

AS Gaasivõrk methodology for calculation of connection fee and fee for changing consumption or production regime

1. General principles

1.1. This methodology describes the calculation of the fee for the connection of a new consumer installation, gas production facility or network belonging to another network operator to the distribution network of AS Gaasivõrk (hereinafter the **Network Operator**) (hereinafter the **Connection**) and for changing the consumption or production regime specified in the network contract of an existing site (hereinafter the **Change of Consumption Regime**). The establishment of an additional metering point in the gas pipeline of an apartment building connected to the transmission network of the TSO (so-called apartment connection) shall also be considered as a change of consumption mode.

1.2. This calculation methodology is based on the provisions of the Natural Gas Act, taking into account transparency and the principle of equal treatment of identical market participants.

1.3. The optimal network configuration, good engineering practice and the most efficient solution for the market participants, determined on the basis of the information available at the time, will be used to build the connection and change the consumption regime.

1.4. The costs of the investments planned for the connection and the change of consumption regime are based on market prices.

2. Calculation of the connection fee

2.1. The connection fee is generally calculated on the basis of the principle that the connection fee covers all the necessary and reasonable costs of connection and of determining the quantity and quality of the gas (hereinafter the **Connection Cost**), including the cost of building the connection point, the cost of the metering system and the costs of ensuring security of supply, environmental requirements and quality and safety requirements.

2.2. The set of measuring devices and additional equipment intended for determining the quantity of gas passing through the metering point and, if required, the parameters (quality) of the gas is deemed to be a metering system.

2.3. The Connection Cost does not include the overheads of the Network Operator related to the organisation of the connection, the increase in the costs of Connection incurred due to changes in the capacity of gas installations or technical parameters of the equipment at the Network Operator's initiative, or the costs that the Network Operator would incur for the development of the network even if no new customers were connected to the network (hereinafter the Development Costs). The Development Costs are financed by the Network Operator.

3. Calculation of the connection fee for multiple connectees connecting simultaneously

3.1. In the case of several connectees connecting simultaneously, the Connection Fees will be calculated on the basis of the principle that new connectees will pay the Connection Costs of the connection area proportionally, excluding the cost of the metering system.

3.2. Simultaneous connection is a situation where, at the time when the connection quote is made, it becomes apparent that the Connection of the connectee requires the use of gas installations already under construction or planned for the Connections of other connectees. For the purposes of this point, a Connection is deemed to be in progress from the date of conclusion of the connection contract until the time when the gas pipeline and the connection point necessary for Connection have been completed and gas supply has started.

3.3. **Connection area** means the area (street, property development area, etc.) where two or more connectees are connected at the same time.

3.4. In the case of multiple connectees, the connection fee is calculated according to the following formula:

$$L_i = (K - A) \times (V_i / \sum_{n_i=1} V_i) + M_i$$

where:

L_i – connection fee of the connectee, €

K – Connection Cost of the connection area, excluding the cost of the metering system, €

A – development cost, €

V_i – connection capacity of the connectee, kW

$\sum_{n_i=1} V_i$ – total connection capacity of the connection area, kW

M_i – cost of the connectee's metering system, €

4. Fee for changing the consumption regime

4.1. The fee for the changing the Consumption Regime of a market participant connected to the gas network is calculated on the basis of the costs necessary to change the Consumption Regime.