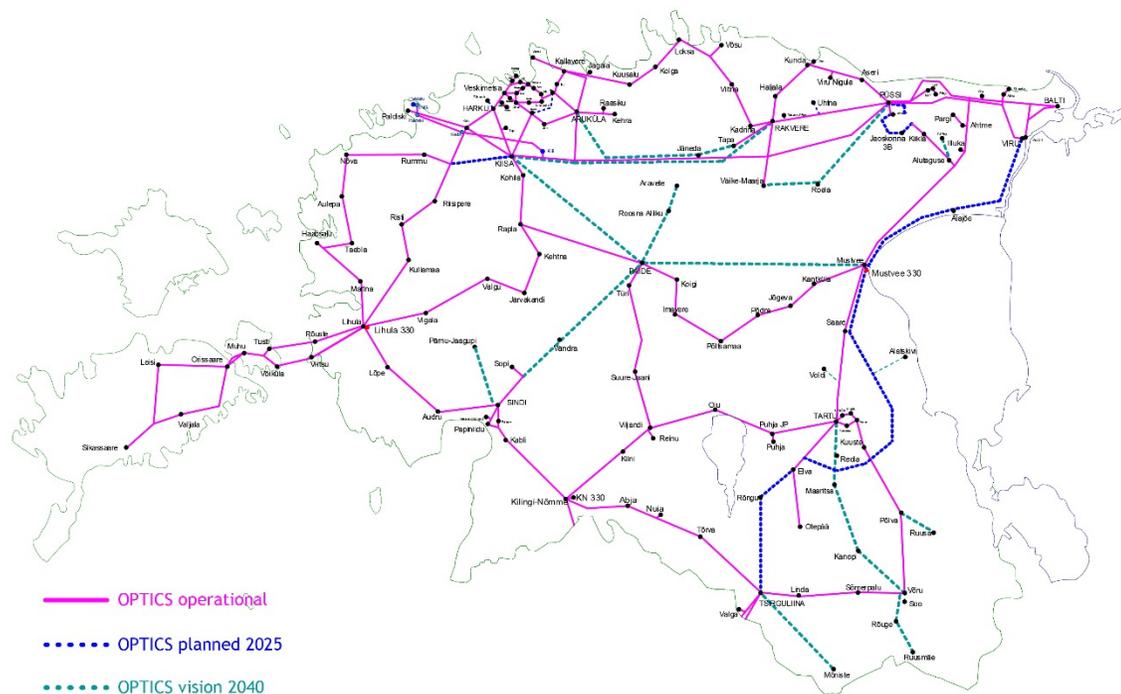


Wholesale Lease of Optical Infrastructure

Public consultation on the auction

Overview of the Optical Infrastructure

Map of the optical fibre infrastructure



Optical infrastructure overview

- In 2021, Elering's optical infrastructure had approximately 3400 km of optical cables, passing through approximately 140 objects in Elering's electricity network.
 - In 2025, the optical infrastructure is expected to amount to 4000 km of optical cables.
- In general, an OPWG fiber-optic lightning protection cable, complying with the G.652 standard, is used on the overhead lines.
- The electricity network's overhead and cable lines are in most cases equipped with the following optical cables:
 - 110kV lines with **one** optical cable with 48 fibers;
 - 330kV lines with **two** optical cables with 48 fibers.
- In general, on the cable lines either a 48-fiber underground cable or a 4X12/14 multitube micro cable is used.
 - In important (backbone network) objects, all the fibers of the optical cables entering the object are terminated;
 - In less important objects (access network) 12 to 24 fibers have been brought into the object from the data transmission backbone network, i.e., in such cases the fiber resources are limited.
- According to the measurement results of the network, carried out in 2021, the network is in a very good technical condition with an average attenuation (loss of power) of 0.34 dB (+/- 0.02) per km (1310nm) and 0.20 dB (+/- 0.02) per km (1550nm).

The exact location of Elering's electricity network objects and overhead and cable lines is available on the website <https://gis.elering.ee/>

Auction of optical infrastructure lease contracts

Principles of wholesale leasing of optical infrastructure

- Elering plans to auction their optical infrastructure for long-term lease.
- Two groups of fibers will be auctioned and leased, representing up to 50% of Elering's backbone fiber optic cable resources
- It is planned to distribute the optical infrastructure resource evenly throughout the network, where:
 - **The first group of rental fibers** accounts for up to 25% of the optical infrastructure. Depending on availability, the group of rental fibers will contain as many fibers as possible to access point objects;
 - **The second group of rental fibers** accounts for up to 25% of the optical infrastructure. Depending on availability, the second group will feature fibers to some access point objects, however, the second group is mainly intended for backbone communications.
 - Up to 25% of the optical infrastructure will remain as Elering's technological reserve to maintain the quality of service.
 - Up to 25% of the optical infrastructure will be actively used by Elering for operational purposes.
- The volume of optical infrastructure resources utilised will be calculated based on the number of fibers between two objects, i.e., not based on the distance in kilometres.

Conducting the auction

- The auction will be conducted in two stage:
 - **Stage I:** qualification of participants and signing of confidentiality agreements;
 - **Stage II:** forwarding of detailed information regarding the optical infrastructure and terms of contract.
- In Stage II of the auction the participants will submit their offer for either the first or second group of rental fibers, or for both.
- A participant may submit an offer for both groups of rental fibers.
- In the case of both groups of rental fibers, the winner will be decided solely based on the highest bid of monthly rent fee.
- Stage II will conclude with the signing of lease contract(s).
- If no bids are received for either of the rental fiber groups, or both, Elering has the right to organise another auction.

Submitting a bid

- During the auction, the interested party will submit a bid based on the monthly lease price for the year 2025.
- The starting price for the monthly lease contracts, commencing in 2025, for the two groups auctioned is as follows:
 - The first group of rental fibers: 55 000 euros/month (exclusive of VAT);
 - The second group of rental fibers: 50 000 euros/month (exclusive of VAT).

Principles of the wholesale lease agreement (1)

Terms & Conditions

- The contract will be signed starting from 01.04.2025 and with a duration of at least 10 years
- The lessee will be invoiced monthly for the use of the optical infrastructure.
- During every current year the monthly fee will be indexed for the upcoming year based on the previous year's consumer price index (CPI), published by Statistics Estonia. For example, the monthly fee for 2026 will be determined in 2025 by indexing the current monthly fee with last year's (2024) CPI.
 - The monthly fee will not be indexed in case the CPI is negative.
- In the event of a change in the optical infrastructure (reconstruction, construction and dismantling) during the term of the wholesale lease agreement:
 - Elering has the right to reduce or increase the amount of optical infrastructure fibers between objects by 10%;
 - Elering has the right to reduce or increase the number of objects related to the optical infrastructure by 10%.
- In the event of a planned change in the optical infrastructure (reconstruction, construction and dismantling), the optical infrastructure resources available to each group will be updated for the following year (e.g., 2026) during the current year (2025) at the latest.
- The parties to the agreement shall keep the content of the contract and the information on the optical infrastructure confidential.

Access to the optical infrastructure

- Elering will provide physical access to the following parts of its optical infrastructure:
 - The communications building's optical distribution frame (ODF), located at the object;
 - The control building's ODF, located at the object;
 - The outdoor ODF, located at the object;
 - At the optical cable boundary point located on the site (if the communications building is not owned by Elering);
 - At the boundary point of the optical cable leaving the object (if the communications building is not owned by Elering);
 - In an existing optical junction box located on the mast of the overhead power line;
 - In an existing optical junction box in a communication well.
- With prior approval from Elering, the Lessee may install and connect its optical cables to existing optical junction boxes, provided that the cables are dismantled if necessary and restored to their original condition within at least six (6) months.

Principles of the wholesale lease agreement (2)

Access to the objects

- The Lessee shall provide Elering with a list of companies (the Lessee itself, the Lessee's customers, equipment maintenance partners, etc.) whose employees have the right to access the leased optical infrastructure.
- A company that wishes to have access to objects related to the optical infrastructure shall provide Elering with a list of its employees together with a confirmation from a member of the company's management board that said employees have completed electrical safety training and passed a test on safety rules, which includes the knowledge of Elering's „[Safety regulations regarding operation of electrical installations and electrical work safety, Tallinn 2020](#)“. The knowledge test must be recorded, and a certificate issued.
- On the basis of the submitted list and confirmation, Elering will issue a notification and access rights, which will allow the respective employees to access Elering's facilities related to the optical infrastructure.
- The lessee may rent other communication facilities from Elering Under the "Standard Terms and Conditions of Elering's Communication Facilities Use Services Agreement" and the "Price List". The Agreement and Price List are currently being formulated and will be based on market conditions.
- When visiting the objects, one must comply with the "General Requirements for Elering's Communication Infrastructure".

Maintenance

- Maintenance work related to optical fiber interruptions shall be performed between 00.00 and 06.00, unless otherwise agreed, with at least one month's notice.
- The plan for major maintenance works (reconstruction of objects and lines) shall be notified of at least six (6) months in advance.
- When large-scale maintenance work is performed, the lessee has the opportunity to submit technical conditions for the performance of maintenance work, which Elering will consider if possible.
- During the maintenance work, Elering has the right to temporarily reduce the volume of leased fibers and objects related to the maintenance work.

Principles of the wholesale lease agreement (3)

Eliminating faults with optical infrastructure

- Faults in the overhead optical cable shall normally be rectified within forty-eight (48) hours of receipt of the fault message. If the overhead contact line carrying the optical cable needs to be replaced due to damage, the fault will be rectified within ninety-six (96) hours of receiving the fault message.
- Defects in the optical cable associated with the cable line will generally be rectified within thirty (30) days of receipt of the failure message. If the failure of the optical cable is not directly related to the cable line (failure of the communication well, etc.), the failures of the optical cable will generally be rectified within forty-eight (48) hours of receipt of the failure notice.
- Faults in the optical cable related to the submarine cable shall be rectified within six (6) months from the receipt of the fault message.
- Elering has the right to replace the faulty leased fibers between the objects by means of reconnections, through other objects, using their technological reserve.

Basis of qualification

- The Company's Industry classification, according to the Estonian Classification of Economic Activities (EMTAK), includes the following codes:
 - 6110 Telecommunication services in fixed communication network;
 - 6120 Wireless electronical communication services;
 - 61901 Other telecommunications.
- At the minimum 3 years of experience in the telecommunications Industry.
- Operating revenue of €1.2M a year in the prior three financial years.
- Company registered in a European Union member state or European Economic Area.

Participating in the public consultation

To participate in the consultation please fill in the questionnaire* and forward it to the following recipients:

Elering: margus.matkur@elering.ee

Grant Thornton Baltic: erik.suits@ee.gt.com

*The questionnaire can be found on Elering's website under the [Current Consultations](#) section, included under the Wholesale Lease of Optical Infrastructure consultation subsection.