

Turkey's Energy Regulator Updates Template Agreements for Use and Connection to the Electricity Distribution System

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Turkey's Energy Market Regulatory Authority ("Authority") has updated and amended certain elements of the template agreements for use and connection to the electricity distribution system. Changes apply to the Distribution System Use Agreement, the Distribution System Connection Agreement for Consumers, as well as the Distribution System Connection Agreement for Legal Entities That Carry Out Production Activities.

Distribution System Use Agreement

Changes to the Distribution System Use Agreement include:

- The provision enabling the legal entity holding the distribution license to cut off a consumer's electricity has changed. With the new provision, the Distributor Company will off-set the debt from a consumer's deposit payment if the consumer fails to make payment for eight days after the Distributor Company notifying the consumer. Off-setting will also occur if the user is a legal entity that carries out production activities. If the deposit payment is not enough to cover the debt, a disconnection notification will sent to the legal entity. If the legal entity fails to make the payment within eight days of the notification, then the legal entity's electricity will be cut off.
- Distributor Companies now require the Authority's approval to assign, transfer and pledge rights and obligations under the Distribution System Use Agreement.
- Parties must take the necessary precautions to protect commercially significant information obtained as a result of legislation, market activities or agreements, and not disclose this to third parties (including shareholders or affiliates).
- Parties must make a deposit payment to the Distributor Company as a warranty of their payment obligations, within certain limits. The deposit can be cash or a definite and unlimited in time bank guarantee letter.

Distribution System Connection Agreements

Changes to the Distribution System Connection Agreements include:

- A consumer's facilities must not be connected to the distribution system before execution of a facility agreement between the parties.
- A user which fails to fulfill his obligations due to a force majeure event must submit a report to the Distributor Company within 30 days after the start of the force majeure. The report must include the reasons, nature, duration, and current status of the force majeure, as well as precautions taken.
- If the Distributor Company undertakes a financial obligation for the system connection, it must pay back the deposit amount to the user within 30 days after system connection and fulfillment of related

obligations.

- The agreement will be deemed terminated if the user makes a misstatement about ownership of the facility that is/will be connected to the system. In such a case, the user must compensate the Distributor Company for any damages incurred.
- Notifications about the agreement must be made via a notary public. The Distributor Company must announce any address change on its website, whereas the user must notify the Distributor Company of any address change within ten days of the change occurring.

The Authority's decision number 6193 dated 30 March 2016 was published in Official Gazette number 29686 on 16 April 2016. Please see this [link](#) for full text of the Template Agreements (only available in Turkish).

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