Republic of Latvia

Cabinet
Regulation No. 876
Adopted 21 October 2008

Regulations Regarding the Supply and Use of Thermal Energy

Issued pursuant to
Section 46, Paragraph one, Section 46.1, Paragraph three of the Energy Law and Section 22, Paragraph five of the Law On Regulators of Public Utilities

I. General Provisions

1. This Regulation prescribes:
   1.1. the procedures by which energy supply merchants (hereinafter – supplier) shall supply and energy users (hereinafter – user) shall use the thermal energy and the cases when an energy supply merchant may discontinue the provision of energy supply services to separate energy users;
   1.2. the cases when compensation shall be calculated, if the supplier detects that the user has violated this Regulation or a contract regarding the supply of thermal energy, as well as the amount and procedures for calculation of the compensation.

2. The following terms are used in this Regulation:
   2.1. proprietary border of heating supply system – the place where belonging of heating networks and heating supply systems and responsibility thereof is divided between the supplier and the user;
   2.2. maximum permissible load – the highest thermal load, which may be used by a user according to the contract entered into by and between the supplier and the user regarding thermal energy supply;
   2.3. thermal energy meter – an accounting measuring device or a system of measuring devices for control and accounting the quantity of consumed thermal energy, heating load and parameters of heat carrier for commercial settlement of accounts;
   2.4. accounting period – a time period, for which thermal energy consumed is accounted and payment is made;
   2.5. heating supply system of direct connection – a heating supply system of a user, which is directly connected to heating networks of the supplier and in which the heat carrier of the supplier is circulating;
   2.6. separated heating supply system – a heating supply system of a user, which is separated from heating networks of the supplier by heat exchangers;
2.7. heat carrier – water, water vapour or another substance, which is used for thermal energy supply;
2.8. individual heating point – a set of installations of a user for connecting the heating supply system of a building or structure to a heating network, for disconnecting from a heating network, for controlling the parameters of heat carriers, for regulating the supply of thermal energy to a heating system, ventilation system and hot water supply system;
2.9. temperature schedule – connection between the flow temperature, return temperature and external air temperature presented in a graphic form or in a table on the proprietary border of heating supply system;
2.10. heat cost allocator – an instrument for registration of proportionate heat output of radiators in premises of end users and premises for common use.

[3 November 2015]

II. Contract Regarding Supply of Thermal Energy

3. Thermal energy shall be supplied to a user in accordance with this Regulation and the contract entered into by and between the supplier and the user regarding supply of thermal energy (hereinafter – contract). If a contract has not been entered into, it is prohibited to use thermal energy.

4. The user shall notify the supplier regarding discontinuation of the contract at least 30 days in advance and settle accounts for the thermal energy utilised.

III. Technical Provisions for Connecting a Heating Supply System of a User

5. Within a month after receipt of a relevant submission the supplier shall issue technical provisions to a user for connecting a heating supply system (hereinafter – technical provisions) in the following cases:
   5.1. for drafting a project for connection of installations for heat use, buildings or structures;
   5.2. if it is necessary to change the maximum permitted load;
   5.3. if consumption of thermal energy changes;
   5.4. if it is necessary to change the parameters of a heating supply scheme or heat carrier at a heating point, which is directly connected to heating networks of the supplier.

6. The following shall be determined in the technical provisions:
   6.1. the connection place of heat sources, of heating networks of a user, and the type of regulating the heating supply;
   6.2. the parameters of the heat carrier at the place of connection;
   6.3. the maximum permitted load, taking into account connecting of heating supply systems of other potential users;
   6.4. the requirements for changes in the flow capacity of heating networks;
   6.5. the quantity and quality of the condensate to be returned into the heat source;
   6.6. the procedures for installing meters for accounting of thermal energy consumption and thermal energy meters;
   6.7. the requirements for heating networks and heating points;
   6.8. the requirements for heating supply systems of direct connection;
   6.9. the temperature schedule, the flow quantity of the heat carrier, and the quality indicators of the heat carrier;
   6.10. the proprietary border of the heating supply system (hereinafter – proprietary border).
IV. Installation and Servicing of Thermal Energy Meters

7. Measuring devices for accounting of the quantity of thermal energy transferred into heating networks and for control of parameters of heat carriers shall be installed in all heating sources.

8. Settlement of accounts between the supplier and the user for the thermal energy supplied shall be performed on the basis of readings of thermal energy meters. The purchase, installation, changing, repair and servicing of thermal energy meters shall be ensured by the supplier (unless the supplier and the user have agreed otherwise).
[3 November 2015]

8.1 The authorised person shall calculate the share to be paid by each owner of an apartment, owner of an artist's workshop and non-residential premises on the basis of the methodologies for the calculation of thermal energy laid down in the laws and regulations regarding administration of residential houses.
[3 November 2015]

8.2 In multi-apartment houses and non-residential buildings, which in addition to the premises for common use several other groups of premises are located, which must mutually divide the bill for thermal energy consumed, the authorised person shall divide the amount of thermal energy consumed in the building, using measuring devices installed for accounting in apartments of end users, artist's workshops or non-residential premises for control and accounting of the quantity of consumed thermal energy, heating load, and parameters of the heat carrier. If the use of such measuring devices or systems of measuring devices is not technically possible or profitable, heat cost allocators shall be used. Meters for consumption of hot water shall be used for determination of the hot water consumption in an apartment, non-residential premises or artist's workshop.
[3 November 2015 / Shall be applicable from 31 December 2016. See Paragraph 44]

8.3 The requirements of Paragraph 8.2 of this Regulation shall apply to such buildings, for which the construction permit has been issued after 1 January 2016 and for which heating supply is ensured from a joint heating source or from a centralised heating supply system, and which:
8.3 1. are newly erected buildings or are reconstructed;
8.3 2. are renewed using the resources from European Union funds, State or local government budget.
[3 November 2015]

8.4 The purchase, installation, changing, repair and servicing of the measuring devices referred to in Paragraph 8.2 of this Regulation and heat cost allocators in multi-apartment houses and non-residential buildings, which in addition to the premises for common use several other groups of premises are located, which must mutually divide the bill for thermal energy consumed, shall be ensured by the owner of the building.
[3 November 2015]

8.5 The requirements for the installation, use, evaluation, servicing of heat cost allocators and other requirements shall be determined in the laws and regulations regarding uniformity of measurements.
[3 November 2015]

9. The supplier has a duty (unless the supplier and the user have agreed otherwise) to renew accounting of thermal energy with thermal energy meters within three weeks after checks, changing, movement or repair of thermal energy meters.
10. Thermal energy meters shall be installed according to the technical regulations regarding connection.

11. After installation, repair or check thermal energy meters shall be accepted for operation by the supplier and the user. A representative of the supplier shall check the correctness of their installation and assemblage, determine and place a seal on the place of connection, and draw up a deed on acceptance of the thermal energy meter for operation. The user shall ensure the technical possibilities for placing a seal on meters.

12. The user shall be responsible for preservation of thermal energy meters and seals and shall notify the supplier without delay regarding damages to thermal energy meters.

13. The user shall co-ordinate works with the supplier in the heating supply system of the user, due to which the connection scheme of thermal energy meters is changed or thermal energy meters are moved.

14. In addition to a thermal energy meter the user may install measuring devices for control accounting in the heating supply system thereof, without co-ordinating it with the supplier.

15. Only such measuring devices shall be used as thermal energy meters, which conform to the requirements laid down in the laws and regulations regarding metrological requirements for thermal energy meters and regarding the list of measuring devices subject to State metrological control.

V. Obligations and Responsibility of the Supplier

16. The supplier shall ensure the following parameters of a heat carrier according to the contract on the proprietary border:
   16.1. the average daily temperature of flow of the heat carrier (regulated in the heating source) according to the temperature schedule referred to in the contract. The supplier is not responsible for reduction of flow temperature in the time period when the user does not consume thermal energy or consumes it in an amount that is less than the minimum quantity determined in the contract;
   16.2. the vapour parameter determined in the contract (the permissible deviation is five per cent);
   16.3. the pressure of the heat carrier in flow pipeline and return pipeline according to the technical regulations regarding connection and the contract.

17. If due to the fault of the supplier the specified quantity of thermal energy is not supplied, the supplier shall pay compensation to the user, which conforms to the value of quantity of thermal energy not supplied.

18. The value of quantity of thermal energy not supplied due to the fault of the supplier shall be calculated for a 24-hour-period as the difference between the average daily consumption in the previous three days and the actual daily consumption. In calculating the quantity of thermal energy not supplied for heating and ventilation, the average daily external air temperature shall be taken into account and a coefficient shall be used in accordance with Paragraph 35 of this Regulation.

19. The actual duration and reason of restricted supply of thermal energy shall be registered according to the readings of thermal energy meters and control measuring devices and in their...
heating sources, heating networks and individual heating points. The supplier shall examine a submission of the user regarding non-supply of thermal energy within 10 days.

20. The supplier shall co-ordinate the conditions for connecting or disconnecting heating systems of the user within 10 days after receipt of a submission of the user.

21. If a natural disaster (for example, fire, thunderstorm, storm, earthquake, flood, continuous snowstorm and cold when external air temperature for more than 48 hours is three or more degrees Celsius below the temperature, which was intended in designing the heating supply system) has occurred, the supplier shall not be responsible for non-conformity with the parameters of the heat carrier. The supplier shall not responsible for non-supply of the heat carrier or for non-conformity with the parameters of the heat carrier in the following cases:
   21.1. intentional or unintentional actions of the personnel of the user or third parties, due to which normal heating supply is hindered;
   21.2. non-conformity with the consumption regime specified in the contract;
   21.3. in accordance with Paragraphs 26, 27, and 28 of this Regulation;
   21.4. during an energy crisis, which has been proclaimed in accordance with the procedures laid down in the Energy Law.

VI. Obligations and Responsibility of the User

22. The user may change the load of heat use within the borders of the maximum permitted load. The user may connect or disconnect the heating system at a time convenient to him or her after co-ordination with the supplier.

23. The user has the following duties in the heating supply system thereof:
   23.1. to conform to the consumption regime specified in the contract, without exceeding the maximum permitted load and the maximum flowrate of the heat carrier;
   23.2. to maintain pipelines, fittings, installations for heat use, thermal insulation, control measuring devices, automatic regulation devices, and safety measures for avoiding accidents in good technical order and to ensure qualified servicing thereof;
   23.3. once a year after co-ordination with the supplier to perform general check of heating networks, heating points, heating, ventilation and hot water supply systems, and hydraulic checks;
   23.4. to ensure the preservation of seals placed by the supplier and to co-ordinate the removal of seals with the supplier;
   23.5. according to the procedures specified in the contract to register the quantity of thermal energy utilised and to notify the supplier thereof, as well as to make payments within specific time periods;
   23.6. during a local energy crisis proclaimed in accordance with the procedures laid down in the Energy Law to conform to the thermal energy consumption restrictions specified in the energy crisis centre of the local government and the supplier;
   23.7. to ensure representatives of the supplier (after presenting service certificates) with access to the individual heating point, heating supply systems and thermal energy meter in order to control conformity with the thermal energy consumption regime, the quantity of the utilised thermal energy, as well as the technical condition of the heating supply system of direct connection;
   23.8. to notify the supplier without delay regarding all damages to thermal energy meters;
   23.9. in cases of an accident, which are related to leakage of the heat carrier, to disconnect the damaged pipelines or installations for heat use without delay and to notify the supplier thereof;
23.10. to co-ordinate the connection of heating supply systems of the supplier after repair, as well as connection of new systems;
23.11. not to exceed the return temperature of the heat carrier specified in the temperature schedule of heating networks. Such temperature shall be regulated using an individual heating point and installations for heat use;
23.12. to ensure the conformity of the quality of the heat carrier of the heating supply system of the user and of pressure with the technical provisions regarding connection and with the contract.

24. The user shall return vapour condensate to the supplier according to the quantity and quality specified in the contract. Technically justified quality indicators of the vapour condensate returned shall be determined by the supplier.

VII. Conditions for Discontinuation and Restriction of Thermal Energy Supply

25. The user, for which disruptions in the supply of thermal energy due to damages, accident or repair are not permissible due to the specific nature of production or other reasons, shall install autonomous sources for reserve thermal energy.

26. The supplier has the right, providing a warning three days in advance, to completely or partially discontinue the supply of thermal energy to the user in the following cases:
   26.1. if a contract has not been entered into;
   26.2. if the user does not conform to the consumption regime specified in the contract;
   26.3. if the user does not conform to the restrictions on consumption specified by the energy crisis centre of the local government and the supplier;
   26.4. if the user does not perform settlement of accounts within the specified time periods according to the conditions of the contract;
   26.5. if the user has arbitrarily connected new heating supply systems, as well as after repair has connected heating supply systems without hydraulic check and permission of the supplier;
   26.6. if the thermal energy meters installed in heating networks or heating points of the user have been removed, are damaged, their normal operation is disrupted or their seals have been removed;
   26.7. if the installations for heat use of the users have been connected before thermal energy meters;
   26.8. if there are damages in heating networks and heating supply systems of the user, which may cause accidents or incidents or hinder heating supply of other users;
   26.9. if the user does not allow the representatives of the supplier to check the operation of heating supply systems and thermal energy meters.

27. The supplier shall warn the user regarding discontinuation of thermal energy supply due to planned disconnection of the heating supply system, provided for in the contract, in writing at least 10 days in advance. If the supplier is not able to co-ordinate the time of disconnecting the heating supply system with the user within five working days after expressing the warning, the supplier shall determine the time independently and notify the user thereof. The user shall be repeatedly warned regarding the time of disconnecting the heating supply system 24 hours in advance.

28. If an accident or damages to the heating supply system of the supplier, which make the supply of thermal energy impossible, must be eliminated without delay, the supplier has the right to disconnect the heating supply system of the user and to notify the reason for disconnection afterwards.
VIII. Settlement of Accounts for Thermal Energy Utilised

29. The supplier shall sell thermal energy to the user according to the tariffs, which have been approved and published in accordance with the Law On Regulators of Public Utilities and the Energy Law.

30. The quantity of thermal energy supplied to the user shall be determined according to readings of thermal energy meters, except the cases referred to in Paragraph 35 of this Regulation.

31. If due to technical reasons a thermal energy meter has not been installed on the proprietary border, thermal energy losses in pipelines of the heating supply system on the proprietary border until the place where the measuring device is installed shall be determined, making calculations, and the thermal energy loss will be indicated in the contract:

   31.1. if the thermal energy meter has been installed on the side of the supplier before the proprietary border, the thermal energy losses, which have occurred in the section between the place where the measuring device is installed and the proprietary border, shall be deducted from the quantity of thermal energy supplied to the user;

   31.2. if the thermal energy meter has been installed on the side of the user before the proprietary border, the thermal energy losses, which have occurred in the section between the place where the measuring device is installed and the proprietary border, shall be added to the quantity of thermal energy supplied to the user.

32. The user shall cover in addition the costs for the quantity of the heat carrier, which is utilised from the heating supply system of the supplier for filling up the heating supply systems of the user or for connecting new heating supply systems, or for other purposes. The payment for additional feed and filling up of the heat carrier shall cover all costs of the supplier for preparation of the heat carrier.

33. If the user has arbitrarily, without co-ordinating with the supplier, connected heating supply systems, changed the connection scheme of thermal energy meters, removed seals, damaged thermal energy meters, hindered their normal operation or has denied access to the representative of the supplier to heating supply systems in order to control the regime and accounting of thermal energy consumption, to place a seal on heating supply systems or to discontinue thermal energy supply, the supplier shall calculate the consumed quantity of thermal energy, taking into account the maximum load in the time period after the last check.

34. If the violations referred to in Paragraph 33 of this Regulation are detected, the representative of the supplier shall draw up a deed in the presence of the user.

35. If thermal energy meters are damaged or turned off in order to perform repair, checks, changing, movement or due to other reasons, the quantity of thermal energy utilised for the time period, in which thermal energy meters do not operate, shall be determined on the basis of the average consumption in the time period when thermal energy meter was operating and which is not less than three days. In the abovementioned case the quantity of thermal energy utilised for heating and ventilation shall be multiplied by coefficient k:

$$k = \frac{T_t - T_{1v}}{T_t - T_{2v}},$$

where

- $T_t$ – the average air temperature of the premises to be heated;
- $T_{1v}$ – the average air temperature in the time period, for which the calculation is performed;
T2v – the average air temperature in the time period, on which the calculation is based.

36. The settlement of accounts for the thermal energy utilised in the previous month shall be performed according to the invoice, which is written out by the supplier by the fifth date of the following month. If the maximum permitted load of the heating supply system of the user exceeds two megawatts, the supplier has the right to request the user to perform interim payments. The final settlement of accounts shall be performed until the twelfth date of the following month, taking into account readings of thermal energy meters and interim payments.

36.1 The supplier shall include at least the following information in invoices addressed to users or provide together with invoices:
   1. the thermal energy tariff (price) and the amount to be paid;
   2. the actual energy consumption;
   3. a reference to the website, on which comparison of the actual thermal energy consumption (preferably – in graphic form) with the consumption in the same time period in the previous year can be found, taking into account changes in the external air temperature;
   4. information for communication with organisations of users, energy agencies or other organisations, including website addresses where information may be obtained regarding energy efficiency improvement measures, efficient devices that consume energy, consumption of similar users and, if possible, the average normalised thermal energy consumption of a similar group of users. The supplier shall include such information also on its website, which is intended for users.

[3 November 2015]

37. If the user makes late payments more than three times, the user has a duty, upon request of the supplier, to perform prior payment in the amount of the average monthly payment henceforth.

38. If a mistake in payment documents or inaccurate reading of the thermal meter is detected, the user shall notify the supplier thereof within 10 days.

39. The supplier shall, within 10 days after receipt of the notification of the user, check the calculation and, if necessary, also thermal energy meters and shall notify the results of the check to the user.

40. If a mistake in the accounting of settlement of accounts or in calculations of the utilised thermal energy is detected, the supplier shall perform recalculation for the last settlement of accounts period.

41. The supplier is entitled to perform recalculation of the quantity of the utilised thermal energy for a time period when the flowrate of the heat carrier is smaller than the lowest permissible border of the thermal energy meter of the user, assuming that the quantity of flowrate is equal to the lowest permissible border.

IX. Determination of Compensation

42. If the user does not fulfil the contractual obligations, however, the supplier has ensured the parameters of the heat carrier on the proprietary border, the supplier is entitled to collect compensation up to the following amount:

   42.1. for arbitrary exceeding of the maximum permitted load and the flowrate of the heat carrier – according to a triple tariff for the quantity of energy that was consumed in excess of the quantity specified in the contract;
42.2. for increasing the temperature of the flow heat carrier for more than three degrees Celsius in comparison to the temperature schedule specified in the contract – additional payment according to the tariff for the quantity of thermal energy, which is calculated as the multiplication of the quantity of flowrate of the heat carrier by the difference of temperature between the actual flow temperature and the flow temperature that was determined according to the schedule;

42.3. for losses of the heat carrier, which exceed the quantity specified in the contract, as well as for arbitrary use of the heat carrier – according to a triple payment for additional feed to the heat carrier in order to cover the heat losses that occurred in supplying such heat carrier;

42.4. for the quantity of condensate, which has not been returned by the user to the supplier according to the amount and quality specified in the contract – according to a triple payment for additional feed to the heat carrier.

43. Compensation for the settlement of accounts period shall be paid concurrently with the final settlement of accounts.

X. Closing Provision
[3 November 2015]

44. Paragraph 8.2 of this Regulation is applicable from 31 December 2016.

Informative Reference to European Union Directive
[3 November 2015]


Prime Minister I. Godmanis

Minister for Economics K. Gerhards