

**ELECTRICITY MARKET OPERATOR LICENSE
(WITH CONDITIONS)**

GRANTED TO:

***"KOSTT-TRANSMISSION SYSTEM AND MARKET OPERATOR"
J.S.C***

ERO_Li_16/06

Registration Number:

TABLE OF CONTENTS

PART I	TERMS OF THE LICENSE.....	3
PART II	CONDITIONS OF THE LICENSE	4
	Article 1: Definitions and Interpretation.....	4
	Article 2: Authorization Granted Under this License	6
	Article 3: Separate Accounts for the Market Operation Business	6
	Article 4: Legal and Management Unbundling Obligations.....	7
	Article 5: Prohibition of Subsidies and Cross-subsidies.....	8
	Article 6: Prohibition of Discrimination	8
	Article 7: Market Rules.....	8
	Article 8: Accession to Market Rules	9
	Article 9: Operational Communications	9
	Article 10: Capacity Availability	10
	Article 11: Interconnector Trading and Nomination	10
	Article 12: System Operation Forecasting.....	11
	Article 13: Settlement and Energy Imbalance Prices	11
	Article 14: System Charges	11
	Article 15: Invoicing and Payments.....	11
	Article 16: Restrictions on Use of Certain Information.....	12
	Article 17: Labour.....	12
	Article 18: Change in Control of the Licensee	12
	Article 19: Provision of Information to ERO	12
	Article 20: Reasons for License Termination, Withdrawal and Modification.....	13
	Article 21: Administrative Fines and Measures.....	14
	Article 22: Settlement of Disputes	15

Annex 1: Description of the Group of the Licensee (shareholders, affiliates and subsidiaries of the Licensee- diagram, reference to certain percentages of shareholding participation and activities exercised by each one of the companies)

Annex 2: Description of other activities exercised by the Licensee divided into activities of energy sector and activities of other sectors

PART I TERMS OF THE LICENSE

1. **The Energy Regulatory Office (hereinafter referred to as "ERO")**, in exercise of the powers granted by Articles 15.2 (a) and Article 37 of the Law on the Energy Regulator (hereinafter referred to as the "Law"), Article 16.2 of the Law on Energy (Law No. 2004/8), and Article 27 of the Law on Electricity hereby issues to **KOSTT – TRANSMISSION SYSTEM AND MARKET OPERATOR J.S.C** (hereinafter referred to as the "Licensee"), this license to ensure and undertake the economic management of the electricity system (**Market Operator's license**), during the period specified in paragraph 5, subject to the Articles and conditions set out in Part II.
2. The territory covered by this license is the whole territory of Kosovo (hereinafter referred to as the "Territory").
3. The Licensee shall comply with all Articles and conditions stipulated in this license for carrying out the licensed activity, and with the requirements of Article 27 of the Law on Electricity and all relevant legislation and directions of ERO and, in doing so, shall endeavor, at all times, to comply with the following applicable objectives:
 - a) the efficient discharge of the obligations imposed upon it by this licence;
 - b) promoting effective competition in the generation, trade and supply of electricity, and promoting such competition in the sale and purchase of electricity;
 - c) promoting efficiency in the implementation and administration of the Market Rules;
 - d) the efficient implementation and management of the balancing and settlement provided by the Market Rules.
4. The Articles and conditions of this license are subject to modification or termination or withdrawal in accordance with their terms and with Articles 35, 36, 37 and 39 of the Rule on Licensing of Energy Activities in Kosovo.
5. This license shall come into force on 04 October 2006 and, unless withdrawn, shall continue in full force and effect until 04 October 2036 with possibility of extension in accordance to the Rule on Licensing of Energy Activities in Kosovo.

Stamped with the common stamp of the Energy Regulatory Authority on _____

Signed by (on behalf of the Board of ERO) _____

PART II CONDITIONS OF THE LICENSE

Article 1: Definitions and Interpretation

1. For the purpose of this license, the terms and expressions listed below shall have the following meanings:

"Accession Agreement" means the document signed by all parties who agree to be bound by the Market Rules as set out in Annex 2 of the Market Rules.

"Affiliate" means in relation directly or indirectly to the Licensee any Holding Company or Subsidiary of the Licensee or any Subsidiary of a Holding Company of the Licensee, in each case within the meaning of the legislation applicable in Kosovo.

"Distribution Code" means the set of technical rules issued by Transmission System Operator and approved by ERO, pursuant to Article 15.2 (i) of the Law on Energy Regulator.

"Distribution System" has a meaning as provided by Article 3 of the Law on Electricity.

"Distribution System Operator" has a meaning as provided by Article 3 of the Law on Electricity.

"Dominant Party" has a meaning as provided in the Market Rules.

"Electricity enterprise" has a meaning as provided in Article 3 of the Law on Electricity.

"Financial year "is a period from 1 January up to 31 December of the same calendar year.

"Generation unit" means any plant or apparatus for the production of electricity as prescribed in the Grid Code.

"Grid Code" is the set of technical rules issued by the Transmission System Operator pursuant to Law on Electricity and approved by ERO pursuant to Article 15.2 (i) of the Law on the Energy Regulator.

"Holding company" means any company defined as such in accordance to the legislation applicable in Kosovo.

"Legislation" means Law on Energy (2004/8), Law on Energy Regulator (2004/9), Law on Electricity (2004/10) and other primary legislation, or secondary legislation to be issued in execution of primary legislation regulating energy sector.

"Market Operator" means a legal person responsible for the organization and administration of trade in electricity and payment settlements among producers, suppliers and customers;

“Market Rules” mean the set of rules approved by ERO governing transactions in electrical energy between the Market Operator and other electricity enterprises, including where appropriate the interaction between these parties and the Transmission System Operator for the purposes of maintaining the physical balance of the market. This includes any transitional transaction arrangements that may be approved by ERO.

“Market Rule Framework Agreement” has a meaning as provided in the Market Rules.

“Modification” includes addition, amendment and substitution, and cognate expressions shall be construed accordingly.

“Organized Market” means the organized range of transactions and commercial relations in the trade of electricity where the place, time and method for concluding the transactions and establishing the commercial relations are known publicly and have been previously announced in the Market Rules.

“Settlement” has a meaning as provided in the Market Rules.

“Subsidiary” means any company owned or controlled by another company, defined in accordance to the legislation applicable in Kosovo.

“Transmission System” has a meaning as provided by Article 3 of the Law on Electricity.

“Transmission System Operator” has a meaning as provided by Article 3 of the Law on Electricity.

“Trading Party” has a meaning as provided in the Market Rules.

“Vertically integrated enterprise” means an electricity enterprise which performs at least one of the functions that are required to be licensed under the Law on the Energy Regulator, other than transmission of electricity.

2. Terms used in this License shall have the same meanings as the terms used in the Legislation.
3. In reference to paragraph 2, any modification or re-enactment of the legislation after the date when this license comes into force, shall apply.
4. Unless otherwise specified:
 - a) any reference to a numbered Article or to a numbered Annex is respectively a reference to the Article or the Annex bearing that number in this license;
 - b) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Article or Annex, in which the reference occurs.

5. The heading or title of any Part, Article, Annex or paragraph shall not affect the construction thereof.
6. Where an obligation is imposed to the Licensee with a specific deadline for performance, that obligation shall continue to be binding and enforceable after that time limit without prejudice to all rights and administrative measures and fines that may be imposed against the Licensee if such Licensee fails to perform within the time limit.
7. The provisions of paragraph 6 shall apply in any case of document, direction or notice pursuant to this license and directions issued by ERO.

Article 2: Authorization Granted Under this License

1. According to the Market Rules the Licensee is authorized to:
 - a) accede to the Market Rules in the capacity of “owner”;
 - b) maintain a process for all Trading Parties to accede to the Market Rules;
 - c) maintain accounts on behalf of Trading Parties and the Transmission and Distribution System Operators;
 - d) manage the Settlement process;
 - e) invoice and collect money owed to or by (as the case may be) Trading Parties under the terms of the Market Rules;
 - f) act as agent of the Transmission System Operator, invoice and collect charges owed to or by (as the case may be) Trading Parties as allowed under the licence granted to the Transmission System Operator by ERO;
 - g) act as agent of the Distribution System Operator(s), invoice and collect charges owed by Trading Parties as allowed under the licence granted to the Distribution System Operator(s) by ERO;
 - h) manage the process of Modification of the Market Rules;
 - i) provide market information in accordance with the provisions of the Market Rules; and
 - j) perform all other function assigned to it under the Market Rules.
2. The Licensee shall not assign and/or transfer and shall not purport to assign or transfer any of its rights or obligations under the present license.

Article 3: Separate Accounts for the Market Operation Business

Condition 1:

In accordance with Article 49.2 of the Rule on Licensing of Energy Activities in Kosovo the Licensee shall fully comply with requirement of this Article within twelve (12) months from the date when this license is issued.

1. The Licensee shall prepare annual regulatory accounts in accordance with Regulatory Accounting Guidelines issued by ERO and shall deliver to ERO a copy of the annual accounts so prepared and any annual audited accounts as

soon as reasonably practicable, and in any event no later than (3) three months after the end of the financial year to which the accounts relate.

2. The Licensee shall, in its internal accounting, keep or cause to be kept a separate accounts for the Market Operation business as a whole (separate from the Transmission System Operators business) which, when requested by ERO, must be delivered in the form and at the times specified by ERO. The accounts shall be kept in accordance with such regulatory accounting guidelines as may be issued by ERO from time to time.
3. The Regulatory Accounting Guidelines or directions notified by ERO to the Licensee under paragraph 2 may, inter alia:
 - a) specify the form of the regulatory accounting statements/records, including but not limited to, profit and loss accounts, balance sheets, recognized gains and losses statements, cash flow statements and statements of the amounts of any revenues, costs, assets, liabilities, reserves or provisions which have been either charged from or to any other business or determined by allocation or apportionment between the consolidated market operation business and any other business;
 - b) specify the nature and content of the regulatory accounting statements/records, including information on specified types of revenue, cost, asset or liability and information on the revenues, costs, assets and liabilities attributable to specified activities;
 - c) specify the regulatory accounting principles (including the basis for the allocation of costs).
4. The Licensee shall not, in relation to the regulatory accounting statements in respect of a financial year, change the bases of charge, apportionment or allocation from those applied in respect of the previous financial year, unless ERO has previously issued directions for the purposes of this Article or ERO gives its prior written approval to the change in such bases.
5. The Licensee shall fully comply with any directions issued by ERO for the purposes of this Article.

Article 4: Legal and Management Unbundling Obligations

1. As long as the Licensee is part of a vertically integrated enterprise, it shall comply with the provisions of Article 27 of the Law on Electricity, to ensure it maintains independence from activities not related to Transmission in terms of its legal form, ownership, organization and decision making.
2. The Licensee may not be engaged in electricity generation, public supply, and or supply/trading.
3. In order to ensure the independence of the Licensee:
 - a) those persons responsible for the management of the Licensee may not participate in company structures of the vertically integrated enterprise, be

responsible, directly or indirectly, for the day-to-day operation of generation, distribution and supply of electricity;

- b) the Licensee shall take appropriate measures to ensure that the professional interests of the persons responsible for the management of the Licensee are taken into account in a manner that ensures that they are capable of acting independently;
- c) the Licensee shall prepare and ERO shall approve a Code of Conduct, setting out measures necessary to ensure that any discriminatory behaviour is excluded and that the observance of it is adequately monitored. The Code of Conduct shall include the specific obligations of the Licensees directors and employees to meet this objective, including obligations of non-competition, confidentiality and avoidance of conflicts of interest. The Code of Conduct shall be part of any contract of employment with the Licensee. The Licensee shall submit to ERO every year, by 31 January at the latest, an annual report outlining the measures taken for the purpose of compliance with the Code of Conduct.

Article 5: Prohibition of Subsidies and Cross-subsidies

The Licensee shall ensure that the Market Operation business does not give any cross-subsidy (direct or indirect) to, or receive any subsidy or cross-subsidy (direct or indirect) from, any other business of the Licensee or any Affiliate or related undertaking of the Licensee.

Article 6: Prohibition of Discrimination

1. The Licensee shall not discriminate between the Trading Parties, particularly in favour of its Affiliates or related enterprises, and shall perform its functions with due respect of the principles of transparency, objectivity and independence.
2. A Trading Party having been designated as a Dominant Party by ERO, may be treated differently by the Licensee according to the provisions of the Market Rules.

Article 7: Market Rules

Condition 2

Within a time period not exceeding **three (3) months** from the day of entering into force of the Market Rules, the Licensee is obliged to make arrangements for all relevant Electricity Enterprises licensed in Kosovo, including the Transmission System Operator, the Distribution System Operator *and Electricity Enterprises with Generation Units* to sign the Market Rules Framework Agreement, or any other relevant Agreement by which the Parties agree to be bound by the Market Rules. ERO may issue directions in order to vary the deadline set forth in this Condition as may be specified in those directions.

1. Within 120 days from the issuance of the present license, or such shorter deadline as ERO may determine, the Licensee shall prepare and submit to ERO the draft Market Rules that it proposes to apply.

2. Market Rules are subject to approval by ERO, according to Article 15.2 (j) of the Law on the Energy Regulator. Furthermore, once the Market Rules are approved by ERO, such rules cannot be changed without written agreement of ERO.
3. The Licensee shall be responsible for managing any proposal for modification of the Market Rules, according to the relevant provisions of the Market Rules, and submit any proposed modifications to ERO for approval following appropriate consultations with affected parties. Where ERO may direct, the Licensee shall undertake the process for modification of the Market Rules in accordance with ERO's direction.
4. The Licensee shall publish the applicable Market Rules on its web-site in a form in which they may be easily downloaded and copied and shall be responsible to provide a copy of the Market Rules to any person on request, subject on payment by such person of an amount not exceeding the Licensee's reasonable costs in making and providing such a copy. The due amount shall be approved by the Licensee from time to time and published on its web-site.

Article 8: Accession to Market Rules

1. The Licensee shall enter into Accession Agreements with all persons wishing to sign such an agreement and become Parties to the Market Rules, and shall give relevant notice to ERO, according to the provisions of the Market Rules.
2. The Licensee is obliged to monitor compliance of the Trading Parties with the terms and conditions of the Accession Agreements, according to the Market Rules.
3. The Licensee may terminate Accession Agreements according to the provisions of the Market Rules.
4. The Licensee shall charge the Trading Parties any amounts applicable for participation in the Market (Market Operator charges), as well as any sums required to provide security to the Market, as specified by the Market Rules.

Article 9: Operational Communications

1. For the purposes of managing the Settlement, the Licensee shall procure and install adequate computer and other equipment and software and shall draft and publish the necessary standards for communication with such software, using appropriate international standards, in accordance with the Market Rules.
2. The Licensee shall ensure that the software used for Settlement is audited by a suitably qualified independent auditing company to determine its consistency with the Market Rules, according to the provisions of the Market Rules.
3. The Licensee shall maintain complete and accurate records of all Settlement Data submitted by the Trading Parties or maintained by the Licensee. The format for the retention of such records shall be determined by the Licensee.

4. For the purposes of this Article:

“*Settlement Data*” means all data required to be supplied either by the Licensee or the Trading Parties to allow Settlement to be carried out under the Market Rules.

Article 10: Capacity Availability

1. The Licensee shall establish, maintain and update a register (the capacity register) in which will be recorded the declared capacity of each Generation Unit, the number of Capacity Availability Certificates (CACs) held by each Trading Party for each Settlement Period, and all transactions with respect to CACs, including CAC transfer proposals and notifications, in accordance with the Market Rules.
2. The Licensee shall cooperate with the Transmission System Operator for the identification of the Generation Units’ availability, and shall record the full history of capacity availability notifications submitted by the Trading Parties, as provided for by the Market Rules.
3. The Licensee shall award CACs to Generation Units and Interconnector Traders according to the provisions of the Market Rules.
4. The Licensee shall submit to each Trading Party reports regarding the CAC transfers where relevant to that Party according to the Market Rules.
5. For the purposes of this Article:

“*Capacity Availability Certificate*” has a meaning as provided in the Market Rules.

“*Interconnector Trader*” has a meaning as provided in the Market Rules;

Article 11: Interconnector Trading and Nomination

1. The Licensee shall establish, maintain and update an Interconnector capacity register, in which it will record information on Interconnector capacity accounts on behalf of any person wishing to hold Interconnector capacity rights and submitting the data required and any proofs regarding the ability to pay for Interconnection capacity rights, in accordance with the Market Rules.
2. The Licensee shall advertise all necessary and appropriate information for carrying out annual and monthly capacity auctions and for the allocation of Interconnector capacity on a daily basis, according to the Market Rules.
3. The Licensee shall be responsible for prescribing the form of the transfer of Interconnector capacity rights from one Trading Party to another, and for accepting and rejecting Interconnector Trade proposals, according to the Market Rules.

4. The Licensee shall submit to the Transmission System Operator on behalf of the Trading Parties the notifications specifying intended MW delivery or off take through any Interconnector over a specified day (Interconnector physical nominations) and is obliged to provide all Trading Parties having acquired Interconnector capacity rights with all necessary information, according to the Market Rules.
5. For the purposes of this Article:

“Interconnector” has a meaning as provided in the Market Rules and Grid Code.

Article 12: System Operation Forecasting

The Licensee shall be responsible for publishing on its web-site and updating at due times all information regarding annual, monthly, and day ahead forecasts of demand and other factors, as provided to it by the Transmission System Operator according to the Market Rules.

Article 13: Settlement and Energy Imbalance Prices

1. The Licensee shall be responsible for the settlement of the bid and offer contracts through the relevant energy accounts, according to the provisions of the Market Rules.
2. The Licensee shall calculate and publish for every Settlement Period the energy imbalance price according to the Market Rules.
3. The Licensee is obliged to calculate the metered energy and non-delivery bid and offer volumes with respect to the relevant energy accounts, according to the Market Rules, and is responsible for the settlement of such accounts.
4. For the settlement of capacity imbalances the Licensee shall calculate and impose capacity penalties according to the provisions of the Market Rules.
5. For the purposes of this Article:

“Settlement Period” has a meaning as provided in the Market Rules.

Article 14: System Charges

Acting in its capacity of agent for the Transmission System Operator and the Distribution System Operator, the Licensee shall collect from the Trading Parties all system charges applicable, and transfer the amounts due to the Transmission System Operator and the Distribution System Operator.

Article 15: Invoicing and Payments

1. The Licensee shall be responsible for issuing and submitting to the Trading Parties the invoices necessary for the settlement of their accounts, according to the provisions of the Market Rules.

2. In reference to paragraph 1, the Licensee shall establish an invoice Manual specifying the formats of invoices and of supporting data.

Article 16: Restrictions on Use of Certain Information

1. The Licensee shall not disclose directly or indirectly any confidential information to any other business of the Licensee or an Affiliate or related undertaking of the Licensee, unless the Market Rules provide for disclosing or publishing such information.
2. The Licensee may disclose any information other than confidential held and/or obtained by it in the discharge of its functions as Market Operator, as defined as such in the Rule on Confidentiality of Information as adopted by ERO. Except that this restriction shall not prevent the Licensee disclosing any information that ERO may require while carrying out its obligations under the Legislation and under Article 20 of this license.
3. The Licensee shall procure that any document containing confidential information shall be marked as such.
4. The Licensee shall take measures designed to prevent any person who is or ceases to be employed by the Licensee from disclosing confidential information.
5. The Licensee shall take all reasonable steps to ensure that confidential information is not used or disclosed for any purpose other than that for which it was provided, pursuant to the relevant provisions of the Rule on Confidentiality of Information.
6. For the purposes of this Article :

“confidential information” means any commercial or other kind of information held and/or obtained by the Licensee in the discharge of its duties under the Legislation, that is to be regarded as confidential under the Rule on Confidentiality of Information and under this license.

Article 17: Labour

The Licensee shall comply with all legislation applicable to labour relations and work safety whether in force at the date hereof or in the future.

Article 18: Change in Control of the Licensee

The Licensee shall notify ERO of any intended change in control of the Licensee at least sixty (60) days in advance of such a change. Change in control may not take place unless ERO has approved it.

Article 19: Provision of Information to ERO

1. The Licensee shall submit to ERO, in manner and at such times as ERO may require, such information and such reports as ERO may consider necessary in the light of any Article or condition of this license or for the purpose of performing the functions assigned or transferred to it under Article 29 of the Rule on Licensing of Energy Activities in Kosovo or other applicable Legislation.
2. The information shall be prepared to a level of audit as may be required by ERO from time to time.
3. The power of ERO to call for information under paragraph 1 is without prejudice to the power of ERO to require even information that are considered confidential under or pursuant to any other Article or condition of this license or under or pursuant to the applicable Legislation.
4. If the Licensee requests that certain information shall be considered as confidential it is its obligation to mark such document as confidential and justify to ERO such request.
5. The Licensee shall deliver to ERO quarterly and annual reports about its market operation business and compliance with the license's Articles and conditions in accordance to the Reporting Manual issued by ERO.
6. The Licensee shall submit to ERO details of any change in information submitted with application for this license.
7. In this Article:

"Information" means material in any form and includes without limitation, any books, documents, records, contracts, accounts (statutory or otherwise), estimates, returns or reports of any description and any explanations (oral or written) in relation to such information as may be requested by ERO.

Article 20: Reasons for License Termination, Withdrawal and Modification

1. ERO may terminate this license in accordance to Article 39 of the Rule on Licensing of Energy Activities in Kosovo provided that the obligations of the Licensee shall be carried out by another Licensee or that customers are not at a disadvantage by such termination. Such termination may take place in case of:
 - a) expiration of the term of the license;
 - b) a request received from the Licensee in respect of its own license;
 - c) dissolution of the legal person holding the license;
 - d) upon decision of a court declaring the insolvency of the Licensee or court decision to terminate the market operation due to the Licensee's declaration of liquidation;
 - e) where the licensed energy activity has not been conducted for more than six (6) months, except where the suspension of activity is at the approval of ERO;
 - f) where provisions of Article 44 of the Rule on Licensing of Energy Activities in Kosovo are met.

- g) if any amount payable in respect of a fee for this Licence is unpaid thirty (30) days after it has become due and remains unpaid for a period of another thirty (30) days after ERO has given the Licensee notice in writing that the payment is overdue, provided that, no such notice shall be given earlier than the day following the “day” the amount payable was due.
- 2. ERO may withdraw this license in the cases below as stipulated in Article 44.5 of the Rule on Licensing of Energy Activities in Kosovo, provided that the obligations of the Licensee shall be carried out by another Licensee or that customers are not at a disadvantage by such withdrawal:
 - a) the licensee defaults or violates material Articles, conditions, or obligations in the license and such defaults and violations have not been remedied within the deadline given by ERO or seriously damage the quality, safety and reliability of the service that the Licensee was obliged to provide;
 - b) license monitoring by ERO finds failure to fulfil administrative requirements and such failure has not been remedied within the deadline provided by ERO;
 - c) the Licensee presented materially false information upon which the license grant was based.
- 3. In accordance with Article 35 of the Rules on Licensing of Energy Activities in Kosovo, ERO may modify this license in the following cases:
 - a) at the request of the Licensee;
 - b) where required to protect the energy system in Kosovo, in connection with security of supply or security of life and health of citizens or protection of environment;
 - c) in order to adhere to new requirements set forth in international agreements and national laws, regulations and other applicable legislation;
 - d) as a sanction for violation of license terms and conditions, pursuant to Article 44 of the Rule on Licensing of Energy Activities in Kosovo.

Article 21: Administrative Measures and Fines

- 1. In case of violation of any provision of the Legislation and of any Article or condition of this license and of any ERO’s instruction to the Licensee, ERO shall, have the power, pursuant to Article 56.2 of the Law on Energy Regulator and Rule on Administrative Measures and Fines, either to prevent the Licensee from repeating the illegal action or, if the action has stopped, to issue a regulatory decision requiring that a particular action has to be taken or to impose an administrative fine to the Licensee and/or the member of its Board of Directors and/or its executives.
- 2. Prior to issuance of a fine, ERO shall issue a notice of license violation to the Licensee and shall provide the Licensee with an opportunity to respond to ERO, in writing, within fourteen (14) days of the notification in order to remedy the violation.

3. A fine shall be imposed on the Licensee in accordance with Article 57 of the Law on Energy Regulator and Rule on Administrative Fines and Measures in the event that the Licensee violates the requirements of that Article insofar as they are applicable to the Licensee.
4. The amount of the fine will be evaluated in accordance to the Rule on Administrative Measures and Fines. In any case, if the fine mentioned in paragraph 3 is imposed on the Licensee, it must not exceed 15% of the Licensee's net revenues for the business conducted under this Licence in the previous financial year
5. If the fine mentioned in paragraph 3 is imposed on a member of the Board of Directors or an executive of the Licensee, it must not exceed 300% of the monthly remuneration received by that person from the Licensee.
6. In cases of repeat violations, the fine imposed may be three (3) times greater than the amount authorized in paragraphs 4 or 5.
7. When imposing a fine, in accordance with this Article, ERO shall take into account the degree of social harm of the action, the prior behaviour of the Licensee or person concerned and the financial standing of the Licensee or person.
8. If a fine imposed by ERO is not paid, ERO shall initiate court proceedings for the collection of the fine as a civil debt.

Article 22: Settlement of Disputes

1. Any dispute arising out or in connection with the licensed activity shall be settled in accordance with the Rule on Dispute Settlement Procedure in the Energy Sector adopted by ERO.
2. Decisions of ERO regarding the modification, withdrawal or termination of the license, as well as those regarding any fines resulting from breaches of the license or of the applicable legislation, may be appealed by the Licensee to the court of competent jurisdiction.