



FRAMEWORK CONTRACT
FOR THE ALLOCATION OF THE KOSOVO TRANSMISSION SYSTEM
INTERCONNECTION CAPACITY BETWEEN
TRANSMISSION, SYSTEM AND MARKET OPERATOR J.S.C - KOSTT AND [THE
CAPACITY CONTRACTING PARTY]
No. /

1 Contracting Parties

This framework contract for the allocation of the Kosovo Transmission System interconnection capacity (“*Contract*”) is concluded on between:

OPERATORI I SISTEMIT, TRANSMISIONIT DHE TREGUT, SH.A (TRANSMISSION, SYSTEM AND MARKET OPERATOR J.S.C), a company with its headquarters in Str. Ilaz Kodra p.n. 10000 Prishtina-Kosovo, registered with the , [registration number] under no. (tax identification number), represented by (.....), acting as transmission, system and market operator, hereinafter called “*KOSTT*”

and

[XXXXXXXXXXXX], a company with its headquarters in(.....), registered with the [registration number] under no. (tax identification number), represented by (title of a person authorized for representation), acting as Capacity Contracting Party, (hereinafter called “the *CCP*”)

hereinafter both called the *Parties*.

Taking into account the:

1. Request no. of *the CCP* regarding the registration as participant at the auctions for the allocation of the Kosovo Transmission System interconnection capacity.
2. Licence no. of *the CCP* for trading, generating or supplying electricity.
3. Operational procedure PR-MO-001 “ Interconnector Capacity Auction and Cross-Border Capacity Nomination”.
4. Provisions of the Market Rules as currently approved by Energy Regulatory Authority (ERO).
5. Provisions of the Grid Code as currently approved by ERO.

The *Parties* agreed on the following:

2 Contract Object

- Art. 1. The contract object consists in the allocation of the Kosovo Transmission System interconnection capacity by *KOSTT* under the terms of the Operational Procedure PR-MO-001 “Interconnector Capacity Auction and Cross-Border Capacity Nomination” published in *KOSTT* web site, hereinafter called *the Procedure*, and the regulation regarding the relations between *the parties* with respect to the financial obligations and the payment methods for the performed services.
- Art. 2. *The CCP* understands and agrees with the fact that the access right to any interconnection point of the Kosovo Transmission System may be granted only provided the *CCP* has an interconnection capacity allocated in the respective point, according to the *Procedure*.

3 Obligations of the Capacity Contracting Party

3.1 Compliance with the *Procedure*

- Art. 3. By signing this contract *CCP* undertakes to comply and to accept all requirements and obligations stipulated in *Procedure*

3.2 Registration

- Art. 4. *The CCP* wishing to be awarded the PTR shall submit application for registration
- Art. 5. Should any changes occur in the identification data of the *CCP*, *the CCP* undertakes to notify *KOSTT* immediately in writing in order to update the Auction Register.

3.3 Invoice Payment

- Art. 6. The *CCP* undertakes to pay in full and on due date the invoices issued by *KOSTT* . By submitting a bid for interconnector capacity the *CCP* takes on obligation to pay if successful.
- Art. 7. *CCP* shall pay the fee for the reservation of the capacity right for each border, direction and period for the right allocated (PTRF) in yearly , monthly , daily auctions.

4 Rights of the Capacity Contracting Party

4.1 Auction Participation

- Art. 8. *The CCP* is entitled to participate in the auctions organized for the allocation of the interconnection capacity in compliance with the *Procedure* provisions.

4.2 Withdrawal of the Auction Participant Status

- Art. 9. Should *the CCP* no longer wish to be registered as auction participant, it is bound to notify *KOSTT* in writing in a format according to the *Procedure*.

4.3 Use and Transfer of the Contracted Capacity

- Art. 10. The interconnection capacity assigned in auctions and contracted by this contract may be completely or partially transferred to another registered participant.
- Art. 11. The *CCP* is entitled to use the interconnection capacity obtained under the terms stipulated in the *Procedure*.

Art. 12. The interconnection capacity assigned in auctions and contracted by this contract may be completely or partially transferred to another registered participant.

Art. 13. *The CCP* may transfer their PTR awarded in yearly or monthly auction to another Participant. Such transfer can be done for full amount or part of awarded capacity.

5 KOSTT Obligations

5.1 Compliance with the Allocation Procedure

Art. 14. *KOSTT* is bound to comply with the stipulations of the Procedures.

5.2 Registration

Art. 15. *KOSTT* is bound to register *the CCP* in the auction register and to inform the interested parties, in compliance with the stipulations of the *Procedure*.

5.3 Allocation of the Available Transfer Capacity

Art. 16. *KOSTT* will allocate the Available Transfer Capacity (ATC) to the *CCP* according to the *Procedure*.

Art. 17. Contracted Capacity is non-firm in case of unexpected network conditions or emergency situations on the Kosovan or neighbouring power systems resulting in curtailment or termination of rights to use of Contracted Capacity by *KOSTT* in compliance with the stipulations of the *Procedure*.

5.4 Invoicing

Art. 18. After auction, *KOSTT* is bound to issue an invoice containing the value of the capacity allocated to the *CCP* by auction and the auction price. In case of annual auctions, the invoice is issued on a monthly basis as defined in Art.23.

6 KOSTT Rights

6.1 CCP's Deactivation

Art. 19. Should the *CCP* not fulfil the obligations stipulated in this contract, *KOSTT* is entitled to deactivate the *CCP* on a two (2)-week prior notice,. Should the *CCP* fulfil its obligations within the deadline specified in the prior notice, *KOSTT* will immediately reactivate it. The *CCP* resumes all its rights and obligations on reactivation.

6.2 Revocation of a Auction Participant

Art. 20. *KOSTT* is entitled to revoke the *CCP's* attribute of auction participant, should the *CCP*:

- a) go bankrupt or into legal liquidation;
- b) not fulfil its obligations on a regular basis;
- c) was deactivated and exceeded the assigned term for fulfilling the remaining obligations;

- d) is found to be in default according to Article 3.4 of Market Rules;
- e) has had its license revoked by the ERO; or
- f) decide to give up its status of participant in the auction.

Art. 21. The revocation of the *CCP's* attribute of auction participant is a reason for the termination of this *Contract*.

6.3 Invoice Payment

Art. 22. *KOSTT* is entitled to cash in full and on time for the invoices issued to the *CCP* regarding the capacity contracted as a consequence of the implementation of the *Procedure*.

7 Invoicing and Payment

7.1 Invoicing

Art. 23. Within two (2) banking days from the auction date and not later than ten (10) days prior to the commencement of the following month, namely the month in which the right to use allocated cross-border capacity is exercised *KOSTT* will issue pro-forma invoices to *CCP* for the capacity right allocated in yearly and monthly Auctions. The invoice will be sent to *CCP* by e-mail and the original by mail.

Art. 24. Invoice for the respective month on the annual auction shall be submitted no later than 25 th day of the month preceding the month of the capacity utilization.

Art. 25. Invoice for the allocated capacity on daily auction shall be submitted upon the expiration of the month in which the capacity was used.

Art. 26. The PTRF allocated to the Participant in the yearly , monthly Auctions shall be calculated on a monthly basis as per the formulae from Article 5.3.9. of *Procedure* .

Art. 27. The payment instructions will be stated in the pro-forma invoice/invoice.

7.2 Payment

Art. 28. In order to use the capacity right allocated in yearly and monthly Auctions, *CCP* shall make the payment of all due obligations to the *KOSTT*, in advance, for each month, in the amount and in manner stated in the pro-forma invoice/invoice.

Art. 29. *CCP* shall pay the fee for the reservation of the capacity right for each border, direction and period (PTRF) for the right allocated in yearly and monthly auctions in compliance with the Article 5.3.9 of the *Procedure*.

Art. 30. The pro-forma invoice/invoice will be paid in full by the *CCP* no later than 5 days upon the receipt of the invoice. The payment is considered as effected when the money is deposited at the *KOSTT* bank account.

Art. 31. In the case of delayed payment, *KOSTT* will charge *CCP* the default legal interest rate calculated in compliance with the law.

- Art. 32. CCP shall pay the total amount stated in the invoice within the stipulated deadline, without the right to compensation, namely settlement, if KOSTT has any unsettled obligations towards CCP on any ground whatsoever.
- Art. 33. If CCP fails to settle its financial obligations under this Contract, towards KOSTT within the stipulated deadline, KOSTT will be entitled to suspend to CCP the right to nominate schedules, execute assignment of capacity, use the Allocated Capacity and participate in all capacity auctions including intraday allocation of the capacity right, until its due obligations are settled according to the *Procedures*.
- Art. 34. (1) Should an invoiced sum be fully or partially disputed by the *CCP*, *the CCP* will make the payment in full under the terms of **Error! Reference source not found.**³⁰ and will submit an explanatory note containing its objections to *KOSTT*, within 3 banking days from the invoice reception date. *KOSTT* examines the received claim and sends its reply regarding *the CCP's* claim within 3 banking day from its reception date.
- (2) Any corrections or regulations resulted from the amiable settlement of the claim or from the final judgement decision will be carried into effect within 5 banking days from the settlement date.

8 Applicable law

- Art. 35. This contract is construed and subject to the Kosovan Legislation.
- Art. 36. Any disputes arising from the construction and / or the carrying into effect of this contract, which cannot be settled amicably, will be handed over to be settled in Court.
- Art. 37. If any of this contract's provisions or its annexes comes into conflict with any provision of the Market Rules or the Grid Code of Transmission System, the applicable provision of the Market Rules or the Grid Code of Transmission System will prevail.
- Art. 38. The outcome of a auction can be appealed against at the ERO by the *CCP* if the *Procedure's* provisions are not brought into force,

9 General Provisions

9.1 Contract Documents

- Art. 39. Annexes 1 are part of this contract.

9.2 Notifications

- Art. 40. The persons authorized for the implementation of this contract are stipulated in Annex 1
- Art. 41. The *Parties* undertake to make possible that the contact persons stipulated in Annex 1 can be contacted by phone or in any other way described in the annex.
- Art. 42. Each *Party* must inform the other, in writing, about any change in the contact information described in the Annex 1, within at least seven (7) business days before the change comes

into effect.

9.3 Duration

Art. 43. This contract becomes effective on the date it is signed by both *Parties*. This contract is effective until its cancellation by either party, according to the provisions of Chapter 9.6 of this *Contract* or until *CCP* notifies about its termination.

9.4 Contract Revision

Art. 44. If such suggested by any of the *Parties*, the contract signed by both *Parties* can be renewed, changed or completed by addenda, also for including legislative provisions subsequent to its signing. Any changes of this contract's provisions can be made only by addenda.

Art. 45. The *Parties* agree upon the revision of this contract in reply to any of the *Parties* request in writing if:

- a) the Kosovan Transmission System safe operation is unfavourably affected by the implementation of this *Contract*;
- b) new circumstances or a new legal provision arise which directly or indirectly influence unfavourably the *Parties'* ability to implement this *Contract*.

9.5 Termination

Art. 46. If the *Parties* do not accept the change of the *Contract* within fourteen (14) calendar days from the delivery date of the written request, complying with the provisions of Art. 43, sent by one *Party* to the other, either *Party* can terminate this contract unilaterally for which reason, the current payment obligations become effective immediately or on a date set by *KOSTT* in the closing notification.

Art. 47. Any guilt of either *Party*, regarding any obligation resulting from, or stipulated in this *Contract*, without being detrimental to any of their rights, will give the other *Party* the right either to unilaterally terminate this contract within ninety (90) calendar days of the date of the notification by mail, registered by the guilty *Party*, or to subject it to the guilty *Party* in order to cover for the loss, within thirty (30) calendar days of the term of notification.

Art. 48. This *Contract* is considered terminated in case of *CCP* withdrawal or revocation from the date when the withdrawal or revocation becomes effective.

Art. 49. *KOSTT* may, without being detrimental to any of its rights, unilaterally terminate this *Contract* by registered notification, that becomes effective within thirty (30) days of the date of its presentation or from a subsequent date set by the provider in the following situations:

- a) The *CCP* is not able to meet its responsibilities as stipulated in Chapter 3 of this *Contract*;
- b) The *CCP* is not able to meet its payment obligations, as stipulated in Chapter 7 of this *Contract*;
- c) The suspension or withdrawal of any authorization, license, or approval necessary to the *CCP* to carry out its commercial activity according to Chapter 9.10 of this *Contract*;
- d) The *CCP* has lost its status of auction participant, under *procedure* conditions;

- e) The *CCP* bankruptcy or any legal action based on *CCP* insolvency or financial difficulties, the liquidation procedures or the *CCP* splitting up into companies;
- f) The *CCP* commercial and/or its technical activity lead to threats to the Kosovo transmission system safety in operation.

9.6 Force Majeure

(1) The *Parties* shall not be liable for the non-fulfilment, totally or partially of the obligations deriving from this contract, if the non-fulfilment of the obligations was caused by a situation of Force Majeure. The Force Majeure circumstances are the ones that may occur during the implementation of this *Contract*, as a result of some unpredictable events, such as acts of God, nature, war, embargo, which were unpredictable by the parties on signing the *Contract* and are beyond the parties will or control.

(3) The *Party* which invokes the situation of Force Majeure must notify the other *Party* in writing within 48 hours of the occurrence of the Force Majeure situation, also estimating the period of time when its effects cease, with a 5 (five) business day confirmation term to the authorities appointed to acknowledge the situation of Force Majeure on the location of its occurrence.

(4) The non-fulfilment of the obligation to notify the occurrence of the Force Majeure situation does not cancel the exonerating effect of its responsibilities, but involves the obligation of the *Party* that had to present the notification, to cover for the damages caused to the other *Party* because of non-communication.

9.7 Confidentiality

Art. 50. The *Parties* shall keep the provisions of this *Contract* strictly confidential as well as any other document and/or piece of information exchanged by the *parties in* connection to this *Contract*. Exceptions to this are:

- a) the information requested by authorities, according to current legislation;
- b) the information that has become public knowledge before the signing of this *Contract*.

Art. 51. *KOSTT* is allowed, and the *CCP* agrees, to communicate in full or in part any confidential stipulation, document and/or piece of information to all the other network operators according to the Market Code, Grid Code of Transmission System and the international regulations, when this is requested with a view to guarantee the security and safety of the operation of the Kosovo or neighbouring countries Transmission systems.

9.8 Damages

Art. 52. Neither *Party* is responsible for the loss, nor for the damages, caused to the other *Party* except for the situations in which it acted on purpose, including deliberate failure to act, or with gross negligence.

Art. 53. For the partial or total non-fulfilment of their obligations as stipulated in this contract, *Parties* are liable according to current legislation.

9.9 Nullity

Art. 54. The nullity or lack of validity of one or more of this *Contract's* stipulations will not infringe upon the validity of the other stipulations.

9.10 Licenses and contracts

Art. 55. During the implementation of this contract, the *CCP* must possess, at any time, all the authorizations, licenses or/and approvals needed to carry out its obligations or rights as stipulated in this *Contract*.

Art. 56. This *Contract* becomes effective on the date it is signed by both parties.

Art. 57. This *Contract* was drawn up and signed in five identical copies, three for *KOSTT* and two for *CCP*

SIGNATURES OF AUTHORIZED REPRESENTATIVES

[CCP]

**OPERATORI I SISTEMIT,
TRANSMISIONIT DHE TREGUT, SH.A
(TRANSMISSION, SYSTEM AND
MARKET OPERATOR J.S.C)**

Annex 1:

Contact persons and Commercial information

Commercial Contact:

Name:

Phone:

E-Mail:

Mobile phone:

Technical Contact:

Name:

Phone:

E-Mail:

Mobile phone: