

TERMS OF CONTRACT FOR DISTRICT HEAT AS OF 7 NOVEMBER 2019

1 Concluding a heat supply contract

- 1.1** The heat vendor and the customer conclude a heat supply contract for connecting the heat consumption site to the district heating network and for supplying heat to the supply point.
- 1.2** The heat supply contract shall be drawn up in writing or in another durable medium. The heat supply contract must be drawn up in writing if requested by either one of the contracting parties. The heat supply contract is either valid until further notice or for a fixed term.
- 1.3** The heat supply contract consists of the individually agreed terms of contract and the general terms of contract for district heat, as well as of the price lists. In the event of 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. 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 email 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 of any considerable increase in heat requirement taking place at a later date, the heat vendor shall take this into account when dimensioning the branch line.
- 1.7** If the customer is not the owner of the buildings or site referred to in the heat supply contract, the customer must acquire the owner's 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. This consent must be submitted in writing on in another durable medium. The consent shall be attached to the copy of the contract remaining with the heat vendor.
- 1.8** The customer shall pay the heat vendor the connection fee referred to in the heat supply contract, as well as other fees in accordance with the price lists valid at the time.
- 1.9** The heat vendor and the customer may agree to amend these terms. However, the agreement shall not derogate from these terms to the detriment of the consumer.

- 1.10** The heat vendor and the customer shall agree in the heat supply contract on the time of commencing the customer's connection to the district heating network and the supply of heat. The connection may be carried out and the supply of heat commenced when the customer has a valid heat supply contract and the customer's district heating equipment and space heating installations 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 the property of the heat vendor.
- 2.2** The temperature of the district heating water supplied to the customer at the heat supply point is at least of 65°C and at the most 120°C under normal operating conditions. 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 Contracted water flow reserved for the customer's use

- 3.1** 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. In the connection stage, contracted water flow is determined on the basis of information obtained from the customer or the customer's representative. During the customer relationship, the customer can have an impact on the amount of contracted water flow with their consumption pattern. The inspection of contracted water flow is carried out by the heat vendor on the basis of the customer's metered consumption.
- 3.2** The amount of contracted water flow is stated in the heat supply contract or in another durable medium.
- 3.3** The heat vendor is entitled to restrict the district heating water flow received by the customer to the value of the contracted water flow stated in the contract or in another durable medium. A change in the contracted water flow is made in writing or in another durable medium. When increasing the contracted water flow, the customer shall pay an extra connection fee. However, when reducing the contracted water flow, any paid connection fees will not be refunded. If the reduced contracted water flow is increased at a later date, the extra connection fee shall be charged only in as far as the contracted water flow exceeds the value for which a connection fee has already been paid. The heat vendor is entitled to charge the customer for the costs incurred from changing the contracted water flow or fees according to the price lists.
- 3.4** The customer shall forthwith notify the heat vendor of any significant changes having an impact on the use of district heat in the customer's property or space heating installations.

4 Heat vendor's pipes and equipment

- 4.1** The heat vendor will install a service installation, which it owns, at the customer's premises in a place agreed with the customer and build the branch line along a jointly agreed route all the way to the service installation. The division of tasks and the method of implementation

between the customer and the heat vendor shall be agreed in writing or in another durable medium in connection with the heat supply 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 heat 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 are to be notified of as soon as possible.
- 4.3** The customer shall provide in a building and on a site owned or occupied by the customer, for the use of the heat vendor without separate compensation, a facility necessary for installing, inspecting and maintaining the branch line, the service installation and other devices required for monitoring heat consumption.
- 4.4** The customer shall make sure that the facility where the service installation is located has a branch circuit complying with the heat vendor's instructions 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 heating pipelines and necessary communication cables in the customer's buildings and in the site area also for the purpose of other customers at the heat vendor's own expense. The heat vendor shall locate the above-mentioned pipelines 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 site, the heat vendor shall restore 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 service 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 rooms must not be used as a storage area or for other inappropriate purposes. The customer shall, at their own expense, make sure that the rooms 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 and equipment from buildings to be demolished, but is entitled to install pipelines and equipment built for other customers in 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 jointly by the contracting parties.

If the pipes 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 this customer. The heat vendor shall pay for the moving or changing of pipes that are installed for the purpose of other customers. If the pipes 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.

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 pipes and equipment either temporarily or permanently not later than three months before the start of the changes, and the customer must reserve a facility for building the necessary temporary pipe. The customer must notify the heat vendor in advance in writing or in another durable medium of any changes to the purpose of use or the structures of the facilities located along the heat vendor's line route or of parcelling out of the site.

4.9 The customer must organise, at their own expense, free and direct access to the heat distribution room and other facilities housing the heat vendor's pipes, 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, any faults and defects posing an immediate danger in its own pipes and equipment at the earliest possible opportunity.

4.11 The customer may turn off the heat vendor's stop valves only if there is an imminent risk to life or health or of damage to property, or at the heat vendor's request. The heat vendor must be notified of stopping the circulation of district heat water in advance or, in urgent exceptional situations, immediately after it has been turned off.

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

4.12 The heat vendor is entitled to store and maintain its pipes and other equipment in the building or on the site owned or occupied by the customer also after the heat supply contract has expired. If the pipes and equipment cause a substantial inconvenience to the customer, the heat vendor and the customer may agree on moving the above-mentioned pipes 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 substantial inconvenience caused by the above-mentioned pipes and equipment.

The heat vendor is entitled to apply to lodge a specific right or establish an easement given as a security for the permanence of its pipes and equipment in the property owned or occupied by the customer without consulting the matter further with the customer.

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

5 Customer's district heating equipment and space heating installations

5.1 The customer shall be responsible for and bear the costs of building, installing or changing their district heating equipment and connecting it to the heat vendor's service 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 commission all inspections required by the installation, change or repair work.
- 5.3** The planning, installation and inspection of the customer's district heating equipment and space heating installations 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 equipment and space heating installations 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 with the heat vendor, and the heat vendor must be notified of any significant changes to be made to the customer's space heating installations before the changes are carried out. The customer must notify the heat vendor of the turning off of their own main district heating stop valves.

- 5.5** The customer must make sure that the district heating water in the customer's equipment cools down as planned.
- 5.6** The customer shall ensure that the condition of their district heating equipment and space heating installations is properly maintained. The customer is obliged to compensate for other than indirect damages caused to the heat vendor by the customer's faulty equipment, installation of equipment, or the use of the equipment.

However, the customer is liable to pay damages only if they have 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 equipment or space heating installations have a fault or property that the customer could not have detected, the customer shall be liable for damage caused to the heat vendor if the customer continues to use the faulty equipment despite the heat vendor's notification.

The use of faulty equipment must be discontinued at the heat vendor's request if the use of faulty equipment causes or may cause damage to the heat vendor.

The customer must repair their faulty equipment either on request or after noticing it themselves.

- 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 equipment and space heating installations at its own expense, if necessary.
- 5.9** The heat vendor is entitled to install metering equipment in the customer's facilities serving heat distribution, in the district heating equipment and in the heat distribution systems for the purpose of monitoring heat consumption and for quality assurance and control.

- 5.10** If the customer has drawn up or draws up service provision contracts related to the heating control of the property with a third party, the customer and the service provider must make sure that the installed control systems do not prevent the heat vendor's power control in exceptional situations.

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 complies with the valid legislation, regulations and standards.
- 6.2** The heat vendor shall provide, at its own expense, appropriate information security in metering 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 readings of the heat meter and any other monitoring meters are taken at regular intervals at least four times a year. The heat vendor shall take the readings of its meters unless otherwise agreed with the customer.
- 6.4** If the meter readings in accordance with section 6.3 are 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 the time.
- 6.5** When necessary, the customer shall grant access to data transmission for the purpose of remote reading of the heat meter by the heat vendor. The heat vendor is responsible for its own remote reading costs.
- 6.6** The customer is entitled to obtain the metering data used as a basis for invoicing free of charge once for the period when the customer is entitled to claim compensation or the heat vendor can require an extra charge.
- 6.7** The customer is entitled to obtain metering data for their previous heat consumption in order to carry out detailed inspections themselves. If the heat vendor is using a system based on the registering of hourly metering data, the metering data for the previous three years must be available to the customer. If the supply of heat has commenced during the previous three years, the metering data for the entire contract period must be available to the customer.

If the heat vendor is not using a system based on the registering of hourly metering data, the customer must have access to available data for the previous three years. The heat vendor may charge the customer for the costs arising from the provision of the data.

- 6.8** 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 of delivering the data in accordance with the price lists or a contract to be drawn up separately.

- 6.9** The heat vendor shall commission the inspection of the metering equipment used for charging for heat in a way provided for or stipulated elsewhere in legislation or in a regulation or decision given by virtue of legislation, and also otherwise whenever necessary. The heat vendor shall also commission the inspection of the metering equipment at the customer's request.

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

- 6.10** If the error in the heat meter is found to be greater than +/- 5% with respect to the charge with the determining district heating water flows and temperature differences, the heat vendor shall take account of this in invoicing. Compensation or an 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.

- 6.11** 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 possible consumption of the customer's district heating equipment.

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

- 6.12** The heat vendor shall invoice the customer for heat consumption and other delivery of services or goods in accordance with the heat supply contract.

- 6.13** The heat vendor's invoice delivered to the customer must include or accompany information about the customer's actual district heat consumption and costs. The information must enable comparison with the previous year's district heat consumption in the same period.

The heat vendor must make available to the customer, either together with the invoice or in another appropriate way, information about measures to improve energy efficiency, as well as contact details for obtaining further information about carrying out energy efficiency measures.

- 6.14** Invoicing can be based on the customer's estimated consumption, however so that a balancing invoice based on actual consumption is issued at least four times a year, unless otherwise agreed.

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

- 6.16** The due date must be at least two weeks after sending the consumer customer's invoice. In terms of others than consumer customers, the due date must be at least one week after sending the invoice.

- 6.17** The customer is obliged to pay fees based on the heat supply contract by the due date at the latest. The invoice is sent to the invoicing address provided by the customer. The customer is

responsible for paying the invoice regardless of the address to which they have requested the invoice to be sent.

- 6.18** The vendor is entitled to charge interest on late payment in accordance with the contract. If a payment reminder is sent to the customer, a reasonable fee conforming to the price lists may also be charged.

The vendor is entitled to charge interest on late payment from the consumer, the maximum amount of which shall comply with the Interest Act, and the maximum fee for the payment reminder shall comply 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.

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 an extra charge shall be paid by virtue of an estimate based on the inspection of the metering equipment, the customer's previous and subsequent consumption amounts and other information.

No interest shall be paid on the compensation or extra charge. For the payment of the extra charge, the customer shall be granted a reasonable term of payment of at least one month, and interest on late payment may be charged for the period exceeding the term of payment in accordance with the contract.

The maximum amount of interest on late payment that the vendor is entitled to collect from a consumer shall comply with the Interest Act.

7 Securities

- 7.1** The heat vendor is entitled to request a reasonable security or advance payment from the customer for the payment of its receivables based on the heat supply contract when concluding the heat supply contract and during the validity of the heat supply contract. During the validity of the heat supply 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 customer's credit status shows that the customer is evidently unable to meet the payments based on the heat supply contract.

- 7.1.1** However, a security or advance payment may be requested from the consumer only for compelling reasons, which have been verified in advance. The compelling reasons may include the following:

- a) the consumer's heat supply has been suspended due to payment default
- b) the heat vendor has outstanding receivables from the consumer in relation to the heat supply contract, the amount of which can be considered substantial with respect to the amount of invoicing based on the heat supply contract; or

- c) the credit references of the consumer indicate that they are evidently unable to meet the payments based on the heat supply contract.

During the validity of the heat supply contract, a security or advance payment may be requested only if the consumer 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 suspending the supply of heat, unless otherwise agreed with the customer. The amount of the heat supply invoice shall be calculated according to an estimate based on the customer's heat consumption. The estimate may be based on a period when heat consumption is at its highest.
- 7.3.1** It is not possible to agree with the consumer on a security or advance payment that is of a greater value than the heat supply invoice from the beginning of the invoicing period until the date of suspending the supply of heat.
- 7.4** The heat vendor is entitled to use a security or advance payment to recover its overdue receivables, accrued interest on late payment and reasonable collection fees. If the heat vendor uses a security or advance payment or a part thereof to recover its receivables, the heat vendor is entitled to require 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** The heat vendor shall return the security immediately upon termination of the heat supply contract once the final invoice has been paid and any other customer's obligations towards the vendor have been met. If the heat supply contract remains valid, the security shall be returned within two years of the date it was given, and within one year to the consumer. The security shall not be returned while the heat supply 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 shall not be returned during or after the validity of the heat supply contract if the heat vendor can demand to use the entire security or a part thereof for setting off outstanding debts, accrued interest for late payment and reasonable collection costs based on the customer's other valid and terminated contracts. If the customer is not a consumer, the heat vendor and the customer may also make another agreement on returning the security. The advance payment shall be used for paying heat supply invoices that are falling due for payment within the return period for the security specified in this section.
- 7.6** A confirmation concerning the lodging of a security or an advance payment shall be drawn up in writing or in another durable medium.
- 7.7** Instead of lodging a security or an advance payment, the customer and the heat vendor may agree that the charges conforming to the heat supply contract shall be paid in advance. As regards reverting to the ordinary payment schedule, the provisions included in section 7.5 shall be followed as applicable.
- 7.8** It is not a question of an advance payment referred to in this chapter or a prepayment referred to in section 7.7 if, out of the different payment methods available, the customer selects one that includes an accelerated payment arrangement.

8 Transfer of contract

- 8.1** The heat vendor is entitled to transfer the heat supply 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 in connection with the first invoice at the latest.

The customer may transfer the heat supply contract to a third party, including their rights and obligations valid at the time of the transfer. The heat supply contract is not transferred automatically in connection with the transfer of the property. If the heat supply contract is to be transferred 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.

- 8.2** The heat vendor shall accept the recipient of the transfer of the heat supply 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 supply contract.
- 8.3** If the customer transfers the buildings, the site or a part thereof referred to in the heat supply contract during the validity of the contract, they are responsible for their contractual commitments until the new owner or occupant has made corresponding commitments to the heat vendor and the heat vendor has accepted them.
- 8.4** The heat supply contract may not be transferred to another heat consumption site.

9 Interruptions and restrictions to the supply of heat attributable to the customer

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

- a) if, despite sending a reminder, the customer will not pay their outstanding invoice within a reasonable time and the amount of the invoice is at least EUR 500, or at least three months have lapsed since the due date of the earliest unpaid invoice;
- b) if, despite the heat vendor's request, the customer will not repair a fault or defect in their equipment of premises, which causes or may cause a risk or unreasonable hindrance to persons or property;
- c) if the customer does not allow clear access or an inspection right for the purpose of installation, maintenance, repair or monitoring of the district heating equipment, data transmission systems or space heating installations of the parties; or
- d) if the customer otherwise materially fails to fulfil their obligations based on the heat supply contract.

- 9.2** However, the supply of heat cannot be interrupted or restricted due to payment default in the following cases:

- a) The supply of heat cannot be interrupted or restricted to a building or a part thereof that is used as a permanent dwelling between the beginning of October and the end of April until four months have lapsed since the due date of the defaulted payment.
- b) If the consumer proves that the payment default is due to the consumer's serious illness, unemployment or a comparable reason not attributable to the consumer, the supply of heat shall not be interrupted before three months have lapsed since 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 payment default is caused by a force majeure, the supply of heat cannot be interrupted or restricted for as long as the force majeure is in force.

9.3 Before interrupting or restricting the supply of heat, the heat vendor shall send to the customer to the address they have provided or to the invoicing address a request to pay the outstanding amount (request for payment) or to remedy another default within a time limit, which is at least two weeks from sending the request. A reminder, which is subject to a charge, cannot be sent to a user who is a consumer until two weeks after the original due date at the earliest. If, despite the reminder, the customer does not pay the outstanding debt or remedy another breach of contract within the set time limit, the heat vendor shall send to the address provided by the customer or to the invoicing address a warning in writing or in another durable medium regarding the disconnection of the supply of heat at least two weeks before interrupting the supply of heat. The time of interruption or restriction shall be stated in the disconnection warning.

The customer shall rectify the breach of contract well in advance of the stated time of suspension or restriction in order to avoid interruption to the supply of heat.

9.4 The interruption or restriction may take place at the earliest after five weeks from the original due date or from when the customer was informed for the first time of another breach of contract and the requirement to rectify it. If a reminder subject to a charge has been sent to a customer who is a consumer, the supply of heat may be interrupted or restricted at the earliest six weeks from the original due date or from the date when the customer was first informed of the breach of contract.

9.5 The supply of heat may also be interrupted at the customer's request.

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

9.7 Interruption of the supply of heat does not limit the vendor's right to possible compensation.

9.8 The heat vendor is entitled to charge a fee for sending the request for payment and the warning of interrupting or restricting the supply of heat, as well as for interrupting or restricting and restarting the supply of heat in accordance with the price lists.

9.9 The supply of heat will be continued after the reason for the interruption or restriction has been removed. However, the heat vendor is not obligated to continue supplying heat until the customer has paid the fees and costs related to the request for payment and warning and to the other measures related to the interruption or restriction and reconnection, as well as the arrears to the heat vendor and the required security. The heat vendor and the customer may agree that the supply of heat will be restarted already before the required security falls due. In such a case, the supply of heat can be interrupted or restricted without separate notification if the security has not been paid by the due date.

10 Delay in connecting 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 section 1.10 in these terms are met at the time agreed in the heat supply contract. Any changes to be made to the time of connection (e.g. due to

changes in the customer's construction schedule) shall be agreed well in advance with the other party.

- 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 supply 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 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 for each commencing week of delay is 10% of the connection fee. The maximum amount of delay compensation is 30% of the connection fee, however, not more than EUR 3,000. 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 sections 12.2 – 12.4.
- 10.4** Moreover, the customer is entitled to receive compensation exceeding the delay compensation for loss suffered by them due to 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 to complement the demand in writing or in another permanent medium. 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 otherwise refund the sum 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, however, the customer is not entitled to delay compensation or damages. The customer is obliged to pay the fees based on the heat supply contract during the period of delay.
- 10.7** If the customer notifies of a delay on their part 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 discount

- 11.1** Unless otherwise agreed, there is a fault in the heat supply if the quality of the temperature at the supply point does not comply 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 to the 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 quality fault is one of the following:
- The heat vendor has an immediate right to temporarily interrupt or restrict the supply of heat due to either force majeure or a risk of danger to human life, health or property.
 - A reason not attributable to the heat vendor, such as a war or other crisis situation, a significant disturbance in electricity generation or electricity network operations, industrial action or an exceptional natural condition, may cause such a disturbance in the operations of the heat vendor that the heat vendor has to interrupt or restrict the supply of heat.
 - If the heat vendor is capable of supplying heat only to a limited extent for the reasons stated in the two previous sections, the heat vendor is entitled to divide the available heat between customers by taking into account the general vital needs of society, any regulations that may be issued by the authorities, and the prevailing conditions, and to interrupt other supply of heat, if necessary.
 - The heat vendor is entitled to temporarily interrupt or restrict the supply of heat for the purpose of the maintenance, repair, modification, inspection or fault diagnostics of equipment that is necessary for the supply of heat, 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 will not provide information on the interruptions or restrictions to the supply of heat referred to in this section, of which the heat vendor has been aware in advance, in a sufficiently effective way, or if the resumption of the supply of heat is unnecessarily delayed from what has been informed in advance, there is a fault in the supply of heat.
- The heat vendor is entitled to direct the use of heat by others than consumer customers also under normal operating situations so that it will not cause a significant disturbance to the customer. The direction measure can be used in order to reduce costs and emissions, and it can enable a higher degree of service also in exceptional situations. The direction measure can be carried out by restricting or disconnecting the use of heat on a temporary basis. This does not apply to the heating of domestic water.
- 11.6** The customer shall without delay notify the heat vendor of any defect or fault or the risk of a 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 invoice for the customer's heat consumption site. However, the maximum price reduction is EUR 400 per customer per year.

The above-mentioned limit of EUR 400 shall not be applied to the price reduction given to a consumer.

- 11.9** The heat vendor shall deduct the price reduction due to a fault that has come to its knowledge in the next invoice or refund the price reduction to the customer in accordance with the procedures in section 10.5.

12 Compensation for damage

- 12.1** The heat vendor shall compensate the customer for damage caused to the customer by a delay, fault or its faulty pipes 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 damage caused by a delay if the heat vendor can show that the delay is caused by an impediment that is beyond its control and that it cannot reasonably be expected to have taken it into account when concluding the heat supply contract and the consequences of which it could not have reasonably avoided or overcome.
- 12.3** If the delay is caused by a third party which the heat vendor has used in fulfilling the heat supply contract, the heat vendor is exempted from its obligation to pay compensation only if this third party would also be exempted from its liability by virtue of section 12.2.
- 12.4** Damage caused by a delay shall also not be compensated if a permission by the landowner or the authorities for the use of land or a road necessary for laying district heating pipes or equipment is not obtained at a sufficiently early stage.
- 12.5** The customer is not entitled to compensation for indirect damage caused by a delay or fault. 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 customer's heating bills for one year, however, not exceeding EUR 8,500. If the heat vendor has been guilty of intentionality or gross negligence, the limitation of the maximum amount of compensation shall not be applied.

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

- 12.6** In these terms, indirect damage means:
- a) loss of earnings incurred by the customer due to a delay or fault or the resulting measures;
 - b) damage caused by an obligation, which is based on another agreement;
 - c) significant loss of utility at the heat consumption site when this loss does not result in actual financial loss, and other comparable significant impairment;
 - d) damage to the property of a customer who is not a consumer by a malfunction in or stopping of 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 damage caused to their family or family member on the same grounds as for the damage caused to themselves.

- 12.8** Despite what is stated above in section 12.6 d, the customer shall be compensated for damage to a property used mainly for the customer's private consumption.
- 12.9** In order to prevent damage, when damage occurs or there is a risk of damage, the contracting parties shall take all steps for the prevention or limitation of damage that can be reasonably required and 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 damage to a contracting party caused by the limitation of damage that is compensated in accordance with these terms.
- 12.10** If the customer neglects their obligation to take reasonable action to limit the extent of the damage caused to them, the customer shall suffer a corresponding share of the damage themselves. However, if the customer's negligence can be considered to be minor, the amount of compensation may be reduced.
- 12.11** The customer is required to compensate for other than indirect damage to the heat vendor's property or the operation of the district heating system through the customer's negligence unless there are provisions to the contrary in section 5.6.

Damage that is considered equal to the customer's indirect damage, as referred to in section 12.6, is regarded as indirect damage to the heat vendor.

13 Expiration of the heat supply contract

- 13.1** A fixed-term heat supply contract expires at the end of the fixed term or due to its cancellation.
- 13.2** The customer may terminate a heat supply contract that is valid until further notice with a six months' period of notice. The consumer may terminate a heat supply contract that is valid until further notice with one months' period of notice.
- 13.3** The heat vendor may terminate a heat supply contract that is valid until further notice with a six months' period of notice.
- 13.3.1** The heat vendor may terminate a consumer's heat supply contract only if the continuation of the contract has become unsustainable for the heat vendor due to a change in legislation or a substantial change in circumstances.
- Before terminating the contract, the heat vendor has an obligation to negotiate with the consumer about a substitutive heating system.
- 13.4** The heat vendor may terminate the heat supply contract with immediate effect if
- a) the customer has been declared bankrupt and the bankrupt's estate will not commit itself to the heat supply contract, or the authorities have found the customer to be incapable of meeting their contractual obligations;
 - b) the customer is guilty of stealing heat or the heat vendor's property, causing deliberate damage to the heat vendor's equipment, or breaking the seals placed in position by the heat vendor;
 - c) the supply of heat has been interrupted in accordance with these terms, and the customer has not removed the reason for the interruption within the provided time limit of at least two weeks from the time of interruption;

- d) it has not been possible to carry out the interruption for reasons attributable to the customer and at least one month has passed since the conditions for the interruption have been met; or
- e) the customer has otherwise materially breached their obligations based on the heat supply contract, and the breach of contract has not been rectified within a reasonable period notified by the heat vendor in writing or in another durable medium.

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

13.5 It is stated in the heat supply contract whether the connection fee or a part thereof is refunded upon termination of the contract.

13.6 The heat vendor is entitled to set off from the refunded connection fee its receivables based on the heat supply contract and to deduct from the amount of refunded connection fee the costs arisen from any dismantling of the branch line and other equipment and devices necessary for the supply of heat and from the customer's disconnection from the network.

13.7 If the connection fee is not refunded, the heat vendor is entitled to recover the costs of any dismantling of the branch line and other equipment and devices necessary for the supply of heat and from the customer's disconnection from the network in accordance with the valid price lists.

14 Amending the terms of contract and prices

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

14.2 Unless otherwise agreed in the individual heat supply contract, the heat vendor is entitled to amend 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 amendment will correspond with the requirement of reasonable pricing, as stipulated by the competition legislation.

Based on this section, the heat supply contract may not be amended so that the contents of the contract will change substantially.

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

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

- a) a significant change in circumstances
- b) a revision of outdated contractual or pricing arrangements, or
- c) to implement measures necessary to improve the efficiency of energy use.

14.5 The heat vendor is entitled to make such minor amendments to the terms of contract that do not affect the principal contents of the contractual relationship.

14.6 The heat vendor must send in writing or in another permanent medium to the customer to the address notified by them or to the invoicing address a notification of how and from which date

the prices, other terms of contract or pricing will be amended, also stating the basis for the amendment. The notification may be enclosed with, for example, an invoice to be sent to the customer. If the reason for the amendment is some other than a change in legislation or a decision by the authorities, the amendment may take effect at the earliest one month after sending the notification. If the amendment is based on a change in legislation or a decision by the authorities, the heat vendor is entitled to implement the amendment as of the date when the amendment or decision took effect. If the amendment is to the detriment of the customer, it can also be implemented at a later date at a time determined by the heat vendor. The heat vendor shall notify the customer of the amendments to be made on these grounds as soon as possible.

- 14.7** After receiving information about the amendment to the terms of contract for district heat, the customer is entitled to terminate the heat supply contract with one month's period of notice. In such a case, the amended prices, terms of contract or pricing will not apply to the customer unless the amendment is due to a decision by the authorities or a change in legislation.

15 Settlement of disputes

- 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 customer's heat consumption site 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.kkv.fi/kuluttajaneuvonta) 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 TERMS OF CONTRACT FOR DISTRICT HEAT

Customer refers to the purchaser of heat, for example, housing corporations and real estate companies, enterprises, public bodies and natural persons.

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 via the customer's heating system.

Customer's space heating installations are devices that distribute the thermal energy from the heat exchangers to the places of use. Essential devices with respect to district heating are devices and connections that have 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 pipe of the branch line will scarcely cool down.

Remote reading refers to the transfer of metering data from the customer to the district heat vendor, required for the invoicing and monitoring of consumption.

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 supply contract, such as the energy fee, reminder fee, collection fees, meter reading fees, maintenance fees, etc. Price lists may include, for example, the heat price list and the service price list.

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

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

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

Branch line refers to a district heating pipeline built for one customer, through which the customer has been connected to the district heating network.

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

Heat distribution room is a separate facility in a building, housing the heat distribution centre and the heat vendor's service installation. The service installation may also be located in another facility.

Heat consumption site is a site where heat is used. It is equipped with a service installation.

Supply point is the connection point of the heat vendor's service installation and the customer's district heating equipment.

Heat vendor refers to the supplier of heat, i.e. Helen Ltd.

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

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

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

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 pressures prevailing in the supply and return pipes after the supplier's service installation.