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Terms and Conditions of PTR-limited Auctions

1. Definitions

The capitalized terms used in these Terms and Conditions of PTR-limited Auctions shall have the following meanings:

AST	is AS "Augstsprieguma tīkls", the Latvian TSO for electricity, incorporated as a public limited company, registered in Latvia under register code 40003575567.
Auction	is a Monthly Auction, a Quarterly Auction and a Yearly Auction together or separately as the case may be.
Auction Calendar	is the timetable of the Auctions, indicating the important dates of the Auctions, such as Bidding Periods, Closing Dates, etc., made available for all the Participants on the website of Elering located at www.elering.ee .
Auction Capacity	is the maximum volume of the Capacity expressed in MW for which PTRs-limited are made available for Bidding by Auction Office in the course of an Auction.
Auction Office	is the body which performs PTRs-limited Auction services on behalf of Elering and AST. Functions of the Auction Office are performed by Elering on the basis of a bilateral agreement between Elering and AST.
Auction Timeframe	is the Month, Quarter or Year for which a particular Auction is being held.
Bid	is the offer of a Participant to purchase PTRs-limited for a part of the Auction Capacity, based on which the respective Participant shall participate in the allocation of the PTRs-limited.
Bid Capacity	is the size of a Bid, i.e. the volume of Capacity expressed in MW with the precision of up to 1/10 MW (one tenth of a MW) bidden by a Participant in the course of an Auction, which may not exceed 33% of the Auction Capacity for the respective Auction per Participant (where entities of the same consolidation group shall be treated as one Participant).
Bid Price	is the price expressed in EUR/MW with the precision up to 1/100 (one cent) offered by a Participant for the Bid Capacity in the course of an Auction.
Bidding Period	is the period of time determined by Auction Office when Bids can be submitted to participate in an Auction.
Capacity	is the electricity transmission capacity on the Estonian-Latvian interconnector in the direction from Estonia to Latvia.
CET	is Central European Time.
Closing Date	is the last date of the Bidding Period of an Auction.
Elering	is AS Elering, the Estonian TSO for electricity, incorporated as a public limited company, registered in Estonia under register code 11022625.
Eislot	is a day-ahead implicit auction market where electricity and transmission capacity is traded for the delivery during the next day, operated by NPS.

Force Majeure	is any unforeseeable and/ or unusual event or situation beyond the reasonable control of AST and/or Elering (acting as the transmission system operators), and not due to a fault of AST and/or Elering, which cannot be avoided or overcome with reasonable foresight and diligence, which cannot be solved by measures which are from a technical, financial and/or economic point of view, reasonably possible for AST and/or Elering, which makes it impossible for AST and/or Elering to fulfil temporarily or definitively, its obligations in accordance with these Terms.
Guarantee	is an irrevocable first-demand bank guarantee that must be provided by a Participant in accordance with Section 4.6-4.8 in order to participate in the allocation of the PTRs-limited.
PTR-limited	is a limited physical transmission right jointly issued by Elering and AST based on the Capacity and subject to the redemption (sellback) obligation which is automatically attributed to a PTR-limited. PTR-limited is denominated in MW with the precision of up to 1/10 MW (one tenth of a MW); 1 PTR-limited corresponds in terms of its economic value to the auctioned Capacity for a period of 1 hour in the volume of 1 MW. PTR-limited shall not at any time give a right to the Participant to use the auctioned Capacity for physical transfer of the electricity. PTR-limited is issued in dematerialized form in accordance with these Terms and shall not be registered in any register of securities or financial instruments. The PTR-limited is not transferrable and may not be pledged or encumbered in any other way.
Month	is a calendar month, i.e. the period starting at 00:00:01 CET of the first day of a calendar month and ending at 23:59:59 CET of the last day of the same calendar month.
Monthly Auction	is the auctioning by the Auction Office of PTRs-limited based on the Capacity for each hour in each day during a period of one Month.
NPS	is Nord Pool Spot AS, the operator of the day-ahead and intraday electricity market in Estonia and Latvia and in the entire Nordic/Baltic region.
Participant	is a company which: (1) has obtained the rights to trade electricity in Estonian, Latvian and/or Lithuanian bidding areas of the NPS Elspot trading platform; and (2) is a member (participant) on the NPS trading platform; and (3) is registered as a Participant by Auction Office in accordance with these Terms.
Party	is Auction Office and each Participant separately and together.
Quarter	is a period of three Months, i.e. the period starting at 00:00:01 CET of the first day of the first Month and ending at 23:59:59 CET on the last day of the third Month.
Quarterly Auction	is the auctioning by the Auction Office of PTRs-limited based on the Capacity for each hour in each day during a period of three Months.
Purchase Price	is the price of 1 PTR-limited issued to a Participant, payable by the respective Participant to Auction Office, which shall be calculated in accordance with Section 6.1 and 6.2.

Redemption Price	is the amount payable by the Auction Office for the redemption of 1 PTR-limited issued to a Participant. The Redemption Price is equal to the price difference between the Estonian and Latvian bidding areas of NPS at the Elspot market in the direction Estonia→Latvia for the respective hour of the respective day during the respective Month, Quarter or Year of the respective Auction Timeframe.
Section	is a section or a sub-section of these Terms.
Terms	are these Terms and Conditions of PTR-limited Auctions.
Year	is a calendar year, i.e. the period starting at 00:00:01 CET of the first day of a calendar year and ending at 23:59:59 CET of the last day of the same calendar year.
Yearly Auction	is the auctioning by the Auction Office of PTRs-limited based on the Capacity for each hour in each day during a period of one Year.

2. Nature of Issuing and Trading with PTRs-limited

The issuing of and trading with the PTRs-limited is a regional long-term electricity trade risk hedging instrument designated for the electricity market participants on the Estonian-Latvian interconnector. For the avoidance of doubt, a PTR-limited does not grant its holder any right to utilise Capacity for the physical transfers of electricity. The Participants are informed and acknowledge that the Auction Office has no legal obligation to issue PTRs-limited and that these Terms may not be construed as a binding undertaking to issue PTRs-limited for any given timeframe, or at all. The Auction Office may terminate auctioning of PTRs-limited at any time (this shall not, however, affect PTRs-limited that are already issued).

3. Nature of Terms

The Terms set forth the terms and conditions of the allocation, issue, sale and redemption of the PTRs-limited. The Terms form a binding agreement between Auction Office and each Participant.

4. Eligibility to Participate at Auctions

4.1. Participants. The PTRs-limited may be acquired at the Auctions by the Participants only. In order to be eligible to participate in the Auctions, a Participant must correspond to the conditions stated in the definition of a "Participant", including being registered with Auction Office in accordance with Section 4.2 of these Terms, and must provide the Auction Office with the Guarantee according to the terms specified under the Sections 4.6-4.8.

4.2. Registration. A Participant wishing to participate in the Auctions shall register with Auction Office by submitting to Auction Office a duly completed registration form (Annex 1) signed by the authorized representative of the Participant. The registration form must be accompanied by an extract from the register of legal persons of the country in which the Participant is registered (except for Participants registered in Estonia), which may be supplied in the form of a print-out from the relevant electronic database as of the date of the signing of the registration form, proving the authority of the signatory to the registration form to represent the Participant. If the authority of the signatory to the registration form to represent the Participant derives from the power of attorney, the registration form must be accompanied also by the copy of the respective power of attorney. By submitting the registration form, the Participant confirms its full and unconditional acceptance of the Terms. The

registration form shall be sent to Auction Office in two original copies or digitally signed in accordance with the Estonian Digital Signature Act at least 3 business days before the first Auction where the Participant intends to participate (place Bid(s)). Auction Office shall be entitled to request additional information or documents from a Participant in order to verify that the Participant complies with these Terms. A Participant shall be considered registered when Auction Office accepts its registration by returning one original (or digitally signed) copy of the registration form (Annex 1) signed by Auction Office to the Participant.

4.3. Refusal of Registration. Auction Office shall be entitled to refuse to register a Participant which:

4.3.1. fails to comply with these Terms;

4.3.2. has submitted false information for its registration with Auction Office;

4.3.3. is subject to insolvency proceedings (e.g. bankruptcy, legal protection procedure or other restructuring proceedings) initiated by a competent authority; or

4.3.4. has overdue obligations towards Auction Office (Elering and/or AST) outstanding over 30 days.

4.4. Information Undertakings. Each Participant registered in accordance with Section 4.2 of the Terms shall immediately (but in any case not later than within 3 business days) update the information submitted to Auction Office in the registration form (including in the documents accompanied) referred to in Section 4.2 should any part of the information change, turn out to be misleading or incorrect.

4.5. Termination of Registration. Auction Office shall be entitled to terminate the registration of a Participant on the same grounds as for the refusal of registration under Section 4.3. Auction Office shall notify a Participant of the termination of its registration in accordance with Section 11.3.

4.6. Guarantee. Each Participant shall provide an irrevocable first demand guarantee for the benefit of Auction Office, issued by a bank holding a valid license in Estonia, Latvia or Lithuania, in the form and substance suitable to Auction Office (the Guarantee). The Guarantee shall secure all obligations of the Participant under these Terms, including but not limited to the obligation to pay the Purchase Price of the PTRs-limited issued to that Participant. The Guarantee shall be valid for a period of not less than 3 months after the last date of the last Month of the respective Auction Timeframe. The provision of the Guarantee is not a condition for the registration of a Participant in accordance with Section 4.2. The provision of the Guarantee, however, is a condition for participation in the Auction (for submitting Bids for the respective Auction). The Guarantee shall be submitted by the Participant at least 24 hours before the particular Auction.

4.7. Amount of the Guarantee. There shall be no mandatory minimum and/or maximum amount of a Guarantee. The issue of PTRs-limited, however, depends on the actual amount of the Guarantee as stipulated in Section 4.8 and 6.1.

4.8. Effect of the Guarantee Amount on the Issue of PTRs-limited. A Participant shall be issued PTRs-limited only to the extent that the total Purchase Price of such issued PTRs-limited (together with the unpaid netting balance calculated in accordance with Section 8.1 and payable by the Participant to Auction Office for any PTRs-limited issued to that Participant in the past) does not exceed the amount of the Guarantee provided by that Participant. For this purpose, only such Guarantees shall be taken into account that would remain valid at least 3 months after the last date of the last Month of the respective Auction Timeframe. For the avoidance of doubt, the existence of the Guarantee provided by the Participant shall be a pre-condition for the Participant to participate in the Auction (to place Bids); the amount of the Guarantee provided by a Participant, however, shall not be considered by the Auction Office before the Auction and shall not affect the ability of such Participant to place Bids; the amount of the Guarantee shall only be taken into account when the Bids are considered and the allocation/issue of PTRs-limited is decided as stipulated in Section 6. If the amount

of the Guarantee provided by a Participant does not comply with the requirements indicated in this Section, the whole Bid shall be considered to be invalid.

5. Auctions

5.1. Monthly, Quarterly and Yearly Auctions. The PTRs-limited shall be offered, issued and sold by Auction Office at the Monthly, Quarterly and Yearly Auctions. For the avoidance of doubt, Auction Office shall be entitled to auction, issue and sell the PTRs-limited; however, shall be under no binding obligation to do so and may discontinue such activities in its own discretion.

5.2. Information on Auctions. Auction Office shall make the information on the Auctions, such as Auction Calendar, applicable Bidding Periods, Auction Capacities, results of Auctions, etc. available for all the Participants at the website of Elering located at www.elering.ee. Information on each Auction, except the results of an Auction, is made available at least 1 business day before the Closing Date. Results of each Auction are made available at the latest at 18:00 CET on the Closing Date.

5.3. Auction Capacity. The volume of Auction Capacity open for bidding in the course of each Auction shall be determined jointly by Elering and AST and notified by the Auction Office to the Participants in accordance with Section 5.2, taking into account transmission network typology, technical availability of the transmission network (such as repair and maintenance plans of the transmission network, other technical constraints etc.), balance between demand for the PTR-limited instrument in the market and financial risks of AST and Elering, as well as the requirement for granting firmness of auctioned Capacities attributable to issued PTRs-limited (Section 10).

The volume of Auction Capacity for the Year 2015 is as follows:

- 1) Yearly Auction: 200 MW;
- 2) Quarterly Auctions: Quarter 1 and 4: 100 MW; Quarter 2 and 3: 65 MW;
- 3) Monthly Auctions: in the range from 0 to 50 MW.

5.4. Contents and Form of a Bid. Bids must be submitted to Auction Office during the Bidding Period in the form attached to these Terms as Annex 2 (Bid Sheet) and must contain the following information, which must be presented in an unambiguous manner:

5.4.1. name, registration code, registered address of the Participant;

5.4.2. EIC-code of the Participant;

5.4.3. name and contact details (telephone and fax numbers, e-mail address) of an authorised representative of the Participant;

5.4.4. Auction where the Bid is submitted (Monthly, Quarterly or Yearly Auction, reference to the respective Month, Quarter or Year);

5.4.5. Bid Capacity;

5.4.6. Bid Price.

5.5. Delivery of Bids. The Bids must be submitted to Auction Office in a password protected encrypted Bid Sheet in excel format to the e-mail address explicit@elering.ee by 12:00 (CET) of the Closing Date at the latest. The password for opening the Bid Sheet must be sent to Auction Office to the e-mail address explicit@elering.ee after 12:00 (CET) but before 13:00 (CET) of the Closing Date.

5.6. Confirmation of Receipt. Auction Office shall endeavour to inform the respective Participant of the receipt of the Bid Sheet as soon as practically possible by replying to the e-mail delivering the Bid Sheet in accordance with Section 5.5. The lack of such response shall not affect the validity of the Bid(s).

5.7. Validity of a Bid. A Bid is considered valid and binding on the respective Participant and Auction Office only if the Bid complies with these Terms in all relevant aspects. Auction Office shall be entitled to consider a Bid invalid if (*inter alia*):

5.7.1. the Participant submitting the Bid is not eligible to participate at the Auction in accordance with Section 4;

5.7.2. the Bid Sheet is not submitted in the form set forth in Section 5.4 and 5.5;

5.7.3. the Bid Sheet does not contain the information referred to in Section 5.4;

5.7.4. the Bid is not submitted in accordance with the terms set forth in Section 5.5;

5.7.5. the Bid Sheet has been received by Auction Office after 12:00 (CET) on the Closing Date;

5.7.6. Auction Office has not received the password for opening the Bid Sheet by 13:00 (CET) on the Closing Date;

5.7.7. the multiple Bid Sheets have been received simultaneously by Auction Office;

5.7.8. the Participant has breached these Terms in any other way.

Auction Office shall inform the respective Participant of the invalidity of the Bid as soon as practically possible but in any case within 1 business day of the respective Closing Date by sending a notice to the e-mail address indicated in the Bid Sheet.

5.8. Amendments to a Bid. Participants shall be entitled to amend their Bids until 12:00 (CET) of the Closing Date at the latest. An amended Bid must be submitted to Auction Office in accordance with Section 5.5 on new Bid Sheet with higher version number. An amended Bid shall be in the same form and shall be subject to the same rules as the original Bid and shall replace any earlier Bid in full. If a Participant sends multiple Bid Sheets, Auction Office shall only take into account the latest of such Bid Sheets. If the multiple Bids Sheets have been received simultaneously by Auction Office, they shall be considered invalid. For the avoidance of doubt, the provisions of Section 5.7 shall apply to the amended Bid in the same manner as to the original Bid.

5.9. Withdrawal of a Bid. Participants shall be entitled to withdraw their Bids until 12:00 (CET) of the Closing Date at the latest. The respective notice must be submitted to Auction Office in accordance with Section 5.5 with a clear reference to the withdrawal of the Bid in the subject line of the respective e-mail and also in the withdrawal document of the Bid Sheet itself.

5.10. Multiple Bid Sheets. Each later Bid Sheet replaces the earlier and multiple Bid Sheets are not permitted. If the multiple Bid Sheets have been sent simultaneously, they shall be considered invalid. However, a Participant shall be entitled to place Bids for different Auction Timeframes in the same Bid Sheet. A Participant shall also be entitled to place Bids for multiple Bid Capacities at varying Bid Prices, provided these are included in the same Bid Sheet. In such case, each such combination of Bid Capacity and Bid Price shall be treated as a separate Bid for the purposes of the allocation of the PTRs-limited, and the final allocation of the PTRs-limited to a Participant shall take all such Bids into account (for example, the allocation of PTRs-limited to "Participant B" in the illustrative table under Section 6.1.2.5. shall be 100 MW, which is a sum of two different Bids placed by that Participant).

6. Allocation/Issue of PTRs-limited

6.1. Allocation of PTRs-limited. The allocation of the PTRs-limited shall be done by Auction Office. In the allocation of the PTRs-limited, Auction Office shall consider only such Bids which are valid in accordance with Section 5.7 and only to the extent permitted by the Guarantees provided by the respective Participants (Section 4.6-4.8). The allocation shall be done as follows and in the following sequence:

6.1.1. if the sum of the Bid Capacities does not exceed the Auction Capacity, all the Participants shall be allocated PTRs-limited according to their Bids; the Purchase Price for all Participants shall then equal the price of the lowest Bid Price.

6.1.2. if the sum of the Bid Capacities in all Bids exceeds the Auction Capacity, the PTRs-limited shall be allocated to the Participants who submitted a Bid in accordance with the following procedure:

6.1.2.1. all Bids are ranked so that the Bid with the highest Bid Price gets the first ranking and the Bid with the lowest Bid Price gets the last ranking. For example, for an Auction with the total Auction Capacity of 200 MW:

Ranking	Participant	Bid Price of Participant (EUR/MWh)
1.	Participant A	50
2.	Participant B	21
3.	Participant C	20
4.	Participant B	20
5.	Participant D	10

6.1.2.2. the Bid Capacities of the respective Participants are added to the rankings. For example:

Ranking	Participant	Bid Price of Participant (EUR / MWh)	Bid Capacity (MW)
1.	Participant A	50	60
2.	Participant B	21	60
3.	Participant C	20	60
4.	Participant B	20	60
5.	Participant D	10	65

6.1.2.3. the Purchase Price is the Bid Price of the Bid of the Participant whose Bid, considering the rankings, results in exceeding the Auction Capacity. For example:

Ranking	Participant	Bid Price of Participant (EUR / MWh)	Bid Capacity (MW)	Utilised Auction Capacity (MW, max 200 MW)
1.	Participant A	50	60	60
2.	Participant B	21	60	120
3.	Participant C	20	60	180
4.	Participant B	20	60	240
5.	Participant D	10	65	305

6.1.2.4. all the Participants whose Bid Price was higher than the Purchase Price and whose Bids ranked before the Bid determining the Purchase Price are allocated PTRs-limited according to their Bid Capacities and for the Purchase Price;

6.1.2.5. the Participant whose Bid determined the Purchase Price is allocated the remaining PTRs-limited, unless there were more than one Bids at the Bid Price equal to the Purchase Price, in which case the remaining PTRs-limited are divided between such Participants proportionally to their Bid Capacities. For example:

Ranking	Participant	Bid Price of Participant (EUR / MWh)	Bid Capacity (MW)	Utilised Auction Capacity (MW, max 200 MW)	PTR-limited allocation in MW
1.	Participant A	50	60	60	60
2.	Participant B	21	60	120	60
3.	Participant C	20	60	180	40

4.	Participant B	20	60	240	40
5.	Participant D	10	65	305	0

6.1.2.6. the Participants whose Bid Price was lower than the Purchase Price are allocated no PTRs-limited.

6.2. Issue of PTRs-limited. Once the allocation of the PTRs-limited has been done by Auction Office in accordance with Section 6, Auction Office shall issue each Participant PTRs-limited according to the number of days and hours in the respective Auction Timeframe. For example, the total Purchase Price of all PTRs-limited issued to Participant A in the table in Section 6.1.2.5 is calculated as follows (in the case of a Monthly Auction for January): 60 MW x 20 EUR x 24 hours x 31 days = 892,800 EUR. The rights and obligations arising from a PTR-limited are created as of the Closing Date of the respective Auction.

6.3. Term of Allocation/Issue of PTRs-limited. Auction Office shall do the allocation/issue of the PTRs-limited in accordance with Section 6 by 17:00 CET at the Closing Date at the latest.

6.4. Notification of Results. Auction Office shall inform all the Participants of the results of the allocation/issue of the PTRs-limited not later than at 18:00 CET on the Closing Date by e-mail, using the contact details of the authorised representative of the Participant provided by that Participant in the Bid. The notice must contain the following information, which must be presented in unambiguous manner:

6.4.1. the Auction Timeframe (respective Month, Quarter or Year);

6.4.2. the number of PTRs-limited issued to the respective Participant;

6.4.3. the Purchase Price (per one PTR-limited and total).

6.5. Payment Undertaking. Upon the issue of the PTRs-limited to a Participant, such Participant shall be under obligation to pay Auction Office the Purchase Price of its PTRs-limited, which shall be calculated in accordance with Section 6.2. The payment of the Purchase Price shall be settled in accordance with Section 8.

6.6. Disputing Results of Allocation/Issue. Each Participant who participated at the respective Auction shall be entitled to dispute the results of the allocation/issue of the PTRs-limited by submitting its motivated claim by 23:59 CET at the first business day following the Closing Date to the e-mail address explicit@elering.ee. The results of the allocation/issue of the PTRs-limited may be disputed only on the grounds of (i) breach of the allocation/issue procedure in Sections 6.1 and 6.2; and (ii) calculation errors. Disputing the results on any other grounds is explicitly excluded. Auction Office shall review the claim submitted in accordance with this Section within the first business day following the day when the claim was submitted and shall inform the affected Participant(s) of its decision by 23:59 CET of the day of the review of the claim at the latest. If, as a result of the claim, Auction Office decides to alter the results of the allocation/issue, it shall notify all Participants of the respective Auction. If the results of the allocation/issue are altered by Auction Office as a result of a claim submitted by a Participant in accordance with this Section, all other Participants shall be entitled to dispute the new results of the allocation/issue in accordance with this Section. After the lapse of the term for disputing the results of the allocation/issue in accordance with this Section, such results shall be considered final and binding in respect of all the Participants.

7. **Redemption of PTRs-limited**

7.1. Redemption Undertaking. Auction Office shall redeem the issued PTRs-limited for the Redemption Price in accordance with these Terms. The redemption obligation shall be considered to be automatically attributed to each issued PTR-limited and the auctioned Capacity attributable to the

issued PTRs-limited automatically transferred to Elering and AST upon issue of each PTR-limited to the Participant.

7.2. Information Undertaking. Auction Office shall inform each Participant of the redemption of the PTRs-limited held by such Participant not later than within 5 business days after the end of each Month of each Auction Timeframe regarding that Month by e-mail, using the contact details of the duly authorised representative of the Participant provided by the Participant in the Bid. The notice must contain the following information, which must be presented in unambiguous manner:

7.2.1. the Auction Timeframe (respective Month, Quarter or Year);

7.2.2. the number of issued PTRs-limited subject to redemption;

7.2.3. the Redemption Price of the PTRs-limited (per one PTR-limited and total).

7.3. Payment Undertaking. Auction Office shall be under obligation to pay the respective Participant the Redemption Price of its PTRs-limited. The payment of the Redemption Price shall be settled in accordance with Section 8.

7.4. Disputing Redemption. Each Participant whose PTRs-limited were redeemed shall be entitled to dispute the terms of redemption by submitting its motivated claim by 23:59 CET at the first business day following the day when the information regarding the redemption was sent by the Auction Office as stipulated in Section 7.2 to the e-mail address explicit@elering.ee. The terms of redemption may be disputed only on the grounds of errors in the calculation of the Redemption Price. Disputing the terms of redemption on any other grounds is explicitly excluded. Auction Office shall review the claim submitted in accordance with this Section within the first business day following the day when the claim was submitted and shall inform the respective Participant of its decision by 23:59 CET of the day of the review of the claim at the latest. After the lapse of the term for disputing the terms of redemption in accordance with this Section, the terms of redemption shall be considered final and binding in respect of all the Participants.

8. Settlement and Accounting

8.1. Settlement of Mutual Claims. In the result of an Auction, the Parties shall have mutual claims arising in connection with the issued PTRs-limited in accordance with these Terms: a Participant shall be obliged to pay the Purchase Price to Auction Office regarding each PTR-limited issued to the respective Participant, and Auction Office shall be obliged to pay the Redemption Price to a Participant regarding each PTR-limited issued to the respective Participant. Such mutual claims shall be settled by the way of set-off of claims:

8.1.1. Auction Office shall pay to the Participant the difference between the Purchase Price and the Redemption Price, if the Redemption Price is higher than the Purchase Price; or

8.1.2. The Participant shall pay to the Auction Office the difference between the Redemption Price and the Purchase Price, if the Purchase Price is higher than the Redemption Price; or

8.1.3. The Participant shall pay to the Auction Office the whole Purchase Price, if the Redemption Price is 0 EUR (zero euros); or

8.1.4. None of the Parties shall pay to each other, if the Redemption Price and the Purchase Price is equal.

8.2. Set-Off Notice. Within 5 business days after the end of each Month of each Auction Timeframe, Auction Office shall send to a Participant holding issued PTRs-limited for such an Auction Timeframe an overview of the mutual claims of the Parties as of the last day of that Month and a notice of set-off of the claims to the greatest possible extent, indicating the outstanding claim of either Party.

8.3. Set-Off. The mutual claims of the Parties referred to in Section 8.1 shall be automatically set off as at the last date of each Month of each Auction Timeframe, irrespective of the date of the notice of set-off in Section 8.2.

8.4. Invoicing of Outstanding Claim. A Party who has the outstanding claim against the other Party after the set-off of mutual claims in accordance with Sections 8.1-8.3 shall promptly issue an invoice to the other Party for the outstanding balance.

8.5. Payment Terms. The payment term of the invoice issued by a Party in accordance with Section 8.4 shall be at least 30 calendar days.

8.6. Default Interest. Should a Party fail to comply with its payment undertakings under these Terms, it shall pay the other Party default interest in the amount of 0,05% from the amount of the delayed payment for each day of delay.

8.7. In the event the Party under payment obligation, in good faith, disputes the accuracy of the invoice, it shall within 2 business days after receipt of the respective invoice provide in writing motivated arguments for the disputed amount, and shall pay undisputed amount. Once the dispute has been finally settled, the invoice shall be paid within 30 days. The obligation to pay default interest for the delayed payment in this case shall not apply, unless the claim of the Party under payment obligation is clearly ungrounded.

8.8. Termination of PTRs-limited. In the event of a termination of a Participant's registration in accordance with Section 4.5, Auction Office may, in its sole discretion, cancel all (but not less than all) PTRs-limited issued to that Participant, in which case such PTRs-limited shall cease to exist without any compensation obligation from the side of Auction Office.

9. Limitations of Liability

9.1. General Principles. The liability of Auction Office on behalf of Elering and AST arising from the PTRs-limited and these Terms shall be limited in accordance with the provisions of this Section 9. In any case the liability of Auction Office on behalf of Elering and AST arising from PTRs-limited and these Terms shall be limited to 10,000 EUR in respect of each Participant per calendar year (not including the obligation to pay monetary balance in accordance with Section 8.1).

9.2. Wilful Breach and Gross Negligence. Auction Office on behalf of Elering and AST shall be liable only for a wilful or gross negligent breach of its obligations arising from the PTRs-limited or these Terms.

9.3. Direct Damage. Auction Office on behalf of Elering and AST shall be liable only for direct monetary damage caused to a Participant by the breach of its obligations arising from the PTRs-limited or these Terms. The liability for non-monetary damage and loss of profit is explicitly excluded.

9.4. Expiration of Claims. A claim of a Participant against Auction Office arising from the PTRs-limited and these Terms shall expire on the first anniversary of such claim becoming due and payable.

10. Firmness of the Auctioned Capacities Attributable to the issued PTRs-limited

10.1. The auctioned Capacity attributable to the issued PTR-limited are firm except in the event of a Force Majeure. In the event of Force Majeure Elering and/or AST are entitled to reduce the auctioned Capacities attributable to the issued PTRs-limited without any compensation to the Participants.

10.2. In case of reduction of the auctioned Capacities attributable to the issued PTRs-limited due to Force Majeure, auctioned Capacities attributable to the issued PTRs-limited of each Participant and the respective total Purchase Price of each Participant shall also be reduced. The reduction shall be effected on pro rata basis – proportionally to the amount of the auctioned Capacities attributable to the issued PTRs-limited of each Participant. For the avoidance of doubt, the Participant shall not be

obliged to pay the Purchase Price for the auctioned Capacities attributable to the issued PTRs-limited, which are reduced (cut) by Elering and/or AST in the event of a Force Majeure.

10.3. The Auction Office shall inform each Participant regarding the reduction of the auctioned Capacities attributable to PTRs-limited without any delay.

11. Final Provisions

11.1 Amendments to Terms. The Terms may be amended jointly by Elering and AST from time to time in the sole discretion of Elering and AST. Auction Office shall inform all the Participants who have a valid registration in accordance with Section 4.2 of the amendments to these Terms in accordance with Section 11.3 at least one month before such amendments enter into force.

11.2 Unilateral actions by a Participant. A Participant may not unilaterally terminate or amend any legal relationships arising out of these Terms except where explicitly provided otherwise in these Terms.

11.3 Notices and Electronic Communications. Notices and other communications under these Terms shall be made by way of registered mail or courier, with proof of receipt, unless set forth differently in these Terms. In addition to the above, the Parties designate the following e-mail addresses as the addresses for official communications between them: explicit@elering.ee for Auction Office and the e-mail address referred to in the registration form of the Participant submitted to Auction Office by the Participant in accordance with Section 4.2 for the Participant. Any communications made from and to these designated e-mail addresses shall be attributed directly to the Parties and each Party may assume that communications originating from these addresses are from the other Party. An e-mail sent from a designated e-mail address of one Party to a designated e-mail address of the other Party shall be deemed delivered when delivered to the server of the e-mail service provider of the addressee (whereas the burden of proof shall be reversed, i.e. the Party denying receipt of an e-mail shall prove that it did not reach the server of its e-mail service provider). Each Party shall take the necessary measures to ensure continuous access to, and adequate security of, its designated e-mail address(-es), and accepts the risks associated with electronic communications.

11.4 Assignment. A Participant may not assign or otherwise transfer all or any part of its rights or obligations arising from the PTRs-limited held by the latter or from these Terms without the prior written consent of Auction Office. Any PTRs-limited that a Participant purports to assign shall terminate with immediate effect and Auction Office shall have no obligation towards any of the parties (including any compensation obligations towards the original purchaser of the PTRs-limited).

11.5 Governing Law. These Terms and any legal relationships arising herefrom (including any questions regarding their validity and termination) shall be subject to and interpreted in accordance with the laws of the Republic of Estonia.

11.6. Resolution of Disputes. Any disputes arising between the Parties in connection with or arising out of these Terms shall be settled by amicable negotiations. Should the Parties fail to settle a dispute within 14 (fourteen) calendar days, the dispute shall be resolved in the Harju County Court (Kentmanni building).

11.7. Applicability of the Rules. These Rules shall be applicable for the Auctions for Year 2015.

11.8. Annexes to the Rules. The annexes of these Rules shall be integral part of these Rules. These Rules shall have the following annexes:

- 1) Annex 1: Registration Form;
- 2) Annex 2: Bid Sheet Form;
- 3) Annex 3: Auction Calendar.

to the Terms and Conditions of PTR-limited Auctions

Registration Form N°
to the PTR-limited Auctions

FOR

Name of Participant
Registration code
EIC code
Registered address
Authorised representative
Phone number
E-mail
Fax number



Hereafter referred to as "Participant",

ARTICLE 1. Definitions

All the words or groups of words used in the present Registration Form, have the meaning that has been given to them in the Terms and Conditions of PTR-limited Auctions, as published on the Auction Office's website.

ARTICLE 2. Object

By signing this Registration Form, the Participant applies for registration for participation in PTR-limited Auctions, declares that it is aware of and accepts entirely the Terms and Conditions of PTR-limited Auctions (including but not limited to, the redemption (sellback) obligation attached to the PTRs-limited potentially to be acquired by the Participant, i.e., the condition that the Participant is not entitled to use the auctioned Capacity attributable to issued PTR-limited for the physical transmission of electricity, that the auctioned Capacity is automatically transferred to the Estonian and Latvian transmission system operators and that the Participant is entitled to receive a Redemption Price, in return), confirms that it complies with requirements of the Terms and Conditions of PTR-limited Auctions for participation in the Auctions and commits to abide by the Terms and Conditions of PTR-limited Auctions.

ARTICLE 3. Prerequisites

By signing this Registration Form, the Participant declares that it has acquired rights to trade electricity in the Estonian, Latvian and/or Lithuanian bidding areas of the Nord Pool Spot Elspot trading platform.

ARTICLE 4. Participant's contact details

(Please indicate a single operational telephone number, fax number and e-mail)

4.1 Operational contact

Contact
Address
Phone number
E-mail
Fax number



4.2 Contact details for invoicing

Contact
Address
Phone number
E-mail
Fax number



4.3 Bank details

All payments made by the Action Office to the Participant will be made to the following payment account:

Bank
Account holder
Account N°
Swift code
IBAN code



ARTICLE 5. Auction Office's contact details¹

5.1 Operational contact

Contact
Address
Phone number

Ingrid Arus
Kadaka tee 42, 12915 Tallinn, Estonia
+372 71 51 222

¹ Completed by the Auction Office upon confirmation of entitlement

E-mail explicit@elering.ee
Fax number +372 71 51 200

5.2 Bank details

All payments made by the Participant to the Action Office will be made to the following payment account:

Bank Swedbank
Account holder Elering AS
Account N° 221024551314
Swift code HABAE2X
IBAN code EE282200221024551314

ARTICLE 6. Changes to information

The Participant undertakes to notify the Auction Office of any changes in the information provided by the Participant in the present Registration Form (including the documents accompanied) immediately (but in any case not later than within three (3) business days).

ARTICLE 7. Documents attached

This Registration Form is accompanied with the following documents:



ARTICLE 8. Effective date

The present Registration Form will be effective as from¹

The Registration Form (registration) will terminate in accordance with the Terms and Conditions of PTR-limited Auctions.

Please fill in the Registration Form and send by e-mail to explicit@elering.ee

For the Participant:

Name and position of the legal representative:

Date:

Signature:

For the Auction Office:

Name and position of the legal representative:

Date:

Signature:

to the Terms and Conditions of PTR-limited Auctions

Bid Sheet Form

to the Terms and Conditions of PTR-limited Auctions

Bid Sheet

Binding Bid Sheet of:

Name of the Participant

Registration code

EIC-Code

Registered address

Authorised representative

Telephone

Fax

E-mail

Bid Sheet for the Auction:

Auction Timeframe

Bid-No.	MW*	EUR/MW**	
1			#REF!
2			#REF!
3			#REF!
4			#REF!
5			#REF!
6			#REF!
7			#REF!
8			#REF!
9			#REF!
10			#REF!

Version No:

* max. one decimal allowed

**max. two decimal allowed

With the delivery of this Bid Sheet for the PTR-limited Auction the Auction Participant confirms the acceptance of the Terms and Conditions of PTR-limited Auctions as published on the Auction Office's website.

date, signature, name, surname

to the Terms and Conditions of PTR-limited Auctions

Auction calendar

Auction Calendar

Auction Calendar for 2015 PTR-limited on Estonian - Latvian border	Auction Name	Auction Timeframe	Start Date	End Date	Bidding Period		Comments
					Publishing of Auction Capacities	Closing Date 12:00 (CET)	
Yearly Auction	PTR-L Y-2015	Year 2015	1.01.2015	31.12.2015	October 2014*	October 2014*	
Quarterly Auctions	PTR-L Q1-2015	1st Quarter 2015	1.01.2015	31.03.2015	October 2014*	October 2014*	
	PTR-L Q2-2015	2nd Quarter 2015	1.04.2015	30.06.2015	02.02.2015	04.02.2015	
	PTR-L Q3-2015	3rd Quarter 2015	1.07.2015	30.09.2015	04.05.2015	06.05.2015	
	PTR-L Q4-2015	4th Quarter 2015	1.10.2015	31.12.2015	03.08.2015	05.08.2015	
Monthly Auctions	PTR-L Jan-2015	January 2015	1.01.2015	31.01.2015	15.12.2014	17.12.2014	
	PTR-L Feb-2015	February 2015	1.02.2015	28.02.2015	12.01.2015	14.01.2015	
	PTR-L Mar-2015	March 2015	1.03.2015	31.03.2015	09.02.2015	11.02.2015	
	PTR-L Apr-2015	April 2015	1.04.2015	30.04.2015	09.03.2015	11.03.2015	
	PTR-L May-2015	May 2015	1.05.2015	31.05.2015	13.04.2015	15.04.2015	
	PTR-L Jun-2015	June 2015	1.06.2015	30.06.2015	11.05.2015	13.05.2015	
	PTR-L Jul-2015	July 2015	1.07.2015	31.07.2015	15.06.2015	17.06.2015	
	PTR-L Aug-2015	August 2015	1.08.2015	31.08.2015	13.07.2015	15.07.2015	
	PTR-L Sept-2015	September 2015	1.09.2015	30.09.2015	10.08.2015	12.08.2015	
	PTR-L Oct-2015	October 2015	1.10.2015	31.10.2015	14.09.2015	16.09.2015	
	PTR-L Nov-2015	November 2015	1.11.2015	30.11.2015	12.10.2015	14.10.2015	
	PTR-L Dec-2015	December 2015	1.12.2015	31.12.2015	16.11.2015	18.11.2015	

* Depending on the finalization of the Terms and Conditions of the PTR-limited