

Finnish gas transmission system tariffs effective  
from January 1, 2020

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## CONTENTS

Introduction .....	3
1. Description of the Reference Price methodology in transmission services .....	4
2. Reference prices for transmission charges .....	4
3. Services other than transmission services and their pricing .....	6

## Introduction

The Finnish gas transmission system operator (=TSO) with system responsibility publishes in this document a new gas transmission tariffs which will be applied in the Finnish gas transmission system 1.1.2020 – 31.12.2020.

Based on Natural Gas Market Act, the rights and obligations of the transmission system operator with system responsibility to set transmission charges are restricted to internal entry and exit points in the system. Regarding international connections in the natural gas transmission system, the regulatory authority, the Energy Authority, sets transmission charges, which are as well described in this document.

More information regarding transmission tariffs, is given by:

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## 1. Description of the Reference Price methodology in transmission services

Starting on January 1, 2020, the Postage Stamp methodology will be applied as the Reference Price methodology in the Finnish gas transmission network. In the Postage Stamp methodology, the distance between the entry and exit points and the technical transmission capacity do not affect the unit price of transmission capacity. The Postage Stamp methodology will be applied to capacity charges. A capacity charge will be applied both to entry and exit capacity.

Figure 1 shows the entry and exit points in Finland's gas transmission system that will be applied in the transmission tariff as of January 1, 2020.

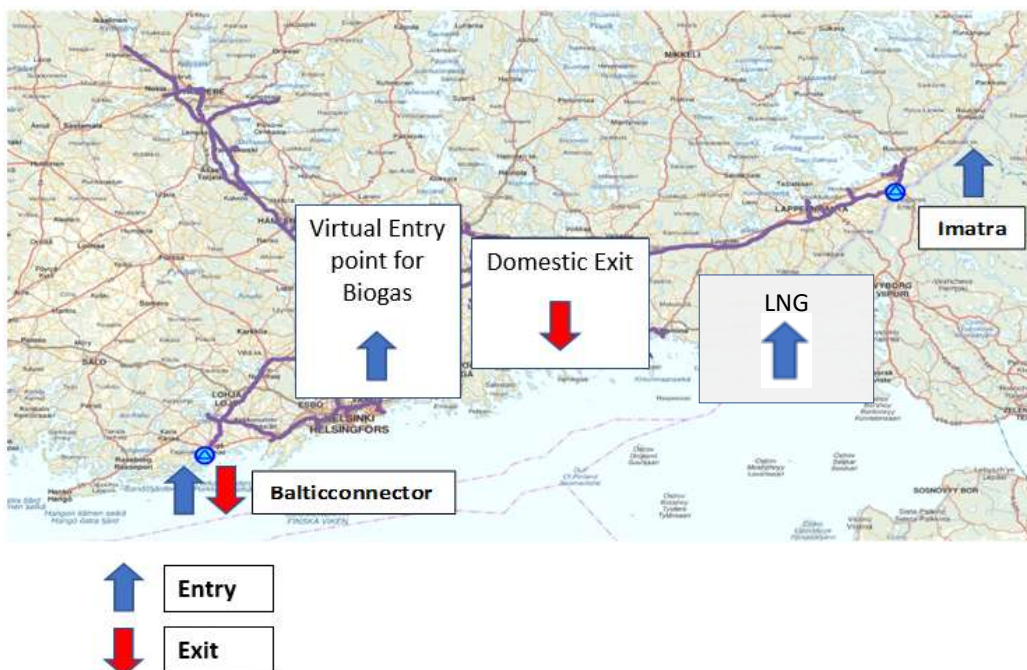


Figure 1 Entry and exit points in the Finnish gas transmission system.

## 2. Reference prices for transmission charges

Chapter 2 presents the actual gas transmission charges. These are entry and exit charges for firm and interruptible capacity. In addition to capacity charges, the commodity charge is also a transmission charge. All charges presented in this document are based on a gross calorific value.

Besides a capacity and commodity charge, the TSO charges for the use of the network and for services it provides other than actual transmission services. Chapter 3 presents the pricing model for services other than transmission services and their prices.

Table I shows the transmission tariffs, which will be valid for the tariff period January 1 – December 31, 2020.

Table I Transmission pricelist for the tariff period January 1-December 31, 2020.

<b>Transmission tariffs</b>	
<b>Firm capacity charge for annual product</b>	
<b>Entry</b>	
Imatra *	0.14277 €/kWh/day/year
Balticconnector *	0.00000 €/kWh/day/year
Biogas virtual entry point	0.14277 €/kWh/day/year
LNG entry point	0,14277 €/kWh/day/year
<b>Exit</b>	
Balticconnector *	0.00000 €/kWh/day/year
Finland's domestic exit zone	1.04859 €/kWh/day/year
<b>Firm capacity charge / short product multipliers En/Ex</b>	
Capacity type	Multiplier
Quarter	1.10
Month	1.25
Day	1.50
Intraday	1.70
<b>Interruptible capacity</b>	
Interruptible capacity discount (%) on the corresponding price for the firm product.	
<b>Entry</b>	
	Discount
Imatra *	5 %
Biogas virtual entry point	0 %
LNG entry point	0 %
<b>Commodity charge (energy charge)</b>	
Based on the quantity of gas transferred	0.00006 €/kWh
Commodity charge payable in Finland's exit zone.	

\*Set by the National Regulatory Authority (NRA)

### 3. Services other than transmission services and their pricing

#### **Underutilization fee (set by the National Regulatory Authority)**

Underutilization fee is applicable in the Balticconnector interconnection point and it is applied only during days, when Balticconnector is congested.

A Shipper may renominate downward in the Balticconnector free of charge a maximum of 50 000 kWh/h (tolerance) compared to the Shipper's highest Confirmed Nomination for the Gas Day. For amounts exceeding the tolerance limit, the Shipper shall pay an underutilization fee.

Pricing: 0,002 €/kWh

#### **Pricing for connections**

TSO has obligation to connect new infrastructure to its grid as long as connecting infrastructure fulfills technical requirements set by the TSO. Connecting infrastructure may consist of natural gas usage or storage facilities as well as LNG or biogas infrastructure. TSO is justified to collect all reasonable costs which have been generated because of the new connection.

Pricing Price of the connection is evaluated case by case

#### **Nomination imbalance charge**

A nomination imbalance charge may be applied in Finland's exit zone.

Pricing: €0 /kWh

#### **Capacity overrun charge**

A Capacity overrun charge is paid in Finland's exit zone and at the biogas virtual entry point.

Finland's exit zone: Should, based on the results of the final balance settlement, offtake from the shipper's system in Finland's exit zone exceed the shipper's total capacity for each gas day in the exit zone, the shipper must pay capacity overrun charge.

Biogas virtual entry point: Should, based on the results of the final balance settlement, injection into the shipper's system at the biogas virtual entry point exceed the shipper's total capacity for each gas day at the biogas virtual entry point, the shipper must pay capacity overrun charge.

Capacity overrun charge pricing:

One and a half (1,5) times the unit price based on intraday firm capacity will be charged for the quantity exceeding the reserved capacity.

## **Daily imbalance charge**

Buy and sell prices of balance gas

The transmission system operator with system responsibility's definition for neutral gas price

Neutral gas price is the weighted average price of intraday products on the Gas Exchange in €/kWh during the gas day.

Balance gas buy price of the transmission system operator with system responsibility

Step 1: Neutral gas price less 0.5% of the neutral gas price

Step 2: Neutral gas price less 3.0% of the neutral gas price

Marginal price of purchase: Lowest price of the following:

1) Trading price (weighted average) of the transmission system operator with system responsibility for intraday products on the gas day concerned if the imbalance forecast in the system has been in the yellow zone (TSO has participated in trading at gas exchange) during the gas day or

2) the applicable adapted price (step 1 or 2). Nevertheless, the price may not be lower than 65% of the neutral gas price.

The balance gas sell price of the transmission system operator with system responsibility

Step 1: Neutral gas price plus 0.5% of the neutral gas price

Step 2: Neutral gas price plus 3.0% of the neutral gas price

Marginal price of sale: Highest price of the following:

1) Trading price (weighted average) of the transmission system operator with system responsibility for intraday products on the gas day concerned if the imbalance forecast in the system has been in the yellow zone (TSO has participated in trading at gas exchange) during the gas day or

2) the applicable adapted price (step 1 or 2). Nevertheless, the price may not be higher than 135% of the neutral gas price.

Once the competent authority has announced that a crisis level in the supply is in force, the transmission system operator with system responsibility may, authorized by the competent authority, determine the pricing of balance gas in some other way.

Balance gas price cannot be higher than 150 €/MWh.

## **Compensation for non-conformity with gas quality and supply requirements**

Compensation terms and conditions have been mentioned in the shipper's framework agreement.

### **Charges in a prevailing emergency situation**

Compensation is agreed separately case by case between the transmission system operator with system responsibility and the shipper.

### **Capacity right transfer charge**

Pricing: 0 €/transfer notification

### **Centralized data exchange charge (=gas datahub)**

The charge is applied to cover the investment and development costs of the centralized data exchange and the transmission system operator with system responsibility does not profit from the charges. The distribution system operator is charged with regard to the consumption sites in distribution networks owned or operated by the distribution system operator for which information is maintained in the register of centralized data exchange system (= all daily or non-daily read metering sites in the distribution network except for individual non-daily read gas cooker sites).

Pricing: 1.25 €/metering site/month