

Annex to the Decision of the President of ERO  
of 20 March 2024  
ref. no.: DRG.DRG-2.745.2.2024.JDo1

**Reference Price Methodology no 3/SGT  
for the transmission network owned by energy company System  
Gazociągów Tranzytowych EuRoPol GAZ S.A. with its registered  
office in Warsaw for the period from 6:00 am on 1 January 2025  
until 6:00 am on 1 January 2027**

Warsaw, March 2024 r.

## **Contents:**

<b>1. Introductory information.....</b>	<b>3</b>
<b>2. Legal disclaimers regarding the indicative nature of the data and calculation results contained in this document .....</b>	<b>3</b>
<b>3. RPM validity period .....</b>	<b>3</b>
<b>4. Description of the RPM (Article 26 (1) (a) of the Tariff Code – basic information .....</b>	<b>4</b>
<b>4.1. RPM – the postage stamp methodology.....</b>	<b>5</b>
<b>4.2. Indicative information referred to in Article 30(1)(a) used in the RPM (Article 26(1)(a)(i) of the Tariff Code) .....</b>	<b>6</b>
<b>4.3. Indicative reference prices (Article 26(1)(a)(iii) of the Tariff Code).....</b>	<b>7</b>
<b>4.4. Comparison of the indicative reference prices resulting from the application of this method with indicative prices calculated using the CWD methodology (Article 26(1)(1)(a)(vi) of the Tariff Code) .....</b>	<b>7</b>
<b>4.5. Results and components of the cost allocation assessment set out in Article 5 and details of these components (Article 26(1)(a)(iv) of the Tariff Code) .....</b>	<b>8</b>
<b>4.6. Assessment of the compliance of the reference price determination methodology with Article 7 of the Tariff Code (Article 26(1)(a)(v) of the Tariff Code).....</b>	<b>8</b>
<b>5. The indicative information mentioned in Article 30(1)(b)(i), (iv) and (v) of the Tariff Code (Article 26(1)(b) of the Tariff Code) .....</b>	<b>9</b>
<b>5.1. Allowed revenues of the transmission system operator (Article 30(1)(b)(i) of the Tariff Code) .....</b>	<b>9</b>
<b>5.2. Revenues from transmission services (Article 30(1)(b)(iv) of the Tariff Code) .....</b>	<b>10</b>
<b>5.3. Regulatory account for the network belonging to EuRoPol GAZ.....</b>	<b>10</b>
<b>6. Indicative information referred to in Article 30(2) of the Tariff Code (Article 26(1)(d) of the Tariff Code).....</b>	<b>11</b>
<b>7. Description of the network owned by EuRoPol GAZ.....</b>	<b>11</b>
<b>8. Planned expansion of the NTS with regard to connection with the EuRoPol GAZ transmission system.....</b>	<b>13</b>

## 1. Introductory information

The Reference Price Methodology (hereinafter referred to as "RPM") was developed for Gas Transmission Operator Gaz-System S.A. based in Warsaw, hereinafter referred to as the "the Operator", to calculate the fee rates for gas fuel transmission services provided using the network owned by the energy company **System Gazociągów Tranzytowych EuRoPol GAZ S.A. based in Warsaw**, hereinafter referred to as "EuRoPol GAZ"

Based on the decision of the President of Energy Regulatory Office<sup>1</sup> (hereinafter referred to as "the President of ERO") of 17 November 2010 r. ref. no.: DPE-4720-4(8)/2010/6154/BT, the Operator performs operator tasks as an Independent System Operator (ISO) on the network belonging to EuRoPol GAZ.

The reference price methodology determining reference prices for the Operator's own gas transmission network is included in a separate document.

The decision of the President of ERO concerning the issues referred to in Article 28(1)(a) to (c) of the Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (OJ L 72 17.3.2017 p. 29), hereinafter referred to as „the Tariff Code”, which takes into account the results of consultations held from 6 Sep. 2023 till 6 Nov. 2023 concerning, *inter alia*, multipliers and seasonal factors for short-term gas transmission services, discounts applied to entry points from LNG terminal and discounts used to calculate the base prices of standard interruptible capacity products in 2025 (hereinafter referred to as “the Communiqué”)<sup>2</sup>, has been published independently of the decision on RPM, pursuant to Article 27(4) of Tariff Code.

The consultations on the issues referred to in Article 28(1)(a)-(c) of the Tariff Code, for the year 2026 will be carried out in the second half of 2024.

## 2. Legal disclaimers regarding the indicative nature of the data and calculation results contained in this document

All numerical data for 2025 and 2026 presented in this document (e.g. regulated revenue, contracted capacity, reference prices) are indicative and are only intended to illustrate the impact of the adopted RPM on the level of transmission fees. These data do not constitute the basis for calculating the tariff during the RPM validity period.

In case of discrepancies between the Polish and English versions of this document, **the document prepared in Polish is binding.**

## 3. RPM validity period

Pursuant to Article 27(5) of the Tariff Code, the procedure covering the final consultation on RPM, issuance of a decision on RPM by the national regulatory authority, calculation of the tariff on the basis of that decision and publication thereof should be repeated at least every five years, starting on 31 May 2019.

Considering the above, the validity period of RPM has been set at 2 years, i.e. **for the period from**

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<sup>1</sup> Information re. Energy Regulatory Office: <https://www.ure.gov.pl/en>

<sup>2</sup> Communiqué of the President of Energy Regulatory Office No. 4/2024 <https://www.ure.gov.pl/en/markets/gas/factors-for-2025/357,Consultation-on-discounts-multipliers-and-seasonal-factors-for-2025-gas-transmis.html>

### **6:00 am on 1 January 2025 until 6:00 am on 1 January 2027<sup>3</sup>.**

The two-year validity period of RPM results mainly from the fact that the majority of investment tasks related to the implementation of new connections between the National Transmission System (i.e. the transmission system owned by the Operator - "NTS") and the EuRoPol GAZ transmission network will be completed in perspective until 2027<sup>4</sup>. It is also important that RPM validity period will be the same as for the methodology for the Operator's own network, which will facilitate future cooperation and integration of both systems.

Moreover, the adoption of a two years' period is also supported by the uncertainty regarding the future use of the capacity offered in the EuRoPol GAZ transmission system (decreasing transmission capacity reservations), caused by the current geopolitical situation.

Based on this methodology and applicable regulations, the Operator calculates the tariff and submits it together with the justification to the President of ERO for his approval. The tariff period is the same as the year (from 6:00 a.m. on January 1 of a given year to 6:00 a.m. on January 1 of the following year).

#### **4. Description of the RPM (Article 26 (1) (a) of the Tariff Code – basic information**

Pursuant to § 6(1) of the Tariff Regulation<sup>5</sup>, the fee rates included in the tariff are calculated for a period of 12 months. However, pursuant to Article 47(5) of the Energy Law Act<sup>6</sup>, the Operator starts applying the tariff within the period specified by the President of ERO in the decision approving this tariff, no earlier than 14 days from the date of the decision publication.

The transmission rates are calculated based on the entry/exit model, with the application of the RPM, which is based on the cost factor of the planned transmission capacity - the so-called postage stamp method (PS). Only the fixed fees related to the entries to and exits from the high-methane natural gas (group E) transmission system (gr/(kWh/h)/h) are calculated. All allowed revenue will be recovered in the form of transmission fees services calculated on the basis of fixed rates.

Variable rates based on fuel volumes referred to in Article 26(1)(c)(i) and Article 4(3)(a) and (b) of the Tariff Code are not expected to be applied.

The Operator does not plan to provide non-transmission services and therefore RPM does not describe the rules for calculating rates for non-transmission services referred to in Article 26 (1)(c)(ii) of the Tariff Code.

Application of the fixed payable price approach referred to in Article 26(1)(e) and Article 24(b) of the Tariff Code is not envisaged. The floating payable price approach referred to in Article 24(a) of the Tariff Code is applied.

The adjustments for capacity-based transmission tariffs pursuant to Article 9 of the Tariff Code, shall not apply (Article 26(1)(a)(ii) of the Tariff Code).

In accordance with Article 6(2) of the Tariff Code, a reference price is obtained as a result of the methodology applied. According to the definition contained in Article 3 of the Tariff Code, a reference price means the price for a firm capacity product with a duration of one year, which

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<sup>3</sup> Compliant with the definition of gas day – Article 3(16) of the Commission Regulation (EU) 2017/459 of 16 March 2017 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013 (OJ L 72/, 17.03.2017, p. 1), hereinafter referred to as „NC CAM”

<sup>4</sup> Table no. 3, p. 18, <https://www.gaz-system.pl/dam/jcr:15a14aec-298c-437f-938d-89aea14d251b/krajowy-plan-rozwoju-gaz-system-2024-2033-czesc-a-wyciag.pdf>

<sup>5</sup> Regulation of the Minister of Energy of March 15, 2018 on detailed rules for shaping and calculating tariffs and settlements in gas fuel trade (Dz. U. 2021.280, as amended).

<sup>6</sup> the Act of 10 April 1997, the Energy Law (Dz.U 2024.266)

applicable at entry and exit points and which is used to set capacity-based transmission tariffs (i.e. fee rates for transmission services rendered).

Reserve prices (fee rates calculated on the basis of the reference price) for short-term and interruptible services shall be calculated in accordance with Articles 14 and 16 of the Tariff Code, respectively (in 2025 pursuant to the Communiqué, which takes into account the Tariff Code).

#### **4.1. RPM – the postage stamp methodology**

The postage stamp RPM will be used to calculate reference prices. The choice of this methodology is appropriate considering the technical characteristics and current use of the EuRoPol GAZ network, which is consistent with ACER position presented in paragraph 48 of the Agency Report<sup>7</sup> *The Agency considers that the choice of the postage stamp methodology is appropriate for the technical characteristics and current use of the TGPS pipeline. The TGPS in Poland can be considered a linear pipeline with flows entering from Germany and exiting to Poland. The existence of one entry point, one exit point, and one additional exit point only used for interruptible reverse flows back to the German network removes the relevance of the distance cost driver.*

This represents a change compared to the reference price methodology for 2023-2024, which applied the Capacity Weighted Distance method, described in Article 8 of the Tariff Code. An important factor influencing the change of the methodology is the fact that there is currently no flow (and is not expected to occur during the RPM period) of natural gas from the East, i.e. through Kondratki-entry point, which was removed from the list of the relevant points (by decision of the President of the Energy Regulatory Office. of March 28, 2023, ref. no. DRR.WRG.745.3.2023.JBu)<sup>8</sup>. It is currently assumed that all natural gas will be transported from the West, through Mallnow-entry point.

The entry/exit split referred to in Article 30(1)(b)(v)(2) of the Tariff Code, is 50/50, which ensures non-discriminatory conditions for access to the network, avoids cross-subsidies and reflects the nature of transmission capacity distributions at entry and exit points.

The calculated revenue will be divided into entries and exits from the transmission system in accordance with the adopted entry/exit division.

After dividing the revenue allocated to individual entry/exit points by the total forecasted contracted capacity and the number of hours per year, a reference price is obtained for the entry/exit points, respectively.

RPM takes into account the interconnection points (Ips):

- Mallnow-entry (firm),
- Mallnow-exit (interruptible),
- PWP-exit (firm).

Mallnow-entry and PWP-exit points are used to import natural gas to Poland, while Mallnow-exit point is used to transport gas towards Germany on interruptible services (under current conditions<sup>9</sup>).

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<sup>7</sup> [https://www.acer.europa.eu/sites/default/files/documents/Publications/2023\\_analysis\\_report\\_Poland\\_TGPS.pdf](https://www.acer.europa.eu/sites/default/files/documents/Publications/2023_analysis_report_Poland_TGPS.pdf)

<sup>8</sup> <https://www.gaz-system.pl/en/for-customers/market-information/data-transparency.html>

<sup>9</sup> As described in the decision of the President of ERO of 20 March 2024 ref. no.: DRG.DRG-2.745.2.2024.JDo1 (p. 7-8): *regarding the entry point to Germany (Mallnow-exit), where interruptible transmission capacity is currently offered, ERO shares ACER's position contained in paragraph 40 on page 9 of the opinion, stating that "The Agency remarks that capacity at the exit point to Germany can only be offered on the basis of an interruptible capacity product". It should be noted that there is currently 1 Mallnow entry point, while Kondratki entry point has been removed from the list of relevant points. .... until the connections of the network belonging to EuRoPol GAZ with NTS are developed (including Włocławek,*

The forecasted capacity for Mallnow-exit point is included in the calculation after multiplying by the expression (1 - *ex-ante* discount), so that subsequent settlements based on the rate for exit points, less the *ex-ante* discount for interruptible service, do not result in a loss of revenue by the Operator. This approach is identical to the application of rescaling as referred to in Article 6(1)(4)(c) of the Tariff Code.

#### **4.2. Indicative information referred to in Article 30(1)(a) used in the RPM (Article 26(1)(a)(i) of the Tariff Code)**

The RPM is based on the planned transmission capacity as the cost driver. As already mentioned in point 4.1, due to the fact that the EuRoPol GAZ network have only one entry point, one exit point and one additional exit point for interruptible flow to Germany, using distance as cost driver is not appropriate in this case.

PWP is a virtual exit IP<sup>10</sup> from EuRoPol GAZ network into NTS, which consists of 2 physical exit points: Lwówek (technical capacity of 3,01 GWh/h) and Włocławek (technical capacity of 11,06 GWh/h)<sup>11</sup>.

The amount of forecasted transmission capacities used in the calculation of reference prices for the tariff year “n+1” will be the sum of:

- **the firm and interruptible capacities** contracted for the tariff calculation year under the Open Season procedure, the capacities resulting from multi-years contracts and the capacities ordered as part of resolved auctions,
- the capacities contracted under the standard annual **firm and interrupted capacity** products as of the date of submitting the tariff application in the year “n”,
- the expected capacities to be contracted as part of the standard annual **firm and interrupted capacity** products (also under multi-years orders, Open Season or auctions) for the year “n+1”, resulting from the investments planned to be put into operation in the year “n” and “n+1”, including resulting from the planned commissioning of new, modernized, reconstructed and expanded connections,
- the level of capacity **contracted** under quarterly, monthly and daily standard **firm and interrupted** capacity products in the calendar year “n-1” - preceding the year “n” in which the tariff application is submitted.

The values of transmission capacities and distances adopted for the calculation of the indicative reference prices for 2025, in accordance with the above principles, are presented in Table No. 1. Due to the current level of interest in capacity contracting within the entry/exit points of the transmission system belonging to EuRoPol GAZ, forecasted transmission capacities for the calculation reference prices for 2026, are assumed at the level of the forecast for 2025.

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*Lwówek and Wydartowo points), the services provided at Mallnow-exit are interruptible. Therefore, both the calculation of the proposed RPM (postage stamp) and the comparative CWD methodology have been adjusted compared to the calculations presented in the consultation document. It was assumed that in settlements for the capacity offered at this point, on an interruptible basis, the fee rate calculated for the exit points will be applied, taking into account the ex-ante discount (6%), in accordance with the provisions of the Communiqué.*

<sup>10</sup> ‘virtual interconnection point’ means two or more interconnection points which connect the same two adjacent entry-exit systems, integrated together for the purposes of providing a single capacity service (Article 3(23) of NC CAM).

<sup>11</sup> The division of the technical capabilities of a virtual point PWP (14,07 GWh/h) results from the relationship between the technological and measurement parameters of the stations included in it (0,21 for Lwówek and 0,79 for Włocławek).

Table 1. Indicative transmission capacities and distances in 2025 r.

Exit point		Entry point	
Point name		Mallnow	
		Capacity [kWh/h]	1 161 968
Mallnow		120 584	0
PWP	Lwówek	1 145 937 **	102,3 km
	Włocławek		316,5 km
			271,0 km*

\* the weighted average distance for PWP

\*\* the capacity of the virtual point PWP

The weighted average distance of Mallnow-entry point from the PWP-exit point was calculated based on the actual distances (km) of the physical points Lwówek and Włocławek (which form PWP) from Mallnow-entry point, taking into account the proportion of technical capacities for these physical points.

#### 4.3. Indicative reference prices (Article 26(1)(a)(iii) of the Tariff Code)

The table below shows the fee rates applicable in 2024 and the indicative reference prices for 2025 and 2026, calculated in accordance with this RPM, for the entry/exit points:

Table 2. Indicative reference prices.

Entry/exit points	2024 tariff [gr/kWh/h/h]	2024 tariff* [gr/kWh/h/h]	Indicative price [gr/kWh/h/h]		Change [%]		
			2025	2026	5/4-1	4/3-1	3/2-1
1	2	3	4	5			
Mallnow entry	0.5157	0.5182	0.9510	0.9510	0.0	83.5	0.5
Mallnow exit	0.4916	0.4941	0.8249	0.8249	0.0	67.0	0.5
PWP exit	0.4916	0.4941	0.8775	0.8775	0.0	77.6	0.5
PWP entry (virtual backhaul)	0.1031	0.1036	0.1902	0.1902	0.0	83.5	0.5

\* tariff amendment approved by the decision of 1 March 2024

PWP-entry transmission fee rates (virtual backhaul; PWP is unidirectional point with physical flow capability from EuRoPol GAZ network to NTS) are calculated using a coefficient of 0,2 (80% discount) to the Mallnow-entry reference price, in accordance with § 14(1) of the Tariff Regulation.

#### 4.4. Comparison of the indicative reference prices resulting from the application of this method with indicative prices calculated using the CWD methodology (Article 26(1)(1)(a)(vi) of the Tariff Code)

A comparison of the reference prices calculated according to the postage stamp method and prices calculated based on the CWD method for high-methane gas, using discounts for the services provided on an interruptible basis (6%) is presented in table no. 3.

Table 3. The indicative prices comparison.

Entry/exit points	Indicative prices [gr/kWh/h/h] PS		Indicative prices [gr/kWh/h/h] CWD		Change [%]	
	2025	2026	2025	2026	4/2-1	5/3-1
1	2	3	4	5		
Mallnow entry	0.9510	0.9510	0.9510	0.9510	0.0	0.0
Mallnow exit	0.8249	0.8249	0.8249	0.8249	0.0	0.0
PWP exit	0.8775	0.8775	0.8775	0.8775	0.0	0.0
PWP entry (virtual backhaul)	0.1902	0.1902	0.1902	0.1902	0.0	0.0

The indicative rates calculated according to the CWD methodology are identical to the rates calculated according to the postage stamp method, due to the fact that only 3 points are included in the calculation, which confirms the validity of adopting the postage stamp methodology.

For both the postage stamp method and the capacity-weighted distance calculation, the transmission fee rates at Mallnow-exit point were calculated by applying an *ex-ante* discount of 6% to the rates at PWP exit point, in accordance with the provisions of the Communiqué. The *ex-ante* discount has been calculated according to the methodology described Article 16(2-3) of the Tariff Code, taking into account the probability of service interruption.

#### **4.5. Results and components of the cost allocation assessment set out in Article 5 and details of these components (Article 26(1)(a)(iv) of the Tariff Code)**

There are no intra-system points within EuRoPol GAZ network and therefore there is no obligation to perform the cost allocation assessment referred to in Article 5 of the Tariff Code (no intra-system revenues). PWP is a point connecting two entry/exit systems and cannot be regarded as an intra-system point.

#### **4.6. Assessment of the compliance of the reference price determination methodology with Article 7 of the Tariff Code (Article 26(1)(a)(v) of the Tariff Code)**

Pursuant to the provisions of Article 7 of the Tariff Code, the methodology for determining the reference price must comply with Article 13 of Regulation (EC) No 715/2009<sup>12</sup> and with the following requirements.

The methodology should:

- a) enable network users to reproduce the calculation of reference prices and accurately forecast them;
- b) take into account the actual costs incurred for the provision of transmission services considering the level of complexity of the transmission network;
- c) ensure non-discrimination and prevent undue cross-subsidisation including by taking into account the cost allocation assessments set out in Article 5 of the Tariff Code;
- d) ensure that significant volume risk related particularly to transports across an entry-exit system is not assigned to final customers within that entry-exit system;

<sup>12</sup> Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 211, 14.8.2009, p. 36 as amended)



e) ensure that the resulting reference prices do not distort cross-border trade.

This method of determining the reference prices (postage stamp) meets all the above requirements. It is the optimal method for a simple transmission network (only 3 entry/exit points), for which distance is not a significant cost driver. System users can easily reproduce the calculations of the reference prices and forecast their changes.

At the same time, it should be emphasized that the simplified tariff model posted on the Operator's website<sup>13</sup> allows network users to reproduce the calculations of indicative reference prices and their forecast. The accuracy of this forecast is limited by the uncertainty of estimates regarding changes in permitted revenue and capacity orders resulting from the current situation on the gas market. A detailed verification of the permitted revenue and capacity forecasts is carried out annually in administrative proceedings regarding the approval of the tariff for gas fuel transmission services

Moreover, the adopted RPM takes into account the actual costs incurred in connection with the provision of transmission services. Based on the actual costs of providing transmission services disclosed in the financial statements audited by a certified auditor, a forecast of costs justifiable for tariff calculation is made. The justified costs include the annual remuneration to the transmission network owner - EuRoPol GAZ, referred to in Article 45(1)(1k) of the Energy Law Act.

Due to the lack of end users connected to the EuRoPol GAZ transmission network, there is no risk of assigning increased costs to these end users resulting from the capacity orders by the interconnection services users (volume risk).

The postage stamp methodology ensures non-discriminatory treatment of transmission system users, as the same transmission fee rates for entry/exit points are applied to all transmission services users. The reference prices do not distort cross-border trade, as there is no cross-subsidization or discrimination between individual users of the transmission network.

## **5. The indicative information mentioned in Article 30(1)(b)(i), (iv) and (v) of the Tariff Code (Article 26(1)(b) of the Tariff Code)**

### **5.1. Allowed revenues of the transmission system operator (Article 30(1)(b)(i) of the Tariff Code)**

The regulated revenue approved by the President of ERO is the sum of the forecasted justified operating costs related to regulated activities for a given tariff year, the return on capital employed and the remuneration of the owner of the transmission network, determined in accordance with Article 45(1k) of the Energy Law Act.

The regulated revenue is established for a period of 12 months in the tariff approval administrative proceedings.

Pursuant to § 10(1)(1)(a-c) of the Tariff Regulation, the regulated revenue is covered by revenue obtained from:

- a) the transmission fee rates,

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<sup>13</sup> <https://www.gaz-system.pl/en/for-customers/services-in-the-tgps/tgps-tariff/tar-nc.html>

- b) the fees for exceeding the contracted capacity, accrued in the year preceding the year in which the tariff was submitted for approval,
- c) the fees for the services performed on additional request of the recipient (testing the quality of the gaseous fuels supplied, suspending or resuming the supply of gaseous fuels) accrued in the year preceding the year of submitting the tariff for approval.

In the tariff calculation, the Operator takes into account the planned remuneration for EuRoPol GAZ for the use of its assets during the year for which the tariff is calculated

Due to the fact that the Tariff Code does not include detailed rules for determining regulated revenue, this issue will be explained in detail in the proceedings for the approval of subsequent tariffs, taking into account the provisions of the Energy Law Act and the Tariff Regulation.

The costs of implementing additional connections between KSP and the network belonging to EuRoPol GAZ are presented in the GAZ-SYSTEM National Development Plan 2024-2033 Part A and Part B <sup>14</sup> and will be included in the Operator's tariff calculation.

## **5.2. Revenues from transmission services (Article 30(1)(b)(iv) of the Tariff Code)**

The indicative allowed revenue for the network belonging to EuRoPol GAZ for 2025 and 2026 (PLN 193,598 thousand) was set at the level included in the tariff calculation for 2024. The justification for this approach is the significant uncertainty in terms of market and geopolitical conditions and a significant share of the transmission network owner's remuneration in the regulated revenue. The value of permitted revenue is ultimately verified in the tariff approval procedure, together with the justified remuneration of the transmission network owner. The Tariff Code does not specify detailed rules for determining the allowed revenue - the Energy Law Act and the Tariff Regulation apply in this respect.

## **5.3. Regulatory account for the network belonging to EuRoPol GAZ**

The issue of revenues reconciliation through the use of a regulatory account mechanism (see Article 19(1) of the Tariff Code) is regulated by Chapter IV of the Tariff Code (Articles 17 – 20).

The wording of Article 17(1) of the Tariff Code shows that these provisions apply to the transmission system operator operating under a non-price cap regime. In accordance with Article 20(3) of the Tariff Code, the reconciliation of the regulatory account is made with the aim of reimbursing to the transmission system operator the under-recovery and of returning to the network users the over-recovery of revenue..

Pursuant to the provisions of Article 18(1) of the Tariff Code, under-recovery or over-recovery of revenue for a given tariff period is the difference between the value of actually obtained revenues related to the provision of transmission services in this period (RA) and the planned value of revenues from transmission services included in the tariff calculation for this period (R). A positive value of the difference means over-recovery of revenue from transmission services for a given year and will result in a reduction of the revenue used for tariff calculation in subsequent years, while and a negative difference means under-recovery of the revenue and will result in an increase in the revenue used for calculating future tariffs as part of the reconciliation of regulatory account, as referred to in Article 20 of the Tariff Code. Pursuant to Article 19(2) of the Tariff Code,

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<sup>14</sup> <https://www.gaz-system.pl/en/transmission-system/development-of-the-transmission-system/national-development-plans.html>

the regulatory account maintained by the transmission system operator shall record under or over recovery of the revenue by the transmission system operator, unless other rules are introduced in accordance with Article 41(6)(a) Directive 2009/73/EC. At the same time, pursuant to Article 41(4) of the Directive, each transmission system operator uses one regulatory account.

Due to the above, the regulatory account for the transmission system operator designated for the transmission network belonging to EuRoPol GAZ, operating under the ISO formula, will be kept taking into account in particular:

- a separate account from the account for the Operator's own network (NTS), which will ensure avoidance of cross-subsidization of users of both natural gas transmission systems,
- sub-account for the auction premium,
- reconciliation of the regulatory account in accordance with the applied RPM, which will be implemented in the proceedings for the approval of tariffs and justified in the administrative decisions approving these tariffs.

## 6. Indicative information referred to in Article 30(2) of the Tariff Code (Article 26(1)(d) of the Tariff Code)

Table 4. Tariff model – reference prices calculation.

Natural gas network	Unit	2024	2025	2026
		tariff	Indicative numbers	
Indicative revenue	1000 PLN	193 598	193 598	193 598
Entry/exit division	%	50/50	50/50	50/50
RPM	----	CWD	PS	PS
Interruptible discount	%	10% Ex-ante	6% Ex-ante	6% Ex-ante
<b>Capacity</b>				
Mallnow-entry	kWh/h	2 136 968	1 161 968	1 161 968
Mallnow-exit	kWh/h	120 584	120 584	120 584
PWP - Wyjście ( Mallnow direction)	kWh/h	2 120 937	1 145 937	1 145 937
<b>Distance</b>				
Mallnow-Włocławek	km	316.5	316.5	316.5
Mallnow-Lwówek	km	102.3	102.3	102.3
Mallnow-PWP (weighted average )	km	271.0	271.0	271.0
<b>Reference prices/transportation charges</b>				
Mallnow-entry	gr/kWh/h/h	0.5157	0.9510	0.9510
Mallnow-exit	gr/kWh/h/h	0.4916	0.8249	0.8249
PWP-exit	gr/kWh/h/h	0.4916	0.8775	0.8775
PWP-entry (backhaul)	gr/kWh/h/h	0.1031	0.1902	0.1902

## 7. Description of the network owned by EuRoPol GAZ.

The transmission network owned by EuRoPol GAZ was part of an approximately 4,000 km long gas pipeline running from Russia through Belarus and Poland to Western Europe. Due to Russia's aggression against Ukraine and the suspension of the flow of gas from the East, Kondratki entry point, as previously indicated, was removed from the list of relevant points by the decision of the President of ERO of March 28, 2023, ref. no.: DRR.WRG.745.3.2023.JBu

The EuRoPol GAZ network runs latitudinally across Poland, from the East from the Polish-Belarusian border in the area of the village of Kondratki to the West to the Polish-German border in the area of Górzycza.

The gas pipeline owned by EuRoPol GAZ runs through 5 voivodeships (Podlaskie, Masovian, Kuyavian-Pomeranian, Greater Poland and Lubuskie), 27 poviats and 69 communes.

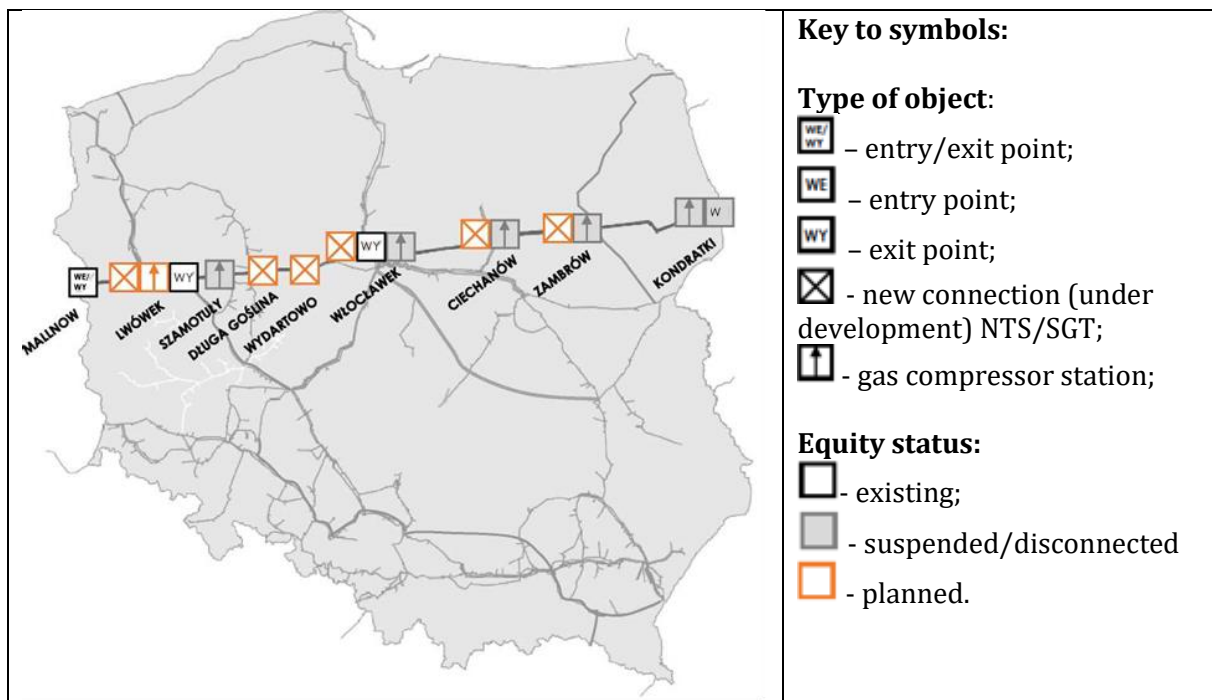
The basic technical data of the EuRoPol GAZ transmission network:

- working pressure - 8,4 MPa;
- length - 683,9 km;
- nominal diameter - DN1400;
- 1 physical entry/exit point – Mallnow;
- a virtual exit point - PWP (which consists of two points with a physical location: Lwówek and Włocławek).

Currently, only part of EuRoPol GAZ network is in use (Mallnow – Włocławek).

The issue of development of the EuRoPol GAZ transmission network is presented in the GAZ-SYSTEM National Development Plan 2024-2033, Part B<sup>15</sup>. As indicated earlier, the Operator assumes an increase in the number of EuRoPol GAZ transmission network connections with NTS.

A simplified diagram of EuRoPol GAZ transmission network.



<sup>15</sup><https://www.gaz-system.pl/en/transmission-system/development-of-the-transmission-system/national-development-plans.html>

## **8. Planned expansion of the NTS with regard to connection with the EuRoPol GAZ transmission system**

In the 2027 perspective, the following tasks are planned to be carried out in the scope of NTS and the EuRoPol GAZ network connection:

- construction of a gas compressor station and expansion of Lwówek NTS node,
- construction of a unidirectional pressure reduction and metering station in Długa Goślina,
- construction of a bidirectional pressure reduction and metering station in Wydartowo,
- adaptation of the pressure reduction and metering station in Włocławek to bidirectional gas flow,
- construction of a unidirectional pressure reduction and metering station in Ciechanów,
- construction of a bidirectional pressure reduction and metering station in Zambrów.