

# **The Swedish Natural Gas Act and Ordinances**



**Swedish National  
Energy Administration**

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Energy Administration***

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# ***PREFACE***

The present legal document is an unauthorized translation of the Swedish Natural Gas Act and three Ordinances entered into force on the 1 August 2000. The text has been translated into english by Tony Kay, Interverbum AB. The text is also available on the Internet at *www.stem.se*

# CHAPTER 1

## *Introductory Provisions*

### **Applications of the Act**

*Section 1.* This Act includes regulations for natural gas pipelines and natural gas storage facilities and, in certain cases, for trading in natural gas.

### **Definitions**

*Section 2.* The term natural gas pipeline denotes piping, metering and control stations, line valve stations, stations for clearing equipment and compressor stations.

*Section 3.* The term transmission of natural gas denotes transmission through both transmission pipelines and distribution pipelines to natural gas companies and to users of natural gas.

*Section 4.* The term natural gas company denotes anyone who transmits or sells natural gas and who stores natural gas on behalf of another party.

*Section 5.* The term entitled customer denotes

1. a user who carries out natural gas-fired power generation, and
2. other users who, according to purchasing agreements concluded, consume more than 25 million cubic metres of natural gas annually at a minimum of one consumption place.

*Section 6.* The term transport of natural gas denotes the transmission of natural gas to the connection point of a natural gas company or of an entitled customer, pursued by the proprietor of a natural gas pipeline on behalf of some other natural gas company.

*Section 7.* The term transport tariff denotes charges and other conditions for the transport of natural gas.

*Section 8.* The term connection of a natural gas pipeline also denotes re-connection of an existing natural gas pipeline, change in the agreed capacity at the connection point, and change in the time for transmission.

## CHAPTER 2

# Concession

### Concession in general

*Section 1.* A natural gas pipeline shall not be built or used without a permit (concession) from the Government. No preparatory measures for accommodating a natural gas pipeline, such as blasting, excavation, felling of trees, site preparation or similar measures, may be undertaken before the concession has been granted.

No concession is necessary for a natural gas pipeline which

1. is located after a metering and control station, or
2. will be used exclusively in port or industrial areas.

The Government may specify exemptions from the requirement for a concession in accordance with the first paragraph for certain types of gas pipelines or certain types of measures on natural gas pipelines.

*Section 2.* A natural gas storage facility must not be built or used without a permit (concession) from the Government.

No concession is necessary for a natural gas storage facility that will be connected to a natural gas pipeline for which no concession is needed.

*Section 3.* If the Government has granted a concession for a natural gas pipeline or a natural gas storage facility, a ban may not be imposed on the basis of the Environmental Code on building and using the natural gas pipeline or natural gas storage facility.

### Prerequisites for granting a concession

*Section 4.* The concession may be granted only if the plant is suitable from the general public viewpoint.

*Section 5.* The concession must not be in conflict with a detailed plan or with regional regulations. However, if the purpose of the plan or regulation is not counteracted, minor departures may be made.

*Section 6.* When matters concerning the granting of a concession are assessed, the provisions of Chapters 2–4, Section 3 of Chapter 5 and Section 5 of Chapter 16 of the Environmental Code shall be applied.

An environmental consequence description shall be included in an application for a concession. As regards the procedure, requirements on the environmental consequence description, and plans and planning documentation, the provisions of Chapter 6 of the Environmental Code shall apply. The provisions in the Code concerning the permission granting authority shall apply to the Government or the authority specified by the Government.

*Section 7.* A concession may be granted only to whoever is suitable from the general public viewpoint for pursuing operations to which the concession relates. Special consideration shall then be given to whether the applicant can be assumed to have the will and ability to pursue the operations to which the concession relates and to pursue the operations in accordance with the regulations and conditions that will apply to the operations.

## **Conditions for the concession**

*Section 8.* A concession for a natural gas pipeline shall specify the principal run of the pipeline.

A concession for a natural gas pipeline or a natural gas storage facility shall be linked to the conditions necessary for protecting the interests of the general public and individual rights. It shall also be linked to conditions for the design and utilization of the plant that are needed for safety reasons or that are needed for otherwise protecting human health and the environment against damage and inconvenience, and for promoting good long-term conservation of soil and water and other resources or that are needed from the general public viewpoint for other reasons.

A condition may be specified for the concession that the natural gas pipeline or natural gas storage facility shall be completed within a certain period of time. If there are special reasons, the specified time may be extended. The application for an extension shall be made before the specified time has expired.

*Section 9.* A concession may be made dependent for its validity on the holder of the concession providing security for the costs of removing the natural gas pipeline or natural gas storage facility and for taking other restoration measures. The Government, municipalities, county councils and municipal associations need not provide such security.

If it can be considered that the security provided is no longer sufficient, the Government or the authority specified by the Government may decide to demand additional security.

Chapter 2, Section 25 of the Debt Recovery Act shall apply to the nature of the security. The security shall be appraised by the Government or the authority

specified by the Government, and shall be kept by the county council of the county in which the operations are pursued.

### **Validity of the concession**

*Section 10.* A concession shall be granted for forty years. However, the time may be shorter if there are special reasons or if requested by the applicant.

### **Extension of the validity period**

*Section 11.* On request by the concession holder, the validity of the concession may be extended by forty years at a time. However, the time may be shorter if there are special reasons or if requested by the applicant.

The provisions of sections 4–8 shall apply in a matter concerning an extension to the validity period.

The application for an extension to the validity period should be made no later than two years before the expiry of the concession period. The concession shall remain in force until assessment of the application has been concluded.

### **Transfer of the concession**

*Section 12.* A concession is not transferable without the permission of the Government or the authority specified by the Government. The provisions of Section 7 shall apply in the assessment of an application for the transfer of the concession.

### **Withdrawal of the concession**

*Section 13.* A concession may be withdrawn, either entirely or in part

1. if a natural gas pipeline or a natural gas storage facility has not been used for three years in succession and is no longer needed for dependable energy supply, or
2. if the holder of the concession has failed, to a significant extent, to meet his obligations in accordance with this Act, in accordance with regulations issued on the basis of the Act, in accordance with the conditions in the concession or in accordance with the safety regulations applicable to the operation of the natural gas pipeline or natural gas storage facility.

Matters related to the withdrawal of a concession shall be examined by the Government.



## Restoration

*Section 14.* When a concession has expired, the latest holder of the concession shall be responsible for removing the natural gas pipeline or natural gas storage facility and taking other restoration measures that may be necessary from the general public or individual viewpoint.

In conjunction with the expiry of a concession, the Government or the authority specified by the Government shall determine the responsibilities of the concession holder in accordance with the first paragraph.

If the most recent holder of the concession fails to meet his obligations in accordance with the first paragraph, the authority specified by the Government shall instruct the concession holder, under threat of a fine, to meet his obligations, or decide that the work shall be carried out at the expense of the concession holder. A decision that the work shall be done at the expense of the earlier concession holder may be implemented.

*Section 15.* If a natural gas pipeline or a natural gas storage facility has been built without the necessary concession, the authority specified by the Government may instruct the proprietor of the pipeline or storage facility to remove the plant and to adopt other restoration measures if these are necessary from the general public or individual viewpoint.

If the proprietor of the natural gas pipeline or natural gas storage facility fails to meet his obligations in accordance with the first paragraph, the authority specified by the Government may instruct him, under threat of a fine, to fulfil his obligations, or may decide that the work shall be done at the expense of the concession holder. A decision that the work is to be done at the expense of the proprietor may be implemented.

*Section 16.* If the land of some other party needs to be used for restoration, the authority specified by the Government may decide that access to the land shall be allowed for a certain period of time.

Restoration shall be carried out in a manner that will cause the least damage and intrusion. Buildings may be constructed or roads may be built only if the owner of the land and the one who has right of use or easement for the land agrees to it, or if the authority specified by the Government has given permission for the work to be done. Permission may be granted only if the work is indispensable to the execution of the restoration work.

If restoration leads to damage or intrusion, compensation for this shall be payable. Claims for compensation shall be made at the lands tribunal in whose district the land or most of the land is located.

## **Natural gas pipeline within the area of a traffic route**

*Section 17.* The proprietor of a natural gas pipeline which has been built in the area of an existing public road, private road that is open to traffic, railway line, underground railway line or tramway, or canal or other such waterway (traffic route) is responsible for adopting measures, at his own expense, on the natural gas pipeline to enable any changes that may be necessary to the traffic route to be carried out.

However, if the work on a natural gas pipeline is carried out where the pipeline crosses a traffic route, the operator of the traffic route shall reimburse the proprietor of the pipeline for the cost of carrying out the work.

*Section 18.* If a natural gas pipeline that has been built within the area of an existing traffic route gives rise to increased costs for the maintenance of the traffic route, the proprietor of the pipeline shall meet these additional costs.

*Section 19.* If the work on a natural gas pipeline which has been built within the area of a traffic route other than a public road may affect traffic safety or if the work causes a major intrusion in the traffic route, the work shall be carried out in accordance with the instructions of the operator of the traffic route or on his behalf. The proprietor of the pipeline shall meet the cost of the work.

If a natural gas pipeline has sustained damage and if the delay in the repair work would cause appreciable inconvenience, the proprietor of the pipeline may begin repair work even if he has had no time to notify the traffic route operator of the damage. However, the pipeline proprietor shall notify the traffic route operator without delay that the work has been started.

Work on the natural gas pipeline within the area of a public road is subject to the provisions of Section 44 of the Highways Act (1971:948).

## CHAPTER 3

# ***Obligations of the Natural Gas Pipeline Proprietor***

### **Connection of the natural gas pipeline**

*Section 1.* The proprietor of a natural gas pipeline is obliged to connect to his natural gas pipeline, on reasonable terms, another natural gas pipeline that is owned by a natural gas company or an entitled customer.

This obligation shall not apply if the pipeline does not have the capacity necessary for the requested connection or if there are other special grounds.

The obligation does not apply to the proprietor of a natural gas pipeline that is used exclusively in a port or industrial area.

### **Transport of natural gas**

*Section 2.* The proprietor of a natural gas pipeline is obliged to transport natural gas on reasonable terms.

The obligation does not apply to the proprietor of a natural gas pipeline that is used exclusively in a port or industrial area.

*Section 3.* The proprietor of a natural gas pipeline who has accepted purchasing undertakings in an agreement for the purchase of natural gas may apply to the Government for being granted temporary exemption from the obligation in accordance with the first paragraph of Section 2. Such an exemption may be granted only if the proprietor of the pipeline would otherwise face or could be assumed to face serious economic and financial difficulties as a result of meeting his obligations in accordance with the first paragraph of Section 2.

An exemption shall relate to the transport of a certain quantity of natural gas during a certain specified period of time from a certain specified supplier to one or more specified users.

The applications shall be made without delay if the pipeline proprietor has already refused to undertake a certain transport.

If a temporary exemption is allowed, the decision shall specify that the exemption may be altered or withdrawn.

The Government shall notify the Commission of the European Communities without delay of any exemptions that have been granted.

## **Metering of natural gas transported**

*Section 4.* The proprietor of a natural gas pipeline is responsible for carrying out metering of the natural gas transported and for reporting the results of these measurements in accordance with the detailed regulations issued by the Government or the authority specified by the Government.

The recipient of the natural gas shall be debited by the pipeline proprietor with the cost of metering and reporting on the natural gas transported.

## **Connection charges**

*Section 5.* The charges and other conditions for connecting a natural gas company or an entitled customer to a natural gas pipeline shall be reasonable and shall be drawn up on objective grounds. When assessing the reasonableness of a charge, consideration shall be given to the entitlement of the pipeline proprietor to a reasonable yield from his operations.

On receipt of a request for a new connection, the proprietor of a natural gas pipeline shall submit written information within a reasonable period of time of the charge and other conditions for the connection.

## **Transport tariffs**

*Section 6.* The transport tariffs shall be reasonable and shall be drawn up on objective grounds. When assessing the reasonableness of a tariff, consideration shall be given to the entitlement of the pipeline proprietor to a reasonable yield from his operations.

Transport tariffs shall be designed so that the charges paid by a natural gas company or an entitled customer for the transport to his connection point include charges for transport in all pipelines through which the gas is transported.

*Section 7.* The proprietor of a natural gas pipeline shall publish his transport tariff and, on request, shall submit without delay written information on the tariff.

The Government or the authority specified by the Government may issue more detailed regulations on the publication of the transport tariff.

## CHAPTER 4

# ***Accounting and Auditing***

### **Accounting of the transmission and storage of natural gas**

*Section 1.* Economic accounts related to the transmission of natural gas and the storage of natural gas on behalf of another party shall be kept individually and separately from those of other operations.

The accounting of transmission operations that are covered by the same transport tariff shall be kept jointly.

The Government or the authority specified by the Government may issue additional regulations concerning the accounting of operations related to the transmission of natural gas and the storage of natural gas on behalf of another party, and on the obligation to submit accounting documents to the authority specified by the Government.

### **Auditing**

*Section 2.* The auditor in a natural gas company that pursues the transmission of natural gas or the storage of natural gas on behalf of another party shall undertake a separate examination of the accounts for these operations.

The auditor shall issue a statement annually in a special certificate confirming that the accounting of the operations has been done in accordance with the relevant regulations. The company shall submit the certificate to the authority specified by the Government.

The Government may issue more detailed regulations concerning auditing.

## CHAPTER 5

# ***Municipal Natural Gas Companies***

*Section 1.* A municipal company such as that referred to in Chapter 3, Sections 16–18 of the Municipal Act (1991:900) and notwithstanding the provisions of Chapter 2, Section 1 of the Municipal Act concerning the link to the municipal region or its members, may pursue outside the region of the municipality

1. trade in natural gas and associated operations, or
2. transmission of natural gas in the geographical vicinity of the company's transmission operations within the municipality, with the aim of achieving appropriate transmission operations.

*Section 2.* If a municipal company such as that referred to in Chapter 3, Sections 16–18 of the Municipal Act (1991:900) pursues trade in natural gas and associated operations, the operations shall be run on businesslike grounds and separate accounts shall be kept. If the company also pursues operations such as those referred to in Section 2 of Chapter 7 of the Electricity Act (1997:857), the company may keep joint accounts for both operations.

# CHAPTER 6

## ***Supervision etc.***

### **Supervision**

*Section 1.* Supervision of conformance to this Act and to the regulations or conditions issued on the basis of the Act shall be performed by the authority specified by the Government.

*Section 2.* The supervisory authority shall have the right to request information and gain access to the documents needed for the supervision. Failure to conform to the request may be made punishable by a fine.

*Section 3.* The supervisory authority may issue the directives necessary to ensure conformance to the regulations and conditions covered by the supervision. Failure to conform to the directive may be made punishable by fines.

### **Charges**

*Section 4.* The Government or the authority specified by the Government may issue regulations concerning charges for financing the duties of an authority in accordance with this Act and in accordance with regulations issued on the basis of the Act.

### **Delay charge**

*Section 5.* If a natural gas company that pursues the transmission of natural gas or the storage of natural gas on behalf of another party fails to submit the documents necessary in accordance with the regulations issued on the basis of Chapter 4, Section 1, third paragraph, the company shall pay a delay charge to the state in accordance with Section 6. This also applies if such a natural gas company fails to submit an audit certificate in accordance with the regulations issued on the basis of Chapter 4, Section 2, third paragraph.

The delay charge shall be decided by the authority specified by the Government.

*Section 6.* A natural gas company that pursues the transmission of natural gas or the storage of natural gas on behalf of another party shall pay a delay charge if the documents specified in Section 5 have failed to arrive at the authority specified by the Government within seven months after the end of the financial

year. However, if the company has decided on a continuation of the general meeting of the shareholders in accordance with Chapter 9, Section 9 of the Companies Act (1975:1385) or on a continuation of the general meeting in accordance with Chapter 7, Section 4, third paragraph in the Act (1987:667) on Co-operative Economic Associations, the company shall pay a delay charge only if the documents had failed to arrive within nine months after the end of the financial year. The charge shall amount to SEK 10 000.

If the documents specified in Section 5 have failed to arrive within two months from notification being dispatched to the company on a decision to impose a delay charge in accordance with the first paragraph, the company shall pay a new delay charge. This new charge shall amount to SEK 10 000.

If the documents specified in Section 5 have failed to arrive within two months from notification being dispatched to the company on a decision to impose a delay charge in accordance with the second paragraph, the company shall pay a new delay charge. This new charge shall amount to SEK 20 000.

*Section 7.* No delay charge notification may be issued if a decision has been registered that the company has become bankrupt or has gone into liquidation.

*Section 8.* If the company has submitted the documents specified in Section 5 within the specified time, but the documents have some shortcoming that could easily be corrected, the authority may issue notification of a delay charge only if the company has been notified of the shortcoming and has been given an opportunity to correct it but has failed to do so within the time specified in the notification. Such a notification may be sent by mail to the postal address that the company has most recently given to the authority.

*Section 9.* A delay charge shall be waived if the failure to submit a document appears to be excusable in view of circumstances over which the company has no control. The charge shall also be waived if it appears obviously unreasonable to impose it.

The waiver rules shall also be applied if no request to the effect has been made, if this is prompted by matters that have emerged on the subject.

*Section 10.* If the delay charge is not been paid after a payment reminder, the charge shall be handed over for collection. The Government may specify that collection need not be required for modest sums.

Provisions for collection are included in the Act (1993:891) on Collection of State Dues, etc. On collection, implementation in accordance with the Enforcement Execution Code may take place.



*Section 11.* A decision on a delay charge may be implemented also if it has not gained legal force.

If a company has the right to reclaim the delay charge paid following a decision by a court of law, interest shall be payable on the refunded delay charge from the month after that in which the delay charge was paid up to the month in which the refund was made. The interest rate shall be determined on the basis of Chapter 19, Section 14 of the Tax Payment Act (1997:483).

# CHAPTER 7

## ***Other Provisions***

### **Liability provisions**

*Section 1.* A penalty of fine or imprisonment of up to one year will be incurred by anyone who deliberately or negligently

1. contravenes the provisions of Chapter 2, Section 1 or 2, or
2. contravenes the conditions issued on the basis of Chapter 2, Section 8, second paragraph.

No penalties shall be imposed in minor cases.

*Section 2.* No prosecution in accordance with this Act shall be made if the offence is punishable in accordance with the criminal code.

*Section 3.* Anyone who has disregarded a fine order shall not be prosecuted in accordance with this Act for an offence covered by the directive.

### **Appeals**

*Section 4.* An appeal against an authority in accordance with Chapter 2, Sections 14 and 15, and Chapter 6, Sections 3, 6 and 9 may be lodged with the General Administrative Court. Leave to appeal is necessary for lodging an appeal with the Administrative Court of Appeal.

The Government may issue regulations concerning appeals against other decisions in accordance with this Act or in accordance with the regulations issued on the basis of the Act.

Coming into force and transitional regulations 2000:599

1. This Act comes into force on 1 August 2000.
2. This Act shall also be applicable to concessions that have been granted in accordance with the Act (1978:160) on Certain Pipelines and that relate to pipelines for the transport of natural gas or products from natural gas, with the following exceptions.
  - a) Section 1, second paragraph in the Act on Certain Pipelines shall still be applied to pipelines, construction of which has been started before the Act came into force.

- b) An exemption that has been allowed on the basis of Section 1, third paragraph of the Act on Certain Pipelines shall still apply.
  - c) The provision on the validity period in a concession that was granted in accordance with the Act on Certain Pipelines shall still apply.
  - d) A condition for a concession that has been granted in accordance with Section 6, second paragraph of the Act on Certain Pipelines shall still apply.
  - e) Section 14 of the Act on Certain Pipelines shall be applied to notifications made before the Act came into force.
3. The provisions of Chapter 4, Sections 1 and 2 shall be applied for the first time to the first financial year that begins after 31 July 2000.

# ***Ordinance (2000:671) on accounting and auditing of the transmission of natural gas and the storage of natural gas on behalf of another party***

## **Introductory provisions**

*Section 1.* According to Chapter 4, Section 5 of the Natural Gas Act (2000:599), economic accounts related to the transmission of natural gas (transmission operations) and the storage of natural gas on behalf of another party (storage operations) shall be kept individually and separately from those of other operations. According to Chapter 4, Section 2 of the Natural Gas Act, the accounts shall be examined separately by an auditor. This ordinance includes more detailed regulations on such accounting and auditing.

Auditing of transmission and storage operations

## **Annual report**

*Section 2.* Anyone who pursues transmission or storage operations shall prepare an annual report for each financial year specifically for these operations. This shall consist of a balance sheet, income statement, notes and directors' report. The annual report shall also include a financing analysis, if this is required in accordance with Section 3. The annual report shall also include the balance sheet and income statement from the immediately preceding financial year, and these shall be compiled so that they are comparable with the corresponding accounts for the year of the report. The annual report shall otherwise be drawn up in accordance with good accounting practice as applied to limited liability companies.

A special report shall be appended to the directors' report. This special report shall contain the information necessary for assessing the reasonableness of the transport tariff and of the terms for the storage of natural gas on behalf of another party, and also for enabling different transmission and storage operations to be compared.

*Section 3.* The annual report shall be prepared separately for all individual transmission operations covered by the same transport tariff and for all individual storage operations.

*Section 4.* The annual report shall include a financing analysis if

1. the net value of the assets in the transmission or storage operations in accordance with the balance sheets for the two latest financial years exceeds a limit sum corresponding to 1000 times the basic price amount in accordance with the Act (1962:381) on General Insurance that applied during the last month of each financial year,
2. the number of employees in the transmission or storage operations during the latest two financial years exceeded an average of 200, or
3. the transmission or storage operations are pursued in a limited liability company, and the shares or promissory notes are quoted on the stock exchange or an authorized marketplace.

The financing analysis shall include particulars of the investments and the financing that have taken place in the transmission and storage operations during the financial year.

*Section 5.* Information shall be included in the annual report on group contributions to or from the company that pursues transmission or storage operations, and particulars of any owner contribution related to these operations.

*Section 6.* Information shall be included in the notes on the annual report on the following particulars related to the companies mentioned in Chapter 1, Section 5 of the Annual Report Act (1999:1554) (associated companies).

1. Purchase and sale related to associated companies.
2. Income from other securities and receivables related to associated companies that represent fixed assets.
3. Other interest income and similar income originating from associated companies.
4. Interest costs and similar costs related to associated companies.
5. Shares in associated companies related to current investments.
6. Securities pledged and guarantees entered into for the benefit of associated companies.

## **Opening balance sheet**

*Section 7.* Companies that pursue transmission or storage operations and that are obliged to prepare annual reports in accordance with this ordinance shall prepare a separate opening balance sheet for the first financial year to which this obligation applies.

The opening balance sheet shall contain particulars of how the assets, liabilities and equity included in the transmission and storage operations have been calculated.

The opening balance sheet shall be prepared in accordance with good accounting practice as applied by limited liability companies. The National Energy Administration may issue more detailed regulations concerning the preparation of the opening balance sheet.

The opening balance sheet shall be examined by an auditor in accordance with Section 15, third paragraph, and shall be submitted to the National Energy Administration together with an audit certificate no later than seven months after the beginning of the first financial year.

## **Make-up of the annual report**

*Section 8.* All income and costs that are directly related to the transmission or storage operations shall be reported in the income statement. If such operations are pursued together with other operations, the joint income and costs shall be reported after distribution, in accordance with adequate and documented distribution grounds, in a manner that provides a correct picture of the transmission or storage operations.

*Section 9.* All assets, appropriations and liabilities that are directly related to the transmission or storage operations and the equity shall be reported in the balance sheet. If such operations are pursued together with other operations, the assets, appropriations and liabilities and the equity that are common shall be distributed in accordance with adequate and documented distribution grounds between the various operations in a manner that provides a correct picture of the transmission and storage operations.

*Section 10.* If good accounting practice as applied by limited liability companies involves other valuation principles in the annual report than those applicable in the official annual report, information shall be submitted on the adjustments that have been made to the values, and the reason for the adjustment.

*Section 11.* Information shall be given in the directors' report on any circumstances that are important for the assessment of the situation and results in the transmission or storage operations, but that have not been reported in the income statement or balance sheet, on events that have occurred during the financial year or subsequently, if they are of major importance to the operations.

## **Fixed assets register**

*Section 12.* A fixed assets register for the transmission and storage operations shall be prepared and kept up to date. The register shall be prepared in accordance with good accounting practice as applied by limited liability companies and for every asset which is continually used or kept, entirely or partially, in the transmission or storage operations, and shall contain particulars of the procurement date, procurement value, depreciation plan and depreciation according to plan for the year and accumulated depreciation.

## **Special examination of the transmission and storage operations**

*Section 13.* An auditor who examines the accounting for the transmission and storage operations in accordance with Chapter 4, Section 2 in the Natural Gas Act (2000:599) shall be authorized or approved. If the operations are pursued together with other operations and the joint operations in accordance with the regulations applicable to the legal form of business entity must be examined by at least an authorized auditor, the auditor who examines the transmission and storage operations shall be authorized.

The National Energy Administration may grant exemption, in individual cases, from the provisions of the first paragraph if the company is not obliged, in accordance with other legislation, to have an authorized or approved auditor.

*Section 14.* The annual report documents for the transmission or storage operations shall be handed over to the auditor for the examination specified in Section 15 no later than five months after the end of the financial year.

*Section 15.* The certificate specified in Chapter 4, Section 2, second paragraph of the Natural Gas Act (2000:599) shall be submitted to the National Energy Administration. In this certificate, the auditor shall state whether the annual report has been prepared in accordance with the relevant regulations and in conformance with good accounting practice as applied by limited liability companies. After the auditor has completed his examination, he shall refer, with his signature, to the special certificate in the annual report.

The examination by the auditor shall not cover the special report that is to be appended to the directors' report in accordance with Section 2, second paragraph.

When the opening balance sheet is prepared, the auditor shall state specifically in the certificate whether the calculation of the opening values has been done in accordance with good auditing practice as applied by limited liability companies.

## **Submission of annual report documents, etc.**

*Section 16.* A certified copy of the annual report and the auditor's certificate shall have been received by the National Energy Administration no later than seven months after the end of the financial year.

The annual report shall be signed by all authorized deputies of the company that pursues transmission or storage operations, with particulars of the date of signature.

*Section 17.* The National Energy Administration will decide on liability to a delay charge in accordance with Chapter 6, Section 5 of the Natural Gas Act (2000:599).

## **Authorization**

*Section 18.* The National Energy Administration may issue more detailed regulations concerning

1. how the fixed assets are to be specified,
2. additional notes concerning distribution principles, principles for internal pricing and methods for demarcation between maintenance and investment,
3. drawing up of key ratios for yield and financial yardsticks, and
4. the particulars that are to be included in the special report that is to be appended to the directors' report, such as economic particulars, particulars of reliability of supply, pipeline length, personnel resources and the information otherwise needed for assessing the reasonableness of the transport tariffs and of the terms for the storage of natural gas on behalf of another party, and for enabling different transmission and storage operations to be assessed.

## **Appeals**

*Section 19.* Decisions of the National Energy Administration in accordance with this ordinance are not open to appeals.

## **Transitional regulations 2000:671**

This ordinance came into force on 1 August 2000 and shall be applied for the first time to the financial year that begins on 1 January 2001 or the next thereafter.



# ***Ordinance (2000:672) on Natural Gas Charge***

*Section 1.* This ordinance includes regulations on a natural gas charge for financing the part of the operations of the National Energy Administration that is pursued in accordance with the Natural Gas Act (2000:599).

*Section 2.* The natural gas charge shall be payable to the National Energy Administration by proprietors of natural gas pipelines.

*Section 3.* The natural gas charge for the proprietors of transmission pipelines shall be calculated on the total quantity of natural gas that the proprietors transmit to the distribution pipelines. The quantity of natural gas transmitted shall then be measured at the connection point between the transmission pipeline and the distribution pipeline.

*Section 4.* The natural gas charge for the proprietor of a distribution pipeline shall be calculated on the quantity of natural gas that the proprietor receives into his pipeline from another natural gas pipeline. The quantity of natural gas transmitted shall then be measured at the connection point between the other pipeline and the distribution pipeline.

*Section 5.* The charge per calendar year payable by the proprietor of a transmission pipeline amounts to 0.15 öre per cubic metre at s.t.p. of natural gas transmitted to a connection point. If two proprietors transmit natural gas to the same connection point, the charge amounts to 0.075 öre.

The charge payable by the proprietor of a distribution pipeline per calendar year amounts to 0.15 öre per cubic metre at s.t.p. of natural gas transmitted.

*Section 6.* The proprietor of a natural gas pipeline shall report to the National Energy Administration, no later than one month after the end of every quarter, on the quantity of natural gas transmitted at the connection point in accordance with the detailed regulations issued by the National Energy Administration.

*Section 7.* The proprietor of a natural gas pipeline shall pay, after being debited, the natural gas charge quarterly no later than two months after the end of every quarter.

*Section 8.* Section 22a of the Administration Act (1986:223) includes provisions for appeals to the General Administrative Court.

## **Transitional regulations**

1. This Ordinance comes into force on 1 August 2000.

The charge in accordance with Section 5 for the year 2000 shall amount to 0.025 and 0.05 öre respectively.

# **Natural Gas Ordinance (2000:673)**

## **Exceptions from the demand for a concession**

*Section 1.* A concession in accordance with Chapter 2, Section 1 in the Natural Gas Act (2000:599) is not required for the rebuilding of a metering and control station, line vent station, station for clearing equipment or compressor station, regardless of whether or not the rebuilding work leads to increased capacity of the station.

## **Matters concerning a concession**

*Section 2.* An application for a concession in accordance with Chapter 2, Section 1, first paragraph in the Natural Gas Act (2000:599) shall be made in writing and shall be submitted to the National Energy Administration. It shall contain the following particulars.

1. The transmission requirements the pipeline is intended to meet.
2. The needs that the metering and control station or the compressor station is intended to meet.
3. The alternative runs of the pipelines and the alternative locations of the stations that the applicant has examined, and the results of the consultations that preceded the application.
4. How the rules concerning consideration to the general public in Chapter 2 of the Environmental Code are observed.

According to Chapter 2, Sections 6, second paragraph of the Natural Gas Act, the application shall contain an environmental consequence description.

*Section 3.* The following shall be appended to the application in accordance with Section 2.

1. A technical description of the planned pipeline or station and a cost calculation. The description shall include a drawing showing the design of the pipeline or station and its connection to other natural gas pipelines.
2. A map of the proposed run of the pipeline or proposed location of the station, and a description of the land that needs to be allocated to the pipeline or station.
3. Certified lists of the owners and proprietors of properties on which the pipeline is to be run or on which the station is to be located, or of properties that are otherwise needed for the plant.

4. Information on the agreements concluded concerning land tenure concession for the pipeline or station, or any obstacles there may be to such agreements.
5. Description of the applicant's organization.

*Section 4.* An application for a concession in accordance with Chapter 2, Section 2, first paragraph in the Natural Gas Act (2000:599) shall be made in writing and shall be submitted to the National Energy Administration. It shall contain the following particulars.

1. The need which the natural gas storage facilities is intended to meet.
2. The alternative locations of the natural gas storage facility that the applicant has investigated and the result of the consultations that have preceded the application.
3. How the rules concerning consideration to the general public in Chapter 2 of the Environmental Code are observed.

According to Chapter 2, Sections 6, second paragraph of the Natural Gas Act, the application shall contain an environmental consequence description.

*Section 5.* In individual cases, the National Energy Administration may grant exemptions from the provisions of Sections 2–4 or may require the additional information needed for deciding in the matter.

*Section 6.* The National Energy Administration shall publish an announcement in the local newspaper concerning an application in accordance with Section 2 or Section 4. In addition, the Energy Administration shall send notifications concerning the application to the parties concerned who are specified in the application.

The announcement and the notification in accordance with the first paragraph shall state that views on the application can be submitted in writing to the Energy Administration within a specified period of time, which shall be at least four weeks from the date of publication of the announcement in the local newspaper.

*Section 7.* In a matter concerning a concession, comments shall be obtained from

1. The National Inspectorate of Explosives and Flammables,
2. The Armed Forces,
3. The County Council of the county or counties affected by the application,
4. The municipalities affected by the application,
5. The property owners who are affected by the application,
6. Other parties affected by the application.

*Section 8.* After the National Energy Administration has processed the matter in accordance with Section 2 or Section 4, the Energy Authority shall hand over the matter, together with its own statement, to the government for consideration. In its statement, the Energy Administration shall state whether the environmental consequence description conforms to the provisions of Chapter 6 of the Environmental Code.

#### Construction of natural gas pipelines and natural gas storage facilities

*Section 9.* Before construction of a natural gas pipeline or a natural gas storage facility is started, the concession holder shall notify the National Energy Administration and the municipal board or boards involved in planning and building services that construction is to start. The notification shall be accompanied by a map and a technical description of the natural gas pipeline or natural gas storage facility.

*Section 10.* A concession holder must not begin to use a natural gas pipeline or a natural gas storage facility before the National Energy Administration has issued a permit (operating permit).

### **Certain matters in Chapter 2 of the Natural Gas Act**

*Section 11.* An application for an extension to the validity period of a concession in accordance with Chapter 2, Section 11, first paragraph of the Natural Gas Act (2000:599) shall be made in writing and shall be submitted to the National Energy Administration.

In such matters, Sections 2–8 shall apply.

*Section 12.* The National Energy Administration shall consider applications in accordance with Chapter 2, Section 12 of the Natural Gas Act (2000:599) for permission to transfer the concession.

*Section 13.* The National Energy Administration shall process matters in accordance with Chapter 2, Section 13 of the Natural Gas Act (2000:599) concerning withdrawal of the concession, and shall then hand over the matter to the Government for consideration, together with its own statement.

*Section 14.* The National Energy Administration shall decide in matters in accordance with Chapter 2, Section 14, second and third paragraphs, Chapter 2, Section 15, first and second paragraphs and Chapter 2, Section 16, first and second paragraph of the Natural Gas Act (2000:599).

## **Publication of transport tariff**

*Section 15.* The National Energy Administration shall issue more detailed regulations concerning the publication of transport tariffs in accordance with Chapter 3, Section 7, first paragraph of the Natural Gas Act (2000:599).

## **Metering and reporting of natural gas transported**

*Section 16.* The proprietor of a natural gas pipeline is responsible for metering the natural gas transported and reporting the results of these measurements in accordance with the detailed regulations issued by the National Energy Administration.

*Section 17.* The National Energy Administration is the supervisory authority in accordance with Section 4 of the Act (1992:1514) on measuring units, measurements and metering devices as regards the metering of the quantity of natural gas transmitted and its distribution over time.

The National Energy Administration may issue regulations concerning requirements on measurements and metering methods, and concerning requirements on and inspection of metering devices related to the quantity of natural gas transmitted and its distribution over time.

## **Supervision**

*Section 18.* The National Energy Administration shall exercise supervision in accordance with Chapter 6, Section 1 of the Natural Gas Act (2000:599).

*Section 19.* The National Energy Administration shall decide on delay charges in accordance with Chapter 6, Sections 6 and 9 of the Natural Gas Act (2000:599).

## **Appeals**

*Section 20.* Section 22a of the Administration Act (1986:223) includes provisions for appeals to the General Administrative Court. Appeals against decisions by the National Energy Administration in accordance with Section 12 of this ordinance may be lodged with the Government.

No appeals are allowed against other decisions by the Energy Authority in accordance with this ordinance.











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