

GENERAL CONTRACTUAL TERMS AND CONDITIONS FOR THE CONNECTION AND SUPPLY OF NATURAL GAS FOR COMMERCIAL OR SIMILAR USE

GENERAL CONTRACTUAL TERMS AND CONDITIONS formulated by Energigas Sverige and adopted by the Board on 12 September 2013

1 Introductory provisions

1.1 These General Contractual Terms and Conditions apply to the connection of a natural gas facility and the supply of natural gas to a facility where the customer carries on business operations or other similar operations.

The terms and conditions are not applicable between grid owners. Other terms and conditions apply to the connection and supply of natural gas to consumers.

1.2 These General Contractual Terms and Conditions apply until further notice.

These General Contractual Terms and Conditions can be amended by the party responsible for their formulation. Unless agreed otherwise, the grid owner is entitled to make amendments that are applicable to the customer no earlier than two months after the customer has been notified of the amendments. Notification of any such amendments must be made in a suitable manner.

1.3 If there is a discrepancy between the provisions in these General Contractual Terms and Conditions and a written agreement entered into by and between the parties, the provisions set out in the written agreement shall prevail.

1.4 A written agreement must be entered into by and between the parties.

1.5 The following terms and definitions shall apply in these General Contractual Terms and Conditions:

- **Connection point:** The point at which the customer's facility is connected to the grid owner's natural gas grid and at which supply of natural gas takes place.
- **Assigned supplier:** The supplier that sells natural gas to a customer that has not chosen a supplier. The assigned supplier is chosen by the grid owner.
- **Balance administrator:** The party which, following agreement with the system balance administrator, has assumed financial responsibility for ensuring that the entry of natural gas into the Swedish natural gas system is equal to the offtake of natural gas at the customer's offtake point.
- **Collection of metering data:** Details of the volume of natural gas consumed are reported by the customer or are collected by the grid owner.

- **Customer:** A contractual party to whom natural gas is supplied, mainly for business use or similar (business proprietor).

- **Grid owner (a company involved in the transmission of natural gas pursuant to the Swedish Natural Gas Act (SFS 2005:403)):** The owner of a natural gas grid to which the customer's facility is connected.

- **Supplier (supplier of natural gas pursuant to the Swedish Natural Gas Act):** The party that sells natural gas to the customer.

- **Natural gas:** Natural gas, biogas, gas from biomass, and other gases to the extent it is technically possible to introduce and use these gases in the natural gas system.

- **System balance administrator:** The authority which under the Natural Gas Act has overall responsibility for ensuring a short-term balance is maintained between entry and offtake of natural gas in the Swedish natural gas system.

- **Offtake point:** The point at which a customer, following agreement with the grid owner, withdraws natural gas for consumption.

2 Connection and supply

2.1 Connection to the grid owner's natural gas grid and supply of natural gas to the customer's connection point is governed by the Natural Gas Act, these General Contractual Terms and Conditions, and as agreed otherwise by and between the parties. The current charge provisions, technical stipulations, and stipulations issued by public authorities are also applicable at any given time.

2.2 The grid owner decides on the pressure, other dimensioning data, and technical design. If changes in these factors result in a cost to the customer in conjunction with replacement of parts at the customer's facility etc., the cost shall be met by the grid owner. Due consideration must be given to any change in value that may arise.

In the case of a change to the customer's facility as a result of amended official provisions, what is stated above regarding the grid owner's compensation obligation shall not apply.

Impediments to fulfilment of the agreement (force majeure)

2.3 A party is not obligated to fulfil the agreement if fulfilment is materially prevented as a result of impediments beyond the control of the party. Impediments include war, extreme weather conditions, official decisions, disruptions in the general gas transmission system, or other events of an exceptional nature that have a material impact on fulfilment of the agreement and which the party was unable to predict, and the harmful effect of which the party could not have reasonably been in a position to eliminate, such as disruptions in the general gas transmission system.

2.4 If the system balance administrator requests that the supply of natural gas be restricted or suspended, the grid owner could be obligated under the Natural Gas Act to restrict or suspend supply of natural gas at the customer's offtake point.

2.5 The grid owner is permitted to suspend supply of natural gas in order to take measures that are justified for safety reasons, or to maintain good operating and delivery assurance. In any event, the suspension must not continue for longer than the time required for the measures to be taken.

2.6 If the grid owner is in a position to predict a permanent suspension of supply or transmission, this information must be relayed in a suitable manner as soon as possible.

2.7 When it is necessary to restrict or suspend the customer's offtake of natural gas, it must be carried out in accordance with current laws and regulations.

Compensation for damage/loss etc.

2.8 The customer is only entitled to compensation from the grid owner for supply restriction or suspension, or other interruption in supply, if it is the result of recklessness or negligence on the part of the grid owner.

The right to compensation does not cover a pure economic loss and nor does it cover a consequential loss in conjunction with personal injury or property damage.

2.9 If a customer claims that a change of supplier has not taken place in a correct or timely manner, the grid owner, following consultation with the supplier

reporting the change, is responsible for ensuring the matter is investigated. The grid owner must also notify the customer of the cause of the defect. Unless there are particular reasons for not doing so, the customer must be notified within one month from the date on which the customer contacted the grid owner.

2.10 If the obligation to pay damages were to be unduly onerous in the light of the financial circumstances of the party liable for payment of damages, the amount could be adjusted based on what is deemed reasonable. When making this assessment, current insurances and the potential to take out insurance must be taken into account, as well as the ability of the party liable for payment of damages to anticipate and prevent the loss and other circumstances from arising.

2.11 The customer must notify the grid owner of any claim for damages within one year of the loss occurring. Should the customer fail to do so, the right to compensation for the loss is forfeited. If the customer has demonstrated that it was probable that it had suffered a loss, but such a loss did not exceed 1,000 kronor per offtake point per incident, the grid owner is not liable for payment of compensation.

2.12 The party that has suffered a loss must take reasonable measures to mitigate its loss. Failure to do so may result in compensation being reduced correspondingly.

3. Facilities

3.1 The grid owner's grids according to 3.4 below, as well as property according to 3.5 below, are designated the joint grid owner's facility. Anything not designated as the grid owner's facility is the customer's facility. The customer must meet the cost of its facility and assume responsibility in other respects for all costs attributable to that facility.

3.2 The parties may not use their facilities in a manner that could result in damage to the counterparty's facilities, or in disruptions in the natural gas system or for other customers.

3.3 The parties must without delay notify each other of operational disruptions, leaks, and other similar circumstances that could affect the counterparty's facilities.

Grid owner's facility

3.4 The grid owner, in return for a connection fee, ensures the requisite connections are made at a connection point selected by the grid owner. The grid owner owns the grids up to and including the connection point and decides on the location following consultation with the customer.

If the customer would like a different connection point or location, or increased capacity, the grid owner is responsible for taking such a measure in return for separate compensation for any additional costs that may arise in conjunction with the said measure.

3.5 The grid owner is entitled within the connection property to install and retain equipment necessary for supply, as well as meters and other consumption control equipment, jointly designated the metering facility. The location of the metering facility is chosen by the grid owner, following consultation with the customer, and must be made available at no cost to the grid owner. The metering facility is the property of the grid owner (regardless of whether this is subject to a connection fee or similar charge) and may only be handled by the grid owner or a party engaged by the grid owner. The customer must provide and meet the cost of the requisite metering facility for electric power and for any necessary electrical installation, and, where applicable, connection of telecommunications equipment.

3.6 The customer must ensure the part of the grid owner's facility that is available can be easily accessed by the grid owner.

The grid owner's seals may not be broken. If this occurs, the grid owner can take legal action, including reporting the matter to the police.

Customer's facility

3.7 All work at the customer's facility must be carried out in compliance with instructions issued by the grid owner and other stipulations applicable at any given time. An authorised gas installation company must be enlisted to carry out the work, including connection of the gas supply and connection of other equipment and consumables.

3.8 Connection of the customer's facility to the grid owner's natural gas facility may not be carried out without the written consent of the grid owner. This also applies to any replacement, change, or expansion measures that take place at the customer's facility. Nor may the customer's facility be brought into use without the written consent of the grid owner.

3.9 The grid owner is entitled to demand that the customer, at its own expense, changes its facility in the manner required to achieve satisfactory operating conditions and to satisfy the stipulations applicable at any given time.

3.10 At the request of the grid owner, the customer must provide details of power requirements and load at the connection point. The customer must also notify the grid owner of any changes in the use of the property or building, or any other circumstances that could affect what has been agreed between the parties.

3.11 The grid owner, or a party engaged by the grid owner following consultation with the customer, must be granted access to the customer's facility.

3.12 The grid owner is entitled to carry out a control inspection of the customer's facility. If, during connection or inspection, the grid owner discovers faults in the customer's facility, the customer must be notified. The customer must without

delay, although no later than within the time period stipulated by the grid owner, rectify the fault and notify the grid owner that rectification has taken place. An inspection does not mean the grid owner takes over the responsibility and obligations of the customer or the party carrying out the work at the customer's facility.

3.13 The cost of the work and the control inspections carried out by the grid owner at the customer's facility in accordance with the stipulations applicable at any given time shall be met by the customer.

4. Metering, collection and reporting of metering data, and invoicing

Metering

4.1 Natural gas supplied to the customer is registered by the grid owner's metering equipment. If supply is exempt from the metering requirement under the applicable measuring instruments directive, supply shall be invoiced in the form of a fixed fee and in that case metering equipment is not necessary.

4.2 If the metering equipment includes a flow meter with a volume converter or remote reader, and registration of the metering data does not concur with the collected metering data, invoicing shall be based on the volume of natural gas in normal cubic metres (Nm³) registered by the flow meter.

4.3 Should the customer have reason to assume there is a fault in the metering equipment, this must be reported to the grid owner without unreasonable delay. The customer is then entitled to request that the metering equipment be tested. Testing is carried out by the grid owner or a party enlisted by the grid owner subject to approval by the customer. However, the customer has the right to request that testing be checked or carried out by an impartial expert.

4.4 During testing it is required that meter registration and margins of error are in accordance with the measuring instruments directive applicable at any given time. If this is not the case, the metering data must be corrected, and offtake of natural gas is deemed to be equivalent to the corrected values.

4.5 If testing takes place at the customer's request, and it is noted that meter registration is acceptable according to item 4.4 above, the customer must compensate the grid owner up to a maximum of the cost incurred for testing. Otherwise the cost of testing is met by the grid owner. The grid owner must issue the customer that has requested that testing be carried out with advance notification of the estimated cost of the testing.

Collection and reporting of metering data and invoicing

4.6 Collection of metering data must be carried out by the grid owner at least once a year and when a meter is replaced, or

in accordance with the measuring instruments directive applicable at any given time. The customer must have the option of reporting metering data to the grid owner by telephone or email.

The metering data reported by the customer according to the first paragraph must form the basis for invoicing unless the data deviates unreasonably from previously registered consumption figures.

Collection of metering data must also be carried out on the day a change of supplier takes place or when delivery of natural gas starts. If collection of metering data is not possible on that day, it must take place within five working days at the latest.

If the agreement with the grid owner or the agreement with the supplier ceases for any reason other than a change of supplier, collection of metering data must take place on the day the agreement ceases. If collection of metering data is not possible on that day, it must take place within five working days at the latest.

If, as a result of circumstances beyond the grid owner's control, the grid owner is unable to carry out collection of metering data according to the above, consumption must be estimated instead. The estimate must be based on the previous year's consumption unless an alternative calculation method produces a fairer figure.

Unless stated otherwise in law, collection of metering data must take place at the time and in the manner decided by the grid owner.

The grid owner is permitted to charge the customer for reasonable costs that arise in conjunction with collection of metering data in a manner other than the manner stated above, although with the exception of metering data collection in conjunction with suspension of supply according to 6.3 below.

The obligation of the grid owner to report the metering data is regulated by law.

4.7 Invoicing may take place preliminarily and can be based on estimated consumption. Estimated consumption must be determined based on the customer's previously registered consumption and other circumstances.

If the parties agree separately, invoicing must always be based on the collected metering data. If invoicing takes place on this basis, the grid owner is always entitled to payment for any additional costs that may arise.

If metering data is not available or is incorrect at the time of collection, and this is due to circumstances beyond the control of the grid owner, and the consequences of which the grid owner could not have avoided or overcome, invoicing must take place based on the customer's previously registered consumption and

other circumstances, such as changes notified by the customer which it could be assumed will affect the volume of natural gas supplied.

Invoicing based on collected metering data must take place at least once a year and when the supply agreement ceases.

Invoicing reconciliation based on estimated meter readings (preliminary invoicing) must take place following collection of metering data (final invoicing) and must take into account the different tariffs applied during the period covered by the reconciliation. Unless there are particular reasons for using another basis for the calculation, it must be made on the assumption the customer's consumption followed the normal consumption pattern for the customer category in question.

4.8 If the metering equipment is not working or has registered a volume of supplied natural gas that differs from the actual volume supplied, or an error has occurred when collecting the metering data, the grid owner is permitted to calculate the volume of natural gas that has been supplied. This calculation then forms the basis for the grid owner's invoicing. Estimated supply must be confirmed based on what has previously been supplied to the customer and other known circumstances. If supply is calculated based on what is stated in this clause, the grid owner must report this no later than the date on which invoicing takes place.

Calculation according to the paragraph above may not take place for more than three years back in time, calculated from the date on which the error became known to both parties.

5. Payment and collateral

5.1 The customer must pay a fee for connection for the grid owner's natural gas grid and for the supply of natural gas. This payment obligation also covers supply of natural gas which the customer was unable to benefit from as a result of a fault at its facility, or for any other reason not attributable to the grid owner, as well as other costs for which the customer is contractually liable.

5.2 If the customer begins to offtake natural gas at the offtake point without having a valid agreement with a supplier, the customer must make payment for the natural gas to the supplier the grid owner is obligated to designate pursuant to 8.4 below, and in accordance with the terms and conditions applied by that supplier.

5.3 The customer's payment must be received by the grid owner no later than the due date stated in the invoice from the grid owner, which must fall no earlier than 15 days from the invoice date.

5.4 If payment is not made on the correct date, the grid owner is entitled, unless agreed otherwise in writing, to claim from the customer, in addition to the invoiced amount, interest pursuant to the Swedish Interest Act (SFS 1975:635)

from the due date stated on the invoice, as well as reimbursement of costs associated with the delay. This includes the cost of a written reminder, compensation for late payment, and costs related to enforcement of payment or other obligations.

5.5 If the grid owner has reasonable grounds to fear the customer will not fulfil its payment obligations, the grid owner is entitled to request acceptable collateral or advance payment for continued connection and supply.

If, according to the first paragraph above, the grid owner is entitled to request collateral or advance payment, the grid owner is also entitled to invoice on a monthly basis.

5.6 Collateral or advance payment may not amount to more than the equivalent of six months' estimated natural gas supply charges. If the customer has fulfilled its payment obligations for one year from the first time collateral was provided or advance payment was made, the collateral provided must be returned and advance payments must cease.

If the customer has provided collateral under this clause, the funds deposited must be placed in an interest-bearing account, separate from the grid owner's own assets.

6. Suspension of natural gas supply (disconnection) and reconnection

6.1 If the customer fails to pay fees due, provide collateral, or make advance payment, and the breach is not of a minor nature, the grid owner is permitted to suspend the supply of gas to the customer. Suspension of supply may also take place if the customer is guilty of any other material act of negligence in contravention of these General Contractual Terms and Conditions, or as agreed otherwise.

6.2 Before the grid owner is permitted to take the measures set out in 6.1 above, the customer must be given a reasonable period of time to take remedial action. This time period must be at least 15 days, calculated from the date notice is given to take remedial action.

6.3 If the customer has not fulfilled its obligations under 5.5 above, the grid owner is permitted to suspend supply with immediate effect.

6.4 Suspension of supply may also take place if the customer breaches the terms and conditions of the agreement with the supplier and such a breach entitles the supplier to request that supply be suspended. Responsibility for suspension always rests with the party that has requested the measure. Suspension shall not take place to the extent the claim is the subject of a dispute.

6.5 Supply is resumed only after the customer has satisfied all its obligations pursuant to the agreement and payment has been made for the costs incurred by the

- grid owner arising from the measures required to suspend and reconnect supply.
- If supply has been suspended at the request of the supplier, it is only reinstated following a request by the supplier.
- 6.6 The customer is obligated to pay all charges during the time supply has been suspended pursuant to 6.1 above.
- 6.7 The grid owner is entitled to terminate the agreement subject to one month's written notice if supply to the customer has been suspended pursuant to 6.1 above, or with immediate effect if the customer does not accept the supply of natural gas, is declared bankrupt, suspends payments, enters into composition negotiations, enters into liquidation, or the customer's state of insolvency is such that it can be assumed its undertakings will not be fulfilled satisfactorily. The agreement does not cease, however, if the reason for suspension ceases during this period. If the grid owner terminates the agreement, the grid owner must notify the supplier of the termination immediately. The grid owner is always entitled to payment for any loss that has occurred.
- 6.8 On termination of the agreement, the customer undertakes to provide the grid owner with all reasonable assistance, and to immediately allow the grid owner access to the premises where the grid owner's facility has been installed in order to permit dismantling and removal to take place. The customer must compensate the grid owner for all costs associated with dismantling and removal of the aforesaid facility if the grid owner has terminated the agreement pursuant to 6.7 above. The grid owner is not obligated to reinstate the area in which the facility was installed.
- 6.9 The customer is entitled to terminate the agreement with the grid owner if the grid owner is guilty of a material breach of contract.
7. **Assignment of land etc.**
- 7.1 UTo facilitate construction and retention of the grid owner's facilities, the customer must assign land to the requisite extent and provide the grid owner with access to the properties in question. This includes the right for the grid owner to maintain and repair the facilities and to cut down trees and bushes that constitute a danger or obstacle to the facilities. If the customer is affected by such measures, consultation must take place.
- 7.2 The customer shall receive reasonable compensation for any personal injury and damage to property resulting from the measures taken pursuant to 7.1 above. If the grid owner's facilities are intended exclusively for the connection and supply of natural gas to the customer's property, compensation is only paid for temporary losses. Compensation is not paid under any circumstance for insignificant temporary losses.
- 7.3 The customer is obligated, following
- a request by the grid owner, to sign an easement agreement or help to ensure the grid owner acquires grid rights of way for its facilities, and to work to ensure the grid owner, as collateral for the easement agreement, is granted registration with the best available preferential rights in the property.
- 7.4 If the customer is in possession of a property other than through ownership, the above stipulation shall apply to the relevant extent. The customer must seek to ensure the grid owner is assigned the same rights as if the customer had been the owner of the property.
- 7.5 The customer is not permitted to erect a building, change the land level, or take other measures that jeopardise the functioning or operation of the grid owner's facilities.
- 7.6 If the customer demands removal of or other changes to the grid owner's facilities, the grid owner must seek to ensure this is done unless there is a substantive obstacle of a technical nature. The customer must pay the costs arising from the removal or change.
- 7.7 The grid owner is entitled to remove its facility in the event it is not operational or planned to become operational. The grid owner is responsible for the cost of removal of the facility. If the customer requests that the facility be removed or sealed, the cost shall be divided between the grid owner and the customer in a manner that is deemed reasonable under the circumstances. Unless agreed otherwise, the measures must be carried out by the grid owner.
- 7.8 If the grid owner is entitled to remove the facility pursuant to 7.7 above, the grid owner is also entitled to give six months' written notice of termination of the agreement.
8. **Breach of contract and change and assignment of a supplier**
- 8.1 The grid owner is entitled, without the customer's consent, to assign its supply agreement to another company. The customer must be informed of such an assignment in a suitable manner.
- 8.2 A change of supplier must take place at no separate cost to the customer.
- The grid owner is obligated to carry out the change by the date agreed by and between the supplier and the customer, unless notification from the supplier has been issued at least 14 days before the exchange was due to take place.
- If the change of supplier or balance administrator has not taken place in the prescribed manner, the previous supplier must continue to supply, and balance responsibility must remain with the previous balance administrator until the change can take place.
- 8.3 If a customer does not have a natural gas supply agreement with a supplier,
- the grid owner is obligated by law to refer the customer to a supplier (assigned supplier).
- The grid owner must immediately notify the customer of the name of the supplier that has been assigned, and that they have the option to switch supplier.
- 8.4 If the grid owner presents a referral to the customer pursuant to 8.3 above, the grid owner must at the same time notify the assigned supplier.
- 9 **Validity, termination, changes and additions**
- 9.1 Unless agreed otherwise, the supply agreement ceases at the end of the month immediately after a period of six months following the issuing of written notice of termination by the customer has elapsed. The grid owner must provide written confirmation of the customer's termination.
- 9.2 Unless agreed otherwise, the grid owner is permitted to change the applicable price and pricing terms and conditions and is obligated to notify the customer of the changes. Notification must take place at least 15 days before such changes come into effect, either by notifying the customer directly or by way of an advertisement in the daily press and posting information on the grid owner's website. The term 'daily press' shall be interpreted as the daily newspaper that has the largest circulation in the municipal area in which supply takes place. It must be stated on the next invoice when a price change has taken place and the amount.
- Price changes resulting from new or amended taxes or charges can be made and implemented immediately and without prior notice. The same applies to other changes resulting from amended legislation or similar regulations.
- 9.3 In the event of a change in price, the new price can be applied based on either the collected metering data if collection takes place within a reasonable period of time from the date the price is changed, or based on reasonably calculated metering data.
- 9.4 Unless agreed otherwise, the grid owner is permitted to amend the terms and conditions applicable to a supply agreement that runs for an indefinite period, in which case the grid owner must notify the customer of the changes. Notification must be sent to the customer at least one month before the new terms and conditions take effect.
- The above-mentioned changes in this paragraph do not apply to prices, pricing terms and conditions, and these General Contractual Terms and Conditions.