

AMENDMENT N2

To the Standard Conditions of the Direct Contract on Selling the Balancing Electricity

Tbilisi

August 06, 2018

The following amendment to the Standard Conditions of the Direct Contract on Selling the Balancing Electricity, dated on September 1, 2014 (Dispatch Licensee Registration N 1/1479-00, dated 26.08.2014) have been prepared based on the decision N61/16 adopted by Georgian National Energy and Water Regulatory Commission, dated on July 26, 2018:

1. The Paragraph 1.1. of the Contract shall be formed as follows:

“1.1. Standard Conditions herein represent the contract terms (sample contract form) worded in advance and intended for multiple use, composed by one party – Ltd “Electricity System Commercial Operator” (hereinafter referred as “the Electricity Market Operator”, registered on August 7, 2009 by Tbilisi Tax Inspection, Register #205170036, represented by its General Director Vakhtang Ambokadze) for the Eligible Enterprise (hereinafter referred as “the Enterprise”) and the Dispatch Licensee in the part of buying the electricity for the purpose of covering losses and providing for the electricity (capacity) transit and also in the part of buying the electricity for the purpose of covering losses in transmission network, that are authorized to take part in the wholesale trade of electricity, based on the Law of Georgia on “Electricity and Natural Gas” and “The Electricity (Capacity) Market Rules” (hereinafter referred as “the Market Rules”);

2. The Paragraph 3.2. of the Contract shall be formed as follows:

“3.2. The Enterprise buys from the Commercial Operator the electricity, which equals to the difference between the volumes of consumed electricity, by it during the calculation period and the electricity bought based on the direct contracts.”;

3. The paragraph 3.2¹. shall be added after the Paragraph 3.2. of the Contract:

“3.2¹. Dispatch Licensee:

a) In purpose to cover transmission network losses buys the amount of electricity to purchase losses in the transmission network specified in the reporting period according to the paragraph 3¹ of Article 23 of the “the Market Rules” from Electricity Market Operator under the Standard Conditions;

b) In purpose to cover losses for providing electricity (capacity) transit buys the amount of electricity equivalent to the difference between the quantity of electricity purchased for transit and the amount of electricity purchased on the basis of the direct agreement for these purposes specified in the reporting period according to the paragraph 3¹ of Article 23 of the “the Market Rules” from Electricity Market Operator under the Standard Conditions.”;

4. Paragraphs 4.1.1. and 4.1.2. of Article 4 of the Contract shall be formed as follows:

„4.1.1. It represents the distribution licensee, direct customer, exporter, electricity generator (in the part of power purchase for the plant’s general consumption of electricity), Dispatch Licensee (in the part of power purchase for covering the losses to provide for the electricity (capacity) transit and in purpose to cover losses in transmission network);

4.1.2. It has received the Balancing Electricity at the delivery points during the reporting period for covering the losses to provide for the direct consumption (in case of the electricity generator – for guaranteeing general consumption of the plant), export or in purpose of covering losses for providing transit of electricity (capacity) and of covering losses in transmission network.“

5. Paragraphs 6.1. and 6.2. of Article 6 of the Contract shall be formed as follows:

„6.1 The volume of Balancing Electricity sold to the Enterprise is reflected in the receipt-delivery act materially or electronically signed between the Electricity Market Operator and the Enterprise. In addition, if the amendments connected with the electricity generated, delivered and consumed (according to the Market Rules) are introduced to the receipt-delivery acts, it is resulted in making corrections to the volume of Balance Electricity, the corrected receipt-delivery act shall be drawn materially or electronically;

6.2 The Electricity Market Operator materially or electronically submits to the Enterprise four properly composed and approved acts of electricity receipt and delivery, within 12 calendar days. The Enterprise is obliged to return materially or electronically two acts to the Electricity Market Operator within two calendar days;“

6. The paragraph 6.11. shall be added after the Paragraph 6.10. of the Contract:

„6.11. In cases specified in paragraphs 6.1 and 6.2 of this Agreement, the electronic version of the receipt and delivery act shall be formulated and signed through the electronic system on the website of the Electricity Market Operator (www.esco.ge). An electronic and electronically signed receipt and delivery act has the same legal force as material and materially signed receipt and delivery act.

7. This amendment becomes effective the day of approval by the Georgian National Energy and Water Regulatory Commission and registration by the Dispatch Licensee under the terms of the Electricity (Capacity) Market Rules and remain in force indefinitely.

JSC “Electricity System Commercial Operator” Address:

Georgia, Tbilisi Old Tbilisi District

2 Baratashvili Street

Bank Details: TBCBGE22

a/a GE76TB7505936030100001
Identification Code: 205170036

Vakhtang Ambokadze

General Director

GEORGIAN NATIONAL ENERGY AND WATER REGULATORY COMMISSION

DECISION N61/16

July 26, 2018

Tbilisi

Standard Conditions Of the Contract on Selling Balancing Electricity

Based on the Law of Georgia on Electricity and Natural Gas (Article 5 and Paragraph 1 of Article 22¹) and Article 63 of General Administrative Code, the Georgian National Energy and Water Regulatory Commission has decided to:

1. The following amendments shall be made to the standard conditions of selling of the Balancing Electricity approved by the Decision N30/5 on August 14, 2014 of the Georgian National Energy and Water Supply Regulatory Commission:

a) The Paragraph 1.1. of the Contract shall be formed as follows:

“1.1. Standard Conditions herein represent the contract terms (sample contract form) worded in advance and intended for multiple use, composed by one party – Ltd “Electricity System Commercial Operator” (hereinafter referred as “the Electricity Market Operator”, registered on August 7, 2009 by Tbilisi Tax Inspection, Register #205170036, represented by its General Director Vakhtang Ambokadze) for the Eligible Enterprise (hereinafter referred as “the Enterprise”) and the Dispatch Licensee in the part of buying the electricity for the purpose of covering losses and providing for the electricity (capacity) transit and also in the part of buying the electricity for the purpose of covering losses in transmission network, that are authorized to take part in the wholesale trade of electricity, based on the Law of Georgia on “Electricity and Natural Gas” and “The Electricity (Capacity) Market Rules” (hereinafter referred as “the Market Rules”);

b) The Paragraph 3.2. of the Contract shall be formed as follows:

“3.2. The Enterprise buys from the Commercial Operator the electricity, which equals to the difference between the volumes of consumed electricity, by it during the calculation period and the electricity bought based on the direct contracts.”;

c) The paragraph 3.2¹. shall be added after the Paragraph 3.2. of the Contract:

“3.2¹. Dispatch Licensee:

c) In purpose to cover transmission network losses buys the amount of electricity to

purchase losses in the transmission network specified in the reporting period according to the paragraph 3¹ of Article 23 of the “the Market Rules” from Electricity Market Operator under the Standard Conditions;

d) In purpose to cover losses for providing electricity (capacity) transit buys the amount of electricity equivalent to the difference between the quantity of electricity purchased for transit and the amount of electricity purchased on the basis of the direct agreement for these purposes specified in the reporting period according to the paragraph 3¹ of Article 23 of the “the Market Rules” from Electricity Market Operator under the Standard Conditions.”;

d) Paragraphs 4.1.1. and 4.1.2. of Article 4 of the Contract shall be formed as follows:

„4.1.1. It represents the distribution licensee, direct customer, exporter, electricity generator (in the part of power purchase for the plant’s general consumption of electricity), Dispatch Licensee (in the part of power purchase for covering the losses to provide for the electricity (capacity) transit and in purpose to cover losses in transmission network);

4.1.2. It has received the Balancing Electricity at the delivery points during the reporting period for covering the losses to provide for the direct consumption (in case of the electricity generator – for guaranteeing general consumption of the plant), export or in purpose of covering losses for providing transit of electricity (capacity) and of covering losses in transmission network.“

e) Paragraphs 6.1.. and 6.2. of Article 6 of the Contract shall be formed as follows:

„6.1 The volume of Balancing Electricity sold to the Enterprise is reflected in the receipt-delivery act materially or electronically signed between the Electricity Market Operator and the Enterprise. In addition, if the amendments connected with the electricity generated, delivered and consumed (according to the Market Rules) are introduced to the receipt-delivery acts, it is resulted in making corrections to the volume of Balance Electricity, the corrected receipt-delivery act shall be drawn materially or electronically;

6.2 The Electricity Market Operator materially or electronically submits to the Enterprise four properly composed and approved acts of electricity receipt and delivery, within 12 calendar days. The Enterprise is obliged to return materially or electronically two acts to the Electricity Market Operator within two calendar days;“

f) The paragraph 6.11. shall be added after the Paragraph 6.10. of the Contract:

„6.11. In cases specified in paragraphs 6.1 and 6.2 of this Agreement, the electronic version of the receipt and delivery act shall be formulated and signed through the electronic system on the website of the Electricity Market Operator (www.esco.ge). An electronic and electronically signed receipt and delivery act has the same legal force as material and materially signed receipt and delivery act.

2. The decision shall become valid from the date of announcement at the Commission Session;

3. The decision can be appealed in Tbilisi Civil Court (Address: #6 Aghmashenebeli Alley, 12th km) within one month after its official publication;
4. Oblige the Commission's PR Department ensuring prompt public disclosure of this decision at the publicly accessible place of Commission building, and the Commission website;
5. Assign control of performance to the Commission's Electricity Department.

Chairman

I. Milorava

Commission Member

G. Phangani

Commission Member

M. Melikidze

Commission Member

D. Narmania