Energy Regulatory Office

CONSULTATION DOCUMENT

pursuant to Article 28 of the Commission Regulation (EU) 2017/460 of 17 March 2017 establishing a network code on harmonized transmission tariff structures for gas

Warsaw, 18 October 2024

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1. Legal basis[1]

The Tariff Code[2] that entered into force on 6 April 2017 r. and it aims to harmonize the transmission tariff structures of the Member States' operators and to determine certain tools enabling the comparison of transmission tariffs applied in the EU, while maintaining flexibility of the selection of the reference price methodology elements, allowing adjustment to the maturity level of a given market and the level of transmission network complexity.

Pursuant to Article 23 item 2 section 11a of the Energy Law Act of 10 April 1997 (Journal of Laws of 2024 item 266, as amended), the scope of activity of the President of Energy Regulatory Office (hereinafter referred to as The President of ERO) includes, among others, (...) performance of the regulatory authority's obligations arising from ordinances adopted under Article 8 and Article 23 of Regulation 715/2009[3] (including the Tariff Code).

The following, 7th consultation with the regulatory authorities of all directly connected EU Member States and with relevant stakeholders, resulting from the President of ERO obligations set out in Article 28 of the Tariff Code, refers to:

a) the level of multipliers,
b) the level of seasonal factors and their calculations specified in Article 15 of the Tariff Code,
c) the levels of discounts at entry points from the LNG terminal and discounts applied to calculate the reserve prices for standard capacity products for interruptible capacity set out in Article 9(2) and Article 16 of the Tariff Code,

for the transmission network of Operator Gazociągów Przesyłowych GAZ-SYSTEM S.A., hereinafter referred to as “the Operator" or "the TSO", and the transmission network owned by the company SGT EuRoPol GAZ S.A., hereinafter referred to as "EuRoPol GAZ", for which the Operator performs the function of a gas transmission system operator, based on the decision of the President of ERO of 17 November 2010 ref. no. DPE-4720-4(8)/2010/6154/BT.

Pursuant to Article 28(2) of the Tariff Code the subsequent consultations shall be conducted every tariff period. According to the definition set out in Article 3(23) of the Tariff Code, tariff period means the time period during which a particular level of reference price is applicable, which minimum duration is one year and maximum duration is the duration of the regulatory period. As tariffs for gaseous fuel transmission services are approved for a period of 12 months, this consultation shall be held each year.

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[1] In case of any inconsistencies between the Polish and English version of the hereby document, the Polish version shall prevail.

[2] Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonized transmission tariff structures for gas (OJ L 72 of 17.03.2017, p. 29).

[3] Commission Regulation (EC) 715/2009 of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No. 1775/2005 (OJ L 211 of 14.08.2009, p. 36), that has been replaced by regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (OJ L of 15.07.2024).

This consultation is carried out by the President of the ERO pursuant to Article 28 of the Tariff Code, for the next period starting from 6 a.m. on 1 January 2026 to 6 a.m. on 1 January 2027 (hereinafter referred to as 2026).

Reference should also be made to Agency for the Cooperation of Energy Regulators[4] (hereinafter referred to as ACER) Recommendation No 01/2021 of 19 July 2021 on setting the level of the multipliers used for the calculation of gas transmission tariffs applied to non-yearly capacity products[5], in which ACER did not limit the maximum level of multipliers for daily and within-day capacity products, from 1 April 2023, to the value of 1.5 - pursuant to the provisions of Article 13(3) of the Tariff Code. At the same time, ACER stated that the current differences between interconnection points (IPs) justify keeping the existing level of flexibility in this respect, as set out in Article 13(1)(b) of the Tariff Code, and rather advocates for a case-by case approach. In point 1 of the above document, ACER recommends detailed justification of the decisions of national regulatory authorities regarding daily and within-day multipliers that lie above the upper threshold referred to in Article 13(1)(b) of the Tariff Code, i.e. 3. Whereas, in 2nd paragraph of the recommendation, ACER underlined the importance of mutual consultations between national regulatory authorities of directly connected Member States in order to better coordinate decisions regarding multipliers and seasonal factors for cross-border interconnection points, so as to avoid setting contradictory incentives on each side of a same interconnection point.

Due to the fact that the values of the multipliers proposed for 2026 are within the limits specified in Article (13)(1) and (2) of the Tariff Code, the above ACER's recommendation does not substantially affect this consultation.

2. Implementation

2.1. Deadlines

This document has been developed and published under the consultation carried out by the President of ERO for 2026 gas transmission tariffs, with respect to (1) the transmission network owned by the TSO and (2) the transmission network owned by EuRoPol GAZ.

During the consultation process spanning from **21 October 2024 to 23 December 2024**, stakeholders may send their comments in Polish or English to a dedicated e-mail address: **konsultacje.nctar@ure.gov.pl,** using the enclosed template.

Comments, opinions and proposals that will be submitted should include reasoning, embracing reference to relevant calculations, analyses or research. It is recommended to avoid general statements, comments and reservations as well as to raise issues beyond the scope of this consultation, which will allow for a substantive reference to the stakeholders' statements in the final decision of the President of the ERO, referred to in Art. 28(2) of the Tariff Code.

Data submitted to the President of ERO containing company's sensitive commercial information that must not be revealed to third parties should be marked.

[4] https://www.acer.europa.eu/

[5] https://extranet.acer.europa.eu//Official_documents/Acts_of_the_Agency/Recommendations/ACER%20Recommendation%2001-2021%20on%20Multipliers.pdf

Once the consultation has been completed, the President of ERO, pursuant to Article 28(2) and (3) of the Tariff Code, shall take a decision relating to the aspects referred to in Article 28(1) of the Tariff Code with respect to the transmission network of the TSO and the network owned by EuRoPol GAZ, considering the positions of the regulatory authorities of directly connected Member States.

The decision shall be published in the form of the President of ERO communiqué by the end of March 2025.

2.2. Important factors of the consultation

Pursuant to Article 28(3) of the Tariff Code, when taking a decision on the consulted aspects, the President of ERO takes into account the responses received under the consultation, and the following aspects:

a) with regard to multipliers:

- the balance between facilitation of short-term gas trading, and providing long-term signals for efficient investment in the transmission system,
- the impact on the transmission services revenue and its recovery,
- the need to avoid cross-subsidisation between network users and to enhance cost-reflectivity of reserve prices,
- situations of physical and contractual congestion,
- the impact on cross-border flows,

b) with regard to seasonal factors:

- impact on facilitating the economic and efficient utilisation of the infrastructure,
- the need to improve the cost-reflectivity of reserve prices.

The decision of the President of ERO on the consulted aspects will be included in the calculation of tariffs for gas transmission services, both for the Operator's own network and the network owned by EuRoPol GAZ, submitted for approval. These provisions will apply to settlements with users of the transmission system as soon as the decisions approving the 2026 tariffs for gaseous fuels become effective.

3. Polish natural gas transmission system

The Polish natural gas transmission system consists of the transmission system owned by the TSO and the transmission system owned by EuRoPol GAZ.

The TSO holds a licence for the transmission of gaseous fuels in the territory of the Republic of Poland, granted by the decision of the President of ERO of 30 June 2004 ref. no.: PPG/95/6154/W/2/2004/MS (as amended).

By the decision of 23 June 2006 ref. no.: DPE-47-4(2)/6154/2006/BT (as amended), the President of ERO designated the TSO as the operator of the gas transmission system in the territory of the Republic of Poland for the period until 6 December 2068. Then, by the decision of 17 November 2010 ref. no.: DPE-4720-4(8)/2010/6154/BT, the President of ERO, ex officio, designated the TSO as the operator of the gas transmission system for the section of the Yamal-Western Europe gas

pipeline, located in the territory of the Republic of Poland, owned by EuRoPol GAZ, for the period until 6 December 2068.

The results of this consultation, will be included in the tariffs for 2026: for TSO's own network and the network owned by EuROPol GAZ and in a publication done by the Operator pursuant to article 29 of the Tariff Code, that is no later than 30 days before the annual capacity auction, which will take place in July 2025.

4. Consultations regarding the tariff for TSO's network

4.1. Multipliers referred to in Article 28 item 1 section a) of the Tariff Code

In Article 13(1) of the Tariff Code, the permissible values of multipliers for the following capacity products have been specified:

- quarterly and monthly standard capacity products - not less than 1 and not more than 1.5;
- daily and within-day standard capacity products - not less than 1 and not more than 3 (in duly justified cases, the level of multiplier may be less than 1, but higher than 0, or higher than 3).

The proposed multiplier values for standard capacity products are shown in Table 1.

Table 1. Values of multipliers for standard capacity products proposed for 2026.

Gas transmission service	Within-day	Daily	Monthly	Quarterly
Multiplier	1.95	1.95	1.25	1.10

The above multipliers fall within the allowable ranges specified in article 13(1) of the Tariff Code and will be applied both at interconnection points with EU Member States, interconnection points with third countries[6] and at internal points of the gas transmission system (for E-gas[7] and L-gas[8]).

4.2. Justification of the proposed level of multipliers

The calculated multiplier values are intended to incentivize gas transmission system users to build up a portfolio of transmission services by optimising the share of long-term and short-term capacity products, at the same time ensuring the right impetus with respect to directions of transmission system development. The level of multipliers is also intended to reflect a possible risk of lost profits from sales of products shorter than one year in tariffs for short-term capacity products, while ensuring the right balance between the use of long- and short-term capacity products.

It is proposed to reduce the multipliers planned for 2026, compared to 2025, to the level resulting from the rules for settling short-term services in 2025 by gas transmission system operators of neighbouring countries and connected to Poland by gas pipelines. This change is aimed at improving the competitiveness of natural gas transmission through the territory of Poland and thereby increasing the use of transmission infrastructure.

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[6] Referred to in Article 2 paragraph 1 of the Tariff Code, i.e. with Ukraine.

[7] E – high methane natural gas – E group.

[8] L – low methane natural gas – L group, subgroup L_w.

The same multipliers will be used at interconnection points with EU Member States, interconnection points with third countries and at internal points of the gas transmission system (for E-gas and L-gas), including entry/exit points to/from underground gas storage.

4.3. Seasonal factors referred to in Article 28 item 1 section b) of the Tariff Code

In conjunction with the provisions of Article 13(2) of the Tariff Code, it is not foreseen to apply in 2026 the seasonal factors referred to in Article 15 of the Tariff Code.

A comparative analysis of the rules for settling short-term services in 2025 by gas transmission system operators of countries neighbouring Poland shows that the neighbouring operators do not apply seasonal factors. The exception is Lithuania, where seasonal factors are applied at domestic points of the transmission system and at the interconnection point with the Russian Federation (Šakiai).

For comparison, table no. 2 shows a comparison of the values of the correction factors[9] included in the 2025 tariff with the multipliers proposed for 2026 (the correction factors for 2026, due to the retreat from applying seasonal factors, are equal to the multipliers for 2026).

Table 2. Comparison of correction factors for standard transmission capacity products from the 2025 tariff[10] with multipliers proposed for 2026.

Month/Product type	Correction factor/multiplier	January	February	March	April	May	June	July	August	September	October	November	December
Within-day	Correction factors for 2025	2.60	2.44	2.40	2.16	2.05	1.85	1.85	1.85	1.91	2.18	2.35	2.55
	Multiplier for 2026	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Daily	Correction factors for 2025	2.60	2.44	2.40	2.16	2.05	1.85	1.85	1.85	1.91	2.18	2.35	2.55
	Multiplier for 2026	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95
Monthly	Correction factors for 2025	1.71	1.61	1.58	1.42	1.35	1.22	1.22	1.22	1.26	1.44	1.55	1.68
	Multiplier for 2026	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Quarterly	Correction factors for 2025	1.44	1.44	1.44	1.17	1.17	1.17	1.08	1.08	1.08	1.36	1.36	1.36
	Multiplier for 2026	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10

The table above shows that the proposed change will result in a reduction of transmission charges for the use of short-term capacity products, except for the periods:

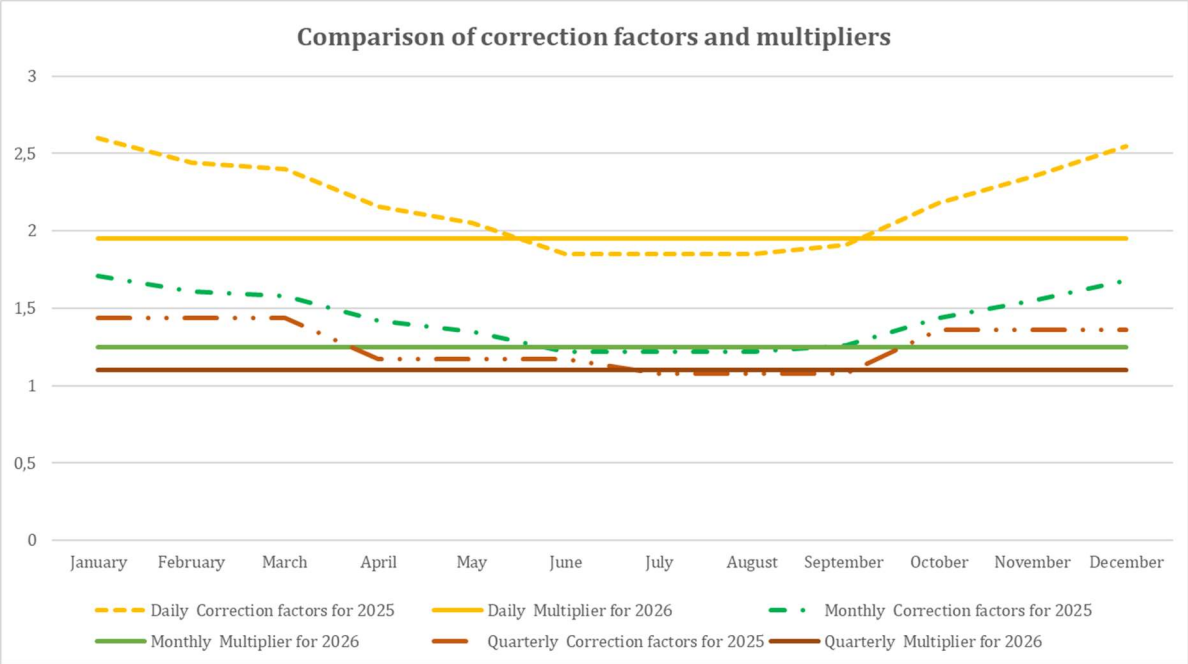
- from June to September in case of within-day and daily products,
- from June to August in case of monthly products,
- from July to September in case of quarterly products,

for which there will be an increase in transmission charges.

[9] Correction factor means the product of a multiplier and a relevant seasonal factor.

[10] According to the Communiqué of the President of ERO No. 4/20244/2024; https://www.ure.gov.pl/en/markets/gas/factors-for-2025/357,Consultation-on-discounts-multipliers-and-seasonal-factors-for-2025-gas-transmis.html

Chart 1. Comparison of correction factors for standard transmission capacity products from the 2025 tariff with the multipliers proposed for 2026.



With respect to short-term transmission services provided in 2023, the proposed reduction of the multipliers applied for the own network and the retreat from seasonal factors would result in a reduction in revenue from these services by over PLN 36 million (14.0%). However, it is assumed that in 2026 this decline will be compensated by an increase in revenues from short-term services caused by the increased use of the Polish gas transmission system.

4.4. Application of multipliers

Multipliers will be used at interconnection points with EU Member States, interconnection points with third countries and at internal points of the gas transmission system (for E-gas and L-gas), including entry/exit points from/to underground gas storage, for settlement of services provided on short-term basis.

The charge for short-term gas transmission service will be calculated according to the following formula, except as provided for in paragraph 4.6.3. and 4.6.4:

$$\mathbf{Op = Mn^* Ss * Mu * T}$$

where:

Op - the charge for a short-term gas transmission service (quarterly, monthly, daily or within-day),

Mn - multiplier,

Ss - transmission tariff, respectively for entry/exit [gr[11]/kWh/h per h],

Mu - contracted capacity [kWh/h],

T - number of hours in which the short-term service was provided [h].

[11] 1 gr = 0.01 PLN ≈ 0.0023 EUR.

Multipliers shall not change in case of secondary trading of capacity products, which consists in reselling the product in a shorter period than the primary product.

4.5. The level of discounts at the entry point to the transmission system from LNG facilities - Article 28 item 1 section c) and Article 9 item 2 of the Tariff Code

Pursuant to Article 9(2) of the Tariff Code at entry points from LNG facilities (...) a discount can be applied to capacity-based transmission tariffs in order to increase security of supply.

Currently (in 2024) and in 2025, a discount of 100% to the entry tariff is applied at the entry point to the transmission network owned by OGP from the LNG terminal, which means no charges for entry the transmission system at this point. The discount in this level has been applied since the beginning of business activity in the field of regasification, i.e. since June 2016. Thus, 2025 will be the 10th year of application of the discount in its full amount.

Since 2020, the issue of the discount at the entry point from the LNG terminal has been subject to annual consultations with market participants and regulatory authorities of neighbouring countries, carried out on the basis of Article 28 of the Tariff Code, and is then taken into account in the decision of the President of ERO[12].

In the course of consultation on the reference prices methodology for 2025-2026 conducted in 2023, ACER presented its position[13], pursuant to Article 27(3) of the Tariff Code, on the legitimacy of maintaining a 100% discount at the entry point from the LNG terminal. With regard to the adopted discount at the entry from the LNG terminal to the transmission system, ACER recommended to the President of ERO to:

a) justify the proposed 100% discount to the entry point from the LNG terminal explaining how the proposed discount is necessary to increase the security of supply of the Polish network and what the appropriate discount level is. The justification should assess how the partial or complete removal of the discount would hinder this goal. The NRA should consider, for this assessment, the already high utilisation rate of the LNG terminal;

b) refer to recital 10 of the Tariff Code, according to which, the application to the Tariff Code should be without prejudice to application of Union and national competition rules, in particular of abuse of a dominant position (Article 102 of the Treaty on the Functioning of the European Union). The Agency further invites URE to encourage the use of the LNG terminal in Świnoujście by more than one shipper so that any tariff discount at this entry point, if granted, benefits multiple stakeholders.

In the context of the above-mentioned recommendation, it is also important that 2026 will be the 11th year of operation of the LNG terminal. The LNG terminal is still an important element ensuring the security of natural gas supply to customers in Poland, however, the current market conditions indicate a significant change, which also implies the need to carry out an up-to-date assessment of the adequacy of the LNG terminal support system in place. During this time, there have been significant changes in both the European and Polish gas markets. It should also be borne

[12] https://www.ure.gov.pl/pl/biznes/taryfy-zalozenia/2025-r-art-28-nc-tar/11270,Informacja-Prezesa-Urzedu-Regulacji-Energetyki-nr-42024-w-sprawie-poziomu-mnozni.html

[13] https://www.acer.europa.eu/sites/default/files/documents/Publications/2024_analysis_report_Poland.pdf

in mind that there has been a fundamental change in the situation in terms of the security of natural gas supplies to Poland compared to 2016 and previous years.

The above conditions, including in particular the market and geopolitical situation and the security of natural gas supplies to Poland, indicate the need to update the assessment as to the possible continuation of the discount, including the legitimacy of taking measures to ensure the competitiveness of the terminal itself and the gas imported to Poland in the form of LNG compared to gas imported via pipelines.

In the case of Poland, Gazprom's dominance in the sphere of natural gas supplies has ended. Currently, there are no supplies of natural gas to Poland from Russia. Poland has new gas interconnectors connecting with Denmark and further with the Norwegian shelf (and thus with natural gas sources), with Slovakia and also with Lithuania (in this case, it is possible to obtain natural gas through the Lithuanian LNG terminal). There is also the possibility of active trading of natural gas using these connections.

On the other hand, in 2017 (i.e. the second year of operation of the LNG terminal), the dominant direction of natural gas supplies was the eastern direction (i.e. supplies from Russia), which share in annual imports amounted to approx. 66%, and supplies via the LNG terminal accounted for only 11% of imports. At that time, LNG was not competitive in terms of price in relation to gas supplied via pipelines. The new entry point (i.e. the LNG terminal) increased the security of natural gas supplies, and in the conditions of the time, it was justified to take measures to ensure the competitiveness of the gas delivered by the LNG terminal at the initial stage of its operation.

In 2023, Norway (approx. 44%) and terminal deliveries (approx. 41%) were the dominant directions. At the same time, there was a significant increase in transmission capacity at the entries to the transmission network owned by OGP from 283 TWh/year in 2017 to 468 TWh/year in 2023, with the abandonment of natural gas supplies from Russia. Also in the case of the European market, natural gas supplies from Russia have been significantly reduced. Importantly, natural gas is supplied to the European market in the form of LNG to a much greater extent than years ago. This is evidenced by the growing number of terminals and regasification capacity in the countries that operated terminals in 2017, and the emergence of new LNG terminals in countries that have so far purchased natural gas via other routes (primarily pipelines).

It is also important that the actual utilization of the LNG terminal's capacity currently exceeds 90% of the available capacity, which means that the degree of its use does not indicate the need to socialize its costs. At the same time, the LNG terminal is used only by one user, whose share in the sales of high-methane and low methane natural gas to end users in 2023 amounted to 90.68% (vide Report of the President of ERO for 2023).

On the other hand, as a result of the 100% discount at the entry point from the LNG terminal (no charges), it is necessary to recover lost revenue at other entry points to the transmission system, including IPs[14], entries from UGS, natural gas mines and denitrification plants. This solution contributes to an increase in tariffs at entry points.

[14] Interconnection points.

With the current flows of natural gas (which is reflected in the approved tariffs), the costs from the entry point of the LNG terminal are borne to the greatest extent by the FAXE entry point, followed by Lasów, Santaka, Cieszyn, which results from the capacity ordered at these points, and the entry points from gas mines and denitrification plants. This situation affects the costs of importing natural gas to Poland via gas pipelines, the costs of gas fed from mines and nitrogen removal plants, as well as the costs of providing natural gas storage services, which increases the costs of maintaining compulsory stocks of gas.

In the context of the above, it is particularly important that after the commissioning the Baltic Pipe gas pipeline in 2022, which enabled the import of significant amounts of natural gas to Poland from sources on the Norwegian shelf, the terminal ceased to be the only connection enabling the diversification of natural gas supply sources. Therefore, at present, this source should not be overly subsidized by other sources ensuring gas supplies to Poland.

The structure of natural gas supplies in recent years (Table 3) shows an increase in the share of the LNG terminal in covering the annual demand of end users, while at the same time replacing supplies from the eastern direction with supplies through IPs with EU countries, in particular the connection with Denmark, which ensures the possibility of supplying natural gas from Norwegian fields, plays an important role.

Table 3. The structure of gas supplies to the transmission system for domestic customers and TSOs (excluding transit) in 2020, 2021, 2022 and 2023[15].

Entry into the national transmission system	Gas E - 2020 [TWh]	Gas E - 2021 [TWh]	Gas E - 2022 [TWh]	Gas E - 2023 [TWh]
Together, of this:	198,4	215,5	178,5	180,7
Gas fields and denitrification plants	23,8	22,3	23,8	21,0
UGS (withdrawal minus injection)	4,8	0,0	0,0	0,0
Deliveries via cross-border IPs (input-output balance)	129,8	152,5	90,4	92,6
Terminal LNG	40,0	40,7	64,3	67,1

It should also be borne in mind that in recent years, the average cost of purchasing natural gas imported by pipeline connections has been higher than the average cost of purchasing LNG including its transport and regasification. Currently, the prices of network gas and LNG (excluding the cost of entry into the National Gas Network) have become closer. Maintaining the current level of the discount at entry from the LNG terminal (100%) means that gas imported via pipelines will be additionally burdened (higher tariff at entry to the gas transmission system) and less competitive than LNG.

On the other hand, a comparison of the costs of gas transport via pipelines with the costs of LNG transport and regasification in the current market conditions shows that the unit costs are at a similar level in the case of a 40% discount. This means that a discount at this level currently ensures a balance of the cost of supplying natural gas to the State between LNG and pipeline

[15] Trade flows including TGPS according to the Report on the activities of the President of ERO in 2020, 2021, 2022 and 2023 (https://www.ure.gov.pl/pl/urzad/informacje-ogolne/edukacja-i-komunikacja/publikacje/sprawozdania-z-dzialaln/2916,Sprawozdania-z-dzialalnosci-Prezesa-URE.html).

supplies. As a result, competition between these supply routes will be limited to price competition only in terms of the price of natural gas itself.

Thus, a 100% discount is not necessary to ensure the competitiveness of natural gas imported via this route. In addition, transmission system users using cross-border entry points incur higher tariffs for entry to the transmission system, partially financing the discount enjoyed by the sole user of the LNG terminal. In the current situation, such a solution may have a negative impact on the development of the gas market in Poland; while the reduction of the discount to a level that equalizes the costs of supplying LNG to Poland with the costs of supplying gas through pipelines will not reduce the security of natural gas supplies to Poland.

Therefore, there is no justification for continuing to apply the full (100%) discount on the entry point from the LNG terminal in 2026. As indicated above, the target discount level is a discount of 40%.

In this situation, it is assumed that the discount at the entry point to the transmission system from the LNG terminal will be gradually reduced: to 70% in 2026 and to 40% in 2027. The gradual reduction of the discount will bring closer the conditions for entities importing LNG by sea to the terminal in Świnoujście, ensuring a smoother path to the target value.

Ultimately, this solution will bring the average costs of transporting natural gas to Poland via pipelines (including the cost of entering the transmission network owned by OGP) and the total average costs of transporting natural gas in the form of LNG (including the costs of regasification and the costs of entering the transmission network owned by OGP). As a consequence, the reduction of the discount may increase the importance of price competition (in terms of natural gas alone) between various routes of natural gas supply to Poland. The charges that will occur at the entry point from the LNG terminal will largely be compensated by a decrease in charges incurred at other entry points to the transmission system, including storage facilities (which in turn will reduce the costs of maintaining compulsory stocks of natural gas).

To sum up – in 2026 it is assumed that the discount at entry from the LNG terminal to the gas transmission system will be reduced from the current 100% **to 70%**.

4.6. The level of discounts used to calculate the reserve prices for standard capacity products for interruptible capacity - Article 28 item 1 section c) and Article 16 of the Tariff Code

4.6.1. Options provided for in the Tariff Code.

Article 16 of the Tariff Code allows to adopt one of two approaches for the calculation of reserve prices for standard capacity products for interruptible capacity[16]. Both of them provide for the discounting of interruptible services. The difference between the options consists in the moment of granting the discount and the methodology of its determination. In Article 16(1)-(3), the methodology based on the *ex-ante* discount was described in detail, whereas rules for granting an *ex-post* discount were set out in item 4.

[16] Interruptible capacity may be interrupted by the TSO up to 100% of booked interruptible capacity.

First option (*ex-ante*) results in the calculation of reserve prices for standard capacity products for interruptible capacity by multiplying the reserve prices of standard capacity products for firm capacity by the difference between 100% and an *ex-ante* discount. This methodology uses the reserve price for standard capacity products for interruptible capacity (including an *ex-ante* discount) in the transmission system user's billing, regardless of the actual interruption occurrence at a given point. However, in the *ex-post* methodology, the reserve price for standard capacity products for interruptible capacity used in settlements is the same as the price of the relevant firm capacity product and a network user is compensated only when the actual interruption occurred[17]. In accordance with Article 16(4) of the Tariff Code, the *ex-post* discount may only be applied at interconnection points where there was no interruption of capacity due to physical congestion in the preceding gas year.

4.6.2. Level of proposed *ex-ante* discounts for calculation of reserve prices for standard capacity products for interruptible capacity in 2026 – Article 28(1)(c) and Article 16 of the Tariff Code.

Taking account of the scope of planned development works in the transmission system, the increased demand for transmission capacity, including the one resulting from the projected development of the power industry gas consumption, the TSO recommended that in the tariff for 2026, as in the 2025 tariff, the *ex-ante* discount, referred to in Article 16(1)–(3) of the Tariff Code, to be applied.

The assessment of the probability of interruption for respective types of transmission system points was carried out with the usage of the TSO technical staff's expertise, due to the lack of interruption of standard capacity products for interruptible capacity in 2023 and in the first half of 2024. The probability of transmission service interruption was estimated based on data concerning capacity bookings in the period from 1 July 2023 to 30 June 2024.

The adjustment factor A is proposed at level 1 for all standard capacity products for interruptible capacity. Calculated probability of transmission service interruption sufficiently reflect the estimated economic value of a given type of standard capacity products for interruptible capacity and therefore no additional increase in the *ex-ante* discount, resulting from the application of an A-factor higher than 1, is justified.

It is therefore proposed for interconnection points with EU countries and with third countries, as well as for internal entry/exit points, the use of *ex-ante* methodology in settlements of standard capacity products for interruptible capacity, as referred to in Article 16(1)-(3) of the Tariff Code.

The following level of *ex-ante* discount for 2026 is assumed:

- **6%** for annual, quarterly, monthly, daily and within-day standard interruptible capacity products for E-gas offered at interconnection points with EU countries[18] and with third countries,

[17] This approach was applied in 2020 tariff (TSO's publication pursuant to Article 29 of the Tariff Code for 2020 tariff: 2020 r. https://www.gaz-system.pl/fileadmin/pliki/taryfa/pl/2019/Publikacja_informacji_art_29_2020.pdf).

[18] Including the PWP interconnection point and LNG facility entry point.

- **2%** for annual, quarterly, monthly, daily and within-day standard interruptible capacity products for E-gas and L-gas offered at internal entry/exit points.

The probability of standard capacity products for interruptible capacity interruption and *ex-ante* discounts are presented in annex no. 1.

The reserve prices for standard capacity products for interruptible capacity shall be calculated by multiplying the reserve prices for the respective standard capacity products for firm capacity by the difference between 100 % and the level of an *ex-ante* discount.

An *ex-ante* discount is calculated in accordance with the methodology set out in Article 16(2)-(3) of the Tariff Code, using the following formula:

$$\mathbf{Di_{ex\text{-}ante} = Pro \times A \times 100\ \%}$$

where:

$Di_{ex\text{-}ante}$ - the level of an *ex-ante* discount,

Pro - the probability of interruption which is set or approved in accordance with Article 41(6)(a) of Directive 2009/73/EC pursuant to Article 28, and which refers to the type of standard capacity product for interruptible capacity,

A - the adjustment factor which is set or approved in accordance with Article 41(6)(a) of Directive 2009/73/EC pursuant to Article 28, applied to reflect the estimated economic value of the type of standard capacity product for interruptible capacity, calculated for each, some or all interconnection points, which shall be no less than 1.

The Pro factor is calculated for given entry/exit points of transmission system per type of standard capacity product for interruptible capacity offered in accordance with the following formula on the basis of forecasted information related to the components of this formula:

$$\mathbf{Pro} = \frac{\mathbf{N \times D_{int.}}}{\mathbf{D}} \mathbf{\ x\ } \frac{\mathbf{CAP_{av.int.}}}{\mathbf{CAP}}$$

where:

N - the expectation of the number of interruptions over D,

$D_{int.}$ - the average duration of the expected interruptions expressed in hours,

D - the total duration of the respective type of standard capacity product for interruptible capacity expressed in hours,

$CAP_{av.\ int.}$ - the expected average amount of interrupted capacity for each interruption where such amount is related to the respective type of standard capacity product for interruptible capacity,

CAP - the total amount of interruptible capacity for the respective type of standard capacity product for interruptible capacity.

Transmission tariffs for services provided on a conditional firm basis and on a conditional interruptible basis are set in the same way as transmission tariffs for services provided on an interruptible basis, pursuant to §14(2) of the Tariff Regulation[19].

4.6.3. Application of *ex-ante* discount for settlements of short-term interruptible transmission service, including services provided on a conditional firm and on a conditional interruptible basis.

The charge for a short-term interruptible transmission service, including services provided on a conditional firm and on a conditional interruptible basis will be calculated according to the following formula, except as provided for in paragraph 4.6.4.:

$$\mathbf{Op = (100\% - Di_{ex\text{-}ante})* Mn * Ss * Mu * T}$$

where:

Op - the charge for a short-term interruptible transmission service, including services provided on a conditional firm and on a conditional interruptible basis (quarterly, monthly, daily or within-day),

$Di_{ex\text{-}ante}$ - the level of an *ex-ante* discount,

Mn - multiplier,

Ss - transmission tariff, respectively for entry/exit [gr/kWh/h per h],

Mu - contracted capacity [kWh/h],

T - number of hours in which the short-term service was provided [h].

4.6.4. Virtual backhaul capacity.

Virtual backhaul transmission service has been defined in § 2 point 24 of the Tariff Regulation as a service rendered on an interruptible basis by an energy enterprise dealing with gaseous fuels transmission, whereby gaseous fuels are contractually transported in the opposite direction to their physical flow in unidirectional physical entry points to transmission network, unidirectional physical exit points from transmission network or virtual interconnection points.

In case of virtual backhaul transmission service, pursuant to § 14(1) of the Tariff Regulation, a 0,2 factor is applied to reserve prices, which means granting a 80% discount on that prices. Due to the above for settlements of these services an *ex-ante* discount, referred to in point 4.6.2., will not be applied.

For calculation of the reserve price for short-term virtual backhaul transmission service the multipliers, referred to in points 4.1. of this document, will be applied.

[19] Regulation of the Minister of Energy of 15 March 2018 on detailed terms for structuring and calculation of tariffs and settlements in trade in gaseous fuels (Journal of Laws of 2021, Item 280, as amended).

The charge for short-term virtual backhaul transmission service will be calculated according to the following formula:

$$\mathbf{Op = 0,2 * Mn* Ss * Mu * T}$$

where:

Op - the charge for a short-term virtual backhaul gas transmission service (quarterly, monthly, daily or within-day),

Mn - multiplier,

Ss - transmission tariff, respectively for entry/exit [gr/kWh/h per h],

Mu - contracted capacity [kWh/h],

T - number of hours in which the short-term service was provided [h].

5. Consultations regarding the tariff for EuRoPol GAZ's network

5.1. Multipliers referred to in Article 28 item 1 section a) of the Tariff Code

It is assumed to apply in the 2026 tariff multipliers for short-term products presented in Table 4. The multipliers do not change compared to the ones set for 2025, except for the multiplier for monthly products, which is slightly reduced from 1.30 to 1.25 to adapt to the level of multipliers for the own network. They will be applied at all points of transmission network belonged to EuRoPol GAZ.

It should be emphasized that end users, gas storage facilities and LNG terminals are not connected to the EuRoPol GAZ's transmission network.

Table 4. Multipliers for short-term standard capacity products for the EuRoPol GAZ's transmission network proposed for 2026.

Gas transmission service	Within-day	Daily	Monthly	Quarterly
Multiplier	1.95	1.95	1.25	1.10

The above multipliers fall within the permissible ranges specified in Article 13(1) of the Tariff Code and correspond to the multipliers proposed for the Operator's own network.

The applied solution, as in the case of the TSO tariff, will ensure a balance between allowing short-term gas trading on the one hand and long-term signals for efficient investing in the transmission system on the other.

5.2. Seasonal factors referred to in Article 28(1)(b) and Article 15 of the Tariff Code

In conjunction with the provisions of Article 13(2) of the Tariff Code, it is not foreseen to apply seasonal factors referred to in Article 15 of the Tariff Code.

5.3. Application of multipliers

Proposed multipliers will be applied at all entry and exit points from/to the gas transmission system owned by EuRoPol GAZ for settlement of services provided on short-term basis.

The charge for short-term gas transmission service will be calculated according to the following formula:

$$\mathbf{Op}^{20} = \mathbf{Mn} * \mathbf{Ss} * \mathbf{Mu} * \mathbf{T}$$

where:

Op - the charge for a short-term gas transmission service (quarterly, monthly, daily or within-day),

Mn - multiplier,

Ss - transmission tariff, respectively for entry/exit [PLN/MWh/h per h or PLN/MWh/day per day],

Mu - contracted capacity [MWh/h or MWh/day],

T - number of hours or days in which the short-term service was provided [h or day].

5.4. The level of discounts used to calculate the reserve prices for standard capacity products for interruptible capacity - Article 28 item 1 section c) and Article 16 of the Tariff Code

Taking into account the Operator's request, it is assumed to apply in calculation of reserve prices of standard capacity products for interruptible capacity the *ex-ante* discount, referred to in Article 16(1)–(3) of the Tariff Code, in 2026 tariff (as in 2025). This approach ensures greater transparency of interruptible services settlements and simplifies their use thanks to the use of analogous principles both in the TSO own transmission system and in the transmission system owned by EuRoPol GAZ .

Reference should also be made to Article 14(1)(b) of Regulation 715/2009, according to which transmission system operators shall provide both firm and interruptible services related to third-party access and the price of interruptible capacity shall reflect the probability of interruptions.

The assessment of the probability of interruption for respective types of transmission system points was carried out with the usage of the TSO technical staff's expertise, due to the lack of interruption of standard capacity products for interruptible capacity during analysed period. The probability of transmission service interruption was estimated based on data concerning capacity bookings in the period from 1 July 2023 to 30 June 2024, using a dynamic methodology (D-2).

The adjustment factor A is proposed at level 1 for all standard capacity products for interruptible capacity. The calculated probability of transmission service interruption sufficiently reflect the estimated economic value of a given type of standard capacity products for interruptible capacity and therefore no additional increase in the *ex-ante* discount, resulting from the application of an A-factor higher than 1, is justified.

[20] In case of virtual backhaul capacity, referred to in point 5.5., an additional factor of 0.2 is applied.

It is therefore proposed for interconnection points with EU countries[21] the use of *ex-ante* methodology in settlements of standard capacity products for interruptible capacity, as referred to in Article 16(1)-(3) the Tariff Code.

Thus, in 2026, the *ex-ante* discount of **6%** is assumed for annual, quarterly, monthly, daily and within-day standard interruptible capacity products for E-gas offered at interconnection points with EU countries[22].

The probability of standard capacity products for interruptible capacity interruption and *ex-ante* discounts are presented in annex no. 2.

The reserve prices for standard capacity products for interruptible capacity shall be calculated by multiplying the reserve prices for the respective standard capacity products for firm capacity by the difference between 100% and the level of an *ex-ante* discount.

An *ex-ante* discount is calculated in accordance with the methodology set out in Article 16(2)-(3) of the Tariff Code, using the following formula:

$$\mathbf{Di_{ex\text{-}ante} = Pro \times A \times 100\ \%}$$

where:

$Di_{ex\text{-}ante}$ - the level of an *ex-ante* discount,

Pro - the probability of interruption which is set or approved in accordance with Article 41(6)(a) of Directive 2009/73/EC pursuant to Article 28, and which refers to the type of standard capacity product for interruptible capacity,

A - the adjustment factor which is set or approved in accordance with Article 41(6)(a) of Directive 2009/73/EC pursuant to Article 28, applied to reflect the estimated economic value of the type of standard capacity product for interruptible capacity, calculated for each, some or all interconnection points, which shall be no less than 1.

The Pro factor is calculated for given entry/exit points of transmission system per type of standard capacity product for interruptible capacity offered in accordance with the following formula on the basis of forecasted information related to the components of this formula:

$$\mathbf{Pro} = \frac{\mathbf{N \times D_{int.}}}{\mathbf{D}} \mathbf{\ x\ } \frac{\mathbf{CAP_{av.int.}}}{\mathbf{CAP}}$$

where:

N - the expectation of the number of interruptions over D,

$D_{int.}$ - the average duration of the expected interruptions expressed in hours,

D - the total duration of the respective type of standard capacity product for interruptible capacity expressed in hours,

$CAP_{av.\ int.}$ - the expected average amount of interrupted capacity for each interruption where such amount is related to the respective type of standard capacity product for interruptible capacity,

[21] Including the PWP interconnection point.

[22] Including the PWP interconnection point.

CAP - the total amount of interruptible capacity for the respective type of standard capacity product for interruptible capacity.

5.5. Virtual backhaul capacity

In case of virtual backhaul transmission service (§2 point 24 of Tariff Regulation), pursuant to § 14(1) of Tariff Regulation, a 0.2 factor is applied to reserve prices (a 80% discount).

For calculation of the reserve price for short-term virtual backhaul transmission service the multipliers, referred to in point 5.1. of this document, are applied.

Annexes:

Annex no. 1. *Ex-ante* discounts for 2026 for types of transmission system points, with interruptible capacity products breakdown, for the TSO's own network.

Annex no. 2. *Ex-ante* discounts for 2026 for types of transmission system points, with interruptible capacity products breakdown, for the EuRoPol GAZ's network.

Annex no. 3. Template for comments on Consultation Document pursuant to Article 28 of the Tariff Code.

Annex no. 1. *Ex-ante* discounts for 2026 for types of transmission system points, with interruptible capacity products breakdown, for the TSO's own network.

No.	Gas type	System point		Ex-ante discount for interruptible capacity product:				
				Yearly	Quarterly	Monthly	Daily	Within-day
1.	E	Interconnection points with EU countries	Entry/exit	6%	6%	6%	6%	6%
2.	E	PWP, LNG Terminal	Entry/exit	6%	6%	6%	6%	6%
3.	E	Interconnection points with third countries	Entry/exit	6%	6%	6%	6%	6%
4.	E	Internal points	Entry/exit	2%	2%	2%	2%	2%
5.	L	Internal points	Entry/exit	2%	2%	2%	2%	2%

Annex no. 2. *Ex-ante* discounts for 2026 for types of transmission system points, with interruptible capacity products breakdown, for EuRoPol GAZ network.

No.	Gas type	System point		Ex-ante discount for interruptible capacity product:				
				Yearly	Quarterly	Monthly	Daily	Within-day
1.	E	Mallnow	Entry	6%	6%	6%	6%	6%
2.	E	PWP	Exit	6%	6%	6%	6%	6%
3.	E	Mallnow	Exit	6%	6%	6%	6%	6%

Annex no. 3. Template for comments on *Consultation Document pursuant to Article 28 of the Commission Regulation (EU) 2017/460 of 17 March 2017 establishing a network code on harmonized transmission tariff structures for gas.*

No.	Subject: point, no., issue	Approach adopted in consultation document	Amendment proposal, point, comment	Reasoning
1.				
2.				
3.				
4.				
5.				
Entity name: …… …… …… ……			**Contact person:** …… …… **Phone no.:** …… **E-mail:** ……	