change cannot be

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submitted later than 3 working days before the date of the supplier change as per the approved PZD – Supplier Change.

15.9.12 To the extent not regulated in this chapter, the relevant provisions of this chapter 13 shall apply to PZD – Supplier Change.

15.10 On the day of supplier change, the contracted capacity for WR output points and the tariff group according to which the OSD will settle the provision of distribution services for the WR and WS output points on the basis of the PZD – Supplier Change do not change. The change of the contracted capacity and the tariff group is carried out in accordance with the rules contained in the Tariff, taking into account the history of changes of these parameters in a given output point.

15.11 On the day of supplier change, the contracted capacity used by the ZUD being the current supplier or the Customer is granted to the ZUD being the new supplier or the Customer. In the event of a partial supplier change, the contracted capacity is granted to the ZUD being the new supplier or the customer in proportion to the scope of the supplier change.

15.12 As part of the supplier change procedure, the OSD reads the metering system indications in order to settle the current supplier with the Customer.

15.13 The OSD shall perform the reading referred to in item 15.12 no later than within 5 working days from the last day of the validity of the PZD of the ZUD being the current supplier. If it is not possible to make such reading, the OSD shall estimate the volume of the gaseous fuel received.

15.14 The OSD shall deliver data necessary for the billing referred to in item 15.12 to the ZUD being the current supplier and the ZUD being the new supplier or Customer within 5 working days from the day of readout or estimate.

15.15 The provisions of this chapter shall apply mutatis mutandis in the event that the Customer connected to the OSD's Distribution Network, receiving gaseous fuel at the WR type output point, changes the supplier consisting in the conclusion of another sales agreement or a comprehensive agreement with another supplier and the simultaneous reduction of the Contracted Capacity at the ZUD being the current supplier.

15.16 If, during the supplier change procedure, there are reasons to launch backup sales, in accordance with Chapter 14, the supplier change procedure is canceled, and if the PZD – Supplier Change has already been accepted by the OSD, it is terminated, unless the day of supplier change falls before the start of the backup sale or the day the backup sale begins.

16 WORK IN THE DISTRIBUTION SYSTEM

16.1 Assessment of the technical condition of the distribution network.

16.1.1 The OSD is obliged to assess the technical condition of the distribution network.

16.1.2 Periodic renovation or modernization plans are prepared based on the assessment

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carried out. Other corrective and preventive actions are also planned to ensure the safety and maintenance of the distribution network at an appropriate technical level.

16.2 Planning and implementation of renovation or modernization works.

16.2.1 The OSW and OSD agree on the scope and deadline for the performance of works that will result in the restriction of the supply of gaseous fuel to the input or output points on connections with the OSW's systems no later than 21 days before their commencement.

16.2.2 The OSD notifies the Distribution System Users of the dates and duration of planned interruptions in the supply of gaseous fuel, in the form of press, internet, radio or television announcements, or otherwise customary in a given area, or individual notifications given in writing, by phone, or by other means of telecommunications, at least within:

16.2.2.1 7 days before the scheduled break in the supply of gaseous fuel to Customers included in connection group B, subgroup I,

16.2.2.2 14 days before the planned interruption in the supply of gaseous fuel to other Customers.

16.2.3 Customers located downstream of the restricted input points are required to introduce restrictions on gas consumption.

16.2.4 During the periods of interruptions and restrictions caused by work in the Distribution System, the OSD shall be released from the obligation to accept gaseous fuel at the input points or the Distribution to the output points, which shall be subject to restrictions as a result of the work being carried out.

17 INFORMATION EXCHANGE BETWEEN THE PARTIES TO THE DISTRIBUTION AGREEMENT

17.1 Information exchange between the OSD, OSW and ZUD.

17.1.1 The primary standard for data exchange related to the provision of the distribution service between the OSD, the OSW and the ZUD is the electronic data interchange (EDI) standard. An alternative standard for data exchange for ZUDs, which do not have interfaces enabling data exchange in the EDI standard, are the services provided by the OSD, which enable, among others:

17.1.1.1 entering PZDs by the ZUD for individual output points,

17.1.1.2 entering collective PZD files by the ZUD in xls format and downloading them, after verification by the OSD, in xls format,

17.1.1.3 providing the ZUD with data on PZD service and billing data by the OSD in xml standard, with the possibility of downloading them by the ZUD through generally available ftp services,

17.1.1.4 making the current ZZZ available to the ZUD by the OSD,

17.1.1.5 submitting and checking the status of the submitted Nomination or

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Renomination,

17.1.1.6 submitting and checking the status of the transport forecast submitted by the OSDW.

The details of the information exchange standard and file format are published on the OSD website.

17.1.2 The deadline for introducing or updating the basic electronic document interchange (EDI) standard or an alternative data exchange standard referred to in item 17.1.1 will be related to the OSD's implementing the required IT systems.

17.1.3 The deadline for introducing or updating the primary standards of electronic document interchange (EDI) requires an announcement on the OSD's website at least 6 months in advance and notifying the ZUD in the manner specified in the Distribution Agreement.

17.1.4 Changing the basic standard that does not require the reconstruction of the IT system on the part of the ZUD, and the introduction or update of an alternative data exchange standard, requires an announcement on the OSD's website at least one month in advance and notifying the ZUD of the implementation date in the manner specified in the Distribution Agreement.

17.1.5 Within one month from the indicated date of implementation of the update of the primary electronic document interchange (EDI) standard, the OSD shall agree with the ZUD on the test schedule and start the tests for the update of the standard. In the tests performed with the ZUD, the OSD shall verify the correctness of electronic communication, including compliance with technical requirements, and define the date on which the exchange of data and documents using the Standard (EDI) can be commenced.

17.1.6 In the event that the OSD provides information on changes to the standards of electronic document exchange in the manner specified in item 17.1.3 – 17.1.5, the ZUDs, Customers and OSDWs are required to adapt their IT systems to exchange information in such standards.

17.2 Entities responsible for data processing and confidentiality rules.

17.2.1 The provisions of this item 17.2 shall apply to the following entities (hereinafter referred to as "Entities"):

17.2.1.1 OSD;

17.2.1.2 the entity applying for connection to the Distribution Network and the parties to the Connection Agreement;

17.2.1.3 the entity submitting an application for the conclusion of a Distribution Agreement and the parties to the Distribution Agreement;

17.2.1.4 the entity submitting the application for the conclusion of the agreement or contract referred to in item 7, and the parties to such agreement or contract;

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17.2.1.5 Distribution System Users, OSWs, Customers.

17.2.2 The entities undertake to protect documents and information of a technical, technological, commercial, strategic, financial and economic nature obtained during the process of connecting to the Distribution Network, in connection with the procedure of concluding and implementing a Distribution Agreement, as well as contracts and agreements referred to in item 7, not disclosed to the public, for which an Entity has taken the necessary steps to maintain their confidentiality (hereinafter referred to as "Confidential Information"). In particular, the Entities undertake to:

17.2.2.1 not to publish or disclose Confidential Information to third parties,

17.2.2.2 not to use Confidential Information for purposes other than those related to the process of connecting to the Distribution Network, the procedure of concluding and implementing the Distribution Agreement, as well as the contracts and agreements referred to in item 7, and the performance of other obligations under the DTNC, the Tariff or applicable law,

17.2.2.3 take all steps necessary to protect Confidential Information,

17.2.2.4 restrict the exchange of Confidential Information and access to it to persons who need this information in connection with the process of connecting to the Distribution Network, the procedure of concluding and implementing the Distribution Agreement, as well as the contracts and agreements referred to in item 7, and the performance of other obligations under the DNC, the Tariff or applicable law, and in any case inform such persons about the confidential nature of such information.

17.2.3 The entities undertake to protect classified information in accordance with the provisions of the Act on the Protection of Classified Information.

17.2.4 OSW and ZUD using the systems provided by the OSD, as referred to in item 17.1.1, are required to ensure the protection of the storage and transmission of Confidential Information against unauthorized access by third parties and to secure this information against unauthorized content change, as well as the obligation to implement and take the necessary measures in order to protect the standards provided by the OSD against unauthorized access.

17.2.5 If at the stage of the OSD's consideration of the application for connection to the Distribution Network, the application for the conclusion of a Distribution Agreement or the application for PZD's approval, or in the course of the performance of a contract or agreement concluded by the OSD with an Entity, it turns out that the information that should be attached or included in the application constitute a business secret or are protected as classified information within the meaning of the Act on the Protection of Classified Information, such Entity undertakes to:

17.2.5.1 inform the OSD about this fact,

17.2.5.2 if necessary, obtain the consent of a third party to disclose information

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constituting a business secret to the OSD, so that the disclosure of such information does not constitute an act of unfair competition.

- 17.2.6 If the entity fails to provide the OSD with access to the information referred to in item 17.2.5, the OSD shall not consider the application submitted by such entity.
- 17.2.7 Information constituting a business secret may be transferred to authorities under the provisions of the law to request such information. In such a case, the entity that was requested to provide information should inform the other party to the Agreement about this fact. With regard to classified information, the relevant provisions of the Act on the Protection of Classified Information concerning the disclosure of such information to relevant authorities, bodies or services shall apply.
- 17.2.8 Unless the applicable law or the Agreement provide otherwise, the obligation referred to in this item 17.2 does not apply to information that:
- 17.2.8.1 have been made public in a manner that does not constitute a breach of the Agreement,
 - 17.2.8.2 are known to the party from other sources, without the obligation to keep them secret and without breaching the Agreement,
 - 17.2.8.3 may be made public based on a written consent of the other party,
 - 17.2.8.4 have been obtained by one of the parties prior to the conclusion of the Distribution Agreement.
- 17.2.9 Violation of the provisions of item 17.2 will authorize the aggrieved entity to claim compensation on general terms.
- 17.3 The manner and time frames for providing information under the compensation and commercial balancing procedure in the Local Distribution Area.
- 17.3.1 The OSD shall provide the OSW with information on the quantities of gaseous fuel assigned to individual ZUDs at the Distribution System Input Points at the connection with the OSW's system.
- 17.3.2 As part of the Compensation procedure, the OSD submits the HRW reports to the ZUD within the time limit specified in item 1.1.1,
- 17.3.3 As part of the commercial balancing of the Local Distribution Area, the OSD provides ZUD with the HRN within the time limit specified in item 1.1.1.
- 17.4 Information provision procedure.
- 17.4.1 Basic information and documents related to the provision of distribution services published on the OSD website are presented in chapter 4.
- 17.4.2 Moreover, the OSD website includes contact phone numbers and addresses of OSD units.
- 17.4.3 Inquiries and complaints will be registered and monitored in the system operating in the OSD.

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- 17.4.4 Responses to inquiries and complaints submitted in writing or electronically shall be provided in the same manner as they were given.
- 17.4.5 The OSD examines the applications or complaints of Customers or Users of the Distribution System in connection with the provision of distribution services to them, within 14 days from the date of submitting the application or filing a complaint, except for cases where, at the request of the Customer, the ZUD or the OSD, checks or measurements are made for quality parameters of gaseous fuel, considered within 14 days from the completion of relevant inspections and measurements.
- 17.5 The OSD has the right to provide the OSW with information on the results of measurements and Allocation at the input and output points at the connection with the given OSW's Gas System.

PART III:

SYSTEM BALANCING AND SYSTEM RESTRICTION MANAGEMENT

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18 REQUIREMENTS FOR METERING SYSTEMS, TELEMETRIC SYSTEMS AND PRINCIPLES OF CARRYING OUT MEASUREMENTS

18.1 The volume of gaseous fuel transported under the Distribution Agreement is determined by the OSD based on:

18.1.1 actual meter data obtained from Metering Systems installed at output points from the Distribution System,

18.1.2 in the event of failure of the Metering Systems, estimated data calculated in accordance with the algorithms specified in Polish Standards,

18.1.3 estimated data calculated in accordance with the methodology adopted by the OSD in the case of WS output points, in which the Metering System with a recording and memory storage function of the measured values has not been installed. The amount of gaseous fuel is estimated pursuant to the provisions of item 19.1.

18.1.4 Measuring devices included in the new Metering Systems, introduced into use, intended for billing at input points or output points, should undergo the conformity assessment procedure (in accordance with the MID Directive). The devices included in each metering system subject to legal metrological control must have a valid legalization mark and metrological marking, in accordance with applicable law. Devices included in each Metering System exempt from legal metrological control should have a certificate of the results of the tests carried out, confirming their metrological class as well as certificates and approvals specified in the legal provisions applicable to a given device.

18.1.5 The costs related to the legalization, legal metrological control or metrological check of Metering systems installed at the input or output points to which the OSD has a legal title, shall be borne by the OSD. The costs related to the legalization of Metering systems, legal metrological check or metrological control, for which the OSD has no legal title, shall be borne by the system's owner.

18.1.6 For entities taking gaseous fuel from the Distribution Network, the place of installation of the Metering System and its equipment are specified by the OSD in the connection conditions and in the Connection Agreement.

18.1.7 An element of the metering system may be devices for remote transmission of measurement data. Requirements for these devices, transmission method, type and scope of transmitted data are specified by the OSD and published on the OSD's website or in the connection conditions or in the Connection Agreement.

18.1.8 WR type output points must be equipped with recorders or converters for gas meters. The cost of equipping the existing WR type output points with a recorder or gas meter converter shall be borne by the OSD, unless the equipment of the output point with a recorder or gas meter converter results from a change in the connection conditions for this output point, carried out in the mode specified in chapter 10.

18.1.9 All elements included in the metering system must be suitable for sealing. The OSD

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performs the sealing of said components and devices with the use of disposable seals with unique identification numbers.

18.1.10 The use of gas meters and measuring devices not covered by the requirements of the documents listed in item 6.7.1.1 requires the approval of the OSD contained in the Connection Agreement or Distribution Agreement.

18.2 Metering systems – types of metering devices.

18.2.1 Various configurations of metering systems installed at input or output points are used. Depending on their requirements and purpose, the metering systems include the following devices:

18.2.1.1 gas meter – a metering device for counting the volume of gaseous fuel flowing through it under the actual measurement conditions,

18.2.1.2 gas meter with data transmission function – a gas meter recording the volume of flowing gaseous fuel at gaseous fuel pressures not exceeding 2.5 kPa with the remote data transmission function,

18.2.1.3 gas meter with a remotely controlled valve – a gas meter with data transmission function, equipped with a valve enabling the remote suspension and resumption of gas supplies,

18.2.1.4 gas meter converter – an electronic metering device used for converting the volume of gaseous fuel measured by the meter under measuring conditions into the volume of gaseous fuel under normal conditions,

18.2.1.5 gas meter recorder – an electronic metering device recording the volume of flowing gaseous fuel under the measurement conditions; the recorders can be used at gaseous fuel pressures not exceeding 2.5 kPa and work with gas meters fitted with pulse transmitters,

18.2.1.6 converter – an electronic device that converts the measured non-electrical value into an electrical one,

18.2.1.7 chromatograph – an electronic device analyzing a gas sample using a chromatographic method to determine the quality parameters of the gaseous fuel tested, including its gross calorific value,

18.2.1.8 densimeter – an electronic device installed at the input and output points, measuring and calculating the density of gaseous fuel,

18.2.1.9 hygrometer – an electronic device that measures and determines the water dew point temperature in the gaseous fuel tested for specific pressure and temperature conditions.

18.2.2 Requirements for gas meters converters, gas meter recorders, rectifiers, densimeters, chromatographs, hygrometers and pulse recorders are specified by the OSD.

18.2.3 Converters and recorders for the gas meter used to measure the volume of the gaseous fuel distributed operate according to the UTC+1 standard time throughout

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the Gas Year. The OSD settles the ZUD according to the official time.

18.3 Metering systems – technical requirements.

18.3.1 The type of devices included in the Metering System at a given input or output point connected to the Distribution System shall be specified by the OSD in the terms of connection to the Distribution System and in the Connection Agreement.

18.4 Measurements.

18.4.1 The OSD performs measurements to the extent necessary to bill the distribution service, as well as to the extent necessary to settle the Commercial Balancing of the Local Distribution Area and the Commercial Balancing of the OSP, and to determine the amount of gaseous fuel sold by the ZUD to Customers who have a Comprehensive Agreement.

18.4.2 Measurements of the quality parameters of the gaseous fuel distributed are performed by the OSD at designated points of the Distribution System.

18.4.3 In order to settle the distribution service by the OSD, as well as to the extent necessary for the billing of the Commercial Balancing of the Local Distribution Area and the Commercial Balancing of the OSP, the measurements of the pressure, temperature and volume of the transported gaseous fuel as well as the parameters characterizing the quality of gaseous fuel are made in the points specified in accordance with the provisions of item 18.4.2, in accordance with the principles set out in Polish Standards and legal regulations.

18.4.4 In the output points to the Customer and input points, e.g. at the places of physical delivery of gaseous fuel at the connection with the OSW's system, where the OSD has legal title to the Metering Systems, the OSD conducts measurements of the following quantities and parameters of the gaseous fuel:

18.4.4.1 at input points to the distribution system in the following scope:

18.4.4.1.1 hourly volume of gaseous fuel,

18.4.4.1.2 daily volume of gaseous fuel,

18.4.4.1.3 monthly volume of gaseous fuel,

18.4.4.1.4 maximum hourly volume of Gaseous Fuel in a given Gas Day or Gas Month,

18.4.4.1.5 the minimum pressure on a given Gas Day or Gas Month; the minimum pressure in a given Gas Month is the minimum daily pressure recorded in a given Gas Month,

18.4.4.2 at the WR type output points fitted with recorders or converters for gas meters in the scope of:

18.4.4.2.1 hourly volume of gaseous fuel, if technically possible,

18.4.4.2.2 daily volume of gaseous fuel,

18.4.4.2.3 monthly volume of gaseous fuel,

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18.4.4.2.4 maximum hourly volume of Gaseous Fuel in a given Gas Day or Gas Month,

18.4.4.3 at WS type output points in terms of the gaseous fuel volume,

18.4.4.4 at selected points of the Distribution Network in the field of control measurements of the gas fuel's quality parameters, as referred to in item 6.8,

18.4.4.5 at input points to the distribution system and at type WR output points fitted with chromatographs for gross calorific value.

18.4.5 In the event of an overload or damage to a gas meter at the input point, e.g. at the place of physical delivery of gaseous fuel at the connection with the OSW or the output point, caused by an increase of gas consumption by the OSW, ZUD or the ZUD's Customer above the upper limit of the volume flow measurement range, the gas meter should undergo re-verification or a metrological check. All costs related to the re-verification or metrological check, in particular: costs of transport, legalization or metrological check as well as possible repair, disassembly and assembly of the gas meter and the metering system, shall be borne by the OSW or ZUD, respectively, after the OSD presents documents confirming the costs incurred.

18.4.6 If the OSD has no legal title to the metering devices installed in:

18.4.6.1 The input point (e.g. at the place of physical delivery of gaseous fuel at the connection with OSW) – the Source Operator, ZUD or OSW who has a legal title to the devices installed at this point, will provide the OSD with access to metering devices, taking measurements of the values specified in item 18.4.4 and ensure the transfer of meter data to the OSD,

18.4.6.2 at the output point, the OSW, ZUD or the Customer who has a legal title to the devices installed at this point, will provide the OSD with access to metering devices, taking measurements of the values specified in item 18.4.4 and ensure the transfer of meter data to the OSD.

18.4.7 Settlements concerning the quantity of gaseous fuel determined on the basis of measurements may be converted by the OSD by adding up the measured hourly quantities of gaseous fuel for the Gas Day.

18.5 Checking the correct operation of the metering systems:

18.5.1 The metering system owned by the OSD will be checked regularly.

18.5.2 At the ZUD's or the Customer's written request, the OSD checks the correct operation of the Metering System, which is the property of the OSD, no later than within 14 days from the date of said request.

18.5.3 The ZUD or the Customer has the right to request that the Metering System be checked by an independent laboratory accredited by a certification body in accordance with applicable regulations. The OSD shall provide the Metering System for laboratory testing within 7 days from the date of such request by the ZUD or the Customer.

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- 18.5.4 At the OSD's written request, the OSW or the entity supplying gaseous fuel to a given physical input point, the Metering System used to determine the gross calorific value is checked for correct operation by an independent laboratory accredited by the certification body in accordance with applicable regulations. The metering system should be checked within 21 days from the date of the OSD's submitting such a request.
- 18.5.5 The ZUD or the Customer covers the costs of checking the correct operation of the Metering System, performed at the request of the ZUD or the Customer, in the event that no irregularities have been found in the operation of the Metering System's components.
- 18.5.6 The Customer or the ZUD being the owner of the Metering System, respectively, covers the costs of its verification in the event of revealing irregularities in its operation.
- 18.5.7 The OSD has the right to demand that the correct operation of the Metering System owned by the Customer, the ZUD or the OSW be checked. If no irregularities are found in the operation of the metering device's components, the OSD covers the costs of checking the correct operation of the metering system.
- 18.6 Requirements for the metrological control of metering devices included in the Metering Systems, which are exempt from the obligation of legal metrological checks:
- 18.6.1 Metrological control covers gas meters exempt from legal metrological checks, i.e. with a volume flow greater than 100 m³/h or installed in a distribution network whose working pressure exceeds 0.5 MPa, placed on the market or put into service after a compliance assessment or on the basis of a type approval and converters used for these meters.
- 18.6.2 The deadline for submitting for the re-verification of converters subject to legal metrological check for the first time should be consistent with the applicable legal regulations. Until this date, gas meters subject to legal metrological check are subject to re-verification.
- 18.6.3 Metrological checking of gas meters exempt from legal metrological checks, installed at physical input and output points from the Distribution System, shall be performed at least every 5 years. In the case of gas meters previously subject to such control, the 5-year period starts on 1 January of the year following the year in which metrological check or legal metrological check was performed. Gas meters are also checked each time a failure is removed, or the gas meter is repaired or overloaded.
- 18.6.4 The metrological control of gas meters includes:
- 18.6.4.1 external examination;
 - 18.6.4.2 checking that the gas meters have the required markings;
 - 18.6.4.3 determining gas meter indications errors.
- 18.6.5 Calibration of gas meters should be performed:

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- 18.6.5.1 with air or natural gas at a pressure close to the working pressure – for turbine and ultrasonic gas meters installed in the gas network, where the maximum working pressure exceeds 0.5 MPa;
- 18.6.5.2 with air at atmospheric pressure or natural gas at a pressure close to the working pressure – for turbine and ultrasonic gas meters installed in the gas network, where the maximum working pressure does not exceed 0.5 MPa;
- 18.6.5.3 with air at atmospheric pressure or natural gas at a pressure close to the working pressure – for rotor and other gas meters, regardless of the Gas Network's maximum working pressure.
- 18.6.6 The error values of gas meters determined during calibration should be lower than the value of the permissible maximum errors, i.e.:
- 18.6.6.1 2% within the range from Q_{\min} to Q_t ;
- 18.6.6.2 1% within the range from Q_t to Q_{\max} .
- 18.6.7 If the gas meter errors determined during calibration are greater than the values specified in item 18.6.6, the gas meter shall be adjusted and recalibrated.
- 18.6.8 A report is prepared on the metrological check activities of the gas meter, which includes in particular:
- 18.6.8.1 identification data:
- the entity conducting the verification,
 - applicant,
 - name of the gas meter,
 - place and date of the inspection,
 - place of use of the gas meter,
- 18.6.8.2 serial number of the gas meter,
- 18.6.8.3 the scope of the check performed;
- 18.6.8.4 the results of the check, including the results of the metrological characteristics of the gas meter checked;
- 18.6.8.5 information on the types and locations of security markings and seals,
- 18.6.8.6 determining whether the gas meter meets the requirements;
- 18.6.8.7 the date of the report;
- 18.6.8.8 signature of the person conducting the check.
- 18.6.9 The result of the metrological check performed should be certified with a calibration certificate issued by the entity conducting such control.
- 18.6.10 The prerequisite for the use of gas meters, excluded from legal metrological control, is to document the correct operation of the device, in accordance with items 18.6.1 – 18.6.8.
- 18.6.11 Gas meter tests in the field of metrological check should be ordered for the first time on the date on which metering instruments placed on the market or use should

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be submitted for re-verification, after the conformity assessment or on the basis of a type approval, if they are still subject to legal metrological checks.

18.7 Prepayment metering systems.

18.7.1 The OSD shall install Prepaid Metering Systems based on the Customer's application submitted by the ZUD, which meets the criteria for being considered a sensitive customer within the meaning of the Energy Law. If the client submits the application to the OSD directly, it shall be forwarded to the ZUD with which the Customer has signed a Comprehensive Agreement, in order for the ZUD to verify whether they meet the conditions for considering them a sensitive customer. The ZUD is obliged to confirm that the Customer meets the criteria for being considered a sensitive customer within 5 days from the date of delivery of the Customer's application by the OSD. The OSD installs the Prepaid Metering System within 21 days from the date of receipt of the Customer's application, provided that the ZUD confirms that the Customer meets the criteria for recognizing them as a sensitive customer.

18.7.2 The OSD has the right to install prepayment metering systems on its own initiative or at the ZUD's request:

18.7.2.1 in the event that a household Customer applies for consideration of their dispute with the ZUD selling him gas fuel or with the OSD by the Negotiation Coordinator, within the meaning of the Energy Law, or by the President of the ERO,

18.7.2.2 in the case where the Customer would delay the payment for gaseous fuel or services for a period of at least one month at least twice in the 12 subsequent months,

18.7.2.3 if the Customer has no legal title to the real estate, building or premises where gaseous fuel is supplied,

18.7.2.4 if the Customer uses the property, facility or premises in a way that prevents periodic checking of the Metering System.

18.7.3 The costs of installing the Prepaid Meter, in the cases referred to in items 18.7.1 and 18.7.2 shall be borne by the OSD.

18.7.4 Regardless of items 18.7.1 and 18.7.2, if technically possible, the OSD may install the Prepayment Metering System at the request of the Customer taking gaseous fuel in an amount not exceeding 110 kWh/h, on the terms specified in the Tariff and the Terms and Conditions referred to in item 18.7.9.

18.7.5 The ZUD, with which the Customer has concluded a Comprehensive Agreement, ensures the sale of gaseous fuel using the Prepayment Metering System, and also charges fees for this sale. The above does not exclude the ZUD's obligation to pay a fee to the OSD, on the terms specified in the Tariff, for the provision of the distribution service.

18.7.6 In order to provide distribution services to the output point fitted with the Prepaid Metering System, the ZUD provides the OSD with PZDSP containing information on

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the amount of gaseous fuel to be delivered to the output point equipped with the Prepaid Metering System. The ZUD submits the first PZDSP, as referred to in the preceding sentence, within:

- 18.7.6.1 14 calendar days prior to the scheduled delivery start date, or
- 18.7.6.2 5 days from the date of the ZUD receiving the Customer's application from the OSD in the manner specified in item 18.7.1, if the ZUD confirms that the Customer meets the criteria for qualifying them as a sensitive customer. In this case, the PZDSP is valid from the date of installing the Prepaid Metering System.
- 18.7.7 The OSD converts the amount of gaseous fuel specified in the PZDSP that is to be delivered to the output point equipped with the Prepayment Metering System into units of volume using the conversion rate value applicable for the ORCS, where the output point equipped with the Prepayment Metering System is located, before the date indicated by the ZUD in the PZDSP as the date of End Customer's payment of the fee for the delivery of gaseous fuel to the output point equipped with Prepayment Metering System. The gross calorific value referred to in the preceding sentence is also used for billing purposes with the ZUD for the provision of distribution services to the output point fitted with a Prepayment Metering System.
- 18.7.8 Completion of the PZDSP to the output point fitted with the Prepayment Metering System takes place when the volume of gas determined in accordance with item 18.7.7 has been supplied, and the ZUD did not submit a new PZDSP informing about further quantities of gaseous fuel to be delivered to the output point fitted with the Prepayment Metering System.
- 18.7.9 The rules and conditions for the installation and disassembly of the prepayment metering system at the customer's additional request are set out in the generally available "Regulations for installing and disassembling the prepayment metering system", published on the OSD's website.

19 PRINCIPLES OF READING METERING SYSTEMS AND SUBMITTING METER AND BILLING DATA

- 19.1 Method of taking readings in metering systems by the OSD at output points from the Distribution Network.
 - 19.1.1 The OSD conducts readings of the Metering Systems at output points from the Distribution System with the frequency specified in the Tariff, on the dates specified in the detailed readings schedule (SHO), which in particular defines the Reading Periods in individual tariff groups, along with information on qualifying readings. At the request of the ZUD, the OSD may, as far as its technical capabilities allow, make additional readings not resulting from the SHO, charging fees in the amount specified in the Tariff.
- 19.2 ZUD is obliged to:
 - 19.2.1 provide the OSD with updates on changes to the data concerning Customers that

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were indicated by him in the PZD form on an ongoing basis

19.2.2 verify and receive data with the OSD's readings on an ongoing basis and inform the OSD about inconsistencies in the data received.

19.3 OSD is obliged to:

19.3.1 provide the ZUD, by August 31, with the SHO for the next Gas Year, taking into account the output points and the dates of their readings,

19.3.2 sending the ZUD information about changes in the SHO referred to in item 19.3.1 no later than on the day preceding the commencement of its performance in a given month, unless information in this regard is provided by making it available in accordance with the information exchange standards referred to in item 17.1.

19.3.3 compliance with the Reading Periods for each output point in accordance with the Tariff, whereby this obligation is considered fulfilled when the reading was made in a given Gas Month indicated in the SHO,

19.3.4 provide the ZUD with reading data, immediately, but not later than within 5 working days, counting from the day following the reading,

19.3.5 providing the ZUD with data related to the assembly or disassembly of the Metering System at the output point, in particular the identification data of this output point, the date of its assembly or disassembly, the state of the Metering System's indications, as well as the serial numbers of the assembled or disassembled components of the Metering System, immediately, but not later than within 5 working days,

19.3.6 immediately (but not later than within 5 working days) providing the ZUD with data related to the completion of the PZD,

19.3.7 estimate the volume of gaseous fuel taken in the event of damage to the Metering Systems at the output point, within 7 working days from the date the OSD finds the damage,

19.3.8 submit the estimates to the ZUD at type WS output points immediately, but not later than within 7 working days from the date of the OSD's scheduled reading in the SHO or the reading ordered by the ZUD as of the date of termination of the Comprehensive Agreement or the Sales Agreement with the Customer, if it was not possible to perform despite attempts made by the OSD,

19.3.9 provide the ZUD with information about the change of the tariff group on the basis of a qualifying reading made according to the principles specified in the Tariff. The information to the ZUD should be provided no later than in the next Gas Month after the month the qualifying reading was made in.

19.4 For type WR output points fitted with a Telemetry system, the OSD performs one reading on the last day of the Billing Period and sends it immediately after the end of the Gas Month, but not later than during the first 3 working days of the following month.

19.5 The OSD provides the ZUD with the readings of the metering systems related to:

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- 19.5.1 withholding the supply of gaseous fuel without dismantling the Metering System or with disassembly, assembly or replacement of the Metering System, or with the termination of the Comprehensive Agreement with the Customer, or with the implementation of the supplier change procedure
- 19.5.2 control readings when ZUD reported a complaint regarding:
- 19.5.2.1 incorrect readings of the metering system indications,
 - 19.5.2.2 the amount or volume of gas consumption,
 - 19.5.2.3 irregularities in the operation of the metering system.
- 19.6 If the control reading made by the OSD, ordered by the ZUD following a complaint, confirms the correctness of the claimed reading or the correct operation of the Metering System, the OSD is entitled to reimbursement of the costs of performing the control reading from the ZUD in the amount determined on the terms set out in the Tariff.
- 19.7 The costs related to checking the Metering System as a result of finding a damage to the Metering System's security shall be covered by the Customer according to the rates specified in the Tariff, unless it was due to reasons for which the Customer is not responsible.
- 19.8 In order to enable the ZUD to conduct billing with ZUD's Customers, the OSD shall provide the ZUD with the following data for the WR type output points:
- 19.8.1 output point identification number,
 - 19.8.2 tariff group of the Customer assigned to a given Output Point,
 - 19.8.3 volume of gaseous fuel consumed at a given output point in the Billing Period [m^3],
 - 19.8.4 value of the conversion rate K_{WR} [kWh/m^3],
 - 19.8.5 amount of gaseous fuel consumed at a given output point in the Billing Period [kWh],
 - 19.8.6 the indications of the Metering System at the beginning and at the end of the Billing Period in volume units [m^3] for WR type output points fitted with a Metering System without volume correction, if technically possible to acquire, with the exception of multi-line metering systems consisting of more than one meter device,
 - 19.8.7 the indications of the Metering System at the beginning and at the end of the Billing Period in volume units [m^3] for WR type output points fitted with a Metering System with volume correction, if it is technically possible to calculate them,
 - 19.8.8 numerical value of the maximum capacity registered in a given Billing Period in volume units [m^3/h] and in energy units [kWh/h],
 - 19.8.9 date of maximum power occurrence in a given Billing Period.
- 19.9 In order to enable the ZUD to conduct billings with ZUD's Customers, the OSD provides the ZUD with the following data for WS output points:
- 19.9.1 output point identification number,
 - 19.9.2 tariff group of the Customer assigned to a given Output Point,

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- 19.9.3 state of the metering system indications at the beginning of the Reading Period defined in SHO [m³],
- 19.9.4 state of the metering system indications at the end of the Reading Period defined in SHO [m³],
- 19.9.5 the volume of gaseous fuel consumed at a given output point in the Reading Period specified in the SHO [m³] or in the period commenced or ended with the reading referred to in item 19.5,
- 19.9.6 the value of the KWS conversion factor [kWh/m³] at a given output point in the Reading Period specified in the SHO or in the period commenced or ended with the reading referred to in item 19.5,
- 19.9.7 amount of gaseous fuel consumed at a given output point in the Reading Period as set out in SHO [kWh],
- 19.9.8 type of readout (estimated, actual or provided by the Customer),
- 19.10 In order to enable the ZUD to conduct billings with ZUD's Customers, at the end of each Gas Day the OSD provides the ZUD with the following data for WS output points fitted with a Prepayment Metering System:
 - 19.10.1 output point identification number,
 - 19.10.2 amount of gaseous fuel remaining to be used under the PZDSP at the end of the previous Gas Day [kWh];
 - 19.10.3 conversion rate value K_{ws} [kWh/m³], designated in a given Output Point in accordance with item 18.7.7.
- 19.11 Telemetry system. Remote reading of metering systems and the method of transmitting measurement data.
 - 19.11.1 Newly built metering systems at WR type points should be fitted with a data transmission system.
 - 19.11.2 If the OSD does not have a legal title to the Metering System installed at the input or output point, the owner of this System is obliged, at the OSD's request, to enable:
 - 19.11.2.1 the OSD to install their own Telemetry Systems at a given input or output point, connected directly to the Metering Systems specified in item 18.2.1, used to transmit meter data to the OSD,
 - 19.11.2.2 direct access to Telemetry Systems installed by the OSD, in accordance with item 19.11.2.1, at a given input or output point, in order to maintain and repair them.
 - 19.11.3 The ZUD or the Customer with legal title to the Metering System equipped with meter data transmission devices at the input or output point, is required to, at the OSD's request, arrange with the OSD the scope and rules of providing the equipment for transmitting meter data to the OSD's Telemetry System, as specified in the application. In the event of the ZUD's or Customer's refusal to provide data

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transmission devices to the extent specified in the application, the OSD has the right to install its own Telemetry System at this Point in accordance with the provisions of item 19.11.2.

- 19.11.4 As far as it is technically capable, the OSD remotely provides meter data regarding the input or output point, which the OSD has a legal title to. The data referred to in the preceding sentence come directly from the Metering System and are not verified or processed by the OSD in any way and are not billing data within the meaning of applicable law or the Agreement, and in particular they cannot constitute the basis for any claims against the OSD. The sharing of meter data takes place in the manner and on the terms set out in the regulations published on the OSD's website, while the sharing of meter data for the ZUD takes place when only one ZUD is billed at a given input or output point. In the event that billings are made at a given input or output point with more than one ZUD, the meter data are made available to the Customer only. The sharing of the Customer's data is carried out at the Customer's request, considered within 14 days from the date of its delivery to the OSD, and includes meter data from the output point, regardless of the number of ZUDs billed at a given output point.
- 19.11.5 The OSD determines the method of implementation, modes and protocols for providing the measurement data specified in item 19.11.4 within the possibilities of the devices and Telemetry Systems.
- 19.11.6 As far as it is technically capable, the OSD shall, at the OSP's or OSW's request, remotely provide meter data for the input or output point which the OSD has a legal title to, in the manner specified in the MUP, MUD or the cooperation agreement.
- 19.11.7 The OSD, OSP, OSW, ZUD and the Customer cover their own costs of construction and operation of their systems for remote reception of meter data from input or output points for their own needs, unless the Distribution Agreement, Cooperation Agreement or Connection Agreement provides otherwise.
- 19.11.8 In the event of a failure of data transmission devices at the input or output point, the entity with legal title to the transmission equipment or the entity operating it is obliged to immediately inform the OSD about the failure and take action to remove it without undue delay.
- 19.11.9 If the OSD has legal title to the Metering System installed at the input or output point, the Customer or the ZUD is not entitled to install a Telemetry System connected directly to this Metering System at this Point without the OSD's consent.

20 PRINCIPLES OF DETERMINING QUANTITY OF GASEOUS FUEL AT THE WR TYPE POINTS FOR THE PURPOSE OF DISTRIBUTION SERVICES

- 20.1 In each ORCS the OSD determines the value of the Conversion Rate (K_{WR}) for the Billing Period for type WR Points, according to the following formula:

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$$K_{WR} = \frac{Q_m}{V_m}$$

where:

Q_m – the amount of gaseous fuel at individual input points to a given ORCS in the Billing Period, determined as the sum of the products of gross calorific value and the volume of gaseous fuel at individual input points in the Billing Period [kWh],

V_m – volume of gaseous fuel at individual ORCS Input Points in the billing period [m³].

- 20.2 In each Billing Period, the amount of gaseous fuel taken at the output point from the ORCS is defined as the product of the volume of gaseous fuel taken at a given output point and the value of the K_{WR} conversion rate determined for that Billing Period in accordance with the method referred to in item 20.1.
- 20.3 The maximum capacity performed at a given output point in the Billing Period expressed in [kWh/h] is defined as the product of the maximum capacity performed in the Billing Period expressed in [m³/h] and the K_{WR} Conversion Rate [kWh/m³] determined for this Billing Period in accordance with the method referred to in item 20.1.
- 20.4 In the case of an output point fitted with a chromatograph, the OSD determines the maximum capacity performed and the amount of gaseous fuel taken at that output point based on meter data on the volume of gaseous fuel taken and the gross calorific value determined by the chromatograph.

21 ESTIMATION OF THE VOLUME AND QUANTITY OF GASEOUS FUEL AT THE WS TYPE OUTPUT POINTS FOR THE PURPOSE OF DISTRIBUTION SERVICES

- 21.1 Estimating the quantity or volume of gaseous fuel distributed to the type WS output points is performed in order to determine the quantity of gaseous fuel to be billed for distribution services for individual PZDS in a given tariff group.
- 21.2 The estimate applies only to those WS type output points for which the states of the metering system indications at the end of the Billing Period are unknown. For WS type output points for which the readings of the Metering Systems are known at the end of the Gas Month, in particular for the output points fitted with Telemetry Systems, these indications are accepted as indications at the end of the Billing Period.
- 21.3 The amount of gaseous fuel received at the WS type output point in the period from the previous reading to the current reading is determined according to the following formula:

$$Q_{OE} = K_{WS} * V_O$$

where:

Q_{OE} – the amount of gaseous fuel taken at a WS type output point in the period from the previous to the current reading [kWh],

K_{WS} – Conversion rate for type WS point [kWh/m³],

V_O – difference of the Metering System indications at the WS type point between the current and previous reading, expressed in units of volume [m³].

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21.4 The K_{WS} conversion rate is determined on the basis of the arithmetic mean of the recently published gross calorific values, in accordance with item 6.6.3 from the number of months corresponding to the number of months of the Reading Period.

21.5 Estimating the volume of gaseous fuel for the WS type output point or points in the Billing Period is carried out according to the following algorithm:

$$V_{WS} = V_O + V_{Db} - V_{Dp}$$

where:

V_{WS} – volume of gaseous fuel delivered to Customers in tariff groups for WS type output points in a given Billing Period [m^3],

V_O – the volume of gaseous fuel delivered to the WS type output point or the sum of the gaseous fuel volumes delivered to the WS type output points for a given tariff group, resulting from the difference between the reading status of a given WS type output point made in the current Billing Period and the previous reading status for this output point [m^3],

V_{Db} – estimated gaseous fuel volume for the WS type output point or the sum of the estimated gaseous fuel volumes for the WS type output points for a given tariff group, determined on the last day of the Billing Period [m^3],

V_{Dp} – estimated volume of gaseous fuel for the WS type output point or the sum of the estimated volume of gaseous fuel for the WS type output points for a given tariff group, specified in the previous Billing Period [m^3].

21.6 The current estimated volume of gaseous fuel for the WS type outputs point or the sum of the estimated volumes of gaseous fuel for the WS type output points for a given tariff group is determined on the basis of the average daily consumption of gaseous fuel, in accordance with the formula:

$$V_{Db} = D \cdot \bar{SDZ} + W \cdot KX / \Delta LDG$$

where:

V_{Db} – estimated gaseous fuel volume for the WS type output point or the sum of the estimated gaseous fuel volumes for the WS type output points for a given tariff group [m^3],

D – number of days included in the estimate,

\bar{SDZ} – average daily consumption in units of volume in the same period of the previous year (if unknown, the average value for the Customer group is assumed) [m^3],

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WSK – a temperature indicator specifying the change in the average daily consumption of gas in volume units caused by a temperature change by one degree Celsius, established on the basis of an analysis of the impact of temperatures on consumption during at least one year, for which the readings of the state of the Metering Systems were made [m³/°C],

ΔLDG – change of gas heating demand in the period covered by the estimate compared to the same period in the previous year, where gas heating demand expressed in heating degrees per day is defined as the difference between the base temperature (15°C) and the temperature recorded on each day of the period covered by the estimate, where the gas heating demand is calculated for temperatures lower than the base temperature (for temperatures higher than the base temperature, the gas heating demand is 0) [°C].

- 21.7 Calculation of the amount of gaseous fuel for WS type output points is carried out according to the following formula:

$$Q_{WS} = Q_{OE} + KWS_N (V_{Db} - V_{Dp})$$

where:

Q_{WS} – quantity of gaseous fuel delivered to Customers in tariff groups for WS points in a given Billing Period [kWh],

Q_{OE} – the amount of gaseous fuel delivered to the WS type output point or the total amount of gaseous fuel delivered to the WS type output points for a given tariff group, determined in accordance with item 21.3 [kWh],

V_{Db} – estimated gaseous fuel volume for the WS type output point or the sum of the estimated gaseous fuel quantities for the WS type output points for a given tariff group, determined on the last day of the Billing Period [m³],

V_{Dp} – estimated volume of gaseous fuel for the WS type output point or the sum of the estimated quantities of gaseous fuel for the WS type output points for a given tariff group, specified in the previous Billing Period [m³],

KWS_N – conversion rate for the nominal gross calorific value [kWh/m³].

- 21.8 The OSD publishes on the website the values of the WSK temperature indices referred to in item 21.6.

- 21.9 Ongoing estimation of the gaseous fuel volume at the WS output points can also be performed based on the estimation methodology using SLP profiles. The method determines the SLP coefficients (WSLP) depending on temperature, days of the week, customer type, holiday periods and stores them in the IT system in the form of data vectors, one value for each gas day.

- 21.10 SLP profile values are determined for each temperature zone and a defined group of customers with a specific consumption characteristics. The value of SLP profiles is determined based on the basic formula:

$$W_{SLP} = \frac{A}{1 + \left(\frac{B}{T - 40^{\circ}C} \right)^C} + D$$

where:

W_{SLP} – SLP profile value,

T – average gas day temperature in a given temperature zone for which the SLP profile value in $^{\circ}C$ is calculated,

$A, B [^{\circ}C], C, D$ – function coefficients for computing profile values.

21.11 In order to determine the individual consumption characteristics of gaseous fuel for each WS type output point on the basis of historical consumption values, an individual consumption factor (WZ_{POD}) is determined, describing the characteristics of gaseous fuel consumption at a given output point:

$$WZ_{POD} = \frac{O_2 - O_1}{\sum_{O_1}^{O_2} W_{SLP}}$$

where:

WZ_{POD} – consumption factor of a given Point type WS [m^3],

O_1 – initial value of the reading in the metering system (previous scheduled or initial reading),

O_2 – value of the next reading in the metering system (current scheduled or final reading),

W_{SLP} – SLP profile value in the period between readings O_1 and O_2 .

The calculated consumption factor WZ_{POD} is assigned to a given WS output point and is used to estimate the consumption at the WS output point using the SLP method.

Each time a scheduled (or final) reading is made, the WZ_{POD} consumption coefficient is updated.

21.12 The monthly consumption at the WS Type Point estimated using the SLP method in the absence of a scheduled (or final) reading in a given Billing Period is determined according to the formula:

$$Q_{SLP} = \sum_1^d W_{SLP(d)} * WZ_{POD} * W_k$$

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where:

Q_{SLP} – monthly consumption at the WS output point estimated using the SLP method [kWh]
 WZ_{POD} – consumption coefficient of a given WS type output point,

$W_{SLP(d)}$ – SLP profile value in a given Billing Period,

d – the number of days in the billing period for which consumption is calculated (in the case of billing of the distribution service, it is the Gas Month),

W_k – Conversion rate for WS output point [kWh/m³],

21.13 The OSD publishes on its website the detailed rules for the application of the method using SLP Profiles, including the list of temperature areas referred to in item 21.10.

22 GAS FUEL VOLUME AND QUANTITY ALLOCATIONS AT INPUT AND OUTPUT POINTS

22.1 Principles for the execution of Allocation for Output Points, excluding PWY_{OSP} and PWY_{OSPL} .

22.1.1 Allocations are made for output points to which gaseous fuel is distributed on the basis of at least two PZDRs or two PZDWs, on the following principles:

22.1.1.1 The allocations for the output point to the End Customer are made by the End Customer for each PZDR, based on which the gaseous fuel is distributed to this output point;

22.1.1.2 The allocations for the output point to the OSW (excluding OSDW) are made by the OSW for each PZDR, based on which the gaseous fuel is distributed to this output point, subject to item 22.1.1.3

22.1.1.3 The allocations for the output point to the OSD's distribution system are made by the OSD for each PZDW based on which the gaseous fuel is distributed to this output point. The principle of total breakdown of the quantity of gaseous fuel introduced into the distribution system of the OSD applies.

22.1.2 In the event that at a given output point to the installation of the end customer or the OSW, gaseous fuel is taken:

22.1.2.1 by more than one ZUD on the basis of more than one PZDR, the End Customer or the OSW breaks down as part of the Allocation the total amount of gaseous fuel and the maximum hourly amount of gaseous fuel between individual PZDRs due to individual ZUDs;

22.1.2.2 by more than one ZUD on the basis of more than one PZDW, the OSDW breaks down as part of the Allocation the total amount of gaseous fuel and the maximum hourly amount of gaseous fuel between individual PZDW due to individual ZUDs;

22.1.2.3 by one ZUD under one PZDR or PZDW, the total amount of gaseous fuel and the maximum hourly amount of it being determined based on the results of measurements at this point or estimated in accordance with the provisions of chapter 21, will be assigned by the OSD to this PZDR or PZDW. In such a case,

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the OSW or the End User shall not perform the Allocation.

- 22.1.3 In the event that at a given Output Point to the installation of the End User or ISO, Gaseous Fuel is taken on the basis of more than one PZDR or PZDW, the maximum daily amount of Gaseous Fuel that the End User or the OSW may assign on a given Gas Day to a given PZDR or PZDW may not exceed 24 times the Contracted Power accepted for implementation by the OSD under this PZDR, or the Contracted Power adopted under PZD_{OSDW} due to the OSDW (or may not exceed 23 or 25 times the contracted power adopted for implementation by the OSD under this PZDR or PZD_{OSDW} in relation to gas days with summer or winter time changeover). This rule does not apply when the sum of the contracted capacity at a given output point was exceeded under the orders of PZDR or PZDW.
- 22.1.4 The allocation made by the End Customer or the OSW, including the OSDW, includes the complete breakdown of the amount of gaseous fuel collected by the ZUD at the output point in individual Billing Periods and Gas Days and the determination of the maximum hourly amounts of gaseous fuel for individual PZDR or PZDW, except for PZDR for which the OSD has received an order to suspend the supply of gaseous fuel in the manner referred to in item 13.13. The billing allocations of the maximum hourly quantities should be performed for the day of the Gas Month in which such maximum quantities of gaseous fuels were taken at a given output point.
- 22.1.5 In the event that the End Customer or the ISO, including the OSD, fails to deliver the Allocation, in the manner and on the terms specified in items 22.1.1 – 22.1.4 within the time limit specified in item 22.5 or 22.6, the OSD shall assign quantities of gaseous fuel in the Billing Period and the maximum hourly volumes of gaseous fuel to individual PZDRs or PZDWs:
- 22.1.5.1 in proportion to the contracted capacity specified in the PZDR for the Customer or the OSW (excluding the OSDW),
- 22.1.5.2 by applying the proportions from the last OSDW Allocations sent by the OSD.
- 22.1.6 If the distribution service is provided at a given output point on the basis of more than one PZDR, and the OSD receives an order from the ZUD to suspend the supply of gaseous fuel in the scope relating to one or more PZDRs, the allocation shall be performed by the End Customer or the OSW collecting the gaseous fuel at this output point, from the date indicated in the order, for PZDRs not covered by the withholding of gaseous fuel supply. If, at a given output point, the distribution service is provided for more than one ZUD and the OSD receives an order to suspend the supply of gas from one of the ZUDs, the OSD will immediately inform the other ZUDs about the fact of having received the suspension order.
- 22.1.7 The principles set out in item 22.1.6 do not apply to Allocations performed by OSDW.
- 22.2 Allocations performed for input points (PWE_z) and (PWE_{OSDW})

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- 22.2.1 The Source Operator or ZUD provides data on the total amount of gaseous fuel supplied by the ZUD in PWE_z connected to the Distribution Area E or Lw, expressed in energy units. In the event that the data referred to in the preceding sentence are to be provided by the Source Operator, the ZUD shall oblige this entity to provide such data in accordance with the provisions of the DNC.
- 22.2.2 In the event that at a given PWE_z input point, gaseous fuel is supplied by one ZUD, the total amount of gaseous fuel measured at this point is assigned to that ZUD;
- 22.2.3 In the event that in a given PWE_z gaseous fuel is introduced by more than one ZUD, the amount of gaseous fuel at this point is allocated by the Source Operator.
- 22.2.4 The Source Operator breaks down the total amount of gaseous fuel taken at PWE_z in each Gas Day between the ZUDs introducing gas at PWE_z .
- 22.2.5 The OSD charges fees for the difference in the allocations provided in the operational and billing mode by the Source Operator in the amount corresponding to the fee charged to the OSD by the OSP for the differences between the operational and billing allocation provided by the OSD in PWY_{OSP} (as defined in the TNC PWE_{OSD}). The fees are charged if the difference in the allocations provided by the Source Operator is greater than the difference resulting from the use of a different gross calorific value in the operational and billing mode to determine the amount of gaseous fuel.
- 22.2.6 The OSDW performs Allocations for PWE_{OSDW} in the event that gaseous fuel is introduced to the OSDW's network by the ZUD from sources connected to the OSDW's network. The OSDW informs the OSD about ZUDs introducing gaseous fuel in sources connected to the OSDW's network.
- 22.3 Principles of performing Allocations for PWE_{OSP} or PWE_{OSPL} input points and PWY_{OSP} or PWY_{OSPL} output points for the purposes of OSP's Commercial Balancing.
- 22.3.1 Allocations for PWE_{OSP} , PWE_{OSPL} , PWY_{OSP} and PWY_{OSPL} consist in breaking down the quantities of gaseous fuel measured at these points into the Distribution Area E or Lw and received at these points from the Distribution Area E or Lw between individual ZUD/ZUP and are performed by OSD based on the results of measurements at Output Points from distribution area E or Lw, allocations made by End Users and OSW, including OSDW, for Output Points from the Distribution Area E or Lw, in the manner and on the terms specified in item 22.1 and Allocations made by Source Operators or OSDW for the Input Points to the Distribution Area E or Lw, in the manner and on the terms specified in item 22.2.
- 22.3.2 For individual ZUDs/ZUPs delivering gaseous fuel to PWE_{OSP} or PWE_{OSPL} input points or receiving gaseous fuel at PWY_{OSP} or PWE_{OSPL} output points, the OSD:
- 22.3.2.1 performs Operational Allocations specifying the estimated amounts of gaseous fuel delivered to PWE_{OSP} or PWE_{OSPL} , or received at PWY_{OSP} or PWY_{OSPL} during the Gas Day for the first four (4) and eight (8) hours, and on the previous Gas Day, expressed in energy units (kWh);

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- 22.3.2.2 performs Billing Allocations specifying the quantities of gaseous fuel delivered to PWE_{OSP} or PWE_{OSPL} , or received at PWY_{OSP} or PWY_{OSPL} in individual Gas Days of the completed Billing Period, expressed in energy units (kWh).
- 22.3.3 Rules for the execution of operative allocations for Input Points PWE_{OSP} and PWE_{OSPL} as well as Outputs PWY_{OSP} and PWY_{OSPL} :
- 22.3.3.1 The Daily Operational Allocation is performed in terms of the quantity of gaseous fuel introduced by a given ZUD/ZUP to the distribution area E in PWE_{OSP} or to the distribution area Lw in PWE_{OSPL} (which correspond to PWY_{OSD} points as defined in the TNC) or received from the distribution area E in PWY_{OSP} or from the distribution area Lw in PWY_{OSPL} (which correspond to PWE_{OSD} points as defined in the TNC).
- 22.3.3.2 The allocations referred to in item 22.3.3.1 are determined on the basis of the operational gross calorific value (kWh/m^3) determined for all gross calorific value Billing Areas (ORCS) in Distribution Area E or Distribution Area Lw, as determined based on the data received from the OSP, Source Operators ($PWE_{\dot{z}}$) and OSD for PWE_{OSDW} and in accordance with the provisions of item 22.3.3.3;
- 22.3.3.3 In order to perform daily operational allocations for individual ZUDs/ZUPs in PWE_{OSP} or in PWE_{OSPL} , the quantities of gaseous fuel collected by the ZUD/ZUP are determined at output points from Distribution Area E and Distribution Area Lw. The operational allocation is made according to the following formula:

$$Q_{WEo,i} = Q_{WRo,i} + Q_{WSO,i} + Q_{OSDW}$$

where:

$Q_{WEo,i}$ – the operative daily amount of Gaseous Fuel assigned to the ZUD/ZUP [kWh],

$Q_{WRo,i}$ – the operating daily amount of gaseous fuel collected under the PZDR in Distribution Area E or Lw by the ZUD/ZUP at the WR type output points, determined on the basis of the gaseous fuel volume measurements and the operating value of the gross calorific value (kWh/m^3) determined for all ORCS for the distribution area E or distribution area Lw, as well as on the basis of Allocations made by the OSW or End Customers at the output points on the terms specified in item 22.1. In the absence of meter data for the WR type output point, the estimated value is assumed for the last Gas Day, taking into account the scheduled interruptions of supplies due to the scheduled works in the Distribution Network [kWh]. The estimation is performed in accordance with the methods of generating substitute values depending on the lacking data based on:

- average consumption from the historical period,

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- readings of the gas meter and the calculated correction factor based on data from the historical period or on temperature and pressure measurements,
- historical metering values from the period of 2 years,
- historical values of volume increases in real conditions of measurement, pressure, temperature and correction factor calculated on the basis of data from the historical period or on the basis of a manually entered correction factor and manually entered temperature and pressure values,
- linear interpolation of meter data (method used in the case of up to 5 hours of missing values in the correction period),
- comparison of measurements with the reference profile,
- difference in readings and correction factor.

$Q_{WSO,i}$ – the operative quantity of gaseous fuel taken at all WS type output points in a given Distribution Area E or Lw assigned to the ZUD/ZUP,, determined in individual tariff groups in accordance with the formula:

$$Q_{WSO,i} = \sum G_{i,t} * (\bar{SDZ}_t + WSK_t * \Delta LDG_o)$$

where:

$Q_{WSO,i}$ – operative quantities of gaseous fuel taken at WS type Output Points [kWh],

$G_{i,t}$ – number of WS type output points in a given Distribution Area E or Lw, assigned to the ZUD/ZUP in individual tariff groups with the index,

\bar{SDZ}_t – average daily consumption of gaseous fuel in individual tariff groups, as calculated on the basis of historical data [kWh],

WSK_t – a temperature indicator specifying the change in the average daily consumption of gaseous fuel caused by a temperature change by one degree Celsius, established on the basis of a statistical analysis of the impact of temperatures on consumption during at least one year, for which the readings of the state of the Metering Systems were made [kWh/°C],

ΔLDG_o – the operative value of gas heating demand determined on the basis of historical statistical data and published immediately by the OSD on the website [°C],

Q_{OSDW} – operative daily amount of gaseous fuel collected by ZUD/ZUP under PZDW in PWY_{OSDW} [kWh], determined on the basis of meter results at $MFPWY_{OSDW}$ and operational allocations made by the OSDW;

22.3.3.4 If the OSD has the ability to acquire data on the amount of gaseous fuel consumed by the Consumers connected to the Distribution System from the OSD's Distribution System, aggregate such data, convert them into energy units

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[kWh] and provide such data to the OSP, such information should be included in the Allocation performed by OSD for the PWE_{OSP} or PWE_{OSPL} input point without modification resulting from the adopted model of estimating the performance for Customers.

22.3.3.5 If Δ the LDGo is negative, the operational quantities of gaseous fuel taken at WS type output points are determined on the basis of the number of WS type output points in a given Distribution Area E or Lw, assigned to the ZUD/ZUP in individual tariff groups and the average daily consumption of gaseous fuel in individual tariff groups ($\dot{S}DZ_t$) corrected by the value of the coefficient published on the OSD's website, in accordance with item 4.1.28

22.3.3.6 The operative amount of gaseous fuel for the purpose of covering the technical balance difference and the OSD's own consumption in the Distribution Area E or Lw on each Gas Day, determined for the needs of the Allocation, is determined in accordance with the formula:

$$Q_{OSD} = Q_{ZW} + Q_{RB}$$

where:

Q_{OSD} – the operative amount of gaseous fuel to cover the technical balance difference and the OSD's own consumption as set for the purposes of making the Allocation [kWh],

Q_{ZW} – the amount of gaseous fuel taken for own consumption determined based on the readings of the Metering System, taking into account the operational gross calorific value (kWh/m^3) determined for all ORCS in Distribution Area E or Distribution Area Lw [kWh],

Q_{RB} – operative amount of Gaseous Fuel to cover the technical balance difference determined on the basis of the product of the technical balance difference factor (WK_{RB}), as determined for the preceding year ($R-1$) and the operative amount of Gaseous Fuel introduced on a given Gas Day at the Input Point (PWE_{OSP} , PWE_{OSPL} , PWE_z) to the Distribution Area E or Lw, reduced by the amount of gaseous fuel transferred to the Transmission System in PWY_{OSP} or PWY_{OSPL} , wherein for Gas Days from 1 to 31 January each year, the technical balance difference factor (WK_{RB}) shall apply, as determined for the year preceding the given Gas Day by 2 years ($R-2$) [kWh].

22.3.3.7 The technical balance difference factor (WK_{RB}) is determined according to the formula:

$$WK_{RB} = (Rb/Q_{WE}) * 100\%$$

where:

WK_{RB} – technical balance difference factor [%],

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Rb – annual technical balance difference [kWh],

Q_{WE} – the annual amount of gaseous fuel introduced at the input points (PWE_{OSP} , PWE_{OSPL} , $PWE_{\dot{z}}$) to Distribution Area E or Lw, reduced by the annual amount of gaseous fuel transferred to the Transmission System at PWY_{OSP} or PWY_{OSPL} [kWh].

wherein the annual technical balance difference [Rb] is determined in accordance with the formula:

$$Rb = Q_{WE} - (Q_{WR} + Q_{WS} + Zw)$$

where:

Q_{WE} – the annual billing amount of gaseous fuel introduced at the input points (PWE_{OSP} , PWE_{OSPL} , $PWE_{\dot{z}}$) to Distribution Area E or Lw, reduced by the annual amount of gaseous fuel transferred to the Transmission System at PWY_{OSP} or PWY_{OSPL} [kWh].

Q_{WR} – annual billing amount of gaseous fuel taken at the WR type output points [kWh],

Q_{WS} – annual billing amount of gaseous fuel taken at the WS type output points, determined in accordance with the principles set out in item 21 [kWh],

Zw – annual billing amount of gaseous fuel taken for the OSD's own consumption, determined on the basis of indications of Metering Systems [kWh],

whereby if WK_{RB} is a negative value, the OSD assumes the WK_{RB} ratio at 0.1%.

22.3.3.8 The operative Allocation in PWY_{OSP} or PWY_{OSPL} is determined taking into account the operative amount of gaseous fuel supplied to the Distribution Area by a given ZUD/ZUP from sources connected to Distribution Area E or Lw. For a ZUD that does not order the distribution service from the source connected to Distribution Area E or Lw, this item has a value of zero;

22.3.3.9 Operational allocations for 4 and 8 hours of the current day are made based on the algorithm described in items 22.3.3.3 and 22.3.3.6, wherein if for all WR type Output Points allowing the technical possibility to obtain measurement data for 4 or 8 hours of the current Gas Day, the measurement data for 4 or 8 hours of the current Gas Day are used for the Operational Allocation – in such a case, the values of the $\dot{S}DZ$ and WSK indicators are taken at 1/6 for 4 hours and 1/3 for 8 hours of the values of indicators for the entire current Gas Day, as published on the OSD website;

22.3.3.10 If the OSD's ICT systems make it impossible to obtain data for 4 or 8 hours of the current day from all WR points, the Allocation for 4 and 8 hours of the current Gas Day is performed in proportion to the Operational Allocation for the entire previous Gas Day.

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22.3.4 Rules for the Execution of Settlement Allocations for Input Points PWE_{OSP} and PWE_{OSPL} as well as Outputs PWY_{OSP} and PWY_{OSPL} .

22.3.4.1 In order to perform daily billing allocations for ZUDs/ZUPs delivering gaseous fuel to PWE_{OSP} or PWE_{OSPL} (which correspond to PWY_{OSD} specified in the TNC), the OSD determines the quantities of gaseous fuel collected by ZUD/ZUP in Distribution Area E or Lw:

22.3.4.1.1 as part of the PZDR – at WR type Output Points, in the manner specified in item 22.3.4.2,

22.3.4.1.2 as part of the PZDS – at WS type Output Points, in the manner specified in item 22.3.4.3,

22.3.4.1.3 As part of the PZDW – in PWY_{OSDW} , in the manner specified in item 22.3.4.4;

22.3.4.2 The daily quantities of gaseous fuel taken by the ZUD/ZUP under the PZDR, expressed in energy units, are determined based on daily meter data in volume units and the weighted average value of gross calorific value for the Billing Period specified in the ORCS, in which the given output point is located, based on the Allocations made by the OSW or the End Customers at the output points, on the terms set out in item 22.1;

22.3.4.3 The daily amounts of gaseous fuel taken by the ZUD/ZUP under the PZDS are determined in energy units in accordance with the following formula:

$$Q_{WSr,i} = \frac{G_{i,t} \cdot \Delta LDGr \cdot \sum_{t=1}^n WSK_t \cdot \bar{SDZ}_t}{\sum_{t=1}^n WSK_t}$$

where:

$Q_{WSr,i}$ – the billing amount of gaseous fuel taken at all WS type output points in a given Distribution Area E assigned to the ZUP/ZUD with the index i [kWh],

$G_{i,t}$ – number of WS type output points in a given Distribution Area E, assigned to the ZUP/ZUD with the index i in individual tariff groups with the index t,

\bar{SDZ}_t – average daily consumption at the WS output point in individual tariff groups calculated on the basis of historical data or the average for a given group of points in the case of using individual indicators for each WS point [kWh],

WSK_t – a temperature index specifying the change in the average daily consumption of gaseous fuel at the WS output point in individual tariff groups caused by a temperature change by one degree Celsius, or the average for a given group of points in the case of using individual indicators for each WS point [kWh/°C],

$\Delta LDGr$ – the billing value of gas heating demand determined on the basis of historical statistical data and published by the OSD on the website [°C].

22.3.4.4 The daily quantities of gaseous fuels taken at PWY_{OSDW} , expressed in kWh, are

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determined on the basis of the measurement results at $MFPWY_{OSDW}$, which are part of PWY_{OSDW} , and the allocations made by the OSD.

22.3.4.5 If Δ the LDGr is negative, the billing quantities of gaseous fuel taken at WS type output points are determined on the basis of the number of WS type output points in a given Distribution Area E or Lw, assigned to the ZUD/ZUP in individual tariff groups and the average daily consumption of gaseous fuel in individual tariff groups ($\dot{S}DZ_t$) corrected by the value of the corrective coefficient published on the OSD's website, in accordance with item 4.1.28

22.3.4.6 The billable amount of gaseous fuel to cover the OSD's technical balance difference for the purposes of the Allocation is determined according to the formula:

$$Q_{OSD} = Q_{ZW} + Q_{RB}$$

where:

Q_{OSD} – the billable amount of gaseous fuel to cover the technical balance difference and the OSD's own consumption for the purposes of the Allocation [kWh],

Q_{ZW} – billing the amount of gaseous fuel taken for own consumption determined based on the readings of Metering Systems, taking into account the billing gross calorific value (kWh/m^3) for all ORCS in Distribution Area E or Distribution Area Lw [kWh],

Q_{RB} – billing amount of Gaseous Fuel to cover the technical balance difference determined on the basis of the product of the balance difference factor (WK_{RB}), as determined for the preceding year (R-1) and the billing amount of Gaseous Fuel introduced on a given Gas Day at the Input Points (PWE_{OSP} , PWE_{OSPL} , PWE_z) to the Distribution Area E or Lw, reduced by the amount of gaseous fuel transferred to the Transmission System in PWY_{OSP} or PWY_{OSPL} , wherein for Gas Days from 1 to 31 January each year, the technical balance difference factor (WK_{RB}) shall apply, as determined for the year preceding the given Gas Day by 2 years (R-2). The technical balance difference factor is determined in accordance with item 22.3.3.7.

22.3.4.7 In order to perform the daily billing allocations for ZUD/ZUP introducing gaseous fuel to Distribution Area E or Lw from the sources connected to the Distribution System, the quantities collected at PWY_{OSP} or PWY_{OSPL} are defined as the daily amounts of gas delivered by ZUD/ZUP at the input points to Distribution Area E or Lw in PWE_z , in accordance with the provisions in item 22.2.

22.4 Detailed rules of allocation for input points to Local Distribution Areas.

22.4.1 At the input points to the Local Distribution Areas, the allocation of the quantity of gaseous fuel is made for each ZUD on the basis of the quantities specified in individual Billing Periods.

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22.4.2 In the event that at a given input point to the Local Distribution Area, gaseous fuel is supplied by only one ZUD, the total amount of gaseous fuel determined on the basis of the results of measurements made for that point will be assigned to that ZUD.

22.4.3 At the input points belonging to a given Local Distribution Area to which gaseous fuel is delivered by more than one ZUD, the allocation of the amount of gaseous fuel for the ZUD supplying gaseous fuel to all input points to a given Local Distribution Area is carried out in accordance with the formula:

$$Q_{i,j} = \frac{Q_j}{\sum_{k=1}^J Q_k} Q_i$$

where:

$Q_{i,j}$ – the amount of gaseous fuel specified for the Input Point with the index j , assigned to the ZUD with index i , supplying gaseous fuel to all input points to the Local Distribution Area [kWh],

Q_j – the amount of gaseous fuel specified for the Input Point with the index j [kWh],

Q_k – the amount of gaseous fuel specified for all input points to the Local Distribution Area, which have not been allocated in accordance with the provisions of item 22.4.2 [kWh],

J – number of input points to a given Local Distribution Area, where gaseous fuel is taken by more than one ZUD,

Q_i – the total amount of gaseous fuel at all output points in a given Local Distribution Area, where gaseous fuel is taken by the ZUD with index i , reduced by the amount of gaseous fuel allocated in accordance with item 22.4.2. If S_i is less than 0.0 [kWh] is substituted for S_i .

22.4.4 For ZUDs that do not deliver gaseous fuel to all input points to a given Local Distribution Area, the ZUD shall allocate only to those input points the ZUD delivers gaseous fuel to.

22.4.5 At the input points to which gaseous fuel is delivered by more than one ZUD, the allocation of the amount of gaseous fuel for the ZUD not supplying gaseous fuel to all input points to a given Local Distribution Area is carried out in accordance with the formula:

$$Q''_{n,j} = \frac{Q_j}{\sum_{k=1}^{J_n} Q_k} Q_n$$

where:

$Q''_{n,j}$ – the amount of gaseous fuel for the Input Point with the index j , assigned to the ZUD with index i , not supplying gaseous fuel to all input points to the Local

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Distribution Area [kWh],

Q_j – the amount of gaseous fuel specified for the Input Point with the index j [kWh],

Q_k – the amount of gaseous fuel specified for the input points to the Local Distribution Area, where ZUD supplies gaseous fuel, which have not been allocated in accordance with item 22.4.2 [kWh],

J_n – the number of input points to a given Local Distribution Area, where the ZUD with index n delivers gaseous fuel to a given Local Distribution Area, and in which gaseous fuel is taken by more than one ZUD,

Q_n – the total amount of gaseous fuel at all output points in a given Distribution Area, where gaseous fuel is taken by the ZUD with index n , reduced by the amount of gaseous fuel allocated in accordance with item 22.4.2. If S_n is less than 0.0 [kWh] is substituted for S_n .

22.4.6 In the event that as a result of the Allocation made pursuant to Articles 22.4.3. and 22.4.5. the total amount of gaseous fuel assigned to all ZUDs using this point is different than the amount of gaseous fuel measured or determined for this point in accordance with item 22.4.2, the determination of the amount of gaseous fuel for the ZUDs is carried out in accordance with the formula:

$$Q'_{n,j} = Q''_{n,j} \frac{Q_j - \sum_n Q_{i,j}}{\sum_n Q''_{n,j}}$$

where:

$Q'_{n,j}$ – the corrected amount of gaseous fuel for the Input Point with the index j , assigned to the ZUD with index i , not supplying gaseous fuel to all input points to the Local Distribution Area [kWh],

$Q''_{n,j}$ – the amount of gaseous fuel for the Input Point with the index j , assigned to the ZUD with index i , not supplying gaseous fuel to all input points to the Local Distribution Area [kWh],

$Q_{i,j}$ – the amount of gaseous fuel for the Input Point with the index j , assigned to the ZUD with index i , supplying gaseous fuel to all input points to the Local Distribution Area [kWh],

Q_j – the amount of gaseous fuel specified for the Input Point with the index j , where ZUD delivers gaseous fuel to the Local Distribution Area [kWh].

22.5 Principles of data submission in the Operational Allocation process for the previous Gas Day.

22.5.1 The Source Operators (PWE_z) connected to the Distribution Area E, with legal title to the Metering System, provide the OSD by 8.15 hours of the gas day after the gas day the data refers to, with the data necessary to perform the Operational Allocations, in particular the total amounts of gaseous fuel introduced at the Input Point to

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Distribution system in the previous gas day, expressed in units of volume (m³) and energy (kWh), and the gross calorific value for a given Input Point, based on which the conversion into energy values was made.

22.5.2 The end customer receiving the gas fuel on the basis of at least two PZDR or OSW informs the OSD by 8.15 am of the Gas Day following the Gas Day which the information relates to, about the quantities of gaseous fuel assigned to individual ZUDs for the previous Gas Day in accordance with the rules set out in item 17.1.

22.5.3 The OSD submits to the OSP every day by 10:00 a.m., information on the estimated quantities of gaseous fuel assigned to individual ZUPs for the previous Gas Day (operational allocation), prepared on the basis of data received from the OSP by 08:00 a.m., containing: (i) total amounts of gaseous fuel introduced at the Input Point to Distribution system from the Transmission System from the previous Gas day, expressed in units of volume (m³) and energy (kWh), and (ii) the gross calorific value for a given Input Point, based on which the conversion into energy values was made. If the data is received from the OSP at a later date, the daily Allocation is performed within 3 hours from the moment of receiving complete data from the OSP.

22.5.4 Principles of data transmission in the Operational Allocation process for 4 and 8 hours in the current Gas Day:

22.5.4.1 The Source Operators (PWE_z) connected to the Distribution Area E or the Distribution Area Lw, with legal title to the Metering System, provide the OSD by 11.15 and 15.15 hours of the current Gas Day with the data necessary to perform the Operational Allocations, in particular the total amounts of gaseous fuel introduced at the Input Point to Distribution system for 4 and 8 hours of the current Gas day, expressed in units of volume (m³) and energy (kWh), and the gross calorific value for a given Input Point, based on which the conversion into energy values was made, and where the gaseous fuel in PWE_z is introduced to the Distribution System through more than one ZUD, also the Allocation under which the amounts of gaseous fuel introduced to the Distribution System will be assigned to these ZUDs.

22.5.4.2 The End Customer or the OSW informs the OSD by 11.30 and 15.30 of the quantities of gaseous fuel assigned to each ZUD for the period of 4 and 8 hours of the current Gas Day (from 6.00 to 10.00 and from 6.00 to 14.00). Information shall not be sent when the Allocation for 4 and 8 hours of the current Gas Day is performed in proportion to the Operational Allocation for the entire previous Gas Day in accordance with item 22.3.3.10.

22.5.4.3 The OSD submits to the OSP every day by 12:00 and until 4:00 p.m., information on the estimated quantities of gaseous fuel assigned to individual ZUPs for the period of 4 and 8 hours of the current Gas Day (operational allocation for 4 and 8 hours), prepared on the basis of data received from the OSP by 11:00 and 15:00, containing: (i) total amounts of gaseous fuel introduced

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at the Input Point to Distribution system from the Transmission System within 4 and 8 hours of the current Gas day, expressed in units of volume (m³) and energy (kWh), and (ii) the gross calorific value for a given Input Point, based on which the conversion into energy values was made. If the data is received from the OSP at a later date, the operational Allocation for 4 and 8 hours is performed within 2 hours from the moment of receiving complete data from the OSP.

22.5.5 The OSD does not verify the operational (estimated) data received from the OSP in the manner specified in items 22.5.3 and 22.5.4.3.

22.5.6 The operational allocations provided to the OSP by the OSD include estimated data and do not constitute the basis for billing.

22.5.7 If the OSW does not provide the OSD with information on the quantities of gaseous fuel assigned to each ZUD on the Gas Day, within the time limits specified in item 22.5.2, it is considered that the estimated amounts of gaseous fuel assigned to individual ZUDs on this day are zero (0).

22.6 Principles of data transmission in the Billing Allocation process.

22.6.1 The Source Operators (PWEz) connected to the Distribution Area E or the Distribution Area Lw, with legal title to the Metering System, shall provide the OSD by the 4th Business Day of the Gas Month following the Gas Month to which the information relates, the data necessary to perform the Billing Allocations, in particular (i) total billing quantities of gaseous fuel introduced at the Input Point to the Distribution System on all Gas Days of the previous Gas Month, (ii) total billing volumes of gaseous fuel introduced at the input point to the Distribution System on all Gas Days of the previous Month (iii) the value of the gross calorific value for a given input point on the basis of which the conversion into energy values was made for all Gas Days from the previous Gas Month.

22.6.2 The End Customer receiving gaseous fuel on the basis of at least two PZDRs or OSWs informs the OSD, by the 4th working day of the Gas Month following the Gas Month the information refers to, the quantities of gas assigned to each ZUD for each Gas Day in the previous Gas Month. In the event that the information provided by the End Customer or the OSW contains obvious formal or accounting errors, the OSD may request the End Customer or the OSW to correct it.

22.6.3 The OSD submits to the OSP the billing allocation for individual ZUPs, by the 7th working day of the month following the month the billing relates to, prepared on the basis of data received from the OSP, by the 5th working day of the month following the month the billing relates to, including (i) total billing quantities of gaseous fuel introduced at the Input Point to the Distribution System from the Transmission System on all Gas Days of the previous Gas Month, (ii) total billing volumes of gaseous fuel introduced at the input point to the Distribution System from the Transmission System on all Gas Days of the previous Month (iii) the value of the gross calorific value for a given input point on the basis of which the conversion into energy values was made

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for all Gas Days from the previous Gas Month. If the data is not received from the OSP within the above-mentioned period, the monthly Billing Allocation is performed within 2 working days from the OSP's sending complete billing data.

22.6.4 The OSD publishes on its website the values of standard gas fuel consumption profiles $\dot{S}DZ_t$ and WSK_t , and also publishes ΔLDG_o and ΔLDG_r , allows for the breakdown of the entire volume introduced to the Distribution Area and provides the daily values for these indicators.

22.7 Forecasts of the amount of gaseous fuels measured less frequently than daily:

22.7.1 The OSD performs the forecast of the quantities of gaseous fuel measured less frequently than daily (the "Forecast") based on the methodology determined in accordance with the provisions of the Balancing Code and published on the OSD's website.

22.7.2 The OSD makes the forecast with a breakdown into individual ZUPs/ZUDs receiving gaseous fuel from the transmission system in the PWY_{OSD} defined in the TNC.

22.7.3 The OSD makes the Forecasts separately for PWY_{OSD} corresponding to PWE_{OSP} to the distribution area E and for PWY_{OSD} corresponding to PWE_{OSPL} to the distribution area Lw.

22.7.4 Information exchange in the forecasting process

22.7.4.1 The OSD provides the forecast by 12.00 on the Gas Day preceding the Gas Day the forecast relates to;

22.7.4.2 The OSD provides the first update of the presented Forecast by 13.00 during the Gas Day the forecast concerns;

22.7.4.3 The OSD provides the second update of the presented Forecast by 19.00 during the Gas Day the forecast concerns.

23 SUBMISSION OF PZD FOR IMPLEMENTATION

23.1 ZUD Nominations and Renominations – general rules.

23.1.1 In order to provide the distribution service, the ZUD submits to the OSD Nominations for:

23.1.1.1 Distribution services as part of the PZDR to the WR type output point, when the contracted or total capacity of the ZUD at this Point is at least 4580 kWh/h for distribution area E or 3800 kWh/h for the distribution area Lw,

23.1.1.2 virtual reverse distribution service under PZDZ for PWY_{OSP} ,

23.1.1.3 interruptible distribution services under the PZDP to the WR type output point, if the total contracted capacity at this point on an interruptible basis is at least 4580 kWh/h for Distribution Area E or 3800 kWh/h for Distribution Area Lw. If the distribution service is provided at one WR-type output point at the same time on a continuous and interrupted basis, the Nomination is submitted at this Point only if its sum total Contracted Capacity on a continuous and interrupted basis

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amounts to at least 4,580 kWh/h for the distribution area E or 3,800 kWh/h for the distribution area Lw – in this case, the Nomination or Renomination is submitted by the ZUD for the sum of Distribution services provided to him at this Point on a continuous or interrupted basis,

- 23.1.1.4 Distribution services during the commissioning as part of the PZDR to the WR type output point, when the connected capacity of the ZUD is at least 4580 kWh/h for distribution area E or 3800 kWh/h for the distribution area Lw,
- 23.1.1.5 specified in the Tariff of distribution services related to the special conditions of their provision under the PZDR for the WR type output point, if the contracted capacity or connected capacity of the ZUD at this point is at least 4580 kWh/h for Distribution Area E or 3800 kWh/h for Distribution Area Lw.
- 23.1.2 The ZUD submits to the OSD a daily nomination in which it specifies the quantities of gaseous fuel for each hour of the Gas Day, for each Point referred to in item 23.1.1. In the event that the contracted capacity at the output point referred to in item 23.1.1 has been ordered by more than one ZUD, and the total contracted capacity at this point is at least 4580 kWh/h for distribution area E or 3800 kWh/h for distribution area Lw, the OSD shall inform the ZUDs who ordered contracted capacity at this point at a level lower than 4580 kWh/h for distribution area E or 3800 kWh/h for distribution area Lw, of the obligation to submit Nominations.
- 23.1.3 The quantities of gaseous fuel in Nominations and Renominations are expressed in kWh in natural numbers.
- 23.1.4 The hourly quantities of gaseous fuel specified in the Nominations and Renominations for a given point may not exceed the ZUD's contracted capacity at a given point.
- 23.1.5 Nominations may be changed in the Renomination mode. The Re-nomination approved in accordance with the provisions of the DNC obtains the status of an approved Nomination.
- 23.1.6 The Nominations and Renominations should take into account the change from summer to winter time and from winter to summer time. Then a Gas Day is longer or shorter by one hour, respectively.
- 23.1.7 Nominations and Renominations submitted by the ZUD should take into account the restrictions and suspensions introduced in accordance with the provisions of the DNC and the restrictions introduced by the Council of Ministers in accordance with the provisions of the Act on Stocks.
- 23.1.8 If the OSD is also informed about the impossibility to Distribute the quantity of gaseous fuel specified in the Nomination by the OSW or the Customer in manner other than specified in item 23.2 or item 23.3, the OSD immediately informs the ZUD. Within 2 hours of receiving the above information, the ZUD is required to adjust the Nomination at a given point and submit the Nomination to the OSD.
- 23.1.9 Nomination and Renomination for ZUDs, for which the Intermittent Distribution service

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is provided, may be approved with a reduction in the amount of gaseous fuel reported by the ZUD in the Nomination or Renomination. When there is no throughput available for these services, a reduction will take place. The reduction will start from services with a shorter implementation period. In the case of services with the same implementation period, the reduction is proportional to the amount of gaseous fuel specified in the Nomination.

23.1.10 The ZUD, which has received information from the OSD about the approval or approval with a reduction in the amount of gaseous fuel in the submitted Nomination or Renomination, may receive information from the OSD on further proportional reduction in the amount of gaseous fuel in the submitted Nomination. Further reduction of the amount of gaseous fuel in the submitted Nomination is made when the necessity to do so results from the Renominations submitted by the ZUD, which uses the transmission services provided on a continuous basis.

23.1.11 Nominations and Renominations and information about their approval are provided in accordance with item 23.2 and item 23.3.

23.1.12 The OSD is entitled to provide information on the Nominations and Renominations to the OSW to the extent necessary to verify the compliance of the Nominations and Renominations in cooperating systems or to perform the gaseous fuel Allocation.

23.1.13 For each Gas Day, the difference is determined for each ZUD between the daily amounts of gaseous fuel received from the Distribution System at the WR and PWY_{OSP} output point and the daily amounts of gaseous fuel specified in the corresponding approved Nominations.

23.1.14 In the event that the difference in a given Point referred to in item 23.1.13 amounts to more than 15% of the daily amount of gas specified in the approved Nomination, the OSD shall charge the ZUD in accordance with the provisions of item 1.1.1.

23.1.15 In the event that it supplies gas fuel to PWY_{OSDW} pursuant to the PZDW, ZUD is not obliged to submit Nominations in accordance with item 23.1.1.

23.2 Nomination process.

23.2.1 The ZUD shall submit the Nominations to the OSD not earlier than 10 days before the gas day which the Nomination relates to and not later than by 12.00 noon on the gas day preceding the one which the Nomination relates to.

23.2.2 In the event that the ZUD submits more than one Nomination within the time limit referred to in item 23.2.1, the OSD considers the last Nomination received.

23.2.3 The OSD informs the ZUD of approval or rejection of the Nomination immediately, but not later than by 6.00 p.m. on the Gas Day preceding the Gas Day the Nomination refers to.

23.2.4 Nomination may be rejected due to:

23.2.4.1 non-compliance with the provisions of the Agreement or the DNC, including in the event of the ZUD's failure to comply with the rules for submitting the

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- Nominations specified in item 17.1 or 23.2.1,
- 23.2.4.2 exceeding the contractual capacity,
- 23.2.4.3 the ZUD's failure to take into account the Capacity restrictions reported by OSW or the Customer, preventing the provision of services in accordance with the Nominations reported by the ZUD,
- 23.2.4.4 lack of technical possibilities to implement the Nominations.
- 23.2.5 In case of rejection of the Nomination, the OSD shall provide the reason for such rejection.
- 23.2.6 In the event that ZUD does not provide the OSD with a Nomination for the next Gas Day within the time limit specified in item 23.2.1, it is assumed that the Nomination for the ZUD has been approved for the relevant Point at the amount of gas equal to zero.
- 23.2.7 If the Nomination for a given point is rejected, it is assumed that the Nomination with the amount of gaseous fuel equal to zero has been approved for the ZUD at that point.
- 23.3 Re-nomination process.
- 23.3.1 The ZUD may re-nominate the hourly quantities of gaseous fuel specified in the Nomination approved by the OSD for a given Gas Day. A Re-nomination may be submitted from 6.00 p.m. on the Gas Day preceding the Gas Day the Renomination refers to, until 01.00 a.m. on the Gas Day the Renomination refers to. The re-nomination of the hourly quantities of gaseous fuel may be submitted no later than 2 hours before the first hour for which the Nomination will be changed.
- 23.3.2 The procedure for handling the Renomination for a given point starts every full hour and lasts 2 hours. The OSD shall consider the last Renomination received before the full hour.
- 23.3.3 The OSD shall inform the entity that submitted the Renomination about the approval or rejection of the Renomination, along with the reasons for the rejection, within 2 hours from the commencement of the given Renomination examination procedure, but not later than before the start of the hour the Renomination refers to.
- 23.3.4 Renomination may be rejected due to reasons listed in item 23.2.4.
- 23.3.5 In the event that the OSD rejects the Renomination, the Nomination recently approved by the OS remains binding on the parties, taking into account the restrictions and suspensions referred to in item 23.1.7.
- 23.4 Nominations and Renominations in terms of biogas or agricultural biogas introduced to the distribution system from the biogas installation or agricultural biogas installation – general rules.
- 23.4.1 The ZUD introducing gaseous fuel from a Biogas Installation or an Agricultural Biogas Installation submits to the OSD a Daily Nomination in which it specifies the amounts of Biogas or Agricultural Biogas planned to be transferred at the input point (PWE_B) for each hour of the Gas Day.

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- 23.4.2 The quantities of biogas or agricultural biogas in Nominations and Renominations are expressed in kWh in natural numbers.
- 23.4.3 Nominations may be changed in the Renomination mode. The Re-nomination approved in accordance with the provisions of the DNC obtains the status of an approved Nomination.
- 23.4.4 The Nominations and Renominations should take into account the change from summer to winter time and from winter to summer time.
- 23.4.5 The Renominations submitted by the ZUD should take into account the inability to receive or the need to reduce the amount of agricultural biogas introduced to the Distribution System.
- 23.4.6 The ZUD, which received information from OSD about the approval or rejection of the amount of agricultural biogas in the submitted Nomination or Re-nomination, may additionally receive information from the OSD on the application of a reduction of the amount of biogas or agricultural biogas in the submitted Nomination or Renomination, resulting from unforeseen restrictions.
- 23.4.7 Nominations and Renominations and information about their approval are provided in accordance with item 23.5 and item 23.6.
- 23.4.8 In the event that the ZUD does not provide the OSD with a Nomination for the next Gas Day within the time limit specified in item 23.5 and item 23.6, the value is assumed to be zero.
- 23.5 Nominations Process in terms of biogas or agricultural biogas introduced to the distribution system from the biogas installation or agricultural biogas installation – specific rules.
- 23.5.1 The ZUD shall submit the Nominations to the OSD not earlier than 10 days before the gas day which the Nomination relates to and not later than by 12.00 noon on the gas day preceding the one which the Nomination relates to.
- 23.5.2 In the event that the ZUD submits more than one Nomination within the time limit referred to in item 23.5.1, the OSD considers the last Nomination received.
- 23.5.3 The OSD informs the ZUD of rejection or reduction of the Nomination immediately, but not later than by 6.00 p.m. on the Gas Day preceding the Gas Day the Nomination refers to.
- 23.5.4 Nomination may be rejected due to:
- 23.5.4.1 non-compliance with the provisions of the Agreement or the DNC, including in the event of the ZUD's failure to comply with the rules for submitting the Nominations specified in item 23.5 or item 23.6,
 - 23.5.4.2 non-compliance with the provisions of the Agreement or the DNC,
 - 23.5.4.3 In the case of a nomination reduction, the OSD gives the reason for such reduction.
- 23.5.5 Nominations may be rejected for technical reasons in a situation where:

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23.5.5.1 The OSD has the right to introduce technical restrictions or suspend the collection of biogas or agricultural biogas, if:

23.5.5.1.1 in the cases specified in item 6.8.1.4 or the agreement referred to in item 10.1.6, or in the event that the biogas or agricultural biogas does not meet the parameters specified in accordance with item 6.8.6.

23.5.5.1.2 The Zone Demand, as defined in the agreement referred to in item 10.1.6, will be lower than the Nomination submitted,

23.5.5.1.3 The chromatograph fails, and as a consequence the OSD is not able to control the quality of the Biogas or Agricultural Biogas introduced to the Distribution System,

23.5.5.1.4 there is a Failure that prevents the receipt of biogas or agricultural biogas in the amount provided in the approved Nomination,

23.5.5.1.5 there is a loss of technical capabilities in the Distribution System for receiving Biogas or Agricultural Biogas (e.g. increase in pressure, inability to adjust the pressure).

23.6 Re-nomination process.

23.6.1 The ZUD may re-nominate the hourly quantities of biogas or agricultural biogas specified in the Nomination approved by the OSD for a given Gas Day. A Re-nomination may be submitted from 6.00 p.m. on the Gas Day preceding the Gas Day the Renomination refers to, until 01.00 a.m. on the Gas Day the Renomination refers to.

Re-nomination may be rejected due to reasons listed in items 23.5.5 and 23.5.5. **Błąd! Nie zdefiniowano zakładki.** – 25.5.21.1.125.6.131.1.125.6.14 REF_Ref444185661 \r \h

23.8 The OSD's obligation to purchase the entire contracted capacity is valid from the beginning of the Gas Day on October 1, 2020. The OSDW is obliged to submit an application for the conclusion of MUD no later than by July 31, 2020. Until the OSDW acquires the rights to the entire Contracted Capacity in the MFPWE_{OSDW} or MFPWY_{OSDW}, the gaseous fuel distribution services are provided to these points on the basis of the PZDR submitted by the ZUD. In this case, until the date of conclusion of MUD by the OSDW and acceptance of the PZD_{PSDW} by the OSD, in the event of a supplier change made by the End Customer connected to the OSD's network, the following procedure shall apply:

23.8.1 The Customer concludes a contract with a new supplier,

23.8.2 The Customer or new supplier acting under the authority of the Customer terminates the existing supplier's sales agreement at the output point from the OSD's distribution system,

23.8.3 The OSDW applies for the conclusion of the MUD and submits the PZD_{OSDW} – Supplier Change to order the entire Contracted Capacity from MFPWY_{OSDW}. The OSD is entitled to withdraw from the ZUD, which so far was entitled to the Contracted Capacity in this point, within the time and scope specified by the OSDW in PZD_{OSDW}

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– Supplier Change, the entire Contracted Capacity of this OSD in MFPWY_{OSDW} and to grant this Contracted Capacity to the OSDW. The OSD shall not be liable for any damage caused on the part of the ZUD in connection the contracted capacity being taken away from that ZUD in the MFPWY_{OSDW} on the terms set out in the preceding sentence.

23.8.4 The OSD immediately informs the OSDW and the ZUD, which is entitled to the Contracted Capacity in MFPWY_{OSDW} about the OSDW's positive consideration of the PZD_{OSDW} – Supplier Change, submitted by the ZUD, in particular about the date of taking the Contracted Capacity from the ZUD at MFPWY_{OSDW} and about the date of granting this capacity to the OSDW.

23.8.5 The ZUD being a new supplier or the Customer should submit the PZDW not later than 21 days prior to the commencement of gaseous fuel sales to the Customer; however, the date of the supplier change cannot be specified on the day prior to the date of granting the Contracted Capacity to the OSDW in MFPWY_{OSDW}. On the PZDW form, a statement should be submitted that the Customer has terminated the sales agreement with the current supplier, and the new supplier or Customer has a distribution service agreement concluded with the OSDW and has the option of introducing gaseous fuel to the OSDW's distribution system. In the event that the Customer's declaration of termination of the sales agreement with the current supplier, referred to in the preceding sentence, is submitted by the ZUD who is the new supplier, the ZUD is obliged to obtain the power of attorney of the Customer changing the supplier to submit such a statement and submit a statement to the OSD that he has such powers of attorney.

23.8.6 PZD_{OSDW} and PZDW applications are considered by OSD on the principles described in chapter 13.

23.9 Upon its entry into force, this DNC will repeal and replace the Distribution Network Code approved by the President of the ERO by decision of August 16, 2016, No.DRR–4323–8(14)/2016/AKa1.

24 COMPENSATION PROCEDURE AND TRADE BALANCING IN THE LOCAL DISTRIBUTION AREA

24.1 General balancing conditions.

24.1.1 In the distribution area E or distribution area Lw:

24.1.1.1 Physical balancing is performed by the OSP;

24.1.1.2 The OSP conducts the OSP Commercial Balancing procedure, in accordance with the principles specified in the TNC;

24.1.1.3 The OSD carries out the Compensation procedure.

24.1.2 In the Local Distribution Areas, the OSD performs physical balancing and commercial

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balancing of the Local Distribution Area.

24.1.3 Due to the specificity of the coke oven gas subsystem, balancing is not performed within the coke oven gas area.

24.1.4 The purpose of physical balancing is to ensure the safe implementation of Distribution Agreements.

24.1.5 The purpose of the Compensation procedure is to determine and settle the differences between the amount of gaseous fuel introduced in the Compensation Period by individual ZUDs to the Distribution Area E or Lw and the amount of gas received by these ZUDs in the Billing Allocations as determined in accordance with the rules set out in item 22.3.4 during this period at the output points from the Distribution Area E or Lw, as determined on the basis of the indications of the metering systems or the estimation methodology specified in item 21 of the DNC.

24.1.6 The purpose of the Commercial Balancing of the Local Distribution Area is to obtain and determine all data necessary for the proper billing of gaseous fuel distribution services and the billing of individual ZUDs for the quantities of gaseous fuel delivered to the Local Distribution Area in an amount other than taken from the Local Distribution Area.

24.2 Physical balancing of the distribution area E or distribution area Lw.

24.2.1 The OSP performs physical balancing on the terms specified in the TNC.

24.2.2 The OSD may undertake activities supporting the physical balancing performed by the OSP, in particular through the current control of the operation of the Distribution System.

24.2.3 In the event that the regulatory instruments available to the OSP and OSD are insufficient, the OSD may introduce the following restrictions in relation to the ZUD who caused the situation of shortage or excess gas in the Distribution Area:

24.2.3.1 in the supply of gaseous fuel at the Input Points in the event of a surplus of gaseous fuel.

24.2.3.2 in the consumption of gaseous fuel at the Output Points in the event of a shortage of gaseous fuel.

24.3 Physical balancing of the Local Distribution Area.

24.3.1 In order to balance the amount of gaseous fuel supplied and taken within the Local Distribution Areas, the OSD controls the operation of the Distribution System on an ongoing basis.

24.3.2 In the event that the regulatory instruments available to the OSD are insufficient, the OSD may introduce the following restrictions in relation to the ZUD who caused the situation of shortage or excess gas in the Local Distribution Area:

24.3.2.1 in the supply of gaseous fuel at the Input Points in the event of a surplus of gaseous fuel.

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24.3.2.2 in the consumption of gaseous fuel at the Output Points in the event of a shortage of gaseous fuel.

24.4 Principles for determining the CW price for billing under the Compensation procedure and the CRG_{BIL} price for billing as part of the Commercial Balancing of the Local Distribution Area.

24.4.1 The gas reference price for the purposes of settlement of E group (CW_E) high-methane gas for the distribution area E is determined on the basis of the weighted average amount of gaseous fuel introduced to distribution area E from all daily TGEglwDA indices on the Day-Ahead Market (RDNg) published on the website of the Towarowa Giełda Energii SA for the compensation period. CW_E is published on the OSD's website up to the 10th Working Day after the Compensation Period. In the event of the Towarowa Giełda Energii S.A. changing the TGEgasDA index, an index which is an equivalent of TGEgasDA, introduced by Towarowa Giełda Energii S.A. shall apply.

24.4.2 The gas reference price for the purposes of settlement of Lw (CW_{LW}) nitrogen-rich gas for the Lw distribution area is determined on the basis of the weighted average amount of gaseous fuel introduced to the Lw distribution area from all daily TGEglwDA indices on the Day-Ahead Market (RDNg) published on the website of the Towarowa Giełda Energii SA for the compensation period, but in the absence of published daily TGEglwDA index rates for the compensation period, the OSD determines CW_{LW} based on the cost of Lw gas purchased by the OSD during the compensation period. CW_{LW} is published on the OSD's website after the Compensation Period ends, up to the 10th Working Day after the Compensation Period. In the event of the Towarowa Giełda Energii S.A. changing the TGEglwDA index, an index which is an equivalent of TGEglwDA, introduced by Towarowa Giełda Energii S.A. shall apply.

24.4.3 The gas reference price for the purposes of the Commercial Balancing of the Local Distribution Area (CRG_{BIL}) for Lw and Ls nitrogen-rich gas (CRG_{BILLW} and CRG_{BILLS}) for the Lw and Ls local gas distribution areas is determined on the basis of the costs of purchasing these gases by the OSD in a given Billing Period. CRG_{BIL} is published on the OSD's website after the end of the billing period by the 5th Working Day of the month following the billing period. If the OSD did not conclude gas purchase transactions in a given Billing Period, CRG_{BIL} is determined on the basis of transactions from the last Billing Period in which such transactions were concluded by the OSD.

24.4.4 The gas reference price for the purposes of the Commercial Balancing of the Local Distribution Area (CRG_{BIL}) for the local distribution areas supplied from the LNG regasification installation (CRG_{BILLING}) is determined on the basis of the costs of purchasing this gas by the OSD in a given Billing Period. CRG_{BIL} is published on the OSD's website after the end of the billing period by the 5th Working Day of the month following the billing period. If the OSD did not conclude gas purchase transactions in

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a given Billing Period, CRG_{BIL} is determined on the basis of transactions from the last Billing Period in which such transactions were concluded by the OSD.

24.4.5 The gas reference price for the purposes of the Commercial Balancing of the Local Distribution Area (CRG_{BIL}) for group E high-methane gas for the local distribution areas supplied from the OSDW network ($CRG_{BIL OSDW}$) is determined on the basis of the costs of purchasing this gas by the OSD in a given Billing Period. CRG_{BIL} is published on the OSD's website after the end of the billing period by the 5th Working Day of the month following the billing period. If the OSD did not conclude gas purchase transactions in a given Billing Period, CRG_{BIL} is determined on the basis of transactions from the last Billing Period in which such transactions were concluded by the OSD.

24.4.6 The OSD sets CW and CRG_{BIL} in [gr/kWh] to three decimal places.

24.5 Compensation procedure in the Distribution Area E or Distribution Area Lw.

24.5.1 In the event that the sum of the Billing Allocations specifying the amount of gaseous fuel introduced by the ZUDs at the input points to the Distribution Area E or Lw during the Compensation Period is different from the amount of gaseous fuel collected during this period by the ZUDs at the output points from the Distribution Area E or Lw or a necessity arises to make corrections to the readings of the WS or WR point, the OSD shall bill the ZUD under the Compensation procedure.

24.5.2 If, for a given ZUD/ZUP, the gas consumption at the output points during the Compensation Period turned out to be greater than the amounts resulting from the sum of Billing Allocations in $PWE_{\dot{Z}}$ and PWE_{OSP} or PWE_{OSPL} points, or when it turned out that the correct reading is greater than the previously assumed one, the OSD passes the gaseous fuel to the ZUD as the Compensation.

24.5.3 If, for a given ZUD/ZUP, the gas consumption at the output points during the Compensation Period turned out to be lower than the amounts resulting from the sum of Billing Allocations in $PWE_{\dot{Z}}$ and PWE_{OSP} or PWE_{OSPL} points, or when it turned out that the correct reading is lower than the previously assumed one, the OSD takes the gaseous fuel from the ZUD as the Compensation.

24.5.4 Settlements with the ZUD as part of the Compensation procedure are performed in the Compensation Periods, based on the CW_E or CW_{LW} value determined for the Compensation Period, on the terms set out in item 1.1.1 and 1.1.1.

24.5.5 The basis for settlements is HRW.

24.6 Commercial balancing of Local Distribution Areas.

24.6.1 The ZUD is obliged to maintain a balance of the amount of gaseous fuel supplied by it at the input point and collected by it at the output points within a given Local Distribution Area.

24.6.2 After the end of the billing period, the OSD prepares the balance sheet for each Local Distribution Area according to the following formula:

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$$Q_{WE} = Q_{WR} + Q_{WS} + Z_w + R_b$$

where:

Q_{WE} – amount of gaseous fuel delivered by all ZUDs to a given Distribution Area [kWh],

Q_{WR} – the amount of gaseous fuel delivered to the WR type output points [kWh],

Q_{WS} – the amount of gaseous fuel delivered to the WS type output points [kWh],

Z_w – amount of gaseous fuel taken for the OSD's own consumption [kWh],

R_b – balance difference in the local distribution area [kWh].

24.6.3 In order to ensure the safe operation of the Distribution System in the Local Distribution Areas, the ZUD or the Supply Source Operator, the Local Distribution Area sells the OSD gaseous fuel for his own needs and the balance difference, on the terms specified in a separate agreement, at a price determined in accordance with this agreement.

24.6.4 Fuel quantities purchased by the OSD are assigned to the OSD in the Allocation in PWE_z.

24.6.5 Commercial balancing of the Local Distribution Area in the case of one ZUD is performed if the R_b value is negative or it is necessary to correct the readings of the WR or WS type output points made in the previous Billing Periods.

24.6.6 Commercial balancing of the Local Distribution Area in the case of more than one ZUD is performed on the basis of Allocations performed on the terms specified in item 22.4

24.6.7 Commercial balancing of the Local Distribution Area is carried out in the Billing Periods, after the end of the Gas Month, separately for each Local Distribution Area.

24.6.8 In order to determine the ZUD's imbalance, the quantities of gas supplied and collected by it within a given Local Distribution Area are determined on the basis of measurements or estimated in accordance with the principles set out in item 19.1 and the Allocation rules set out in Chapter 22.

24.6.9 In the case of the Local Distribution Area supplied from the LNG Regasification Installation, the amount of gas introduced by the ZUD to the Distribution Area is determined based on the indications of the Metering System installed at the Distribution System Input Point from the LNG Regasification Installation, and in the absence of such a Metering System, according to the formula:

$$Q_{WE} = (S_{PO} - S_{KO}) + T$$

where:

Q_{WE} – the amount of gaseous fuel introduced from the LNG Regasification Installation to the Local Distribution Area in the Billing Period [kWh],

S_{KO} – the amount of liquefied natural gas (LNG) in the storage tank of the LNG Regasification Installation at the end of the Billing Period [kWh],

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S_{PO} – the amount of liquefied natural gas (LNG) in the storage tank of the LNG Regasification Installation at the beginning of the Billing Period [kWh],

T – the amount of liquefied natural gas (LNG) delivered and introduced to the LNG Regasification Installation in the Billing Period [kWh].

24.6.10 As part of the commercial balancing of the Local Distribution Area, the OSD determines the quantities of gaseous fuel delivered by the ZUD at the input points and collected at the output points. The designated quantities of gaseous fuel for the ZUD in individual Local Distribution Areas are specified in the HRN.

24.6.11 For each Billing Period, the OSD shall determine the ZUD's Imbalance as the difference between the amount of gaseous fuel taken at all output points and the amount of gaseous fuel delivered to all input points in a given Local Distribution Area, in accordance with the formula:

$$DNS_n = Q_n - \sum_{j=1}^{J_n} Q'_{n,j}$$

where:

DNS_n – ZUD imbalance with index n [kWh],

Q_n – the amount of gaseous fuel collected by the ZUD with the index n in all output points in a given Local Distribution Area [kWh],

J_n – number of Input Points PWE_z, where ZUD with the n index supplies gaseous fuel,

$Q'_{n,j}$ – the amount of gaseous fuel supplied by the ZUD with the index n at all input points to a given Local Distribution Area [kWh].

24.6.12 The ZUD Imbalance Value is determined by the OSD in the HRN. The ZUD imbalance is expressed in kWh.

24.6.13 After the end of each Billing Period, when the value of the ZUD Imbalance in a given Local Distribution Area is greater than zero, i.e. it has taken more gaseous fuel from the Distribution System than it has supplied, it is obliged to settle the collected amount of gaseous fuel by paying to the OSD the fee specified as follows:

$$OPM = MOD(DNS_n) * CRG_{BIL}$$

where:

OPM – fee for commercial balancing of the Local Distribution Area [PLN],

MOD – absolute value,

DNS_n – ZUD imbalance with index n [kWh],

CRG_{BIL} – Gas reference price for the purposes of settling commercial balancing of the Local Distribution Area [PLN/kWh].

24.6.14 After the end of each Local Billing Period, when the Imbalance value is less than

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zero, the OSD is obliged to bill the amount of gaseous fuel not collected by the ZUD by paying the ZUD a fee specified as follows:

$$OPM = MOD(DNS_n) * CRG_{BIL}$$

where:

OPM – fee for commercial balancing of the Local Distribution Area [PLN],

MOD – absolute value,

DNS_n – ZUD imbalance with index n [kWh],

CRG_{BIL} – Gas reference price for the purposes of settling commercial balancing of the Local Distribution Area [PLN/kWh].

24.6.15 After the settlement referred to in item 1.1.1 – 1.1.1, the DNS value is set to zero.

24.7 Provision of information as part of the billing of the distribution service, Allocation, Compensation and Commercial Balancing of the Local Distribution Area.

24.7.1 The OSW agrees the following with the OSD by the 4th working day following the billing period, in the form of a protocol:

24.7.1.1 the volume and quantity of gaseous fuel delivered to the Distribution System Output Point at the connections with a cooperating system,

24.7.1.2 gross calorific value of this gaseous fuel, as delivered to the Output Point.

24.7.2 HRD, HRN, HRW are the basis for issuing invoices. These reports are made available to ZUD and OSW, which cooperates with the OSD at a given point.

24.7.3 For each Local Distribution Area and for each ZUD, the OSD prepares the HRD, which contains a collective summary of data constituting the basis for the billing of distribution services, broken down into individual tariff groups, in accordance with the template published by the OSD on its website.

24.7.4 If, for technical reasons, it is not possible to determine the amounts given in the HRD or HRN, the OSD shall estimate them on the basis of the amount of gaseous fuel specified in the ZZZ, and then correct it in subsequent Billing Periods.

24.7.5 If it is determined in subsequent Billing Periods that the earlier determination of the quantities of gaseous fuel specified in the HRD or HRN was incorrect, the verified quantities shall be included in the Billing Period the verification was made in.

24.7.6 Before the 7th day following the Billing Period, the OSD prepares and submits the HRD to the ZUD, along with the basic invoice.

24.7.7 By the 15th day following the Billing Period, the OSD prepares and submits the HRN to the ZUD.

24.7.8 By the 25th day following the Compensation Period, the OSD prepares and submits the ZUD HRW. If, during the compensation period, the Distribution Agreement concluded with the ZUD is terminated or the conditions referred to in item 14.1 are

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met, the OSD shall prepare the HRW and submit it to the ZUD by the 20th day of the month following the month in which the Distribution Agreement was terminated or the procedure of backup sale or official sale initiated.

- 24.7.9 Upon the compliant request of ZUDs supplying gaseous fuel to the input point, the OSD provides information on the allocated amounts of gaseous fuel in the Billing Period in this point, assigned to one of these ZUDs to another ZUD within 7 days after the end of the Billing Period.

25 RESTRICTION MANAGEMENT IN THE DISTRIBUTION SYSTEM

25.1 Reasons for systemic restrictions.

25.1.1 System restrictions may occur in the Distribution System in connection with:

25.1.1.1 cases specified in the Act on Stocks, i.e.:

- 25.1.1.1.1 a threat to the country's fuel security,
- 25.1.1.1.2 an unforeseen increase in the consumption of natural gas by Customers,
- 25.1.1.1.3 the occurrence of disturbances in the import of natural gas,
- 25.1.1.1.4 Failures in gas system operators' networks,
- 25.1.1.1.5 a threat to the safety of the gas networks' operation,
- 25.1.1.1.6 a threat to the safety of people,
- 25.1.1.1.7 the risk of significant material losses,
- 25.1.1.1.8 the need for the Republic of Poland to fulfill its international obligations,

25.1.1.2 in the following situations:

- 25.1.1.2.1 limited throughput of the distribution network or the system's technological facilities,
- 25.1.1.2.2 the need to maintain minimum pressures at output points from the distribution system,
- 25.1.1.2.3 the need to maintain stable quality parameters of gaseous fuel in the distribution system,
- 25.1.1.2.4 carrying out work in the distribution system or cooperating systems,
- 25.1.1.2.5 actions by the ZUD, its suppliers or Customers, inconsistent with the provisions of the DNC or the Distribution Agreement.

25.2 Actions of the OSD for the effective use of the Distribution System Capacity.

- 25.2.1 The OSD conducts activities aimed at the effective use of the Throughput of the Distribution System in order to provide distribution services to the ZUDs and entities applying for the provision of distribution services.

- 25.2.2 Activities related to the effective use of the Distribution System Capacity include,

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among others:

- 25.2.2.1 analysis of potential areas for the development of the gas market in the OSD's area of operation and appropriate adjustment of the OSD's Development Plans,
 - 25.2.2.2 programming the development of the distribution system,
 - 25.2.2.3 expansion of the distribution system in accordance with the assumptions of the Development Plan and issued connection conditions,
 - 25.2.2.4 expansion of the distribution system in places with limited capacity,
 - 25.2.2.5 expansion of interconnections,
 - 25.2.2.6 monitoring of the gaseous fuel's technical and quality parameters,
 - 25.2.2.7 managing the work of the Distribution System using the Nomination procedures,
 - 25.2.2.8 introducing fees for activities inconsistent with the Distribution Network Code and the Distribution Agreement, which are intended to motivate the ZUD to avoid situations that may cause restrictions in the Distribution System.
- 25.2.3 In order to effectively use the existing technical capabilities of the Distribution System, the OSD monitors the ZUD's use of the contracted Throughputs.
- 25.2.4 If, as a result of changes to the terms of the Distribution Agreement or its termination, there is free Technical Throughput in the Distribution System, which can be made available on a continuous basis, the OSD provides this Throughput to the ZUD that concluded the Distribution Agreement on an interruptible basis, in accordance with the provisions of the DNC and the Tariff.
- 25.3 Pausing, restricting or restarting Distribution to Output Points.
- 25.3.1 The OSD may suspend or restrict the Distribution to Output Points in the event of:
- 25.3.1.1 introduction of restrictions on the supply and consumption of gaseous fuel,
 - 25.3.1.2 when the gas installation located behind the output point from the Distribution System poses a direct threat to life, health or the environment,
 - 25.3.1.3 when illegal consumption of gaseous fuel has taken place,
 - 25.3.1.4 when the ZUD is in default with the payment for the collected gaseous fuel at least 30 days after the payment deadline, despite prior written notification of the intention to terminate the Agreement and setting an additional 14-day deadline for the payment of overdue and current receivables, taking into account the provisions of Article 6b item 3 of the Energy Law,
 - 25.3.1.5 carrying out repair or modernization works referred to in chapter 16,
 - 25.3.1.6 expiry of the PZD or the Comprehensive Agreement, constituting the basis for the provision of backup sales to the End Customer by the ZUD being a backup supplier, if at the same time the OSD does not implement the supplier change procedure for this End Customer,
 - 25.3.1.7 implementation, at the ZUD's request, of the order to suspend the supply of gaseous fuel to a given output point, on the terms specified in item 13.13.

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- 25.3.2 While introducing a suspension or restriction, the OSD shall immediately provide the ZUD with information on the date on which the restrictions will be introduced, their expected duration, the maximum hourly and daily gas collection capacity at specific points. The ZUD and the ZUD's Customers are obliged to restrict or suspend gaseous fuel consumption in the event of introducing the restrictions referred to in item 1.1.1.
- 25.3.3 The costs of the OSD's activities related to the suspension, restriction or resumption of gaseous fuel distribution are covered on the terms and in the amount specified in the Tariff.
- 25.3.4 In the event that the Gaseous Fuel Distribution System is suspended, the ZUD or the End Customer is obliged to stop collecting gas from the Distribution System.
- 25.4 System restriction management in the event of non-compliance of the supplied quantities of gaseous fuel with the approved Nomination.
- 25.4.1 The OSD plans the traffic in the distribution system on the basis of submitted and approved Nominations.
- 25.4.2 If the quantities of gaseous fuel delivered to Distribution are inconsistent with the approved Nominations, the OSD takes additional steps to adapt the operation of the Distribution System to the new conditions and to prevent possible system restrictions.
- 25.4.3 In the event that the non-compliance referred to in item 1.1.1 exceeds the acceptable tolerance referred to in item 23.1.14, the OSD shall charge additional fees in accordance with the provisions of item 1.1.1.
- 25.5 Method of calculating the fee for failure to meet the approved ZUD Nominations.
- 25.5.1 Fee for failure to meet the amount of gaseous fuel specified in the approved ZUD Nomination at the output point (ONWW) is calculated as follows:
- 25.5.1.1 relative failure to meet the Nomination at the output point (PNWW) is calculated according to the formula:
- $$PNWW = [\text{MOD}(N_z - I_G)/N_z] * 100\%$$
- where:
- PNWW – relative failure to meet the Nomination at the Output Point,
 - MOD – absolute value,
 - N_z – daily amount of gaseous fuel specified in the approved ZUD Nomination,
 - I_G – daily amount of gaseous fuel received by the ZUD.
- 25.5.1.2 if PNWW > 15%, the OSD shall charge and charge a fee for failure to meet the Nomination at the output point, which is calculated according to the following formula:
- $$ONWW = (PNWW - 15\%) * N_z * 0.01 * CRG$$
- where:
- ONWW – fee for failure to meet the Nomination at the Output Point,
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PNWW – relative failure to meet the Nomination at the Output Point,

N_z – daily amount of gaseous fuel specified in the approved ZUD Nomination,

GRP – Gas reference price

25.5.2 In the event that a zero value of the daily quantity ($N_z=0$) has been nominated at a given output point, the OSD shall charge a fee for failure to meet the Nomination at the output point (ONWW), which is calculated according to the following formula:

$$ONWW = I_G * 0.01 * CRG$$

where:

ONWW – fee for failure to meet the Nomination at the Output Point,

I_G – daily amount of gaseous fuel received by the ZUD,

GRP – Gas reference price

25.5.3 The OSD does not charge fees for failure to meet the approved Nominations at output points, if the failure to meet the approved Nominations was due to reasons attributable to the OSD, including a failure in the OSD's distribution system and the lack of access to the metering data referred to in item 19.11.4.

25.6 System restriction management in the event of non-compliance of the collection and delivery of gaseous fuel with OSDW transport forecasts.

25.6.1 The OSDW submits to the OSD a transport forecast for each Gas Day for $MFPWY_{OSDW}$, if the contracted capacity or the sum of the OSD's contracted capacity at this point is at the level of at least 4580 kWh/h for Distribution Area E or 3800 kWh/h for Distribution Area Lw.

25.6.2 The transport forecast is submitted no earlier than 10 days before the Gas Day the transport forecast refers to and no later than by 12:00 on the gas day preceding the Gas Day the transport forecast refers to.

25.6.3 In the event that the OSDW submits more than one transport forecast within the time limit referred to in item 1.1.1, the OSD considers the last transport forecast received.

25.6.4 In the transport forecast, the OSDW specifies the hourly quantities of gaseous fuel, in kWh in natural numbers, planned for collection at each $MFPWY_{OSDW}$.

25.6.5 The hourly quantities of gaseous fuel specified in the Transport Forecasts for a given $MFPWY_{OSDW}$ may not exceed the OSD's contracted capacity at this point.

25.6.6 The transport forecast should take into account the change from summer to winter time and from winter to summer time – then the gas day is longer or shorter by 1 hour, respectively.

25.6.7 If the transport forecast is not submitted by the OSDW, it is assumed that the transport forecast is zero.

25.6.8 Rejection of a transport forecast may occur due to:

25.6.8.1 non-compliance with the provisions of the Agreement or the DNC, including in

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the event of the OSDW's failure to comply with the rules for submitting the transport forecasts specified in item 17.1 or item 1.1.1 – 1.1.1,

25.6.8.2 exceeding 24 times the Contracted Capacity ordered at MFPWY_{OSDW} on a Gas Day (or exceeding 23 or 25 times the Contracted Capacity in relation to gas days where the time changes to summer or winter time),

25.6.8.3 lack of technical possibilities to implement the transport forecast.

25.6.9 The OSD informs the OSDW about the approval or rejection of the Transport Forecast by 1800 hours on the Gas Day preceding the Gas Day the forecast refers to.

25.6.10 If the transport forecast is rejected, the OSD provides the reason for such rejection.

25.6.11 To change the transport forecast, the provisions of item 23.3 apply.

25.6.12 For each Gas Day, the difference is determined between the daily amount of gaseous fuel provided by the OSDW in the transport forecast and the actual amount of gaseous fuel transferred to the Distribution or received at a given point for which the transport forecast is submitted.

25.6.13 If the difference referred to in item 1.1.1 exceeds 10% of the daily amount of gaseous fuel specified in the transport forecast for a given MFPWY_{OSDW}, the OSDW shall be charged a fee calculated according to the following formula:

$$ONP = (WTP - 10\%) * IPT * 0.01 * CRG$$

where:

ONP – fee for failure to meet the transport forecast,

WTP – relative failure to meet the transport forecast at a given Point,

IPT – daily amount of gaseous specified in the transport forecast for a given Point [kWh],

CRG – Gas reference price [PLN/kWh].

The relative failure to meet the transport forecast at the Point is calculated according to the formula:

$$WTP = [MOD(IPT - IZM)/IPT] * 100\%$$

where:

MOD – absolute value,

IPT – daily amount of gaseous specified in the transport forecast for a given Point [kWh],

IZM – daily amount of gaseous fuel measured at a given Point [kWh/h].

25.6.14 If the transport forecast was zero at a given point (IPT=0), the OSD charges a fee for the inaccuracy of the transport forecast at a given point (ONP), which is calculated according to the following formula:

$$ONP = IZM * 0.01 * CRG$$

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where:

IZM – daily amount of gaseous fuel measured at a given Point [kWh],

CRG – Gas reference price [PLN/kWh].

25.6.15 The HRD containing the data constituting the basis for the billing of the fee for failure to meet the transport forecasts is prepared by the 21st day after the Billing Period the settlement refers to.

25.7 Restriction management in the case of supplying the Distribution System with gaseous fuel with quality parameters inconsistent with the DNC.

25.7.1 Subject to item 1.1.1.1 the OSD refuses to receive gaseous fuel from MFPWE_{OSP} and PWE_z with quality parameters inconsistent with the DNC.

25.7.2 If it is revealed that the Distribution System has been supplied with gaseous fuel with quality parameters inconsistent with the DNC, the OSD shall determine the scope and scale of the disruption that may occur and shall take one of the following actions:

25.7.2.1 conditionally allow for transport all or part of the gaseous fuel with quality parameters inconsistent with the DNC, provided that the extent and scale of the disruption will not adversely affect the implementation of Distribution Agreements of other ZUDs,

25.7.2.2 suspend the acceptance of gaseous fuel at the points referred to in item 1.1.1 and the implementation of the ZUD, MUD or MUP Distribution Agreement in all or part of the hydraulically connected Distribution Area, immediately informing the ZUD or OSP or OSW until the interruption ceases and the quality parameters are restored in accordance with the DNC; if he considers that the extent and scale of the interruption may have a negative impact on the implementation of Distribution Agreements of other ZUDs or have a negative impact on the security of the operation of the Distribution System,

25.7.2.3 immediately informs the ZUD, OSP or OSW about the suspension referred to in item 1.1.1.1.

25.7.3 The OSD may suspend the acceptance of gaseous fuel at the Points referred to in item 1.1.1 and the implementation of all PZDs from this input point, including PWE_{OSP} or PWE_{OSPL}, until the interruption ceases and the quality parameters are restored in accordance with the DNC.

25.7.4 The OSD assigns the quantities of gaseous fuel delivered or to be delivered to the Distribution System, with quality parameters inconsistent with the DNC, to individual OSPs or ZUDs using, e.g. allocation methods specified in chapter 22.

25.7.5 For the delivery of gaseous fuel with quality parameters inconsistent with the TNC to the Distribution System at PWE_z input points, the OSD shall charge the ZUD a fee on the terms described in item 1.1. – 1.1, which does not release from liability on general terms.

25.7.6 If the gaseous fuel delivered under the MFPWE_{OSP} to the Distribution Area E does not

meet the quality parameters specified in item 1.1.1, item 1.1.1, item 1.1.1, item 1.1.1 or item 6.8.1.1 and item 6.8.1.2, the OSP shall grant the OSD a discount in accordance with the provisions of the TNC or the OSP's tariff.

25.8 Fees for failure to meet the quality parameters of gaseous fuel.

25.8.1 If the gaseous fuel delivered at the PWE_z input point of the Distribution System or taken from the Distribution System at the output point does not meet the quality parameters specified in the table below, the OSD shall charge additional fees.

Value characterizing the gas fuel's quality	Unit of measure	The highest allowed value of X_{SJNmax}
hydrogen sulfide content	mg/m ³	7*
mercury vapor content	µg/m ³	30
total sulfur content	mg/m ³	40*

* As regards biogas or agricultural biogas introduced in PWE_B, the OSD specifies the indicated parameters under the Connection Conditions.

25.8.2 If the ZUD delivers gaseous fuel of inadequate quality at the PWE_z input point to the distribution system, the OSD shall charge the ZUD with a fee for failure to meet the gas quality parameters at this input point (excluding PWE_{OSP}) (ONP), calculated as:

$$ONP = IN \times 2 \times CRG \times (X_{SJW} - X_{SJNmax}) / X_{SJNmax}$$

where:

ONP – fee for failure to meet the quality parameters of gaseous fuel at the Input Point PWE_z (PLN),

IN – the amount of gaseous fuel delivered at the PWE_z input point to the Distribution System with quality parameters inconsistent with the DNC,

GRP – Gas reference price,

X_{SJNmax} – the highest acceptable value of a given quality parameter, presented in the table in item 1.1.1,

X_{SJW} – the actual value of a given quality parameter of gaseous fuel delivered to the distribution at an input point or taken at the output point.

25.8.3 If the notification on the delivery of gaseous fuel with quality parameters inconsistent with the DNC is provided to the OSD and the OSD agrees to accept the gas for distribution, the OSD is entitled to 50% of the fee referred to in item 1.1.1.

25.9 Fees for failure to meet the water dew point parameter.

25.9.1 The ZUD and the OSP are obliged to ensure the appropriate water dew point of the gaseous fuel supplied to the Distribution System at the points referred to in item 1.1.1

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to the Distribution System in accordance with the following requirements:

- 25.9.1.1 the maximum permissible water dew point value (X_{STNmax}) at 5.5 MPa from April 1 to September 30 is +3.7°C (276.85 K),
- 25.9.1.2 the maximum permissible water dew point value (X_{STNmax}) at 5.5 MPa from October 1 to March 31 is -5°C (268.15 K).
- 25.9.2 If the ZUD at the PWE_z input point to the distribution system delivers gaseous fuel that does not meet the parameters specified in item 1.1.1, the OSD is entitled to request a fee from the ZUD for failure to meet the water dew point (ONT) parameter, calculated as:

$$ONT = IN \times 0,1 \times CRG \times (X_{STW} - X_{STNmax}) / X_{STNmax}$$

where:

- ONT – fee for failure to meet the water dew point temperature parameter at the Input Point (PLN),
- IN – the amount of gaseous fuel delivered at the PWE_z input point to the Distribution System with the water dew point value parameter not kept,
- GRP – Gas reference price,
- X_{STNmax} – the highest permissible value of the water dew point [K],
- X_{STW} – the actual value of water dew point of gaseous fuel delivered to the distribution at an input point or taken at the output point [K].

- 25.9.3 When calculating the water dew point for different pressures, Polish Standards should be applied.

25.10 Fees for failure to maintain the gross calorific value of gaseous fuel.

- 25.10.1 If the ZUD at the PWE_z input point to the Distribution System delivers gaseous fuel without the OSD's prior written consent with a H_{ZW} gross calorific value lower than the minimum (HSN_{mingr}), as determined in accordance with item 6.8.1.2, the OSD is entitled to charge the ZUD with a fee for failure to maintain the input gross calorific value (ONC), calculated as:

$$ONC = IN \times 2 \times CRG \times (1 - H_{ZW} / HSN_{mingr})$$

where:

- ONC – fee for failure to maintain the gross calorific value at the Input Point PWE_z (PLN),
- IN – the amount of gaseous fuel delivered at the PWE_z input point to the Distribution System with a value lower than the minimum gross calorific value,
- H_{ZW} – actual gross calorific value of gaseous fuel supplied by ZUD to the Distribution System (MJ/m³),

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HSN_{mingr} – minimum gross calorific value as determined in accordance with item 6.8.1.2 (MJ/m³),

GRP – Gas reference price

25.10.2 If the ZUD at the PWE_z input point to the distribution system, without the OSD's prior written consent, supplies gas with the gross calorific value H_{zw} higher or equal than HSN_{mingr} , as determined in accordance with item 6.8.1.2, but lower than HSN_{min} , as determined in accordance with Article 6.8.1.1, the OSD is entitled to charge the ZUD a fee for failure to maintain the input gross calorific value (ONC), calculated as:

$$ONC = IN \times CRG \times (1 - H_{zw} / HSN_{\text{min}})$$

where:

ONC – fee for failure to maintain the gross calorific value at the Input Point PWE_z (PLN),

IN – the amount of gaseous fuel delivered at the PWE_z input point to the Distribution System with a value lower than the minimum gross calorific value,

H_{zw} – actual gross calorific value of gaseous fuel supplied by ZUD to the Distribution System (MJ/m³),

HSN_{min} – minimum gross calorific value as determined in accordance with item 6.8.1.1 (MJ/m³),

GRP – Gas reference price

25.10.3 If the notification of the delivery of gaseous fuel with inadequate gross calorific value has been submitted to the OSD and the OSD has given its written consent to accept the gaseous fuel for distribution, the fee for introducing such fuel into the Distribution System is 50% of the fee referred to in item 1.1.1. The OSD's consent to accept gas at the input point with a reduced gross calorific value within the range described in item 6.8.1.1 may be expressed only upon a written request of the ZUD, submitted at least 48 hours before the scheduled commencement of the supply of such gas to the input point.

26 CONDITIONS FOR BILLING THE DISTRIBUTION SERVICES

26.1 The settlement terms are specified in the Distribution Agreement.

27 INVOICING AND PAYMENTS

27.1 The principles for invoicing and payment are specified in the Distribution Agreement and the Tariff.

28 WAYS OF CONDUCT IN EMERGENCY SITUATIONS

28.1 Failures and their removal.

28.1.1 In the event of a Failure causing a threat to the safety of the operation of the

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Distribution System, the OSD shall immediately take action to remove the Failure.

- 28.1.2 In the OSD's area of operation, emergency phone numbers are available, which are used by the Users of the distribution system and other entities to report information related to the occurrence of a Failure in the distribution system. Information on emergency phone numbers is available on the OSD website.
- 28.1.3 The OSD shall immediately notify the Distribution System Users and the OSW, upon their request, of the expected time of resuming gas distribution interrupted due to a Failure.
- 28.1.4 In the event of a Failure, in particular one causing a threat to life, health or the environment, the OSD may suspend the delivery of gaseous fuel to the Distribution System Output Point or Points.
- 28.1.5 In the event of receiving information about irregularities in the operation of the Distribution System, the OSD's dispatcher notifies the relevant services, which take immediate action to ensure the safety of property and people and the continuity of the gaseous fuel supply.
- 28.1.6 When securing and removing the effects of a Failure, the appropriate OSD services cooperate with other services such as the police, fire brigade, emergency medical services, etc.
- 28.1.7 The effects of a Failure resulting from the technical condition of the installations and devices used by the ZUD or the Customers, caused by the ZUD or the Customers, are charged to the ZUD or Customers, respectively.
- 28.2 Cooperation in the event of a threat to energy security.
- 28.2.1 The ZUD prepares and agrees with the OSD the procedures to be followed in the event of disturbances in the supply of gaseous fuel; in particular, an unforeseen increase in the consumption of gaseous fuel by Customers, the occurrence of disturbances in the supply of gaseous fuel, the occurrence of an emergency in the installation of the Customer or the ZUD's supplier. The procedures and their updates are provided to the OSD immediately, but not later than within 14 days from the conclusion of the Distribution Agreement or 14 days from the date of updating the procedure.
- 28.2.2 In the event of disruptions in the supply of gaseous fuel to the Distribution System or an unforeseen increase in its consumption by the ZUD's customers, the ZUD takes measures to counteract this threat, in particular those specified in the procedures referred to in item 1.1.1. Moreover, the ZUD dealing with gaseous fuel trading informs the OSD immediately about the possibility of a threat to energy security in a given distribution area, the safety of people or the risk of significant material losses.
- 28.2.3 After taking all actions to meet its customers' demand for gaseous fuel, the ZUD notifies the OSD about the occurrence of the events referred to in item 1.1.1 and the measures taken to ensure the security of gaseous fuel supply to its consumers or the

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impossibility of ensuring such security in a timely manner allowing for measures to be taken to ensure the security of gaseous fuel supply to consumers and the proper functioning of the Distribution System.

28.2.4 After receiving the notification referred to in item 1.1.1 or in the event of a sudden, unforeseen damage or destruction of devices, systems or networks, resulting in an interruption in their use or loss of their properties that threatens the security of the distribution system's operation, the OSD shall take the necessary steps to ensure or restore the proper functioning of the distribution system.

28.2.5 In the event of a Failure or in the case of repair or modernization works, the OSD determines with the OSW the rules of gaseous fuel transport through the OSW's network in order to provide the Customers with gaseous fuel to ensure the ZUD performs the Distribution Agreement. The parties agree on the rules of settling the costs incurred.

28.3 Preparation and implementation of the Restriction Plan.

28.3.1 The principles of developing Restriction Plans and their implementation are regulated by the Act on Stocks and its executive acts.

28.3.2 Taking into account the importance of Customers for the functioning of the economy or the functioning of the state, including the tasks performed by them and the need to protect them against restrictions, said limitations in the consumption of natural gas apply to Customers meeting following conditions:

28.3.2.1 collecting natural gas at the Distribution System output point, if the sum of the contracted capacities specified in the agreements, referred to in Article 5 item 2 point 2 and item 3 of the Energy Law, for this output point is at least 417 m³/h, which in relation to the Restriction Plans corresponds to 4,600 kWh/h of group E high-methane natural gas, 3,800 kWh/h of group Lw nitrogen-rich natural gas and 3,400 kWh/h of Ls group nitrogen-rich natural gas,

28.3.2.2 who are included in the Restriction Plans.

28.3.3 The Restriction Plans define the maximum hourly and daily amounts of natural gas consumption by individual Customers connected to the Distribution System, for individual supply levels.

28.3.4 Consumers, including ZUDs who are Consumers, connected to the Distribution System and subject to restrictions on the consumption of Natural Gas, inform the OSD by July 31 each year about the minimum amount of Natural Gas, the consumption of which does not endanger the safety of people and does not damage or destroy technological facilities and corresponds to the maximum allowable consumption of Natural Gas in the 10th supply stage, along with the current data on the name and address of the Customer's registered office, including the zip code, REGON of the Customer, name and address of the connected facility (gaseous fuel consumption point), type of activity and contracted power.

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- 28.3.5 At the OSD's request, the ZUD is obliged to provide the OSD with the information on the name and address of the Customer's registered office along with the postal code, the Customer's REGON number, the name and address of the connected plant (gaseous fuel reception point), the type of activity performed and the contracted capacity, for the Customers indicated by the OSD in the request, subject to restrictions on the consumption of natural gas in accordance with the Act on Stocks.
- 28.3.6 If a Customer who is subject to restrictions on the consumption of natural gas in the manner specified in the Act on Stocks and the Regulation on restrictions, consumes natural gas at a given output point, e.g. in order to perform tasks not subject to consumption restrictions or to supply natural gas to household consumers, he includes it in the information referred to in item 1.1.1, regarding the volumes of natural gas needed to ensure the safe operation of facilities intended for the performance of tasks not subject to consumption restrictions and the quantities delivered to household consumers.
- 28.3.7 The OSD may verify the information provided by Customers regarding the minimum amounts of natural gas, the consumption of which does not endanger the safety of people and does not damage or destroy technological facilities.
- 28.3.8 Verification activities are carried out, at the OSD's request, by authorized auditors in the field of industrial energy, upon presentation of a certificate issued by the OSD and its delivery to the entrepreneur or a person authorized by him with the authorization to audit the entrepreneur's activity.
- 28.3.9 The minimum hourly and daily amounts of natural gas, the consumption of which does not endanger the safety of people and does not damage or destroy technological facilities, are entered into the Restriction Plan as corresponding to the 10th supply level. In the event of reasonable doubts as to the correctness of the ZUD's determination of the minimum amounts of natural gas, the consumption of which does not endanger the safety of people and does not damage or destroy technological facilities, the OSD may carry out appropriate verification before introducing them to the Restriction Plan.
- 28.3.10 After approval of the Restriction Plan by the President of ERO, the OSD informs the ZUDs and the Customers referred to in item 1.1.1 of the maximum amount of natural gas consumption in individual supply levels, as specified for Customers in the approved Restriction Plan, subject to item 28.3.11 1.1.1
- 28.3.11 In the event that a Customer connected to the Distribution System and subject to restrictions for a given output point from the Distribution System has a gas sales agreement concluded with more than one ZUD, after the Restriction Plan has been approved by the President of the ERO, the OSD shall inform individual ZUDs about the approval of the plan for that Customer, without providing the values of the maximum quantities of natural gas consumption in individual stages of supply, as referred to in item 1.1.1.

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28.3.12 The maximum quantities of natural gas consumption in the individual supply levels specified in the approved Restriction Plans become an integral part of the sales agreements, transmission agreements, distribution agreements and comprehensive agreements.

28.3.13 Customers referred to in item 1.1.1 are obliged to comply with the limitations of natural gas consumption consisting in restricting the maximum hourly and daily quantity of natural gas consumption in accordance with the OSP's announcements, published in the manner and on the terms specified in the Act on Stocks.

28.3.14 The OSD is not responsible for the consequences of restrictions introduced by the regulation of the Council of Ministers at the request of the OSP.

29 INTERIM PROVISIONS

29.1 The existing PZD and ZZZ, submitted by the ZUD on the basis of concluded Agreements, remain valid and shall be implemented on the terms resulting from this DNC and the Distribution Agreement.

29.2 In the event that the OSP reduces the amount of the fee for the inaccuracy of the transport forecast, the OSD shall likewise reduce the amount of the fee referred to in items 1.1.1. – 25.5.21.1.125.6.131.1.125.6.14 REF _Ref444185661 \r \h .

29.3 The OSD's obligation to purchase the entire contracted capacity is valid from the beginning of the Gas Day on October 1, 2020. The OSDW is obliged to submit an application for the conclusion of MUD no later than by July 31, 2020. Until the OSDW acquires the rights to the entire Contracted Capacity in the MFPWE_{OSDW} or MFPWY_{OSDW}, the gaseous fuel distribution services are provided to these points on the basis of the PZDR submitted by the ZUD. In this case, until the date of conclusion of MUD by the OSDW and acceptance of the PZD_{PSDW} by the OSD, in the event of a supplier change made by the End Customer connected to the OSD's network, the following procedure shall apply:

29.3.1 The Customer concludes a contract with a new supplier,

29.3.2 The Customer or new supplier acting under the authority of the Customer terminates the existing supplier's sales agreement at the output point from the OSD's distribution system,

29.3.3 The OSDW applies for the conclusion of the MUD and submits the PZD_{OSDW} – Supplier Change to order the entire Contracted Capacity from MFPWY_{OSDW}. The OSD is entitled to withdraw from the ZUD, which so far was entitled to the Contracted Capacity in this point, within the time and scope specified by the OSDW in PZD_{OSDW} – Supplier Change, the entire Contracted Capacity of this OSD in MFPWY_{OSDW} and to grant this Contracted Capacity to the OSDW. The OSD shall not be liable for any damage caused on the part of the ZUD in connection the contracted capacity being taken away from that ZUD in the MFPWY_{OSDW} on the terms set out in the preceding sentence.

29.3.4 The OSD immediately informs the OSDW and the ZUD, which is entitled to the

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Contracted Capacity in MFPWY_{OSDW} about the OSDW's positive consideration of the PZD_{OSDW} – Supplier Change, submitted by the ZUD, in particular about the date of taking the Contracted Capacity from the ZUD at MFPWY_{OSDW} and about the date of granting this capacity to the OSDW.

- 29.3.5 The ZUD being a new supplier or the Customer should submit the PZDW not later than 21 days prior to the commencement of gaseous fuel sales to the Customer; however, the date of the supplier change cannot be specified on the day prior to the date of granting the Contracted Capacity to the OSDW in MFPWY_{OSDW}. On the PZDW form, a statement should be submitted that the Customer has terminated the sales agreement with the current supplier, and the new supplier or Customer has a distribution service agreement concluded with the OSDW and has the option of introducing gaseous fuel to the OSDW's distribution system. In the event that the Customer's declaration of termination of the sales agreement with the current supplier, referred to in the preceding sentence, is submitted by the ZUD who is the new supplier, the ZUD is obliged to obtain the power of attorney of the Customer changing the supplier to submit such a statement and submit a statement to the OSD that he has such powers of attorney.
- 29.3.6 PZD_{OSDW} and PZDW applications are considered by OSD on the principles described in chapter 13.
- 29.4 Upon its entry into force, this DNC will repeal and replace the Distribution Network Code approved by the President of the ERO by decision of August 16, 2016, No.DRR–4323–8(14)/2016/AKa1.