

# Main grid contract 2012-2015

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## **1 PURPOSE OF CONTRACT**

Customer Oy (hereafter Customer) and Fingrid Oyj (hereafter Fingrid) use this contract (hereafter Contract) to agree on the contracting parties' rights and obligations.

Through this Contract, the Customer obtains the right to transmit electricity to and from the main grid through the Customer's connection points specified in Appendix 1. The Contract requires that the Customer has a valid connection agreement of all connection points in the main grid listed in Appendix 1. The appendices of this Contract shall be amended to conform to any changes that take place at the Customer's connection points, in the network or power plants connected to them or in the measurements.

## **2 VALIDITY OF CONTRACT**

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

The application of this Contract shall begin on 1 January 2012.

This Contract shall be valid until 31 December 2015 with the exception of article 13, Confidentiality which shall survive the termination of this Contract. Well before the expiry of this Contract, the contracting parties shall negotiate on a new contract corresponding to the purpose of this Contract.

## **3 DEVELOPMENT OF MAIN GRID**

### **3.1 Starting points of development**

Fingrid develops the main grid in Finland and connections to other interconnected power systems on the basis of anticipated transmission needs and by following the European grid dimensioning principles and engineering practices.

Grid development is based on maintaining system security, the customers' future needs, promoting the functioning of the electricity market in the region of the Baltic Sea, cost efficiency, and management of the ageing of the grid.

### **3.2 Development of Customer's connections**

The Customer has the right to take into use new connection points to the main grid or to change electricity production, consumption, imports or exports relating to the Customer's existing connection points and the structure of the network provided that the connections fulfil the valid conditions laid down in *Fingrid Oyj's General Connection Terms* and *Specifications for the Operational Performance of Power Plants* as maintained by Fingrid.

As early as possible, the Customer shall inform Fingrid of electricity production, consumption, imports or exports relating to the Customer's new connection points and of essential changes in the Customer's existing connection points specified in Appendix 1.

Fingrid has the right to change the moment when a new connection point to the main grid is to be added or when a change to an existing connection is to be taken into use as proposed by the Customer if the Customer's need requires reinforcing or modifying the main grid within a schedule which Fingrid cannot reasonably follow.

If the main grid needs to be reinforced because of exports or imports of electricity or an exceptionally great increase in electricity production or consumption relating directly or indirectly to the Customer's new or existing connection points or because of some other similar reason, the reinforcement of the main grid and the compensation of the related costs shall be agreed upon separately between the Customer and Fingrid.

### **3.3 Grid development plan**

Fingrid maintains a long-term grid development plan, which is co-ordinated with the regional European network development plan and with the network development plan covering the whole of Europe.

In Finland, the adequacy of transmission capacity is ensured by the means of separate regional plans, which cover a period of time of approximately 15 years ahead and which are updated when necessary. For this purpose, the Customer shall supply Fingrid with information, at Fingrid's request, on electricity consumption and production forecasts concerning the Customer's connection points. Fingrid agrees to store the confidential information received carefully and not to disclose it to third parties.

Fingrid shall supply the Customer with information on essential changes in the main grid affecting the Customer as early as possible.

## **4 SYSTEM RESPONSIBILITY**

### **4.1 Content of system responsibility**

Fingrid has system responsibility specified in the Finnish Electricity Market Act. The responsible system operator is responsible for the technical functioning and system security of the Finnish power system, takes care of the duties belonging to national balance management, and ensures the technical compatibility of the Finnish power system with other power systems interconnected with it.

In order to implement system responsibility, Fingrid has the right to impose the necessary terms and conditions on the operation of the electricity transmission system and on the operation of power plants and loads connected to the transmission system. As the responsible system operator, Fingrid has the right to give power plants instructions concerning active power and reactive power, have system reserves started, and disconnect or limit the loads or electricity production in situations which threaten system security or in conjunction with the clearing of serious disturbances. The Customer shall comply with the above-mentioned conditions, instructions and regulations.

The Customer shall ensure, by way of agreements, that third parties connected to the Customer's network also follow the terms and conditions concerning the implementation of system responsibility and the connection of electrical equipment as well as Fingrid's other terms and instructions required by this Contract.

### **4.2 Power system management**

Fingrid maintains and operates its main grid and its connections to other grids by following the principles agreed upon with other transmission system operators and the terms of the electricity system licence granted by the Energy Market Authority and the terms of the system responsibility prescribed by that licence.

Fingrid monitors the state of the power system by means of its operation control system. Fingrid's operation control system also contains information on the networks

of customers connected to Fingrid's grid to the extent that this is necessary in order to maintain the system security required by the system responsibility.

Fingrid takes care of the clearing of serious disturbance situations which concern the entire power system and of restoring the system to normal state. The contracting parties shall follow Fingrid's instructions "*General instruction for the management of serious disturbance situations in the power system*" and "*Operations between Fingrid Oyj and network operators in power shortage situations*".

### **4.3 Information exchange required by the maintenance of system security in the power system**

The contracting parties shall provide each other with information required by the maintenance of system security.

The Customer shall report to Fingrid or the Customer shall require an electricity producer to report to Fingrid directly or otherwise in a manner to be agreed upon jointly the preliminary maintenance periods of power plants which have a nominal total power of at least 50 MVA and which are connected directly or indirectly to the Customer's network and any other extraordinary operating situations annually by the end of January in order to co-ordinate the transmission outages. At Fingrid's request, the Customer shall also report to Fingrid the maintenance periods of power plants with a nominal total power below 50 MVA. The Customer shall inform Fingrid well in advance of potential changes in the maintenance periods reported.

At Fingrid's request, the Customer shall report to Fingrid the production plans of power plants.

The Customer shall report to Fingrid or the Customer shall require an electricity producer to report to Fingrid directly any disturbance situations in power plants which have a nominal total power of more than 100 MVA and which are connected directly or indirectly to the Customer's network. These situations shall be reported within 10 minutes from the starting of the disturbance. The report shall state the name of the relevant machinery, lost power, and the estimated duration of the production interruption. The Customer shall give a more specific estimated duration of the production interruption as soon as possible.

The Customer shall report to Fingrid the preliminary transmission outage needs and extraordinary operating situations in the Customer's networks of at least 110 kV, where such outage needs and operating situations have an impact on the operation of the main grid, annually by the end of January. The Customer shall inform Fingrid well in advance of potential changes in the transmission outage needs reported.

Fingrid co-ordinates and maintains a transmission outage plan for the main grid. Fingrid shall report the preliminary consolidated transmission outage needs in its 110 kV network annually by the end of March.

The Customer shall inform Fingrid of disturbances in a 110 kV network as soon as possible after the beginning of the disturbance. The information provided shall cover the item subjected to the disturbance and the estimated duration of the disturbance.

The contracting parties shall inform each other immediately of any known compelling transmission outage needs and of any extraordinary operating situations which are to be carried out within a rapid schedule and which have corresponding impacts.

#### **4.3.1 Real-time information exchange**

Real-time information exchange shall be subject to the principles of the Application instruction for information exchange as specified in Appendix 2.

The real-time information to be exchanged between Fingrid and the Customer together with the method of information exchange as specified in the customer-specific appendix, Appendix 3.

The Customer shall report or the Customer shall require a third party connected to the Customer's network to report the necessary information to Fingrid.

The contracting party responsible for delivering real-time information shall be responsible for the specification, procurement, maintenance and telecommunication costs of information exchange up to the interface conforming to the Application instruction for information exchange.

If the Customer does not fulfil its obligations concerning information exchange, Fingrid will arrange the information exchange and charge the reasonable resulting costs from the Customer.

## **5 QUALITY, RESTRICTIONS AND INTERRUPTIONS OF MAIN GRID SERVICE**

### **5.1 Voltage and frequency variations in electricity transmission**

Fingrid's Internet site contains a report of voltage and frequency variations in the 110 kV network. The Customer shall be prepared for such variations. If the Customer needs uninterrupted electricity supply or better than normal quality of electricity, the Customer shall ensure this by means of its own systems, or, if possible, by agreeing with Fingrid on special arrangements relating to such transmission of electricity. With implementation of Customer's connection it must be ensured that the connections fulfil the valid conditions laid down in *Fingrid Oyj's General Connection Terms* as maintained by Fingrid.

### **5.2 Faults and disturbance situations**

The objective is high-quality electricity transmission involving a minimum of disturbance. As a consequence of faults or disturbances taking place in the power system, Fingrid has the right to restrict the Customer's main grid service or to interrupt it completely.

The contracting parties have the right to disconnect electrical equipment from the electricity network or to disconnect themselves from the network without advance warning so as to prevent a disturbance or hazard or in the event of faults or disturbance situations in the network if this is necessary in view of system security, clearing of disturbances, or repairs. Both contracting parties shall take immediate action at their own cost to eliminate the disturbance.

The contracting parties shall immediately inform each other of faults and disturbances which have an influence on the system operation of the other party.

If electrical equipment connected to the Customer's electricity network shows faults or shortcomings which disturb the operation of the power system and which cause disturbance exceeding the generally acceptable limits and whose correction is delayed essentially, Fingrid has the right to restrict the Customer's main grid service or to interrupt it.

### **5.3 Maintenance, repairs and modifications of main grid**

Fingrid has the right to restrict or interrupt the main grid service because of maintenance, repair, modification, inspection or other corresponding work on its grid after it has first negotiated on the restriction or interruption with the Customer. As far as possible, Fingrid shall take into account the Customer's needs when determining

the schedule of the interruption. Fingrid aims to plan outage arrangements in order to minimize disadvantages.

The contracting parties shall plan the outage arrangements and attend to the implementation of the work so that the outage is not prolonged unnecessarily. Each contracting party shall be responsible for its own outage costs.

#### **5.4 Finishing of open delivery**

Fingrid has the right to interrupt the main grid service immediately if the Customer's agreement concerning the open delivery of electricity finishes without a new open delivery agreement entering into force at the same time.

#### **5.5 Restrictions**

Fingrid, as the grid operator under the system responsibility, has the right to restrict its customers' direct or indirect use, production, imports or exports of electricity if the functioning of the power system is threatened, by taking into account the vital needs of society overall, potential orders given by authorities, valid plans and obligations concerning the management of power shortage and clearing of serious disturbance situations as well as the prevailing circumstances. The Customer shall maintain consumption restriction plans conforming to "*the Operations between Fingrid Oyj and network operators in power shortage situations*".

### **6 USE OF REACTIVE POWER AND MAINTENANCE OF REACTIVE POWER RESERVES**

#### **6.1 Use of reactive power**

Fingrid shall supply and receive reactive power at the Customer's connection point(s). The supply of reactive power shall be subject to the *Application instruction for the supply of reactive power and maintenance of reactive power reserves* as specified in Appendix 4.

The supplying and receiving of reactive power shall take place hourly and without separate compensation for the individual connection points in accordance with the reactive power window specified in Appendix 1. Fingrid's obligations concerning the supplying of reactive power shall remain in force during the normal operating situation of the main grid.

The use of reactive power is monitored preliminary at a regional level. In regional monitoring, monitoring areas of reactive power are created from the Customer's or customers' connection points which are close to each other electrically. When the reactive power limits of a regional monitoring area are exceeded and it disturbs the operation of the main grid, the use of reactive power shall be negotiated with the owner of the connection point causing such exceeding. If the negotiations do not lead to the controlled use of reactive power, Fingrid has the right to invoice the owner of the connection point causing such exceeding for the highest hourly average power of reactive power output and reactive power input in a calendar month. From 1 January 2012, the price invoiced for a portion exceeding the reactive power window shall be 3 000 €/MVA<sub>r</sub>, and the price invoiced for reactive energy supplied and received in an area exceeding the reactive power window shall be 10 €/MVA<sub>r</sub>h. Fingrid shall inform the Customer of any changes in the pricing with justifications annually by the end of September.

Fingrid shall report to the Customer the regional use and connection point specific use of reactive power as specified in Appendix 4.

## **6.2 Maintenance of reactive power reserves**

Generators over 10 MVA are obliged whilst connected to the grid to support the system voltage by means of the reactive power reserves during faults and disturbances at power plants and in the grid; and if so agreed upon separately, for short periods of time also during repairs and maintenance at power plants and in the grid. Generators over 10 MVA are obliged to follow the setpoint value for voltage or reactive power, which may be given by Fingrid.

The reactive power generating capacity and intake capacity of a generator connected to the main grid with a rated voltage of 400 kV through a generator transformer shall, while the generator is connected to the grid, be reserved as reactive power reserve in full, with the exception of the reactive power consumed by the generator transformer in question and by the own consumption of the power plant.

With other generators over 10 MVA, half of the reactive power generating capacity and intake capacity of the generator, measured at the generator voltage level, shall be reserved as reactive power reserve while the generator is connected to the grid. The Customer shall also oblige a third party potentially connected to its network to follow the maintenance obligation concerning the reactive power reserve in a generator.

Fingrid shall pay the Customer compensation for the reactive power reserves as far as the generators over 10 MVA connected to the main grid through a generator transformer at the 400, 220 and 110 kV voltage levels, specified in Appendix 5, are concerned. The compensation shall be paid on the basis of the annual net production of active power produced. The annual net production of active power shall be determined by deducting from the annual gross production the annual own consumption energy calculated in accordance with Decree 309 of the Ministry of Trade and Industry, issued on 11 April 2003. No own consumption energy shall be deducted for a calendar month in which the generator has not produced electricity.

From 1 January 2012, the unit price forming the basis of the compensation shall be 2.4 cents/MWh as far as generators connected to the 400 kV grid are concerned, and the unit price forming the basis of the compensation shall be 1.2 cents/MWh as far as generators connected to the 220 or 110 kV grid are concerned. Fingrid shall inform the Customer of the potential changes in the unit prices with their justifications annually by the end of September.

## **7 INVOICING MEASUREMENTS AND ELECTRICITY PRODUCTION REPORTS**

### **7.1 Arranging the measurements**

Fingrid is responsible for arranging and maintaining the measurements of electric energy transmitted through the connection point. The measurement can take place at the connection point or elsewhere in the Customer's network or in Fingrid's grid if the measurement cannot be reasonably arranged directly at the connection point.

The Customer shall inform Fingrid without delay of any building projects, switching changes or faults in the network or in a power plant which require changes in the measurements, correction of measurement readings or the definition of calculatory measurement readings.

### **7.2 Measurement at a location other than the connection point**

If the measurement takes place in the Customer's network, the hourly transmission and transformer losses between the connection point and the measurement point

shall be included in Fingrid's power balance. If the measurement takes place in Fingrid's grid at a point other than the Customer's connection point, the losses shall be included in the Customer's power balance. Fingrid shall calculate the hourly losses between the connection point and the measurement point by means of line and transformer constants and measured hourly energies.

Based on the location of the measurement, Fingrid shall invoice or credit the Customer on the basis of the calculatory hourly loss energy volumes. The loss energy shall be invoiced or credited in periods of 6 months from the beginning of a calendar year as soon as the calculatory total volume of loss energy in an invoicing period has been established. The price of loss energy shall be the hourly price within reporting area Finland in the Nordic Elspot market.

If the definition of the above hourly price is no longer applicable, the price of loss energy shall be defined on the basis of a price defined hourly by a corresponding electricity exchange operating in Finland. The contracting parties shall agree separately on the introduction of a new definition basis for the price of loss energy.

### **7.3 Quality requirements concerning measurements**

The measurement instruments and their installation shall be subject to the valid recommendation given by Finnish Energy Industries, generally applied to measurements in electricity trade.

The contracting parties are obliged to report to each other without delay any defects detected by them in the measurement instruments and other measurement errors which exceed the values specified in relevant standards, and to take immediate action so as to remove the detected defects and errors.

If a measurement instrument is found to have caused a measurement error exceeding  $\pm 2\%$ , the contracting party which has been affected by this error has the right to demand correction of grid invoicing. The amount of the correction shall be specified on the basis of available measurement information and, if necessary, through assistance from an outside expert at the expense of the contracting party demanding correction. If the correction is justified, the contracting party responsible for the defect or error shall bear the costs. Without a special reason, the correction shall not be carried out for a period exceeding 6 months if the moment on which the measurement error emerged cannot be defined. Furthermore, there shall be no correction if the amount to be compensated is less than €100 (one hundred euros). In addition to the correction of invoicing, neither contracting party is obliged to compensate to the other party interest expenses or other expenses caused by a measurement error by virtue of this Contract.

### **7.4 Space reservation for measurement**

If the measurement instruments are not located at Fingrid's facilities, the Customer shall reserve sufficient space at its own substations or at substations of third parties connected to its network for the measurement instruments which measure the electric energy transmitted through the connection point, and the Customer shall arrange the instrument transformers with wiring and necessary connections, and secured auxiliary power supply. The Customer shall provide access to Fingrid's representative or a representative of Fingrid's service provider to the substation at no cost.

### **7.5 Electricity production reports**

For invoicing purposes, the Customer shall report to Fingrid the net electricity production volumes of power plants connected to its network, itemised by individual power plants. The energies shall be given in hourly series. Generators or power

plants with a nominal power of less than 1 MVA, where such generators or power plants are not included in the nation-wide imbalance settlement, shall be excluded as far as the production reports are concerned.

The net production of power plants shall be determined by deducting from gross production the own consumption energy as defined in Decree 309 by the Finnish Ministry of Trade and Industry, issued on 11 April 2003, or in any replacing decree. At Fingrid's request, the Customer shall deliver the measurement and calculation criteria for the internal consumption energy used in the determination of net production.

Fingrid shall use the power plant specific electricity production reports as reported to the imbalance settlement for main grid invoicing purposes. If electricity production information reported for the imbalance settlement is not available, the Customer shall report to Fingrid monthly the net production energies for the previous month of power plants specified in Appendix 1 no later than on the 3rd working day of each month. The Customer's production reports shall be delivered as defined in the recommendations for information exchange in electricity trade, published by Finnish Energy industries.

At Fingrid's request, the Customer shall deliver to Fingrid annually by the end of January information concerning the previous year's total volumes of electricity production and internal consumption energy itemised by different power plants, conforming to the Customer's own reports made by virtue of the Excise Tax Act and such reports made by parties which are liable to pay electricity tax and which are connected to the Customer's network directly or indirectly.

The corrections of the production reports shall be made retroactively for a period of six months. There shall be no correction if the amount to be compensated is less than €100 (one hundred euros). If the reported production information contains significant errors, Fingrid and the Customer shall agree on a retroactive correction extending further back in time.

## **8 FEES AND THEIR DETERMINATION**

Fingrid charges fees to be confirmed annually for the main grid service. Fingrid shall inform the Customer of changes in the fees with reasoning and confirm the fee components and unit prices annually by the end of each September. The fee components and unit prices for 2012 are defined in this Contract. The measurement points used in the determination of the Customer's fees together with the related measurements are specified in Appendix 1 of this Contract.

### **8.1 Consumption fee**

The Customer shall pay the consumption fee on the basis of the volume of consumption of electric energy connected directly or indirectly to the Customer's network at the connection points to the main grid.

The unit price for the consumption fee from 1 January 2012 shall be 3.48 €/MWh in the winter period and 1.74 €/MWh at other times. The winter period is the period from 1 January to 31 March and from 1 November to 31 December inclusive of these days.

Consumption forming the basis of the consumption fee shall be determined on the basis of the electric energy flowing through the Customer's connection point, net production of power plants as specified in Appendix 1, and potentially by imports and exports of electric energy beyond the Customer's connection point.

## **8.2 Fee for output from the main grid**

The Customer shall pay the fee for output from the main grid on the basis of the volume of electric energy flowing through the connection points of the main grid.

The unit price for the fee for output from the main grid shall be 0.80 €/MWh from 1 January 2012.

## **8.3 Fee for input into the main grid**

The Customer shall pay the fee for input into the main grid on the basis of the volume of electric energy flowing through the connection points of the main grid.

The unit price for the fee for input into the main grid shall be 0.50 €/MWh from 1 January 2012.

## **8.4 Netting**

If the Customer has several connection points at the same busbar at the switchyard, the energy volume forming the basis of the fee for output from the main grid and the fee for input into the main grid shall be the net sum of hourly energy volumes at these connection points. If so agreed upon separately, it is also possible to use the same net sum principle for different customers' hourly energy volumes at connection points connected to the same busbar of the switchyard. This requires that the customers notify Fingrid jointly and in writing about which measurements are to be netted and that they appoint one responsible customer which is subject to this netting. The above responsible customer shall carry out the division between the other customers belonging to the same net sum principle. This distribution principle shall be applied from the beginning of the next month following the notification by the customers.

If so agreed upon separately, the energy volumes for the same hour used as the basis of invoicing can also be added together at the connection points to the main grid in the case of a 110 kV network connected as a loop alongside the main grid. This requires that the volume of through-flowing electric energy can be determined unambiguously by means of main grid measurements in all switching situations. The through-flowing electric energy shall not be taken into account when applying the above hourly net sum of energies at the switchyard busbar.

## **8.5 Value-added tax and other indirect taxes and charges**

In addition to the fees specified in this Contract, the Customer shall pay Fingrid the valid value-added tax and any other potential indirect taxes and charges imposed on Fingrid by the authorities concerning the main grid service specified in this Contract.

## **9 TERMS OF PAYMENT**

### **9.1 Period of payment**

The Customer shall pay the fees specified in this Contract monthly on the basis of an invoice sent by Fingrid. The period of payment is 14 days. The due date shall be marked on the invoice.

If invoicing is delayed for a reason attributable to the Customer, the period of payment shall be shortened accordingly. If invoicing is delayed for a reason attributable to the Customer by more than 14 days, the Customer shall pay an interest on arrears for the overdue period as specified under article 9.3.

## **9.2 Complaints**

The Customer shall make complaints regarding the invoice in writing and without delay. Fingrid shall verify the invoice and send the necessary rectification invoice to the Customer without delay. The complaint does not exempt the Customer from the payment obligation by the due date unless otherwise agreed upon between the contracting parties.

## **9.3 Interest on arrears**

If a payment to be made by the Customer is delayed and the invoice is not essentially incorrect, the Customer shall pay Fingrid the annual interest on arrears stated on the invoice from the due date to the date of receipt of the payment. The annual interest on arrears is the reference rate of interest in accordance with the valid Interest Act.

## **9.4 Default of payment**

Fingrid has the right to interrupt the main grid service specified in this Contract if the Customer, despite Fingrid's written complaint, essentially defaults on its payments to Fingrid, is declared bankrupt or goes into liquidation, or if an authority declares the Customer insolvent. However, the interruption shall not be implemented if the Customer gives Fingrid a sufficient guarantee.

## **10 ADJUSTMENT OF FEES AND CONTRACTUAL TERMS**

### **10.1 Measures by authorities**

Changes which have a direct and essential effect on Fingrid's costs and which could not have been taken into account when preparing this Contract and which are not compensated on the basis of article 8 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 grid service referred to in this Contract.

### **10.2 Elimination of disparity**

If reasons beyond the contracting parties lead to an evident disparity in the performance of the contractual obligations, the contracting parties shall negotiate on the adjustment of the fees or other terms of this Contract 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 Contract.

## **11 MARKET INFORMATION**

Fingrid publishes electricity market information in accordance with the statutory obligations. The Customer shall comply and make sure that those connected to its network comply with the statutory obligations concerning market information.

## **12 DAMAGES**

### **12.1 General conditions**

The Customer's electrical equipment shall conform to Fingrid's connection terms. The Customer is entitled to receive damages for personal injury or damage to property inflicted on the Customer in Finland under the below conditions if the main grid service does not conform to this Contract or connection agreement. The Customer's own liability for damages is specified under article 12.4.

## 12.2 Damages payable to the Customer

Fingrid shall be liable for damages payable to the Customer for damage to property or personal injury caused by negligence which cannot be considered slight by Fingrid or someone employed by it, if the damage or injury has been caused by voltage or frequency fluctuations exceeding Fingrid's general connection terms or by repeated outages. However, there shall be no liability for damages if the Customer's electrical equipment does not conform to the connection agreement and this has had an impact on the occurrence of the damage or injury, or if the Customer could otherwise have been required to prepare for the prevention or restriction of the damage or injury resulting from the outage or disturbance by means of protective equipment, instructions or other arrangements.

Fingrid shall not be liable for damage to property caused by an individual outage in electricity transmission, or for damage to property caused by disturbances in electricity networks owned by others.

Fingrid shall not be liable, unless otherwise stated under article 12.3, for profit not received, loss of production, damaged raw material, costs of restarting production, costs of replacing arrangements for the transmission service as a result of the outage, damage to the equipment of the Customer's customer, damages paid or ordered to be paid by the Customer, or other consequential damage similar to the types described above, resulting from the damage or injury.

Fingrid's total liability for all damage or injury suffered by customers in the relevant year, to be compensated by virtue of this article, shall not exceed €10 000 000 (ten million euros) per calendar year. Compensation for a damage or injury can only be claimed for the relevant year. The damages for each year shall be paid during January in the following year or immediately after the annual total amount of damages to be paid has been established. If the annual total amount of damages exceeds €10 000 000 (ten million euros), all damages shall be reduced in proportion to the respective amount of damages.

## 12.3 Damages payable to the Customer's customer

In conjunction with a damage or injury specified under article 12.2, Fingrid shall pay the Customer damages which the Customer has paid to its customer if the Customer's liability is based on imperative legal provisions. If the Customer's customer is an electricity user connected to a distribution network, the network service terms drawn up by Finnish Energy Industries and valid on the date of signing of this Contract, shall be applied to the damages in conjunction with a damage or injury specified under article 12.2 of this Contract. No indirect damage or injury needs to be compensated to the Customer's customer when the Customer is connected to a high-voltage distribution network. Fingrid's liability for damages does not concern the standard compensations for power failures.

Damages payable by virtue of this article require that the amount of the underlying damage or injury per Customer and per each damage or injury exceeds 1,000 € (one thousand euros) and that the Customer has immediately informed Fingrid in writing of the damage or injury and agreed on the grounds and amount of the damages with Fingrid before the damages are paid. However, there is no liability for damages if the Customer or the Customer's customer could have been required to prepare for the prevention or restriction of the damage or injury resulting from the outage or disturbance by means of protective equipment, instructions or other arrangements.

If the damage or injury referred to under this article has been inflicted on such user of electricity whose electricity transmission is carried out by a party other than Fingrid's

Customer who is connected to the main grid directly, the above principles stated in this article shall be applied where applicable.

Fingrid's total liability for all damage or injury suffered by customers in the relevant year, to be compensated by virtue of this article, shall not exceed €2,000,000 (two million euros) per calendar year. Compensation for a damage or injury can only be claimed for the relevant year. The damages for each year shall be paid during January in the following year or immediately after the annual total amount of damages to be paid by virtue of this article has been established. If the annual total amount of damages exceeds €2,000,000 (two million euros), all damages shall be reduced in proportion to the respective amount of damages. The Customer shall ascertain and pay damages to the Customer's customer.

#### **12.4 Customer's liability for damages**

The Customer shall be liable to Fingrid for material damage or personal injury caused by negligence which cannot be considered slight by the Customer or someone employed by it, if the damage or injury has been caused by voltage and frequency fluctuations exceeding Fingrid's recommendations. However, there shall be no liability for damages, if Fingrid could have been required to prepare for the prevention or restriction of the damage or injury resulting from the outage or disturbance by means of protective equipment, instructions or other arrangements.

The Customer shall not be liable for damage or injury arising from interrupted electricity transmission. The Customer shall not be liable for profit not received, loss of production, damaged raw material, costs of restarting production, costs of replacing arrangements for the transmission service as a result of the outage, damage to the equipment of Fingrid's customer, damages paid or ordered to be paid by Fingrid, or other consequential damage similar to the types described above, resulting from the damage or injury.

The Customer's total liability for damage or injury to be compensated by virtue of this article shall not exceed 500,000 € (five hundred thousand euros) per calendar year.

#### **12.5 Other liability**

Fingrid shall not be liable for damage or injury other than that specified under articles 12.2 and 12.3.

The Customer shall not be liable for damage or injury other than that specified under article 12.4.

### **13 CONFIDENTIALITY**

The contracting parties agree to keep in confidence any information received from the other party, which is marked as being confidential or which is otherwise to be understood as confidential information. Both parties shall store confidential information carefully. The confidentiality obligation shall survive the expiry of this Contract for as long as the secrecy of the information is relevant to the party releasing confidential information. However, the confidentiality obligation shall be in force for a maximum of 10 years, if it cannot be clearly concluded from the content of the information that the information is still confidential.

### **14 AMENDMENTS TO CONTRACT**

Fingrid is a transmission system operator referred to in the single electricity market directive. Regulations concerning transmission system operation are subject to considerable development work. If new regulations concerning the single European electricity market or amendments to the Finnish Electricity Market Act or new

implementing provisions which bind Fingrid that have not been taken into account when entering into this Contract come into force during the validity of this Contract, Fingrid has the right to change the terms and conditions of this Contract accordingly. However, any change to the content of the service requires that the national regulatory authority has confirmed the change or that the new regulations are binding as such.

The appendices of this Contract shall be updated jointly to correspond to the changes which take place in the grid.

## **15 FORCE MAJEURE**

In the case of force majeure, Fingrid has the right to restrict the Customer's main grid service 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 Fingrid's main grid service specified in this Contract 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 European power systems.

Fingrid shall inform the Customer of the occurrence of force majeure as well as of its end without delay.

## **16 TRANSFERRING AND TERMINATING THE CONTRACT**

### **16.1 Transferring the Contract**

A contracting party is allowed to transfer this Contract to a third party through the advance written consent of the other contracting party.

### **16.2 Terminating and dissolving the Contract**

The Customer has the right to terminate this Contract at one month's period of notice.

A contracting party has the right to terminate this Contract if the other party has essentially breached this Contract.

## **17 DISPUTES**

Any potential disagreements caused by this Contract, 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 Contract do not agree in writing on another procedure.

## **18 OTHER TERMS OF CONTRACT**

Each contracting party shall contribute to the implementation of this Contract. The contracting parties shall provide each other without delay with the necessary information required by the application of this Contract, aiming at as automatic data transfer as possible.

- Appendix 1 Customer's connection points, and measurements used as the basis of invoicing
- Appendix 2 Application instruction for information exchange
- Appendix 3 Customer-specific information for information exchange
- Appendix 4 Application instruction for the supply of reactive power and maintenance of reactive power reserves
- Appendix 5 Reactive power reserve plants