

# TERMS OF NETWORK CONNECTION FOR PLACES OF ELECTRICITY USE

(Terms of connection, LE 2014)

as recommended by Finnish Energy

## 1. Scope of application of the terms of connection

- 1.1. These terms shall be attached to the *connection contract* concerning the connection of a place of electricity use to an electricity distribution network with a maximum nominal voltage of 24 kilovolts, as well as maintaining the opportunity for electricity use at the point of connection.
- 1.2. These terms can be applied, where applicable, to places of electricity use which contain electricity generation equipment and from which electricity supply to a distribution network has effectively been prevented by technical means. In case the place of electricity use has electricity generation equipment operating parallel with a distribution network so that the electricity generated can be transmitted, partly or entirely, to the distribution network, the terms of connection for such generation equipment shall be separately agreed upon.
- 1.3. The distribution system operator and the connecting party may make some other agreement on these terms, unless there are provisions to the contrary in the articles below. However, when the connecting party is a consumer, no exceptions to the provisions included in these terms may be agreed upon to the detriment of the consumer.

## 2. Definitions

- 2.1. *A distribution network* is a power network with a nominal voltage of less than 110 kilovolts.
- 2.2. *A distribution system operator* is a body or establishment in possession of a distribution network and engaged in licensed operation thereof.
- 2.3. *A connecting party* is the owner or holder of a *place of electricity use* (places of electricity use), e.g. a property or building, who concludes a *connection contract* with the distribution system operator.
- 2.4. *A connection contract* concluded between the distribution system operator and the owner or holder of the place of electricity use, e.g. a property or building (the connecting party) concerns the connection of a place of electricity use to the electricity distribution network, as well as maintaining the opportunity for electricity use at the point of connection.
- 2.5. *The temporary connection contract* referred to in these terms means a fixed-term connection contract concluded to meet a temporary need for electricity. A temporary need for electricity may be related to a building site or an event of a short duration.
- 2.6. *The contracting parties* referred to in these terms mean the distribution system operator and the connecting party.
- 2.7. *A connection* means the right of the connecting party to become connected to the distribution network in a place specified in the connection contract, as well as the interface between the electrical installations of the contracting parties.

- 2.8. *The size of the connection* means defining the maximum amount of electricity to be distributed through the connection, e.g., according to the rated current (fuse size) or contracted capacity.
- 2.9. *A connection cable* is a power line built for one place of electricity use, through which the connecting party is connected to the electricity network.
- 2.10. *A point of connection* means a point (boundary of property) between the electrical installations of the distribution system operator and the connecting party, unless some other agreement has been made. The point of connection is specified in the connection contract.
- 2.11. By paying a *connection fee*, the connecting party acquires the rights based on the connection contract.
- 2.12. *The additional connection fee* referred to in these terms means a fee which is collected because the size of the connection has been increased.
- 2.13. The electricity user (*user*) buys electricity and the network service required by electricity distribution 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.
- 2.14. An electricity vendor (*vendor*) is a person, corporation or establishment selling electricity.
- 2.15. *The consumer* referred to in these terms means a user, who is natural person and acquires electricity through his connection mainly for other purposes than his business activity.

### **3. Concluding a connection contract**

- 3.1. A connection contract concluded by the contracting parties is valid indefinitely.
- 3.2. No more than one connection shall simultaneously or alternately be used to supply electricity to one electrical installation, unless some other agreement has been made.
- 3.3. A temporary connection contract may be concluded to meet a fixed-term and temporary need for electricity usage. A temporary connection contract is concluded for a fixed term, for a maximum of two years at a time. If the duration of temporary electricity usage is known when a connection contract is concluded, the maximum period of validity that can be agreed upon is five years.
- 3.4. A connection contract shall be concluded in writing and any amendments to it shall also be made in writing. Each contracting party shall receive one copy of the contract.
- 3.5. A temporary connection contract may also be concluded orally, unless the other contracting party is a consumer and unless one of the contracting parties requires that the contract be concluded in writing. The distribution system operator may separately designate the network service products to be applied to the places of electricity use specified in the temporary connection contract.
- 3.6. The connection contract consists of individual terms of contract and general terms of contract. When the contract is interpreted, the contract documents shall be taken into account in the following order:
  - 1) individual terms of contract, and
  - 2) general terms of contract.
- 3.7. A link to the saveable version of these terms must be included in the connection contract. The written general terms of contract shall be sent to the customer free of charge on request while the contract is being concluded.
- 3.8. Invoices concerning the connection contract shall be sent to the invoice address given by the connecting party. The connecting party shall always notify the distribution system

operator of any changes that have taken place in his invoice address and other contact details.

#### **4. Connection fee**

- 4.1. The distribution system operator collects from the connecting party a connection fee in accordance with the valid price list for connection fees, which it has published and notified to the Energy Authority. The connection fee shall be based on the principles for connection fees confirmed by the Energy Authority. The amount of the connection fee shall be specified in the connection contract. It shall be mentioned in the connection contract, whether the connection fee, or a part thereof, shall be refunded to the connecting party, when the contract expires.
- 4.2. The connection fee is separately determined for each connection.
- 4.3. When the need for electricity distribution changes, the connection size specified in the connection contract can be changed. The price list for connection fees, which the distribution system operator has published and notified to the Energy Authority, and the principles for connection fees confirmed by the distribution system operator, shall be complied with in pricing and all procedures.
- 4.4. When the size of the connection is changed, a new connection contract, or a separate contract to which the terms of connection are applied, shall be concluded.

#### **5. Maintaining the connection**

- 5.1. If the connecting party wishes to maintain the validity of the connection contract, even though no network service contract concerning the place of electricity use (such as a power network contract or contract for electricity supply) is in force, he must compensate the distribution system operator for the costs caused by the maintenance of the connection as specified in a separate contract to be concluded for this purpose.
- 5.2. Refusal to conclude a contract for maintaining a connection is considered a material breach of obligation based on the contract by the connecting party. The same applies to material defaults on payments based on the contract.
- 5.3. The amount of the fee, as well as the grounds for changing the amount of the fee during the validity of the contract, shall be mentioned in the maintenance contract or in the appropriate terms of contract to be attached to it.

#### **6. Making a connection**

- 6.1. The distribution system operator shall connect the electrical equipment of the connecting party to his network, when a connection contract is in force, and the connecting party assures that his electrical equipment meets the distribution system operator's technical requirements for making a connection. At the request of the distribution system operator, the connecting party shall present an appropriate inspection record concerning the electrical equipment.
- 6.2. The connecting party and the distribution system operator shall agree on locating and constructing the electrical installations and power lines which are required for supplying electricity to premises within the land areas and water bodies owned or held by the connecting party and which will be used by the distribution system operator. These electrical installations and power lines shall be located so that they will not cause unnecessary harm or inconvenience to anyone. No compensation shall be paid for the right of use of the premises and areas, unless some other agreement is made.
- 6.3. The connecting party and the distribution system operator shall agree on locating the power lines and equipment, other than those referred to in article 6.2 (i.e. other than those serving the connecting party alone) in areas owned or held by the connecting

party. If no unanimous agreement on locating the power lines and equipment is reached, the matter will be settled in accordance with the relevant provisions of the Land Use and Building Act (132/1999).

- 6.4. If, before a connection is made, a contracting party becomes aware of a circumstance related to a third party, which will prevent a connection on the agreed date, the other contracting party shall immediately be notified of this circumstance so that the parties can together change date of connection. Such circumstances may be due to the fact that a land-owner or authority does not give permission or issue a licence for land-use or road-use required for the construction of a power line, distribution substation or some other necessary installation or that the construction of an electrical installation for the place of electricity use or the acquisition of licences is delayed.

## **7. Delay in making a connection**

- 7.1. A connection to a distribution network is made after the conditions agreed individually and mentioned in these terms have been fulfilled by a date specified in the connection contract. If the date of connection must be changed (e.g. due to a revised construction schedule), an agreement on changing the date of connection should be made with the other contracting party in good time.
- 7.2. The right of the connecting party to refrain from paying the connection fee
  - 7.2.1. If no connection has been made by the time the connection fee, or a part thereof, falls due for payment, because the distribution system operator is delayed, the connecting party is entitled to refrain from making a payment until the connection has been made.
  - 7.2.2. After the connection has been made, the connecting party is entitled to refrain from paying such a part of the connection fee which is needed as a security for a claim for damages based on the delay.
- 7.3. Standard compensation
  - 7.3.1. If the connection is delayed, the connecting party is entitled to a standard compensation. The connecting party is not entitled to a standard compensation, if the connection cannot be made for a reason attributable to the connecting party or because of an obstacle referred to in article 7.4.1 or 7.4.2.
  - 7.3.2. For each beginning week during the first two weeks of delay, the compensation is 5 per cent of the connection fee. Thereafter, the compensation is 10 per cent of the connection fee for each beginning week of delay. The calculation of standard compensation is based on the fees collected by the distribution system operator for connection in accordance with his public price list for connection fees, excluding any increases caused by special circumstances, i.e. the so-called basic connection fee (the fee for the zone in which the point of connection in question is located, or if there are no zones in the area, a fee corresponding to that of the farthest zone). The connection contract must show the proportion of the connection fee, on the basis of which the standard compensation for a delay is to be paid.

Notwithstanding the provisions in the previous articles, the connecting party is, by virtue of article 7.4 and its sub-articles, entitled to receive compensation exceeding the standard compensation for damage incurred.
  - 7.3.3. The maximum amount of standard compensation to be paid is 30 per cent of the basic connection fee conforming to the previous article, not more than EUR 3,000, however.
- 7.4. Paying compensation for damages
  - 7.4.1. The connecting party is entitled to receive compensation for damage suffered by

him due to a delay, unless the distribution system operator 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 contract and the consequences of which he could not have reasonably avoided or overcome.

- 7.4.2. If the delay is caused by a person whom the distribution system operator has used as help in fulfilling the terms of the connection contract (e.g. a contractor), the distribution system operator is released from his obligation to pay compensation only if this person would be released from the obligation to pay compensation by virtue of the previous article.
- 7.4.3. The connecting party has the right to receive compensation for indirect damage only if the delay is caused by negligence attributable to the distribution system operator. 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 sum to be paid as compensation for indirect damage by the distribution system operator corresponds to half the connection fee. If the distribution system operator has been guilty of deliberateness or gross negligence, the limitation of the maximum amount of compensation shall not be applied.
- 7.4.4. Indirect damage means:
- 1) loss of earnings incurred by the connecting party because of the delay or the consequent actions;
  - 2) damage caused by an obligation which is based on some other agreement;
  - 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; and
  - 4) other damage of a similar nature that is difficult to foresee.
- 7.4.5. If the connecting party notifies the distribution system operator of a delay attributable to him so late that the distribution system operator has already started the work required by the connection, the connecting party shall pay to the distribution system operator the costs caused by measures that were necessary due to the delay and the measures that had to be taken but have now become useless, based on an account given by the distribution system operator.

## **8. Reliability, operation and maintenance of the connection**

- 8.1. The parties to the contract are responsible for ensuring that their electrical installations meet the requirements of the Electrical Safety Act (sähköturvallisuuslaki 410/1996) and the rules and regulations issued by virtue of it. In addition, the connecting party is obliged to comply with any other requirements and guidelines set for electrical installations, their structures, construction and operation in legislation and provisions issued by the authorities.
- 8.2. If the connecting party or the user has notified the distribution system operator of a fault or disturbance detected by him, encompassed by the distribution system operator's obligation to make repairs, the distribution system operator shall, after having become aware of the notification, take immediate action to remedy the situation. If the fault or disturbance reported by the connecting party is not encompassed by the distribution system operator's obligation to make repairs, the distribution system operator shall indicate the party whom he considers to be responsible for the fault or disturbance.
- 8.3. The distribution system operator has the right to enter the connecting party's premises where the electricity meter is located. In order to be able to rectify the faults, read the meter and provide as disturbance-free network services as possible, the distribution system operator must be able to have access to his electrical equipment. He must also

have access to the electrical equipment of the connecting party, by means of which the switch position of the distribution network can be changed. If the electrical equipment possessed by the distribution system operator is located in the connecting party's premises or area, the connecting party is required to ensure that the distribution system operator can immediately, free of charge, and in the manner approved by the contracting parties, enter the space where the electrical equipment is located, in order to carry out, e.g., maintenance, inspection, fault diagnosis or repair work, regardless of the time of day.

- 8.4. The connecting party shall permit the data transfer required for forwarding the distribution system operator's metering data or meeting other data transfer needs based on network operations on his power network. This kind of data transfer shall not cause any costs or disturbance to the connecting party or electricity users. Neither may the connecting party or the electricity user take such measures at a later stage which could disturb or endanger the data transfer specified in this article that the distribution system operator has started earlier.
- 8.5. A contracting party may use the other party's power network for data transfer other than that specified in article 8.4., if a separate agreement has been made on this. Such use, or data transfer on the network of the connecting party, shall not cause any disturbance to other users or the other contracting party.

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

- 9.1. The distribution system operator is entitled to transfer a connection contract to another distribution system operator. The terms of a connection contract may not be changed in connection with the transfer. The new distribution system operator shall notify the user of the transfer as soon as possible, however, within 30 days from the transfer at the latest.
- 9.2. The connecting party is entitled to transfer the connection contract to a new owner or holder of the place of electricity use, or to a party comparable to them. The contract may not be transferred, if the distribution system operator has receivables based on a connection contract, a contract for electricity supply or power network contract concerning the place of electricity use from the transferring party, unless the new connecting party explicitly undertakes to become responsible for the receivables. As soon as the transfer has been confirmed by signing and the distribution system operator has approved the transfer of the above-mentioned receivables and any other obligations based on the connection contract, the transfer is binding on the distribution system operator. The provisions on the connecting party specified in these terms shall be applied to the transferee.
- 9.3. A connection contract is not automatically transferred in connection with a transfer of property. If it is required to transfer the connection contract to the new owner or holder of the property, a statement to this effect shall be included in the deed of transfer concerning the property, or in a separate deed of transfer, or the transfer shall otherwise be agreed on in a way that can be verified afterwards.
- 9.4. It is not possible to transfer a connection contract to another point of connection.

## **10. Changing the terms of contract**

- 10.1. The contracting parties may jointly agree to change the terms of an individual connection contract. The form of change is presented in article 3.4. The amount of the connection fee may not be changed by virtue of the articles presented below in this chapter.

- 10.2. The distribution system operator is entitled to change the terms of contract, if the change is based on a legislative amendment or a decision of the authorities that the distribution system operator could not have taken into account when concluding the connection contract.
- 10.3. The distribution system operator may change the terms of contract on the basis of such a legislative amendment or decision of the authorities which the distribution system operator has been aware of when concluding the connection contract, provided that the change will not essentially change the principal content of the connection contract.
- 10.4. Furthermore, the distribution system operator is entitled to change the terms of contract, if there is a special reason for the change, owing to an essential change in circumstances or a revision of outdated contractual arrangements.
- 10.5. The distribution system operator is entitled to make such minor changes in the terms of contract that do not affect the principal content of the contractual relation.
- 10.6. The distribution system operator shall send the contacting party a notification of how and from which date the terms of contract will change and the reason for the change. If the reason for the change is some other than an amendment to legislation or a decision of the authorities, the change may take effect at the earliest one month after the sending of a notification. The notification is to be sent to the invoice address given to the distribution system operator by the connecting party, or to some other contact address of the connecting party, and if such an address is not known, to the address of the place where the connection is located. The notification can be included, e.g., in a network service invoice or an electricity supply invoice to be sent to the connecting party.
- 10.7. If the change is based on an amendment to legislation or a decision of the authorities, the distribution system operator is entitled to implement the change as of the date when the change or decision took effect. If the change does not benefit the connecting party, it can be implemented as of a later date to be determined by the distribution system operator. The distribution system operator shall notify the connecting party of the changes to be made on these grounds as soon as possible.

## **11. Expiration of the contract**

- 11.1. The connecting party's right to terminate a contract
  - 11.1.1. The connecting party may terminate a contract, when there is no valid electricity sale contract for the place of electricity use in question, nor a valid separate contract for network service. A consumer may also terminate a temporary connection contract at any time during its period of validity. The distribution system operator shall verify the validity of a contract for electricity supply or a network contract, when a connection contract is terminated. The period of notice is one month. No agreement to the contrary may be made on the provisions specified in this article to the detriment of the connecting party.
  - 11.1.2. In spite of the fact that the contract has been terminated, the distribution system operator may continue to maintain the rights granted to him to locate power lines and equipment in the manner previously agreed upon. In that case, the distribution system operator is required to pay a reasonable compensation for the rights mentioned in article 6.2., if it has not been paid before.
- 11.2. The distribution system operator's right to revoke a contract
  - 11.2.1. The distribution system operator is entitled to revoke a connection contract with immediate effect
    - 1) if the connecting party has materially breached his obligations based on a connection contract and the breach of contract has not been rectified within a reasonable period specified in writing by the distribution system operator; or

- 2) if a connecting party is declared bankrupt and the bankruptcy estate does not undertake at least to sign a maintenance contract.
- 11.3. The distribution system operator shall pay a refundable connection fee back to the connecting party.
- 11.3.1. In accordance with the general provisions on set-off, the distribution system operator has the right to set off his overdue receivables from the connecting party with the refundable connection fee and to deduct from the amount of the connection fee to be refunded the costs of the connection cable, as well as the costs caused by the possible dismantling of the electrical installations that are unnecessary from the point of view of other connecting parties and by the disconnection of the connecting party from the network.

## **12. Settling matters under dispute**

- 12.1. The consumer has the right to bring any disputes derived from the interpretation of this connection contract to the Consumer Disputes Board for consideration.
- 12.2. Any disputes derived from this connection 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, a consumer is always entitled to bring a suit to the general court of first instance of his place of domicile in Finland.