

# TERMS OF ELECTRICITY SALES 2010

as recommended by Finnish Energy Industries

## **Content:**

A. General, concluding an electricity sale contract, the prerequisites for electricity sales, commencement of electricity sales, the relation of electricity sales to network service, responsibility issues

B. Invoicing and interruption of electricity sales

C. Changing, transfer and expiration of the sale contract

## **A. General, concluding an electricity sale contract, the prerequisites for electricity sales, commencement of electricity sales, the relation of electricity sales to network service, responsibility issues**

### **1. Scope of application and definitions**

1.1. These general terms of contract, i.e. the terms of electricity sales, shall be applied to the retail sales of electricity (hereinafter: electricity sales) to the electricity user who has been connected to a distribution network. These terms are a part of an electricity sale contract (sale contract) concluded by the electricity user and the electricity vendor, by which the user buys and the vendor sells electric energy. Retail sales of electricity mean electricity sales direct to electricity users via a distribution network.

1.2. Only if agreed on separately, can these terms be applied, where applicable, to such a place of electricity use where electricity is also produced (*a sale contract for a place of electricity use which is also used for production purposes*).

1.3. A *distribution network* is a power network with a nominal voltage of less than 110 kilovolts.

1.4. A *DSO* is a body or establishment in possession of a distribution network and engaged in licensed operation thereof.

1.5. A *connection contract* is concluded between the DSO and the owner or holder (*connecting party*) of a place where electricity is used (e.g. real property or a building), which has been connected to the distribution network. The connection contract concerns connecting the place where electricity is used to the network, as well as maintaining the opportunity for electricity use at the point of connection.

1.6. *Power network service* (network service) refers to all those activities of a DSO which make it possible to transmit electricity on the DSO's network against payment.

1.7. A *power network contract* (network contract) is concluded between the DSO and the electricity user. The power network contract concerns the network service needed by the electricity user.

1.8. A *contract for electricity supply* is concluded between the vendor and the electricity user, and by signing it, the vendor assumes responsibility also for the network service. The vendor shall, where needed, agree on provision of network service with the DSO. When a contract for electricity supply is in force, no separate network contract or sale contract shall be concluded for the place of electricity use. Service conforming to the contract for electricity supply is called electricity supply in these terms. These terms are not applied to a contract for electricity supply (cf. Terms of Electricity Supply, STE 10).

1.9. An electricity vendor (*vendor*) is a person, corporation or establishment selling electricity.

1.10. An open supplier is a vendor providing the user with all the electricity needed or balancing the difference between the customer's electricity production and acquisition, on the one hand, and use and supply, on the other, by supplying the missing amount of electricity or by receiving the surplus during each hour (*open supply*). A fixed supplier is a vendor providing the customer with exactly the amount of electricity agreed in advance for each hour (*fixed supply*).

1.11. If an electricity vendor has a significant market power referred to in the Electricity Market Act. within a DSO's the area of responsibility to which the place of electricity use belongs and the place of electricity use is equipped with a main fuse of maximum 3x63 A, or a maximum of 100,000 kWh of electricity is purchased annually to the place of electricity use, the vendor has *the obligation to deliver electricity* to the user in compliance with section 21 of the Electricity Market Act.

1.12. The electricity user (*user*) buys electricity from the vendor and the network service from the DSO principally for his own use.

The user may also be a connecting party purchasing electricity to be used by others via the connection point specified in his connection contract. Several users may undertake to become jointly responsible for a sale contract, if the contracting parties make such an agreement.

1.13. The user, who is a natural person and acquires electricity mainly for other purposes than his business activity, is called *a consumer* in these terms.

1.14. The *contracting parties* referred to in these terms mean the vendor and the user.

1.15. *The electricity products* referred to in these terms mean the service entity to be used in electricity sales. Data on the charges to be collected by the vendor are also included in the definition. The electricity products may also be called tariffs.

The electricity products offered by the vendor are presented in a *price list*. The product price list and a possible *service price list (the price lists)* are part of the sale contract. The pricing principles for invoicing electricity sales may also be separately agreed upon by the contracting parties, in which case the product price list is not attached to the sale contract (i.e. the product price list is not part of the sale contract).

1.16. In these terms, sending e.g. a confirmation, invoice, notification of a price change or some other kind of message encompasses also sending electronic messages with informative contents. The address or invoicing address of the user may also be an email address or some other personal address provided by the user. Sending messages electronically requires that the contracting parties have agreed to do so. A separate agreement can be made with a user who is not a consumer to the effect that notices of price changes or revisions of other terms of contract may be published at a predefined address on the Internet. In addition, the user must be notified of the existence of the notice in a way that has been agreed on in advance, e.g. by email or an SMS.

1.17. *An electricity sale contract based on the vendor's obligation to deliver* refers to a sale contract concluded by the user and a vendor that has a delivery obligation towards him at public prices and on terms based on the delivery obligation.

1.18. *Hourly metering equipment* means equipment or a combination of pieces of equipment that meter and register the consumption of electricity by the hour. It must be possible to read the data registered by the equipment via a telecommunication network.

1.19. *A remote medium* refers to the telephone, mail, television, information network, or some other medium that can be used for concluding a contract without the parties being simultaneously present.

1.20. The central provisions on the electricity market have been laid down in the Electricity Market Act and the decrees issued by virtue of it.

## **2. Concluding a sale contract, user's other contracts for electricity purchasing, commencing the sale of electricity**

2.1. A sale contract concluded by the contracting parties is either valid indefinitely or for a fixed term.

2.2. A sale contract may be concluded, when there is a valid connection contract for the place of electricity use in question.

2.3. Commencement and continuation of the sale of electricity requires that there is a valid connection contract and a valid network contract for the place of electricity use and that the user has fulfilled the obligations laid down in the connection contract and the network contract and that the place of electricity use meets the technical requirements set in the above-mentioned contracts for the network service to be provided to the place of electricity use. The sale of electricity can be started at the earliest after 14 days have elapsed since the sale contract was concluded, unless some other agreement has been made.

2.4. A sale contract may be concluded in writing, orally or electronically.

2.4.1. A sale contract shall be concluded in writing, if either contracting party so requires. These terms and the possible price lists shall be attached to the sale contract. The DSO, to whom notices of defects and other notifications concerning the network service are to be given, as well as the special requirements set for electricity metering, shall be specified in the sale contract, if the sale contract conforming to the Electricity Market Act requires it.

2.4.2. A sale contract may be concluded electronically according to the product range offered by the vendor. The electronic contract is binding, if it meets the general requirements for electronic agreements.

2.4.3. If the sale contract is not concluded in writing, the vendor shall within two weeks from the conclusion of the contract send a *contract confirmation* (confirmation) to the invoicing address provided by the electricity user or any other address separately agreed on. In addition to the date of entry into force of the sale contract, also the individual terms of the sale contract, these terms, the relevant price lists, as well as a mention of the comment period granted to the user shall be included in the confirmation. Furthermore, the DSO to whom the all notices of defects and other notifications concerning the network service are to be given, and the special requirements that the sale contract conforming to the Electricity Market Act may set for electricity metering shall be stated in the confirmation.

2.4.4. If the sale contract is concluded with a consumer via a remote medium, the confirmation sent by the vendor shall include directions for cancelling the contract and information about the consumer's right to do so, in addition to the information mentioned in article 2.4.3.

2.4.5. A sale contract that has not been concluded in writing will have entered into force and will continue on the terms specified in the confirmation, except for the following cases:

- The user of electricity, within three weeks of the sending of the confirmation or by some other date mentioned in the confirmation that is at least three weeks from the sending of the confirmation, notifies the vendor that he does not deem the terms specified or clarified in the confirmation to correspond with the sale contract. During the period between the conclusion of the contract and the notification given by the electricity user, the contractual terms specified in the confirmation shall be applied, unless it is shown that some other agreement has been made.
- The consumer cancels the contract within 14 days of receiving the confirmation by notifying the vendor of the cancellation. The confirmation is deemed to have been received within 7 days of sending, if it has been sent by post, and immediately, if it has been sent by email. If, by the time the contract is cancelled, the consumer has utilised electricity that cannot be transferred to the consumer's previous vendor in the settlement

of electricity transactions, the consumer shall pay a reasonable compensation to the vendor for the advantage gained by him. The price is determined according to contractual terms presented in the confirmation, unless it is shown that some other agreement has been made.

2.5. The contract documents form the content of the sale contract. If there is a conflict between the content of the sale contract and the contents of the documents specified in it, the documents shall be applied and interpreted in the following order:

- 1) Individual terms of contract
- 2) Relevant price lists
- 3) General terms of contract (these terms)

2.6. The vendor and the consumer may agree to amend these terms. However, no exceptions to these terms may be included in a sale contract to the detriment of the consumer.

2.7. The user encompassed by the obligation to deliver is entitled to change the electricity products subject to a number of reasonable restrictions based on the nature of the products presented in the price list. Such restrictions may not be valid for more than 12 months. It is not possible to switch to a product reported to be withdrawn.

2.8. The vendor is responsible for giving the notifications required by the settlement of electricity transactions in compliance with the Electricity Market Act.

2.9. Time restrictions on the availability of electricity (and other forms of steering the use of electricity)

2.9.1. If the electricity user and the DSO have previous agreements on restrictions on the availability of electricity (or on other steering measures), or if such restrictions have been laid down in a previous contract for electricity supply, the restrictions will continue to be valid, unless some other agreement is made by the user and the DSO. It is the responsibility of a party that is not a consumer to separately inform the vendor of any restrictions on the availability of electricity, other than those generally applied in the sector, agreed with the DSO.

2.9.2. If the user and an open supplier agree so in writing, the vendor has the right to restrict the availability of electricity in respect of individual users (or steer the use of electricity in some other way). The agreed restrictions shall be carefully defined.

2.9.3. If the intention is to implement the desired restriction on the availability of electricity (or some other steering measure) with the aid of the DSO's installations or equipment, it cannot be done unless the restriction (or steering measure) is appropriate to the DSO's steering system and the installations, steering principles and equipment maintenance have been agreed upon with the DSO.

2.9.4. As regards direct electric heating mainly by means of direct electric heaters, the number of de-energised hours of the heating elements may not exceed 1.5 hours at a time and 5 hours a day. Each separate de-energised period shall be followed by an energised period of at least the same duration as the de-energised period.

2.9.5. The user may not present claims based on these terms and such restrictions (or steering measures) which have been implemented in accordance with individual agreements to the vendor. In case of a fault in electricity sales referred to in article 5.6, the vendor will be responsible to the user for the fault.

2.10. The user is required to notify the vendor of any changes affecting the sale contract concerning, e.g., the user, the place of electricity use, the invoicing address or any other address that the contracting parties have agreed to use, e.g. when the vendor sends confirmations, notifications of price changes or when other types of messages are sent.

### **3. Security and advance payment**

3.1. When a sale contract is concluded, the vendor is entitled to require that a user who is not a consumer lodge a security or advance payment for the payment of receivables based on the sale contract. If the sale contract is concluded only because the place of electricity use has been changed, or because a contract for electricity supply has been terminated, without any simultaneous changes taking place in electricity consumption or other circumstances, a security may only be required in accordance with article 3.2.

3.2. After the commencement of electricity sales, the vendor is entitled to require that a user who is not a consumer lodge a security or advance payment for the payment of receivables based on the sale contract, if the user has materially failed to meet his liability to pay based on this or some other sale contract or a contract for electricity supply, which has not been soundly challenged.

3.3. The vendor may require that the consumer lodge a reasonable security or advance payment, when a sale contract is concluded as well as when such a contract is in force. When a sale contract is in force, a security or advance payment may be required only if the consumer has materially failed to meet his liability to pay. The vendor shall have a very weighty reason for his claim for a security or advance payment both when concluding a sale contract and when such a contract is in force. The very weighty reasons may include the following:

- the sale of electricity to the consumer has been interrupted because of a failure to pay;
- the vendor has outstanding receivables related to electricity sales, electricity supply or the power network service from the consumer, the amount of which can be considered substantial compared to the amount of invoicing based on electricity sales; or
- the credit references of the consumer indicate that he is obviously unable to make the payments based on the sale contract.

3.4. If, when a sale contract has been concluded, a security is not lodged by a due date, the electricity sale contract becomes void. The contract will become void, even if electricity supply to the place of electricity use has begun. The user is required to pay a contract price for the electricity consumed by him before the contract has become void.

3.5. The vendor is entitled to use a security or advance payment as a payment for his outstanding receivables, the accrued penal interests and reasonable collection charges based on electricity sales or previous electricity supply to the same place of electricity use. If the vendor uses the security or advance payment or a part thereof as a payment for his receivables, the vendor is entitled to require that the consumer increases the amount of security or advance payment to the amount specified in article 3.7., if the contractual relation still continues.

3.6. The vendor shall not pay interest on security or advance payment.

3.7. The maximum amount of security or advance payment may equal the amount invoiced for electricity sales since the beginning of the invoicing period until the date of interrupting electricity sales (as specified in articles 7.1-7.5), unless some other agreement has been made by the user who is not a consumer or a consumer encompassed by the obligation to deliver. The sales invoice shall be calculated according to the customer's estimated electricity use. The estimate may be based on the period when the use of electricity is highest.

3.8. When the sale contract has expired, the vendor shall return the security to the user as soon as the final invoice has been paid and all other obligations of the user have been fulfilled. If the contract remains valid, the security shall be returned to the user not later than two years after the date it was lodged (the corresponding period for the consumer is one year). When the contract is valid and a security has been lodged, the security shall not be returned, if the user has essentially defaulted on payment during the period the security is being held. If the user is not a consumer or encompassed by

the obligation to deliver, the user and vendor may also make other agreements on returning the security. The advance payment shall be used to effect maturing payments within the return period for the security specified in this article.

3.9. An agreement shall be drawn up in writing on the lodging of security. A statement about advance payment may also be included in the confirmation.

3.10. The vendor is entitled to realise the security lodged in the manner he thinks best in order to have his outstanding receivables paid.

3.11. Instead of the relinquishing of security or an advance payment, the user and vendor may agree that the charges based on the sale contract shall be paid in advance. As regards reverting to the ordinary payment schedule, the provisions included in article 3.8 shall be followed as applicable.

3.12. The advance payment referred to in this chapter or the prepayment referred to in article 3.11 are not in question, if the user selects from among the different (electricity product and payment method) alternatives available, the one with an accelerated payment arrangement.

#### **4. The DSO's rights and obligations concerning electricity sales and issues related to network service**

4.1. The DSO has the right to require that the user's electrical equipment and installations meet the requirements set by legislation, provisions issued by the authorities and the user's power network contract, as well as any other technical requirements set by the DSO.

4.2. The user shall notify the DSO of a fault or disturbance he has detected in the electrical equipment, network service or electricity sales. If the fault or disturbance falls within the scope of the vendor's obligation to make repairs, the vendor shall, after he has been notified of the fault or disturbance, without delay take measures to eliminate the fault or disturbance. In case of a fault in network service, the DSO is responsible to the consumer for the fault. The DSO is not responsible for a fault, if he within a reasonable time after having been notified of the claim notifies the consumer of the vendor responsible for the fault, who will assume responsibility for compensating the consumer for the damage resulting from the fault, or for a price reduction.

4.3. The DSO is responsible for arranging metering and forwarding the metering data to the parties involved in the electricity trade. (see chapter 6).

4.3.1. The arrangement and accuracy of electricity metering, the repair and inspection of faults and the reading of meters shall be specified in the power network contract. In addition, the DSO has the right to issue regulations on these matters, taking into account the provisions on metering and stabilisation laid down in legislation and the power network contract.

4.4. In electricity sales, the existing arrangements for metering and electricity supply, including the restrictions on electricity consumption referred in articles 2.9-2.9.4, are made use of, if legislation or the electricity sector specific standards do not require something else or if no other agreement to the contrary has been made.

4.5. In accordance with the terms of the power network contract concluded by the DSO and the user, the DSO may in certain situations interrupt the network service or regulate the supply of electricity. The vendor is not responsible for any harm or damage that such an interruption or regulation may cause to the user. From the user's point of view, interruption of network service and interruption of electricity sales have the same effect: the supply of electricity to the consumption site is entirely, partly or occasionally stopped.

#### **5. Delay, fault and liability issues**

5.1. If electricity sales have not commenced on the day agreed upon for a reason attributable to the vendor, the vendor shall pay compensation for the damages caused by the delay in accordance with the

provisions laid down in articles 5.3-5.4 and 5.7-5.13. The user is not required to pay the fees based on the sale contract before the sale of electricity has commenced. After electricity sales have commenced, the user is entitled to withhold such a part of the fee as is needed to serve as a security for a claim for compensation based on the delay. The right to withhold part of the fee is implemented in compliance with articles 5.2-5.2.1.

5.2. The vendor shall deduct the fees related to electricity sales that have accrued during a delay, of which he has been informed, from the invoice to be sent to the user after the matter has been cleared up. If a deduction from the invoice is no longer possible due to e.g. the termination of a contractual relation, the reimbursement of the sum shall be implemented in some other way.

5.2.1. If the user wants to ensure that the fees referred to in article 5.2 that have accrued during the delay are deducted from his invoice, he shall make a claim to this effect to the vendor. The vendor may request the user to supplement the claim in writing, if necessary.

5.3. No compensation shall be paid for damages caused by a delay, if the vendor shows that the delay is caused by an obstacle beyond his control, which he cannot reasonably be expected to have taken into account when concluding the sale contract and the consequences of which he could not have reasonably avoided or overcome.

5.4. If the delay is caused by a third party that the vendor has used in fulfilling the terms of the sale contract, the vendor is released from his obligation to pay compensation only if this third party would be released from the obligation to pay compensation by virtue of article 5.3. According to the power network contract, the DSO is directly responsible to the user for his possible delays.

5.5. The vendor is not responsible for faults in network service (i.e. interruptions and quality deviations that are contrary to the power network contract).

The user shall present his claims based on a possible interruption or quality deviation to the DSO within a reasonable time after he has noticed, or he should have noticed, the fault and has had the DSO's contact details needed for presenting the claim.

5.6. If the supply of electricity is interrupted or ceases contrary to the sale contract for a reason attributable to the vendor, the vendor shall compensate the user for the resulting damages in accordance with articles 5.7-5.13. In accordance with the above articles, the vendor shall compensate the user also for the damage caused by the erroneous data on, e.g., the metering requirements to be applied to the place of electricity use provided by the vendor when the contract was concluded.

5.7. The vendor shall compensate the user for the damage defined above in this chapter in accordance with the reasons and limitations mentioned below in this chapter.

5.8. The user is entitled to receive compensation for indirect damage only if the delay or fault is caused by negligence attributable to the vendor. If the user is not a consumer and no agreement has been made to the contrary by the parties to the contract, the maximum sum to be paid as compensation for indirect damage by the vendor corresponds to the user's total annual electricity costs. The amount to be paid as compensation may not exceed EUR 8,500, however. If the vendor has been guilty of deliberateness or gross negligence, the limitation of the maximum amount of compensation shall not be applied.

5.9. In these terms, indirect damage means:

5.9.1. loss of earnings incurred by the user of electricity because of the delay or fault or the consequent actions;

5.9.2. damage caused by an obligation based on some other agreement;

5.9.3. major loss of utility at the place where electricity is used when this loss does not result in direct financial damage, and other comparable major disturbance;

5.9.4. damage caused to the property of a user who is not a consumer by a functional disturbance or stopping in the user's device or equipment or an interruption of the user's activity, or consequential financial damage or loss due the same reason; and

- 5.9.5. other damage of a similar nature that is difficult to foresee.
- 5.10. The consumer is entitled to receive compensation also for the damage caused to his family or family member on the same grounds as for the damage caused to him.
- 5.11 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 user's activity, the vendor is not required to pay compensation for it.
- 5.12. If the user shirks his obligation to take reasonable action to limit the extent of the damage being caused to him, he himself shall be liable for the damage in this respect. If the user's negligence can be considered to be of minor significance, the proportion of liability for damage to be borne by the user may be reduced in this respect, however. 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.
- 5.13. The vendor is not required to pay compensation for such damage, for which the user or some other party is entitled to receive compensation on other grounds, such as matters related to network service.
- 5.14. If the delay or interruption in electricity sales is due to a reason that can be considered negligence on the part of the user, the user is required to compensate the vendor for the resulting damage other than indirect damage. Damage comparable to the indirect damage incurred by the user, referred to in articles 5.9.1-5.9.5, is considered indirect damage incurred by the vendor.

## **B. Invoicing and interruption of electricity sales**

### **6. Invoicing and payments**

- 6.1. The vendor shall invoice the user for electricity consumption in accordance with the sale contract. Articles 6.1.1-6.1.2, 6.6.1 and 6.6.4 are not applied to the invoicing of fixed supply. An agreement on the processing of extra fixed supply may be included in the sale contract for open supply.
- 6.1.1. Invoicing by the vendor shall be based on the data on the factual and estimated electricity consumption reported and maintained by the DSO, unless some other agreement is made.
- 6.1.2. If the place of electricity use has hourly metering equipment, or some other type of remotely read metering equipment, invoicing shall be based on metered electricity consumption, unless some other agreement has been made. If the metering of electricity consumption in the place of use is not based on remotely read metering equipment, invoicing shall be based on the estimated electricity consumption of the user, unless some other agreement has been made. Estimated invoicing shall be balanced at least once a year on the basis of a meter reading that has been either reported or acquired by means of a reading (reading-based or balancing bill). Invoicing may be based on an estimate based on the customer's previous electricity consumption, if the DSO or vendor is unable to determine the meter reading.
- 6.2. The contents of the invoice shall comply with the Electricity Market Act and the statutes and provisions issued by virtue of it.
- 6.3. A period of at least two weeks shall be left between the date of sending the invoice and the due date. If the user is not a consumer, the contracting parties may also agree on a shorter time of maturity.
- 6.4. The user is required to pay the invoice sent by the vendor by the due date stated on the invoice. The invoice shall be sent to the invoicing address provided by the user. The user is required to pay the invoice regardless of the address, to which he has requested the vendor to send the invoice.

6.5. The vendor is entitled to collect penal interest on delayed payments in compliance with the Interest Act. If the due date and the amount to be paid have been determined in advance, penal interest is charged as of the due date. If the due date of the consumer's invoice and/or the amount to be paid have not been determined in advance, a penal interest cannot be charged until 30 days have elapsed since the invoice was sent. In addition, a reasonable fee based on the sale contract may be collected for sending a reminder and a warning of cutting the supply of electricity in writing.

6.6. The vendor, and also the DSO in the cases referred to in article 6.6.4, are entitled to charge an additional fee for errors that have occurred in invoicing, metering and reading of the meter, and the user is entitled to receive a credit note in accordance with the following articles:

6.6.1. If a metering error has been shown to be bigger than what is acceptable according to the power network contract concluded by the user and the DSO, this shall be taken into account in invoicing conforming to the sale contract so that a credit note or an additional invoice is issued by virtue of an assessment based on an inspection of the metering equipment, the verified amounts of electricity consumed at different times by the user, as well as an assessment based on other data provided to the vendor by the DSO.

6.6.2. The contracting parties may present claims for their receivables dating from the three previous years, if the claims are based on the errors specified in article 6.6.

6.6.3. The consumer may, however, present a claim for his receivables specified in article 6.6, stemming from the whole period, not longer than 10 years, however, during which the error has affected invoicing, if the moment the error took place and the effects of the error on invoicing can be verified afterwards.

6.6.4. The DSO, not the vendor, is responsible for the compensation to be paid to the user and is entitled to charge the user an additional fee, if both of the following conditions are met:

- due to an error in metering, reading of the meter or some other error in the notification given by the DSO to the vendor (a deviation in estimated consumption is not deemed to be such an error, however), the consumption data on which invoicing is based has been erroneous, compared to the real electricity consumption that has taken place, and
- the changes required for correcting the error can no longer be made in the vendor's electricity balance according to legislation concerning the electricity market or provisions issued by the authorities.

The additional charges and compensations referred to in this article are specified in the terms and conditions of the power network contract.

6.6.5. With regard to the period of interest accrual, no interest shall be paid on the additional charge or compensation determined on the grounds of the previous articles. As regards the additional charge, the user shall be granted a reasonable term of payment. If the user does not pay the invoice based on the additional charge during the period granted, a penal interest may be collected on it for the period exceeding the term of payment, as specified in the Interest Act.

6.7. The user is required to pay also the metered or verified electricity sales that have been caused by faults in the electrical installations or electrical equipment within the scope of responsibility of the user.

## **7. Interruption of electricity sales**

7.1. The vendor is entitled to interrupt electricity sales (supply of electricity to the user) referred to in the sale contract, if the user has materially defaulted on the payment of the receivables of the vendor or has otherwise materially breached his obligations based on the sale contract. The DSO implements the interruption of electricity sales based on open supply by order of the vendor. Interruption of electricity sales based on fixed supply means that the previous proportion of fixed supply has to be covered and

invoiced by the open supplier as of the date of the interruption. Interruption of fixed supply does not lead to measures to be taken by the DSO.

7.2. The vendor shall remind the user in writing to rectify a breach of contract, i.e. to pay the outstanding receivable or to rectify some other negligence within a period stated in the reminder, which is at least two weeks from sending the reminder. If a charged reminder is sent to the user, who is a consumer, the reminder can be sent at the earliest two weeks after the payment has originally fallen due. If the user does not rectify the breach of contract within the period granted in spite of the reminder, the vendor shall send a written *warning of cutting the supply of electricity* to the invoicing address of the user or to some other address separately agreed on. The date of cutting the supply of electricity shall be stated in the warning. The user shall rectify the breach of contract in time before the date the supply of electricity is to be cut in order to avoid the interruption. The warning of cutting the supply of electricity shall be sent to the address of the user at least two weeks before cutting the supply of electricity. The supply of electricity may be cut at the earliest five weeks after the payment has originally fallen due or after the user has been informed for the first time of some other breach of contract and the need to rectify it. If a charged reminder has been sent to the user, who is a consumer, the supply of electricity may be interrupted at the earliest six weeks after the payment has originally fallen due.

7.3. If the default on payment is caused by financial difficulties that the user has run into because of a severe illness, unemployment or some other special cause, principally through no fault of his own, the supply of electricity may be cut at the earliest three months after the due date of the payment. The user shall notify the vendor of the reason for the non-payment as soon as he is aware of it and, if possible, before the due date of the invoice.

7.4. Electricity sales to the consumer or residential property may not be interrupted, however, if the outstanding invoice of such a user does not amount to at least EUR 200 or if not at least three months have elapsed since the due date of the oldest outstanding invoice.

7.5. Electricity sales to a building or a part of a building used as a permanent residence may not be interrupted because of default on payment between the beginning of October and the end of April, if the building is heated by electricity, before four months have elapsed since the due date of the outstanding payment.

7.6. If the user's default on payment is due to a force majeure, the supply of electricity may not be cut as long as it prevails.

7.7. If electricity sales are interrupted for a reason attributable to the user or DSO, the user is not released from his obligation to pay or from his other obligations towards the vendor.

7.8. The vendor is entitled to charge a reasonable fee conforming to a valid price list from the user for sending a reminder and a warning of cutting the supply of electricity. The user is required to pay the charges caused by the interruption and reconnection of electricity sales that the vendor has had to pay, as specified in the power network contract concluded by the user (the charges corresponding to the charges caused by the interruption and reconnection of network service), added by the reasonable handling charges, if they are included in the vendor's price list.

7.9. The sale of electricity shall be continued after the reason for the interruption has been removed. The vendor is not, however, responsible for continuing the sale of electricity (i.e. for reconnecting the supply of electricity) before the user has paid the fees and costs caused by a written reminder or other notifications and by other measures taken in connection with interrupting and reconnecting the supply of electricity, as well as the outstanding receivables of the vendor, and lodged the requisite security.

7.10. The sale of electricity may be interrupted or it may be otherwise steered in accordance with articles 2.9.-2.9.4.

7.11. If the vendor or a party within the scope of the vendor's responsibility is faced with an essential disturbance in electricity generation, network operations or cross-border electricity transmission or some other reason not attributable to the vendor (such as a war or other type of crisis situation, industrial action or an exceptional natural circumstance) that causes an interruption in the supply of electricity to the user, the user may not present claims concerning the period during which the disturbance or reason prevailed to the vendor.

### **C. Changing, transfer and expiration of the sale contract**

#### **8. Changing the terms of contract and prices**

8.1. The contracting parties may jointly agree to change the terms of an individual sale contract. Unless some other agreement has been made, the provisions included in articles 2.4—2.4.5 shall be complied with.

8.2. The user and the vendor may agree that the price shall be bound to a separately defined reference value which is beyond the control of the contracting parties. The manner in which the impact of the reference value shall be taken into consideration is to be defined in the sale contract. Taking the impact of the reference value into consideration as referred to in this article is not the change of a price or the terms of contract referred to later on.

8.3. The vendor has the right to change the terms of a sale contract and prices, if the reason for the change is

- a change in the procurement costs of electricity incurred by the vendor,
- changes in the costs caused by limitations of transmission capacity, or
- changes in the labour or other operating costs related to electricity sales, as well as changes in the production costs of the functions required by the implementation of electricity sales.

The terms of the sale contract may not be changed on the basis of this article so that the principal content of the sale contract will change. A fixed-term sale contract concluded outside the obligation to deliver may not be changed on the basis of this article, however.

8.4. The vendor is entitled to change the terms of contract and prices, if the change is based on a legislative amendment or a decision of the authorities that the vendor could not have taken into account when the sale contract was concluded.

8.5. The vendor may change the prices and other terms of contract on the basis of such a legislative amendment or decision of the authorities which the vendor has been aware of when the sale contract was concluded, provided that a price increase or change in the terms of contract will not alter the principal content of the sale contract.

8.6. Furthermore, the vendor is entitled to change the terms of contract and prices, if there is a special reason for it,

- owing to an essential change in circumstances,
- a revision of outdated contractual or pricing arrangements, or
- measures required by energy conservation.

This article shall not be applied to sale contracts concluded with consumers outside the obligation to deliver.

8.7. The vendor is entitled to make such minor changes in the terms of the contract that do not affect the principal content of the contractual relation.

8.8. The vendor shall send the user a notification of how and from which date the prices and other terms of contract will change and the reason for the change. A statement about whether the contracting parties are entitled to terminate the sale contract shall also be included in the notification. 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 two weeks, and on the part of consumers, one month after the sending of a notification. The notification is to be sent to the invoicing address of the user or to some other address separately agreed on; it can be included, e.g., in an invoice to be sent to the user.

8.9. If the change is based on an amendment to legislation or a decision of the authorities, the 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 user, it can be implemented as of a later date to be determined by the vendor. The vendor shall notify the user of the changes to be made on these grounds as soon as possible.

## **9. Transfer of the sale contract**

9.1. The user may not transfer a sale contract to a third party.

9.2. The vendor is entitled to transfer a sale contract to another vendor. The terms of a sale contract may not be changed in connection with the transfer. The new vendor shall notify the user of the transfer no later than in connection with the first invoice.

9.3. A sale contract encompassed by the obligation to deliver may not be transferred from one place of electricity use to another. A sale contract outside the obligation to deliver remains valid in spite of the user's relocation or some other change in the place of electricity use, if an agreement to this effect has been made, or if the sale contract is not terminated in the manner prescribed in article 10.2.3 or article 10.4.1.

## **10. Expiration of the sale contract**

10.1. When a connection contract expires, also the sale contracts concerning the place of electricity use specified in the connection contract expire.

10.2. A fixed-term sale contract expires at the end of the term or because it has been cancelled, unless there are other provisions to the contrary in articles 10.2.1.-10.2.5:

10.2.1. Unless some other agreement has been made, a fixed-term sale contract continues to be valid for an indefinite period after the end of the term, if no new sale contract has been concluded between the vendor and the user or if neither party has terminated the contract at two weeks' notice.

10.2.2. The consumer always has the right to terminate a fixed-term contract concluded for a period of more than two years outside the obligation to deliver at two weeks' notice, after it has been valid for two years.

10.2.3. A fixed-term sale contract which continues to be valid for a new term may also be concluded outside the obligation to deliver, unless a party to the contract declares its desire to withdraw from it. The vendor shall send the consumer a notification of the beginning of a new term at least a month before the last date on which the consumer may withdraw from the renewal of the contract for a new term. The right of the consumer to terminate a fixed-term sale contract referred to in the previous article begins, when two years have elapsed from the beginning of the first term conforming to the same contract. When a fixed-term contract concluded for a period of two years or for a longer period than two years expires, the precondition for concluding a new fixed-term contract is that the consumer explicitly agrees to it.

10.2.4. Both parties to the contract may, however, always terminate a fixed-term sale contract at two weeks' notice, if the place where electricity is used changes, e.g., because the user moves to a different location, unless some other agreement has been made.

10.2.5. The consumer may terminate a fixed-term sale contract, if the consumer's requirement for electricity has materially changed due to his severe illness, death of his near relative, or for other

comparable and weighty reasons, if the continuation of the sale contract in such a situation can be considered unreasonable for the user.

10.3. If a fixed-term sale contract expires before the due date in another type of situation than those mentioned in articles 10.2.1-10.2.5 for a reason attributable to the user, the vendor is entitled to collect a reasonable contractual penalty from the user, if the penalty and its amount have separately been agreed upon in an individual sale contract.

10.4. A sale contract that is valid indefinitely expires when it is terminated or revoked.

10.4.1. Both parties to the contract may terminate a sale contract that is valid indefinitely, concluded outside the obligation to deliver, at two weeks' notice, unless some other agreement has been made. The period of notice for the vendor may not be agreed to be shorter than two weeks.

10.4.2. The user may always terminate a sale contract encompassed by the obligation to deliver at two weeks' notice.

10.4.3. The vendor may not terminate the sale contract of a consumer encompassed by the obligation to deliver. The vendor may terminate the sale contract of a user who is not a consumer at three months' notice, if maintaining the validity of the sale contract is unreasonable for the vendor due to a legislative amendment or an essential change in circumstances.

10.5. The user is entitled to revoke a sale contract, if the commencement of the sale of electricity has been delayed for more than 24 hours from the agreed date, or if the sale of electricity has been interrupted for more than 24 hours, unless the delay or interruption is due to a force majeure or a reason attributable to the DSO.

10.6. The vendor is entitled to revoke a sale contract,

10.6.1. if the user has materially breached his obligations based on a sale contract and the breach of contract has not been rectified within a reasonable period specified in writing by the vendor;

10.6.2. if the user is guilty of stealing electricity or of intentionally damaging the equipment under the responsibility of the DSO or vendor; or

10.6.3. if the sale of electricity to the place of electricity use has been interrupted on the grounds of a non-payment or some other non-fulfilment of contract and the interruption has continued for at least one month.

10.7. If the customer is late with his payments, the sale contract may be terminated only in situations conforming to article 10.6.3.

10.8. The vendor shall send the user a notification in writing of the rescission of the sale contract, specifying the grounds for the rescission and the date when the sale contract expires.

10.9. After the user has been notified of changes in the terms or prices, or of a transfer of the sale contract, he is entitled, for 15 days (in case of the consumer, for 30 days), to terminate the sale contract at two weeks' notice. The revised terms or adjusted prices do not concern the user, unless the changes are based on a decision issued by the authorities or a legislative amendment.

## **11. Settling matters under dispute**

11.1. The consumer has the right to bring any disputes derived from the interpretation of this sale contract to the Consumer Disputes Board for consideration.

11.2. Any disputes derived from the sale contract shall be settled by the general court of first instance of the locality where the user's place of electricity use is situated, unless some other agreement has been made. However, the user is always entitled to bring a suit to the general court of first instance of his place of domicile in Finland. The vendor may also take legal action against a party who is not a consumer at the general court of first instance in his place of domicile.