

General terms of contract for district heat 1.7.2022

According to Finnish Energy's recommendation T1/2021

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GENERAL TERMS OF CONTRACT FOR DISTRICT HEAT

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DEFINITIONS OF THE CONCEPTS USED IN THE GENERAL TERMS OF CONTRACT FOR DISTRICT HEAT

This recommendation is a translation of the corresponding recommendation in Finnish. In any cases of ambiguity in interpretation, the Finnish-language instructions shall be complied with.

GENERAL TERMS OF CONTRACT FOR DISTRICT HEAT

1 Concluding a heat contract

- 1.1 The heat vendor and customer conclude a heat contract for connecting the heat consumption site to the district heating network and for supplying heat to the supply point.
- 1.2 The heat contract shall be drawn up in writing or in another durable medium. The heat contract must be drawn up in writing if requested by either one of the contracting parties. The heat contract is either valid indefinitely or for a fixed term.
- 1.3 The heat contract consists of the individually agreed and the general terms of contract for district heat, as well as the price lists. If there is a conflict between the contents of the contract documents, the documents shall be applied and interpreted in the following order:
 1. Individual terms of contract
 2. Price lists
 3. General terms of contract (these terms).
- 1.4 The customer is entitled to receive the invoices, notifications of changes to the terms of contract or pricing, or other messages in electronic format. The customer's address or invoicing address may be, for example, an e-mail address.
- 1.5 The customer shall notify the heat vendor of any changes that have taken place in their contact details.
- 1.6 The customer shall provide the heat vendor with the information that the heat vendor needs in order to implement the connection. The heat vendor shall tell the customer of the requirements that must be met before the customer's heat consumption site can be connected to the district heating network.

 If, in connection with concluding the contract, the customer notifies the heat vendor of a considerable increase in heat requirement that will take place at a later date, the heat vendor shall take this into account when dimensioning the branch pipe.
- 1.7 If the customer is not the owner of the buildings or site referred to in the heat contract, the customer must acquire the owner's consent in writing or in another durable medium for connecting the buildings to the district heating network and for any restrictions that the connection may pose to the use of the buildings and site. The consent shall be attached to the copy of the contract that will remain with the heat vendor.
- 1.8 The customer shall pay the heat vendor the connection fee referred to in the heat contract, as well as other fees in accordance with the price lists valid at any given time.
- 1.9 The heat vendor and the customer may agree to amend these terms. However, no exceptions to these terms may be included in the contract to the detriment of the consumer.
- 1.10 The heat vendor and the customer shall agree in the heat contract on the date on which the customer's site is connected to the district heating network and the supply of heat is started. The connection may be carried out and the supply of heat started when the customer has a valid heat contract and the customer's district heating and space heating equipment meet the technical requirements set by the heat vendor.

2 Transmission of heat to the customer and the quality of heat

- 2.1 Heat is transmitted to the customer with the aid of district heating water circulating in a closed pipeline. The district heating water is owned by the heat vendor.
- 2.2 The temperature of the district heating water supplied to the customer in the supply point under normal operating conditions is a minimum of 65 °C and a maximum of 120 °C. However, the highest supply temperature of the district heating water to the customer is usually 115 °C.
- 2.3 The minimum pressure difference of the district heating water available to the customer is 60 kPa.

3 The contracted water flow / contracted capacity reserved for the customer's use

- 3.1 The amount of contracted water flow / contracted capacity is laid down in the heat contract.
- 3.2 The heat vendor is entitled to restrict the district heating water flow / capacity received by the customer to the value of the contracted water flow / contracted capacity laid down in the contract.
- 3.3 A separate contract is always drawn up if changes are made to the contracted water flow / contracted capacity. There must be an adequate reason for changing the contracted water flow / contracted capacity, for example, refurbishment of the building or another measure that has an impact on the capacity need of the building.

When the contracted water flow / contracted capacity is increased, the customer shall pay an extra connection fee. However, when the contracted water flow / contracted capacity is reduced, no connection fees paid will be returned. If the reduced contracted water flow / contracted capacity is increased at a later date, the extra connection fee is charged only in as far as the contracted water flow / contracted capacity exceeds the value for which the connection fee has already been paid. The heat vendor is entitled to charge the customer for the costs accrued from changing the contracted water flow / contracted capacity or for any fees in accordance with the price list.

- 3.4 The customer must notify the heat vendor without delay of any significant changes having an impact on the use of district heat in the customer's property or space heating equipment.

4 Heat vendor's pipes and equipment

- 4.1 The heat vendor will install a metering installation at the customer's premises in a place agreed with the customer and build the branch pipe along an agreed route all the way to the metering installation. The division of tasks and the method of implementation between the customer and the heat vendor shall be agreed on in writing or in another durable medium in connection with the heat contract, if necessary.
- 4.2 The heat vendor is entitled to carry out installation and repair work on its own pipes and equipment at the customer's premises. The heat vendor is also entitled to carry out tasks at the premises complying with the hot work permit on the vendor's own district heating equipment and, in urgent cases, on the customer's district heating equipment located in the distribution room. Hot work shall be carried out in accordance with the heat vendor's hot work plan. The heat vendor shall notify the customer of any installation and repair work and hot work in advance. This does not apply to urgent repair and installation tasks, which will be notified as soon as possible.

- 4.3** The customer shall provide in a building and on a site owned or occupied by the customer, without a separate compensation, a facility necessary for positioning, inspecting and maintaining the equipment required by the branch pipe, the metering installation and any other equipment required for monitoring heat consumption, for the use of the heat vendor.
- 4.4** The customer shall make sure that the facility where the metering installation is located has a branch circuit for connecting the heat meter and other equipment necessary for monitoring the heat consumption, as well as any differential pressure gauge, to the 230-V electricity network. The customer shall provide the electricity required by these devices for the use of the heat vendor free of charge.
- 4.5** If the contracting parties so agree, the heat vendor is entitled to build and maintain district heating pipelines and necessary communication cables in the customer's buildings and in the site area also for other customers at the vendor's own expense. The heat vendor shall locate the above-mentioned pipelines, cables and related equipment so that they do not cause unreasonable damage or hindrance to the customer. If these pipelines, cables or equipment must be located on a built-up site, the heat vendor shall restore the areas damaged as a result of excavation or other work to the condition they were before the construction work started, unless otherwise agreed.
- 4.6** The heat distribution room and any separate metering installation room must be kept locked. The rooms must have a floor drain or other drainage facility approved by the heat vendor, as well as adequate lighting and ventilation. These facilities must not be used as a storage area or for any other inappropriate purposes. The customer shall ensure at their own expense that the facilities are safe to work in.
- 4.7** If the customer makes any changes to the building or site owned or occupied by them, the heat vendor shall make the necessary changes to its pipes and equipment as a result. In this section, changes do not refer to the termination of the heat contract and the resulting changes.

The heat vendor shall remove its pipelines, cables and equipment from buildings to be demolished, but is entitled to install pipelines, cables and equipment built for other customers in the new buildings to be built in place of the demolished buildings or at another place in the building or on the site in question, approved by both contracting parties.

If the cables to be moved or changed only serve the customer who is requesting the move or change, the expenses arising from the move or change shall be met by the customer. The heat vendor shall move or change the cables and pipelines installed only for other customers at its own expense. If the pipelines, cables or equipment to be moved or changed are also serving the customer wanting to carry out a move or change, the expenses arising from the move or change shall be divided between the customer requesting the move or change and the heat vendor in relation to the contracted water flows / capacities.

- 4.8** The customer must notify the heat vendor in writing or in another durable medium of any changes that oblige the heat vendor to move or remove its pipelines, cables or equipment either temporarily or permanently no later than three months before the start of the changes, and the customer must reserve a facility for building the necessary temporary pipeline. The customer must notify the heat vendor in advance in writing or in another durable medium of any changes to the purpose of use of the facilities or structures or of parcelling out of the site located along the heat vendor's line route.
- 4.9** The customer must organise, at their own expense and as agreed with the heat vendor, free and direct access to the distribution room and other facilities housing the heat vendor's pipelines, cables or equipment. The heat vendor is entitled to store the keys handed over by the customer in the key safe located at the customer's premises.

- 4.10** The customer must notify the heat vendor without delay of any faults or breakdowns detected in the heat vendor's district heating pipelines and equipment.

The heat vendor shall repair, at its own expense, the faults and defects in its own pipelines and equipment at the earliest possible opportunity.

- 4.11** The customer may close the heat vendor's shut-off valves only if there is a risk of immediate danger to life or health or damage to property, or at the heat vendor's request. The heat vendor must be notified of the closing of the valves with immediate effect.

Only a representative of the heat vendor or a person authorised by them for this task may switch on the heat vendor's shut-off valves.

- 4.12** The heat vendor is entitled to store and maintain its pipelines and other equipment in the building or on the site owned or occupied by the customer also after the heat contract has expired. If the pipelines and equipment cause a hindrance to the customer, the heat vendor and the customer may agree on moving the pipelines and equipment to another location in the building or on the site owned or occupied by the customer. The customer is entitled to reasonable compensation for the hindrance caused by these pipelines and equipment.

The heat vendor is entitled to apply for a special right or establish an easement given as a security for the permanence of its pipelines and equipment to the property owned or occupied by the customer without further consultation with the customer.

The customer is obliged to notify their successor of the heat vendor's entitlement to keep its pipelines and equipment in the building or on the site owned or occupied by the customer.

5 Customer's district heating and space heating equipment

- 5.1** The customer shall take care, at their own expense, of the building, installation, changing or connecting of their district heating equipment to the heat vendor's metering installation.
- 5.2** The installation, changing and repair work on the customer's district heating equipment may only be carried out by heat contractors approved by the heat vendor. This restriction does not apply to heat insulation or electrical work. The customer shall order all inspections required by the installation, change or repair work.

- 5.3** The planning, installation and inspection of the customer's district heating and space heating equipment must comply with the instructions or recommendations provided by the heat vendor and other instructions or recommendations applying to district heating equipment.

- 5.4** The precondition for the supply of heat is that the customer's district heating and space heating equipment are built and installed in a way approved by the heat vendor.

Any changes to be made to the customer's district heating equipment must be agreed on with the heat vendor, and the heat vendor must be notified of any essential changes to be made to the customer's space heating equipment before the changes are made.

The customer must notify the heat vendor of the closing of the customer's own main district heat stop valves.

- 5.5** The customer must ensure that in each invoicing period the district heating water in the customer's equipment will cool down by an average of at least 25°C and the

temperature of the water returning to the district heating network is no higher than 65°C.

- 5.6** The customer is responsible for the appropriate condition of their district heating and space heating equipment. The customer is obliged to compensate for other than in-direct damages caused to the heat vendor by their faulty equipment, installation of equipment or their use.

However, the customer is liable to pay damages only if they have been or should have been aware of the risks caused by the use of their equipment to the heat vendor.

If the customer's district heating or space heating equipment has a fault or property that the customer could not have detected, the customer shall be liable for damages accruing to the heat vendor if the customer continues to use the faulty equipment despite the heat vendor's complaint.

The use of faulty equipment must be stopped immediately upon request by the heat vendor if the use of the faulty equipment will or may result in damages to the heat vendor.

The customer must repair any faulty equipment on request or once noticing the fault.

- 5.7** The emptying or filling of equipment owned by the customer but containing the heat vendor's district heating water must be agreed on in advance with the heat vendor.
- 5.8** The heat vendor is entitled to inspect the customer's district heating and space heating equipment at its own expense, if necessary. The inspection of equipment outside the distribution room must be agreed on separately with the customer.
- 5.9** The heat vendor is entitled to install metering equipment in the customer's district heating equipment for the monitoring of heat consumption and quality control.

6 Heat metering and invoicing

- 6.1** The thermal energy delivered to the customer is metered with the heat vendor's metering equipment. The installed meter must be remotely readable. The metering equipment is in compliance with the valid legislation, regulations and standards.
- 6.2** The heat vendor shall make sure at its own expense that the metering has appropriate information security in terms of its equipment and systems. The heat vendor is not responsible for any disturbances in the communication networks or for other factors beyond its control, or for their consequences.
- 6.3** The heat vendor shall make sure that the heat meter and any other monitoring meters are read at regular intervals. When a remotely readable meter has been installed in the customer's premises, the meter shall be read at least once a month. If the customer does not have a remotely readable meter, the meter shall be read at least four times a year. The heat vendor shall carry out the reading of its meters unless otherwise agreed with the customer.
- 6.4** If the meter reading information in accordance with article 6.3 is not obtained for a reason attributable to the customer, and no other agreement has been made, the heat vendor shall charge the customer for the expenses accrued from the reading of the meter or estimating the consumption in accordance with the price lists valid at any given time.
- 6.5** When necessary, the customer allows the usage of data transmission for remote reading of the heat meter by the heat vendor. The heat vendor is responsible for its remote reading costs.

6.6 The customer is entitled to receive real-time metering data for their own energy consumption control and monitoring system. Delivery of data shall be agreed on separately between the heat vendor and the customer. The heat vendor shall install the necessary auxiliary equipment in its meter or install a new meter that includes the required features. The customer shall compensate the heat vendor for the costs accrued from the delivery of data in accordance with the price lists or a contract to be drawn up separately.

6.7 The heat vendor shall inspect the metering equipment used for charging for heat in a way prescribed or stipulated by law or in a regulation or decision given by virtue of law, and also otherwise whenever necessary. The heat vendor shall also inspect the metering equipment at the customer's request.

If the metering error is greater than an average of $\pm 5\%$ with respect to the district heating water flows and the temperature differences determining the charge, the heat vendor shall be responsible for the costs accrued from the inspection. Otherwise, the costs are met by whoever demanded the inspection.

6.8 If the error in the heat meter is found to be greater than $\pm 5\%$ in view of the compensation on the basis of the district heating water flows and temperature differences determining the charge, the heat vendor shall take account of this in invoicing. Compensation or an extra charge shall be paid by virtue of the inspection of the metering equipment, the customer's previous and subsequent consumption amounts and an estimate based on other information.

6.9 If the customer is using heat or district heating water by bypassing the meters or otherwise by having an impact on their metering accuracy or reliability, the heat vendor is entitled to charge the customer according to the greatest consumption possibility of the customer's district heating equipment.

If the consumption referred to in this article cannot be verified in a reliable way, the invoicing can be carried out for a maximum of three years.

6.10 The heat vendor shall charge the customer for heat consumption and other delivery of services or goods in accordance with the heat contract.

6.11 The heat invoice shall be given to the customer free of charge. If they so wish, the customer must be able to receive heat invoices in electronic format.

6.12 A heat invoice based on actual consumption shall be sent to the customer according to the agreed invoicing frequency.

Invoicing may be based on the customer's estimated consumption only when invoicing takes place on the basis of meter reading carried out by the customer and the customer has not submitted a meter reading for a certain invoicing period, or when the meter is faulty, due to which no reliable meter reading is obtained.

6.13 The heat vendor's invoice delivered to the customer must specify clearly what it consists of. Heat invoices that are not based on actual consumption must include a clear and understandable account of how the amount presented in the heat invoice has been calculated.

6.14 The customer is entitled to obtain the consumption and metering information used as a basis for the heat invoice free of charge for the period when the customer may claim a refund or the heat vendor may request an extra charge.

6.15 The heat vendor is obliged, at the customer's request, to verify invoicing based on estimated consumption when the conditions on which estimated billing is based have essentially changed, or if there is another justified reason for the verification.

6.16 A period of at least two weeks shall be left between sending the heat invoice and the due date.

- 6.17** The customer is obliged to pay the charges based on the heat contract by the due date. The heat invoice shall be sent to the invoicing address provided by the customer. The customer is required to pay the heat invoice regardless of the address to which they have requested the vendor to send the heat invoice.
- 6.18** The vendor is entitled to collect a penal interest on delayed payments of the heat invoice in accordance with the contract. If a written reminder is sent to the customer, a reasonable fee conforming to the price lists may also be collected.
- 6.18.1** The vendor is entitled to collect penal interest from the consumer in accordance with the Interest Act and for a payment reminder a maximum fee that complies with the Debt Collection Act.
- 6.19** The customer may present a claim for their receivables for a period of three years if the claim is based on an invoicing, metering or meter reading error.
- 6.19.1** The consumer may, however, present a claim for the receivables for a maximum of ten years if the moment the error took place and the effects of the error on invoicing can be verified afterwards.
- 6.20** The heat vendor may present a claim for its receivables for a period of three years if the claim is based on an invoicing, metering or meter reading error.
- 6.21** Compensation or additional charge shall be paid by virtue of the inspection of the metering equipment, the customer's previous and subsequent consumption amounts and an estimate based on other information.
- No interest shall be paid on compensation or additional charge. For the payment of the additional charge, the customer shall be granted a reasonable term of payment of at least one month, and a penal interest may be collected on it for the period exceeding the term of payment in accordance with the contract.
- 6.21.1** The vendor is entitled to collect penal interest from the consumer in accordance with the Interest Act.
- 6.22** The heat vendor shall make consumption and billing information available to the customer free of charge.
- 6.23** The heat vendor must make consumption information based on actual consumption available to the customer once a month if the customer has a remotely readable meter. The information must be made available to the customer at least four times a year if the customer does not have a remotely readable meter.
- 6.24** The heat vendor must make the billing information available to the customer in connection with invoicing at least once a year. Billing information enables comparison to the customer's previous heat consumption and costs, as well as comparison to other similar customers.
- 6.25** The heat vendor shall make the district heat consumption and billing information available to the customer electronically unless otherwise agreed. The abovementioned information can be made available on the heat vendor's website and a note of this can be added to the heat invoice. The information can also be delivered to the email address provided by the customer.

7 Securities

- 7.1** The heat vendor is entitled to require a reasonable security or advance payment from the customer for the payment of its receivables based on the heat contract when concluding the heat contract and during the validity of the heat contract. During the validity of the heat contract, a security or advance payment may be requested only if the customer has materially failed to meet their liability to pay or if

the credit references of the customer indicate that the customer is obviously unable to make the payments based on the heat contract.

7.1.1 However, the consumer may be requested for a security or advance payment only for very weighty reasons, which have been verified in advance. The very weighty reasons may include for example the following:

- a) the heat supply to the consumer has been disconnected because of a failure to pay
- b) the heat vendor has outstanding receivables from the consumer in relation to the heat contract, the amount of which can be considered substantial with respect to the amount of invoicing based on the heat contract; or
- c) the credit references of the consumer indicate that the consumer is obviously unable to make the payments based on the heat contract.

During the validity of the heat contract, a security or advance payment may be requested only if the customer has materially failed to meet their liability to pay.

7.2 The heat vendor shall not pay interest on the security or advance payment.

7.3 The maximum amount of security or advance payment may equal the amount invoiced for the supply of heat from the beginning of the invoicing period until the date of discontinuing the supply of heat, unless otherwise agreed with the customer. The invoice for the amount of heat supplied shall be calculated according to the customer's estimated heat consumption. The estimate may be based on a period when heat consumption is highest.

7.3.1 It is not possible to agree with the consumer on greater security or advance payment than the heat invoice from the beginning of the invoicing period until the date of discontinuing the supply of heat.

7.4 The heat vendor is entitled to use a security or advance payment in order to recover its overdue receivables, accrued penal interest on delayed payment and reasonable collection fees based on heat sales. If the heat vendor uses a security or advance payment or a part thereof to recover its receivables, the heat vendor is entitled to request the customer to supplement the security or advance payment to the sum referred to in section 7.3 if the contractual relationship continues.

7.5 After the termination of the heat contract, the heat vendor shall return the security immediately when the final invoice has been paid and any other customer's obligations have been met. When the contract is valid, the security shall be returned at the latest two years, to the consumer one year, after issuing it. The security will not be returned while the heat contract is valid if the customer has essentially defaulted on payment during the period the security is being held. However, the security or a part thereof will not be returned while the heat contract remains valid or it has been terminated if the heat vendor may demand that the security or a part thereof shall be used for settling overdue receivables, accrued interest on delayed payments and reasonable collection fees based on the customer's other valid or terminated heat contracts. If the customer is not a consumer, the heat vendor and the customer may agree on returning the security in another way. The advance payment shall be used for settling overdue heat invoices within the period specified for returning the security in this section.

7.6 A confirmation shall be concluded in writing or in another durable medium on the lodging of a security or making an advance payment.

7.7 Instead of lodging a security or making an advance payment, the customer and the heat vendor may agree that the charges conforming to the heat contract shall be paid in advance. As regards reverting to the ordinary payment schedule, the provisions included in article **Virhe. Viitteen lähdeettä ei löytynyt.** shall be followed as applicable.

- 7.8** The advance payment referred to in this chapter or the prepayment referred to in article 7.6 are not in question if the customer selects from among the payment methods available the one with an accelerated payment arrangement.

8 Transfer of the contract

- 8.1** The heat vendor is entitled to transfer the heat contract to another heat vendor. The terms of contract may not be changed in connection with the transfer. The new heat vendor is obliged to notify the customer of the transfer no later than in connection with the first heat invoice.

- 8.2** The customer may transfer the heat contract to a third party, including their rights and obligations, at the time of the transfer.

The heat contract is not transferred automatically in connection with transfer of the property. If the customer wants to transfer the heat contract to the new owner or occupant of the property, the transfer shall be mentioned in the deed of conveyance for the property or a separate deed of conveyance shall be drawn up.

- 8.3** The heat vendor shall accept the recipient of the transfer of the heat contract as a customer if the heat vendor's receivables accrued by the time of the transfer have been paid and the recipient of the transfer commits themselves in writing or in another durable medium to comply with the terms of the transferred heat contract.

- 8.4** If the customer transfers the buildings, the site or a part thereof referred to in the heat contract during the validity of the contract, the customer is responsible for their commitments in accordance with the contract until the new owner or occupant has provided the heat vendor with the corresponding commitments and the heat vendor has accepted them.

- 8.5** The heat contract may not be transferred to another heat consumption site.

9 Interruptions of heat supply attributable to the customer

- 9.1** The heat vendor is entitled to discontinue heat supply in the following cases, based on the customer's negligence:

- a) if, despite sending a reminder, the customer will not pay their outstanding heat invoice within a reasonable time and the amount of the heat invoice is at least EUR 500, or at least three months have lapsed from the due date of the oldest unpaid heat invoice;
- b) if, despite the heat vendor's request, the customer will not repair the fault or defect in the customer's equipment or premises, causing or possibly causing a risk or unreasonable hindrance to persons or property;
- c) if the customer does not allow free access or inspection right to the installation, maintenance, repair or monitoring of the district heating equipment, data transfer systems or heating devices of the parties; or
- d) if the customer otherwise essentially neglects their duties based on the heat contract.

- 9.2** However, the supply of heat cannot be discontinued due to a failure to pay in the following cases:

- a) the supply of heat to a building or a part thereof used as a permanent dwelling cannot be interrupted between the beginning of October and the end of April until four months have lapsed from the due date of the defaulted payment.
- b) if the consumer proves that the failure to pay is due to the consumer's serious illness, unemployment or a similar reason independent of them, the supply of heat shall not be discontinued before three months have lapsed from the first due date of the heat invoice. The heat vendor must be notified of the impediment, if possible, before the due date.

- c) if the customer's failure to pay is caused by a force majeure, the supply of heat cannot be discontinued for as long as the force majeure is in force.

9.3 Before discontinuing the supply of heat, the heat vendor shall send the customer to an address notified by them or to the invoicing address a request for payment of the outstanding amount (request for payment) or a request to redress other negligence within a time limit, which is at least two weeks from sending the request. If the customer does not pay the outstanding receivables or redress another breach of contract within the set time limit, the heat vendor shall send the customer a warning of discontinuing the supply of heat in writing or in another durable medium to an address notified by them or to the invoicing address at least two weeks before discontinuing the supply of heat. The time of discontinuing the supply of heat will be stated in the warning of discontinuing the supply of heat.

9.3.1 The customer shall rectify the breach of contract in time before the stated time of discontinuing the supply of heat in order to avoid disconnection.

9.4 The supply of heat may be discontinued at the earliest six weeks from the original due date or from the date when the user was informed for the first time of the breach of contract.

9.5 The supply of heat can also be discontinued at the customer's request.

9.6 If the heat supply is discontinued for a reason attributable to the customer or at the customer's request, the customer is not discharged from their payment and other obligations towards the vendor.

9.7 Discontinuing the supply of heat will not limit the vendor's right to possible compensation.

9.8 The heat vendor is entitled to charge the customer for sending the payment request and warning of disconnecting the supply of heat, as well as for disconnecting and reconnecting the supply of heat in accordance with the price lists.

9.9 The supply of heat will be continued after the reason for disconnection has been removed. However, the heat vendor is not obliged to continue supplying heat until the customer has paid the fees and costs arisen from the payment request and the warning for disconnecting the supply of heat, as well as other measures related to the disconnection and reconnection and the outstanding receivables to the heat vendor and the required security. The heat vendor and the customer may agree that the supply of heat will be continued already before the required security becomes due. In such a case, the supply of heat can be discontinued without a separate notice if the security has not been paid by the due date.

10 Delay in the connection to the district heating network and starting the supply of heat

10.1 Connection to the district heating network is carried out and the supply of heat is started when the conditions referred to in article 1.10 in these terms are met at the time agreed in the heat contract. Any changes to be made to the time of connection (e.g. due to changes to the customer's construction schedule) shall be agreed on with the other party in good time.

10.2 If it is not possible to connect the customer to the district heating network or start the supply of heat at the agreed time for reasons attributable to the heat vendor, the customer is entitled to withhold payment of the connection fee and fees based on the heat contract until the supply of heat can be started. After the supply of heat has commenced, the customer is entitled to withhold payment of such a part of the fee that is necessary as a security for a claim for compensation based on the delay.

10.3 If the customer's connection to the district heating network is delayed for reasons attributable to the heat vendor, the customer is entitled to delay compensation. The

amount of delay compensation is 10% of the connection fee for each delayed week or part thereof. The maximum amount of delay compensation is 30% of the connection fee, however, not more than EUR 3,000. There is no right to delay compensation, however, if the connection and the start of the supply of heat cannot be carried out due to an impediment referred to in articles 12.2 – 12.4.

- 10.4** The customer is also entitled to receive compensation exceeding the delay compensation for damages caused to them by the delay in accordance with chapter 12, including the restrictions referred to therein.
- 10.5** In order to receive delay compensation, the customer must notify the heat vendor of the demand for compensation within reasonable time. If necessary, the heat vendor may request for further information regarding the demand in writing or in another durable medium. If the demand is not unjustified, the heat vendor shall pay the delay compensation on the first heat invoice to be sent after clarifying the issue or return the sum in some other way without delay.
- 10.6** If it is not possible to carry out the connection to the district heating network and start the supply of heat at the agreed time for a reason attributable to the customer, the customer is not entitled to delay compensation or damages. The customer is obliged to pay the fees based on the heat contract for the time of delay.
- 10.7** If the customer notifies the heat vendor of a delay due to them at such a late date that the heat vendor has already started the tasks related to the construction of the connection, the customer shall compensate the heat vendor for the necessary measures due to the delay and for the costs of necessary measures that have become needless.

11 Fault in the heat supply, its notification and price reduction

- 11.1** Unless otherwise agreed, there is a fault in the heat supply if the quality of the temperature at the supply point is not in accordance with chapter 2 of these terms (quality fault).
- 11.2** Unless otherwise agreed, there is a fault in the heat supply if the heat supply has continuously or repeatedly been interrupted and the interruption (break in the heat supply) cannot be regarded as minor, taking account of the reason and conditions of the interruption (fault in the mode of supply).
- 11.3** On request, the heat vendor is obliged to provide the customer with the necessary information about the fault suspected by the customer, as well as the reasons for it.
- 11.4** The duration of an interruption in heat supply is calculated from the time when the heat vendor has received notification of it or can be deemed to have been aware of it.
- 11.5** The heat supply cannot be deemed to be faulty when the reason for the interruption or fault in the quality is one of the following:
 - a) The heat vendor has a right to temporarily and immediately disconnect or restrict the supply of heat due to force majeure or if it is necessary for preventing danger to human life, health or property.
 - b) A reason independent of the heat vendor, such as a war or other type of crisis situation, an essential disturbance in electricity generation or electricity network operations, industrial action or an exceptional natural circumstance, may cause such a disturbance in the operations of the heat vendor that the heat vendor is forced to interrupt or restrict the supply of heat.
 - c) If the heat vendor is capable of supplying heat only to a limited extent for the reasons stated in the two previous articles, the heat vendor is entitled to divide the available heat between customers by taking into account the general and vital needs of society, any provisions that may be issued by the authorities, and

the prevailing circumstances, and to interrupt any other supply of heat, if necessary.

- d) The heat vendor is entitled to temporarily interrupt the supply of heat or restrict it for supplying heat for the maintenance, repair, modification and inspection of necessary equipment or diagnosing faults in it, or for some other similar reason. The heat vendor shall make sure that the duration of the interruption or restriction is as short as possible and that it will be carried out at a time and to such extent that it causes as little disadvantage to the customer as possible.

However, if the heat vendor does not provide sufficient information on the interruptions to the supply of heat, of which the heat vendor has been aware in advance, as referred to in this section, or if the reconnection following the interruption is unnecessarily delayed from what has been stated earlier, the supply of heat is faulty.

- 11.6** The customer shall, without delay, notify the heat vendor of any defect or fault or imminent fault they have detected. It is not necessary to notify the vendor if it is evident that the heat vendor is otherwise aware of the situation.
- 11.7** If there is a fault in the supply of heat, the heat vendor is required to compensate the customer for the damage caused by this fault in accordance with chapter 12.
- 11.8** If the supply of heat is faulty, the customer is entitled to a price reduction proportionate to the fault. If the fault is based on an interruption in the supply of heat, the price reduction is at least four per cent of the estimated annual heating bill for the customer's heat consumption site. However, the maximum price reduction is EUR 400 per customer per year.
 - 11.8.1** The above-mentioned restriction of EUR 400 shall not be applied to the price reduction given to the consumer.
- 11.9** The heat vendor shall deduct the price reduction derived from a fault that has come to their knowledge from the next heat invoice or credit the price reduction to the customer in accordance with the procedures in article 10.5.

12 Compensation of damages

- 12.1** The heat vendor shall compensate the customer for the damages caused by a delay, fault or faulty pipelines or equipment specified in these terms, in accordance with the reasons and limitations laid down in this chapter.
- 12.2** No compensation shall be paid for damages caused by a delay, if the heat vendor shows that the delay is caused by an obstacle that is beyond their control and that they cannot reasonably be expected to have taken into account when concluding the heat contract and that has consequences which they could not have reasonably avoided or overcome.
- 12.3** If the delay is caused by a third party that the heat vendor has used as help in fulfilling the contract for the supply of heat, the heat vendor is released from their obligation to pay compensation only if this third party would also be released from the obligation to pay compensation by virtue of article 12.2.
- 12.4** Damage caused by a delay shall also not be compensated if a permission by the landowner or authorities for the use of land or road necessary for laying district heating pipelines or equipment is not obtained sufficiently early.
- 12.5** The customer is not entitled to compensation for a delay, fault or for indirect damages caused by faulty pipes or equipment. However, the customer has the right to receive compensation for indirect damage if the above-mentioned reasons are caused by negligence on the part of the heat vendor. Unless otherwise agreed between the contracting parties, the maximum sum to be paid as compensation for indirect damage by the heat vendor corresponds to the total amount of the heating bills paid by the customer, however, not exceeding EUR 8,500. If the heat vendor

has been guilty of deliberateness or gross negligence, the limitation of the maximum amount of compensation shall not be applied.

12.5.1 The limitation of the maximum amount of compensation shall not be applied to compensation for indirect damages to the consumer.

12.6 In these terms, indirect damage means:

- a) loss of earnings incurred by the customer because of the delay or fault or the consequent actions;
- b) damage caused by an obligation, which is based on some other agreement;
- c) major loss of utility at the heat consumption site when this loss does not result in direct economic damage, and other comparable major disturbance;
- d) damage caused to property of a customer who is not a consumer by a functional disturbance or stopping in the customer's device or equipment as a result of a fault in the supply of heat or by an interruption in the customer's activity, or consequential financial damage or loss attributable to the same reason; and
- e) other similar damage that is difficult to foresee.

12.7 The consumer is also entitled to receive compensation for the damage caused to their family or family member on the same grounds as for the damage caused to the customer themselves.

12.8 In spite of what has been stated above in article 12.6 d), the customer shall be compensated for the damage caused to a property mainly in their private use.

12.9 In order to prevent damage, when damage occurs or is imminent, the parties to the contract shall take all measures for the prevention or limitation of damage that can reasonably be required or expected of them. If the damage is caused by the customer's activity, the heat vendor is not required to pay compensation for it. Compensation shall be paid for the damage that has been caused to a contracting party by the limitation of the damage for which compensation shall be paid in accordance with these terms.

12.10 If the customer shirks their obligation to take reasonable action to limit the extent of the damage being caused to the customer, the customer themselves shall suffer a corresponding share of the damage. If the customer's negligence can be considered to be of minor significance, the liability for damage may be decreased, however.

12.11 The customer is required to compensate for other than indirect damage caused to the heat vendor's property or the operation of the district heating system through their negligence, unless there are provisions to the contrary in article 5.6.

Damages that are considered equal to the customer's indirect damages, as referred to in article 12.6, are regarded as indirect damages caused to the heat vendor.

13 Expiration of the heat contract

13.1 A fixed-term heat contract expires at the end of the term or because it has been cancelled.

13.2 The customer may terminate a heat contract that is valid indefinitely by giving six months' notice.

13.2.1 The consumer may terminate a heat contract that is valid indefinitely by giving one months' notice.

13.3 The heat vendor may terminate a heat contract that is valid indefinitely by giving six months' notice.

13.3.1 The heat vendor may terminate a consumer's heat contract only if it has become untenable for the heat vendor to continue with the contract due to a change in legislation or an essential change in circumstances.

Before terminating the contract, the heat vendor is required to negotiate with the consumer about a substitute heating system.

13.4 The heat vendor may terminate the heat contract with immediate effect if

- a) the customer has been declared bankrupt and the bankrupt's estate will not commit itself to the heat contract, or the authorities have found them to be incapable of meeting their contractual obligations;
- b) the customer is guilty of stealing heat or the heat vendor's property, intentionally damaging the heat vendor's equipment, or breaking the seals placed in position by the heat vendor;
- c) the supply of heat has been discontinued in accordance with these terms, and the customer has not removed the reason for the disconnection within the provided time limit of at least two weeks from the disconnection;
- d) it has not been possible to carry out the disconnection for reasons attributable to the customer and at least one month has passed since the conditions for disconnection have been met; or
- e) the customer has otherwise materially breached their obligations based on the heat contract and the breach of contract has not been rectified within a reasonable period specified in writing or in another durable medium by the heat vendor.

13.4.1 The consumer's heat contract may, however, be terminated with immediate effect in the event of payment default referred to in section 9.1 a) of these terms of contract at the earliest after one month from the disconnection of the supply of heat.

13.5 It is stated in the heat contract whether the connection fee or part thereof is returned at the end of the contract.

13.6 The heat vendor is entitled to obtain from the returned connection fee its receivables based on the heat contract and to deduct from the amount of returned connection fee the costs arisen from any dismantling of the metering installation and other equipment necessary for the supply of heat and from the customer's disconnection from the network.

14 Changing the terms of contract and pricing

14.1 The contracting parties may jointly agree to make changes to an individual heat contract.

14.2 Unless otherwise agreed in the individual heat contract, the heat vendor is entitled to change the prices, other terms of contract and pricing to correspond with the changes in costs or the cost structure so that the pricing even after the change will correspond with the requirement of reasonable pricing, as stipulated by the competition legislation.

Based on this article, the heat contract may not be changed so that the principal contents of the contract will change.

14.3 The heat vendor is entitled to change prices, other terms of contract and pricing if the change is based on a legislative amendment or a decision of the authorities.

14.4 The heat vendor is also entitled to change prices, other the terms of contract and pricing if there is a special reason for it, owing to

- a) an essential change in circumstances;
- b) a revision of outdated contractual or pricing arrangements; or
- c) measures required to improve energy efficiency.

- 14.5** The heat vendor is entitled to make such minor changes to the terms of contract that do not affect the principal contents of the contractual relation.
- 14.6** The heat vendor shall send the customer a notification in writing or in another durable medium to the address notified by them or to the invoicing address explaining how and from which date the prices or other terms of contract or pricing will change and the reason for the change. If the reason for the change is some other than an amendment to legislation or a decision of the authorities, the change may take effect at the earliest one month after sending the notification.
- If the change is based on an amendment to legislation or a decision of the authorities, the heat vendor is entitled to implement the change as of the date when the change or decision took effect. If the change is to the detriment of the customer, it can also be implemented as of a later date to be determined by the heat vendor. The heat vendor shall notify the customer of the changes to be made on these grounds as soon as possible.
- 14.7** After receiving information about the change of the terms of contract for district heat, the customer is entitled to have 30 days to terminate the heat contract by giving one month's notice. In such a case, the changed prices, terms of contract or pricing will not apply to the customer unless the change is due to a decision of the authorities or an amendment to legislation.

15 Settling matters under dispute

- 15.1** Any disputes shall be settled in a court of law, a suit is brought to the general court of first instance of the locality where customer's heat consumption site is located, unless otherwise agreed in an individual case.
- 15.2** The consumer has the right to bring any disputes derived from the interpretation of this contract to the Consumer Disputes Board (www.kuluttajariita.fi) for consideration. The consumer must be in contact with the Consumer Advisory Service (www.kuluttajaneuvonta.fi) before bringing the matter before the Consumer Disputes Board.
- 15.3** The consumer is always entitled to bring a suit to the general court of first instance of their place of domicile in Finland.

DEFINITIONS OF THE CONCEPTS USED IN THE GENERAL TERMS OF CONTRACT FOR DISTRICT HEAT

The customer refers to the purchaser of heat, including housing corporations and real estate companies, enterprises, public bodies and natural persons.

The customer's district heating equipment refers to the equipment in which the district heating water flows or which regulates the flow of district heating water circulating through the customer's heating system.

The customer's space heating equipment refers to the devices that distribute the thermal energy from the heat exchangers to the places of use. Essential devices with respect to district heating are installations and connections with a direct impact on the cooling of the district heating water.

Customer's normal operating conditions refer to a situation where district heating water is flowing through the customer's district heating equipment. Thus, the district heating water in the supply pipeline of the branch pipe will hardly cool down.

Remote readability refers to the meter's functionality where the data registered by the meter is read via a communications network from outside the building.

Price lists are descriptions of pricing and pricing systems used as a basis for invoicing. The price lists define the fees based on the heat contract, such as the energy fee, reminder fee, collection fees, meter reading fees, maintenance fees etc. Price lists may include the heat price list and the service price list.

District heating water refers to the water flowing in the district heating network.

The district heating network is a closed network of pipelines where heat is transmitted to customers by the means of water.

The consumer refers to a natural person who acquires heat mainly for some other purpose than for business activities, i.e. they acquire heat mainly for their private household.

Consumption information refers to information made available to the customer once a month concerning the amount of heat consumed during the consumption period and the period the consumption information refers to. If the customer does not have a remotely readable meter, the consumption information must be made available at least four times a year. The consumption information must be based on actual consumption. The consumption information can be provided on a heat invoice sent to the customer.

Billing information refers to the information made available to the customer at least once a year, on the basis of which the customer can monitor their own energy consumption and obtain an extensive account of the current energy costs. Billing information does not mean the heat invoice sent to the customer and it does not specify the contents of the heat invoice.

With **the heat invoice**, the heat vendor charges the customer for heat consumption and other delivery of services or goods. It must be clearly stated on the heat invoice what it is comprised of. The heat invoice must be offered to the customer either electronically or on paper free of charge. If they so wish, the customer is entitled to receive the heat invoice in electronic format.

The branch pipe refers to a district heating pipeline built for an individual customer, through which the customer is connected to the district heating network.

The heat distribution room is a separate facility in a building, housing the customer's sub-station and the heat vendor's metering installation. The metering installation may also be located in another facility.

The heat consumption site is a site where heat is used. It is equipped with a metering installation.

The supply point is the connection point of the heat vendor's metering installation and the customer's district heating equipment.

The heat vendor refers to the heat supplier, usually district heating and energy companies or other similar enterprises.

The heat meter measures the amount of thermal energy delivered to the customer, i.e. consumption, and the amount of district heating water flowing through the customer's equipment. The unit of measurement for thermal energy is MWh (megawatt-hour) and the unit of measurement for the volume of district heating water is m³.

The metering installation is the heat vendor's heat metering equipment which, in addition to the metering equipment, includes the shut-off valves of the branch pipe, as well as possible equipment for restricting the flow and pressure difference. The customer's equipment is connected to the heat vendor's metering installation.

District heating water flows determining the charge are the water flows that account for a significant part of the customer's charges.

Contracted capacity means the highest hourly heat output capacity reserved for the customer's use. The unit of measurement for contracted capacity is kW (kilowatt).

Contracted water flow means the highest hourly flow of district heating water reserved for the customer's use. The unit of measurement for contracted water flow is m³/h.

Minimum pressure difference refers to the difference in the pressure prevailing in the supply and return pipes after the supplier's metering installation.