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## Regulatory and Energy Assistance

### **CONTRACT ON THE USE OF INTERCONNECT CAPACITY**

**NUMBER:**

**PARTIES:**

**ELEKTROPRIJENOS-ELEKTROPRENOS BiH a.d. BANJA LUKA**

**78000 Banja Luka, Marije Bursać 7a**

**Represented by Dušan Mijatović, electrical engineer, General Director  
(Hereinafter called “Transmission service provider – the Company”)**

**VAT number 102369530009**

**And**

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The Company for the transmission of electricity in Bosnia and Herzegovina “Elektroprenos-Elektroprijenos BiH” a.d. Banja Luka, address Marije Bursać 7a, represented by General Director Dušan Mijatović, B.S.EE, on one side (hereinafter called: Company)

And

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(hereinafter called: Participant)

## **CONTRACT ON THE USE OF INTERCONNECT CAPACITY**

### Article 1

The Company has been informed by the Independent System Operator (ISO) that a right to use cross-border capacities was allocated to Participant in an auction of standard products. As provided in the Rulebook on the Allocation of Rights for the Use of Cross-Border Transmission Capacities (hereinafter: Rulebook), the execution of this contract by the Participant and the Company will finalize the allocation of the referenced cross-border capacity.

### Article 2

The first contract between the Company and Participant will be the base contract and a capacity allocation confirmation; thereafter, only capacity allocation confirmations shall be executed. The base contract and capacity allocation confirmations are considered to be contractual transactions that finalize the allocation of cross-border capacity. This Contract shall be considered the base contract that supports the instant and any additional allocations of cross-border capacity with Participant.

### Article 3

When the Company receives notification of an award of cross-border capacity in an auction from the ISO, within two business days of receipt, the Company shall send a Base Contract and/or Capacity Allocation Confirmation of the award to the designated Participant that confirms the capacity awarded, the date of the award, and the financial obligation associated therewith. Additional

For annual and monthly auctions an invoice for payment shall be sent simultaneously to the Participant with the confirmation, to be paid in advance of use of the capacity, by the due date stated on the invoice. For daily and weekly awards, however, the confirmation and invoice shall be sent in the month after the award(s) and after the capacity has been used by the Participant. The payment due date shall be stated on the invoice.

The Participant shall return the signed Base Contract and/or Capacity Allocation Confirmation within two business days of its receipt from the Company. Payment shall be sent no later than as provided in Articles 4 and 5.

Capacity Allocation Confirmations may be submitted and returned via fax or electronic mail to:

The Company

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**[Name]**

Elektroprijenos-Elektroprenos a.d. Banja Luka  
Marije Bursać 8a  
78000 Banja Luka  
Bosnia and Herzegovina

**[Fax Number]**

**[Email address]**

The Participant:

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**Name**

**Company**

**Address**

**Fax Number**

**Email address**

A hard copy of the signed confirmation(s) shall also be mailed to the Company within two business days of signing to the same address as above.

#### Article 4

Participant shall execute the confirmation and send it, along with proof of payment as set forth in Article 5, to the Company within the following time frames:

- Annual auctions: at least \_\_\_\_ days prior to the end of the month prior to the first day of the month scheduled for use of the capacity.
- Monthly Auctions: at least \_\_\_\_ days prior to the end of the month prior to the first day of the month scheduled for use of the capacity.
- Weekly and Daily auctions: at least \_\_\_\_ days prior to the end of the month after the month in which capacity was won during daily and weekly auctions.

In all cases, the due date for payment shall be specified in the invoice.

## Article 5

The Participant shall be obligated to pay the amount indicated in the invoice for the interconnect capacity into the account of the Company, number: 5510010003400849, at Nova Banjlučka Banka – Banja Luka [**Chose one bank account to eliminate possible confusion in Transco locating the funds.**]. The Participant shall cause the paying bank to electronically notify both the Company and the ISO of payment. [**See alternate language attached for bank guarantee.**]

## Article 6

If the Participant fails to pay its financial obligations for any capacity on or before the due date stated on the invoice, the allocation of capacity to the Participant will be cancelled, and the Participant will be unable to participate in auctions. The Company within two business day shall inform the ISO of the Participant's failure to pay, and within two business days of the notification from the Company, the ISO shall inform the Participant of its loss of the ability to participate in capacity allocation auctions. The subject capacity shall be re-auctioned as soon as practicable.

## Article 7

If the Participant has a dispute with regard to this contract or any transaction evidenced by capacity allocation confirmations, it shall lodge a complaint with the State Electricity Regulatory Commission (SERC) within 15 days from the day of discovery of a possible irregularity.

## Article 8

Any notice or request made to or by either party regarding this Contract on the Use of Interconnect shall be made to the representative of the other party as indicated below. If the notice is submitted via fax or electronic mail, a hard copy of the notice or request shall also be mailed within two business days.

### The Company

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Elektroprijenos-Elektroprenos a.d. Banja Luka  
Marije Bursać 8a  
78000 Banja Luka  
Bosnia and Herzegovina

The Participant:

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**Name**  
**Company**  
**Address**  
**Fax Number**  
**Email address**

#### Article 9

The Rulebook on the Allocation of Rights for the Use of Cross-Border Transmission Capacities is fully incorporated herein as if fully set forth.

#### Article 10

The contracting parties agree that should the Participant no longer be able to or intend to participate in auctions for the allocation of capacity and if all of its financial obligations to the Company are fulfilled, it may submit a written notice of contract termination with a termination period of 30 days from the day of request submission. The Participant's termination of a contract does not prejudice its right to execute a new contract should it become active in the allocation process at a later time.

If the Participant does not pay its financial obligations by the due date stated on the invoice and the Company has so informed the ISO, which has cancelled the capacity allocation and determined that the participant will not be able to participate in auctions on a permanent basis, then the Company may terminate this contract with a termination period of 30 days from the day of notice of termination.

#### Article 11

This contract is concluded for an indefinite period.

#### Article 12

The contracting parties hereby agree that mutual obligations not regulated by this contract shall be addressed according to relevant primary and secondary legislation.

#### Article 13

This Contract shall enter into force on the day of its signing by authorized representatives of the contracting parties.

Article 14

This contract is made in six (6) identical copies of which two (2) copies are for the Participant and four (4) copies are for the Company.

[Place]  
[Protocol No.]

[Place]  
[Protocol No.]

**For the Company:**  
Elektroprijenos-Elektroprenos

**For the Participant:**  
\_\_\_\_\_

**BANK GUARANTEE LANGUAGE  
IF IT IS DETERMINED SUCH IS DESIRABLE**

In order to secure the precise execution of all obligations based the allocation of rights for the use of cross-border transmission capacities, the Participant shall provide the Company simultaneously with the signed Confirmation, a bank guarantee for the amount of its financial obligation as a result of the allocation of capacity through the auction. The Participant shall cause the guaranteeing bank to electronically notify both the Company and the ISO of the issuance of the guarantee.

In case the participant does not pay its financial obligation by the due date of the invoice for the same, the Company reserves the right to charge it via the payment security instrument from paragraph 1 of this Article, prior to which the Participant shall be informed electronically, followed up by writing.

If the Company uses the bank guarantee from paragraph 1 of this Article, the Participant shall submit to the Company on its first call, the same payment security instrument.

If and when, within the duration of this Contract, new payment security instruments are included in this contract either because the previous one is used or additional obligations are assumed by the Participant, the Participant shall be obliged on the Company's request to secure and submit the corresponding number of payment security instruments.

If the participant does not execute its obligations from the previous paragraph, the Company can terminate this contract and inform the ISO that the allocation of capacity is cancelled, and the Participant will not be able to participate in auctions.