

**Selection of electricity supplier for long-term covering of
losses on the transmission network
in the years 2013, 2014 and 2015**

Rules of selection

Ljubljana, 22 November 2012

Elektro-Slovenija, d.o.o., Ljubljana, hereby publishes the following

Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015

1. Article

In line with the provisions of Articles 4 and 22 of the Energy Act (official consolidated text – Official Gazette of the Republic of Slovenia, no. 27/2007, amendments to Off. Gaz. of the RS, nos. ELES or the Buyer) is obliged to ensure, through the provision of ancillary services, the transmission and quality of electricity supply to all network users.

For this purpose ELES shall conduct selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015 (hereinafter: selection), at which a supplier of electricity for long-term covering of losses shall be selected. In line with the provisions of these Rules, ELES shall select the best supplier with whom it shall enter into a contract for the delivery of electricity for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015.

1 SELECTION OF SUPPLIER

2. Article

The supplier shall be selected from among the participants of the selection on the basis of a service fee for the delivery of a long-term quantity of electricity as specified in Article 3 of the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015 (hereinafter: Rules) and under the conditions stipulated therein. The Buyer shall select the most favourable supplier for particular delivery year from among the participants given the right to participate in the selection by conducting an auction. The subject of the auction shall be a service fee for the delivery of electricity for particular delivery year.

1.1 SUBJECT OF DELIVERY

3. Article

The subject of the delivery is electricity in the following amounts and delivery periods:

1. **20 MW of base load electricity** through the physical delivery of electricity on the Slovenian transmission network in the period from 1 January 2013 at 00.00 h until 31 December 2013 at 24.00 h.
2. **15 MW of base load electricity** through the physical delivery of electricity on the Slovenian transmission network in the period from 1 January 2014 at 00.00 h until 31 December 2014 at 24.00 h.

3. **15 MW of base load electricity** through the physical delivery of electricity on the Slovenian transmission network in the period from 1 January 2015 at 00.00 h until 31 December 2015 at 24.00 h.

The Buyer shall determine the amount of electricity to be delivered each time on the basis of the request form enclosed as an annex to the Sample Contract for the delivery of electricity for long-term covering of losses in the transmission network in the years 2013, 2014 and 2015, which is Annex No. 8 of these Rules. The total amount of electricity delivered in a particular period shall be equal to the sum of all amounts requested for that period by the Buyer on the basis of its requests.

1.2 PRICE

4. Article

The final price for a particular quantity of electricity corresponding to an individual request form provided by the Buyer shall comprise:

- a) A fixed price (FCn) equal to the final published settlement price of futures contracts attained on the European Energy Exchange AG (hereinafter: EEX) on the day determined by the Buyer in its request form. The exception is determination of the fixed price (FCn) for delivery year 2013 where the buyer will fix the date not later than on 21 December 2012.
- b) The prices of transmission capacities in the direction Austria – Slovenia achieved on the corresponding yearly auction. If the price of the corresponding yearly auction cannot be determined the price of the monthly auction shall be applied. If the price of the corresponding monthly auction also cannot be determined the corresponding hourly price achieved on the daily auction shall be applied.
- c) Service fee for the delivery of baseload product (M_{BASE}) for an individual year of delivery offered by the selected participant at the auction for a service fee for the delivery of electricity and which can also be negative.

5. Article

The precise procedure of price calculation for the purpose of financial settlement of delivered electricity between the Buyer and the Seller is described in detail in the sample of the Contract for the delivery of electricity for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015 which is Annex No. 8 of these Rules.

6. Article

The delivery of electricity relates to the DAF Slovenian side of the Slovenian border. The acquisition of cross-border transmission capacities is exclusively the supplier's obligation.

2 PARTICIPATION IN SELECTION

2.1 SELECTION PARTICIPANTS

7. Article

ELES participates in the selection as the Buyer, which shall be responsible for covering losses on the transmission network in line with the Energy Act and implementing regulations.

8. Article

Participation in the selection is open to all legal entities and natural persons who, under the decree regulating the mode of performing the commercial public service for the organization of the electricity market in Slovenia, have concluded a balance agreement or a contract for the settlement of imbalances with the balance responsible party.

9. Article

The Buyer reserves the right to cancel the selection, if at least three (3) participants do not participate in the selection for each individual year of delivery with a complete application or bid or in any other case where the Buyer assesses that the purpose of the selection has not been achieved.

2.2 APPLICATION FOR SELECTION

10. Article

The application for participation in the selection has to include:

1. Basic data on the participant and authorized selection representatives (Annex No. 1).

2. Requested evidence of fulfilled requirements (Annex No. 2).

2.1. Regular extract from the court register or an extract from the Slovenian Business Register (AJPES), which includes the most recent changes (extract data should not be older than ninety (90) days). If the judicial authorities in the country where the selection participant has its registered office do not issue such certificates, the participant shall replace the said certificate with the certificate of another competent authority.

2.2. Confirmation from the judicial records stating that the participant is not in a bankruptcy, liquidation or compulsory composition procedure (extract data should not be older than thirty (30) days).

2.3. Certificate of proof of authorisation granted to the signatory of the application and later of the contract in cases where the signatory is not a director (authorisation date should not be older than ninety (90) days).

3. Bid Bond (Annex No. 3) in the value of:

- EUR 200,000.00 if the participant is applying for selection in 2013;
- EUR 150,000.00 if the participant is applying for selection in 2014 or 2015;
- EUR 350,000.00 if the participant is applying for selection in 2013 and 2014 or 2013 and 2015;

- EUR 300,000.00 if the participant is applying for selection in 2014 and 2015;
- EUR 500,000.00 if the participant is applying for selection in 2013, 2014 and 2015.

The Bid Bond must be valid until 31 January 2013. The contents of the bank guarantee are to be the same as the contents of Annex No. 3. If the participant presents a bank guarantee issued by a foreign Bank, the Bank must have a prime rating. ELES has the right to check the rating of the foreign bank with the Bank of Slovenia.

The participant may use a Bid Deposit in the same amount and for the same period to secure the bids. The bid deposit has to be transferred to the business account of the Buyer (Annex 4). The participant is obliged to present the proof of payment of the deposit.

4. **Declaration** of the participant stating that, prior to signing this declaration, it was familiarized and agrees with the Rules (Annex No. 5);
5. **Sample contract** containing missing data about the participant, **initialled on** each page and certified with the participant's stamp (Annex No. 8).

The documents provided by the participant are to be submitted as original copies or as certified copies. The certification is to be performed by a notary public or other competent authority.

The application for participation in the selection is to be sent in the prescribed form: "**Application for the selection of electricity supplier for the long-term covering of losses on the transmission network in the years 2013, 2014 and 2015**", which was enclosed hereto as Annex No. 1.

Participants are to deliver their applications by registered mail to the following address: **Elektro-Slovenija, d.o.o., Hajdrihova 2, 1000 Ljubljana, with the inscription "LOSSES - DO NOT OPEN"**, or in person to the mail room on the 3rd floor of the building. An application shall be deemed duly submitted if delivered to the mail room by Thursday, **6 December 2012 at 13.00** at the latest.

Applications that are not submitted in line with the previous paragraph shall be rejected by ELES and returned to the sender.

11. Article

In case of an incomplete application, ELES reserves the right to invite the participant concerned to complete the application. ELES will inform the participant of the selection of an incomplete application by fax within 24 hours after the deadline for application to the selection specified in Article 10 of these Rules. The participant is to complete the application within 48 hours after receiving notification of its incomplete application. On the basis of a completed application, ELES shall issue to the participant, via e-mail within 24 hours, relevant confirmation of its inclusion in the selection.

ELES may request that the selection participant provides additional information or evidence to substantiate the application.

2.3 CONDUCTING AUCTION FOR A SERVICE FEE

12. Article

The auction for a service fee shall be conducted publicly and in the presence of a notary. The selection may be attended only by participants whose participation in the selection has been confirmed in line with Article 11 of these Rules.

13. Article

Participants of the auction for a service fee are to submit their opening bids for the delivery years they applied for on the prescribed form **»Offer at the auction for a service fee for the delivery of electricity for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015 «**, enclosed in Annex No. 6 of these Rules. Each auction participant is entitled to submit only one opening bid for individual delivery year.

In case the auction participant sends more than one opening bid, ELES will consider only the opening bids with the lowest service fee for an individual year of delivery. Auction participants are to submit their opening bids by registered mail to the following address: **Elektro-Slovenija, d.o.o., Hajdrihova 2, 1000 Ljubljana, in a closed envelope bearing the inscription "LOSSES, DO NOT OPEN"**, or in person to the mail room on the 3rd floor of the building by **Thursday, 13 December 2012 at 10.45 at the latest**, or to the notary, at his/her request, in a closed envelope at the beginning of the auction.

Bids that are not submitted in line with the previous paragraph shall be rejected by ELES and returned to the sender.

Participation in the auction shall be allowed to not more than two representatives of the participant, who prove their identity by presenting a personal document and an authorisation for participation in the auction granted by the auction participant. The identification procedure shall be conducted by the notary prior to the commencement of the auction.

2.3.1 TIME OF AUCTION AND BIDDING

14. Article

The auction will take place on **Thursday, 13 December 2012 from 11.00** onwards in ELES' quarters at the address of Elektro - Slovenija, d.o.o., Hajdrihova 2, 1000 Ljubljana. The auction, carried out for all delivery years at the same time, shall consist of two (2) rounds, an opening and a first round. Participants may, in the first round, change their bids by submitting a new bid in a closed envelope. The first round of the auction, which will follow the opening round, will presumably last

fifteen (15) minutes. The exact start and end time of each auction round shall be announced by the notary. Bids submitted outside the time notified by the notary will be invalid.

15. Article

ELES will publicly open all received bids specified in Article 13 of these Rules and check if all the data in the form entitled "Offer at the auction for a service fee for the delivery of electricity for long-term covering of losses on the transmission network in the year 2013, 2014 and 2015" are entered in line with the provisions of the Article 17 of these Rules.

16. Article

In the first round of the auction participants may change their opening bids for each delivery year for which they applied. The service fee offered by each participant in the first round must be lower or equal to the service fee offered by that same participant in the opening round, otherwise the bid offered in the opening round shall be applied.

If the authorized representative of a participant fails to attend the auction in person or fails to deliver a new bid in the first round of the auction, the participant's opening bid shall remain as valid.

17. Article

Bids are to be submitted on the prescribed form enclosed hereto as Annex No. 6, and are to contain the following information:

- name of company (auction participant),
- bid number,
- authorised person for participation in the auction,
- service fee M_{BASE} in EUR/MWh and rounded off to EUR 0.01 and

In case any of the above mentioned parameters is missing the bid is considered as invalid.

18. Article

In the event of several bids with the same price for an individual year of delivery, ELES shall conduct additional auction rounds which may be attended by all auction participants for individual year of delivery. ELES will conduct additional auction rounds up to the moment where only one auction participant with the best bid for an individual year of delivery can be selected. In case that after three additional rounds it is still not possible to select only one participant the selection is done by draw.

19. Article

ELES shall, at the end of each auction round, select, from among the validly submitted bids for an individual year of delivery, the most favourable bid, i.e. the bid with the lowest service fee for an individual year of delivery and shall publish:

- the list of participants with valid bids,
- the lowest offered service fee for an individual year of delivery.

20. Article

All bids shall be deemed as valid until the receipt of official notice of auction results. The bid of the selected participants for an individual year of delivery shall be valid until a relevant contract is signed.

2.1 PUBLICATION OF SELECTION RESULTS

21. Article

ELES shall, within two (2) days after conclusion of the selection, notify the selection participants of the official results of the selection and send them confirmations of said selection. The selected selection participant shall, on the basis of relevant confirmation of their selection, sign a Contract for the delivery of electricity for long-term covering of losses on the transmission network for the years of delivery for which the participant was selected.

22. Article

ELES shall publish, within two (2) days after conclusion of the selection, the official selection results from the last auction round:

- the name of the selected participants,
- the offered service fee of the selected participants for an individual year of delivery,
- an anonymous list of all offered service fees for an individual year of delivery.

23. Article

ELES has the right to cancel the selection in any phase thereof. If the selection is cancelled after conclusion of the selection, the activities applied to the cancelled part of the auction and specified in the previous two Articles of these Rules shall not be performed.

3 EXCLUSION OF LIABILITY OF AUCTION OPERATOR

24. Article

ELES shall not be held liable for any direct or indirect damage resulting from:

1. a participant's inability to participate in the selection/auction or any failure to attend the auction,
2. late submission of a bid,
3. an auction participant's error in completing the prescribed bid form,
4. cancellation of the selection/auction.

4 DISPUTES

25. Article

In case of any disputes arising from different interpretations of the provisions of these Rules, the Slovenian version of the document shall prevail.

5 CONTRACTUAL RELATIONSHIPS

26. Article

The selected selection participant shall, at the time of contract signature, submit a performance bond (Annex No. 7) in the amount of: 50,000.00 EUR/MW for each selected MW of base load product of an individual year of delivery.

The minimum validity date for the bid bond shall be:

- 28 February 2014 if the Participant is the selected supplier for 2013;
- 28 February 2015 if the Participant is the selected supplier also or only for 2014;
- 29 February 2016 if the Participant is the selected supplier also or only for 2015.

The selected Participant may submit the bid bond once or separately for each year of delivery. The contents of the bank guarantee are to be the same as the contents of Annex No. 7. If the selected participant presents a bank guarantee issued by a foreign Bank, the Bank must have a prime rating. ELES has the right to check the rating of the foreign bank with the Bank of Slovenia.

ELES shall, not later than in ten (10) calendar days after the conclusion of the selection, enter into a contract with the selected participants in accordance with the selected bids. The contracts shall be concluded at the location of ELES' head office.

Ljubljana, 22 November 2012

Elektro-Slovenija, d.o.o.
CEO
Milan Jevšenak, M.Sc.

Annex No. 1: Application for the selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015

Application for the selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015

The participant is hereby submitting an application to participate in the selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014, and 2015 organized by Elektro-Slovenija, d.o.o.

The mutual relations between selection participants and the selection organizer are regulated in accordance with the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014, and 2015.

BASIC DATA ON PARTICIPANT

Participant's full name	
Participant's address	
Place/postal code	
Country	
Phone number	
Fax	
E-mail	
Participant's tax number	
Participant's registration number	
Transaction account number and bank branch	
Person in charge of accession contract signature - name and surname	

AUTHORISED AUCTION REPRESENTATIVES

Name and surname	Phone number	Fax	E-mail	Signature

APPLICATION FOR SELECTION FOR AN INDIVIDUAL YEAR OF DELIVERY

YEAR OF DELIVERY	YES / NO
2013	
2014	
2015	

Stamp and signature of authorized person:

Annex No. 2: Required evidence of fulfilled terms

REQUIRED EVIDENCE OF FULFILLED TERMS:

- **Regular extract from the court register or an extract from the Slovenian Business Register (AJPES)**, which includes the most recent changes (extract data should not be older than ninety (90) days). If the judicial authorities in the country where the selection participant has its registered office do not issue such certificates, the participant shall replace the said certificate with the certificate of another competent authority.
- **Confirmation from the judicial records** stating that the participant is not in a bankruptcy, liquidation or compulsory composition procedure (extract data should not be older than thirty (30) days).
- **Certificate of proof of authorisation** granted to the signatory of the application and later of the contract in cases where the signatory is not a director (authorisation date should not be older than ninety (90) days).

The required evidence is to be enclosed in the original or notary-certified copy. The certification is to be performed by a notary public or other competent authority.

Annex No. 3: Bid Bond

BID BOND

Name of bank:

Place and date:

Principal:

Bond No. _____

In accordance with the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015 published on the website www.eles.si.

For the requirements of the beneficiary, Elektro-Slovenija, d.o.o., the selection participant _____ shall submit to the beneficiary a Bid Bond issued by a bank in the amount of EUR _____ (the amount shall be determined in accordance with Article 10 of the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015).

The Bank undertakes to pay the amount specified above in the following cases:

- a) If the participant withdraws or changes its bid during the period of validity specified in the bid, or
- b) If the participant, after being notified by the beneficiary of the acceptance of its bid during the validity term of the bid, fails to conclude the Contract.

We hereby undertake to pay the beneficiary, within fifteen (15) days after receipt of the beneficiary's first demand in writing, the amount specified above without any objections, provided the beneficiary specifies in its request that it is entitled to such an amount due to the fulfilment of one or both of the cases specified above, and specifies which of the cases is involved.

The request for payment of the above-mentioned amount is to be submitted to the Bank and is to contain:

1. the beneficiary's original letter requesting payment of the above amount in accordance with the above-mentioned paragraph, and
2. the original copy of Bond No.: _____/_____.

This Bond shall be reduced by each amount collected under this Bid Bond. This Bid Bond shall be valid until the selected participant at the above-mentioned selection enters into an agreement with the Client.

If no demand for payment of the amount guaranteed hereunder is received from you by 31 January 2013, this Bid Bond shall cease to be valid irrespective of whether it is returned to us or not.

This Bid Bond is not transferable.

The Bank
(signature and stamp)

Annex No. 4: Bid Deposit

The participant may use a Bid Deposit in the same amount and for the same period as for the Bid Bond to secure the bids. The Bid Deposit has to be transferred to the business account of the Buyer. The participant is obliged to present a proof of payment of the deposit.

Information on the Bank Account of the Buyer:

Name of the bank: UniCredit Banka Slovenija d.d., Šmartinska 140, 1000 Ljubljana

IBAN: SI56290000052003012

SWIFT: BACXSI22

Subject: Bid Deposit – losses

Non-selected participants of the selection shall receive a Bid Deposit returned to them no later than within seven (7) days of the official publication of the results of the selection.

Annex No. 5: Declarations

DECLARATIONS

The participant to the selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014, and 2015 _____ (company name), hereby declares the following:

1. That, prior to signing this declaration, it was made aware of, and agrees with, the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015.
2. That all data provided in this application and in the annexes quoted therein are true and accurate, and that it fulfils all the legally prescribed conditions for performing the activities being the subject of this selection.
3. I agree that Elektro-Slovenija, d.o.o. may, whenever deemed necessary, carry out the necessary inquiries with competent bodies and acquire data from competent records. The data acquired is to be used exclusively for the needs of Elektro-Slovenija, d.o.o.
4. I agree with the contents of the enclosed sample contract, which I confirm with initials and an official stamp. In the event that I am selected, I commit myself to conclude a contract with the same contents within ten (10) days after conclusion of the selection.

Place: _____

Date: _____

Signature: _____

Stamp:

Annex No. 6: Offer at auction for a service fee for the delivery of electricity for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015

**OFFER AT AUCTION FOR A SERVICE FEE FOR THE DELIVERY OF ELECTRICITY FOR
LONG-TERM COVERING OF LOSSES ON THE TRANSMISSION NETWORK IN THE
YEARS 2013, 2014 AND 2015**

Name of company (participant):	
Bid number:	
Authorized person:	

Year of delivery		Price (EUR/MWh)
2013	Service fee M_{BASE} in EUR/MWh (rounded to 0.01):	
2014	Service fee M_{BASE} in EUR/MWh (rounded to 0.01):	
2015	Service fee M_{BASE} in EUR/MWh (rounded to 0.01):	

Signature of authorized person:

Annex No. 7: Performance Bond

PERFORMANCE BOND

Name of bank:

Place and date:

Principal:

Bond No. _____

In accordance with the Contract for the delivery of electricity for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015 concluded between the Buyer (beneficiary), Elektro-Slovenija, d.o.o and (name of seller), the Seller shall deliver to the beneficiary, at the time of signing the contract, a performance bond in the amount of EUR _____ (in words: _____) in accordance with Article 26 of the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015.

We hereby undertake to pay the Contracting Authority, within fifteen (15) days after receipt of the beneficiary's first demand in writing, the amount up to the full value of this Performance Bond, if the seller fails to fulfil its contractual obligations in the agreed quantity and by the deadlines specified in the above-mentioned contract. The beneficiary shall determine the value of compensation as specified in the above-mentioned contract.

Our obligation shall also apply in the event of the partial fulfilment of contractual obligations, i.e. if the delivered quantity of electricity is lower than the quantity requested from the beneficiary.

The request for payment of the above-mentioned amount is to be submitted to the Bank and is to contain:

1. the beneficiary's original letter requesting payment of the above amount in accordance with the above-mentioned paragraph, and
2. the original copy of Performance Bond No.:

This Performance Bond shall be reduced by each amount collected under this guarantee. This Performance Bond shall be valid until _____ (in accordance with Article 26 of the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015.) After the aforementioned deadline, the Performance Bond shall cease to be valid irrespective of whether it is returned or not.

This Bid Bond is not transferable.

The Bank
(Signature and stamp)

.....

Annex No. 8: Sample Contract for the delivery of electricity for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015

Contract Sample

CONTRACT No. _____

**for the delivery of electricity for long-term covering of losses
on the transmission network in the year _____**

concluded between:

Elektro-Slovenija, d.o.o.

Hajdrihova 2
1000 Ljubljana

Slovenia

represented by CEO Milan Jevšenak, M.Sc.

VAT Number: SI20874731

hereinafter referred to as **ELES**, or **the Buyer**, or jointly as **the Parties**,

and

SELLER

Address

Place

Country

represented by

VAT Number:

hereinafter referred to as _____, or **the Seller**, or jointly as **the Parties**,

RECITALS

With the conclusion of the Contract for the delivery of electricity for long-term covering of losses on the transmission network in the year _____ (hereinafter: the Contract) the Buyer fulfils its obligations laid down by national legislation, under which the Buyer is responsible for covering losses on the transmission network.

The Seller undertakes to deliver to the Buyer the requested quantity of electricity in the contractual period in accordance with the provisions of this Contract. The delivery of electricity relates to the DAF Slovenian side of the Slovenian border.

1. Article Subject of Contract

The subject of this Contract is the delivery of electricity for long-term covering of losses on the Slovenian transmission network in the period from _____. The Seller undertakes to deliver, within the contractual period, electricity to the Buyer in the quantities defined in the Article 2 and at the price defined in the Article 3 of this Contract.

2. Article Characteristics of Delivered Electricity

The delivery of electricity shall have the following characteristics:

- a) _____ MW of baseload electricity for the period from 1 January 2013 from 00:00:00 to 31 December 2013 until 24:00:00;
- b) _____ MW of baseload electricity for the period from 1 January 2014 from 00:00:00 to 31 December 2014 until 24:00:00;
- c) _____ MW of baseload electricity for the period from 1 January 2015 from 00:00:00 to 31 December 2015 until 24:00:00.

The Buyer may, in its request form enclosed in Annex No. 1, choose from among delivery products that are equivalent to the products of futures contracts on the European Energy Exchange AG (hereinafter: EEX) and are defined in the table below.

Product code	Delivery period		Product	No. of supply hours
	From	To		
F1BY (Cal-13)	01/01/2013	31/12/2013	BASE	8760
F1BQ (1/13)	01/01/2013	31/03/2013	BASE	2159
F1BQ (2/13)	01/04/2013	30/06/2013	BASE	2184
F1BQ (3/13)	01/07/2013	30/09/2013	BASE	2208
F1BQ (4/13)	01/10/2013	31/12/2013	BASE	2209
F1BY (Cal-14)	01/01/2014	31/12/2014	BASE	8760

Selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015

F1BQ (1/14)	01/01/2014	31/03/2014	BASE	2159
F1BQ (2/14)	01/04/2014	30/06/2014	BASE	2184
F1BQ (3/14)	01/07/2014	30/09/2014	BASE	2208
F1BQ (4/14)	01/10/2014	31/12/2014	BASE	2209
F1BY (Ca1-15)	01/01/2015	31/12/2015	BASE	8760
F1BQ (1/15)	01/01/2015	31/03/2015	BASE	2159
F1BQ (2/15)	01/04/2015	30/06/2015	BASE	2184
F1BQ (3/15)	01/07/2015	30/09/2015	BASE	2208
F1BQ (4/15)	01/10/2015	31/12/2015	BASE	2209

3. Article Contract Price

The Seller shall deliver electricity to the Buyer in the quantities specified by the Buyer in its request forms and at different prices. The price for an individual quantity of electricity corresponding to an individual request form shall be comprised of:

- a) a fixed price (FC_n) equal to the final published settlement price of futures contracts attained on the EEX and on the date specified by the Buyer in its request form,
- b) a service fee for a base load type of product (M_{BASE}) for the delivery of electricity offered by the Seller at the Selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015 on (date) _____, and amounts to _____ EUR/MWh for the delivery year 2013, _____ EUR/MWh for the delivery year 2014 and _____ EUR/MWh for the delivery year 2015,
- c) the price of transmission capacities in the direction Austria – Slovenia achieved on the yearly auction that corresponds to the delivery year. If the price of the corresponding yearly auction cannot be determined the price of the corresponding monthly auction shall be applied. If the price of the corresponding monthly auction also cannot be determined the hourly price achieved on the corresponding daily auction shall be applied.

The equation used for calculation of the total contractual price for the quantity of each request is:

$$P_{n(BASE)} = FC_{n(BASE)} + M_{BASE} + CP$$

where:

- $P_{n(BASE)}$ total contractual price of an individual request,
 $FC_{n(BASE)}$ fixed price,
 M_{BASE} service fee for a base load type of product,
 CP price of the transmission capacity.

Prices do not include VAT.

4. Article

Determination and Fixing of Electricity Price

The price of electricity (FC_n) represents the fixed price of an individual request submitted by the Buyer in the form of Annex No. 1, and is equal to the last published settlement price of an individual futures contract attained on the EEX on day D. The price fixing date (D) is determined by the Buyer not later than on day D until 11:00:00 using the form enclosed hereto as Annex No. 1. The price fixing date (D) can be only be the trading day of the derivatives market on the EEX. The Buyer sends a properly completed request form (Annex No. 1) to the Seller by fax to the number ----- . The Seller delivers, not later than by the end of the next day (D+1), a signed request form with settlement prices on day D for the futures contracts specified by the Buyer in Annex No. 1. Annex No. 1 is an integral part of the Contract and represents a basis for fixing the price specified in Article 3 hereof.

If the settlement price was not fixed or published on day D, the Seller shall notify the Buyer thereof on the same day. In such cases the Buyer shall determine a new day for fixing the price.

5. Article

Payment Terms & Conditions

The Seller shall issue an invoice to the Buyer for the total quantity of delivered electricity until the 5th day of each month for the previous month, which corresponds to the quantities requested by the Buyer in Article 2, and the pertaining quantities determined on the basis of Articles 3 and 4 of this Contract. The total amount of the invoice shall be equal to the sum of quantities of delivered electricity specified in each request form.

The Buyer shall settle an invoice within thirty (30) days after the date of issue of a relevant invoice by making payment to the bank account specified in the invoice. A copy of the invoice is to be sent to Buyer by fax, and the original invoice is to be sent subsequently by post.

In case of any delay in payment, the Buyer shall pay to the Seller default interest in an amount equal to the relevant monthly EURIBOR rate (as determined by Reuters or its equivalent on the first working day of the respective month) plus two (2) percentage points (calculated on a per-annum basis). Default interest shall be charged monthly from the date when payment was due to the date when payment is received.

6. Article

Non-delivery or Non-takeover of Electricity

If the Seller fails to deliver all or part of the contractual quantity, and such failure is not the consequence of force majeure specified in Article 9 hereof, the Buyer shall have the right to charge the Seller a penalty for undelivered electricity in the amount of the undelivered (missing) electricity multiplied by the difference between the price of the substitute purchase (if higher) and the

contractual price. The price of the substitute purchase is equal to the price set at auction trading for the Slovenian market on the BSP Regionalna Energetska Borza d. o. o. in the corresponding day and hour.

If the Buyer fails to take all or part of the contractual quantity and such failure is not the consequence of force majeure specified in Article 9 hereof, the Seller shall have the right to charge the Buyer a contractual penalty for the not-taken quantity of electricity in the amount of the not-taken electricity multiplied by the difference between the contractual price and the price of substitute sale (if lower). The price of substitute sale is equal to the price set at auction trading for the Slovenian market on the BSP Regionalna Energetska Borza d. o. o. in the corresponding day and hour.

The parties shall issue an invoice for the total quantity of undelivered/not-taken-over electricity until the 5th day of each month for the previous month. The parties hereto shall make payment of any invoice issued in accordance with the provisions of this Article within thirty (30) days after the date of issue of a relevant invoice.

7. Article Performance Bond

The Seller shall, at the time of signature of this Contract, deliver to the Buyer a Performance Bond in the value of EUR _____ (in words: _____), (in line with article 26 of the Rules for selection of electricity supplier for long-term covering of losses on the transmission network in the years 2013, 2014 and 2015) with a validity date of _____.

The Buyer shall be entitled to exercise a Performance Bond in the full amount if the Seller fails to fulfil its obligations in the agreed quality, quantity or deadlines. An Exercised Performance Bond shall be replaced immediately by a new one by the Seller. If this is not the case, the Buyer has the right to unilaterally terminate the Contract without incurring a penalty.

8. Article Applicable Law

The parties hereto undertake to settle any disputes arising from this Contract by mutual agreement. Any difficulties encountered by any of the parties hereto shall be communicated to the other party in writing.

If the parties hereto fail to settle a dispute by mutual agreement, the dispute shall be resolved by the competent court in Ljubljana.

Any dispute in connection with this Contract shall not release the parties hereto from the fulfilment of their contractual obligations.

Any legal relationships arising from and not defined in this Contract shall be regulated by the provisions of the Energy Act and related implementing regulations, the provisions of the Obligation Code, and other relevant Slovenian legislation.

9. Article Force Majeure

A force majeure event shall be deemed to include any breakdowns on transmission lines occurring as a result of natural disasters (floods, earthquakes, fires) and preventing the delivery or takeover of electricity hereunder.

If any of the parties hereto is prevented from fulfilling its obligations due to a force majeure situation then that party's obligations under this Contract shall be suspended until the force majeure situation has ended. If one of the parties hereto incurs expenses that are caused by the other party being in a force majeure situation, that Party shall not be entitled to the reimbursement of such expenses.

Each of the parties hereto shall duly notify the other party of the occurrence of a force majeure event; otherwise it shall bear responsibility for any non-fulfilment of the Contract.

10. Article Taxes and Charges

Any taxes, charges, duties or other costs in Slovenia will be borne by the Buyer when so demanded by the relevant authorities of Slovenia, and any taxes, charges, duties or other costs relating to the export of electricity will be borne by the Seller according to the law of the country in which the Seller may purchase electricity or through which electricity may be transported.

11. Article Confidentiality

The parties hereto undertake not to disclose, either in writing, orally or in electronic form, the details of this Contract to any third party without the written consent of the other party. This restriction shall not apply to the banks and competent state bodies of both parties, which are entitled to inspect relevant data.

12. Article Legal Succession

The contracting parties undertake to promptly notify the other party of any changes occurring in their status during the validity of this Contract, and to effect the transfer of rights and obligations hereunder to new legal entities. It shall be deemed that the rights and obligations hereunder have been transferred to legal successors when the legal successor has confirmed the acceptance of rights and obligations hereunder in writing and when the other contracting party consents to such transfer.

13. Article Other Conditions

This Contract becomes effective on the date of its signing, and is applied from _____ until _____ inclusive. The termination of this Contract does not exclude any settlement of financial obligations arising from this Contract.

Any modifications of or amendments to this Contract shall be concluded in writing (amendment of the Contract), subject to the consent and signatures of both parties hereto.

The Contract is written in two (2) copies, each of which shall be deemed as an original copy. Each party hereto receives one signed copy of this Contract.

Ljubljana, _____

Place and date, _____

On behalf of ELES:

CEO

CEO Milan Jevšenak, M.Sc.

On behalf of the SELLER:

(position of authorized person)

Name and surname

Annex No. 1: Form for the transmission of the request for fixing of price

**REQUEST FOR FIXING OF PRICE FOR DELIVERY OF ELECTRICITY
FOR LONG-TERM COVERING OF LOSSES ON
TRANSMISSION NETWORK IN THE YEARS 2013, 2014 AND 2015**

In accordance with Article 4 of the Contract for the delivery of electricity for long-term covering of losses on the transmission network in the year 2013, the Buyer Elektro-Slovenija, d.o.o. is fixing the price of delivery of electricity for products and amounts specified in the table below.

Delivery date		Product	Quantity	Product code	Day D ¹	Price ²
From	To	BASE	MW			EUR/MWh

This form is an integral part of the Contract and represents a basis for fixing the price specified in Article 3 of the Contract for the delivery of electricity for long-term covering of losses on the transmission network.

Date:

Date:

Stamp and signature of the Buyer:

Stamp and signature of the Seller:

¹ The day for which the price is fixed, filled in by the Buyer.

² Seller fills in settlement price in accordance with Article 4 of the Contract.