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GENERAL CONDITIONS FOR SALE OF ELECTRICITY TO DOMESTIC CONSUMERS

GENERAL CONDITIONS prepared by Svensk Energi following agreement with the Swedish Consumer Agency.

1. Introductory provisions

- 1.1 These general conditions relate to the sale of electricity to domestic consumers. Different conditions apply for the sale of electricity to anyone conducting business operations or other similar activities.
- 1.2 These general conditions apply until further notice.

The party that prepared these general conditions may, following deliberations with the Swedish Consumer Agency, amend the conditions. The electricity trading undertaking is entitled to introduce such amendments. The electricity trading undertaking shall notify the consumer of the amendments at least three months before they enter into force.

1.3 In these general conditions

- *nominated electricity trading undertaking* means the electricity trading undertaking that sells electricity to a consumer who does not personally select electricity trading undertaking. The nominated electricity trading undertaking is appointed by the electricity network undertaking.

- *balance controller* means a party who, through an agreement with the system management authority, has undertaken the financial responsibility for input into the electricity system of as much electricity as is taken out at the consumer's outtake point.

- *electricity trading undertaking (electricity supplier under the Electricity Act)* means the undertaking from which a consumer buys their electricity.

- *electricity network undertaking (network concessionaire under the Electricity Act)* means the undertaking that pursuant to a network concession connects and transmits electricity for the consumer.

- *consumer* means a natural person to whom electricity is sold for purposes that mainly fall outside business operations.

- *network concession* means a licence to run, use and maintain electrical cables in the area where the consumer's installation is located.

- *system management authority* means the authority, Affärsverket svenska kraftnät (hereafter Svenska Kraftnät), which has the overall responsibility to ensure that the generation and consumption of electricity in Sweden is in balance.

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- *outtake point* under the Electricity Act means the point at which a consumer, who has a contract with an electricity network undertaking, takes out electricity for consumption.

- 1.4 The electricity trading undertaking is, under the Personal Data Act (1998:204), the controller for the personal data processed in accordance with this clause.

Personal data provided to the electricity trading undertaking will be processed to enable it to perform contracts entered into or obligations applicable according to statute or other enactment.

Furthermore, personal data may be used for market analyses, statistics and to evaluate and provide information about services and products. Personal data may also be processed for marketing purposes by both the electricity trading undertaking and group undertakings together with the collaborating partners of such undertakings.

A consumer who does not wish to have personal data processed for marketing purposes may notify the electricity trading undertaking at any time to prevent such processing.

Personal data can be disclosed to and collected from subsidiaries and other companies within the group and collaborating partners for the purposes specified above. Information may also be obtained from public and private records in order to update personal data.

The consumer is entitled, upon request, to obtain information free of charge once per year regarding the data that has been registered concerning them and the purposes for which this information has been processed. The consumer can also request rectification of erroneous data concerning the consumer.

A request for such information or for rectification shall be signed by the consumer in person and addressed to the electricity trading undertaking.

- 1.5 Any party that has a claim against the other party is entitled to interest in accordance with the Interest Act (1975:635).

2. Electricity sales

Sales obligation

- 2.1 The electricity trading undertaking undertakes to sell electricity to the consumer on the following conditions.
- 2.2 If the electricity trading undertaking or the consumer so wishes, written notification shall be given or a written contract entered into regarding the sale.

When an electricity trading contract has been entered into, the electricity trading undertaking shall as soon as possible provide written confirmation of this to the consumer, stating the conditions for the sale of electricity, such as the start date, price, means of payment and invoicing alternatives available to the consumer and, if there is any, the amount of the invoicing charge. In addition details must also be provided about the conditions for giving notice of termination of the contract together with the name, address, telephone number, e-mail address

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and street address to the place of operations to which the consumer can refer. Clause 2.7 applies also to contracts concluded at a distance.

The electricity trading undertaking shall, on an annual basis, inform the consumer about:

- each individual energy source's share of the average composition of energy sources used to generate the electrical power that the electricity trading undertaking sold during the immediately preceding calendar year.

- the impact on the environment in the form of carbon dioxide emissions and the quantity of nuclear waste resulting from the generation of the electricity sold.

- 2.3 The electricity trading undertaking is responsible for ensuring that there is a balance controller for the consumer's outtake point.

Under the Electricity Act (1997:857), the electricity trading undertaking may only sell electricity at the outtake point if there is a balance controller for this point.

If the electricity trading undertaking at some stage is unable to ensure that there is a balance controller, the undertaking shall immediately notify this to the consumer and electricity network undertaking.

- 2.4 The electricity trading undertaking shall notify the electricity network undertaking that it will commence selling electricity at the consumer's outtake point and shall also state who has undertaken the balance control responsibility for this supply. This notification shall be given within a timescale whereby the sale can be started on the date agreed upon by the parties.

Commitments of the consumer

- 2.5 The consumer is responsible for having the necessary contract for transmission of electricity with the electricity network undertaking.
- 2.6 The consumer shall pay for all of the electricity consumed at the outtake point. The payment obligation also covers electricity that the consumer has been unable to make use of owing to faults within their own installation or for other reasons that are not attributable to the electricity network undertaking or the electricity trading undertaking.

Contracts concluded at a distance

- 2.7 If the contract has been concluded at a distance within the framework of a system organised by the electricity trading undertaking for concluding contracts at a distance and the communication has exclusively occurred at a distance, the Act on distance contracts and home sales (2005:59) shall apply. The written confirmation according to Clause 2.2 shall also contain information about the consumer's cooling-off right.

The consumer is entitled to withdraw from the distance contract (cooling-off right) by giving or sending to the electricity trading undertaking a notice of this within 14 days from the date when the information according to the first paragraph was received by the consumer.

Impediments to the performance of the contract

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2.8 A party is not liable to perform the contract if performance is substantially impeded as a consequence of impediments over which they have no control. Impediments are deemed to include war, public authority decisions, disruptions to public transport services, extreme weather conditions or other events of an exceptional nature that have a substantial impact on the performance of the contract and which a party could not have anticipated and whose adverse effects a party could not reasonably have overcome.

Compensation for damage/injury, etc.

2.9 If a consumer complains that a change of electricity trading undertaking has not been implemented in the proper manner or at the proper time, the electricity trading undertaking that gave notice of the exchange is responsible for the matter being investigated, following consultation with the consumer's electricity network undertaking. The electricity trading undertaking shall also notify the consumer of the cause of the error. Unless there are special reasons, such notification shall be given to the consumer within fourteen days from when the consumer contacted the electricity trading undertaking.

2.10 If the electricity trading undertaking has not performed its obligations under Clauses 2.3 or 2.4, the consumer is entitled to compensation from the electricity trading undertaking for any damage/injury that thereby arises.

If a consumer shows that it is probable that they have been adversely affected by damage/injury, but that the amount of the damage/injury does not amount to SEK 100 per outtake point and loss occurrence, the consumer shall nonetheless receive compensation for this amount. In order for compensation of a higher amount to be paid, the consumer must substantiate the damage/injury and its extent.

2.11 If the transmission is discontinued owing to the consumer's neglect, but the electricity trading undertaking did not have legal grounds to request disconnection of the consumer's installation from the network, then the consumer is entitled to compensation from the electricity trading undertaking for any damage/injury.

2.12 If the electricity trading undertaking does not perform the contract entered into with the consumer, the consumer is entitled to compensation for the damage/injury they have suffered unless the electricity trading undertaking shows that the failure to perform the contract results from an impediment outside its control and which the undertaking could not reasonably have been expected to have anticipated and whose consequences it could not reasonably have avoided nor overcome.

2.13 The right to compensation does not include damage/injury attributable to business operations.

2.14 The party suffering the loss shall implement reasonable measures in order to mitigate their loss. If the party fails to do so, the compensation may be reduced by a corresponding extent.

3. Metering, collection and reporting of meter values, and also invoicing

Metering

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- 3.1 The consumer's consumption will be recorded by the electricity network undertaking's meters or by meters approved by the electricity network undertaking. Provisions regarding metering are contained in legislation and also in the consumer's contract with the electricity network undertaking.

Collection and reporting of meter values, and also invoicing

- 3.2 Collection and reporting of meter values shall take place in accordance with statute or in the manner in which the parties have entered into a special agreement on.
- 3.3 Invoicing shall be based on meter values collected.

However, if there are special reasons, preliminary invoicing may take place and be based on the estimated quantity of electricity transmitted. The estimated quantity of electricity transmitted shall then be determined with the guidance of the consumer's previously known consumption and other circumstances, like, for example, changes notified by the consumer that it may be assumed would affect the quantity of electricity transmitted.

Invoicing shall be effected at intervals of at most three months unless the parties otherwise agree.

If invoicing based on meter values collected has not been effected and there are no special reasons according to the second paragraph, the consumer is entitled upon request to a an instalment payment plan, without charge or interest, where the number of instalments relates to the period of time that the default endured.

If invoicing, according to the second paragraph, has lasted for more than 12 months, the consumer is upon request entitled to a reduction of the reconciliation invoice of 15 per cent of the difference between what was actually and preliminarily invoiced, respectively. As of 1 July 2010, 8 months shall apply instead of 12 months.

If the agreed invoicing has not been effected and this is due to the electricity trading undertaking, the consumer is upon request entitled to an instalment payment plan, without charge or interest, where the number of instalments relates to the number of invoices missed.

When reconciling invoicing that has been based on estimated meter values (preliminary invoicing), the reconciliation following the collection of meter values (final invoicing) shall be effected with account taken to the various prices that have applied for the period covered by the reconciliation. Unless there are special reasons for applying another basis of estimation, the estimate shall thereupon be conducted as if the consumer's consumption followed normal consumption patterns for that category of consumer.

Invoicing of consumption of electricity may only include time after the due payment date of the bill where a special agreement has been entered into regarding such invoicing.

If there is reason to assume that the consumer has paid invoices in good faith where there was reason to believe that such invoices were final for a particular period of time, there is no further liability to pay for such period.

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Unless extraordinary reasons apply, invoicing shall be based on meter values collected when the contractual relationship ceases.

- 3.4 The electricity trading undertaking shall be granted access to the metering equipment available to the consumer following consultation with the consumer.
- 3.5 If the metering equipment is not working or if it has recorded consumption other than the real consumption or if an error has been made during collection of meter values, the electricity network undertaking shall estimate the quantity of electricity that has been transmitted in consultation with the consumer and the electricity trading undertaking. This estimate shall form the basis of the electricity trading undertaking's invoicing.

If consumption has been estimated in accordance with the preceding paragraph, the electricity trading undertaking shall give notice of this to the consumer no later than in conjunction with the invoicing.

- 3.6 Estimated consumption in accordance with the provisions of Clause 3.5 shall be determined with the guidance of the consumer's previously known consumption at the outtake point and other circumstances that may have affected consumption.
- 3.7 If the estimated consumption in any of the above-mentioned cases is based on incorrect assumptions, the incorrectly invoiced charge shall be adjusted without delay after the error was observed. If only a minor sum is involved viewed in relation to the annual charge, the adjustment shall normally be made when invoicing next occurs, unless the consumer requests a separate payment.

4. Payment and collateral

- 4.1 Payment shall be received by the electricity trading undertaking no later than on the due payment date stated in the electricity trading undertaking's invoice, which shall be at the earliest 15 days after the electricity trading undertaking has sent the invoice. The due date should as a main rule fall after the 25th day of a month.
- 4.2 If payment is not made by the due payment date, the electricity trading undertaking, unless otherwise agreed in writing, is entitled to demand from the consumer, besides the amount of the invoice, interest under the Interest Act from the due date for payment stated in the invoice together with compensation for any costs associated with the delay. This also includes costs for written payment reminders and costs for the enforcement of payment or other obligations.
- 4.3 If the electricity trading undertaking has reasonable cause to fear that the consumer will not perform their payment obligations, the electricity trading undertaking is entitled to request acceptable collateral or advance payment for any further sales. Reasonable cause may, for example, be underpayments or delays regarding previous payment obligations to the electricity trading undertaking, knowledge that the consumer has incurred payment default registrations or knowledge that the consumer has a manifest incapacity to pay when due.

Advance payment may not comprise a greater amount than a sum corresponding to four months' estimated charges for the supply.

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Collateral may not comprise a greater amount than a sum corresponding to six months' estimated charges for the supply.

If the consumer has satisfied their payment obligations at the proper time for a period of eight calendar months from when the collateral was furnished or the advance payment was paid for the first time, the collateral provided shall be returned and the requirement for advance payment withdrawn.

If the consumer has furnished collateral in accordance with this clause, the funds deposited shall be placed into an interest-bearing account, to be held separately from the electricity trading undertaking's own funds.

5. Breach of contract

- 5.1 The Electricity Act contains special provisions regarding the electricity trading undertaking's right to discontinue the supply of electricity owing to the consumer's breach of contract.

The supply is discontinued by the electricity network undertaking disconnecting the consumer's installation from the network at the electricity trading undertaking's request.

- 5.2 The supply of electricity may be discontinued if the consumer neglects their obligations and the default constitutes a fundamental breach of contract.

Before the supply of electricity is discontinued, the consumer shall be urged to implement rectification within a reasonable time and, in cases other than those referred to in Clause 5.3 below, notified that the supply of electricity may otherwise be discontinued. If rectification is implemented, the supply may not be discontinued.

After a contract has been concluded, a discontinuation may not be effected solely on the grounds that the consumer has not furnished collateral or paid in advance.

If the circumstances give cause to fear that a discontinuation of the supply would involve not insignificant personal injury or substantial property damage, the supply of electricity may not be discontinued. However, this does not apply if the consumer has acted improperly.

- 5.3 If the breach of contract comprises the consumer neglecting to pay for their consumption of electricity, besides that provided by Clause 5.2, the consumer shall, when the time for rectification has expired, be urged to pay within three weeks from when they were served with the demand and a notification that the supply may otherwise be discontinued. Notification regarding the non-payment shall at the same time be submitted to the social welfare committee in the municipality where the consumer receives the electricity supplied.

The supply may not be discontinued if payment is made or if the claim is disputed. Nor may the supply of electricity be discontinued if the social welfare committee, within the time stated in the first paragraph, has given notice in writing to the party that gave notice that the committee will assume the payment obligation for the debt. In order for a claim to be deemed disputed, it is required that the consumer submitted a legally relevant material objection. Such a submission ought to be in writing.

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If the claim is the subject of a dispute, the supply of electricity may not be discontinued. This means that the consumer must pay that part of the claim that the consumer and the electricity trading undertaking agree that the consumer should pay. That part that is disputed need not be paid before the dispute has been determined.

- 5.4 When the electricity trading undertaking is entitled to discontinue the supply in accordance with Clauses 5.2-5.3, the undertaking is also entitled to revoke the contract. If the electricity trading undertaking revokes the contract, it shall immediately notify the electricity network undertaking.
- 5.5 If the consumer has entered into a fixed-term contract and breaches it, without having grounds for revocation according to Clause 5.6, by entering into a new contract with another electricity trading undertaking, the consumer shall compensate the former electricity trading undertaking for the loss the undertaking can demonstrate it will suffer during the remaining term of the contract.
- 5.6 If the electricity trading undertaking neglects its obligations and the default involves a fundamental breach of contract, the consumer is entitled to revoke the contract. However, the electricity trading undertaking shall be afforded an opportunity to implement rectification within a reasonable time before revocation may be effected.

If the consumer revokes the contract, the electricity trading undertaking shall immediately notify the electricity network undertaking of the revocation.

6. Supply obligation, term of validity, amendments and supplements

- 6.1 Unless otherwise agreed, the contract shall cease at the latest one month following notice of termination given by the consumer. The consumer is entitled to terminate the contract either verbally or in writing.

The electricity trading undertaking's obligations to supply electricity to the consumer's outtake point is regulated by the Electricity Act. The supply obligation ceases if the consumer stops taking out electricity at the outtake point, if some other electricity trading undertaking starts to supply electricity to the consumer at the outtake point, or if the consumer commits such a breach of contract that entitles the electricity trading undertaking to request that the electricity supply is discontinued in accordance with the provisions of the Electricity Act.

In the event that the electricity trading undertaking and the consumer have concluded a fixed term contract for the supply of electricity, the electricity trading undertaking shall no earlier than 90 days and no later than 60 days prior to the expiry of the contract inform the consumer of the expiry date of the contract and the consequences thereof.

- 6.2 Unless otherwise agreed, the electricity trading undertaking may change its prices. In the event of such price changes, the electricity trading undertaking shall notify the consumer of the changes. Such notification shall be given at least 15 days prior to such changes taking effect either through special notification to the consumer or through an advertisement in the daily press and information on the electricity trading undertaking's website. *Daily press* means the daily newspaper that has the largest distribution in the municipality where the supply is provided.

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The subsequent invoice shall clearly indicate when the price changes were made and the amount of the change.

- 6.3 When there is a price change, the new price is to be applied on the basis of either the meter value collected, provided the collection takes place within a reasonable time from the date of the change, or meter readings estimated on reasonable grounds.

7 Guidance and dispute resolution

- 7.1 The consumer may refer to the Swedish Consumer Electricity Advice Bureau or the municipal consumer advice officer for guidance.
- 7.2 Disputes regarding the validity, interpretation and application of these conditions shall in the first instance be determined by negotiations between the parties. If such negotiations do not result in the dispute being resolved, the dispute may, at the request of the consumer, be considered by the National Board for Consumer Complaints. The dispute may also be considered by a general court or other body that is competent according to statute.
- 7.3 If a dispute is pending at any of the above-mentioned bodies, an action to collect the debt to which the dispute refers may not be taken before the dispute has been finally determined.