

**The general terms of connection to the gas distribution
network
KLE 2019**

recommended by Finnish Energy

The Energy Authority has confirmed the following terms of connection for use by the distribution system operator on 01.01.2020.

NOTE:

These terms are translations of corresponding terms in Finnish. In case of discrepancy in translation, the Finnish-language instructions shall prevail.

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Terms of connection to the gas distribution network

1. Scope of application

- 1.1. These terms of connection shall be applied when joining the gas distribution network with a maximum nominal operating pressure of up to 8 bar.
- 1.2. The supply of gas produced from renewable sources from gas production plants directly into the distribution network is not included in these terms.
- 1.3. The gas distribution system operator and the connecting party may make some other agreement on these terms, unless there are provisions to the contrary in the sections below. When the connecting party is a consumer, the provisions of these terms must not be derogated from by agreement to the detriment of the consumer. <

2. Definitions

- 2.1. *Gas* means natural gas and gas produced from renewable sources, as well as their mixture, which is transmitted in a gas distribution network managed by the gas distribution system operator. The quality of gas shall comply with the terms laid down by the operator with system responsibility and the standards commonly used in the industry.
- 2.2. *Gas distribution network (distribution network)* means the local or regional gas pipeline, through which gas is transported with reduced pressure, including parts of high-pressure pipelines mainly used for local gas distribution.
- 2.3. *Connecting party* is the owner or occupant of a gas metering point who concludes the gas connection contract with the distribution system operator.
- 2.4. *Connection capacity* means the gas capacity reserved for a gas connection.
- 2.5. *Gas user (user)* is a person or entity that purchases gas and the network service required for its distribution mainly for their own use. A user may also be a connecting party purchasing gas to be used by others via the point of connection specified in the user's connection contract.
- 2.6. *Consumer* is a natural person who acquires gas mainly for a purpose other than for their business activities.
- 2.7. *Retailer (supplier)* is a company selling gas and comprehensive gas deliveries, a natural or legal person, entity or institution that has concluded a retailer's framework agreement with the transmission system operator with system responsibility.
- 2.8. *Distribution system operator (DSO)* is a company which pursues distribution activities and is responsible for the operation, maintenance and development of the distribution network in its area of operations, its connections to other networks and ensuring that the network is capable of meeting reasonable gas distribution requirements in the long term.
- 2.9. *Connection* means the connecting party's right to connect to the gas distribution network at the point of connection defined in the connection contract and the interface between the

contracting parties' gas equipment where gas is delivered from the distribution network to the connecting party.

- 2.10. *Connection fee* is a fee, against the payment of which the connecting party receives the rights based on the connection contract.
- 2.11. *Extra connection fee* in these terms means a fee charged for increasing the size of the connection.
- 2.12. *Gas connection contract (connection contract)* is a contract agreed between the distribution system operator and the connecting party concerning the connection of the gas metering point to the network and maintaining the possibilities of using gas at the connection.
- 2.13. *Fixed-term connection contract* is a contract agreed for temporary need of gas. Temporary need of gas may concern, for example, a construction site or other short-term one-off event.
- 2.14. *Contracting parties* in these terms mean the distribution system operator and the connecting party.
- 2.15. The Energy Authority determines in the natural gas network licence one transmission system operator as the transmission system operator with has system responsibility for the natural gas system (*system responsible party*).

3. Agreeing a gas connection contract and other necessary contracts

- 3.1. The connection contract shall be agreed between the contracting parties to be valid until further notice.
- 3.2. A fixed-term connection contract may be agreed when the gas use is temporary and one-off by nature. A fixed-term connection contract is agreed for a fixed term up to a maximum of two years at a time. However, if the duration of temporary use of gas is known at the time of agreeing the connection contract, it is possible to agree on a validity of up to a maximum of five years.
- 3.3. The connection contract and the fixed-term connection contract, as well as any amendments to them, shall be made in writing. Each contracting party shall receive one copy of the contract.
- 3.4. The connecting party is responsible for any gas equipment of the parties connected to the service lines after the point of connection. The DSO is entitled to inspect all gas appliances and pipelines connected to the connection.
- 3.5. The connection contract consists of the individually agreed terms of contract and the general terms of contract. When the contract is interpreted, the documents shall be taken into account in the following order:
 - 1) Connection contract
 - 2) The general terms of connection to the gas distribution network (these terms).
- 3.6. A link to a saveable version of these terms must be attached to the connection contract. The written general terms of contract shall be sent to the connecting party free of charge on request by the connecting party while the contract is being concluded.

- 3.7. Invoices concerning the connection contract shall be sent to the invoicing address provided by the connecting party. The connecting party shall notify the DSO of any changes that have taken place in their invoicing address and other details.
- 3.8. The connecting party shall provide the DSO with all the information it needs concerning the buildings to be connected to the gas distribution network and the gas appliances in them. The DSO shall notify the connecting party of the requirements for carrying out the connection.
- 3.9. The DSO and the connecting party shall agree on the delivery time of the connection in the gas connection contract.

4. Connection capacity and connection fee

- 4.1. The amount of connection capacity shall be agreed in the gas connection contract.
- 4.2. The DSO has the right to limit the gas consumption of the connection to the connection capacity value referred to in the gas connection contract.
- 4.3. The DSO shall charge the connecting party a connection fee in accordance with the effective principles for connection fees. The amount of the connection fee is determined according to the connection fee principles and recorded in the connection contract.
- 4.4. The connection fee is specific to the connection in question.
- 4.5. When the need for gas changes, the connection size specified in the gas connection contract can be changed. A new connection contract or a separate contract that is subject to the terms of connection shall be concluded on the changing of the connection size.
- 4.6. The DSO shall charge the connecting party for the costs arising from reducing or increasing the connection or from structural changes in the way published and specified in the DSO's principles for connection fees.

5. Delivery of the connection

- 5.1. The DSO gives permission for the connecting party to connect the service lines to its network at the point of delivery when the connection contract is valid and the connecting party has paid the connection fee or an agreed part of it.
- 5.2. The connecting party is responsible for ensuring that the service pipelines and the gas appliances meet the technical requirements concerning the connection to the distribution network and any systems engineering requirements of the transmission system operator with system responsibility.
- 5.3. The connecting party shall be responsible for the service pipelines after the point of delivery and for all gas appliances.
- 5.4. The connecting party shall present an appropriate inspection record on the service pipeline and gas appliances if the DSO so requests.
- 5.5. Connecting party's right to refrain from paying the connection fee.

- 5.5.1. If no connection has been made by the time when the connection fee or a part thereof falls due for payment as a result of a delay attributable to the DSO, the connecting party is entitled to refrain from making a payment until the connection has been made.
 - 5.5.2. After the connection has been made, the connecting party is entitled to refrain from paying such part of the fee that is necessary as security for a claim for damages based on the delay.
- 5.6. Standard compensation
- 5.6.1. If the connection is delayed, the connecting party is entitled to standard compensation. There is no right to standard compensation if the connection cannot be made for a reason attributable to the connecting party or otherwise due to an obstacle referred to in sections 5.7.1 – 5.7.3 or 5.8.
 - 5.6.2. The amount of standard compensation for the first two weeks of delay is 5 per cent of the connection fee for each commencing week of delay, and after that 10 per cent of the connection fee for each commencing week of delay. The connecting fee in accordance with the connection contract shall be used as a basis for calculating the standard compensation. The connection contract must state the share of the connection fee, which is used as a basis for the standard compensation paid due to a delay.
 - 5.6.3. The maximum amount of standard compensation is 30 per cent of the connection fee by virtue of the previous section, however, not more than EUR 3,000.00. Notwithstanding the provisions in the previous sections, the connecting party is, however, entitled to receive compensation exceeding the amount of standard compensation presented in section 5.7 and its sub-sections.
- 5.7. Damages
- 5.7.1. The connecting party and the user are entitled to compensation for damage that they suffer due to a delay unless the DSO that is the contracting party shows that the delay is caused by an obstacle beyond its control and that it cannot reasonably be expected to have taken it into account when concluding the contract and the consequences of which it could not have reasonably avoided or overcome.
 - 5.7.2. If the delay is attributable to a third party whose help the DSO has relied on in fulfilling the contractual obligations, the DSO or retailer is released from its obligation to pay compensation for damage only if the third party mentioned above is released from responsibility to pay compensation by virtue of the previous section.
 - 5.7.3. The connecting party has the right to receive compensation for indirect damage in addition to standard compensation only if the delay is caused by negligence attributable to the DSO. If the connecting party is not a consumer and no agreement has been made to the contrary by the parties to the contract, the maximum amount of DSO's damages with respect to indirect damage caused is half of the connection fee. If the DSO is guilty of intent or gross negligence, the limitation of the maximum amount of damages shall not be applied.

- 5.7.4. The following are regarded as indirect damage:
- 1) loss of earnings incurred by the connecting party due to a delay or resulting measures;
 - 2) damage caused by an obligation, which is based on some other agreement;
 - 3) major loss of utility at the consumption site when this loss does not result in actual financial loss, and other comparable significant impairment; and
 - 4) other damage of a similar nature that is difficult to foresee.
- 5.8. If the connecting party notifies of a delay attributable to itself at such a late stage that the DSO has already started the tasks related to the connection, the DSO has the right to charge reasonable compensation for the necessary measures due to the delay and for the necessary measures that have become needless in accordance with its published price list on the basis of its account.
- 5.9. The contracting party must notify the other contracting party of any delay it is aware of with immediate effect.

6. Construction of the connection and the required rights of use

- 6.1. The DSO shall install the gas distribution pipeline required by the connection in the connecting party's area up to the point of delivery. The point of delivery is the connection after the MÄÄRÄMITTAUSLAITTEISTO (main measurement unit) unless otherwise agreed. The DSO and the connecting party shall agree on the technical tasks required by the construction of the distribution pipeline in the area of the connecting party's property.
- 6.2. The connecting party shall provide necessary facilities and areas in the building owned or otherwise occupied by it and in the land or water areas owned or occupied by it for the DSO's use for the purpose of locating, inspecting and maintaining the gas distribution pipeline to be built for the connecting party and for the necessary metering, control and other equipment. The pipelines, equipment and appliances must be located so that they will not cause undue harm or inconvenience. No compensation shall be paid for the right of use. The equipment facilities must not be used for purposes that obstruct the maintenance of the equipment or compromise safety. The connecting party shall be responsible for the lighting and cleaning of the equipment facility and ensure that no outsiders have access to the facility. The DSO shall be ensured clear access to maintain and inspect its pipelines and equipment.
- 6.3. The DSO has the right to apply for easement or other permanent right of use in accordance with the Real Estate Formation Act to guarantee the permanence of the above-mentioned rights. Compensation for financial loss arising from the construction and right of use must be agreed with the property owner before the work is started.
- 6.4. If the connecting party wants to make changes in their property, which will result in changes to the distribution pipeline owned by the DSO, the connecting party must notify the DSO of this in writing at least three months before the modification work is started. The DSO is entitled to charge the connecting party for the costs of the modification work to the distribution pipeline.

7. Maintaining the connection

- 7.1. If the connecting party wishes to keep the gas connection contract in force even when there is no valid contract concerning the network service for the gas metering point, they must pay compensation to the DSO for the costs of maintaining the connection in accordance with the valid price list published by the DSO and notified to the Energy Authority on the basis of a separate contract.
- 7.2. Refusal to conclude a contract concerning the maintenance of a connection is regarded as material breach of a contractual obligation by the connecting party. This also applies to the material negligence to pay the fees pertaining to the above-mentioned contract.
- 7.3. The amount of the fee, as well as the grounds for changing the amount of the fee during the validity of the contract, among other things, shall be mentioned in the contract concluded on the maintenance of the connection or in the appropriate terms of contract to be attached to it.

8. Reliability and maintenance of the connection

- 8.1. The contracting parties are obliged to keep their gas pipelines and equipment in the condition required by the applicable legislation as well as the rules and regulations issued by virtue of it. Moreover, the connecting party is also obliged to comply with any other requirements and guidelines set in the legislation, regulatory provisions, the system technological requirements of the party with system responsibility, and in the connection contract for the gas equipment and its structure, construction and use.
- 8.2. The connecting party and the user are also obliged to comply, where applicable, with the requirements and guidelines set in the system technological requirements of the party with system responsibility, and in the connecting party's connection contract for the gas equipment and its structure, construction and use.
- 8.3. The connecting party or the user must notify the DSO forthwith of any faults and deficiencies they have noticed in its distribution pipelines and equipment. The DSO must repair faults in its own distribution pipelines and equipment as soon as possible.

9. Transfer of the gas connection contract

- 9.1. The DSO is entitled to transfer the connection contract to another DSO. The terms of the gas connection contract may not be changed in connection with the transfer. The old DSO must notify the connecting party of the transfer in writing as soon as possible, however, within 30 days of the transfer at the latest.
- 9.2. The connecting party is entitled to transfer the gas connection contract to a third party.
 - 9.2.1. However, the contract may not be transferred if the DSO has receivables from the transferring party based on a connection contract, sale contract, comprehensive delivery contract or network contract concerning the gas metering point, unless the new connecting party explicitly undertakes to become responsible for the receivables in question.
 - 9.2.2. The transfer is binding on the DSO when the contract of transfer has been signed and the DSO has approved the transfer of the above-mentioned

outstanding payments and other obligations included in the connection contract. The provisions concerning the connecting party in these terms shall be applied to the transferee.

- 9.3. The connection contract will not transfer automatically to the new owner or occupant of the property in connection with the transfer of property if a statement to this effect is not included in the property's deed of transfer, or in a separate deed of transfer, or if the transfer has not been agreed otherwise in such a manner that the contract can be verified afterwards. The transfer of a gas connection contract is subject to the condition that the terms in section 9.2 are met.
- 9.4. The connection contract cannot be transferred to another point of connection.

10. Changing the terms of contract

- 10.1. The contracting parties may jointly agree to make changes to an individual gas connection contract. For the form of change, please see sections 3.3. and 3.5. By virtue of subsequent sections in this chapter, it is not possible to change the amount of the connection fee to the detriment of the connecting party.
- 10.2. The DSO has the right to change the terms of contract if the change is based on a legislative amendment or a decision by the authorities, which the DSO could not have taken into account when concluding the connection contract.
- 10.3. The DSO also has the right to change the terms of contract on the basis of such legislation or a decision by the authorities that has been known at the time of concluding the contract provided that the change will not essentially change the principal contents of the gas connection contract.
- 10.4. The DSO also has the right to change the terms of contract if there is a particular reason to do so due to an essential change in circumstances or outdated contractual arrangements.
- 10.5. The DSO is entitled to make such minor changes to the terms of contract that do not affect the principal contents of the contractual relationship.
- 10.6. The DSO shall send to the connecting party a notification of how and from which date the terms of the contract will change and the reason for the change. The notification must also state whether the contracting party is entitled to terminate the connection contract. If the reason for the change is other than an amendment to legislation or a decision by the authorities, the change may take effect at the earliest 30 days after sending the notification. The notification shall be sent to the contact address provided to the DSO by the connecting party and, if such an address is not known, to the address of the metering point. The notification may be included, for example, in a network service invoice or a supply invoice sent to the connecting party.
- 10.7. If the change is based on an amendment to legislation or a decision of the authorities, the DSO must implement the change as of the date when the change or decision took effect. The change can also be implemented at a later date at a time specified by the DSO unless it is a question of a change that benefits the connecting party. The DSO shall notify of changes to be made on these grounds as soon as possible.

11. Termination of the gas connection contract and the consequences of the termination

- 11.1. The DSO is not entitled to terminate the connection contract. The connecting party may terminate the contract when there is no valid gas sale contract or gas network contract for the gas metering point in question. The DSO shall verify the validity of the gas sale contract and the gas network contract upon the termination of the connection contract. The period of notice is one month. If the connecting party is a consumer, the period of notice must not be longer than two weeks.
- 11.2. The DSO may, despite the termination, maintain the rights concerning the distribution pipeline built for the purpose of other properties in a manner previously agreed upon. In that case, the DSO shall pay reasonable compensation for the rights referred to in section 6.2 unless it has already previously been paid.
- 11.3. The DSO may terminate the gas connection contract with immediate effect if
 - 11.3.1 the connecting party other than a consumer has been declared bankrupt and the bankrupt's estate will not commit itself to the gas connection contract, or the authorities have found them to be incapable of meeting their contractual obligations;
 - 11.3.2 the connecting party has materially breached their obligations based on the gas connection contract and the breach of contract has not been corrected within the reasonable time notified by the DSO in writing.
- 11.4. The gas network service concerning the gas metering point by virtue of the gas connection contract shall also be terminated upon the termination of the fixed-term gas connection contract.
- 11.5. The connecting party shall pay reasonable costs for the dismantling of the connection and the disconnection of the connecting party from the gas distribution network.
- 11.6. The DSO shall reimburse the refundable connection fee to the connecting party.
 - 11.6.1. The DSO has the right to set off any outstanding payments of the connecting party with the refunded connection fee and to deduct from the connection fee to be refunded any reasonable costs arisen or to arise from any dismantling of the connection and the disconnection of the connecting party from the gas distribution network.
- 11.7. The DSO is entitled to set off any outstanding payments from the connecting party with the security to be refunded or with other outstanding payments of the connecting party in accordance with the general rules concerning the setting off. Therefore, the DSO may deduct the costs arisen or to be arisen from the dismantling of the service line and other gas equipment required for the use of gas and from the disconnection of the connecting party from the network from the amount of security to be refunded or from other receivables of the connecting party.

12. Settlement of disputes

- 12.1. The consumer has the right to bring any disputes derived from the interpretation of the gas connection contract to the Consumer Disputes Board for consideration

(www.kuluttajariita.fi). Before submitting a request for settlement to the Consumer Disputes Board, the consumer must be in contact with the Consumer Advisory Service (www.kuluttajaneuvonta.fi).

- 12.2. Efforts shall be made to settle any disputes through negotiations. This contract shall be subject to Finnish law. Any disputes arising from the gas connection contract shall be settled primarily in a court of law, the legal action shall be brought in the district court where the connection is located, unless otherwise agreed. However, consumers are always entitled to bring a suit before the general court of first instance of their place of domicile in Finland.