

Polish Oil and Gas Company (PGNiG SA)
Head Office

Warsaw, December 23rd 2016

Current Report No. 122/2016

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President of URE's decision on PSG Distribution Tariff

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The Management Board of Polskie Górnictwo Naftowe i Gazownictwo SA ("PGNiG") has been notified that today the President of the Energy Regulatory Office ("President of URE") issued a decision denying approval of the Polska Spółka Gazownictwa Tariff No. 4 for Gas Fuel Distribution Services and LNG Regasification Services ("Distribution Tariff").

The decision was based on Article. 47.1 and 47.2 and art. 23.2.2 in conjunction with art. 30.1 of the Act of the Polish Energy Law and pursuant to art. 104 of the Code of Administrative Procedure.

According to the art. 47.2c of the Polish Energy Law, in case of expiry of the tariff's validity, the current tariff is applied until the new tariff enters into force, also in case of the pending appeal against the decision of the President of URE.

Polska Spółka Gazownictwa will be entitled (and obliged) to conduct settlements with customers still under Tariff No. 3, however provided that it appeals against the decision of the President of URE. The appeal will be brought to the Competition and Consumer Protection Court at the Regional Court of Warsaw, through the President of URE, within two weeks from the date of receipt of the decision (art. 30.2 of Energy Law).