

Slovenia – Austria Interconnection Capacity Access Rules

**between the control areas
of**

VERBUND-Austrian Power Grid AG (“APG”)

and

Elektro - Slovenija, d.o.o. (“ELES”)

for 2010

(21.10.2010)

Effective as of December, 1st 2010

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0. Introduction

0.1. General Context

In accordance with Regulation (EC) n° 1228/2003 of the European Parliament and of the Council, which is dated 26th of June 2003 and concerns the conditions for access to the network for cross-border exchanges in electricity, this Auction Rules set out the terms and conditions governing the Allocation via Auctions of Available Interconnection Capacity in both directions on the Austria-Slovenia Interconnection.

0.2. Accrued rights

Present Auction Rules, henceforth stipulate the provisions concerning the yearly, monthly and daily auctions, beginning with 1st of January, 2010 until the end of Interim Period, in the event of Article 15.1 and/or Article 15.2 and all relating rights and obligations thereto until 31st of December 2010, in the direction from Austria to Slovenia and from Slovenia to Austria.

0.3. Auction Procedure

For the allocation of Available Capacity on the Austria-Slovenia Interconnection during the Interim Period:

- a. Auction Office Austria operates, as Auction Operator, the Auction of PTRs in direction from Austria to Slovenia on behalf of both TSOs.
- b. ELES operates, as Auction Operator, the Auction of PTRs in direction from Slovenia to Austria on behalf of both TSOs.

Auction proceedings may be discontinued or interrupted by the Auction Operators at any time without prior notice - be it temporarily in case of technical failures, or permanently based on instructions from APG and ELES (e.g. change of capacity allocation method). Such temporary or permanent discontinuance will not affect the rights and obligations which have arisen as a consequence of daily auctions having taken place under these Auction Rules prior to such discontinuance or interruption.

Receipt of Bids at the Auction Office Austria and ELES is the decisive criterion in meeting the time limit.

All relevant information is made available on the Auction Websites:

For direction Austria to Slovenia: www.Auction-Office.at

For direction Slovenia to Austria: www.eles.si

0.4. The Auction Rules (General Aspects)

These Rules describe (among other aspects) the various types of Auctions, the requirements that Auction Participants must fulfill to participate in the Auctions, the Auction proceedings, the awarding of ATC as a result of the Auction and the use of Allocated Capacity after the Auction. Article 17 contains a limitation of liability. As a matter of course this liability limitation is in line with all relevant national and European legislation. These Auction Rules in particular are handling the allocation of Yearly, Monthly, and Daily ATCs on the Interconnection Austria-Slovenia during the Interim Period; they may be amended jointly by the TSOs along the way in order to improve or clarify provisions and procedures and to fill gaps according to Article 21.

0.5. Collection of debts / waiver of right to compensate

ELES, as Auction Operator, collects on behalf of both TSOs all debts resulting from the Auction of PTRs from Slovenia to Austria.

Auction Office Austria collects on behalf of both TSOs all debts resulting from the Auction of PTRs from Austria to Slovenia.

Although Auction Office Austria and ELES collect these payments on behalf and in the name of both TSOs, Auction Participants accept by participating in the Auctions that they can only be discharged of their debts through payment to the appropriate TSO or its auxiliary persons and that payment of a debt to the other TSO or its auxiliary persons will not release them from this obligation. Moreover, as payment by compensation would thwart the administrative structure of the co-operation between both TSOs, Auction Participants waive the right to offset any debts that arise in connection with an Auction to claims that those Auction Participants have on a TSO or its auxiliary persons, whether or not arising out of an Auction.

1. Definitions / Terms

In these Auction Rules (including any ANNEXES and Forms) the terms defined in this Article (where appropriate in plural) shall, for all purposes of these Auction Rules have the meanings specified in this Article (unless the context requires otherwise).

Allocated Capacity: for all auctions this is referred to the Assigned PTRs as the auction result after fulfilling the payment conditions according to these Auction Rules as stated in Article 11.

All or Nothing Bid: is a bid submitted by the Auction Participant which can only be executed in the exact amount specified in the Bid.

APG: VERBUND-Austrian Power Grid AG with registered office in A-1220 Wien, Wagramer Straße 19, IZD Tower, and with the number of the commercial register FN 177696 v.

Assigned PTRs: the capacity gained by the Auction Participant by notification of the auction results in form of Physical Transmission Rights.

Auction Office Austria: the entity executing auction procedures in direction from Austria to Slovenia during the Interim Period and is commissioned by APG.

Auction Operator: The legal entity which operates the Auctions: APG operates through the Auction Office Austria the joint Auction of PTRs from Austria to Slovenia. ELES operates the joint Auction of PTRs from Slovenia to Austria. After the Interim Period CAO operates the joint Auction of PTRs.

Auction Participant: a person and/or an entity taking part in the auction procedures set out in the Auction Rules and submitting the Auction Rules.

Auction Price: the price to be paid by the PTR holder for Assigned PTRs in case the total amount of submitted bids exceeds the ATC.

Auction Rules: the regulations set out in this document applicable to the allocation of ATC at the transmission interconnections between the control areas of APG and ELES.

Auction Specifications: information on the relevant auctions provided by the TSOs and/or Auction Office Austria on their Auction Websites.

Auction Tool: IT system used by ELES to conduct auctions in direction from Slovenia to Austria.

Available Transmission Capacity (“ATC”): the part of the NTC that remains available after each phase of the allocation procedure, for further commercial activity and which shall be offered in the monthly and daily auction procedures.

Auction Day: the day on which auction takes place.

Auction Websites: websites of the TSOs and Auction Office Austria as referred in

Article 2.2 of these Auction Rules (see www.eles.si, www.APG.at, www.Auction-Office.at).

Bank Guarantee: Bail in form of an irrevocable and directly enforceable bank guarantee valid for a limited period waiving any exceptions or set-offs.

Beneficiary: an Auction Participant that receives Allocated Capacity as a result of a Transfer.

Bid: is an offer submitted by an Auction Participant to purchase rights to use capacity pursuant to and in compliance with these Auction Rules.

Block Bid: A Bid submitted by an Auction Participant in the daily auction. It refers to multiple, (consecutive) hourly blocks. The price in Euro (€) per MWh applies to every hour of the defined Block Bid.

Bid Price: the highest price which an Auction Participant is willing to pay for the Capacity.

Block: a quantity of MW made available at auction over a range of Hourly Periods and/or a range of days.

Business Type (“BT”): (A03) used in nomination on Time Series Level for external cross-border trade with explicit capacity allocation.

Capacity: cross-border transmission capacity in MW.

CAO Central Allocation Office GmbH (“CAO”): with its registered office at Gute Änger 15, 85356 Freising, Germany. The CEE TSOs established CAO in the CEE region in order to facilitate the organization of the common allocation procedures. CAO provides services according to Article 3.1.a during the Interim Period and services according to Article 3.1.b beginning with the day its starts its operations until 31st of December 2010 and acts – in this capacity as service provider – in the name and for account of Auction Office Austria in the event of Auctions of PTRs from Austria to Slovenia and in the name and for account of ELES in the event of Auctions of PTRs from Slovenia to Austria (“auxiliary person”).

Capacity Agreement Identification (“CAI”): Unique identification code assigned to PTRs during auction process or process of Transfer (see http://www.entsoe.eu/fileadmin/user_upload/edi/library/schedulev3r3/documentation/ess-guide-v3r3.pdf).

Capacity Auction System: web based cross border capacity allocation application used by APG to conduct auctions in direction from Austria to Slovenia.

Capacity Contract Type (“CCT”): Condition type under which capacity is allocated. In the nomination of Time Series: A04 for a yearly, A03 for a monthly and A01 for a daily capacity.

Curtailed Capacity: is the value of reduced PTRs for individual PTR Holder rounded to the next higher full MW.

Curtailement: is the reduction of Capacity in emergency situations and/or in the case

of security problems on the interconnections between Slovenia and Austria where ELES and APG must act in an expeditious manner.

Daily ATC: is a part of the ATC to be allocated in daily auctions.

Day of execution: Day on which electricity transports using capacities allocated in an Auction take place.

EIC-Code: ENTSO-E identification code which univocally identifies Auction Participants in a cross-border trade (see <http://www.entsoe.eu/resources/edi/library/eic/cds/area.htm>).

ELES (“Elektro - Slovenija, d.o.o.”) with registered office in 1001 Ljubljana, Hajdrihova 2, Slovenija.

ENTSO-E (“European Network of Transmission System Operators for Electricity”): International Association with membership of European Transmission System Operators with the aim to promote the reliable operation, optimal management and sound technical evolution of the European electricity transmission system in order to ensure security of supply and to meet the needs of the Internal Energy Market.

EU-Regulation: The Regulation (EC) No 1228/2003 of the European Parliament and of the Council of 26th June 2003 on conditions for access to the network for cross-border exchanges in electricity as valid on the day of issuing of the Auction Rules.

Force majeure: operational conditions and/or events and/or circumstances which are beyond the reasonable control of APG and/or ELES, and which cannot be prevented or overcome with reasonable foresight and diligence, such as, but not limited to, international superimposed Loop Flows, if APG and/or ELES are only able to counteract them by endangering the security of supply, and/or which cannot be solved by measures which are from a technical, financial and/or economic point of view reasonably possible for APG and/or ELES.

Interconnection: a single and/or double circuit lines between the Austrian and Slovenian transmission system which connects the control areas of APG and ELES synchronously.

Interconnection Capacity: Available cross-border electric energy transfer capacity on the interconnections between Austria and Slovenia.

Interim Period: begins with publication of these Auction Rules and ends on the day CAO starts its operations.

Interconnection Trade Responsible (“ITR”): Market participant with a balancing contract for one or more control areas. An ITR is a market player who nominates allocated capacity on one side of a border. In the context of this Auction Rules the ITR is responsible for the nomination of already allocated rights to the system operator in the control area he acts.

Maintenance Period: is a period of time during which part of a Product cannot be

guaranteed due to planned maintenance. In such Maintenance Period the Allocated Capacities are proportionally curtailed to the amount of the announced reduced ATC. The duration of Maintenance Period(s) and the reduced ATC(s) for the Maintenance Period(s) are announced at the date of publication of ATC for the relevant auction. Maintenance Periods are used to maximize the Monthly and Daily ATC(s).

Monthly ATC: is a part of the ATC to be allocated in monthly auctions.

Net Transfer Capacity (“NTC”): The maximum exchange program between two control areas compatible with security standards applicable in both areas and taking into account the technical uncertainties on future network conditions.

Physical Transmission Right (PTR): Right to use Interconnection capacity for electricity transfers expressed in MW.

PTR holder: The legal entity (Auction Participant) which has obtained Assigned PTR in the Auction.

Products: Is the Yearly, Monthly or Daily ATCs offered with reference to a specific period of time. It refers to a set of Blocks sold through an Auction.

Pro forma Invoice: The invoice issued to the PTR holder directly after the conclusion of the Yearly and/or Monthly Auction, which must be settled no later than two (2) working days before the publication of auction specifications for the next relevant auction.

Resale: is the mechanism which allows PTR holder to return the allocated capacity to the TSO according to Article 15.2.

Transfer: is the mechanism which allows that allocated capacity may be transferred by a PTR holder to another according to Article 15.1.

Working Day: every day except for Saturdays, Sundays and any official holiday in Austria or Slovenia as listed in Annex 3a and 3b attached to these Auction Rules (Peak Products are valid only on Working Days in Austria).

Yearly ATC: is a part of the ATC to be allocated in yearly auctions.

The headings in these Auction Rules are intended only as a matter of convenience and for reference and shall be given no effect in the construction or interpretation of these Auction Rules.

2. Scope of the Auction Rules

This document contains the terms and conditions governing the allocation via Auctions of Yearly, Monthly and Daily ATC at the Interconnection between the control areas of APG and ELES. Separate Auctions are held for PTRs for each direction from Austria to Slovenia and from Slovenia to Austria.

The following Auctions take place on the Interconnection between the control areas of Austria and Slovenia:

- a) Yearly Auctions in respect of PTRs for Yearly electricity transports from the first through the last day of a calendar year for the year 2010,
- b) Monthly Auctions in respect of PTRs for Monthly electricity transports from the first through the last day of a calendar month during the Interim Period,
- c) Daily Auctions in respect of PTRs for daily electricity transports during each hour of a calendar day during the Interim Period.

2.1. Quantities Available for Auctioning

The Interconnection Capacity for auctioning in form of PTRs is the Interconnection Capacity available at the border between Austria and Slovenia according to criteria defined by ENTSO-E. The Interconnection Capacity is published on the Auction Websites.

Any Yearly or Monthly PTRs from the direction Slovenia to Austria not nominated or returned to ELES for resale are re-auctioned at the first relevant auction and thereby increase the respective quantity of ATC for auctioning in the mentioned direction.

Any Yearly or Monthly PTRs from the direction Austria to Slovenia not nominated or returned to APG for resale are re-auctioned at the first relevant auction and thereby increase the respective quantity of the ATC for auctioning in the mentioned direction. Resale of the Daily PTRs is not possible.

When publishing quantities for daily ATC netting of yearly and monthly nominated PTRs is applied.

When publishing quantities for intra-day ATC netting of daily nominated PTRs is applied.

2.2. Auction websites

The Yearly, Monthly and Daily ATCs – and reduced ATC(s) at the Maintenance Periods if necessary – will be published on the Auction websites according to the dates set out in ANNEX 2. In particular, the following information will be published on the Auction websites:

Public Section:

- a) These Auction Rules (valid release),
- b) Additional information on the auction proceedings (Auction Specifications),
- c) Names, facsimile and telephone number(s), e-mail address(es) of contact persons of the Auction Office Austria and ELES,
- d) Forms to be used by Auction Participants,
- e) Yearly, Monthly and Daily ATC (NTC indicative; not binding values),
- f) Maintenance Period(s) and relevant reduced Yearly and/or Monthly ATC(s),
- g) Summary of the results of the yearly, monthly and daily auctions (Clearing price, assigned quantity for all products, number of Auction Participants with successful Bids and overall number of Auction Participants),
- h) Frequently asked questions and answers,
- i) Other relevant information.

Secure Section of the auction website used only for auctions organized by APG:

- j) Electronic bidding portal.

2.3. Basis on which Interconnection Capacity is offered

- (1) ATC is offered in form of PTRs in units of 1 MW with a minimum of 1 MW.
- (2) For Yearly, Monthly and Daily Auctions, PTRs are offered as Products defined by TSOs, published on the Auction Website in accordance with this Auction Rules.

2.4. Firmness of Allocated Capacity

Yearly, Monthly and Daily ATC is offered on a firm basis except in case of curtailments due to circumstances of Force Majeure or if safe network operation can only be secured by curtailing Allocated Capacity after taking into account all other available measures according to relevant national and European legislation. Only in case of Allocated Capacity curtailments for network security reason, the PTR holder is compensated according to Article 14.

In case of Curtailment ELES and APG will reduce Allocated Capacity according to Article 14 and will pay compensation to the Auction Participant with exception of Force Majeure and during Maintenance Periods.

3. General Provisions

3.1. Services carried out by CAO

CAO will start its operations in the last quarter of 2010 and will carry out coordinated auctions for electricity transmission rights at cross-border interconnectors in the CEE Region.

- a) For the Interim Period CAO will provide the following services according to these Auction Rules:
- 1) Collection of Registration Form for yearly, monthly and daily auctions according to Article 4.1, ANNEX 5 and ANNEX 10;
 - 2) Collection of the Bank Guarantees according to Article 4.2 and ANNEX 8 and ANNEX 11;
 - 3) Collection of Balance Group acknowledgements according to Article 13 and ANNEX 7, as well as periodical update of membership to Balance Group;
 - 4) Collection of the Irrevocable authorization according to Article 4.2 and ANNEX 9;
 - 5) Collection of the Statement of Acceptance according to Article 4.3 and ANNEX 12.
- b) Beginning with the first day of operation CAO will provide the following services according to these Auction Rules:
- 1) Transfer of yearly capacity according to Article 15.1;
 - 2) Resale of allocated yearly PTR according to Article 15.2;

APG respectively ELES remains the contractual partner of the Auction Participant with regard to yearly PTRs. CAO merely acts as an auxiliary person.

Auction Participants will be informed of the exact date as of which CAO will provide these services 30 (thirty) days in advance.

As of the moment that CAO provides the services pursuant to this Article 3.1.b, Market Participants have to be registered at CAO as Auction Participants in order to make use of these services. Auction Office Austria respectively ELES will, as of the moment that CAO carries out these services, no longer provide any such services to the Market Participants. After registration at CAO, the Auction Participant is obliged to assign all Allocated PTRs and Promised Capacity to one single EIC Code.

3.2. Treatment of Auction Participants

Prior to, during and after an Auction, Auction Participants shall refrain from any action or behavior which adversely affects or threatens competition in the Auction proceedings, which aims at gaming, or which in any other way disrupts or threatens to disrupt the Auction proceedings, transparency, cost effectiveness or fairness thereof.

Auction Office Austria in the direction from Austria to Slovenia and ELES as Auction Operator in the direction from Slovenia to Austria are entitled to exclude from further participation in an Auction or a fixed or indefinite number of subsequent Auctions those Auction Participants who act or behave or have acted or behaved in violation of the first paragraph, who misuse any right or position obtained pursuant to an Auction or who do not comply with any other provision of these Rules. The exclusion of one Auction Participant can be executed by ELES or Auction Office Austria only after the approval of the other TSO.

3.3. Deadline for contesting Auction results

The PTR holder may contest the Auction results according to the conditions and within the deadline specified in the Auction Specifications. The Auction Operator shall reply to the PTR holder no later than the deadline indicated in the Auction Specifications.

If the PTR holder does not contest the Auction result within the deadline and under the condition specified in the Auction Specifications, the PTR holder loses the right to contest.

3.4. Separation of Auction and Fees for Grid Use

A successful Bid for Interconnection Capacity commits both TSOs and the PTR holder to fulfill their respective duties. The TSOs are obliged to make Interconnection Capacity for electric energy transfer available to the PTR holder while the PTR holder is under the obligation to pay the Auction Price. By fulfilling the payment conditions in accordance with the Auction Rules Assigned PTRs are guaranteed by ELES/APG ("Allocated Capacity") except for the occasions stipulated in Article 2.4.

The payment determined covers only the right for the Allocated Capacity at the bottleneck. This option does not include any use of the transmission system on the Interconnection. Said use of the transmission system, including corresponding fees, if any, must be agreed separately with APG on the Austrian side of the border and with

ELES on Slovenian side.

3.5. Payment

If the PTR holder does not fulfill or only partially fulfils any obligation resulting from these Auction Rules in due time, especially if the PTR holder does not pay the full Auction Price within the time limits set out in the Auction Rules, Auction Participant loses the right to use Assigned PTRs. Those capacities shall be offered at first relevant auction. Moreover ELES and APG are entitled to hold the PTR holder liable for the difference, only if negative, between Auction Price set on the first auction at which the capacity was allocated and the new Auction Prices determined at the next following auctions where that capacity is reallocated. The PTR holder shall not be entitled to offset and/or withhold any debts arising in connection with obligations resulting from an auction to any claim of ELES and/or APG, whether or not arising out of an auction. The detailed payment conditions are described in Article 11.

4. Participation Requirements

4.1. Registration Requirements

In order to participate in yearly, monthly and/or daily auctions, the Auction Participant must comply with all requirements set forth in these Auction Rules. All the documents requested for participation to the auctions have to be sent to the following address: **CAO Central Allocation Office GmbH; Gute Änger 15, 85356 Freising, Germany** (hereinafter: CAO) with the annotation “**for ELES**” for direction Slovenia to Austria and “**for APG**” for direction Austria to Slovenia.

In any case the Auction Participant:

- must send the Statement of acceptance/Registration form to the CAO
- must fulfill Financial Guarantee as given in Article 4.2.

In addition the Auction Participant must fulfill the following conditions:

a) in Austria:

- Recognition by the Austrian regulatory authority as representative of a balance group

or

- Has a valid EIC - Code

or

b) in Slovenia:

- Auction Participant has to be a Balance responsible party or
- must have signed a Contract for Settlement of Imbalances with a Balance responsible party in Slovenia.

All requested documents have to be provided by the Auction Participant to CAO at least five (5) working days before the start of the first relevant auction. If this deadline is missed the relevant TSO cannot guarantee the participation of the Auction Participant.

4.2. Financial Guarantee

a) Auctions in direction from Slovenia to Austria:

Yearly and monthly auctions will be settled monthly, directly to the transaction account of ELES on the basis of pro forma invoice.

The Auction Participant must settle the liabilities arising from yearly and monthly Auctions at least two (2) working days before the publication of Auction Specifications for the next Auction of PTRs with the same technical characteristic but not later than the deadline specified on the pro forma invoice.

Auction Participants willing to participate to the daily auctions:

- will be provided with the balance sub account (based on the signed Irrevocable Authorisation – see Annex 9) opened by ELES in the name of the Auction Participant for the settlement of liabilities. In order to participate at the daily auction the Auction Participant has to provide sufficient funds on his deposit sub account.

or, alternatively

- are required to provide ELES with a Bank Guarantee covering all outstanding debts resulting from the Daily Auctions. The minimum amount of the Bank Guarantee is fifty thousand (50.000,00) Euros.

With every Bid inserted into the Auction Tool by Auction Participant, Auction Tool will automatically check the level of funds on the deposit sub account/Bank Guarantee. Auction Participant's bidding ability at specific auction depends of the current level of

funds on his deposit sub account/Bank Guarantee.

b) Auctions in direction from Austria to Slovenia:

For the participation in yearly, monthly and daily auctions in direction Austria to Slovenia, the Auction Participant shall submit to CAO an Austrian business account and a direct debit authorization (ANNEX 4) according to Article 11.1.

Furthermore for participation in the Yearly and/or Monthly Auction the Auction Participant is required to provide CAO with a Bank Guarantee issued by a bank with long-term credit rating of “BBB-” (S&P) or “Baa3” (Moody’s) or “BBB-“ (Fitch/IBCA) or higher securing overdue payment if the Auction Participant fails to pay.

The minimal amount of the Bank Guarantee, which has to be submitted by Auction Participant to **CAO** in order to participate in the Yearly and/or Monthly Auctions is fifty thousand (50.000,00) Euros.

As soon as the Auction Participant acquires Assigned PTRs at the yearly auctions, he has to increase the amount of his Bank Guarantee to the amount which covers one twelfth of all outstanding debts resulting from the yearly auctions of Assigned PTRs within 5 (five) Working Days. Otherwise he will lose the capacity acquired at the yearly auctions and won’t be allowed to participate in the further auctions or in the secondary market until he has provided a Bank Guarantee with the amount requested. The increase of the Bank Guarantee has to be provided to APG both via e-mail (netz.apg@verbund.at) (copy) and via post (original) within 5 (five) Working Days.

Instead of increasing the amount of the Bank Guarantee APG will accept in advance payment **for the total amount** for all kind of auctions (e.g. yearly and/or monthly auction) within five (5) Working Days after the publication of the auction results (relevant deadline Y3, see article 7.1 and/or relevant deadlines M3; see article 8.1 to the account set out in Article 11.1.

In the case of insufficient funds of the business account for the automatic collection or if the payment is not settled on the 20th day of the same month, APG will draw the Bank Guarantee. If, however, an Auction Participant can’t fulfill his payment obligations, the Auction Participant will lose the Capacity awarded through the auction (Assigned PTRs) and shall be liable pursuant to the General Provisions set out in Article 3. Such released Capacity will be auctioned in the daily auction – or if applicable in the following monthly auction. Moreover, the Auction Participant shall be

excluded from all following auctions – yearly, monthly and daily auctions – until that date when the Auction Participant remits sufficient funds to the business account for APG and/or Bank Guarantee and all payments of the Auction Participant are settled.

4.3. Admission and acceptance of Auction Rules

By submitting the duly signed and completed registration form (see ANNEX 5 for APG and ANNEX 10 for ELES) and Statement of Acceptance (see ANNEX 12) to the relevant Auction Operator the Auction Participant:

- accepts the auction regulations set out in these Auction Rules (English version) and submits the Auction Rules without any reservation. If the Auction Participant does not conform to these Auction Rules, the Auction Participant shall be expressly barred from the participation in further Auctions,
- confirms that the Auction Participant has read, understood and accepted the present Auction Rules and that they will follow any and all instructions given by the Auction Operators, in particular in case of ambiguity in these Auction Rules or non-availability of the Capacity Auction System or Auction Tool,
- authorizes ELES respectively the Auction Office Austria, to check the Auction Participant's respective statements. The Auction Participant shall be informed about the admission or rejection. In case of rejection of its registration request, the Auction Operators shall inform the Auction Participant of the reasons for the rejection.

An Auction Participant who has been declared bankrupt or insolvent or granted suspension of payment, or against whom a petition for bankruptcy, insolvency or suspension of payment has been filed, does not qualify for participation in yearly, monthly and daily auctions.

Subject to all existing requirements being fulfilled, the original countersigned copy of the registration form/Statement of Acceptance and the procedure (password, user ID) for entering the secure auction websites or Auction System shall be sent to the Auction Participant.

The password shall be kept with particular care and may under no circumstances be passed to others or made accessible in any other way (including non-authorized rep-

representatives of the Auction Participant). Responsibility for all transactions authorized using the password shall be borne by the Auction Participant.

4.4. Notification of Changes

The requirements for participation set forth in these Auction Rules must be fulfilled at all times when participating in yearly, monthly and/or daily auction proceedings. As a consequence, the Auction Participant shall promptly inform CAO in writing of any changes effecting fulfillment of the requirements concerned.

Changes concerning the Auction Participant's contact data and statements set forth in the forms submitted by the Auction Participant shall be notified to CAO in writing within seven (7) days.

5. Deregistration and exclusion of Auction Participants

5.1 Deregistration

Should the Auction Participant not wish to participate in any further yearly, monthly and daily auctions, it may submit a written request for deregistration to CAO. The request will be granted on condition that:

- the Auction Participant no longer possesses rights to use any Allocated Capacity awarded in yearly and monthly and/or daily auctions and
- the Auction Participant has fulfilled all its financial obligations towards ELES and/or APG.

Auction Participants who have been deregistered may apply for readmission by completing the registration process pursuant to Article 4 above.

5.2 Exclusion

Should the Auction Participant in any manner:

- (a) infringe these Auction Rules,
- (b) declare bankruptcy, become insolvent or be granted suspension of payment,
- (c) become object of a petition for bankruptcy, insolvency or suspension of payment,
- (d) be in default of payment,

the Auction Participant will be excluded from yearly, monthly and daily auctions by ELES respectively the Auction Office Austria without delay. The barring shall promptly be notified to the Auction Participant by both facsimile transmission and mail.

The Auction Participant shall be obligated to pay any remaining invoices or claims of ELES or of the Auction Office Austria within a period of five (5) working days after notification of its exclusion.

Auction Participants who have been excluded from further yearly, monthly, and/or daily auctions by ELES respectively by Auction Office Austria, may apply for re-consideration only after all obligations towards ELES and APG are fulfilled.

6. Auction Specifications

For general information, the Auction Specifications are published on the relevant Auction Websites according to the timing set in ANNEX 2 and the Article 9.1 and Article 9.2.

The Auction Specifications consist of information regarding:

- Products traded at Auctions:
 - a. Yearly Product: base load, peak-load,
 - b. Monthly Product: base load, peak-load,
 - c. Daily Product: hourly products (and if applicable also base load, peak load, off-peak load products).
- Auctions time table,
- Auctioned Interconnection Capacity (relevant ATCs),
- Gate openings and closures,
- Publication of the results,
- Deadline to contest results,
- Deadline for nomination of the PTR's,
- Other information.

7. Yearly Auctions Procedure

Separate yearly auctions for the year 2010 shall be held for the allocation of yearly ATC. Auctions shall be held in name of both TSOs, executed by Auction Office

Austria respectively ELES:

- **Auction Y1:** deals with awarding of PTRs in the direction from Austria to Slovenia, organized by Auction Office Austria,
- **Auction Y2:** deals with awarding of the PTRs the direction from Slovenia to Austria, organized by ELES.

Yearly auctions take place on the dates mentioned in ANNEX 2.

7.1 Deadlines for Yearly Auctions

For the Yearly auctions the following deadlines are valid:

- Deadline Y1: deadline for Publishing of Yearly ATC and Maintenance Periods is seven (7) days before the auction until 18:00 (CET);
- Deadline Y2: deadline for bid submission is set in Auction Specifications published on the auction website;
- Deadline Y3: deadline for publication of yearly auction results is set in Auction Specifications published on the Auction website.

7.2 Yearly bids submission

a) Yearly bid submission at auctions in direction from Austria to Slovenia

Bids shall be submitted in electronic form via the Capacity Auction System – in accordance with the “Capacity Auction System – Manual” set out in ANNEX 6. Each legitimated (registered) Auction Participant shall submit Bids starting from deadline Y1 (see ANNEX 2 and relevant Auction Specifications) to the deadline for bid submission (deadline Y2). The bids submission to the Auction Office Austria shall be binding until the end of the relevant yearly auction and cannot be withdrawn or modified after deadline Y2.

The Auction Participant must be prepared to pay the Auction Price for his assigned PTRs. For further consideration each bid must contain the following unambiguous and legible specifications:

- 1 The specification of the relevant yearly auction (Auction Y1a) and auction product,
- 2 Value of the Bid in EUR/MWh (max. two decimals),
- 3 The amount, in integer quantities (MW) with minimum 1 MW of the required Interconnection Capacity,

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction, several bids may be submitted. Such bids are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to the Auction Office Austria.

b) Yearly bid submission at auctions in direction from Slovenia to Austria

Bids shall be sent electronically via Auction Tool in accordance with the timetables set in the Auction Specifications. For further consideration each Bid must contain the following unambiguous and legible specifications:

- 1 Identification number of the Auction Participant,
- 2 Trading product,
- 3 Maximum quantity in MW, rounded to one (1) MW,
- 4 Net price excluding VAT, given in EUR/MWh. The price must be rounded to maximum of two decimals and shall not be equal or less than zero,
- 5 The use of All or Nothing option .

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction number, several bids may be submitted. Such bids are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to ELES.

7.3 Notification of Yearly Auctions Results

a) Notification of Yearly Auction results at auctions in direction from Austria to Slovenia

The Auction Office Austria will provide each Auction Participant, whether successful or not, with the following data within the deadline for publication of Yearly auction

results (deadline Y3, see Auction Specifications):

- 1 Specification of the relevant yearly auction,
- 2 Products and Maintenance Period(s),
- 3 Amount of assigned PTRs in MW,
- 4 Value of payment for the assigned PTRs in EUR.

The overall, results of a yearly auction will be published on the Auction Websites, at deadline Y3 (see Auction Specifications).

b) Notification of Yearly Auction results at auctions in direction from Slovenia to Austria

ELES will notify each Auction Participant via Auction Tool. Results of the Yearly Auction will be published not later than 30 minutes after the conclusion of the auction.

The following information will be provided to Auction Participant:

- 1 Clearing price for each product auctioned at Yearly Auction,
- 2 Amount of assigned PTRs for each product auctioned at Yearly Auction,
- 3 Amount of assigned PTRs in MW to the Auction Participant,

The overall, results of a yearly auction will be published on the Auction Websites, at deadline Y3 (see Auction Specifications).

8. Monthly Auctions Procedure

Separate monthly auctions for the Interim Period shall be held for the allocation of Monthly ATC. Auctions shall be held in name of both TSOs, executed by Auction Office Austria respectively ELES:

- **Auction M1:** deals with awarding of PTRs in the direction from Austria to Slovenia, organized by Auction Office Austria;
- **Auction M2:** deals with awarding of the PTRs the direction from Slovenia to Austria, organized by ELES.

Indicative dates for Monthly auctions are stated in the ANNEX 2 of these Auction Rules.

8.1 Deadlines for Monthly Auctions

For the monthly auctions the following deadlines are valid:

- Deadline M1: deadline for Publishing of Monthly ATC and Maintenance Periods is five (5) days before the auction until 18:00 (CET);
- Deadline M2: deadline for bid submission is set in Auction Specifications published on the Auction Website;
- Deadline M3: deadline for publication of monthly auction results is set in Auction Specifications published on the Auction Website.

8.2 Monthly bids submission

a) Monthly bid submission at auctions in direction from Austria to Slovenia

Bids shall be submitted in electronic form via the Capacity Auction System – in accordance with the “Capacity Auction System – Manual” set out in Annex 6. Each legitimated (registered) Auction Participant shall submit Bids starting from deadline M1 (see ANNEX 2 and relevant Auction Specifications) to the deadline for bid submission (deadline M2). The bids submission to the Auction Office Austria shall be binding until the end of the relevant monthly auction and cannot be withdrawn or modified after deadline M2.

The Auction Participant must be prepared to pay the Auction Price for his Assigned PTRs. For further consideration each bid must contain the following unambiguous and legible specifications:

- 1 The specification of the relevant monthly auction (Auction M1) and auction product,
- 2 Value of the Bid in EUR/MWh (max. two decimals),
- 3 The amount, in integer quantities (MW) with minimum 1 MW of the required Interconnection Capacity,

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction number, several bids may be submitted. Such bids are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to the Auction Office Austria.

b) Monthly bid submission at auctions in direction from Slovenia to Austria

Bids shall be sent electronically via Auction Tool in accordance with the timetables set in the Auction Specifications. For further consideration each Bid must contain the following unambiguous and legible specifications:

- 1 Identification number of the Auction Participant;
- 2 Trading product,
- 3 Maximum quantity in MW, rounded to one (1) MW,
- 4 Net price excluding VAT, given in EUR/MWh. The price must be rounded to maximum of two decimals and shall not be equal or less than zero,
- 5 The use of All or Nothing option.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction, several bids may be submitted. Such bids are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission to the ELES.

8.3 Notification of Monthly Auctions Results

a) Notification of Monthly Auction results at auctions in direction from Austria to Slovenia

The Auction Office Austria will provide each Auction Participant, whether successful or not, with the following data within the deadline for publication of monthly auction results (deadline M3, see Auction Specification):

- 1 Specification of the relevant monthly auction,
- 2 Products and Maintenance Period(s),
- 3 Amount of assigned PTRs in MW,
- 4 Value of payment for the assigned PTRs in EUR.

The overall, results of a monthly auction will be published on the Auction Websites, at deadline M3 (see Auction Specifications).

b) Notification of Monthly Auction results at auctions in direction from Slovenia to Austria

ELES will notify each Auction Participant via Auction Tool. Results of the Monthly Auction will be published at least thirty (30) minutes after the conclusion of the auction. The following information will be provided to Auction Participant:

- 1 Clearing price for each product auctioned at Monthly Auction,
- 2 Amount of allocated PTRs for each product auctioned at Monthly Auction,
- 3 Amount of Assigned PTRs in MW to the Auction Participant,

The overall, results of a monthly auction will be published on the Auction Websites, at deadline M3 (see Auction Specifications).

9. Daily Auctions Procedure

Separate daily auctions shall be held for the allocation of daily ATC in both directions during the Interim Period:

- **Auction D1:** deals with awarding of PTRs in direction from Austria to Slovenia organized by Auction Office Austria;
- **Auction D2:** deals with awarding of PTRs in direction from Slovenia to Austria organized by ELES.

Daily auctions take place on a daily basis, seven (7) days a week.

9.1 Determination and Publication of Daily Auctions

a) Deadlines for Daily Auctions in direction from Austria to Slovenia

For the daily auctions in the direction from Austria to Slovenia the following deadlines are valid:

Deadline D1: deadline for Publishing of Daily ATC not later than 09:15 (CET) on the Auction Day the Auction D1 is held.

Deadline D2: deadline (gate closure) for bid submission for awarding Daily ATC for the following day(s) is at 09:20 (CET);

Deadline D3: deadline for publication of auction D1 results – on the Austrian Auction Office website – is at 09:30 (CET).

Each Auction Participant must submit his bids to the Auction Operator (APG) in the period starting from 07:00 (CET) to the gate closure (deadline D2) mentioned above. The bids submitted to the Auction Office Austria shall be binding until the end of the auction and cannot be withdrawn or modified after the gate closure.

b) Deadlines for Daily Auctions in direction from Slovenia to Austria

For the daily auctions in the direction Slovenia to Austria the following deadlines are valid:

Deadline D1: deadline for the first Publishing of an indicative Daily ATC and Maintenance Periods is one (1) day before the auction until 18:00 (CET). The final Daily ATC is published during the pre-auction procedure at 08:45 the latest on the Auction Day the Auction D1 is held;

Deadline D2: deadline (gate closure) for bid submission for awarding Daily ATC for the following day(s) is at 09:15 (CET);

Deadline D3: deadline for publication of auction results is 30 (thirty) minutes after the gate closure for the bid submission the latest.

ELES has the right to amend the timeframe of the auction. All the amendments must be published in the Auction Specifications.

9.2 Daily bid submission

a) Daily bid submission at auctions in direction from Austria to Slovenia

Bids shall be submitted in electronic form via the Capacity Auction System, available on the Auction Office Austria website for Daily Auctions in direction from Austria to Slovenia – in accordance with the “Capacity Auction System – Manual” set out in ANNEX 6.

For further consideration each bid must contain the following unambiguous and legible specifications:

- 1 The specification of the relevant daily auction (Auction D1),
- 2 The value of the Bid in EUR/MWh (max. two decimals) per product,
- 3 Optionally the value of the Block Bids in EUR/MWh (max. two decimals),
- 4 The amount, in integer quantities (MW) with minimum 1 MW of the required Interconnection Capacity,

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction number, several bids may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission.

b) Daily bid submission at auctions in direction from Slovenia to Austria

Bids shall be sent electronically via Auction Tool in accordance with the timetables set in the Auction Specifications. For further consideration each Bid must contain the following unambiguous and legible specifications:

- 1 Identification number of the Auction Participant,
- 2 Trading product,
- 3 Maximum quantity in MW, rounded to one (1) MW,
- 4 Net price excluding VAT, given in EUR/MWh. The price must be rounded to maximum of two decimals and shall not be equal or less than zero,
- 5 The use of All or Nothing option.

The bids submitted to ELES shall be binding until the end of the auction and cannot be withdrawn or modified after the gate closure.

Bids must state the highest Auction Price the Auction Participant is willing to pay. Bids specifying all the above mentioned data must be submitted, without any reservation. For each auction, several bids may be submitted. Such bids submitted are valid independent of each other.

Bids which do not fulfill the above requirements will not be considered in the allocation procedure. The Auction Participant shall be responsible for the evidence of the timeliness of bids submission.

9.3 Notification on the Results of Daily Auctions

- a) Notification of Daily Auction results at auctions in direction from Austria to Slovenia

The Auction Office Austria will provide each Auction Participant, whether successful or not, for the daily Auction D1 approximately at 09:30 (CET) with the data listed below.

- 1 Specification of the relevant daily auction,
- 2 Products,
- 3 Amount of Assigned PTRs in MW,
- 4 Value of payment for the Assigned PTRs in EUR for the period of reservation.

The overall, results of a daily auction will be published on the Auction Office Austria website for the daily Auction D1 at approximately 09:30 (CET). For a detailed description regarding the valid deadlines for daily auctions see Article 9.1.

b) Notification of Daily Auction results at auctions in direction from Slovenia to Austria

ELES will notify each Auction Participant via Auction Tool. Results of the Daily Auction will be published at least thirty (30) minutes after the conclusion of the auction. The following information will be provided to Auction Participant:

- 1 Clearing price for each product auctioned at daily auction,
- 2 Amount of allocated PTRs for each product auctioned at daily auction,
- 3 Amount of Assigned PTRs in MW to the Auction Participant,
- 4 Value of payment for the Assigned PTRs in EUR.

The overall results of the daily auction will be published on the Auction Websites according to the deadline set in the Auction Specification.

10. Exceptional Circumstances

Exceptional circumstances shall be serious disturbance to the functioning of the IT System(s) or devices used by ELES respectively Auction Office Austria.

Exceptional circumstances may be the reason for changing, canceling or suspending an Auction. In case of exceptional circumstances, the Auction Operator shall inform all Auction Participants via telephone, fax or e-mail of the cancellation of the relevant auction(s) and inform Auction Participant about the new date of the auction. If the daily auction can't be conducted via Auction Tool / Capacity Auction System the auction is automatically cancelled. The Auction Operator will also publish information

on their Auction Websites, if available.

In cases where auctions are canceled and/or repeated all Bids already submitted to the Auction Tool/Capacity Auction System are deemed as invalid and must be submitted again.

In cases where exceptional circumstances occur on the side of the Auction Participant he may contact the Auction Operator for support.

For auctions held by ELES, ELES would place Bids into the Auction Tool on behalf of the Auction Participant only if sent to ELES via fax on the prescribed form which is published on the ELES website. Auction Participant may, for an individual auction for a specified border, send only one form with not more than one (1) bid for a specific product. Only those bids received at least fifteen (15) minutes before the gate closure of an auction can be taken into account and shall be valid.

11. Accounting, Losing of Allocated Capacity

11.1 Yearly, Monthly and Daily Auctions in the direction from Austria to Slovenia

The payment and accounting of the Auction Price will be handled by APG. To secure the payment of the Auction Price, the PTR holder:

- (a) has to communicate to APG an Austrian business account within five (5) working days after getting the positive registration confirmation by mail from the Auction Office Austria,
- (b) enables APG to effectuate automatic collection with a direct debit authorization in APG's favor (the form for the direct debit authorization is shown in ANNEX 4)
- (c) for participation in the Yearly and/or Monthly Auction the Auction Participant is required to provide CAO with a Bank Guarantee as specified at article 4.2 and
- (d) has to provide sufficient funds.

Yearly Auctions will be invoiced in twelve monthly amounts based on the actual number of MWh in the individual month. Each amount is to be paid two (2) months in advance. The amount of January and February will be invoiced at the same time – directly after the publication of yearly auction results (relevant deadlines Y3, see Article 7.1) – and the other months will be invoiced month by month (e.g. amount for March in January). Invoices for yearly auctions are collected automatically from the

Austrian business account not later than on the 10th day of the month for the second month following, free of charge and without deduction and/or offsetting (i.e. not later than on the 10th of January for March).

Monthly Auctions will be invoiced directly after the publication of monthly auction results (relevant deadlines M3, see Article 8.1) and will be collected automatically from the Austrian business account.

Daily Auctions will be invoiced on a monthly basis and will be collected automatically five (5) days after invoicing from the Austrian Business account.

If funds are not sufficient to cover debts or if the payment is not settled on the 20th day of the same month:

- APG will draw any Bank Guarantee
- APG will withdraw from the obligations resulting from these Auction Rules and the PTR holder will lose Assigned PTRs awarded through Yearly and Monthly auction and shall be liable pursuant to the General Provisions set out in Article 3 of the these Auction Rules. Such released Capacity will be auctioned in the daily auction – or if applicable in the following monthly auction;
- the Auction Participant shall be excluded from all following auctions until the date when he remits sufficient funds to the business account for APG and all payments of the Auction Participant are settled.

If the Auction Participant is not able to communicate an Austrian Business Account to APG, APG will accept advance payment for **the total amount for all kind of long-term auctions** (e.g. yearly and/or monthly auction) within five (5) working days after the publication of the auction results (relevant deadline Y3, see Article 7.1 and/or relevant deadlines M3; see Article 8.1) to the following account:

Bank Austria – UniCredit Group

Am Hof 2a

1010 Vienna

IBAN: AT06 1200 0506 1660 3600

BIC: BKAUATWWXXX

Pursuant to the General Provisions set out in Article 3 of these Auction Rules the Auction Participant is not entitled to offset any debts that arise in the connection with monthly and/or daily auction to any claim on APG, whether or not arising out of the

auction.

If the expiration date of payment is public holiday, payment has to be settled on the preceding Working Day. Should the expiration date on Sundays or public holidays following a Sunday, payment has to be settled on the following Working Day. In case of delayed payment APG is entitled to charge interest rates on a due amount for each commenced day of the delay starting from the expiry date. The interest rate, determined on the Day on which the invoice is sent, is equal to the rate of interest applied by the European Central Bank at its most recent refinancing operation, plus five (5) points. This interest is calculated from the first Day following the expiry date, until the date on which the invoice is fully paid. This interest will be increased to include taxes and levies in force.

APG is entitled to make adjustments of the payment due to increases or introduction of taxes, duties, etc.

VAT and other taxes or levies – if any – shall be invoiced in accordance with the applicable laws.

Resale and Curtailment credits

In case of Curtailments or Resales PTR Holders will receive credit notes from APG. If PTR holder is a participant on the yearly auction the amount of the Resale or Curtailment is subtracted from the next monthly invoice for the yearly auction. In case of APG has no direct debit authorization of PTR Holder the amount of the credit note will be transferred to the bank account which has to be announced from PTR Holder to APG.

11.2 Settlement of Yearly, Monthly and Daily Auctions in the direction from Slovenia to Austria

Auction Participant who fails to settle his liabilities pertaining to allocated capacities may be excluded from any further auctions by ELES until the aforementioned participant has settled all their liabilities. Auction Participant is obliged to settle all liabilities arising from the difference between Auction Price set on the first auction at which the taken capacity was allocated and the Auction Price set on the following Auctions where the taken capacity is once again allocated.

(a) Deposit Sub account

Coverage and financial settlement performed at the daily auctions are run through deposit sub account. Deposit sub account is a special type of bank account which is opened by ELES on its own bank account for Auction Participant willing to participate at daily auctions. Deposit sub accounts are kept in euro (EUR) currency.

Only ELES has a power of disposal with financial assets kept on deposit sub accounts, namely on the basis of Irrevocable Authorization (see ANNEX 9) given by the Auction Participant which thus authorizes ELES to dispose of these financial assets for the purposes of coverage and financial settlement arising from the daily auctions.

Interests on financial assets kept on deposit sub accounts appertain to the holders of these sub accounts at the interest rate defined with a respective decree on interest rates in force and issued by the bank. The interests are remitted by the bank onto the deposit sub accounts of the Auction Participants on the monthly basis.

In the event the Auction Participant wishes to withdraw financial assets or a part of the financial assets from his sub account, a written request has to be sent to ELES. Financial assets are returned to the bank account of the Auction Participant stated on the Auction Participants Application form within five (5) working days counting from the day when the request was received by ELES.

The handling costs of the deposit sub accounts are covered by ELES.

(b) Coverage for daily auctions

The participants of daily auctions need to keep financial resources on their deposit sub accounts/Bank Guarantee as collateral for fulfilling the liabilities arising from allocated transfer capacities.

Before each auction, ELES submits into Auction Tool all the information on net balance of financial assets kept on deposit sub accounts of the Auction Participants, namely by taking into account the net balance on deposit sub accounts at 06:00 am of the Auction day and disregarding any individual transfers or eventual changes in sub accounts' balance recorded after that time.

For Auction Participants who provided Bank Guarantee as an alternative to the use of deposit sub account, ELES submits into Auction Tool the amount of its Bank Guarantee.

Auction Participant may place their bids at an auction; however, the amount of the said bids (together with VAT which is added automatically by the Auction Tool) may not exceed the balance of financial assets kept on deposit sub account/Bank

Guarantee. Available coverage of the Auction Participant is decreased with each submitted bid. The value of a bid which exceeds the available coverage is rejected and the Auction Participant is informed accordingly. Auction Participants have an insight into current balance of financial assets on their deposit sub account/Bank Guarantee via Auction Tool.

In the event the Auction Participant decides to participate at a number of auctions which are held at the same time, the bids placed at every auction – at which the participant partakes – are deducted from the available balance of financial assets kept on deposit sub account/Bank Guarantee or coverage of individual participant.

(c) Settlement for daily auctions

Settlement for daily auctions is performed directly after the publication of the auction results. The System Operator is paid from deposit sub account appertaining to the Auction Participant in the entire amount of liabilities arising from the daily auction in question. Invoices are sent on the monthly basis for information/accounting purpose only.

Auction Participant, who provided Bank Guarantee as an alternative to the use of deposit sub account, shall be invoiced on a monthly basis. The copy of the invoice will be sent by fax and subsequently by post. Invoices have to be paid no later than eight (8) days upon issuing. After the payment of the invoice the value of the Bank Guarantee in the Auction Tool will be increased for the paid value.

(d) Settlement for monthly auctions

After the results of monthly auctions have been published, ELES shall issue a pro forma invoice to the Auction Participant namely for the entire allocated period. Liabilities arising from assigned monthly capacities need to be settled by the Auction Participants within the set deadline and in the amount defined on the pro forma invoice, namely by remitting the outstanding amount onto the ELES's bank account.

Payment deadline is set not later than two (2) working days before date of publication of Auction Specification for Daily auction referred to the same month of the not settled Monthly PTRs. ELES shall issue the invoice for allocated monthly PTRs two (2) working days after the pro forma invoice is paid by the User the latest.

In the event an Auction Participant fails to settle their liabilities within the set deadline, the entire transfer capacity assigned at the auction on the basis of which the pro forma invoice is issued, is deemed as unallocated and ELES shall offer such

transfer capacity at future auctions.

(e) Settlement for yearly auctions

After the results of yearly auctions have been published, ELES shall issue a pro forma invoice to all the PTR Holders of the assigned capacity. The pro forma invoices are then issued in equal monthly installments based on the actual number of MWh in the individual month. The first pro forma invoice is issued for the period of the first two (2) months (January and February) directly after the publication of the yearly auction results while the remaining pro forma invoices are issued once a month (February for March). Liabilities arising from assigned transfer capacities need to be settled by the PTR Holder within the set deadline and in the amount defined on pro forma invoice, namely by remitting the outstanding amount onto the ELES's bank account.

Payment deadline is set not later than two (2) working days before the date of publication of Auction Specification for PTRs referred to the same month of the not settled Yearly PTRs. ELES shall issue invoices for allocated yearly PTRs two (2) working days after the pro forma invoice is paid by the User the latest.

In the event a PTR Holder fails to settle their liabilities within the set deadline, the entire transfer capacity assigned at the auction, on the basis of which the pro forma invoice is issued, is deemed as unallocated and ELES shall offer such transfer capacity at future auctions.

ELES is entitled to make adjustments of the yearly, monthly and/or daily settlement due to increases or introduction of taxes, duties, etc.

(f) Invoice Disputes

To be admissible, any claims made relative to an invoice must be notified by registered letter with acknowledgement of receipt to ELES, within five (5) working days of the invoice's date of issue. Beyond this period, the invoice shall be deemed to have been accepted by the PTR Holder. The abovementioned registered letter must contain a precise and detailed description of the grounds for the objection to the invoice. A claim in no way relieves the PTR's holder from the obligation to pay the invoice.

(g) Resale and Curtailment credits

In case of Resale the PTR Holders are obliged to issue invoices (based on data provided by ELES) to ELES within the first week of the month M for the month M-1 together for yearly and monthly PTRs. The invoice will be paid by ELES within fifteen (15) days from receipt of the invoice.

In case of Curtailment the PTR Holders are obliged to issue to ELES an invoice for a refund of the auction price (based on data provided by ELES) according to the Article 14 within the first week of the month M for the month M-1 together for yearly and monthly PTRs. The invoice will be paid by ELES within fifteen (15) days from receipt of the invoice. The invoice for a refund of the auction price is not a subject of VAT.

12. Use of Allocated Capacity

General grid access for the use of Allocated Capacity is not covered by the scope of the Auction Rules unless otherwise stipulated in the following provisions.

ELES and APG carry out the transmission services in compliance with the legal requirements of grid access in each control area, possible electricity import bans and applicable rules of ELES and APG.

The use of reserved transmission capacities is done via the delivery of fixed schedules to APG and ELES in compliance with the legal requirements of grid access in each control area, possible electricity import bans and applicable market rules of APG and ELES.

The conditions for the general grid access for the use of Allocated Capacity in both control areas of ELES and APG can be fulfilled also by two (2) Auction Participants and/or holders of reserved capacity, each of both is correctly registered/identified only at one side of the Interconnection in compliance with the legal requirements of grid access in each control area, possible electricity import bans and applicable market rules of APG and ELES.

12.1 Use of Allocated Capacities acquired through Yearly and Monthly Auctions

To use Allocated Capacity from yearly and monthly auctions the delivery of fixed schedules to APG and ELES for the delivery day D must be received by:

- **APG in D-2 before 17:00 (CET);**
- **ELES in D-2 before 17:00 (CET).**

Deadline for yearly and monthly nominations is followed by the 15 minutes correction cycle phases where the ITRs may send corrected nominations in case of mismatched time series or time series with exceeded capacity rights. Already matched time series cannot be changed.

The correction cycle ends with the long term cut off time (COT) on D-2 at 18:00 (CET).

During correction cycle a new matching process between the TSOs will be started every 15 minutes until COT. As a result of every matching process traders will be informed about confirmation and errors of nominated schedules by a CNF and ANO-reports.

If the nominations do not match at COT the nominations are modified in accordance with the following principles and in the following order:

1. In case of mismatch the values are modified to the lower of both values.
2. If there are no more mismatches and the capacity rights are still exceeded the relevant nominations are curtailed pro rata. Value with decimals is rounded down to the next lower integer value.

Modifications of schedules after COT are not possible. Use is generally based on the principle "use it or lose it". This means that reservations which are not used by fixed schedules will be made available to all Auction Participants in the daily auction procedures.

12.2 Use of Allocated Capacities acquired through Daily Auctions

To use Allocated Capacity from daily auctions operates via the delivery of fixed schedules to APG and ELES for the delivery day D must be received by:

- **APG in D-1 before 14:30 (CET);**
- **ELES in D-1 before 14:30 (CET).**

Deadline for daily nominations is followed by the 15 minutes correction cycle phases where the ITRs may send corrected nominations in case of mismatched time series or time series with exceeded capacity rights. Already matched time series cannot be

changed.

The correction cycle ends with the cut off time (COT) on D-1 at 15:30 (CET).

During correction cycle a new matching process between the TSOs will be started every 15 minutes until COT. As a result of every matching process traders will be informed about confirmation and errors of nominated schedules by a CNF and ANO-reports.

If the nominations do not match at COT the nominations are modified in accordance with the following principles and in the following order:

1. In case of mismatch the values are modified to the lower of both values.
2. If there are no more mismatches and the capacity rights are still exceeded the relevant nominations are curtailed pro rata. Value with decimals is rounded down to the next lower integer value.

Modifications of schedules after COT are not possible. Use is generally based on the principle "use it or lose it".

12.3 Intraday Procedure

The agreed schedules after COT for daily nomination (see Article 12.2) cannot be modified. This means that allocated PTRs which are not used by schedules according to Article 12.2 shall be made available to all Auction Participants in an intra-day allocation process – processed by APG for the direction Austria to Slovenia and by ELES for the direction from Slovenia to Austria, based on the first-come, first-served principle according to the current market rules in Austria and Slovenia, published on www.e-control.at ("Sonstige Marktregeln" Kapitel 3 Fahrpläne) and www.eles.si (Slovenian Grid Code).

13. Nomination Process

For using capacities allocated in auctions the PTR holders have to fulfill the following requirements of both control areas:

For APG:

- must be recognized by the Austrian regulatory authority as representative of a balance group or must be member of a recognized Austrian balance group. In particular, in case the Auction Participant is a member of a balance group it shall submit the written acknowledgement of the representative of the balance group

wherein the representative of its balance group commits itself to handle the corresponding cross border schedule (see ANNEX 7);

ANNEX 7 shall be received from CAO at the latest five (5) working days till 12:00 before the Allocated Capacity takes effect.

The membership to a balance group can be changed on a monthly basis. The new ANNEX 7 shall be received from CAO at the latest five (5) working days till 12:00 before the first day of the next month.

For ELES:

- Auction Participant has to be a Balance responsible party or must have signed a Contract for Settlement of Imbalances with a Balance responsible party in Slovenia.

Schedules must be sent to the APG and ELES in accordance with local market rules and relevant standards.

When nominating allocated capacities the Auction Participant is allowed to use cross nominations (n:m). This means that the nominated In- and Out- party do not need to be the same. Moreover, the ITR which is owner of capacity rights can use allocated rights with more than one partner on other side of the border. In any case the PTR holder of the received Capacityrightsdocument has to be the In- or Out-party of the nomination.

14. Curtailment

Curtailments due to circumstances which do not constitute Force Majeure or which do not happen during Maintenance period(s) entitles the PTR holder to be compensated at 100% of the total payments effectuated for the hours of curtailed PTRs (i.e. the PTR holder is compensated with the relevant Auction Price) by APG and/or ELES.

In cases of capacity Curtailment following priority order is used:

1. Capacity allocation in Intraday allocation process
2. Capacity allocated in daily auction.
3. Capacity allocated in monthly auction.

4. Capacity allocated in yearly auction

Within each of the above listed groups of capacities, proportional Curtailment will be used, where the curtailed capacity will be rounded to the next higher full MW.

In any case ELES and/or APG shall inform about the curtailment:

- immediately the PTR holder and his Counterpart,
- by the 5th calendar day of the following month the PTRs holder of the amount of compensation.

The procedure of compensation for relevant direction will be handled according to the relevant point in Article 11.

15. Secondary Market

15.1. Transfer of Allocated Capacities

Transfer of Allocated Capacities is performed electronically (or exceptionally via fax or e-mail for direction Slovenia to Austria only) for both directions by ELES respectively Auction Office Austria during the Interim Period. After this period it is performed by CAO.

Allocated Capacities awarded in yearly and/or monthly auctions or resulting from transfers can be transferred by the holder of Allocated Capacity under the following conditions:

- Only transfers to Auction Participants are allowed,
- Minimum transfer unit is 1 MW,
- Transfer is allowed only for Allocated Capacity that has been previously paid by Auction Participant, Transfer of Allocated Capacity has to be confirmed by both Auction Participants (Transferor and Beneficiary),
- Transfer nomination has to be done two (2) days, till 12:00 CET before the Allocated Capacity takes effect.

Transfer of the daily capacity is not possible.

Any disputes arising between the Transferor and the Beneficiary do not affect the validity of the Transfer after confirmation by the relevant Auction Operator. A cancellation of a transfer is not possible.

As of implementation of the new scheduling system (01.09.2010) allocated capacity rights are identified by CCT and CAI in the relevant system of the relevant Auction Operator/TSO. Transferred capacity rights will receive new CAI.

In case of Curtailment, eventual indemnification according to Article 14 shall be in favor of the Beneficiary who obtained Allocated Capacity via Transfer. The Beneficiary will be liable for all obligations resulting from the Transfer.

15.2. Resale of Allocated Capacities

Resale of Allocated Capacities is performed electronically (or exceptionally via fax or e-mail for direction Slovenia to Austria only) for both directions by ELES respectively Auction Office Austria during the Interim Period. After this period it is performed by CAO.

Allocated Capacities from yearly and monthly auctions and/or Transfers can be returned to the relevant Auction Operator by the Auction Participant. Resale of capacities from daily auctions is not possible.

Resale to monthly auctions:

- Allocated Capacities from the yearly auction can be resold to the relevant Auction Operator for the relevant direction. The product has to be the same profile as allocated in the relevant yearly auction.
- Deadline: two (2) days, at 12:00 CET before publication of Monthly ATC (see ANNEX 2).

Resale to daily auctions:

- Allocated Capacities from the yearly and/or monthly auction can be resold to the relevant Auction Operator on hourly basis.
- Deadline: two (2) days, at 12:00 CET before day of respective daily auction.

Auction Participants that resale Allocated Capacities to the relevant Auction Operator are entitled to receive financial compensation equal to the Auction Price determined on the relevant Monthly Auction - for yearly capacities resold on the monthly auctions or Auction Price determined on the relevant Daily Auctions - for yearly and monthly capacities resold on the daily auctions (including if the Auction Price is zero because of no congestion), however the compensation may not exceed the original payment (Auction Price) at which the yearly or monthly capacity was bought.

In cases where there is no capacities allocated on the monthly or daily auctions due to the cancellation of the auctions the Auction Participant that resold the capacities is not entitled to any compensation.

16. Waiver of Right to Compensate

The Auction Participant is not entitled to offset and/or withhold any debts that arise in connection with a yearly, monthly and/or daily auction to any claim on ELES and/or APG, whether or not arising out of yearly, monthly and/or daily auction.

17. Limitation of Liability

The TSOs, either jointly or separately, shall not be liable to a PTR holder for any damages resulting from a PTR holder participating or not being able to participate in an Auction or from the results of the Auction or from an Auction not being held and a PTR holder shall hold harmless and indemnify the TSOs, jointly and severally, in respect of claims regarding such damages from third parties. In no event shall ELES and/or APG be liable for any loss of profit, loss of business, or any other indirect incidental, special or consequential damages of any kind.

ELES and/or APG undertake to carry out the provisions set out in the Auction Rules with the diligence of a careful businessman and control area manager in compliance with the applicable regulations set out by European law, respectively by the EU-Regulation, Austrian and Slovenian law and regulations set out by the Austrian and Slovenian Authorities.

18. Force Majeure

ELES and/or APG shall not be held liable for non-performance, defective performance or delayed performance of obligations arising from these Auction Rules if and to

the extent that said non-performance, defective performance or delayed performance is due to circumstances over which the obliged party has no influence, including but not limited to Force Majeure or other circumstances the relevant party is not responsible for and which cannot be solved by measures which, from a technical, financial and/or economic point of view, can reasonably be taken by ELES and/or APG.

19. Miscellaneous

Notwithstanding special provisions set out in these Auction Rules no modification of the contract between ELES and/or APG on the one hand and the Auction Participant on the other hand shall take effect unless it is in writing, by fax or e-mail confirmed, executed and delivered by ELES and/or APG. If any part or provision of the Auction Rules and/or its ANNEXES are or become invalid, illegal, void and/or unenforceable, the remaining part(s) shall continue to be valid and enforceable and shall not be affected thereby. Any invalid, illegal, void and/or unenforceable part(s) or provision(s) shall be replaced by valid, legal and/or enforceable part(s) or provision(s) in order to achieve the intended economic and legal effect as far as possible.

20. Confidentiality

By operation and performance under Auction Rules ELES and/or APG and its affiliates, if any, may receive or have access to Auction Participant's confidential information. Confidential information shall include all information delivered in writing and designated as "Confidential", or disclosed other than in writing, information as to which the person to whom such information is disclosed, prior to or essentially concurrent with such disclosure, is made aware that confidential information may be or is being disclosed. ELES and APG agree to hold the confidential information in confidence and not to disclose without the prior consent of the Auction Participant, or make such confidential information available, in any form, to any third person or to use such confidential information for any purpose other than the contemplation of the provisions of these Auction Rules except to public authorities.

The provisions of this Article 20 shall not apply to any information disclosed to ELES and APG as contemplated by said Article if:

- before such disclosure it was public knowledge or, after such disclosure, becomes public knowledge through no fault of ELES and APG,
- it was known to ELES and APG before that disclosure,
- after that disclosure the same information is received by ELES and APG from a

third party owing no obligation of secrecy to the respective Auction Participant in respect to such information.

21. Amendments and Changes

Any amendments and changes to these Auction Rules shall be notified to the Auction Participants by means of publication of the respective new version of these Auction Rules on the website of Auction Office Austria and ELES. Such notification shall include reference to the articles amended or changed and the date on which the new version of these Auction Rules enters into force. Each version of these Auction Rules shall bear its specific number.

Because of coordination and negotiation efforts of Central Eastern European TSOs these Auction Rules may be replaced by new Auction Rules for the entire CEE Region. However these Auction Rules are deemed to remain valid for the PTRs allocated under these Auction Rules till the end of the year 2010 except for, but not limited to cases described in these Auction Rules (i.e. secondary market). All rights and duties of Auction Participants and TSOs related to PTRs allocated under the scope of these Auction Rules will remain. The total replacement of these Auction Rules shall be notified to the Auction Participants by means mentioned above thirty (30) days in advance.

22. Applicable law and disputes

All disputes among APG and/or Auction Office Austria and users arising from these Auction Rules and Auctions in direction from Austria to Slovenia that take place hereunder are governed exclusively by Austrian law.

All disputes among ELES and users arising from these Auction Rules and Auctions in direction from Slovenia to Austria that take place hereunder are settled exclusively under jurisdiction of competent authority in Slovenia.

23. Notices

Except where these Auction Rules provide otherwise, any notice given under these Auction Rules must be in writing and addressed to the following addresses:

For the direction Austria to Slovenia:

Auction Office Austria
A-1090 Wien, Alserbachstrasse 14-16, Austria
Phone: +43 1 253 7272 90, Fax: +43 1 253 7272 96
www.auction-office.at

For the direction Slovenia to Austria:

Elektro - Slovenija, d.o.o
Hajdrihova ulica 2, 1000 Ljubljana, Slovenia
Tel.: +386 (1) 474 2646, Faks: +386 (1) 474 2651
www.eles.si

ANNEX 1: Auction Procedure

If the sum of all Bids submitted for a given Auction falls short of or equals the total Interconnection Capacity, no Clearing Price is charged to the PTR holder.

If the sum of all Bids submitted for a given Auction strictly exceeds the Interconnection Capacity, a Clearing Price is charged to the PTR holder. For this purpose, the Bids are sorted out by the criterion price/time stamp, starting with the highest price and ending with the lowest one. Should several bids have the same price, the priority shall be given to Bids with earlier time stamp.

The requested Interconnection Capacities of the Bids are added up. Up to the Bid (marginal Bid), which represents the level above which the sum of the Interconnection Capacity requested by the Auction participants strictly exceeds the Interconnection Capacity. Each Auction participant receives the Interconnection Capacity requested at the price of this marginal Bid in form of a PTR. In cases where several Bids have the same price, the priority shall be given to Bids with earlier time stamp.

The Clearing Price determined according to the above principle is used as a basis for calculating the charges for Interconnection Capacity Price and apply to all PTR holders.

PTRs are considered to have been awarded to a successful PTR holder at the moment that PTR holder has been informed by the respective Auction Operator.

ANNEX 2: Scheduled dates of the yearly and monthly auctions in 2010 (indicative)

Yearly Auction		Date (indicative)
Year 2010	Publication of Auction Specifications	03.12.2009
	Auction Day	10.12.2009
	Publication of Auction Results	14.12.2009

Monthly Auctions		Date (indicative)
January 2010	Publication of Auction Specifications	10.12.2009
	Auction Day	15.12.2009
February 2010	Publication of Auction Specifications	08.01.2010
	Auction Day	13.01.2010
March 2010	Publication of Auction Specifications	11.02.2010
	Auction Day	16.02.2010
April 2010	Publication of Auction Specifications	11.03.2010
	Auction Day	16.03.2010
May 2010	Publication of Auction Specifications	08.04.2010
	Auction Day	13.04.2010
June 2010	Publication of Auction Specifications	07.05.2010
	Auction Day	12.05.2010
July 2010	Publication of Auction Specifications	10.06.2010
	Auction Day	15.06.2010
August 2010	Publication of Auction Specifications	09.07.2010
	Auction Day	14.07.2010
September 2010	Publication of Auction Specifications	12.08.2010
	Auction Day	17.08.2010
October 2010	Publication of Auction Specifications	10.09.2010
	Auction Day	15.09.2010
November 2010	Publication of Auction Specifications	08.10.2010
	Auction Day	13.10.2010
December 2010	Publication of Auction Specifications	11.11.2010
	Auction Day	16.11.2010

ANNEX 3a: Austrian public holidays 2010

Date:	Description:
01.01.2010 Fri.	New Year's Day / Neujahr
06.01.2010 Wed.	Epiphany / Heilige Drei Könige
04.04.2010 Sun	Easter Sunday / Ostersonntag
05.04.2010 Mon.	Easter Monday / Ostermontag
01.05.2010 Sat.	Labour Day / Tag der Arbeit
13.05.2010 Thu.	Ascension Day / Christi Himmelfahrt
23.05.2010 Sun.	Whit Sunday / Pfingstsonntag
24.05.2010 Mon.	Whit Monday / Pfingstmontag
03.06.2010 Thu.	Corpus Christi / Fronleichnam
15.08.2010 Sun.	Assumption Day / Maria Himmelfahrt
26.10.2010 Tue.	Austria National Day / Nationalfeiertag Österreich
01.11.2010 Mon.	All Saints' Day / Allerheiligen
08.12.2010 Wed.	Immaculate Conception / Maria Empfängnis
25.12.2010 Sat.	Christmas / Christtag / Weihnachtstag
26.12.2010 Sun.	St. Stephen's Day / Stefanitag / Stephanstag

ANNEX 3b: Slovenian public holidays 2010

Date:	Description:
01.01.2010 Fri.	New Year's Day
02.01.2010 Sati.	New Year's Day
08.02.2010 Mon.	Culture Day
04.04.2010 Sun	Easter
05.04.2010 Mon.	Easter Monday
27.04.2010 Tue.	National Resistance Day
01.05.2010 Sat.	Labour Day
02.05.2010 Sun.	Labour Day
25.06.2010 Fri.	National Day
15.08.2010 Sun.	Assumption Day
31.10.2010 Sun.	Reformation Day
01.11.2010 Mon.	All Saints' Day
25.12.2010 Sat.	Christmas
26.12.2010 Sun.	Independence Day

ANNEX 4: Form for the direct debit authorization

name:
street:
zipcode/city:
phone:
fax:
email:



VERBUND-Austrian Power Grid AG
A-1220 Wien, Wagramer Straße 19, IZD-Tower
Phone: +43 (0)50313-56164
Fax: +43-(0)50313-56133
Mail: netz.apg@verbund.at

Authorization for direct debit collection

Hereby we revocably authorize you to collect debts at maturity from our bank account by debit advice. Herewith our bank shall be authorized to cash the debit advice, whereas there is no obligation for redemption, particularly if our bank account offers insufficient coverage. We reserve the right to revoke the debts collection within 42 days after the date of debts collection without stating the reason.

Account number:	Name of bank:	Bank code:
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To (payee):

Verbund Austrian Power Grid AG
A- 1220 Wien, Wagramer Strasse 19, IZD-Tower

location, date:

signature:

ANNEX 5: Registration Form

To be sent to: CAO Central Allocation Office GmbH; Gute Änger 15, 85356 Freising, Germany

Company	
Name according to commercial register	
Department	
No. of Commercial Register	
Address	
Post Code	
Country	
VAT-Number	

Balance Group Information	
Name of Balance Group	
Nomination will be performed with this BG?*	YES <input type="checkbox"/> NO <input type="checkbox"/>
EIC Code	
E-Mail	

Member data	
Commercial Representative	
Telephone	
Fax	
E-mail	

Auction Participant	
Name (User)	
Telephone	
E-mail	
Name (User)	
Telephone	
E-mail	
Name (User)	
Telephone	
E-mail	

* If "NO" the Auction Participant needs to submit a valid "Membership of recognized Austrian Balance Group" (ANNEX 7) form in due time for the final usage of Allocated Capacities!

date, signature

ANNEX 6: Capacity Auction System - Manual

The manual of the “**Capacity Auction System**” is an integrative part of these Auction Rules and is hosted on the homepage of the Auction Office Austria (<http://www.auction-office.at>).

ANNEX 7: Form of Acknowledgement of “Membership of recognized Austrian Balance Group”

To be sent to: CAO Central Allocation Office GmbH; Gute Änger 15, 85356 Freising, Germany

	Auction Participant	Austrian Balance Group
Name of the company/ Austrian Balance Group:		
Address:		
EIC-Code		
Contact Person/ Representative:		
Telephone No.:		
Fax No.:		
E-mail address:		

	From	To
Period:		

By signing this acknowledgement the representative of the Austrian Balance Group confirms that the Auction Participant is a member of its balance group during the above given period and commits itself to handle the corresponding cross border schedule for the Auction Participant.

Confirmation		
	Auction Participant registered/identified by APG:	Name of the Austrian Balance Group:
Date:		
Signature:		

ANNEX 8: Slovenian Bank Guarantee

To be sent to: CAO Central Allocation Office GmbH; Gute Änger 15, 85356 Freising, Germany

Payment guarantee No....

Name of the bank – Guarantor:

Applicant:

Beneficiary: Elektro – Slovenija, d.o.o., Ljubljana, Hajdrihova 2, Slovenia

Amount: EUR....

Expiry Date:

We ...(the Bank) have been informed that our Client (Messrs....) will participate in an Auction for available transmission capacities at the Slovene – Austrian interconnection.

In accordance with the Auction Rules published on the web site www.eles.si and as a security for their obligations a guarantee by a bank shall be furnished.

At the request of (Applicant), we(the Bank) hereby irrevocably and unconditionally undertake to pay to you on your first demand, waiving all rights of objection and defense, any amount up to a maximum of

EUR.....

upon receipt of your written request, stating that the amount claimed has fallen due and that (the Applicant) have failed to fulfil their obligations.

For the purpose of identification, your request for payment has to be presented through the intermediary of a first rate bank confirming that the signatures are legally binding upon your firm. For the purpose of identification, your request for payment has to be presented through the intermediary of a first rate bank confirming that the signatures are legally binding upon your firm. If, in this respect, such bank will make use of swift, it will have to transmit, in any case, the full request for payment and to confirm at the same time that the original of this document, legally binding upon your firm, has been forwarded to us.

The total amount of this guarantee will be reduced by any payment effected by us hereunder.

The demand for payment must be received no later than the Expiry date. The present guarantee will become null and void at the Expiry Date, irrespective of whether or not it has been returned to us by such date.

We (the Guarantor) may only be released from the obligations under the terms of the present guarantee before the Expiry Date, if the Beneficiary gives its written consent.

Any payment must be made within the seven (7) working days following receipt of demand for payment.

This guarantee is governed by Slovenian law, place of jurisdiction is Ljubljana.

Signature of the Guarantor

ANNEX 9: Irrevocable authorization

To be sent to: CAO Central Allocation Office GmbH; Gute Änger 15, 85356 Freising, Germany

Pursuant to the provisions of the “Slovenia – Austria Interconnection Capacity Access Rules between the control areas of VERBUND-Austrian Power Grid AG (“APG”) and Elektro - Slovenija, d.o.o. (“ELES”)” dated _____ and in accordance with the rules and regulations of the system operator, Elektro - Slovenija, d.o.o.,

(company name) _____, represented by

hereby issues to

the company Elektro - Slovenija, d.o.o., Hajdrihova 2, 1000 Ljubljana,

the following

IRREVOCABLE AUTHORIZATION

for the unrestricted disposal of funds deposited on subaccount no. SI56290000152003028_____ of deposit transaction account no. SI56290000152003028 held by Elektro - Slovenija, d.o.o., Hajdrihova 2, 1000 Ljubljana.

Bank and account number:

- the number of the account (IBAN): SI56290000152003028
- bank address: UniCredit Banka Slovenija d.d., Šmartinska 140, 1000 Ljubljana
- SWIFT (BIC) code: BACXSI22.

Place: _____, Date: _____

(signature of representative of auctions participant)

ANNEX 10: Application for participation in auctions for cross-border transfer capacities allocation

To be sent to: CAO Central Allocation Office GmbH; Gute Änger 15, 85356 Freising, Germany

The applicant hereby submits an application for participation in auctions for the allocation of cross-border transfer capacities, which are organized and implemented by Elektro - Slovenija, d.o.o. as the Transmission System Operator.

The mutual relations between the applicant and the Auction Operator are regulated in accordance with the *Rules on the Mode and Conditions of Cross-border Transfer Capacities Allocation, Slovenia-Austria Interconnection Capacity access Rules between the control areas of VERBUND- Austrian Power Grid AG and Elektro - Slovenija, d.o.o., Access rules to France-Italy, Switzerland-Italy, Austria-Italy, Slovenia-Italy, Greece-Italy Interconnections.*

1. GENERAL INFORMATION ABOUT THE APPLICANT

Full title or name of applicant	
Registered office or address of applicant	
Place / postal code	
Country	
Address for mail and invoices (if different from applicant's registered office)	
Phone	
Tax number	
Registration number of applicant	
EIC code of applicant	

2. AUCTIONS IN WHICH APPLICANT INTENDS TO PARTICIPATE (indicate yes or no)

Direction Slovenia ->Austria	Annual auction	
	Monthly auctions	
	Daily auctions*	
Direction Slovenia ->Italy	Annual auction	
	Monthly auctions	
	Daily auctions*	
Both directions Slovenia<->Croatia	Annual auction	
	Monthly auctions	
	Daily auctions*	

*complete and enclose Irrevocable Authorization for use of funds deposited on deposit subaccount

3. PERSONS AUTHORIZED TO PARTICIPATE IN AUCTIONS

Name and Surname	1.	2.
Business phone		
Cellphone		
Fax		
E-mail *		

Name and Surname	3.	4.
Business phone		
Cellphone		
Fax		
E-mail *		

* e-mail addresses are used for all communication regarding the performance of auctions. In case you wish to receive all e-mails on common e-mail address, please write it below.

Common e-mail: _____

4. ON-DUTY EMPLOYEE AUTHORIZED TO TAKE ACTION IN CASE OF RESTRICTED USE OF ALLOCATED CROSS-BORDER TRANSFER CAPACITIES

Name	1.	2.
Phone number (reachable 24 h)		
Fax		
E-mail		

5. FINANCIAL DATA AND CONTACT PERSON FOR FINANCIAL ISSUES

Name of the («applicants») bank	
Bank address	
SWIFT code	
IBAN code	

Name	1.	2.
Business phone		
Cellphone		
Fax		
E-mail*		

* for all e-mails regarding accounting and financial settlement of performed auctions

6. EVIDENCE OF FULFILLED REQUIREMENTS:

- a certified copy of the balance agreement, provided the System Operator is not a co-signatory of such agreement, or a certified copy of the contract on the settlement of imbalances concluded with the balance responsible party;
- an extract from the court register of companies, issued in the past sixty (60) days. If such certificates are not issued by the judicial authorities in the auction applicant's country of domicile, the applicant shall replace such certificate with the certificate of another competent authority;
- a document proving that the signatory of the application has been authorized by a lawful representative (in cases when the application is not signed by the lawful representative specified in the evidence from the previous item).

7. STATEMENTS

The applicant hereby declares that he/she was familiarized with the relevant Rules according to completed table under Point 2 of this Application prior to signing this Statement and accepts them. The applicant declares that all information given in this application and in the specified enclosures are true and accurate. The applicant declares that all possible changes in basic data or data given on this Application will be notified in the shortest doable time. All possible changes must be notified with re-completion of this Application for participation in auctions for cross-border transfer capacity allocation with stamp and signature of authorized person.

The applicant agrees that the Auction Operator may make any necessary inquiries with the competent authorities whenever this is deemed necessary.

The acquired information shall be used exclusively for the needs of the auction's implementation and financial settlement.

Place:

Date:

Name and position:

Signature of authorized person:

Stamp:

ANNEX 11: Form for Bank Guarantee

Beneficiary	VERBUND-Austrian Power Grid AG; 1220 Wien, Wagramer Straße 19, IZD-Tower; AUSTRIA
Guarantee No	
Sellers	
Buyers (our clients)	
regarding	

For the participation of our Client to the Auction for the Allocation and Assignment of Physical Transmission Rights to use interconnection capacity for electricity transfers from Austria to Slovenia at the time period starting from 1.12.2009 and ending on 31.03.2011 we understand from our clients that they have to furnish a payment guarantee in your favour.

This being premised, we,, [Wien], upon request of our clients herewith issue this guarantee and undertake irrevocably to transfer to you within 10 (ten) bank working days as from receipt of your first written demand obligations, without examination of the underlying legal relationship and waiving all objections, stating that our clients have not fulfilled their contractual arising therefrom,

for the amount of _____ EUR _____

altogether, to an account to be indicated by you.

Our guarantee will be automatically reduced by the amount of any payment effected to you by our clients through us with reference to our a.m. guarantee number.

Our guarantee will expire automatically

- as soon as we have received back the present instrument,
- however, on, at the latest, even if the present instrument is not returned to us, unless your claims by letter (sent by registered mail or by courier service), if any, have reached us on or before that date.

Any assignment, pledge or other disposition in favour of a third party of the right to draw under this present guarantee is subject to our prior express approval.

Any charges arising in connection with this guarantee are borne by our client.

This guarantee is governed by and shall be construed in accordance with the laws and regulations of the Republic of Austria. Place of performance is Vienna, Austria.

ANNEX 12: Statement of Acceptance

To be sent to: CAO Central Allocation Office GmbH; Gute Änger 15, 85356 Freising, Germany

Statement of acceptance of Slovenia – Austria Interconnection Capacity Access Rules between the control areas of VERBUND-Austrian Power Grid AG (“APG”) and Elektro-Slovenija, d.o.o. (“ELES”) for 2010 valid from 1.9.2010

Company: _____

(Full Address)

EIC-Code-Nr.: _____

We hereby declare our intention to participate in the auction of available interconnection capacity for electricity transfers between Slovenia and Austria. We fulfill all participation requirements of the Slovenia – Austria Interconnection Capacity Access Rules between the control areas of VERBUND-Austrian Power Grid AG (“APG”) and Elektro-Slovenija, d.o.o. (“ELES”) for 2010 (hereinafter Auction Rules). Moreover, we have read and fully accept to abide and to be bound by all rules and regulations and IT requirements of the Auction Rules (English version), which have been published on the Auction Websites.

We acknowledge that our admission to participate in the auction may be withdrawn in case regulations of the Auction Rules are breached. We will provide all securities and guarantees required by the Auction Rules.

Moreover, we have read and fully accept to abide and to bound by all rules and regulations and IT requirements of the English version of Auction Rules, which have been published on the Auction Operators Websites.

Date

Name and position

Signature