**Appendix 1 to ToR**

**DESCRIPTION OF THE SUBJECT OF THE CONTRACT**

1. **Subject of the Contract:**

The Subject of the Contract is the provision of balancing services at Branice entry point (ID 372414) to the transmission system between 1 October 2024 at 06:00 a.m. and 1 October 2025 at 6:00 am.

The balancing services shall be provided pursuant to Article 8 of the Commission Regulation (EU) No. 312/2014 of 26 March 2014 establishing a Network Code on Gas Balancing in Transmission Networks.

The balancing services shall involve the supply of high-methane gas from Group E at Branice entry point (ID 372414) to the transmission system between 1 October 2024 at 06:00 a.m. and 1 October 2025 at 06:00 a.m., in quantities resulting from the demand of end customers connected to the gas system in the region supplied from this entry point.

1. **Conditions for the provision of balancing services:** 
   1. For each gas day during the period when balancing services are provided, in which the sum of nominations submitted by the Shippers at Branice entry point (ID 372414) is different from 0, the performance of the balancing service shall be 0. The Contractor shall receive a readiness fee for this gas day. The Contract shall specify the fee for readiness, expressed in PLN/gas day.
   2. For each gas day during the period when balancing services are provided, in which the sum of nominations submitted by the Shippers at the Branice entry point (ID 372414) is equal to 0, the performance of the balancing service shall correspond to the actual execution of the transmission, i.e. shall be equal to the quantities of gaseous fuel sent at Branice entry point (ID 372414) to the transmission system, determined on the basis of the measurement. The Contract shall specify the fee for gas transmission, expressed in PLN/kWh.
   3. If the Contractor has a capacity allocation at Branice entry point (ID 372414) and submits a nomination for a given gas day, it shall not be entitled to the readiness fee for that gas day. In this is the case, the performance of the balancing service shall be 0.
   4. The estimated gas demand in the region supplied from Branice entry point (ID 372414) between 1 October 2024 at 06:00 a.m. and 1 October 2025 at 06:00 a.m. is 6,000,000 kWh.
   5. An example of the characteristics of the daily gas transmission at Branice entry point (ID 372414) based on historical data (between 1 October 2021 and 31 May 2024) is presented in Appendix 1 hereto. During the performance of the Contract, the characteristics of the daily physical flow may change as a result of a change in the off-take structure in the distribution system supplied from Branice entry point (ID 372414).
   6. An example of the profile of hourly gas transmission at Branice entry point (ID 372414) based on historical data (between 1 October 2021 and 31 May 2024) is presented in Appendix 2 hereto. During the performance of the Contract, the characteristics of the hourly physical flow may change as a result of a change in the off-take structure in the distribution system supplied from Branice entry point (ID 372414).
   7. In the case of other than zero (0) nominations for Branice entry point (ID 372414), the Contracting Entity shall provide the Contractor with information about the fact of nomination submission.
   8. The Contracting Entity shall provide the Contractor with information on the quantities of gas metered at Branice point (ID 372414) (metering data).
   9. The Contracting Entity commits to use the Contractor's services to the extent resulting in the use of no less than 1,800,000 kWh, which amounts to 30% of the estimated gas demand indicated in Section 2.4. The Contractor shall not be entitled to bring any claims against the Contracting Entity for the Contracting Entity's failure to use the remaining scope of the services.

Appendices:

1. Diagram of daily physical flow at Branice entry point (ID 372414) between 1 October 2021 and 31 May 2024.
2. Diagram of hourly physical flow at Branice entry point (ID 372414) between 1 October 2021 and 31 May 2024.