

RIGHTS AND OBLIGATIONS OF THE CUSTOMER AND THE SUPPLIER, AND RESOLUTION OF DISPUTES

Non-household customers have the following obligations:

- 1) To enter into a natural gas supply agreement;
- 2) To ensure the timely and full payment for natural gas supplied according to the terms of the gas supply agreement;
- 3) To prevent unauthorised withdrawal of natural gas;
- 4) To provide unrestricted access to the representatives of the transmission system operator (TSO) and the distribution system operator (DSO) to the natural gas meters and to premises for installation of natural gas meters;
- 5) To restrict or cease natural gas consumption in accordance with the laws of Ukraine and the terms of the agreement;
- 6) Not to withdraw more natural gas than is permitted under the agreement;
- 7) To implement measures to prevent the threat of death or injury, destruction of equipment and negative environmental impacts after receiving notification of termination or restriction of natural gas supply;
- 8) To restrict or terminate natural gas consumption by their own accord in the following cases:
 - a. breach of the payment deadlines under a natural gas supply agreement;
 - b. non-availability or insufficiency of the confirmed quantity of natural gas allocated to a customer;
 - c. overconsumption of a daily norm and/or monthly confirmed quantity of natural gas without supplier's prior consent;
 - d. non-availability of a signed natural gas supply agreement;

In case of breach or failure of its obligations, a customer will be held responsible according to the laws and regulations.

Household customers have the following obligations:

- 1) To enter into a natural gas supply agreement with a supplier. In case a signed agreement is not available then the customer should terminate natural gas withdrawal from the gas distribution system.
- 2) To ensure the timely and full payment for natural gas supplied according to the terms of the gas supply agreement;
- 3) To prevent unauthorized withdrawal of natural gas;
- 4) To provide unrestricted access to the representatives of the TSO and the DSO to the gas meters and to premises for installation gas meters.
- 5) To restrict or cease natural gas consumption in accordance with the laws of Ukraine and terms of the agreement;
- 6) To use natural gas rationally, and use gas devices and equipment with care;
- 7) To inform the current supplier upon termination of the agreement and pay in full for the gas consumed not later than 20 working days prior to vacation of premises or full termination of gas consumption.

- 8) To freely permit the supplier's representatives, upon presentation of their credentials, to approach the residential or auxiliary premises where the gas meters, devices and equipment are installed to enable them to take meter readings.
- 9) At the supplier's request, to provide meter readings showing the amount of natural gas actually consumed together with a signed report, and provide payment documents in order to reconcile settlements.
- 10) To enter into a natural gas distribution agreement under established procedures with the DSO to have the right to withdraw gas from low-pressure gas pipelines and receive physical delivery of gas to the premises of the customer;
- 11) To inform the supplier in a timely manner about all changes to information about the persons named in the agreement and application;
- 12) To inform the supplier in writing about termination of the natural gas supply agreement and make full payment for the natural gas consumed no later than 7 days prior to vacation of premises or full termination of natural gas consumption;
- 13) To recover and repay any losses incurred by the supplier owing to the failure of the customer to comply with the terms of the supply agreement and/or relevant laws and regulations;
- 14) To promptly inform the current supplier about any intended change of gas supplier and make full payment for the natural gas consumed according to the established procedure in a timely manner
- 15) If the current gas supplier gives notice that it is unable to fulfil the terms of the current supply agreement then the customer must take the necessary steps to enter into a supply agreement with another supplier;
- 16) Regarding point 15, customers should send the application to a new supplier not later than the next working day after receiving notice from the current supplier (or within 3 working days if the household customer lives in a village);
- 17) To record the actual figures of the commercial metering units and gas meters on the first day of each month following the month of gas supply, and provide this data to the supplier according to the agreed procedure;

In case of breach or failure of its obligations, a customer will be held responsible according to the laws and regulations. The protection of rights of natural gas customers is regulated by the Law of Ukraine "On natural gas market", the Law of Ukraine "On protection of consumers' rights" and other standard acts.

Rules concerning natural gas supply

In accordance with the rules of natural gas supply approved by the decree of the National Commission of Energy and Communal Regulation dated 30.09.2015 #2496 registered in the Ministry of Justice of Ukraine on 06.11.2015 under #1382/27827, and the model agreement on natural gas supply to household customers approved by the decree of the National Commission of Energy and Communal Regulation, dated 30.09.2015 #2500 registered in the Ministry of Justice of Ukraine on 6.11.2015 under #1386/27831:

The supplier of natural gas has the right to:

- 1) receive payment for the supplied natural gas from its customer;
- 2) validate the correctness of payment documents issued by its customer;
- 3) terminate of the natural gas supply to its customer subject to the procedure and terms laid out in the supply agreement and relevant laws and regulations;

- 4) reconcile with its customer the quantities of natural gas used with a signed report;
- 5) recover losses from its customers which have been incurred owing to failure of a customer to comply with the terms of the gas supply agreement and current laws and regulations;
- 6) conclude a natural gas supply agreement with any customer and, in case of absence of outstanding debts of the customer to a previous supplier of natural gas, to deliver natural gas to the customer after the period of supply by the previous supplier has ended;
- 7) unrestricted access, upon presentation of credentials, to gas meters installed on the gas facilities of its customers in order to take meter readings;
- 8) full and accurate information from its customers with which it has entered into supply agreements;
- 9) have other rights stipulated by the effective laws and regulations of Ukraine.

The supplier of natural gas should:

- 1) ensure continuous supply of natural gas in accordance with the procedure and terms of the supply agreement;
- 2) ensure a proper quality of service of natural gas supply in accordance with the laws and regulations and the supply agreement;
- 3) calculate and issue invoices to the customers for the supplied natural gas in accordance with the terms of the natural gas supply agreement;
- 4) provide household customers with the information stipulated by the Laws of Ukraine "On peculiarities of access to the information regarding supply of electricity, natural gas, heating energy, centralized hot water supply, centralized drinking water supply and water transportation", including the natural gas price, the procedure of payment for consumed natural gas, the rights and obligations of household customers, data on actual accrued amounts (i.e. quantity and value) for natural gas supply services, and other information as per the requirements and terms of the licensing rules, as indicated in the natural gas supply agreement with household customers. No other additional expenditures for providing information to household customers should be covered;
- 5) publish on its website (and - in the events prescribed by laws - in mass media) detailed information on changes to natural gas price five days prior to the day when this price becomes effective;
- 6) issue to the customer free-of-charge settlement books, payment documents and forms of letters;
- 7) consider claims of household customers in accordance with the established procedure regarding accrued amounts for the gas consumed, taking into account the requirements of paragraph 9 of Section VI of these rules and upon availability of correspondent grounds for satisfaction of their claims.
- 8) ensure a proper organization of its work to enable the processing of a customer's requests on issues connected with the supply agreement;
- 9) accept payment for the rendered services by any means stipulated by the supply agreement;
- 10) recover losses incurred for the customer owing to failure or improper fulfilment of the supplier's obligations under the supply agreement;
- 11) inform its customers about terms of guaranteed supply of natural gas, if this supplier is obliged to fulfill the special obligations to supply household customers in accordance with the established procedure.
- 12) ensure confidentiality of data received from its customers;

- 13) within three working days after the date when the supplier becomes aware it is unable to continue to supply natural gas, inform its customers regarding their rights regarding:
 - a. choosing another supplier, and the consequences of not doing this;
 - b. changing to a supplier which is obliged to fulfill special obligations (if applicable) and which has no right to reject the customer who has signed a natural gas supply agreement;
 - c. receiving compensation for losses incurred owing to the supplier's failure to fulfil the obligations of the supply agreement;
- 14) ensure submission to the TSO of all the documents necessary to confirm the quantity and nomination of gas delivered to its customers, subject to the fulfillment by the customers their own obligations to the supplier.
- 15) inform its customers in timely manner if it is in a state of liquidation or bankruptcy, or if its gas license has been suspended or cancelled, or it does not have enough natural gas resources to fulfil its deliveries.
- 16) meet the minimum standards and requirements of quality of natural gas customers' servicing.
- 17) create points of contact for providing information to household customers. The contact information and opening hours of each contact point should be indicated in the application or natural gas supply agreement to household customers and on website of the supplier;
- 18) provide its household customers with the final invoice within 6 weeks of change of supplier or termination of the supply;
- 19) inform customers of proposed changes to the terms of the supply agreement, and of their right to reject the proposed changes, not less than 30 days prior to the planned implementation of such changes (except for gas prices which are established for the supplier by the appropriate state bodies);
- 20) fulfill other obligations imposed on a supplier by the effective laws and regulations and/or the supply agreement.