

Auction regulations on ensuring availability of natural gas at the transmission system interconnection with the storage in 2018 – 2019

Table of Contents

<u>GENERAL PROVISIONS</u>	3
<u>PUBLISHING OF AUCTION ANNOUNCEMENT</u>	4
<u>SUBMISSION OF APPLICATIONS</u>	4
<u>ASSESSMENT OF OFFERS</u>	5
<u>DETERMINATION OF REMUNERATION AND CONCLUSION OF CONTRACT</u>	6
<u>FULFILMENT OF THE CONTRACT</u>	6
<u>PAYMENTS</u>	8
<u>CONTRACTUAL PENALTY</u>	8
<u>ANNEX 1 – BINDING OFFER OF THE AUCTION PARTICIPANT</u>	9
<u>ANNEX 2 – CONTRACT ON GUARANTEE OBLIGATIONS FOR NATURAL GAS AVAILABILITY</u>	10

General provisions

1. The Joint Stock Company “Conexus Baltic Grid” (hereinafter - JSC “Conexus Baltic Grid”), unified registration number: 40203041605, address: A.Briāna Street 6, Riga, LV – 1001, taking into consideration the obligations specified in sections 15(6) and 112 of the Energy Law for the natural gas transmission system operator to ensure safety of the transmission system, its efficient and economically reasonable operation, as well as long-term ability to ensure natural gas transmission according to demand and provide the transmission system operator with a possibility to receive emergency technical balancing service in the conditions of limited external natural gas supplies, announces application for an auction on ensuring of natural gas availability at the entry point into the technical transmission system interconnection with Inčukalns Underground Gas Storage Facility (hereinafter – the Storage). The auction will be organised and its process will be ensured by an independent third party (hereinafter –the organizer of the auction).
2. In order to ensure safety and stability of the transmission system in emergency conditions, which are outside the regular technical balancing of the transmission system, the transmission system operator shall be entitled to undertake balancing actions, which maintain the operation of the transmission system within the framework of its operational limits according to article 6(1) of the Commission Regulation (EU) No 312/2014 of 26 March 2014, establishing a Network Code on Gas Balancing of Transmission Networks. Moreover, according to article 8(1) of the Commission Regulation (EU) No 312/2014, the transmission system operator is entitled to procure balancing services for those situations in which short term standardised products will not or are not likely to provide the response necessary to keep the transmission network within its operational limits or in the absence of liquidity of trade in short term standardised products. The Regulation (EC) No 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 particularly notes the significance of the system integrity, which shall be understood as any situation in the transmission system, including necessary transmission facilities, in which the natural gas pressure and the quality remain within the minimum and maximum limits laid down by the transmission system operator, so that the transmission of natural gas is guaranteed from a technical standpoint. In addition, the system integrity, security of supply and technical safety are important aspects for the transmission system operator to be able to ensure maximum possible capacity when determining the capacity allocation mechanism and congestion management procedures. In terms of calculation of the capacity article 6(1) 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 adds, that the transmission system operator provides the system users with the maximum technical capacity, taking into account system integrity, safety and efficient system operation.
3. The subject matter of the auction is a contractual agreement with the market participants on ensuring availability of natural gas at the interconnection of the transmission system with the Storage, which shall be carried out by the market participants ensuring, that natural gas is being stored in the Storage according to the following terms and amounts (hereinafter – Guarantee obligations), in order to enable JSC “Conexus Baltic Grid” to perform balancing actions necessary for integrity of the transmission system, security of supply and technical safety:
 - 3.1. from the start of the withdrawal season until 30 November 2018 - 510,000 MWh;

- 3.2. from the start of the withdrawal season until 31 December 2018 - 510,000 MWh;
- 3.3. from the start of the withdrawal season until 31 January 2019 - 510,000 MWh;
- 3.4. from the start of the withdrawal season until 28 February 2019 - 2,810,000 MWh;

Publishing of auction announcement

4. JSC “Conexus Baltic Grid” shall publish the auction announcement on its website not later than until __ ____ 2018. JSC “Conexus Baltic Grid” may publish the announcement also in other mass media.
5. JSC “Conexus Baltic Grid” shall indicate the following information in the auction announcement:
 - 5.1. the subject matter of the auction;
 - 5.2. deadline and form for submission of binding offers, indicating the e-mail address of the organizer of the auction for sending the binding offers;
 - 5.3. criteria for assessment of the binding offers;
 - 5.4. criteria for determination of remuneration;
 - 5.5. contact information of the organizer of the auction;
 - 5.6. any other significant information related to the auction.

Submission of applications

6. The auction participants shall submit their binding offer (Annex 1) within the term indicated in the auction announcement, by sending it to the e-mail address of the organizer of the auction indicated in the auction announcement. The contents of the binding offer and information on the assessment process shall be considered as protected information, and the organizer of the auction shall observe the confidentiality principle during the assessment process.
7. An auction participant may submit a binding offer for all or any of the lots specified in paragraph 3 of the Regulations, and to indicate a different price of the Guarantee obligations for different lots, including several Guarantee obligations prices, if the binding offer is accepted partially. An auction participant may indicate several amount/Guarantee obligations price pairs for the same lot. Each price pair of amount/Guarantee obligations, indicated by auction participant within one lot, will be assessed as a separate offer in accordance with the Regulations. By submitting several amount/price pairs for the same lot, the auction participant undertakes the responsibility, that an offer structured in such manner can be partially rejected.
8. A binding offer for one separate lot with longer term of Guarantee obligations shall not be considered as a binding offer for a lot with shorter term of Guarantee obligations.
9. The minimum amount of natural gas in each lot, for which a binding offer can be submitted, is 51,000 MWh (fifty-one thousand MWh).
10. Auction participants shall be responsible for the correctness of the binding offer and submission thereof within the deadline specified in the auction announcement. If the binding offer is submitted after the deadline, all required information is not given in the

offer or the information is ambiguous, it shall be deemed that the offer is not submitted at all.

11. The organizer of the auction shall send the information on receipt of the binding offer to the e-mail address indicated in the binding offer not later than within 1 (one) working day from receipt of the binding offer.
12. Submission of the binding offer confirms that an auction participant accepts the auction regulations and undertakes to conclude a contractual agreement on the Guarantee obligations, as well as a transmission system service contract, balancing contract and storage service contract.
13. A binding offer remains effective at least 10 (ten) days after the term of announcement of auction winners, specified in paragraph 22 of the Regulations.
14. Auction participant shall cover all expenses incurred in relation to preparation and submission of the binding offer. JSC “Conexus Baltic Grid” shall bear no responsibility with respect to such costs regardless of the auction results.

Assessment of offers

15. Assessment of the binding offers shall be conducted by the organizer of the auction not later than within 2 (two) days after expiration of the term for submission of the binding offers.
16. The auction winners are determined by assessing the binding offers in descending order starting from the lots covering the longest period of time. The binding offers in each lot shall be assessed based on the price of the Guarantee obligations and arranging them in the merit order, starting from the lowest offered price per each lot until the amount indicated in each lot is reached (hereinafter – the approved amount).
17. If the indicated maximum amount in the relevant lot, for which the binding offer submitted is reached, the binding offer of an auction participant shall be included in the merit order proportionally and shall be rejected in the remaining part.
18. If the offered price in several binding offers is equal, after arranging them in the merit order, they shall be included proportionally following the merit order until reaching the amount indicated in the relevant lot.
19. The organizer of the auction shall send the information on the auction results to JSC “Conexus Baltic Grid” for approval of the auction results, and for information to the Public Utilities Commission not later than 1 (one) day from the assessment of the binding offers. The information on the auction results shall contain the offered amount of the natural gas per each lot and their prices thereof, without indicating the information on the auction participants identity.
20. JSC “Conexus Baltic Grid” shall approve the auction results not later than within 2 (two) days after the receipt of the information on the auction results and shall send the decision to the organizer of the auction.
21. JSC “Conexus Baltic Grid” shall be entitled to terminate the auction without a result, as well as to take a decision on approval of smaller amount of natural gas in all or some of the lots, including the limitation of the amount of Guarantee obligations during the assessment of offers.

22. The organizer of the auction shall send the information on the JSC “Conexus Baltic Grid” decision to the auction participants not later than within 1 (one) working day from the receipt of the JSC “Conexus Baltic Grid” decision to the e-mail address indicated in the binding offer.
23. The organizer of the auction shall prepare the information on the total amount of Guarantee obligations offered in the auction and the highest price of Guarantee obligations for each lot. The organizer of the auction shall send the above-mentioned information to JSC “Conexus Baltic Grid” and the latter shall publish it on its website.
24. If the auction winner has not concluded the transmission system service contract, balancing contract and storage service contract at the moment when the auction results were approved, the auction winner shall conclude the above-mentioned contracts within 5 (five) working days after the receipt of the information specified in paragraph 22 of the Regulations. Otherwise, the decision on acknowledging the auction participant as an auction winner shall be revoked.
25. In the case mentioned in paragraph 24 of the Regulations, the organizer of the auction shall conduct repeated assessment of the binding offers and shall send the information to the auction participants by taking into account the procedure set out in paragraphs 15 – 19 and 22 of the Regulations.
26. Simultaneously with sending the information mentioned in paragraph 22 of the Regulations, the organizer of the auction shall prepare and send information to JSC “Conexus Baltic Grid” on the auction winners (indicating their contact information). In the case mentioned in paragraph 25 of the Regulations, the organizer of the auction shall send the information on the auction winners to JSC “Conexus Baltic Grid” after the repeated assessment of the binding offers.

Determination of remuneration and conclusion of contract

27. Remuneration for the auction winner shall be calculated by multiplying the price offered in the binding offer by the approved amount in the respective lot.
28. If the auction winner has submitted the binding offer for several lots, the remuneration shall be calculated for each lot separately.
29. Within 2 (two) working days from the receipt of the information mentioned in paragraph 26 of the Regulations JSC “Conexus Baltic Grid” shall prepare and electronically send to the auction winners a contract on the Guarantee obligations (hereinafter – the contract; Annex 2).
30. The auction winner shall submit to JSC “Conexus Baltic Grid” a signed contract in two copies within 10 (ten) working days from the day of sending the contract. JSC “Conexus Baltic Grid” shall sign the contract within 3 (three) working days from the receipt of the contract signed by the auction winner, and send one copy back to the auction winner.

Fulfilment of the contract

31. Reservation of the transmission system capacity and the Storage long-term bundled capacity products, which are necessary for fulfilment of the contract, acquisition of natural gas, costs related thereto, as well as the storage of the natural gas and placement of the required amount of natural gas in the Storage at the beginning of the period of

Guarantee obligations and during the period of Guarantee obligations shall be the responsibility of the auction winner.

32. The auction winner has an obligation to reserve for the first time the Storage capacity required for fulfilment of the Guarantee obligations and to ensure the amount of reserves appropriate for the fulfilment of the Guarantee obligations until 31 August 2018.
33. The auction winner shall assume responsibility if fulfilment of the Guarantee obligations is not possible due to a fault and action of another transmission system operator.
34. The Guarantee obligations shall be considered as fulfilled when the auction winner stores the natural gas amount, which is specified in the contract, except if the conditions mentioned in paragraph 35 of the Regulations occur.
35. During the contract period, the auction winner shall be obliged, at the request of JSC "Conexus Baltic Grid", to submit nomination/renomination for input of the amount of natural gas set by JSC "Conexus Baltic Grid" at the transmission system interconnection with the Storage according to the Rules of Use of the Natural Gas Transmission System.
36. Remuneration for the nominated/renominated amount of natural gas on the respective day shall be calculated on the basis of the weighted average price of energy unit for the previous day (MWh/EUR) published by GET Baltic exchange for transactions made in the Latvian market area.
37. The request mentioned in paragraph 35 of the Regulations shall be sent by JSC "Conexus Baltic Grid" electronically to the auction winners for the respective lot, if there are several winners within one lot, starting from the shortest term lot in descending order of the price of the Guarantee obligations. JSC "Conexus Baltic Grid" shall indicate in the request the amount of natural gas required for ensuring safe operation of the transmission system, which shall be supplied to the transmission system from the Storage.
38. The auction winner shall immediately, but not later than 1 (one) hour after receiving the request by JSC "Conexus Baltic Grid", mentioned in paragraph 35 of the Regulations, submit nomination/renomination for the input of natural gas amount, indicated by JSC "Conexus Baltic Grid", in the transmission system from the Storage in accordance with the Rules of Use of the Natural Gas Transmission System.
39. In the case mentioned in paragraph 35 of the Regulations the auction winner's Guarantee obligations in the remaining period shall be reduced by the amount of natural gas, which the auction winner has nominated/renominated for input in the transmission system from the Storage at request of JSC "Conexus Baltic Grid". The remuneration for the Guarantee obligations, specified in paragraph 27 of the Regulations, shall not be applicable to the above-mentioned amount of natural gas.
40. The mere fact that the auction winner continues to store the respective amount of natural gas in the Storage after expiration of the contract period, shall not serve as a basis for automatic inclusion of the auction winner in the list of participants for the next auction.
41. If national energy crisis is announced pursuant to the procedures stated in the Energy Law or legal acts of the country in which the auction winner has been established, the execution of the contract shall be limited for the period of that energy crisis.

Payments

42. The auction winner shall send an invoice to JSC “Conexus Baltic Grid” within 5 (five) working days after the end date of fulfilment of the Guarantee obligations specified in the contract for guaranteeing the amount of natural gas indicated in the contract at the transmission system interconnection with the Storage, or within 5 (five) working days after the end of month during which the conditions described in paragraph 35 of the Regulations have occurred for the amount of natural gas sold by the auction winner to JSC “Conexus Baltic Grid” from the transmission system interconnection with the Storage. The invoice shall be sent to the e-mail address of JSC “Conexus Baltic Grid” indicated in the contract. The invoice shall be valid without a signature, which shall be substituted by authorization or secure electronic signature. The day of invoice receipt shall be considered the day of sending thereof.
43. JSC “Conexus Baltic Grid” shall verify the conformity of the amount of natural gas in the Storage to the amount determined in the contract not later than within 2 (two) working days after the receipt of the invoice and shall settle the invoice within 30 (thirty) days after the receipt of the invoice.
44. In the case mentioned in paragraph 35 of the Regulations, JSC “Conexus Baltic Grid” shall settle the invoice within 5 (five) working days after the receipt of the invoice.
45. If the last day of invoice settlement is a weekend day or holiday of the Republic of Latvia, then the next business day shall be considered as the last day for invoice settlement.
46. Taxes shall be applied according to regulatory enactments of the Republic of Latvia.

Contractual penalty

47. If the auction winner fails to guarantee availability of the full amount of natural gas specified in the contract or according to the schedule given in the contract, the auction winner shall pay a contractual penalty to JSC “Conexus Baltic Grid” equal to double the amount of the non-fulfilled Guarantee obligations payment which the auction winner would have received if it had fulfilled its Guarantee obligations.
48. If JSC “Conexus Baltic Grid” fails to settle the invoice within the term specified in paragraphs 43 and 44 of the Regulations, JSC “Conexus Baltic Grid” shall pay a contractual penalty to the auction winner equal to 0.15% for each day of delay, but not more than 10% of the invoiced amount.
49. The contractual penalty shall be paid per each breach of contractual obligation mentioned in paragraphs 47 and 48 of the Regulations.

Binding offer of the auction participant

_____2018

/Execution place/

No. _____

Addressee: *Organizer of the auction*Auction
participant: _____

EIC code:

Legal address:

Phone number:

E-mail address:

Fax number:

Bank details:

VAT payer's registration number:

I hereby submit a binding offer, according to the following conditions:

Period of time (<i>indicate according to paragraph 3 of the auction Regulations</i>)	From the start of the withdrawal season until 30.11.2018	From the start of the withdrawal season until 31.12.2018	From the start of the withdrawal season until 31.01.2019	From the start of the withdrawal season until 28.02.2019
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Amount of natural gas (MWh)

Offered price of Guarantee obligations, EUR/MWh (excl. VAT)

Offered price of Guarantee obligations, EUR/MWh (excl. VAT), if the binding offer is accepted partially

Accept the binding offer if the amount of natural gas is divided proportionally among the auction winners within one lot (underline the appropriate variant)

YES

NO

Information about the representative

Person/-s, who are entitled to represent the auction participant

Name, surname

Position

Phone No., e-mail, fax No.

Contact information, which can be used for communication with the auction participant

Phone No.

E-mail

Contract on guarantee obligations for natural gas availability

Riga _____ 2018

Joint stock company “Conexus Baltic Grid” (unified registration No. 40203041605),

hereinafter – **Combined system operator**, which is represented on the basis of Articles of Incorporation/Commercial Power of Attorney by _____, on one side, and _____ *merchant's name* _____ (unified registration No. _____), hereinafter – **the Storage user**, which is represented on the basis of _____ *basis for representation* _____ by _____, on the other side, hereinafter collectively referred to as – the Parties, and each separately – the Party, according to the results of the auction, organized by the Combined system operator on _____ 2018, conclude the following contract, hereinafter – the Contract:

1. Terminology used in the Contract

The terminology in this Contract is used within the meaning of the Energy Law, the Rules of Use of the Natural Gas Transmission System, and the Rules of Use of Inčukalns Underground Gas Storage Facility.

2. Subject matter of the Contract

2.1. The storage user undertakes to guarantee the availability of natural gas at the transmission system interconnection with Inčukalns Underground Gas Storage Facility (hereinafter – the Storage) during the Contract period, which shall be carried out by the Storage user ensuring that natural gas is being stored in the Storage according to the following terms and amounts (hereinafter – the Guarantee obligations):

Period of time	<i>From the start of the withdrawal season until</i> 30.11.2018	<i>From the start of the withdrawal season until</i> 31.12.2018	<i>From the start of the withdrawal season until</i> 31.01.2019	<i>From the start of the withdrawal season until</i> 28.02.2019
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Approved amount of natural gas (MWh)

2.2. During the Contract period, the Combined system operator undertakes to make payments for the Guarantee obligations fulfilled by the Storage user and for the natural gas acquired in the case mentioned in clause 3.5 of the Contract.

3. Conditions for fulfilment of obligations

3.1. By concluding this Contract, the Storage user shall assume responsibility for reservation of capacity products necessary for performance of the Contract at the respective entry and exit points, the acquisition of natural gas, as well as the storage of the natural gas in the Storage at the beginning of the period of the Guarantee obligations and during the period of the Guarantee obligations.

3.2. The Storage user shall make the reservation of capacity at the respective entry/exit points according to the procedures and terms specified in the Rules of Use of the Transmission System and the Rules of Use of Inčukalna Underground Gas Storage Facility.

3.3. The Storage user shall be responsible for timely fulfilment of the Guarantee obligations disregarding whether fulfilment of the obligations is not possible due to the action or fault of another transmission system operator.

3.4. The Guarantee obligations shall be considered as fulfilled when the Storage user injects in the Storage and stores the amount of natural gas specified in clause 2.1., unless circumstances foreseen in clause 3.5. of the Contract occur.

3.5. During the Contract period, the Storage user shall immediately, but not later than within 1 (one) hour after receiving the request from the Combined system operator, submit nomination/renomination for an input of natural gas amount set by the Combined system operator at the transmission system interconnection with the Storage according with the Rules of Use of the Natural Gas Transmission System.

3.6. In the case mentioned in clause 3.5. of the Contract, the Guarantee obligations of the Storage user in the remaining period shall be reduced by the amount of natural gas, which the Storage user has nominated/renominated at the transmission system interconnection with the Storage upon the request of the Combined system operator.

3.7. After expiration of the Contract period the Storage user shall have full freedom of action related to the natural gas amount indicated in clause 2.1. of the Contract. The mere fact that the Storage user continues to store the respective amount of natural gas in the Storage after expiration of the Contract period, shall not serve as a basis for automatic inclusion of the Storage user in the list of participants for the next auction.

4. Payment for fulfilment of obligations

4.1. Remuneration for fulfilment of the Guarantee obligations shall be calculated as follows by multiplying the price indicated in the binding offer by the natural gas amount approved for the respective period, in which the Storage user has undertaken fulfilment of the Guarantee obligations.

Period of time	<i>From the start of the withdrawal season until 30.11.2018</i>	<i>From the start of the withdrawal season until 31.12.2018</i>	<i>From the start of the withdrawal season until 31.01.2019</i>	<i>From the start of the withdrawal season until 28.02.2019</i>
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Offered price of Guarantee obligations,
EUR/MWh (excl. VAT)

4.2. In the case mentioned in clause 3.5. of the Contract, remuneration for the nominated/renominated amount of natural gas on the respective day shall be calculated on the basis of the weighted average price of energy unit for the previous day (MWh/EUR) published by GET Baltic exchange for transactions made in the Latvian market area. Remuneration for the Guarantee obligations mentioned in clause 4.1. of the Contract, shall not be applicable to the above-mentioned amount of natural gas.

4.3. Taxes shall be applied according to regulatory enactments of the Republic of Latvia.

4.4. The Storage user shall send an invoice to the Combined system operator within 5 (five) working days after the end date of fulfilment of the Guarantee obligations for each of the period of time set out in clause 2.1. of the Contract or within 5 (five) working days after the end of the month during which the conditions described in clause 3.5. of the Contract have occurred for the amount of natural gas sold to the Combined system operator from the transmission system interconnection with the Storage. The invoice shall be sent to the e-mail address of the Combined system operator indicated in the Contract. The invoice shall be valid without a signature, which shall be substituted by authorization or secure electronic signature. The day of invoice receipt shall be considered the day of sending thereof.

4.5. The Combined system operator shall verify the conformity of the amount of natural gas in the Storage to the amount stated in the Contract not later than within 2 (two) working days after the receipt of the invoice, and transfer the amount specified in the invoice to the current account of the Storage user within 30 (thirty) days after the receipt of the invoice.

4.6. If the amount of natural gas in the Storage does not conform to the amount of the Guarantee obligations specified in the Contract, the Combined system operator shall not settle the invoice until complete fulfilment of the Guarantee obligations.

4.7. In the case mentioned in clause 3.5. of the Contract, the Combined system operator shall settle the invoice within 5 (five) working days after the receipt of the invoice.

4.8. If the last day of invoice settlement is a weekend day or holiday of the Republic of Latvia, then the next working day shall be considered as the last day for invoice settlement.

4.9. If the Storage user fails to ensure fulfilment of obligations in full or according to the schedule given in clause 2.1. of the Contract, the Storage user shall pay to the Combined system operator a contractual penalty for the amount of unfulfilled obligations equal to double the amount of the non-fulfilled Guarantee obligations payment which the Storage user would have received if it had fulfilled its Guarantee obligations.

4.10. If the Combined system operator fails to settle the invoice within the term specified in clauses 4.5. and 4.7. of the Contract, the Combined system operator shall pay a contractual penalty to the Storage user equal to 0.15% for each day of delay, but not more than 10% of the invoiced amount. The contractual penalty shall not be applicable in the instance mentioned in clause 4.6. of the Contract.

4.11. The contractual penalty shall be paid per each case of breach of contractual obligation mentioned in clauses 4.9. and 4.10. of the Contract.

5. Responsibility of the Parties

5.1. The Parties shall assume responsibility for fulfilment of the Contract provisions. The Parties shall compensate any loss, incurred by the other Party, if the guilty Party fails to fulfil the Contract provisions or fulfils them improperly.

5.2. The Party, which has properly fulfilled its obligations under the Contract, shall be entitled to request the other Party to fulfil its obligations in full.

5.3. The Parties shall be exempted from liability for failure to fulfil its contractual obligations or improper fulfilment thereof, if such failure has arisen as a result of force majeure conditions determined in the Contract.

6. Applicable laws and resolution of disputes

6.1. This Contract is executed and legal relations arising from this Contract are stipulated, fulfilled and interpreted according to the existing regulatory enactments of the Republic of Latvia.

6.2. Any disputes and disagreements (hereinafter in this clause – the Dispute) between the Parties shall be resolved through mutual negotiations. In case of the Dispute, the Party, which refers to existence of the Dispute, shall submit a written notice to the other Party, providing the Dispute description, offered solution of the Dispute, and persons, who are authorized to represent the Party in negotiations related to the Dispute.

6.3. If the Dispute cannot be resolved through mutual negotiations within a period of 30 days (if authorized representatives of the Parties have not agreed on another term for resolution of the Dispute), it shall be resolved pursuant to the procedures determined in the existing regulatory enactments of the Republic of Latvia.

7. Force majeure

7.1. The Parties shall not be responsible for full or partial failure to fulfil their contractual obligations, if such failure has resulted from force majeure conditions. For the purposes of this clause a force majeure condition is an obstacle, which has arisen outside the control of the affected Party, not allowing the Party to fulfil its obligations under the Contract, and which cannot be eliminated by the Party. Such conditions primarily involve: catastrophes, fire, earthquake and other natural phenomena, war operations, as well as economic sanctions, embargo, directions and orders of court, administrative and public authorities or any other conditions, which could not be foreseen by the Parties at the moment of concluding the Contract.

7.2. Force majeure conditions also do not include separate obstacles for fulfilment of obligations under the Contract, which have arisen at the time, when the Party, which fails to fulfil its obligations, delayed fulfilment of the Contract obligations.

7.3. If force majeure conditions continue for longer than 30 calendar days, the Parties shall commence negotiations concerning a mutually acceptable solution for fulfilment of their contractual obligations. In this case termination of the Contract is possible only upon mutual agreement of the Parties.

7.4. The Parties shall immediately notify each other about force majeure conditions. If the Parties fail to notify about force majeure conditions, the Parties may not use these conditions as a basis for non-fulfilment of this Contract.

7.5. Upon ending of force majeure conditions, the Parties shall immediately resume fulfilment of obligations, which were fulfilled until the moment of occurrence of such force majeure conditions, unless the Parties have agreed otherwise.

8. Contract period, amendments, termination of the Contract

8.1. The Contract is concluded for the period mentioned in clause 2.1. of the Contract and shall come into force upon signing thereof by both Parties.

8.2. Upon an agreement of both Parties, amendments and additions can be made to the Contract. All amendments and additions to the Contract shall be made in writing and come into force when signed by both Parties.

8.3. The Contract may be terminated upon a written agreement of the Parties.

8.4. If national energy crisis is announced pursuant to the procedures stated in the Energy Law or legal acts of the country in which the Storage user has been established, the execution of the Contract shall be limited for the period of that energy crisis. In this case the Parties shall agree on further fulfilment of the Contract.

9. Information exchange

9.1. Information exchange between the Combined system operator and the Storage user shall take place electronically, sending information to e-mail addresses of the Parties, indicated in the Contract.

9.2. All information, which has become known to the Parties as a result of conclusion of the Contract and fulfilment of obligations specified in the Contract, is a business secret and shall not be disclosed to third parties without receiving prior written consent of authorized representatives of the Parties, except information, disclosure of which is determined in the Rules of Use of the Transmission System, or any other regulatory enactments.

9.3. Termination of the Contract shall not terminate the obligation of the Parties regarding non-disclosure of business secret.

10. Other Provisions

10.1. The Parties shall not be entitled to transfer or delegate any obligation under the Contract to third parties without prior written consent of the other Party.

10.2. If separate clauses of the Contract become void, it shall not serve as a basis for cancellation of other clauses of the Contract.

10.3. The Parties shall notify each other within three business days after conclusion of this Contract about the authorized persons for fulfilment of obligations specified in this Contract, and contact information of these persons, as well as immediately inform about any changes in this information occurring within the Contract period.

10.4. The Contract is drawn up on ___ (_____) pages and signed in two copies, of which one copy shall be stored by the Storage user, and one copy – by the Combined system operator. Both copies of the Contract have equal legal force.

11. Details of the Parties:

Combined system operator:

Registration No.

VAT payer No.

Legal address:

Tel.: _____

E-mail:

Bank details: _____

Storage user:

Registration No.

VAT payer No.

Legal address:

Tel.: _____
Fax:

E-mail:

Bank details: _____