TRANSMISSION AGREEMENT
FOR THE EXIT CAPACITY IN THE REPUBLIC OF SLOVENIA

No. __/2014

concluded between:

________________________, ______________________, company registration No.: _______________________,
VAT ID No.: SI_____________________, represented by: ________________________________
(hereinafter referred to as the ‘Network User’)

and

PLINOVODI d.o.o., Cesta Ljubljanke brigade 11b, 1000 LJUBLJANA, company registration
No. 1954288000, VAT ID No. SI31378285, represented by the General Manager Marjan Eberlinc,
BSc in Mech. Eng. and Deputy General Manager MSc E. Sarah Jezernik (hereinafter referred to
as the ‘Transmission System Operator’)
Article 1
Recitals

The Transmission System Operator and Network User shall enter into the Transmission Agreement (hereinafter referred to as the ‘Agreement’) with the aim of natural gas transmission.

The Parties to the Agreement establish that the Network User is connected to the gas pipeline network or/and is entitled to use the connection to the gas pipeline network for the duration hereof.

The Network User declares that in the Request for transmission for the exit point in the Republic of Slovenia for the accounting days from _____ to _____ inclusive, the company ______________ was indicated as the natural gas supplier and the company ______________ was indicated as the balancing group leader which, based on a consent, took over the obligation to nominate the quantities of natural gas transmission in compliance with the System operating instructions for natural gas transmission.

Article 2
Definition of terms

The following definition of terms shall be applied for the purpose of the Agreement:

- Natural gas supplier: means a legal or natural person that sells natural gas to the Network User;
- Natural gas offtake: is the flow of natural gas from the system at the exit point;
- Transmission System Operator: is a legal person which performs the activity of a public utility service of natural gas transmission system operator;
- Transmission: means the transport of natural gas through the natural gas transmission network;
- Natural gas transmission network (hereinafter referred to as the ‘transmission network’): means a gas network running from the producer/connection with adjacent networks to the distribution network or final customer.

Article 3
Subject matter of the Agreement

The subject matter of the Agreement is the provision of exit capacity in the Republic of Slovenia for the Network User, on the transmission network owned and managed by the Transmission System Operator, all aimed at the transmission of natural gas.

Pursuant to this Agreement, the exit capacity is the booked capacity of the contractually determined exit point (i.e. the offtake point) agreed for the Network User in the transmission network, in which the Transmission System Operator, pursuant to the provisions hereof delivers to the Network User the natural gas, up to the maximum technical capacity determined in the contract on connection for the relevant exit point.

Through this Agreement, the Network User shall book the transmission capacity for the exit point, code __________, in the amount of _____ Sm³/day, for the accounting days from _____ to _____ inclusive, as listed in detail in Annex 1.

The Transmission System Operator shall have transmission capacities in the transmission network at its disposal for the needs of natural gas transmission and is prepared to provide the Network User with them under the terms stated herein, while in return the Network User shall assume all obligations arising from this Agreement and the applicable regulations in the Republic of Slovenia.

Article 4
Period, flow rate, offtake pressure, minimal allowed flow rate

The Parties to the Agreement shall agree on:

- the booked contractual transmission capacity at the point of natural gas offtake listed for the offtake point in Annex 1;
the offtake pressure at the point of natural gas offtake listed for the offtake point in Annex 1;
the maximum allowed flow rate listed for the offtake point in Annex 1;
the minimum allowed rate of natural gas flow listed for the offtake point in Annex 1.

Article 5
Transmission network access and additional services

The Transmission System Operator shall charge the Network User or the payer of services stated in Article 8 hereof the fee for transmission network use in compliance with the applicable Act determining the methodology for charging the network charge for the gas transmission network, Decision on the share of the price for the use of natural gas supply network, Rules for calculating deviations of the intake and offtake of natural gas, and Act on determination of network charge for natural gas transmission network.

All fees, save for those otherwise determined by the aforementioned regulations, shall be charged regardless of the actual transmitted quantities of natural gas or transmission network use according to the ‘ship or pay’ principle.

The fee for transmission network use consists of:
- network charge,
- additional fees to the network charge, and
- balancing payments.

The network charge consists of:
- fee for exit capacity,
- charge for fuel gas, and
- metering charge.

In case of exceeding the total contractual transmission capacity of the offtake point the following is also deemed an integral part of the network charge:
- the fee for exceeding the total contractual exit capacity of the offtake point, and
- the fee for exceeding the total contractual exit capacity of the offtake point in case of a threat.

In case of trading on the secondary market of natural gas the following is also deemed an integral part of the network charge:
- the fee for altering the exit points in the Republic of Slovenia.

In case of balancing, the Transmission System Operator shall charge the Network User or the payer of services, the following:
- the fee for balancing allowed daily volume deviations,
- the fee for balancing non-allowed daily volume deviations, and
- the fee for identified imbalances.

The additional fee to the network charge shall cover the operating costs of the Energy Agency of the Republic of Slovenia as laid down in the Decision on the share of the price for the use of natural gas supply network.

Article 6
Forecasting

Prior to the start of transmission as laid down herein, the Network User shall submit to the Transmission System Operator an annual forecast of natural gas quantities that will be transmitted by the Transmission System Operator for the needs of the Network User and are listed in Annex 2.

Potential deficits or surplus of quantities shall be covered or taken over by the Transmission System Operator in so far as technical capacities allow and by charging these services to the Network User in compliance with the applicable Rules for the functioning of the balancing market of natural gas and
the Rules for calculating deviations of the intake and offtake of natural gas.

In the manner and in the period determined by applicable regulations, the Network User shall inform the Transmission System Operator of a potential replacement of the natural gas supplier or balance group developer specified in Article 1 hereof, for the offtake point to which this Transmission Agreement relates.

Article 7
Measuring gas quantities and processing registered data

The Parties agree that, on the first day following the end of each accounting month, the Network User shall submit to the Transmission System Operator the following data:

- daily and monthly record of measuring devices;
- daily and monthly record of digital data storage devices - DDS;
- electronically forwarded data on natural gas consumption through Transmission System Operator’s web application - DOO.

The Network User shall be explicitly bound to provide the Transmission System Operator with access to the exit measuring points in the Republic of Slovenia under its ownership, so that the Transmission System Operator or its authorised representatives can record and/or verify the data on the quantities of natural gas transferred at these offtake points.

If the Transmission System Operator objects to the data submitted by the Network User, the Transmission System Operator shall immediately inform the Network User thereof. For calculation purposes or as invoice items, the Transmission System Operator may in such cases use the data at its disposal. The Parties shall consider the quantities determined in this way to be final and undisputed.

The Transmission System Operator shall charge the Network User the metering charge by taking into account the technical characteristics of measuring points listed in Annex 3.

Regardless of the above provisions of this Article, the Parties agree that following the implementation of the system of electronic data transmission from individual offtake points, the electronically transmitted data shall be deemed correct. In case of a written claim against the billing of transferred quantities of natural gas or in case of replacement of measuring devices, or in any case at least once a year, the Transmission System Operator shall check the conformance of the electronically transmitted data against data of the measuring devices at the offtake point. In case deviations are discovered, the Transmission System Operator shall issue a balance payment or credit to remedy the consequence of the incorrectly calculated data.

Article 8
Payer of services

The Transmission System Operator shall charge the Network User the amounts listed in Article 5 with the exception of:

- the fee for balancing allowed daily volume deviations,
- the fee for balancing non-allowed daily volume deviations, and
- the fee for identified imbalances.

The Network User declares that a contract has been duly concluded to transfer the obligation of balancing payments to the Transmission System Operator within the meaning of the Rules for calculating deviations of the intake and offtake of natural gas to the balance group developer, i.e. the company ____________. Without prejudice to the provisions of Article 6(2) hereof, the Network User agrees that the Transmission System Operator shall issue invoices directly to the balance group developer for:

- the fee for balancing allowed daily volume deviations,
- the fee for balancing non-allowed daily volume deviations,
- the fee for identified imbalances.

The Network User shall assume joint and several liability for the payment of obligations regarding the fees mentioned in the previous paragraph.
Article 9  
Charging for network use

The Transmission System Operator shall charge the payer of services for the network use once a month, whether or not the natural gas transmission was carried out in the accounting period in accordance herewith. The Transmission System Operator shall enclose to the invoice for network use a specification of the services performed.

When charging for network use, the Transmission System Operator shall also take into account any changes in connections required by the Network User during the period of validity hereof, as well as any other activities or interventions required on the transmission network for the fulfilment of this Agreement, all in accordance with the applicable regulations in the Republic of Slovenia.

The Transmission System Operator shall charge for the services of network use pursuant to regulations governing the calculation of transmission network charge for natural gas, which specify the methodology for calculating the network charge, transmission calculation, manner of issuing invoices and payment, and the calculation of excess quantities and balancing.

Article 10  
The manner of issuing invoices, payment conditions

Within 10 days following the end of each month in which the service has been performed, the Transmission System Operator shall issue invoices to the payer of services, i.e. the Network User, for the following items:

- fee for exit capacity,
- charge for fuel gas,
- metering charge,
- the fee for exceeding the total contractual exit capacity of the offtake point,
- the fee for exceeding the total contractual exit capacity of the offtake point in case of a threat,
- the fee for altering the exit points in the Republic of Slovenia, and
- the share of the price for the use of natural gas transmission network in order to ensure the operations of the Energy Agency of the Republic of Slovenia.

Within 20 days following the end of each month in which the service has been performed, the Transmission System Operator shall charge the payer of services, i.e. the balancing group leader, the fees for the network use not mentioned in the previous paragraph, namely:

- the fee for balancing allowed daily volume deviations,
- the fee for balancing non-allowed daily volume deviations,
- the fee for identified imbalances.

The invoices shall also include duties, taxes, excise duties and other fees which the Transmission System Operator is obliged to charge in compliance with the applicable regulations.

In accordance with the regulations governing duties, taxes, excise duties and other fees, the payer of services specified herein shall be obliged to pay duties, taxes, excise duties and other fees.

The Network User shall submit to the Transmission System Operator all data required by the latter for the fulfilment of obligations in compliance with the applicable excise duty and customs legislation.

Any claim against the correctness of issued invoices may be submitted by the payer of services, as specified herein, in writing by the due date of an invoice. The claim shall not suspend the payment of the undisputed part of the invoice by its due date.

The Transmission System Operator shall issue invoices which become due and payable 30 days following the occurrence of accounts receivables. The last day of the accounting month to which the leased capacity is related shall be construed as the date of the occurrence of accounts receivables. In case the payer of services, as specified herein, fails to fulfil its obligation by the due date, the Transmission System Operator shall, inclusive of the 31st day following the occurrence of accounts receivables and until the date of payment, charge legal default interest.
In case of late payment, the Transmission System Operator shall account for all payments of the Network User in the order the claims matured and in compliance with Article 288 of the Code of Obligations (Official Gazette of the Republic of Slovenia, Nos. 83/01, 32/04, 28/06 - Constitutional Court Decision, and 40/07).

In case the payer of services fails to settle its obligations pursuant hereto, the Transmission System Operator shall be entitled to immediately request other instruments insuring payments deemed acceptable by the Transmission System Operator or other payment arrangements. The Transmission System Operator may request from the payer of services insurance for the average amount calculated for network charges for the period of 2 months with regard to the contractually determined maximum volume of leased transmission capacities. When the Network User fulfils the Transmission System Operator’s request for instruments insuring payments or any other payment arrangements, they shall conclude an agreement on the repayment of matured liabilities, which does not imply their novation.

In case the Network User:
- fails to settle all its liabilities towards the Transmission System Operator upon reminder, or
- fails to fulfil the requirements according to the previous paragraph regarding a payment insuring instrument or another payment arrangement, or
- fails to perform payments according to the concluded agreement on the repayment of matured liabilities,
the Transmission System Operator may suspend the transmission of natural gas 72 hours after delivering a written notice beforehand.

Article 11
Quality of natural gas

Natural gas in the transmission network is odourless.

The Transmission System Operator shall not assume any responsibility for the consequences incurred by the Network User due to the offtake of natural gas, the quality of which is not in accordance with the provisions of the System operating instructions for natural gas transmission.

Article 12
Maintenance of the Transmission System Operator’s transmission network

In case of foreseen, unforeseen and extraordinary works, damages, disruptions or defects on the transmission network, the Transmission System Operator shall act in accordance with the System operating instructions for natural gas transmission and other applicable regulations.

Article 13
Suspension or limitation of natural gas transmission for the Network User

The Network User shall ensure the sufficient quantities of natural gas in the transmission network (duly concluded contract on natural gas supply) to enable the implementation hereof. If the Network User fails to ensure sufficient quantities of natural gas in compliance with the previous sentence and continues to take over gas, it shall be deemed that it disrupts the gas supply to other network users through its intake. In this case, the Transmission System Operator attributes all potential natural gas consumption to the balance group developer listed herein and may, in accordance with applicable regulations, suspend the transmission of natural gas in accordance herewith.

Article 14
Unused leased transmission capacities

The Network User may sell any unused leased transmission capacities on the secondary market. Legal transactions on the secondary market shall be carried out in compliance with the Rules of procedure for implementation of Regulation (EC) No. 715/2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No. 1775/2005, and calculated in compliance with the Act determining the methodology for charging the network charge for the gas transmission network.
Article 15
Transmission network congestion

In compliance with the Rules of procedure for implementation of Regulation (EC) No. 715/2009 on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No. 1775/2005, in case of contractual congestion, the Transmission System Operator may offer unused transmission capacity of the Network User, in accordance herewith, on the primary market as an interruptible capacity.

Article 16
Force majeure

Every event or circumstance beyond the control of the Transmission System Operator which cannot be anticipated, avoided or prevented shall be deemed as force majeure, such as: inundation and floods, landslides, earthquakes, national authority measures, technical defects and injuries to connected transmission networks, power failure in the area of the Network User and freezing or formation of hydrates on the gas installation.

When the Transmission System Operator partially or completely fails to fulfil the contractual obligations due to the occurrence of force majeure, it is exempt from any kind of liability toward the Network User for the duration of the force majeure.

During the force majeure the Network User undertakes to settle the contractual sum.

If the force majeure or repeated occurrence thereof fully or partially prevents the Transmission System Operator from fulfilling the contractual obligations for more than 30 days, the Transmission System Operator and the Network User shall come to a written understanding on the further implementation hereof.

In this case, the Parties explicitly agree that the Agreement shall remain fully in force; merely the fulfilment of the relevant contractual obligations is temporarily suspended, i.e. for the duration of the situation arising from the previous paragraph and its implications.

Article 17
Liability

In case of partial or complete suspension of natural gas transmission or in case of all kinds of damage arising from the implementation of this Agreement and suffered by the Network User, the Transmission System Operator shall only be held responsible if the direct damage originates from its intentional conduct or serious negligence, unless its actions are in accordance with the legislation.

Article 18
Legal basis

The Parties to the Agreement declare to exercise their rights and obligations related hereto consistently in compliance with the provisions hereof and according to the applicable regulations in the Republic of Slovenia. They further declare that if any individual issue is not the subject hereof, the provisions of the Energy Act and regulations based thereon shall directly apply to it.

In addition, the Parties establish that a reference made herein to the Energy Act or an implementing regulation based thereon also means a reference to any amendment to that act or to any other regulation applicable in the Republic of Slovenia which would substitute such act or govern its area.

Irrespective of individual provisions hereof, the Parties shall explicitly agree that the Transmission System Operator shall charge for the network use hereunder in compliance with the applicable regulations in the Republic of Slovenia. The Network User undertakes to immediately provide the Transmission System Operator with any additional data which could be required for the correct charging for the use of the transmission network.

If potential future amendments to the aforementioned regulations demand the change in rights and obligations of the Parties to the Agreement, as defined herein, the Parties hereby undertake to appropriately amend or supplement the Agreement.

**Article 19**

Partial nullity

If individual provisions hereof conflict with applicable regulations, this shall not affect the validity of the Agreement itself if the Agreement may remain valid without such nullified provision, and the Energy Act or another applicable regulation shall directly apply in its place. If necessary, the Parties shall conclude an Annex hereto with which they shall substitute the missing, invalid or legally ineffective contractual provision with a new provision best illustrating the economic, technical and legal purpose of the missing, invalid or legally ineffective contractual provision.

**Article 20**

Amendments to the Agreement

The Parties shall determine all amendments hereto in writing as Annexes to the Agreement.

The Parties hereby waive their rights, in advance, to a unilateral request for the termination or amendment hereto as a result of changed circumstances if such circumstances are due to economic operators' operations on the market.

**Article 21**

Submitting data

The Network User undertakes to immediately provide the Transmission System Operator with any additional data or information necessary for correct and timely realisation of Transmission System Operator’s obligations.

In addition, the Network User shall immediately provide the Transmission System Operator with data related hereto if such data has been amended.

Data specified in this Article shall be forwarded in writing:
- to the address of the Transmission System Operator’s registered office: Cesta Ljubljanske brigade 11b, p.p. 3720, 1001 Ljubljana, Slovenia, or
- via fax: +386 (0)1 582 06 86.

**Article 22**

Data confidentiality

The Parties shall not disclose the terms of the Agreement or transactions constituting its subject matter to any third party (save for the Parties' advisors) or issue any public notice, press release, statement or communication related thereto without a prior written consent of the other Party, unless so required by law, court decision or arbitration award, or any government authority (including the
stock exchange authority) or Energy Agency, and except for disclosures to the court in the event of a dispute between the Parties originating from or in relation to the Agreement.

Both Parties agree to maintain confidential any information forwarded by the other Party in relation to the Agreement or implementation hereof and declared confidential by that Party in writing, or any information that may be deemed confidential due to the nature of its content.

Article 23
Settlement of disputes

In case of disputes, relating to:
- network access,
- network tariff,
- alleged breach of General conditions for the supply and consumption of natural gas from the transmission network and/or System operating instructions for natural gas transmission,
- balancing deviations and amounts to cover the balancing actions and violations of general regulations governing the Balancing,
- The status of specific network user,
it is according with the Energy Law the responsibility of the Energy Agency to act in the administrative procedures in the first instance.

Any other disputes arising from this Contract shall be settled by the court of competent jurisdiction in Ljubljana.

Article 24
Annexes

The following Annexes shall be an integral part of this Agreement:
1. Contractual transmission capacity of the Network User, offtake point, flow rate, offtake pressure;
2. Annual quantity of the Network User;
3. Technical characteristics of the Network User’s measuring point.

Article 25
Miscellaneous

The Agreement shall enter into force on the day of signing by both Parties; it shall apply from the start of the period specified in Article 3 and remain valid through its entire duration.

This Agreement is drawn up in 2 (two) copies, of which each Party receives 1 (one) copy.

In ______________, date ____________

Network User

In Ljubljana, date ______________

Transmission System Operator
PLINOVODI d.o.o.
General Manager:
Marjan Eberlinc, BSc in Mech. Eng.

/ responsible person /

Deputy General Manager:
MSc E. Sarah Jezernik