

**UNOFFICIAL TRANSLATION**

**BALANCE SERVICE AGREEMENT NO. XX**  
**BALANCE RESPONSIBLE PARTY**  
**and**  
**FINGRID OYJ**

## **1 PARTIES AND PURPOSE OF AGREEMENT**

XXXXXXXX (hereinafter Balance Responsible Party), business identity number XXX, and Fingrid Oyj (hereinafter Fingrid), business identity number 1072894-3, have made the following agreement concerning balance service (hereinafter Agreement).

This Agreement is used for agreeing on the rights and obligations of the parties to this Agreement relating to Balance Responsible Party's open power deliveries and for agreeing on the terms and conditions under which Balance Responsible Party can participate in the regulating power market.

In operations covered by this Agreement, the parties shall follow the appendices of the Balance Service Agreement valid at any given time.

## **2 VALIDITY OF AGREEMENT**

This Agreement will enter into force when it has been signed by both parties.

This Agreement is valid until further notice.

The application of this Agreement will begin on 1 January 2012. No later than fourteen (14) days before the beginning of the application of this Agreement, Balance Responsible Party shall give Fingrid the guarantee specified under item 7 of this Agreement.

## **3 RIGHTS OF BALANCE RESPONSIBLE PARTY**

### **3.1 Open power delivery**

Balance Responsible Party has a right to use imbalance power delivered by Fingrid for balancing its power balances, following the balance management principles stated under item 4 of this Agreement.

Balance Responsible Party's production plans and actual production volumes are handled in the production balance, and electricity transactions and actual consumption are handled in the consumption balance in accordance with the Application Instruction.

Fingrid shall deliver to Balance Responsible Party information in accordance with the Application Instruction.

Fingrid shall settle the power balances between the parties to this Agreement together with Balance Responsible Party and report the results for the verification of the imbalance settlement in accordance with the Application Instruction.

### **3.2 Regulating power market**

Fingrid maintains a regulating power market in which Balance Responsible Party can participate under the terms and conditions stated in the Application Instruction.

An electricity market party has an opportunity to participate in the regulating power market also directly by signing a separate regulating power market agreement with Fingrid.

## **4 OBLIGATIONS OF BALANCE RESPONSIBLE PARTY**

### **4.1 Power balance and balance deviation**

Balance Responsible Party shall plan and control its power purchases and deliveries so that the hourly balance deviation remains reasonable with respect to Balance Responsible Party's scope of operations. Balance Responsible Party shall not use open deliveries defined in this Agreement for systematic power purchase or sales.

Balance Responsible Party shall arrange its operations so that it can correct a balance deviation, which is extensive with respect to the volume of its balance, no later than within four (4) hours from the moment on which the balance deviation arose. Balance Responsible Party shall also take necessary action no later than within four (4) hours from the moment on which the balance deviation arose. Sufficient arrangements in this respect include for instance electricity trade close to the operational hour or a possibility to regulate production/load included in the balance.

If imbalance settlement information indicates that Balance Responsible Party's power balances are not in balance in a manner accepted by Fingrid, Balance Responsible Party shall immediately upon request give an account to Fingrid concerning the reasons of the balance deviation, and take immediate action required by Fingrid in order to restore its power balance.

### **4.2 Exchange of information**

Balance Responsible Party shall deliver to Fingrid information in accordance with the Application Instruction.

Balance Responsible Party shall deliver to Fingrid imbalance settlement information on only such electricity market parties which are included in Balance Responsible Party's balance responsibility and which are covered by the national imbalance settlement procedure through an unbroken chain of open deliveries.

### **4.3 Communications**

Fingrid shall be able to reach Balance Responsible Party or its authorised representative 24 hours a day every day of the year. The persons or authorised representative specified in Balance Responsible Party's contact information shall be entitled, in a manner that binds Balance Responsible Party, to receive notifications given by Fingrid and to take any immediate action relating to balance maintenance to which this Agreement obliges Balance Responsible Party.

## **5 FEES AND TAXES**

The determination of fees based on this Agreement together with the unit prices and taxes have been laid down in Appendix 2.

## **6 ADJUSTMENT OF FEES AND TERMS OF AGREEMENT**

Changes which have a direct and essential effect on the costs of Fingrid's balance service and which could not have been taken into account when preparing this Agreement and which are not compensated by virtue of item 5 of this Agreement shall be taken into account as factors increasing or reducing the fees in accordance with their respective effects. Such changes include taxes, public charges and

obligations due to national or European legislation or other measures by authorities, and other changes due to the above causes which concern the balance service referred to in this Agreement.

In addition to the above, Fingrid reserves the right to revise, if necessary, the production and consumption balance fees specified in Appendix 2. Fingrid will notify of these changes and their reasons in writing one (1) month before the change takes effect.

If new regulations concerning the single European electricity market or amendments to the Finnish Electricity Market Act or new implementing provisions which bind Fingrid, where these have not been taken into account when entering into this Agreement, come into force during the validity of this Agreement, Fingrid has the right to change the terms and conditions of this Agreement. However, any change to the content of the service requires that the Energy Market Authority has confirmed the change or that the new regulations represent as such binding law.

If necessary, Fingrid also has the right to make changes, which do not substantially change the content of the service, to the appendices of the Agreement.

If reasons beyond the parties to this Agreement lead to an evident disparity in the performance of the obligations laid down in this Agreement, the parties shall negotiate on the adjustment of the fees or other terms of this Agreement in order to eliminate the disparity. Such reasons include changes in financial or commercial circumstances, changes taking place in legislation, measures by authorities, or other reasons which could not have reasonably been taken into account when entering into this Agreement.

## **7 GUARANTEES**

As collateral security of its obligations specified in this Agreement, Balance Responsible Party shall give a guarantee accepted by Fingrid. The guarantees shall be specified, lodged, monitored and returned in accordance with Appendix 3.

Balance Responsible Party shall make sure that the guarantee covers the guarantee requirement continuously. If the guarantee requirement exceeds or is going to exceed the guarantee given, Balance Responsible Party shall increase the amount of the guarantee immediately at its own initiative.

The guarantee shall be valid throughout the validity of this Agreement, and it may expire at the earliest two (2) months after the validity of this Agreement expires.

The guarantee is used for covering the amounts which have not been invoiced from Balance Responsible Party by virtue of this Agreement, and the risk relating to the open power delivery as well as the obligations potentially neglected by Balance Responsible Party, based on this Agreement.

When this Agreement comes into force, Appendix 3 contains an estimate of the size of the balance used in the calculation of Balance Responsible Party's guarantee, of the guarantee class, and of the guarantee to be lodged.

## **8 FORCE MAJEURE**

In the case of force majeure, Fingrid has the right to restrict the balance service specified in this Agreement or to interrupt it completely.

Cases of force majeure are deemed to cover any events which Fingrid could not have prevented through reasonable caution and which make the fulfilment of Fingrid's balance service specified in this Agreement impossible or impair it essentially or make it financially or otherwise unreasonable.

Cases of force majeure include war, country's internal unrest, vandalism, sabotage, explosion, fire, flooding, storm or other exceptional weather conditions, general interruption in traffic, strike or stoppage of a key employee group, lock-out ordered by an employer organisation, measures by authorities, insufficient production capacity, or some other similar reason with as significant and unusual consequences. Force majeure is also considered to cover interruption in power production or such damage in the power production or power transmission system caused by the above causes for which no reasonable preparations could have been made, taking into account the principles generally applied to the Nordic power systems.

Fingrid shall inform Balance Responsible Party of the occurrence of force majeure as well as of its end without delay.

## **9 DAMAGES**

The parties to this Agreement are not liable for damage or loss which is the result of performances covered by this Agreement unless the damage or loss is indicated to have been caused by negligence of a party to this Agreement or person(s) employed by it, where the negligence cannot be deemed to be petty. The parties to this Agreement are not liable to each other for indirect or consequential damage or loss such as unreceived profit, damages paid by a party to a third party, or for any other consequential damage or loss.

## **10 TRANSFER, TERMINATION AND RESCISSION OF AGREEMENT**

### **10.1 Transfer of Agreement**

A party to this Agreement may transfer this Agreement to a third party with the written advance consent of the other party to this Agreement.

### **10.2 Termination of Agreement**

The parties to this Agreement have the right to terminate this Agreement in writing with one (1) month's period of notice.

Balance Responsible Party's rights specified in item 3 will terminate at the end of the notice period. However, Balance Responsible Party's obligations relating to imbalance settlement terminate only after the completion of the final imbalance settlement.

Fingrid shall return any fixed monthly fees charged in advance for the full months following the termination of the Agreement.

### **10.3 Rescission of Agreement**

Fingrid has the right to rescind this Agreement with immediate effect, if Balance Responsible Party does not comply with item 4.1 or 7 of this Agreement, if Balance Responsible Party is placed into liquidation, if Balance Responsible Party's equity is recorded to be negative, or if Balance Responsible Party defaults on its payments, is

declared bankrupt, indicates other signs of insolvency, or grossly breaches this Agreement in some other manner.

Balance Responsible Party shall immediately inform those electricity market parties which belong to its balance responsibility and those network operators into whose networks there are measured deliveries from Balance Responsible Party's balance responsibility of the termination or rescission of this Agreement in order to enable the electricity market parties belonging to Balance Responsible Party's balance responsibility to reorganise their balance service.

## **11 APPLICABLE LAW AND DISAGREEMENTS**

This Agreement is governed by and shall be construed in accordance with Finnish law; however excluding its conflict of law principles.

Any potential disagreements caused by this Agreement, which cannot be solved through mutual negotiations, are to be solved by the Helsinki District Court as the first instance if the parties to this Agreement do not agree in writing on another procedure.

## **12 OTHER TERMS OF AGREEMENT**

Each party to this Agreement shall contribute to the implementation of this Agreement.

Balance Responsible Party shall without delay deliver any requested information affecting the assessment of Balance Responsible Party's financial position; this information shall be delivered in writing or in some other format requested by Fingrid. If, by virtue of the Finnish Securities Market Act or some other corresponding provision or order by authorities, Balance Responsible Party is obliged to publicise information affecting its financial position, the obligation to supply information on the basis of this Agreement item shall not be broader than the obligation prescribed by these.

Balance Responsible Party shall ensure that third parties connected to Balance Responsible Party's chain of open deliveries also take into account Fingrid's terms and instructions which concern the execution of system operation and Fingrid's other terms and instructions required by this Agreement.

The terms and conditions of the confirmation decision issued by the Energy Market Authority, concerning the balance service terms, as required by the Electricity Market Act, shall be taken into account in the application of this Agreement.

If this Agreement and the appendices of this Agreement contradict each other, this Agreement shall prevail.

This Agreement has been drawn up and signed in two (2) identical copies, one (1) copy for each party to this Agreement.

Appendix 1 Application instruction for balance service

Appendix 2 Fee components and their determination, unit prices, terms of payment, and taxes

Appendix 3 Guarantees