

**STANDARD TERMS OF THE NETWORK AGREEMENT OF ELERING AS  
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## 1. General Provisions

- 1.1 These “Standard Terms of the Network Agreement of Elering AS” (hereinafter: the Standard Terms) specify the rights and obligations of Elering AS (hereinafter: the Network Operator) in relation to the network connection user (hereinafter: the Customer) in providing network services in accordance with the Network Agreement between the System Operator and Customer (hereinafter: the Agreement), and the Customer’s rights and obligations in carrying out the Agreement.
- 1.2 A Standard Term that deviates from an important principle of law is null and void.
- 1.3 Standard Terms apply to Network Agreements to be entered into and to Network Agreements valid at the time of entering into force of the Standard Terms regardless of whether the Standard Terms are attached to the Network Agreement or not. The Network Operator ensures the availability of Standard Terms on their website. Valid Standard Terms shall be applied to the Network Agreement at all times.

## 2. Definitions

- 2.1 The terms in the Agreement are used in the following meanings:
  - 2.1.1 **emergency situation** – i.e. operational malfunction is a situation where events caused by internal or external factors cause a malfunction of the electricity system’s normal status or the system’s electrical installations;
  - 2.1.2 **system automation:**
    - 2.1.2.1 pole slip protection (PSP);
    - 2.1.2.2 splitting automation by voltage (SAV);
    - 2.1.2.3 load shedding (LS);
    - 2.1.2.4 load shedding by voltage (LSV);
    - 2.1.2.5 load restoration by voltage (LRV);
    - 2.1.2.6 load shedding by frequency (LSF);
    - 2.1.2.7 load restoration by frequency (LRF).
  - 2.1.3 **electricity** – active and reactive electrical energy;
  - 2.1.4 **power outage** – a situation where both conditions are present at the place of consumption:
    - 2.1.4.1 voltage below 1% of the contractual voltage for a longer period than automatic function;
    - 2.1.4.2 reduced consumption or production of Customer and/or Operator connected to the place of consumption by normal circuit, except when caused by the Customer’s activities (or failure to act), or a malfunction of the Customer’s electrical installation (including relay protection or automation malfunction);
  - 2.1.5 **electrical installation** – functional set of equipment, conductors and accessories for electricity production, transmission, conversion, measurement, sale or consumption;
  - 2.1.6 **ordering the operation of the electrical installation** – issuance of an order to the switching controller to change the operational status of an electrical installation, including switching it on or off;
  - 2.1.7 **electricity system** – the technical system for electricity production and transmission by power stations on the territory of Estonia plus a network with the relevant control, protection and communication systems connecting the stations with each other and with consumers;
  - 2.1.8 **electricity system operation management** – activities ensuring the security of supply for the electricity system or its parts: the System Operator’s orders to switch equipment on/off, or single parts thereof, or relay protection and automation

- equipment under the Operator's control for repairs or relocation of work, amendments to the settings of relay protection and automation equipment or regulation of the active or reactive energy by the Customer's electricity production equipment;
- 2.1.9 **restriction of power supply** – restriction or discontinuation of network service provision in one or more connection points so as to ensure the balance of electricity system capacities and the functioning of the electricity system as a whole;
- 2.1.10 **table of charges** – list(s) of network charges laid down by the System Operator payable to the Operator by the Customer for services provided and expenses incurred, where and to the extent prescribed by legislation, the table of charges is coordinated or approved by a competent monitoring authority as provided for in legislation, and is published to the extent and according to the procedure prescribed by legislation;
- 2.1.11 **applicable set of tariffs** – a set of network charges defined in the table of charges, which shall be applied in the event of network services consumed on the same voltage level;
- 2.1.12 **operation** – any activity which keeps electrical installations in service;
- 2.1.13 **agreement** – the network agreement concluded between the Customer and the System Operator with all of its amendments, annexes and integral parts, including the Standard Terms;
- 2.1.14 **connection contract** – the contract concluded between the System Operator and the Customer to create a network connection for the Customer and/or amend the terms of use of the network connection;
- 2.1.15 **connection point** – a specified junction between the Customer's electrical installation and the System Operator's network, determining liability between the Customer and System Operator, as well as limits of ownership and possession for the electrical installation;
- 2.1.16 **switching operations** – activities related to an electrical installation to change its electrical status, including changes to its operational condition and the execution of electrical installation operation related work, including:
- 2.1.16.1 the granting of permission to an electrical installation manager to switch the installation on or off;
- 2.1.16.2 the granting of permission by the electrical installation manager for the switching operator to change the electrical installation's operational condition, including switching it on or off (ordering the operation of electrical installation);
- 2.1.16.3 changes to the electrical installation's operational condition, e.g. switching it on or off.
- 2.1.17 **due date of payment** - the day when a given charge has to be received in the System Operator's bank account;
- 2.1.18 **measurement point** - a location where electricity is measured as it passes through;
- 2.1.19 **measurement system** – a set of measuring instruments and ancillary equipment for the measurement of electricity volumes consumed from the network or supplied into the network;
- 2.1.20 **fuse with cross-boundary effect** – relay fuse device the working range of which exceeds the boundary between the Customer's and System Operator's property or possession;
- 2.1.21 **malfunction** – a condition of the electricity system that can cause disturbances in the electricity system or in electrical installations connected to it;
- 2.1.22 **offsetting** – an activity for calculating the total amount of active energy that has passed through the connection point within the trading period, by subtracting the volume of active energy received from the System Operator's network and

- consumed in the place of consumption from the volume of active energy provided to the System Operator's network from the Customer's measurement point.
- 2.1.23 **verification** – the procedure during which a competent verification laboratory or informed authority tests whether or not a measurement equipment meets the defined requirements and marks measurement equipment that meets the requirements with a verification label;
- 2.1.24 **verification mark** – a verification sticker, verification seal or impression of a verification stamp;
- 2.1.25 **place of consumption** – a place where the Customer can use a network connection through one or more connection points; should there be multiple connection points, the place of consumption is deemed to be the same only if the network connection can be ensured through another connection point at the same place of consumption in the case of a network connection disruption at one connection point;
- 2.1.26 **terms of consumption** – rated voltage, maximum permitted consumption capacity and maximum time limits for the elimination of power outages with regard to place of consumption as laid down in the contract;
- 2.1.27 **terms of production** – rated voltage, maximum permitted consumption capacity and maximum time limits for the elimination of power outages with regard to place of consumption as laid down in the contract;
- 2.1.28 **charge** - any monetary amount paid or payable to the System Operator by the Customer in accordance with an agreement and/or legislation, including the network services charge paid in accordance with the Agreement, fines for delays, contractual penalties and amounts payable as compensation for damages to the System Operator;
- 2.1.29 **technical regulations** – technical requirements referred to in legislation, agreements entered into between the Customer and the System Operator and the Standard Terms; standards and regulations provided in Annex 1 to the Standard Terms; and regulations, which are to be met in order to ensure the operation of the electricity system and safety of electrical installations.
- 2.1.30 **switching failure** – failure of an electrical equipment's condition (on or off position) to change when attempts are made to change it;
- 2.1.31 **network service** – a service provided by the System Operator to the Customer in accordance with the Agreement, including:
- 2.1.31.1 the transmission of electricity in the main network to or from the connection point;
  - 2.1.31.2 the collection and analysis of measurement data;
  - 2.1.31.3 the provision of additional services directly related to the network services listed in sections 2.1.31.1 - 2.1.31.2.
- 2.1.32 **network connection** - an electrical connection between the network and the Customer's electrical installations;
- 2.1.33 **use of a network connection** – use of a network connection by the Customer to the extent and according to the procedure, parameters and terms provided for in the agreement;
- 2.1.34 **terms of use for a network connection** – consumption terms or production terms other technical terms;
- 2.1.35 **network** – an electrical installation or its part used for the transmission of electricity to the Customer's connection point.

### **3. Ensuring Network Connection and Quality of Services**

- 3.1 The System Operator is obliged to provide the Customer with a network service at the place of consumption and under the terms agreed upon in the Agreement.
- 3.2 Regulating voltage:
  - 3.2.1 The System Operator guarantees that the network's voltage under normal conditions shall be:
    - 3.2.1.1 between 300 ... 362 kV at 330 kV nominal voltage;
    - 3.2.1.2 between 105 ... 123 kV at 110 kV nominal voltage;
    - 3.2.1.3 between 31.5 ... 38.5 kV at 35 kV nominal voltage;
    - 3.2.1.4 between 18.0 ... 22.0 kV at 20 kV nominal voltage;
    - 3.2.1.5 between 13.5 ... 16.5 kV at 15 kV nominal voltage;
    - 3.2.1.6 between 9.0 ... 11.0 kV at 10 kV nominal voltage;
    - 3.2.1.7 between 5.4 ... 6.6 kV at 6 kV nominal voltage.
  - 3.2.2 The System Operator must implement the setting values for automatic voltage regulators within a reasonable time of receiving them from the Customer. These setting values must remain within the voltage limits specified in sections 3.2.1.1-3.2.1.7. For transformers without automatic voltage regulators, the System Operator is obliged to set the tap changers to the voltage level required by the Customer within a reasonable time.
- 3.3 The System Operator guarantees that the permitted range for network frequency deviation under normal circumstances is 49.8 - 50.2 Hz.
- 3.4 The Customer guarantees that their electrical installations shall function within the limits of voltage provided for in section 3.2 and frequency deviation provided for in section 3.3, so that the requirements laid down in technical regulations are followed.
- 3.5 In an emergency, the voltage and/or frequency may exceed the deviation limits set out in sections 3.2 and 3.3 and power outage may occur.
- 3.6 The network services provided by the System Operator must, among other things, comply with the requirements laid down by the Minister of Economic Affairs and Communication's regulation "Quality requirements for network services and conditions for reducing network charges in case of violation of the quality requirements" (hereinafter: quality requirements).

### **4. Determination of the Volume of Electricity Transmitted**

- 4.1 The System Operator ensures the determination of the volume of electricity to or from their network; collection and processing of measurement data by appropriate measuring equipment in accordance with the law, Standard Terms and the Agreement.
- 4.2 Volumes of electricity transmitted are determined using the System Operator's measurement system at measuring points agreed upon in the Agreement, unless otherwise agreed upon between the parties.
- 4.3 The Customer must inform the System Operator without delay of any damage to, or loss, lack or destruction of the measurement system or its seals and verification marks, and of any malfunction of the measurement system or tampering with or distortion of its readings.
- 4.4 The System Operator must conduct, at its own expense, metrological and technical servicing of the measurement system installed at the connection point or elsewhere.
- 4.5 The telemetry (measurement and transference of data) shall be organised by the System Operator unless otherwise agreed upon between the parties.
- 4.6 Should the Customer request it, the System Operator shall enable the Customer to monitor measurement data in real time at their own expense, unless this is impossible for technical reasons.

- 4.7 Should the measurement point not be located at the connection point, the calculated network electricity losses between the measurement point and the connection point shall either be added to or subtracted from the volume measured. In case the measurement point has been established in the connection point during the network construction works by the System Operator, the measurement point established in the connection point shall be applied by the System Operator and the Parties are obliged to sign the respective amendment to the Agreement.
- 4.8 The measurement system is sealed by the System Operator. Removal of the seals without permission from the System Operator or violation of the seals is prohibited.
- 4.9 Should the Customer so require in writing, the System Operator shall organise a test of the measurement systems. Should verification reveal that the measurement device does not meet the requirements, the costs of the test will be incurred by the System Operator. In the opposite case, the costs of the test will be incurred by the Customer on the basis of an invoice submitted by the System Operator. Should the measurement system not belong to the System Operator, the System Operator shall have the same rights as stipulated in this section for the Customer when testing the measurement system.
- 4.10 If, due to malfunction of, damage to, loss, lack or destruction of the measurement system or its seals for reasons other than the Customer's or a third person's activity or failure to act, and in other cases when, for reasons other than the Customer's or a third person's activity or failure to act, the electricity volume as measured by the measurement system does not correspond to the actual volume of transferred electricity, the parties will calculate the electricity volumes transmitted. Measurement results from similar previous days, telemetry results, measurement results from the Customer's control meters, and extraordinary changes in consumption etc. will be taken into account. The System Operator together with the Customer's representative will prepare a document on calculating the electricity volume on the grounds described in this section, on the basis of which the Operator will submit to the Customer an invoice in accordance with the Agreement.
- 4.11 If malfunction of the measurement system, or tampering with or distortion of its readings, or damage to, loss or destruction of the measurement system or its seals is caused as a result of the Customer's or a third person's activity or failure to act (unauthorised use), the electricity volume transmitted will be calculated in accordance with legislation. 4.14 Should verification marks be counterfeit, illegible or missing, verification related expenses will be incurred by the Customer on the basis of an invoice submitted by the System Operator.

## **5. Network charges**

- 5.1 The Customer is obliged to pay the System Operator for providing network services charges provided in accordance with the law (hereinafter referred to as network charges), and the table of charges laid down by the System Operator forms an integral part of the Agreement.
- 5.2 The System Operator has the right to unilaterally amend the table of charges in accordance with the provisions and terms of the law and the amended table of charges will be a part of the Agreement from the date it takes effect.
- 5.3 The network charges applied to the Customer are determined by the voltage level in the connection point.
- 5.4 The system operator classifies connection point between three voltage levels depending on the rated voltage in the connection point: on the lower voltage side of a 330 kV, 110 kV or a 110 kV transformer operating at 6-35 kV voltage. Depending on the voltage level in the connection point, the following sets of tariffs shall be applicable:

- 5.4.1 for using network services in a connection point at a voltage level of 330 kV, the Customer shall pay during the trading period as follows:
  - 5.4.1.1 transmission charge on the basis of tariff A5 for the consumption of active energy and reactive energy charge on the basis of tariff R for the consumption of reactive energy and for the input of reactive energy to the network;
  - 5.4.1.2 upon the input of active energy to the network the reactive energy charge for the consumption of reactive energy and the input of reactive energy to the network on the basis of tariff R.
- 5.4.2 for using network services in a connection point at a voltage level of 110 kV, the Customer shall pay during the trading period as follows:
  - 5.4.2.1 on the basis of peak load transmission tariff A1 for active energy consumption and transmission charge and reactive energy charge on the basis of tariff R for the consumption of reactive energy and the input of reactive energy to the network;
  - 5.4.2.2 reactive energy charge on the basis of tariff R upon the input of active energy to the network for the consumption of reactive energy and the input of reactive energy to the network.
- 5.4.3 for using network services in a connection point at a lower voltage side of a 110 kV transformer, the Customer shall pay during the trading period as follows:
  - 5.4.3.1 on the basis of peak load transmission tariff A3 for active energy consumption and transmission charge on the basis of off-peak load tariff A4 and reactive energy charge on the basis of tariff R for the consumption of reactive energy and the input of reactive energy to the network;
  - 5.4.3.2 reactive energy charge upon inputting active energy to the network for the consumption of reactive energy and the input of reactive energy to the network on the basis of tariff R.
- 5.5 In those trading periods where the System Operator has given an order to amend the reactive energy balance at the connection point through a voltage level or the volume of reactive energy, the reactive energy charge tariff R provided for in section 5.4 will not apply.
- 5.6 Offsetting shall be applied in all connection points in all trading periods for determining the volumes of active energy that for a basis for the volumes of provided network services (see section 2.1.22). If the active energy volumes determined by the above method include different transmission directions in the different trading periods of the accounting period (calendar month), the volumes of provided network services shall be determined for both directions separately.
- 5.7 Should the Customer have more than one connection point on different voltage levels, the volumes of consumed and produced electricity shall be summed on the accounting period separately for connection points of all voltage levels, including the separate calculation of the volumes of network services with different transmission directions according to section 5.6.
- 5.8 The peak load period is from 1 October to 31 March from 7 am to 11 pm. The non-peak load period is any other period.

## **6. Payment of network charges**

- 6.1 The Customer shall pay the network charge and other charges arising from the Agreement by the 21<sup>st</sup> day of the calendar month following the provision of network services.
- 6.2 The payment is considered to have been paid on the day it is received in the System Operator's bank account.
- 6.3 Should the Customer not make the payment by the due date noted on the invoice, the System Operator has the right to demand from the Customer a fine for the delay of 0.05% per day that the charge remains unpaid following the due date until the full amount is received by the System Operator. Calculation of the fine for the delay will start from the day following the due date and finish on the day the full payment is received. Should invoices be paid in instalments, the fine for the delay will first be deleted from the arrears and then the principal amount, with amounts falling due sooner being deleted before amounts falling due later.
- 6.4 Should the Customer disagree or only partially agree with the invoice submitted by the System Operator, the Customer must inform the System Operator in writing without delay immediately after receiving the invoice, listing all reasons for the disagreement. In the case of partial disagreement, the Customer must pay the accepted part of the invoice in accordance with the Agreement. The System Operator must within five (5) days of receipt of the notice review the Customer's application and notify the Customer of the results of this review. Due to the review being carried out, the System Operator may designate a later due date. Should it be discovered that the invoice was correct, the Customer must pay the System Operator the amount specified on the invoice with a fine for the delay.
- 6.5 Should the Customer make an advance payment as a result of an adjusted invoice or any other reason, the System Operator will transfer the amount back to the Customer within two (2) working days, except in cases listed in section 6.6 or if the Customer notifies the System Operator prior to the due date for return of the overpaid sum that they want the sum to be kept as an advance payment. Should the System Operator not pay the sums returnable to the Customer by their due date, the Customer will have the right to claim a fine for the delay from the System Operator of 0.05% per day of the sum unpaid by the due date.
- 6.6 When required by the System Operator, the Customer must pay an advance payment in the following cases:
  - 6.6.1 when the Customer has been late in paying a charge by more than ten (10) days on more than three occasions in the current year;
  - 6.6.2 malfunction of a measurement system, distortion of the measurement system, tampering with, loss or destruction of the measurement system or its seals and verification marks is discovered at the Customer's location, which occurred due to the Customer's failure to perform or improper performance of obligations or due to another activity or failure to act by the Customer;
  - 6.6.3 a bankruptcy caution or petition is filed or bankruptcy or liquidation proceedings are initiated against the Customer or it becomes evident from other circumstances that, in the near future, it may become impossible for the Customer duly to perform their obligations in accordance with the agreement;
  - 6.6.4 power supply has been terminated at the Customer's connection point due to a breach of Agreement by the Customer;
  - 6.6.5 other cases provided for in the Agreement.
- 6.7 The System Operator has the right to require advance payment by the 25th day of the month preceding the month in which the network services will be provided.
- 6.8 The advance payment amount cannot exceed the sum of payments for two months as determined on the basis of the average network service charge for six months during which the Customer used the network service. Should the Customer's advance payment exceed the payment actually payable in the next month, the overpaid amount will be calculated as an



advance payment for the following month. Should the actual network service charge exceed the advance payment, the Customer will pay the difference as detailed in an invoice submitted by the System Operator.

- 6.9 The Parties have the right to offset claims against each other only at the separate agreement of the parties.

## **7. Requirements for Electrical installations**

- 7.1 The parties have to ensure that the electrical installations they own or possess meet the requirements of the Agreement and technical regulations and will not cause material disturbances in the electricity system or worsen electricity transmission. In addition, the parties must use electrical installations in a manner that does not cause side effects or disturbances in contradiction with the rules (including legislation) to other persons connected to the network.
- 7.2 Each party shall ensure the good condition, inviolability, maintenance, conformity with agreements between the parties, and adherence to all protection and safety requirements in accordance with technical regulations at the connection point, measurement systems and their seals and verification marks related to the Agreement and located on a territory or in a building or electrical installation that they own or possess.
- 7.3 The Customer must submit in writing to the System Operator information on the parameters and use of lines, transformers, generators and compensation equipment as prescribed by the System Operator, and which is necessary for the System Operator and/or System Administrator to fulfil their legal obligations.

## **8. Special requirements applied to the production equipment**

- 8.1 The Customer is permitted to add production equipment to their network in accordance with the requirements of the technical regulations.
- 8.2 Should electrical installations be wished to be added in the Customer's network, whereby the terms of using network connection provided for in the Agreement change, the Customer is obliged to submit the System Operator an application for the initiation of connection procedures.
- 8.3 Requirements provided for in legislation and the conditions of connecting with the main network shall be applied to the coordination between the connection procedure and those joining the Customer's network.
- 8.4 The Customer, in whose ownership or possession the power station is, must ensure:
- 8.4.1 the submission of data on the regular maintenance works and stoppages of the following year at the power station in writing to the System Operator;
  - 8.4.2 the submission of information to the System Operator on the estimated length of power outage etc. in case of switching off the power station or its part in case of emergencies;
  - 8.4.3 regular control of the compliance of the power station to the network regulation and the submission of data to the System Operator on the schedule and execution of these control procedures;
  - 8.4.4 separate operation of the main power supply and the reserve solution of the power station;
- 8.5 If power stations or generators are connected to the Customer's electricity network, the Customer shall forward the data of the production equipment connected in their electricity

network to the System Operator by 1 September of every year in accordance with the data template available on the System Operator's website.

- 8.6 The Customer must give the System Operator prior written notice of at least 6 (six) months of possible changes to a power plant of more than 1MW nominal capacity that belongs to the Customer or is connected to the Customer's network, so as to clarify the effect of the changes on the System Operator's network and, if necessary, alter or supplement the System Operator's network. Prior to implementing the changes, the Customer must also get written approval from the System Operator for the relevant activity and distribution of the costs arising from the change. The possible changes include:
- 8.6.1 a new 110 kV line or 110 kV high voltage transformer;
  - 8.6.2 a production device connected to the Customer's or a third person's network or changes to an existing production device or the parameters provided for in the Agreement;
  - 8.6.3 replacement of a production device connected to the Customer's or a third person's network or changes to an existing production device or the parameters provided for in the Agreement.
- 8.7 The provisions of this chapter are not applicable to production equipment that does not work synchronously with the electricity system, including the so-called backup generators.

## **9. Relay Protection and Automation**

- 9.1 The parties must keep in working order the relay protection and automation devices and event recorders for the electrical installations they own or possess.
- 9.2 The System Operator must provide technical information about the conformity of safety devices to be connected to the main network and the existing safety devices in the main network, and provide the values of the safety device settings, if necessary.
- 9.3 If required, the System Operator must provide technical information on the compatibility of protection equipment being connected to the System Operator's network and existing protection equipment in the Grid, and provide the setting values of the protection equipment.
- 9.4 Power stations connected to the Customer's network must be equipped with splitting automation in accordance with technical rules.
- 9.5 The Parties are obliged to ensure the protection of electrical installations in their ownership or possession against interruptions and failures.
- 9.6 The Customer must take into account that the System Operator's line protection may not be a reserve protection for the transformer connected with the line.
- 9.7 The Customer is obliged to obtain an approval from the System Operator in writing no less than 2 (two) months in advance for the settings, effects and functions with cross-boundary impact to ensure the selectiveness, speed, sensitivity and reliability of their relay protection and automation, as well as the changes in the transmission of their measuring transformers, especially as follows:
- 9.7.1 Settings of fuses connected to the Customer's medium voltage bars;
  - 9.7.2 High-voltage fuses of the Customer's transformer;
  - 9.7.3 Customer's line fuses;
  - 9.7.4 Settings of the generator's voltage and frequency fuses.

## 10. Switching Operations and Power Outages

- 10.1 The System Operator shall ensure that power outages will be eliminated within the terms provided for in the corresponding Annex to the Agreement, excluding in those cases specified in sections 10.6 and 10.12.1- 10.12.5.
- 10.2 The switching activities of electrical installations, including their individual elements, relay protection and automation are carried out according to a procedure agreed upon in the Agreement, including with the permission of and by persons authorised by the Agreement.
- 10.3 An electrical installation managed by one party can be unilaterally switched on or off by the other party only in cases provided for in the Agreement, including the Standard Terms, or in the case of direct threat to life, health or property.
- 10.4 If no special guidelines exist, circuit breakers switched off by the system automation device can be switched on only with the permission of the System Operator.
- 10.5 Earthing of the neutrals of the start-connections of transformers:
  - 10.5.1 The System Operator is entitled to changing the earthing mode of the neutral owned by the System Operator at any time;
  - 10.5.2 Earthing or non-earthing of the star-connections of the overwinding of the Customer's 110 kV – 130 kV transformers is carried out by order of the System Operator. An unearthed star-connection must be equipped with an overvoltage protection;
  - 10.5.3 The Customer is obliged to change the earthing mode of the neutral of the Customer's transformer within 24 hours as of receiving the respective order from the System Operator.
- 10.6 So as to ensure security of supply in a system or part of a system in an emergency, the System Operator has the right to switch off the Customer's consumption to the extent required for technical reasons.
- 10.7 By the 15th day of the month, each party shall submit to the other party for written approval the time and duration of the stress relieving scheduled for the following month at their connection point, should one party need to temporarily disconnect the electrical installation from the network for maintenance, repairs, tests or other previously scheduled reasonable cause and should this affect the other party's activities.
- 10.8 The other party must within 10 (ten) days of receiving the notice specified in section 10.7 approve the proposed time and duration of the electrical installations' outage or, in the case of rejection of the notice, present within the above-mentioned term, reasoned objections to the time and/or duration of the outage, which the party that sent the notice will, if possible, take into account, changing the time of the electrical installation outage up to thirty (30) days earlier or later and/or shortening the length of the power outage, if possible.
- 10.9 Should the party not present their approval in accordance with the procedure described in section 10.8 or their objections cannot be solved by changing the time and duration of the outage in accordance with the procedure described in section 10.8, the power outage will not take place.
- 10.10 If, for a second time during the same calendar year, one party does not approve the time and duration of the electrical installation's outages for the same electrical installations or their objections cannot be solved by changing the time and duration of the outage in accordance with the procedure described in section 10.8, the party that sent the notice will have the right to conduct the outage at the specified electrical installation at a time chosen by them.
- 10.11 When planning an outage of an electrical installation, the parties must make the times of the outages coincide if possible and if it does not cause excessive expenses to the parties.
- 10.12 The System Operator has the right to cause an outage or allow one to occur:
  - 10.12.1 without prior notice in an emergency situation and in the instance of a malfunction if it cannot be avoided in order to ensure the protection of people's lives or health or the electricity

- system's security; to eliminate an emergency situation or malfunction; to prevent an emergency situation or malfunction or a greater emergency situation or malfunction; or to prevent damage or greater damage;
- 10.12.2 should the Customer be using electrical installations that lower the quality of electricity or a network service or the security of supply in the System Operator's network below that required;
- 10.12.3 should the System Operator have received an application to such effect from the Customer;
- 10.12.4 should unauthorised use of a network service or unauthorised consumption of electricity be discovered;
- 10.12.5 should there be hindrances to the System Operator's access to measurement system(s) located on a plot of land or in a building owned or possessed by the Customer for the purposes of conducting tests, replacements or work required for the operation of the Operator's electrical installations.
- 10.13 If an outage is caused in the cases specified in sections 10.6, 10.12.1 – 10.12.5, or is caused by one or more circumstances, events, activities or failures to act listed in the above sections, the System Operator will not have to obtain the Customer's approval for the outage or provide the Customer with any prior notice thereof. In such an event, the System Operator must inform the Customer of the outage as soon as practicable.
- 10.14 In the case of an outage caused by the fault of the Customer or caused by a third person on a territory or in a building or electrical installation owned or possessed by the Customer, the System Operator must restore the network connection after the circumstance that caused the failure has been eliminated by the Customer or a third person. In such an event, as soon as the System Operator requires, the Customer must compensate any expenses incurred by the Operator in relation to the outage and the restoration of the network connection.
- 10.15 The parties must inform each other without delay by telephone or by e-mail of network malfunctions that affect the other party's activity, including malfunctions that may cause an unscheduled outage, and must repeat the notice in writing should the other party require it.

## **11. Other Obligations of the Parties**

- 11.1 The System Operator must:
  - 11.1.1 in emergency situations, restore the electricity system's normal status as soon as practicable;
  - 11.1.2 eliminate malfunctions in the measurement system as soon as practicable;
  - 11.1.3 give the Customer at least 5 (five) days prior notice of any scheduled work in the measurement system, including the replacement of meters. A memorandum shall be prepared on work or operations conducted, one copy of which will be sent to the Customer. The Customer has the right to participate in the preparation of the memorandum should they wish to do so;
  - 11.1.4 should the Customer require it, inform the Customer of the reasons for the occurrence of an emergency or disturbance that affects the Customer's electrical installations;
  - 11.1.5 immediately inform the Customer of the occurrence of an emergency or disturbance in the System Operator's network should it materially reduce the Customer's security of supply;
  - 11.1.6 in the case of any request for approval, not delay or refuse the approval to the other party unreasonably or without a reason;

- 11.1.7 should the Customer require it, clarify to the Customer the agreement's content (including technical regulations), and the obligations and rights of the parties based thereon;
- 11.1.8 notify the Customer in writing without delay:
  - 11.1.8.1 if a competent person or authority has decided to dissolve the System Operator, including through compulsory dissolution;
  - 11.1.8.2 if a statement of claim has been brought against the System Operator which exceeds 20% of the Operator's equity capital;
  - 11.1.8.3 if a bankruptcy petition has been filed against or a bankruptcy caution has been given to the System Operator;
  - 11.1.8.4 if there is a merger, division or alteration to the System Operator;
  - 11.1.8.5 of any circumstances that worsen or might worsen the System Operator's ability duly to perform its contractual duties.
- 11.1.9 during the Agreement's term as well as after termination of the agreement, keep secret any information on the Customer learned in relation to the conclusion and execution of the Agreement, the release of which might damage the Customer's interests or the keeping secret of which the Customer is or might be interested in;
- 11.1.10 perform any other obligations arising from the Agreement, legislation, technical regulations and/or Customer's corresponding rights.
- 11.2 The Customer must:
  - 11.2.1 should the System Operator require it, present the Operator with information required for planning the System Operator's network's modes of operation;
  - 11.2.2 meet the relay protection and automation terms and conditions prescribed by the System Operator;
  - 11.2.3 execute the System Operator's orders in terms of the positions of the earthing devices of the 110-130 kV transformers' neutrals;
  - 11.2.4 ensure that electricity consumption is carried out only via a connection point in such a manner that all of the electricity consumed will be measured by the measurement system described in the Annex to the Agreement;
  - 11.2.5 schedule their operational modes so that they would not cause disturbances in the System Operator's or a third person's normal status;
  - 11.2.6 precisely execute all of the System Operator's orders related to the management of the electricity system's operation, if these do not pose a threat to human life or the preservation of equipment;
  - 11.2.7 keep the system automation equipment agreed upon in the Agreement operational;
  - 11.2.8 get prior approval from the System Operator for repair schedules for all electrical installations in the management level electrical installations list, as covered in the Annex "Switching procedures of electrical installations" to the Agreement;
  - 11.2.9 notify the System Operator in writing without delay of a change of owner or possessor of the Customer's electrical installations that are connected to the System Operator's network, listing the new owner's or possessor's representative, registry code and contact information, and of the termination of the consumption of network services; and, on the basis of the System Operator's invoice, pay all charges and ensure that the new owner or possessor of the electrical installation connected to the System Operator's network and the Customer conclude a written agreement with the System Operator should the latter want this to be done, according to which the new owner or possessor will subsume all of the Customer's rights and obligations arising from the Agreement;
  - 11.2.10 ensure the System Operator an opportunity to install the necessary electrical installations (incl. measurement systems, communication devices) remaining in the

- System Operator's ownership to the Customer's territory and facilities, in order to guarantee power supply to the Customer;
- 11.2.11 provide access to the System Operator's electrical installations specified in the previous section, located in the Customer's territory, for the purposes of maintenance and keeping in good condition;
  - 11.2.12 provide the System Operator an opportunity to check the Customer's electrical installations, which may affect the operation of the main network without interruption, if the System Operator has notified the Customer thereof in advance. Qualified persons authorised by the Customer and specified in the list submitted to the System Operator in advance, have the right to check the Customer's electrical installations in daytime at the System Operator's substation, by noticing the Customer of this wish in reasonable time in advance.
  - 11.2.13 not accept payment for fulfilling obligations specified in sections 11.2.10-11.2.12;
  - 11.2.14 should the System Operator so wish, set servitudes in the benefit of the System Operator in order to ensure the activities specified in sections 11.2.10-11.2.11 of the Agreement and the Standard Terms.
  - 11.2.15 not delay or refuse granting an approval to the other Party in case of a request for approval unreasonably or without cause;
  - 11.2.16 notify the System Operator in writing without delay:
    - 11.2.16.1 if a competent person or authority has decided to dissolve the Customer as a legal person, including compulsory dissolution;
    - 11.2.16.2 if a statement of claim which exceeds 20% of the Customer's equity capital has been brought against the Customer;
    - 11.2.16.3 if a bankruptcy petition has been filed against or a bankruptcy caution has been given to the Customer;
    - 11.2.16.4 if there is a merger, division or alteration of the Customer, if a legal person;
    - 11.2.16.5 of any circumstances that worsen or might worsen the Customer's ability duly to perform their contractual duties.
  - 11.2.17 during the Agreement's term as well as after termination of the Agreement, keep secret any information on the System Operator learned in relation to the conclusion and execution of the Agreement, the release of which might damage the System Operator's interests or the keeping secret of which the System Operator is or might be interested in;
  - 11.2.18 ensure the fulfilment of requirements, regulations and other appropriate obligations provided for in the connection agreement entered into between the Parties within the validity of the Agreement, unless agreed otherwise;
  - 11.2.19 fulfil any other obligations arising from the Agreement, legislation, rules and the System Operator's corresponding rights.
- 11.3 The Parties must:
- 11.3.1 ensure free-of-charge and uninterrupted access to persons connected with the fulfilling the Agreement and accepted by the other Party to measurement and communication systems connected to awarding the Agreement.
  - 11.3.2. to ensure the operation and alterations of electrical installations in their ownership at least to the extent that ensures their compliance with the Agreement and legislation, as well as to conditions that enable the Parties to award the Agreement in accordance with the terms provided for in the Agreement, unless agreed otherwise by the Parties. In operation procedures, the Parties shall be guided by the Eesti Energia AS Technology Director's regulation No. 11 "Safety Guide of the Electrical Installation Operations" of 21.07.2007;
  - 11.3.3 ensure compliance with requirements specified in the technical regulations of altering or renovating electrical installations in their ownership or possession in

case of electrical installations that have an effect on the electrical installations of the other Party, unless agreed otherwise.

## **12. Liability for Violation of Obligation**

- 12.1 The System Operator has the right to discontinue or limit in accordance with the Agreement in case of breaching the Agreement the provision of network services, especially in the cases, if:
  - 12.1.1 the Customer has not paid fees to the System Operator, whereas a notice about this was sent to the Customer by the System Operator 15 (fifteen) days before and the Customer has not rectified the deficiency within this period;
  - 12.1.2 the Customer uses electrical installations that are incompatible with the requirements of technical regulations, and that may be dangerous to the supply security of the power system or its part, or cause a significant deterioration of electricity in the network (abnormal voltage, frequency or power).
  - 12.1.3 the Customer is in material breach of other obligations provided for in the Agreement or legislation.
- 12.2 Parties are liable for inappropriate fulfilment of or failure to fulfil obligations provided for in the Agreement.
- 12.3 Parties are liable for the actions of persons they use to fulfil their obligations.
- 12.4 Parties are not liable for failure to fulfil and/or for inappropriate fulfilment (violation of obligation) of obligations provided for in the Agreement should the violation be excusable. It is assumed that a violation of an obligation is not excusable.
- 12.5 Violation of an obligation is excusable if the party violated the obligation due to *force majeure*. *Force majeure* is a circumstance which the party was unable to influence and, based on the principle of reasonableness, it could not be expected of them to take this circumstance into account or avoid it or overcome the impediment or its result when signing the Agreement, including, but not limited to:
  - 12.5.1 natural disasters;
  - 12.5.2 lightning, wind and frost whose effect exceeds the design standards applicable at the time the electrical installation was built;
  - 12.5.3 fire;
  - 12.5.4 strike;
  - 12.5.5 terrorism;
  - 12.5.6 declaration of a state of emergency;
  - 12.5.7 restriction of power supply in accordance with section 10.6.
- 12.6 Should the effects of *force majeure* be temporary, violation of an obligation is excusable only during the time that execution of the obligation was hindered by *force majeure*.
- 12.7 The System Operator is not liable for fulfilling the obligations arising from their Agreement (including technical regulations), if this is caused by the Customer's activity that is incompatible with the Agreement or the technical regulations.
- 12.8 The System Operator shall not ensure the quality parameters of network services agreed upon in the Agreement in cases that are caused by the Customer, including the Customer's activity, non-compliance of production equipment with requirements (incl. interruptions in compliance with requirements of the production equipment during the performance of tests).
- 12.9 When lowering the network charge in case of a breach of quality requirements, the System Operator bases on the Minister of Economic Affairs and Communication's regulation "Quality Requirements of Network Services and Lowering Network Charges in Case of Breaching the Quality Requirements".

- 12.10 The System Operator shall not be liable for damages caused to the Customer, caused by excess voltages or fast changes in voltages (voltage dips).
- 12.11 The System Operator shall not be liable for damages caused to the Customer, caused by the legal activity of the System Operator as a System Administrator performed to ensure the normal situation of the power system in accordance with the law.

### **13. Compensation for Damages**

- 13.1 Each party will compensate the other party for any direct patrimonial damage caused by failure to execute its duties or the inappropriate execution of its duties provided for in the Agreement in the ways and according to the procedure prescribed by the Agreement. Among other things, direct damage includes expenses due to removing damages and/or alterations of the network or its part caused by a breach of obligations.
- 13.2 Each party will, within a reasonable time after learning of such damage, inform the other party in writing of the claimed amount of damage and the grounds for compensation for the damage, including documentary proof of the existence and the amount of damage.
- 13.3 Each party will review the claim of the other party and compensate for the damage specified in the claim within 30 (thirty) days of receiving the claim and documents listed in section 13.2 or, should the party reject the claim, present within the same term their reasoned written objections.

### **14. Amendment, Cancellation and Termination of the Agreement**

- 14.1 The Agreement can be amended by written agreement between the parties or on other grounds provided for in the Agreement or legislation. The System Operator has the right to amend the Standard Terms unilaterally following the procedure for unilateral amendment of Standard Terms provided for in the law.
- 14.2 The System Operator will inform the Customer of amendments to the table of charges at least 90 (ninety) days prior to the amendments taking effect, publishing the amended table of charges in at least 1 (one) national newspaper and on its website, and delivering the amended table of charges to the Customer by post or e-mail. The System Operator must provide clarification at the Customer's request as to the amendments.
- 14.3 The System Operator will inform the Customer of amendments to the Standard Terms at least 30 (thirty) days prior to the amendments taking effect, publishing a notice to such effect in at least 1 (one) national newspaper and delivering the notice to the Customer by post or e-mail. The System Operator will publish the amended Standard Terms on its website and deliver them to the Customer by post. The System Operator must provide clarification of the amendments at the Customer's request.
- 14.4 The System Operator's Standard Terms valid at any given time are an integral part of the Agreement, including all existing and future annexes, parts, amendments and supplements to the Agreement, regardless of their immediate supplementation to the Agreement.
- 14.5 The Customer has the right to cancel the Agreement at any given time by giving the System Operator prior written notice of at least 30 (thirty) days.

The System Operator has the right to cancel the Agreement and disconnect the

- 14.6 place of consumption from the network, if:
- 14.6.1 the network connection has been disconnected by the System Operator due to breach of Agreement, including improper payment of charges, and this disconnection has lasted at least 180 days and, within that time, the Customer has not eliminated the circumstance that caused the discontinuation of the Agreement.



- 14.6.2 the Customer has been in material violation of obligations provided for in the Agreement or legislation in a manner that makes it unreasonable to expect the System Operator to continue the Agreement, and the breach is not remedied within a reasonable time allowed by the System Operator.

The System Operator must give the Customer prior written notice of cancellation of the Agreement of at least 30 (thirty) days.

- 14.7 Upon termination of the Agreement for any reason, including the Agreement's invalidity, those provisions of the Agreement that in their nature provide for the rights and obligations of the parties following the termination of the Agreement will be applicable after the Agreement is terminated. This is especially applicable to provisions specifying the resolution of disagreements between parties, interpretation of the Agreement's provisions, confidentiality, liability of parties and compensation for damages. Furthermore, regardless of the Agreement's termination, any obligations existing when the Agreement is terminated must be executed, including payment of all payments under the Agreement that have fallen due or payments that have fallen due after the termination of the Agreement as a result of an event that took place when the Agreement was valid.

## **15. Declarations of intention**

- 15.1 Unless otherwise provided for in the Agreement or Standard Terms, all notices, approvals, coordinations and other declarations of intention as well as other information (hereinafter: Declaration of Intention) related to the performance of the Agreement or disputes arising from the Agreement will be regarded as submitted officially and in accordance with the Agreement if the Declaration of Intention has been forwarded to the other party against signature or delivered by letter, e-mail or another electronic channel (e.g. a special information technology solution) or by telephone to contact addresses or numbers noted in the Agreement or notified to the other party in writing.
- 15.2 The Declaration of Intention is regarded as received, if:
- 15.2.1 the delivery sent by e-mail specified in the Agreement or another e-mail address whereof the other Party is notified by means provided for in section 15.1 or another electronic channel, where the notice has been technologically registered;
- 15.2.2 the phone call has been recorded.
- 15.3 All Declarations of Intention are regarded as made in a valid manner and bindingly for the parties only if the Declarations are made by persons directly authorised by one party.
- 15.4 By signing the Agreement, the Customer gives the System Operator their consent to record the Customer's phone calls received on the System Operator's phone number and, if necessary, to use the resulting recordings to prove orders given to or actions taken by the Customer.

## **16. Settlement of Differences**

- 16.1 The parties will resolve disputes and disagreements arising from the execution, amendment or termination of the Agreement first of all by negotiations.
- 16.2 Should it prove impossible to resolve disputes arising from the Agreement by negotiations between parties, the dispute will be resolved in a court provided for in the Agreement; or should such a provision be lacking, in the court of the respondent's location. In cases and

bases provided for in the law, the Parties are entitled to take the dispute for settlement to the Estonian Competition Authority.

## **Annex 1 to the Standard Terms of the Network Agreement**

1. EVS-EN 50160 Voltage characteristics of electricity distribution networks;
2. EN 50110 Operation of electrical installations;
3. Standards in the IEC 61000 series;
4. EVS-EN 61936-1 High voltage installations with nominal alternating voltages above 1 kV - Part 1: General Terms;
5. EVS-EN 50522 Earthing of high voltage installations with nominal alternating voltages above 1 kV;
6. Business standard EE 10421629 ST 8:2004 “Measuring alternating electric current. Technical requirements for measuring equipment used in transactions with high voltage”;
7. EVS-EN 61869-1 Measurement transformers Part 1: General terms
8. EVS-EN 61869-2 Measurement transformers Part 2: Additional requirements for power transformers;
9. EVS-EN 61869-3 Measurement transformers Part 3: Additional requirements for inductive voltage transformers;
10. EVS-EN 60044-3 Measurement transformers – Part 3: Integrated transformers;
11. EVS-EN 50482 Measurement transformers: Three-phase inductive voltage transformers with voltage  $U_m$  of up to 52 kV;
12. EVS-IEC 60038 IEC Standard voltages;
13. IEC 60870-5-104 Telecontrol equipment and systems, part 5-104;
14. IEC 60050-415 International electrotechnical vocabulary, part 415: Wind turbine generator systems;
15. IEC 60071-1 Insulation co-ordination – Part 1: Definitions, Principles and rules;
16. IEC 60664-1: Insulation coordination for equipment within low-voltage systems - Part 1: Principles, requirements and tests.

In questions not regulated by the above-listed standards, the standards of the Republic of Estonia shall apply, in the absence whereof, CENELEC standards, in the absence whereof the ISO and IEC standards, and in the absence whereof the ANSI standards shall apply.