21.05.2015

Viron kaasuverkko ja Balticconnector Viron näkökulmasta

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    - Market developement
    - History of the transmissioon Network
    - Estonian Natural Gas Transmission Network facts
    - Gas consumtion in Estonia
    - Frequently Asked Questions
2. Balticconnector

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1. Estonian Natural Gas Transmission Network, Elering Gaas AS

- On November 1, 1990 the first Estonian state-owned enterprise was born – Eesti Gaas, a vertically integrated company.
- By 2002 the company was no longer owned by the state, the stockholders were: OAO Gazprom 37 %, Ruhrgas AG 32%, Fortum OY 18%, Itera Latvija 9 % and private persons 4%.
- During the year 2005, AS Eesti Gaas was reorganised into a consolidated group comprising subsidiaries AS EG Ehitus and AS EG Võrguteenus which started its activities on January 1, 2006.
- From January 4, 2015 Elering AS purchased 51,38% of AS EG Võrguteenus.
- Starting from April 10, 2015 the name of the company was changed from AS EG Võrguteenus to Elering Gaas AS.
- Elering AS intends to purchase all shares from ohter stocholders to combine Elering Gaas AS and Elering AS to one company.

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1. Estonian Natural Gas Transmission Network, Elering Gaas AS

- Electricity Transmission System Operator Elering manages the Estonian electricity system in real time. Elering is responsible for the system's operation and ensures the supply of high-quality electricity to consumers at all times. Elering creates the conditions needed for the electricity market to function and build cross-border electricity interconnections so that electricity can move freely between neighbouring systems and markets. Homepage: http://elering.ee/en/

- Elering Gaas the Gas Transmission System Operator is responsible for the system's operation and ensures the supply of high-quality electricity to consumers at all times. Elering creates the conditions needed for the electricity market to function and build cross-border electricity interconnections so that electricity can move freely between neighbouring systems and markets. Homepage: http://www.egvorguteenus.ee/

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1. Estonian Natural Gas Transmission Network, Market Developement

Domestic Market

- Gas market liberization Action plan 2015
- Balance Management
- Gas data hub
- Biomethane connection rules

Regional Market

- Cross-Border trade management
- Regional Gas Market Coordination Group

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1. Estonian Natural Gas Transmission Network

- The first gas-producing plant in Tallinn was completed in the year 1865, producing artificial gas from English black coal.
- On August 9, 1948 the first gas transportation company in the territory of Estonia was established, bearing a long and cumbersome name of “Kohtla-Järve – Leningrad Gas Pipeline Operation Department”
- In the same year, Kohtla-Järve Shale Processing Plant was completed and started producing shale gas for Leningrad. In the year 1949, the construction of Kohtla-Järve – Leningrad gas transmission pipeline was completed and it started supplying gas to Leningrad.

More about history: http://www.gaas.ee/en/group/history/

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1. Estonian Natural Gas Transmission Network

- In 1957, Leningrad lost interest in the artificial gas from Kohtla-Järve, as it had begun using natural gas from Stavropol.
- In 1969, the Leningrad – Kohtla-Järve transmission pipeline started supplying natural gas to Estonia
- In the year 1976 the gas pipeline of Tartu-Irboska was completed; it was followed by the Tartu-Rakvere gas pipeline in 1978.
- March 29 1988, the construction works of the Vireši-Tallinn gas pipeline started.

More about history: http://www.gaas.ee/en/group/history/

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1. Estonian Natural Gas Transmission Network

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1. Estonian Natural Gas Transmission Network

No	Name	Dimention DN	Lenght (km)	MOP (bar)	Construction year	Years in use
1	Jõhvi - Narva D38	350/400	45,1	38	1955	60
2	Tallinn - Jõhvi D38 I liin	200	97,5	38	1953	62
3	Tallinn - Jõhvi D38 II liin	500	149,1	38	1963/1968	52
4	Irboska - Tartu D55	500	85,7	55	1975	40
5	Tartu-Rakvere D55	500	133,2	55	1979	36
6	Vireši - Tallinn D55	700	202,4	55	1991	24
7	Vändra-Pärnu D55	250	50,2	55	2006	9
8	Pihkva - Riia I D56	700	21,3	55	1972	43
9	Pihkva - Riia II D57	700	21,3	55	1984	31
					Average age	39,7

MAIN PIPELINES	805,8
BRANCH PIPELINES	79,2
TRANSMISSION PIPELINES	885
VALVE STATIONS	70
CATHODIC PROTECTION STATIONS	70
GAS MEASURING STATIONS	2 (3)
GAS PRESSURE REDUCTION STATIONS	36

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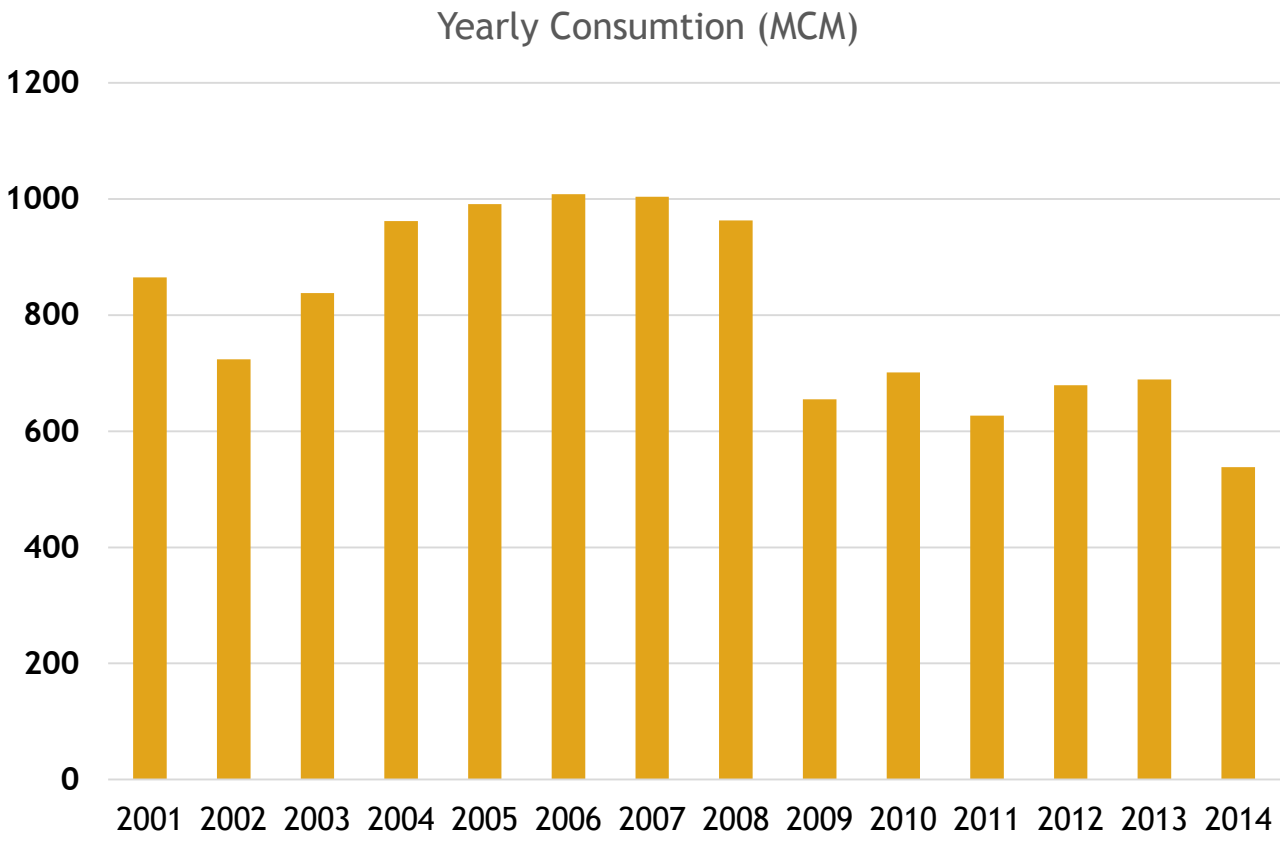
1. Estonian Natural Gas Transmission Network, Gas Consumption



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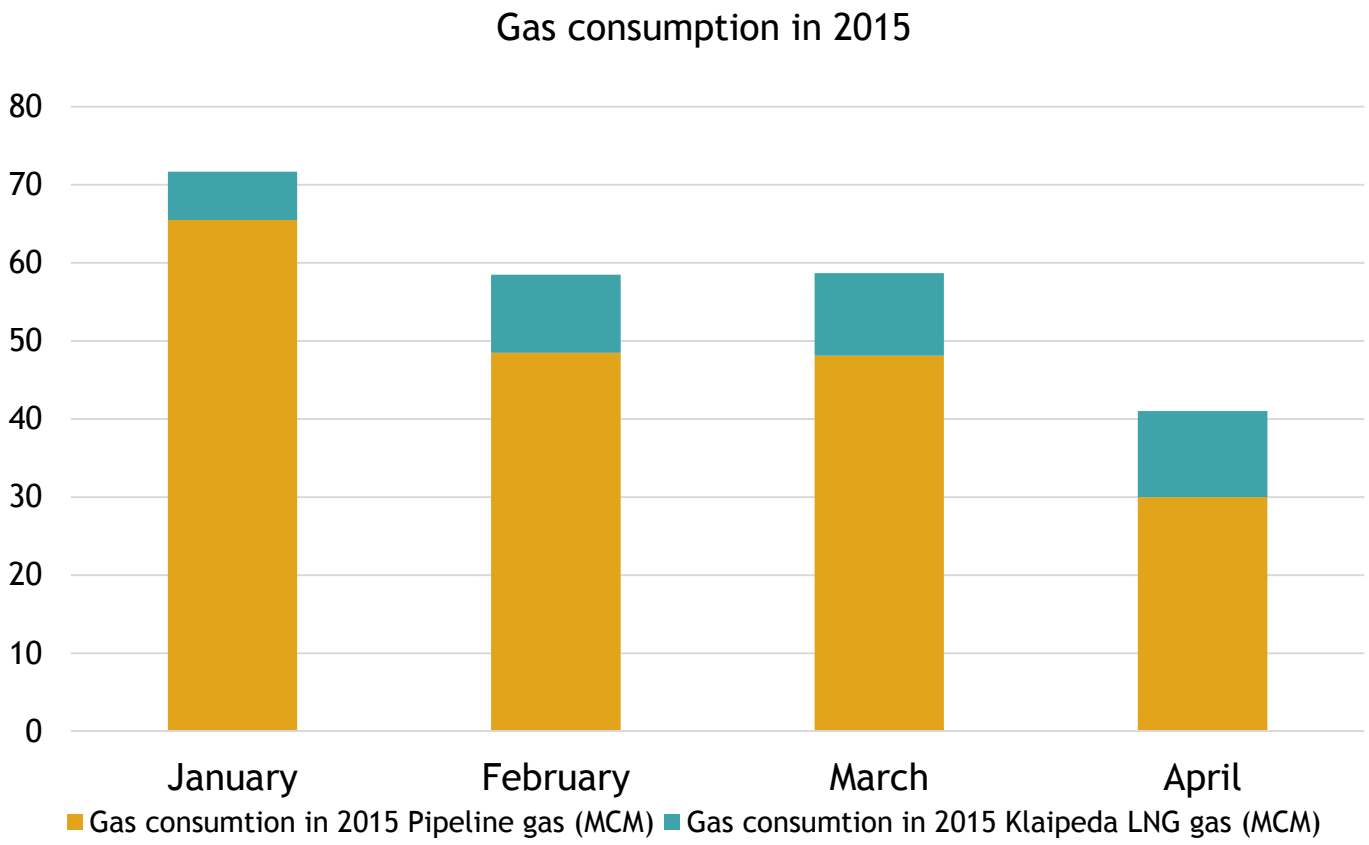
Estonian Natural Gas Transmission Network, Gas Consumption in 2015



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1. Estonian Natural Gas Transmission Network, Frequently Asked Questions

- What is the gas excise in Estonia? 0,02345 EUR/m2
- What is the transmission tariff in Estonia? 0,01678 EUR/m2
- How is the transmission tariff calculated in Estonia? The transmission tariff currently is related only to consumption, no capacity fee.

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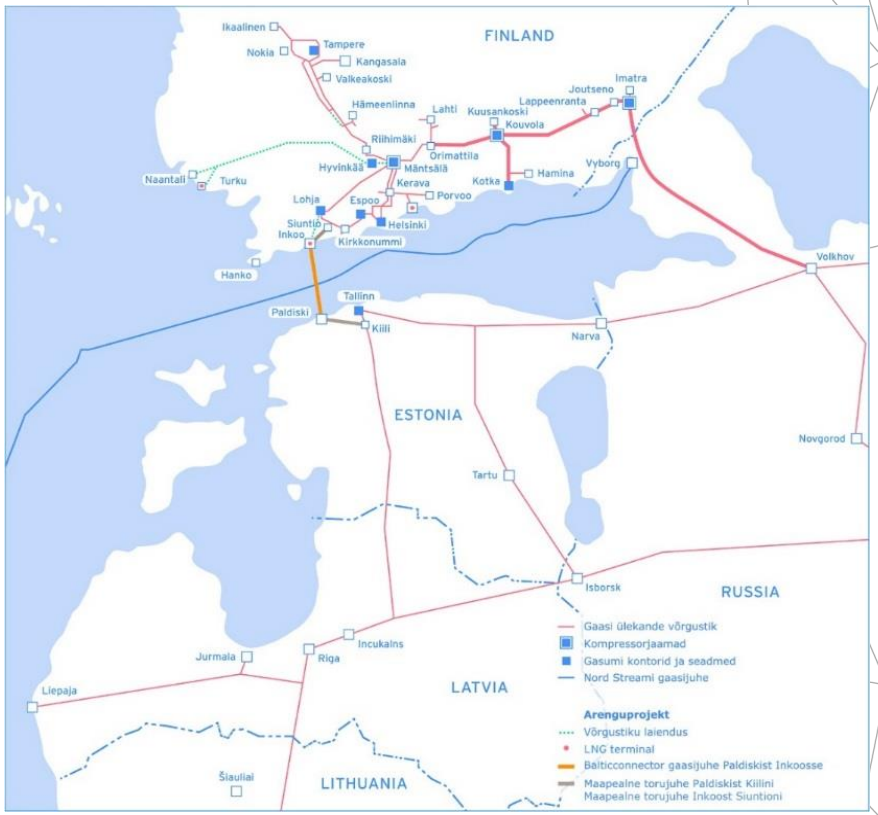
2. Balticconnector

- Balticconnector is a bi-directional offshore pipeline between Estonia and Finland developed by AS Eleing Gaas and Gasum OY.
- Together with a potential regional LNG terminal Balticconnector will enhance the security of supply and make way for gas price convergence.
- On 24.11.2014 the prime ministers of Finland and Estonia have agreed upon development of the project so that the Balticconnector will be commssioned in 2019.
- The offshore section of the Balticconnector is approx. 81 km long and the capacity of the pipeline is ca 7,2 million m3/day.
- For the implementation of the Balticconnector pipeline other grid enhancements are needed in Estonia, such as a compressor station in south of Estonia and bi-directional measuring station on the Estonian-Latvian border.



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2. Balticconnector, business developement

- Elering Gaas is preparing the investment request for the regulators of Estonia, Latvia and Finland for the Balticconnector project and for Est-Lat Enhancement project.
  - Market test for both projects ongoing
  - Composing of CBA and CBCA ongoing
  - Estimated time for Investment Request submission to regulators mid-June
- Elering Gaas is preparing documentation for submission of Grant for Works in 2015, as agreed by the prime ministers.

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2. Balticconnector, permiting progress

Offshore progress in Estonia

- Superficies licence process ongoing
  - EIA report public display ongoing
  - Estimated time for EIA approval 10/2015
  - Estimated time for licence 4/2016
- Water permit
  - Application after EIA approval
  - Processing time 3 months
  - Estimated time for receiving the licence 1/2016
- Building permit
  - Application for technical requirements after Superficies licence has been granted
  - Estimated time for technical requirements 6/2016
  - Building permit application 9/2016
  - Building permit received 12/2016

All permits needed for offshore construction in Estonia will be available by the end of 2016.

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2. Balticconnector, permiting progress

Onshore progress in Estonia

- Planning of pipeline
  - All needed planning procedures completed for the pipeline and compressor and metering station in Kersalu
- Construction permits
  - 3 of 6 building permits recieved for the onshore pipeline
  - Estimated time for all needed construction permist 9/2015
- Procurements
  - Detailed engineering of onshore pipeline will start in 8/2015
  - Procurements for onshore section construction will take place in mid-2016.

The building of the onshore section can start in 2016

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2. Balticconnector, permiting progress

Est-Lat enhancement

- Bi-directional measuring station on the Estonian-Latvian border.
  - Preliminary design available 7/2015
  - Procurement for Works 8/2015-10/2015
  - Construction and commissioning by 12/2016
- Compressor station in south of Estonia
  - FEED engineering 2/2016-10/2016
  - Procurement for Works 11/2016-3/2018
  - Construction and commissioning by 12/2019

Reverse flow on Estonian-Latvian border will be available end of 2016, compressor station will be operational during completion of the Balticconnector.

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Thank you very much!

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