

Terms of contract for district heat

Recommendation T1/2010

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.

TERMS OF CONTRACT FOR DISTRICT HEAT

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HEAT CONTRACT
(Template)

No. _____

HEAT LTD _____, hereinafter referred to as the Heat Vendor, and the owner or occupant of the heat consumption site described below, have signed a contract with the following contents for supplying heat from the Heat Vendor's district heating network to the heat consumption site described below.				
Heat vendor's name:		Heat vendor's address:		
Heat vendor's business ID:				
Customer's name:		Name of the heat consumption site:		
Invoicing address:		Address of the heat consumption site:		
Postcode and office:		Postcode and office:		
HE/ business ID:		Quarter:	Site:	Building:
Other contact information for the customer:				
Owner/occupant of the heat consumption site: The customer is the heat consumption site's <input type="checkbox"/> owner <input type="checkbox"/> occupant		Method of heat consumption: <input type="checkbox"/> The customer acquires heat mainly for his private household (= Consumer).		
1 § Branch pipe and metering installation:				
The location of the branch pipe and metering installation _____ is stated in the Heat Vendor's drawing No. _____ _____ is in a location to be agreed on at a later date _____				
2 § Contracted water flow/Contracted capacity:				
Contracted water flow/Contracted capacity is, according to this contract _____ m ³ /h / kW.				
3 § Commencing the supply of heat:				
The date of commencing the connection to the district heating network _____ / _____ 20____ and the supply of heat is _____				
4 § Connection fee:				
The connection fee is _____ (_____) euros, of which the Customer pays _____ month(s) before the agreed time for connecting to the district heating network and _____ at the time of commencing the supply of heat.				
5 § Construction of the branch pipe:				
6 § Validity:				
This contract shall enter into force on the date on which it is signed by both parties. This contract cancels any previous heat contracts concerning this heat consumption site.				

<p>7 § Heat invoicing:</p> <p>Invoicing in accordance with the heat price list will start at the agreed time for commencing the supply of heat.</p> <p>The Customer is obliged to pay _____ % as penal interest for delayed payments. If the Customer is a consumer, the penal interest will comply with the Interest Act.</p>	
<p>8 § Returning the connection fee:</p> <p>After the termination of the heat contract</p> <p><input type="checkbox"/> The connection fee is returned</p> <p><input type="checkbox"/> The connection fee is not returned</p>	

The terms of contract for district heat, heat price list and service price list valid at any given time shall be applied to this contract.

The contracting parties shall notify each other of any changes taking place in the above-mentioned conditions.

When transferring the ownership of the heat consumption site to a third party, the Customer commits himself to include in the sales contract or other deed of conveyance a statement of whether the heat contract is transferred along with the transfer of ownership.

When signing this contract, the Customer shall acknowledge receipt of the above-mentioned terms of contract for district heat, the agreed heat price list and service price list to be applied to the contract and having read them.

This contract has been made in two (2) copies, one for each contracting party.

place

date

Customer (enter name in block capitals below)

HEAT OY

Heat vendor (enter name in block capitals below)

Appendices: 1. Terms of contract for district heat
 2. Heat price list
 3. Service price list

TERMS OF CONTRACT FOR DISTRICT HEAT

1 Concluding a heat contract

- 1.1** The heat vendor and customer conclude a written 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 is either valid indefinitely or for a fixed term.
- 1.3** The heat contract consists of the individually agreed and the general sales terms, the heat price list and the service price list. 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 heat vendor and the customer may agree that the bills, notifications of price changes or other messages can also be sent in electronic form. The customer's address or invoicing address may be, for example, an e-mail address.
- 1.5** 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.
- 1.6** 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 written consent 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.
- 1.7** 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.
- 1.8** 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.
- 1.9** 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 customer must ensure that in each invoicing period the district heating water in the customer's equipment cools 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.
- 2.4 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 written contract (a supplementary 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.

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 corresponding confirmed fees.

- 3.4 The customer must notify the heat vendor without delay of any significant changes having an impact on the consumption of district heat or the amount of contracted water flow / contracted capacity 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 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.
- 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 must be kept locked. The installations 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 take care of the usual cleaning of the facilities at his own expense.
- 4.7** If the customer makes any changes to the building or site owned or occupied by him, the heat vendor shall make the necessary changes to its pipes and equipment as a result. 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.

The heat vendor shall move or alter 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 wanting 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 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 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 his own expense, free 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 him 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. In such a case, 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 his 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 his own expense, of the building, installation, changing or connecting of his 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 must take care of 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 commencing 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.

Only changes approved by the heat vendor may be made to the customer's district heating equipment. Essential changes to be made to the customer's space heating equipment must be agreed on separately with the heat vendor.

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

However, the customer is liable to pay damages only if he has been aware of or he should have been aware of the risks caused by the use of his 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 he 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.

The customer must without delay repair any faulty equipment that is causing or may cause damage to the heat vendor.

- 5.6** 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.
- 5.7** 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.
- 5.8** 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 metering equipment is in compliance with the valid legislation, regulations and standards.
- 6.2** The heat vendor shall make sure that the heat meter and any other monitoring meters are read at regular intervals at least three times a year. The heat vendor shall read the meter reading information or the customer shall provide the readings in accordance with the heat vendor's instructions.
- 6.3** If the meter reading information in accordance with article 6.2 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 heat vendor's price list valid at any given time.

- 6.4** 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.
- 6.5** If the customer wants to transfer information about the amounts of heat and water consumed into his own monitoring system, the heat vendor shall install the required additional equipment in its meter or install a new meter with the required features at the customer's expense. The customer shall compensate the heat vendor for the extra maintenance costs accrued from the supply of information in accordance with the heat price list and a separately signed contract.
- 6.6** 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 +/- 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.

- 6.7** If the error in the heat meter is found to be greater than +/- 5%, 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.
- 6.8** 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 invoice 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.

- 6.9** The heat vendor shall invoice the customer for heat consumption and other delivery of services or goods in accordance with the heat contract.
- 6.10** The invoices shall state sufficiently clearly the consumption and price information used as the basis for invoicing.
- 6.11** Invoicing can be based on the customer's estimated consumption, however so that a balancing bill based on actual consumption is drawn up at least three times a year, unless otherwise agreed.
- 6.12** 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.
- 6.13** A period of at least two weeks shall be left between sending the invoice and the due date.
- 6.14** The customer is obliged to pay the charges for the supply of heat and connection fees by the due date. The invoice shall be sent to the invoicing address provided by the customer. The customer is required to pay the invoice

regardless of the address, to which he has requested the vendor to send the invoice.

6.15 The vendor is entitled to collect a penal interest on delayed payments of the invoice in accordance with the contract. If a written reminder is sent to the customer, a reasonable fee conforming to the service price list may also be collected.

6.15.1 The vendor is entitled to collect penal interest from the consumer in accordance with the Interest Act.

6.16 The customer may present a claim for his receivables for a period of three years if the claim is based on an invoicing, metering or meter reading error.

6.16.1 The consumer may, however, present a claim for the receivables for the entire period during which the error has affected invoicing, but not for longer than ten years if the moment the error took place and the effects of the error on invoicing can be verified afterwards.

6.17 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.

6.18 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.

6.18.1 The vendor is entitled to collect penal interest from the consumer in accordance with the Interest Act.

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 his liability to pay.

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 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 he 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 his 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** If the heat contract remains valid, the security shall be returned no later than two years after the date it was given. The security shall not be returned when the contract is valid if the customer has essentially defaulted on payment during the period the security is being held. The heat vendor and the customer may also make another agreement on returning the security. The advance payment shall be used to effect maturing heat invoices within the return period for the security specified in this article.
- 7.4.1** The security shall be returned to the consumer one year after the date it was given while the heat contract remains valid. The security shall not be returned when the contract is valid if the customer has essentially defaulted on payment during the period the security is being held.
- 7.5** An agreement shall be concluded in writing on the lodging of a security or making an advance payment.
- 7.6** 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 7.4 shall be followed as applicable.
- 7.7** 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 invoice.
- 8.2** The customer may transfer the heat contract to a third party, including his 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 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 himself in writing 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, he is responsible for his 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 transfer of a heat contract is always made in writing.
- 8.6** 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 his outstanding invoice within a reasonable time and the amount of the invoice is at least EUR 400, or at least three months have lapsed from the due date of the oldest unpaid invoice;
 - b) if, despite the heat vendor's request, the customer will not repair the fault or defect in his equipment or premises, possibly causing a risk or unreasonable hindrance to the heat vendor or employees representing the heat vendor;
 - 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 his 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 the consumer cannot be stopped 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 customer proves that the failure to pay is due to the customer's serious illness, unemployment or a similar reason independent of him, the supply of heat shall not be discontinued before three months have lapsed from the first due date of the 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.
 - d) If the supply of heat is discontinued for a reason on the customer's side, the customer is not exempted from his payment or other obligations towards the vendor.
- 9.3** Before discontinuing the supply of heat, the heat vendor shall send the customer to his invoicing address or to another, separately agreed 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 to his invoicing address or to another, separately agreed address, a written warning of discontinuing the supply of heat 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** If the supply of heat is discontinued for a reason attributable to the customer, the customer is not exempted from his payment or other obligations towards the vendor.
- 9.6** Discontinuing the supply of heat does not limit the vendor's right to possible compensation.
- 9.7** 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 service price list.
- 9.8** 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.
- 9.9** The supply of heat may also be discontinued at the customer's request. Thus, the customer is, however, obliged to pay a fee for maintaining the opportunity for heat use in accordance with the price list.

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 1.9 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, the customer is entitled to delay compensation. The amount of delay compensation for the first two weeks of delay is 5% of the connection fee for each delayed week or part thereof, and after that 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 1,700. Delay compensation is calculated on the basis of the fees that the heat vendor generally charges for connection to the district heating network without any increases due to special circumstances.
- 10.4** However, there is no right to delay compensation 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.
- 10.5** Moreover, the customer is entitled to receive compensation exceeding the delay compensation for damages caused to him by the delay in accordance with chapter 12, including the restrictions referred to therein.
- 10.6** 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. If the demand is not unjustified, the heat vendor shall pay the delay compensation on the first invoice to be sent after clarifying the issue or return the sum in some other way without delay.
- 10.7** 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.
- 10.8** If the customer notifies the heat vendor of a delay due to him 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.
 - e) 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 above, 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 he has detected. It is not necessary to notify the vendor if it is justified to assume 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 his knowledge from the next invoice or credit the price reduction to the customer in accordance with the procedures in article 10.6.

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 his control and that he cannot reasonably be expected to have taken into account when concluding the heat contract and that has consequences which he 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 his 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 indirect damages caused by a delay or fault unless otherwise provided in these terms. However, the customer has the right to receive compensation for indirect damage if the delay or fault is 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 his family or family member on the same grounds as for the damage caused to him.
- 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 his 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 his obligation to take reasonable action to limit the extent of the damage being caused to him, he himself 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 his negligence, unless there are provisions to the contrary in article 5.5.

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 him to be incapable of meeting his 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; or
 - d) the customer has otherwise materially breached his obligations based on the heat contract and the breach of contract has not been rectified within a reasonable period specified in writing by the heat vendor.
- 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 prices

- 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 terms of contract and prices 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 and other terms of contract 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 the terms of contract and prices 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 by energy conservation.
- 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 of how and from which date the prices or other terms of contract 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. The notification is to be sent to the customer's invoicing address or another, separately agreed address, or it can be included, e.g. in an invoice to be sent to the customer.
- 14.7** 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.
- 14.8** 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 terms of contract or prices 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 for consideration.
- 15.3** The consumer is always entitled to bring a suit to the general court of first instance of his place of domicile in Finland.

DEFINITIONS OF THE CONCEPTS USED IN THE 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 reading refers to a transfer of metering information to the district heat vendor, required for the invoicing and monitoring of consumption.

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 general consumption 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. he acquires heat mainly for his private household.

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 extra connection fee is the difference between the connection fee corresponding to the new contracted water flow / contracted capacity and the connection fee corresponding to the old contracted water flow / contracted capacity, for which the connection fee has been paid.

The heat distribution room is a separate facility in a building, housing the customer's substation 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 district heating water is m³.

The heat price list refers to the pricing system (tariff) used as the basis for invoicing.

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.

The service price list includes other services based on the heat contract and subject to a charge, such as the reminder fee, collection charges, meter reading charges, etc.

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.

The capacity charge (water flow charge, basic charge) is a charge paid by the customer, usually comparable to the connected heat load or water flow, and mainly corresponding to the fixed costs of heat procurement.

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

NOTIFICATION FOR TRANSFERRING THE HEAT CONTRACT

The heat contract is not transferred automatically in connection with transfer of the property. With this deed of conveyance, the heat contract is transferred to the new owner or occupant of the property, including the rights and obligations at the time of transfer.

Information on the heat consumption site	Name of the heat consumption site:	
	Address:	
	Postcode and office:	
Transferor of the contract	Name:	
	Address:	
	Postcode and office:	
	Telephone, work:	Telephone, home:
Transferee	Name:	
	Invoicing address:	
	Postcode and office:	
	Other contact information	
	Telephone, work:	Telephone, home:
Invoicing	Invoices are requested to be sent to the transferor's address until the day of transfer:	
	Address:	
	Postcode and office:	
Readings of the heat meter (energy/water) on the day of transfer:		
Transferor's signature		Date:
Transferee's signature		Date:

The heat vendor shall accept the transferee as a customer if the heat vendor's receivables accrued by the time of the transfer have been paid and the transferee commits himself with this deed of conveyance to comply with the terms of the transferred heat contract. The heat contract between the transferor and the heat vendor shall be terminated at the same time.