

## Transmission tariffs and service prices of Gasgrid Finland in 2023

### 1. Transmission tariffs

In Finland, the *postage stamp* reference price methodology is applied. In the postage stamp methodology, the distance between entry and exit points or the technical transmission capacity do not affect the unit price of entry or exit capacity, but the tariff for entry or exit capacity is the same for all entry or exit points.

#### Firm capacity products

The price of yearly capacity product (= reference price)	
<b>Entry capacity</b>	
Balticconnector	– €/kWh/day/year
Biogas virtual entry point	0,14277 €/kWh/day/year (0,39115 €/MWh)
Hamina LNG entry point	0,14277 €/kWh/day/year
Imatra	0,14277 €/kWh/day/year
Inkoo LNG entry point	0,14277 €/kWh/day/year
<b>Exit capacity</b>	
Balticconnector	– €/kWh/day/year
Finnish exit zone	0,97875 €/kWh/day/year (2,68151 €/MWh)

The price of short-term entry capacity products	
Capacity product	Tariff multiplier
Year (= reference price)	1,00
Quarter	1,10
Month	1,25
Day	1,50
Within-day	1,70
Capacity overrun	1,5 x 1,7 = 2,55

The price of short-term exit capacity products	
Capacity product	Tariff multiplier
Year (= <i>reference price</i> )	1,00
Quarter	1,10
Month	1,25
Day	1,70
Within-day	2,00
Capacity overrun	1,5 x 2,0 = 3,00

The tariffs for short-term capacity products are calculated by multiplying the reference price (the price of an annual capacity product) by the tariff multiplier of short-term capacity products.

Example: The tariff of monthly capacity for the Finnish exit zone:

$$\text{Tariff} = (0,97875 \times 1,25) \text{ €/kWh/day/month} = \mathbf{1,22344 \text{ €/kWh/day/month}}$$

At the end of this document, an illustrative calculation example of the entry and exit capacity tariff unit conversion from a capacity unit (€/kWh/day/year) to an energy unit (€/MWh) is demonstrated.

## Commodity charge

Commodity charge (= <i>energy charge</i> ) is charged at Finnish exit zone.	
Based on the transported gas quantity	0,00028286 €/kWh (0,28286 €/MWh)

## Interruptible capacity

Interruptible capacity	
Discount of interruptible capacity as a percentage of the price of the corresponding firm capacity product.	
Entry capacity	Discount
Imatra	5 %

At Inkoo LNG entry point, Hamina LNG entry point and biogas virtual entry point, there is no discount for interruptible capacity, because Gasgrid Finland foresees to be able to receive LNG fulfilling the quality requirements without limitation meaning that only firm capacity will be offered. Only firm capacity is offered also at the Finnish exit zone.

At Balticconnector, capacity is allocated according to the confirmed nominations. Thus, only firm capacity is offered.

## Capacity overrun charge

### Capacity overrun charge

Capacity overrun charge pricing: One and a half (1,5) times the unit price based on within-day firm capacity will be charged for the quantity exceeding the booked capacity.

$$\text{Capacity overrun charge} = \text{reference price} \times 1,5 \times \text{multiplier of for withinday capacity}$$

Capacity overrun charge is paid at the exit zone, biogas virtual entry point and Inkoo LNG entry point.

**Finnish exit zone:** If, based on the results of the final balance settlement, exit quantities during the gas day to the domestic end consumption exceed the shipper's total exit zone capacity of the gas day, the shipper must pay capacity overrun charge for the gas quantity exceeding the allocated capacity.

**Biogas virtual entry point:** If, based on the results of the final balance settlement, gas entry quantities injected into the Finnish gas system during the gas day through biogas virtual entry point exceed the shipper's total biogas virtual entry point capacity of the concerned gas day, the shipper must pay capacity overrun charge for the gas quantity exceeding the allocated capacity.

**Inkoo LNG entry point:** If, based on the results of the final balance settlement, gas entry quantities injected into the Finnish gas system during the gas day through Inkoo LNG entry point exceed the shipper's total Inkoo LNG entry point capacity of the concerned gas day, the shipper must pay capacity overrun charge for the gas quantity exceeding the allocated capacity.

## Underutilization fee of Balticconnector

Underutilization fee is applicable at the Balticconnector entry and exit point. The principle concerning tolerance is not final since the terms and conditions of Balticconnector is not yet confirmed by Energy Authority.

**Tolerance:** 10 000 - 50 000 kWh/h (set in accordance with the Energy Authority's confirmation decision on the terms and conditions of Balticconnector capacity allocation)

**Pricing:** 0,002 €/kWh

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

The centralized data exchange charge is charged from the Distribution System Operators. The DSO is charged with regard to the consumption sites in distribution networks owned or operated by the DSO 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 small-scale individual non-daily read sites using gas only for cooking purposes).

**Pricing: 0,69 €/metering site/month**

### **3. Charges levied from Balance management**

The principles for determining the buy and sell prices of imbalance gas, including neutrality charges, are described in the Terms and Conditions of Balancing, which can be found on Gasgrid's website.

### **4. Other charges**

#### **Pricing for connections**

TSO has obligation to connect new infrastructure to its grid as long as connecting infrastructure fulfils 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 by Gasgrid Finland case by case.

#### **Nomination imbalance charge**

A nomination imbalance charge may be applied in Finnish exit zone.

**Pricing: 0 €/kWh**

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

Compensation terms and conditions have been mentioned in the Shipper and Trader Framework Agreement which can be found from [Gasgrid webpage](#).

#### **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**

## Transmission tariff calculation example

For illustrative purposes only, non-binding example calculations for use of the firm transmission capacity price list.

### Conversion of yearly capacity tariff from capacity unit into energy unit (example is based on the tariffs in 2021)

The shipper estimates that it requires transmission capacity at an average capacity of 100 MW (=total transmission requirement during a gas day is 100 MW x 24 h/gas day = 2 400 MWh/gas day) throughout the year. For this purpose, the shipper books the required entry capacity from Hamina LNG entry point and the exit capacity for Finnish exit zone.

The market participant may obtain the transmission capacity from Hamina LNG entry point 1 kWh/gas day for a year with the unit price of the entry capacity. If the annual booking lasts 365 days, the unit price 0,14277 € equates to a transmission quantity of 365 kWh (0,365 MWh). The total transmission quantity required by the shipper is 2 400 MWh/day x 365 days = 876 000 MWh. In which case the shipper requires 876 000 MWh/0,365 MWh/unit = 2 400 000 units of entry capacity. The unit price is 0,14277 €/unit, in other words the total cost is 0,14277 €/unit x 2 400 000 units = 342 648 €. The average cost of entry capacity is 342 648 €/876 000 MWh = 0,3912 €/MWh.

The market participant may obtain in Finnish exit zone to get the transmission capacity to the exit point 1 kWh/gas day for a year with the unit price of the exit capacity. If the annual booking lasts 365 days, the unit price 1,04859 € equates to a transmission quantity of 365 kWh (0,365 MWh). The total transmission quantity required by the shipper is 2 400 MWh/day x 365 days = 876 000 MWh. In which case the shipper requires 876 000 MWh/0,365 MWh/unit = 2 400 000 units of exit capacity. The unit price is 1,04859 €, in other words the total cost is 1,04859 €/unit x 2 400 000 units = 2 516 616 €. The average cost of exit capacity is 2 516 616 €/876 000 MWh = 2,8728 €/MWh.

The average cost of the capacity booking is therefore 0,3912 €/MWh + 2,8728 €/MWh = 3,264 €/MWh.