

# SFS 2005:403      **Natural Gas Act (2005:403)**

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Amendments: up to  
and including SFS  
2006:646

## **Chapter 1. Introductory Provisions**

### **Applications of the Act**

**Section 1** This Act contains provisions for natural gas pipelines, storage plants and gasification plants and, in certain cases, trading in natural gas and for the secure supply of natural gas. (SFS 2006:646).

### **Definitions**

**Section 2** The term natural gas in this Act also denotes bio gas, gas from bio mass and other gases, to the extent that it is technically possible to use these gases in the natural gas system.

The term natural gas also denotes liquefied (condensed) natural gas (LNG).

**Section 3** The term natural gas pipeline in this Act denotes piping, metering and control stations, line valve stations, stations for clearing equipment and compressor stations.

**Section 4** The term storage plant in this Act denotes a plant for the storage of natural gas, if the plant is connected to a natural gas pipeline that is used for the transmission of natural gas.

**Section 5** The term gasification plant in this Act denotes a plant for the gasification of liquefied natural gas (LNG), if the plant is connected to a natural gas pipeline that is used for the transmission of natural gas.

The provisions for the gasification plant shall also be applied in respect of plants that are used for the liquefaction of natural gas and for the import and unloading of liquefied natural gas, if the plant is connected to a natural gas pipeline that is used for the transmission of natural gas.

**Section 6** The term transmission of natural gas in this Act denotes the transmission of natural gas on behalf of another party through both transmission pipelines and distribution pipelines.

**Section 7** The term natural gas undertaking denotes an undertaking that transmits or conducts trade in natural gas as well as proprietors of storage plants and gasification plants.

**Section 8** The term consumer denotes a natural person to which natural gas is transmitted or supplied for purposes that mainly fall outside business operations. (SFS 2006:646).

### **Responsible authority**

**Section 9** The Government shall appoint an authority to deal with matters that in accordance with this Act or in accordance with the regulations made on the basis of the Act are the function of the supervisory authority.

(SFS 2006:646).

## **Chapter 2. Concession**

### **Concession in general**

**Section 1** A natural gas pipeline may 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 is located after a metering and control station.

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

**Section 2** A storage plant may not be built or used without a concession from the Government. No preparatory measures for accommodating a storage plant, such as blasting, excavation, felling of trees, site preparation or similar measures, may be undertaken before the concession has been granted.

**Section 3** A gasification plant shall not be built or used without a concession from the Government. No preparatory measures for accommodating a gasification plant, such as blasting, excavation, felling of trees, site preparation or similar measures, may be undertaken before the concession has been granted.

**Section 4** If the Government has granted a concession for a natural gas pipeline, storage plant or gasification plant, a prohibition may not be imposed on the basis of the Environmental Code on building and using the pipeline or the plant.

### **Prerequisites for granting a concession**

**Section 5** A concession may be granted only if the pipeline or plant is suitable from the general public viewpoint.

**Section 6** A 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 7** When matters concerning the granting of a concession are assessed, the provisions of Chapters 2-4, Chapter 5, Section 3 and Chapter 16, Section 5 of the Environmental Code shall be applied.

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

**Section 8** A concession may be granted only to someone who is suitable from the public perspective for engaging in operations to which the concession relates. Special consideration shall be given to whether the applicant can be assumed to have the will and ability to conduct the operation to which the concession relates and to conduct the operations in accordance with the regulations and conditions that will apply to the operation.

### **Conditions for concession**

**Section 9** A concession for a natural gas pipeline shall specify the principal run of the piping.

A concession for a natural gas pipeline, a storage plant or a gasification plant shall be granted subject to the conditions necessary for protecting the interests of the public and private rights. It shall also be subject to such conditions for the design and utilisation of the pipeline or plant that are needed for safety reasons or that are needed for otherwise protecting human health and the environment against harm, damage and nuisance, and for promoting good long-term conservation of land and water and other resources, or that are needed from the public perspective for other reasons.

A condition may be specified for the concession that the pipeline or plant shall be completed within a certain period of time. If there are special reasons, the Government may extend the specified time. An application for an extension shall be made before the specified time has expired.

**Section 10** A concession may be made dependent for its validity on the holder of the concession providing security for the costs of removing the pipeline or installation involved 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, following authorisation by the Government, the supervisory authority may decide to demand additional security.

Chapter 2, Section 25 of the Debt Recovery Act shall apply regarding security. The security shall be considered by the Government or, following authorisation by the Government, the supervisory authority, and shall be kept by the county council of the county in which the operations are conducted.

### **Term of the concession**

**Section 11** 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 term**

**Section 12** On request by the holder of the concession, the term 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 5-9 shall apply in a matter concerning an extension to the term.

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

### **Transfer of a concession**

**Section 13** A concession is not transferable without permission. The Government or, following authorisation by the Government, the supervisory authority considers matters relating to permission. The provisions of Section 8 shall apply in the assessment of an application for the transfer of the concession.

### **Withdrawal of the concession**

**Section 14** A concession may be withdrawn, either entirely or in part

1. if the pipeline or plant involved has not been used for three years in succession and is no longer needed for secure energy supply, or
2. if the holder of the concession has failed, to a significant extent, to meet his obligations under this Act, under regulations made on the basis of the Act, under the conditions of the concession or under the safety regulations applicable to the operation of the pipeline or plant involved.

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

### **Restoration**

**Section 15** When a concession has expired, the latest holder of the concession shall be under an obligation to remove the pipeline or plant involved and to take other restoration measures that may be necessary from the public or private perspective.

In conjunction with the expiry of a concession, the Government or, following authorisation by the Government, the supervisory authority shall determine the obligations of the holder of the concession under the first paragraph.

If the most recent holder of the concession fails to meet his obligations under the first paragraph, the supervisory authority may order the holder of the concession, subject to a default fine, to meet its obligations, or decide that the measures should be taken at the expense of the holder of the concession. A decision that the measures should be taken at the expense of the former holder of the concession may be enforced.

**Section 16** If a pipeline or plant has been built without the necessary concession, the supervisory authority may order the proprietor of the pipeline or plant to remove it and to adopt other restoration measures if these are necessary from the public or private perspective.

If the proprietor fails to meet his obligations under the first paragraph, the supervisory authority may order the proprietor, subject to a default fine, to fulfil his obligations, or may decide that the measures should be taken at the expense of the proprietor. A decision that the measures should be taken at the expense of the proprietor may be enforced.

**Section 17** If the land of some other party needs to be used for restoration,

the supervisory authority may decide that access to the land shall be allowed for a certain period of time.

The 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 anyone having a right of use or easement for the land agrees to it, or if the supervisory authority 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 causes damage or intrusion, compensation for this shall be payable. Claims for compensation shall be made at the land court in whose district the land or most of the land is located.

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

**Section 18** The proprietor of a natural gas pipeline that 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 under an obligation to enforce and pay for such measures on the natural gas pipeline to enable any changes that may be necessary to the traffic route to be carried out.

However, if the measures on a natural gas pipeline are taken 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 19** 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 pay compensation for these additional costs.

**Section 20** 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 is liable for 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 there has not been time for the notification of the damage to reach the traffic route operator. 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 proprietors of natural gas pipelines**

### **Introductory provision**

**Section 1** An undertaking that is the proprietor of a natural gas pipeline and engages in the transmission of natural gas is responsible for the operation and maintenance and, if necessary, the extension of its pipeline system and, when appropriate, its connection to other pipeline systems.

The undertaking is also responsible for its pipeline system being safe, reliable and efficient and for it being able in the long term to satisfy reasonable requirements for the transmission of natural gas.

### **Legal and personal distinction**

**Section 2** An undertaking that engages in the transmission of natural gas may not conduct trade in natural gas.

A member of the board, managing director or authorised signatory of an undertaking that holds a concession for a natural gas pipeline may not be a member of the board, managing director or authorised signatory of an undertaking that conducts trade in natural gas.

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

**Section 3** Financial accounts related to the transmission of natural gas shall be kept separately from those of other operations. In this connection, accounts for transmission using transmission pipelines and transmission using distribution pipelines shall be kept separately.

The Government or, following authorisation by the Government, the supervisory authority may make more detailed regulations concerning the accounting of operations related to the transmission of natural gas, and on the obligation to submit accounting documents to the supervisory authority.

### **Audit**

**Section 4** An auditor in an undertaking that engages in the transmission of natural gas shall undertake a separate examination of the accounts for these operations.

The auditor shall issue annually a special certificate containing a statement on whether the accounting of the operations has been kept in accordance with the relevant regulations. The undertaking shall submit the certificate to the supervisory authority.

The Government may make more detailed regulations concerning the audit.

### **Connection of a natural gas pipeline, etc.**

**Section 5** The proprietor of a natural gas pipeline is obliged to connect to his natural gas pipeline, on reasonable terms, other natural gas pipelines as well as storage plants and gasification plants. The same applies to the reconnection of an existing natural gas pipeline, a change in the agreed capacity at the connection point, and a change in the time for transmission.

This obligation shall not apply if the first mentioned pipeline does not have the capacity necessary for the requested work or if there are other special reasons.

The obligation does not apply to the proprietor of a natural gas pipeline that is used exclusively on his own behalf.

### **Transmission of natural gas**

**Section 6** The proprietor of a natural gas pipeline is obliged to transmit

natural gas on reasonable terms.

The obligation does not apply to the proprietor of a natural gas pipeline that is used exclusively on his own behalf.

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

**Section 7** A party that engages in the transmission of natural gas is responsible for carrying out metering of natural gas transmitted and for reporting the results of these measurements in accordance with the more detailed regulations made by the Government or, following authorisation by the Government, the supervisory authority.

### **Obtaining energy for the operation of natural gas pipelines**

**Section 8** The proprietor of a natural gas pipeline subject to a concession obligation shall in an open, non-discriminatory and market-orientated manner obtain the natural gas that is needed in order to engage in the transmission of natural gas.

### **Monitoring plan**

**Section 9** A party that engages in the transmission of natural gas shall prepare a monitoring plan and ensure compliance with this monitoring plan.

The measures that will be implemented to counteract discriminatory practices in relation to other stakeholders in the natural gas market shall be stated in the monitoring plan. The plan shall also state the special obligations that employees have for achieving this objective.

A party that engages in the transmission of natural gas shall prepare a report annually on the measures that have been taken. The report shall be submitted to the supervisory authority and in conjunction therewith publicised by the party submitting the report.

The Government or, following authorisation by the Government, the supervisory authority may make more detailed regulations regarding the content of the monitoring plan and regarding the publication of the annual report.

## **Chapter 4. Obligations of proprietors of storage and gasification plants**

### **Introductory provision**

**Section 1** The proprietor of a storage plant or a gasification plant is responsible for the operation of the plant and for it being safe, reliable and efficient.

### **Legal and personal distinction**

**Section 2** An undertaking that is the proprietor of a storage plant or a gasification plant may not conduct trade in natural gas.

A member of the board, managing director or authorised signatory of such an undertaking may not be a member of the board, managing director or authorised signatory of an undertaking that conducts trade in natural

gas.

### **Accounting of the operation of natural gas storage facilities and the operation of a gasification plant**

**Section 3** Financial accounts related to the storage of natural gas and the operation of a gasification plant shall be kept so that the storage of natural gas and the operation of the gasification plant are kept separately from those of other operations.

The Government or, following authorisation by the Government, the supervisory authority may make more detailed regulations concerning the accounting of operations related to the storage of natural gas and the operation of the gasification plant, and on the obligation to submit accounting documents to the supervisory authority.

### **Audit**

**Section 4** An auditor in an undertaking that engages in operations in the form of the storage of natural gas or the operation of a gasification plant shall undertake a separate examination of the accounts for these operations.

The auditor shall issue annually a special certificate containing a statement on whether the accounting of the operations has been kept in accordance with the relevant regulations. The undertaking shall submit the certificate to the supervisory authority.

The Government may make more detailed regulations concerning the audit.

### **Special provisions on the storage of natural gas**

**Section 5** The proprietor of a storage plant is obliged on reasonable conditions to store natural gas on behalf of another party. The proprietor of a transmission pipeline for the transmission of natural gas has a corresponding stockholding obligation.

The obligation to store natural gas does not apply if the plant or pipeline does not have the capacity necessary for the requested storage or if there are other special reasons.

### **Special provisions on access to gasification plants**

**Section 6** The proprietor of a gasification plant is obliged on reasonable conditions to feed in natural gas that is owned by another.

This obligation does not apply if the plant does not have the capacity necessary for the requested access or if there are other special reasons.

## **Chapter 5. Municipal natural gas undertakings**

**Section 1** A municipal undertaking such as that referred to in Chapter 3, Sections 16-18 of the Local Government Act (1991:900) and notwithstanding the provisions of Chapter 2, Section 1 of the Local Government Act concerning the link to the municipal area or its members, may conduct in the area the municipality

1. trade in natural gas and associated operations, or

2. transmission of natural gas in the geographical vicinity of the undertaking's transmission operations within the municipality, with the aim of achieving appropriate transmission operations.

**Section 2** If a municipal undertaking such as that referred to in Chapter 3, Sections 16-18 of the Local Government Act (1991:900) engages in trade in natural gas and associated operations, the operations shall be run on commercial principles and separate accounts shall be kept. If the undertaking also engages in operations such as those referred to in Chapter 7, Section 1, item 1 of the Swedish Electrical Power Act (1997:857), the undertaking may keep joint accounts for both operations.

## **Chapter 6. Connection charges and tariffs**

### **Connection charges**

**Section 1** The charges and other conditions for such connection as referred to in Chapter 3, Section 5 shall be reasonable, objective and non-discriminatory.

When formulating the charge for connection, particular regard shall be taken to where the pipeline or plant that is to be connected is located and also the output of the connection point.

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. (SFS 2006:646).

### **Tariffs for transmission, storage and gasification**

**Section 2** Tariffs for the transmission and storage of natural gas and for access to a gasification plant shall be reasonable, objective and non-discriminatory.

**Section 3** When formulating the tariffs for the transmission of natural gas, special consideration shall be given to the number of customers connected, the customers' geographical location, the amount of energy transmitted and the output subscribed for, the costs of overlying network, the security of supply and the pressure in the pipelines.

Transmission tariffs shall be formulated so that the charge a customer pays for transmission to a connection point includes a charge for transmission in all of the pipes through which transmission occurs.

The Government or, following authorisation by the Government, the supervisory authority may make more detailed regulations concerning the formulation of transmission tariffs.

**Section 4** A party who engages in the transmission of natural gas or who is the proprietor of a natural gas storage facility or a gasification plant shall publish his tariff and, on request, shall submit without delay written information on the tariff.

The Government or, following authorisation by the Government, the supervisory authority may make more detailed regulations concerning the publication of such tariffs as referred to in the first paragraph.

**Section 5** A party who engages in the transmission of natural gas may not

start to apply his charges and other conditions for such connection as referred to in Chapter 3, Section 5 or its transmission tariff before the methods that have been used to formulate the charge or tariff have been approved by the supervisory authority. Approval shall be granted if it can be presumed that the methods result in the charge or the tariff satisfying the requirements for being objective and non-discriminatory.

If the supervisory authority does not approve the methods covered by an application, the authority shall in its decision state the methods that should be applied instead.

A decision under the first and second paragraphs applies immediately. The supervisory authority shall serve notice of such a decision in accordance with Section 16, first paragraph and Section 17, first paragraph of the Act on Service of Documents (1970:428).

## **Chapter 7. Overall system responsibility and balance responsibility**

### **Overall system responsibility**

**Section 1** The Government shall appoint an authority to have overall responsibility for the maintenance of the short-term balance between the input and offtake of natural gas in the national natural gas system (system management authority).

**Section 2** The system management authority may, to the extent necessary to be able to perform the system responsibility, order a proprietor of a natural gas storage facility and gasification plant to, for fair market compensation, increase or reduce the input or offtake of natural gas from the transmission pipelines and the plants.

If the system responsibility cannot be performed through the measures referred to in the first paragraph, the system management authority may, to the extent necessary to be able to perform the system responsibility, order the proprietor of natural gas pipelines to restrict or discontinue the transmission of natural gas to customers. A restriction or discontinuation of transmission of natural gas to customers shall, to the extent that the system responsibility allows, be implemented as fairly as possible and in the first instance so that the natural gas supply for consumers is secured. To the extent possible, this shall take into account a pipeline proprietor's commitments regarding security of supply.

More detailed regulations regarding the powers of the system management authority under the first and second paragraphs shall be made by the Government. (SFS 2006:646).

**Section 3** The Government or, following authorisation by the Government, the system management authority may make regulations concerning the obligation for those who have concluded a balance agreement under Section 4, first paragraph to submit to the system management authority information concerning the input and offtake of natural gas that is needed to perform the system responsibility.

The Government or, following authorisation by the Government, the system management authority may make regulations concerning the obligation for those who engage in the transmission of natural gas to submit to the system management authority the information that is needed

to perform the system responsibility.

### **Balance responsibility**

**Section 4** A supplier of natural gas may only supply natural gas at offtake points for which the supplier or another party, in relation to the system management authority, has undertaken the financial responsibility for the input into the national natural gas system as much natural gas as is taken out at the offtake point (balance responsibility). Such an obligation shall be made through an agreement with the system management authority (balance agreement).

The term offtake point denotes here the point at which a gas consumer, according to a contract with the proprietor of a natural gas pipeline, takes out natural gas for consumption.

**Section 5** The conditions of a balance agreement shall be objective and non-discriminatory.

The system management authority may not conclude a balance agreement before the methods that have been used to formulate the agreement have been approved by the supervisory authority. Approval shall be granted, if the methods may be deemed to result in the agreement satisfying the requirements under the first paragraph.

A decision in accordance with the second paragraph applies immediately. The supervisory authority shall serve notice of such a decision in accordance with Section 16, first paragraph and Section 17, first paragraph of the Act on Service of Documents (1970:428).

**Section 6** The system management authority shall publish the conditions applied in the balance agreement and, on request, shall provide without delay written information on these conditions.

The Government or, following authorisation by the Government, the supervisory authority may make more detailed regulations on the publication of conditions under the first paragraph.

**Section 7** When the system management authority learns that a contract with the authority on a balance responsibility in accordance with Section 4, first paragraph, shall cease to apply, the authority shall without delay notify the proprietors of natural gas pipelines on whose pipeline networks the offtake points are located where the balance responsibility will thus cease to apply. The pipeline proprietors shall without delay notify the suppliers of natural gas affected.

When a party, who, by an agreement with a supplier of natural gas, has undertaken the balance responsibility regarding the offtake points from which the supplier supplies natural gas, learns that this contract shall cease to apply, the balance controller shall without delay notify the system management authority, and the proprietors of natural gas pipelines on whose pipeline networks the offtake points are located, of where the balance responsibility will thus cease to apply.

**Section 8** A supplier of natural gas who is to commence the supply of natural gas to an offtake point, shall immediately notify this to the proprietor of the natural gas pipeline. The notification shall also contain details about who is undertaking the balance responsibility at the offtake

point.

A supplier of natural gas who takes over supplies to a natural gas consumer at his offtake point may only do this from and including the first day of a calendar month. Notification under the first paragraph shall thereupon be given one month before the takeover is to occur.

A proprietor of a natural gas pipeline who receives a notification under the first paragraph shall send notices as a result thereof in accordance with the more detailed regulations made by the Government or, following authorisation by the Government, the supervisory authority.

The Government or, following authorisation by the Government, the supervisory authority may make more detailed regulations on the natural gas supplier's obligations under the first paragraph.

**Section 9** A party who takes over the balance responsibility at a natural gas consumer's offtake point may only do this from and including the first day of a calendar month. The supplier who supplies natural gas to the offtake point shall in accordance with the more detailed regulations that the Government or, following authorisation by the Government, the supervisory authority makes, notify the proprietor of the natural gas pipelines of the takeover no later than one month before it is to occur.

The system management authority may, if there are special reasons, in the individual case consent to the balance responsibility regarding an offtake point starting to apply earlier than as prescribed by the first paragraph.

A proprietor of a natural gas pipeline who receives a notification in accordance with the first paragraph shall send notices as a result thereof in accordance with the more detailed regulations made by the Government or, following authorisation by the Government, the supervisory authority.

**Section 10** A party who engages in the transmission of natural gas shall in accordance with the more detailed regulations made by the Government or, following authorisation by the Government, the system management authority keep the authority informed about the details provided under Section 9. A party who engages in the transmission of natural gas shall also keep the system management authority informed about the party who has undertaken a balance responsibility for his own purchasing.

**Section 11** The system management authority shall be responsible for the settlement between the balance controller in accordance with the regulations that the Government or, following authorisation by the Government, the authority makes.

## **Chapter 8. Special provisions concerning the transmission of natural gas to consumers**

### **Introductory provisions**

**Section 1** This chapter applies to the transmission of natural gas to consumers. (SFS 2006:646).

**Section 2** Any contractual conditions that, compared with the provisions of this chapter, are disadvantageous to the consumer shall be without effect

in relation to the consumer.

### **Discontinuation of the transmission of natural gas owing to the consumer's breach of contract**

**Section 3** Transmission of natural gas may be discontinued if the consumer neglects his obligations and this neglect constitutes a fundamental breach of contract.

Before the transmission is discontinued, the consumer shall be directed to, within a reasonable time, implement rectification and, except in cases referred to in Section 4, be notified that the transmission may otherwise be discontinued. The transmission may not be discontinued if rectification is effected.

If the circumstances give cause to fear that the discontinuation would result in not insignificant personal injury or in extensive property damage, the transmission may not be discontinued. However, this does not apply if the consumer acts improperly.

**Section 4** If the breach of contract comprises the consumer neglecting to pay for the transmission or supply of natural gas, in addition to that stated in Section 3, the consumer shall, after the period for rectification has expired, be directed to pay within three weeks from when the consumer has been served with the direction and given notice that the transmission may otherwise be discontinued. Notice of the default in payment shall at the same time be submitted to the Social Welfare Committee in the municipality in which the consumer has natural gas transmitted.

If payment is made or the claim is disputed, the transmission may not be discontinued. Nor may the transmission be discontinued if the Social Welfare Committee within the period stated in the first paragraph has given written notice to the party who gave notice that the Committee will assume the payment liability for the debt.

**Section 5** The proprietor of a natural gas pipeline and the supplier of natural gas have the right to reasonable compensation by the consumer for the costs caused by measures referred to in Sections 3 and 4.

**Section 6** Notices and messages as referred to in Section 4, first paragraph shall be submitted in accordance with the standard form determined by the Government or the authority appointed by the Government.

### **Discontinuation of the transmission of natural gas for safety reasons, etc.**

**Section 7** The proprietor of a natural gas pipeline may discontinue the transmission of natural gas in order to take measures that are justified for safety reasons or in order to maintain good operational and supply security. The discontinuation may not in any case endure for a longer period than the measures require.

If the proprietor of the natural gas pipeline can anticipate more than a short-lasting discontinuation to the transmission, the consumer shall be notified well before the discontinuation. The consumer shall be notified personally or, if appropriate, by public notice.

## **Damages in connection with discontinued transmission of natural gas**

**Section 8** If the transmission of natural gas is discontinued owing to the consumer's neglect without the prerequisites contained in Sections 3 and 4 being satisfied, the consumer has the right to compensation for damage or injury from the proprietor of the natural gas pipeline.

If the transmission has been discontinued at the request of the supplier of natural gas, the supplier shall, instead of the pipeline proprietor, compensate the consumer for the damage or injury caused.

**Section 9** If the proprietor of a natural gas pipeline has not notified the consumer in accordance with Section 7, second paragraph, the consumer has the right to compensation for damage or injury from the pipeline proprietor.

**Section 10** If the transmission of natural gas is discontinued without this resulting from the consumer's neglect and without there being a right to discontinue the transmission in accordance with Section 7, first paragraph, the consumer has the right to compensation for damage or injury from the proprietor of the natural gas pipeline provided he cannot show that the discontinuation has been caused by an impediment outside the control of the proprietor that the proprietor could neither reasonably be expected to have anticipated nor could reasonably have avoided or overcome.

If the discontinuation is caused by someone who the pipeline proprietor has engaged in order to undertake maintenance, repair work or work of a similar nature, the pipeline proprietor shall only be released from liability to pay damages if the party engaged by the pipeline proprietor would also have been released from liability under the first paragraph.

**Section 11** Damages under Sections 8 and 10 cover compensation for charges and loss of earnings and also other losses owing to the discontinuation.

If the obligation to pay damages would be unreasonably onerous considering the financial circumstances of the party liable to pay damages, a reasonable adjustment of the damages can be made. When making this assessment, regard should also be taken of any insurance and opportunities for insurance that are available, the capacity of the party liable to pay damages to anticipate and impede the damage or injury as well as any other special circumstances.

**Section 12** The consumer shall notify the other party of the claim for compensation within two years from when the damage or injury occurred. If the consumer does not do so, the consumer shall lose his right to compensation for the damage or injury that incurred.

## **Chapter 8a. Secure natural gas supply**

**Section 1** A proprietor of a natural gas pipeline, storage plant or gasification plant shall, to the extent that it is possible for him to do so, implement the planning measures and the measures otherwise needed to safeguard the natural gas supply. (SFS 2006:646).

**Section 2** The system management authority shall implement the planning measures and any other measures that are within the framework of the system responsibility necessary to safeguard the natural gas supply. (SFS

2006:646).

**Section 3** The supervisory authority shall

1. produce and maintain a general national strategy with appropriate levels for a secure natural gas supply,
2. produce and maintain a national plan with measures to protect the natural gas supply in emergency situations, and
3. implement any other measures that within the framework of the supervisory responsibility are necessary to safeguard the natural gas supply.

The supervisory authority shall consult with the system management authority before the authority makes a decision on the national plan or any amendment to it. (SFS 2006:646).

**Section 4** The Government may make regulations on special minimum requirements for a secure natural gas supply for consumers.

The Government or, following authorisation by the Government, the supervisory authority may make additional regulations on planning and measures in accordance with Sections 1-3. (SFS 2006:646).

**Section 5** The system management authority may order a proprietor of a natural gas pipeline, storage plant or gasification plant to, with the pipeline or in the plant, carry out the measures that are needed in order to safeguard the natural gas supply. This order may be addressed to the owners of the pipeline or the plant instead of the proprietor, if this is more appropriate.

The order may not refer to a measure that is more onerous than is reasonable taking into consideration the scope and importance of the plant or operation to the natural gas supply.

The order may be issued subject to a default fine. (SFS 2006:646).

**Section 6** A party who has been ordered under Section 5 to implement measures is entitled to compensation for the cost that the implementation of the measures entailed. The right to compensation does not apply to the cost of providing information or for the planning measures referred to in Section 1.

Compensation shall be paid by the government.

The system management authority shall consider matters relating to compensation in accordance with the first paragraph. (SFS 2006:646).

**Section 7** The Government or, following authorisation by the Government, the system management authority may make regulations on measures to facilitate repair work and physical safety measures in respect of natural gas pipelines and storage or gasification plants. (SFS 2006:646).

**Section 8** The system management authority is, on request, entitled to, from the party who may be ordered under Section 5 to carry out measures to safeguard the natural gas supply, obtain the information and gain access to the documents needed to adopt a position on the measures that need to be taken. (SFS 2006:646).

## **Chapter 9. Exemptions**

### **Introductory provisions**

**Section 1** A party who has applied for concession regarding the building

of a natural gas pipeline, a storage plant or a gasification plant may, if the pipeline or the plant involved is of a large scale, be granted an exemption from the obligations under Chapter 3, Sections 2, 5, 6, 8 and 9, Chapter 4, Sections 2, 5 and 6 and Chapter 7.

This also applies to a party who has applied for a concession regarding a significant increase in the capacity of such an existing pipeline or plant.

A decision on exemptions under the second paragraph may only relate to the extended capacity in the pipeline or plant involved.

### **Prerequisites for exemptions**

**Section 2** An exemption in accordance with Section 1 may only be granted if

- a) the investment will enhance competition in gas supply and enhance security of supply,
- b) the risk attached to the investment is such that the investment will not take place unless an exemption was granted,
- c) the proprietor of the plant(s) involved will be a legal person that is not the proprietor of an existing natural gas plant,
- d) charges are levied on users of the new plants, and
- e) the exemption granted will not be detrimental to competition or an economically effective, functioning internal natural gas market or impede the plants to which the new plant(s) shall be connected from functioning in an economically effective way.

Regulation c in the first paragraph does not apply in such cases as referred to in Section 1, second paragraph.

### **Conditions**

**Section 3** An exemption granted under Section 1 shall refer to a particular period of time.

A decision on exemptions shall be made subject to the conditions that are necessary for ensuring that the requirements in Section 2 are satisfied.

It shall be stated in a decision on exemptions that this decision may be altered or withdrawn by the Commission of the European Communities.

### **Examining authority**

**Section 4** Matters related to exemptions under Section 1 shall be examined by the Government following application.

The supervisory authority shall investigate matters as specified in the first paragraph and thereafter hand the matter over, with its own statement of views, for assessment by the Government. The supervisory authority shall thereupon publish its statement of views.

### **Notifications, etc.**

**Section 5** The Government shall notify the Commission of the European Communities without delay of any decisions on exemptions.

**Section 6** The Government may make more detailed regulations related to the processing of an application for exemption under Section 1.

## **Chapter 10. Supervision, etc.**

### **Supervision**

**Section 1** The supervisory authority exercises supervision of compliance with:

1. this Act and the regulations made and conditions imposed on the basis of this Act, and
2. Regulation (EC) No 1775/2005 of the European Parliament and the Council of 28 September 2005 on conditions for access to the natural gas transmission networks.

Supervision does not include compliance with the provisions of Chapter 7, with the exception of Sections 5 and 6, nor compliance with the provisions of Chapters 5 and 8. (SFS 2006:646).

**Section 2** The supervisory authority shall have the right to obtain information and gain access to the documents needed for the supervision.

**Section 3** The supervisory authority may issue the orders necessary to ensure compliance with the regulations and conditions covered by the supervision. An order may be issued subject to a default fine.

### **Time limits**

**Section 4** If the supervisory authority receives a complaint about a natural gas undertaking claiming that the undertaking's connection charge or tariff for transmission, storage or access to a gasification plant is not objective or non-discriminatory, the supervisory authority shall make a decision on the matter within two months from when the complaint was received by the authority. The same applies in connection with a complaint to the system management authority claiming that its balance agreement is not objective or non-discriminatory.

If the authority needs further time to decide on the matter, the supervisory authority may extend this time by two months or, if the applicant allows, by such further time as may be necessary to enable the matter to be determined.

A decision of the supervisory authority applies immediately.

### **Charges**

**Section 5** The Government or, following authorisation by the Government, the supervisory authority may make regulations concerning charges for financing the duties that the supervisory authority has in accordance with this Act and in accordance with regulations made on the basis of the Act.

**Section 5a** The Government or, following authorisation by the Government, the system management authority may make regulations concerning charges for financing the duties that the system management authority has under Chapter 8a and under regulations made on the basis of that chapter. (SFS 2006:646).

### **Delay charge**

**Section 6** If a natural gas undertaking that engages in operations other than trading in natural gas, does not within the specified time submit the

documents that are required in accordance with regulations made on the basis of Chapter 3, Section 3, second paragraph or Chapter 4, Section 3, second paragraph, the undertaking shall pay to the government a delay charge in accordance with Section 7. This also applies if such a natural gas undertaking fails to submit an audit certificate in accordance with the regulations made on the basis of Chapter 3, Section 4, third paragraph or Chapter 4, Section 4, third paragraph.

The supervisory authority shall decide on the delay charge.

**Section 7** A natural gas undertaking shall pay a delay charge if the documents specified in Section 6 have failed to arrive at the supervisory authority within seven months after the end of the financial year. However, if the undertaking has decided on a continuation of the general meeting of the shareholders under Chapter 7, Section 14, second paragraph of the Swedish Companies Act (2005:551) or on a continuation of the general meeting under Chapter 7, Section 4, third paragraph of the Co-operative Societies' Act (1987:667), the undertaking 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 6 have failed to arrive within two months from notice being dispatched to the undertaking on a decision to impose a delay charge under the first paragraph, the undertaking shall pay a new delay charge. This new charge shall amount to SEK 10 000.

If the documents specified in Section 6 have failed to arrive within two months from notice being dispatched to the undertaking on a decision to impose a delay charge under the second paragraph, the undertaking shall pay a new delay charge. This new charge shall amount to SEK 20 000. (SFS 2005:938).

**Section 8** No delay charge notification may be issued if a decision has been registered that the undertaking has been put into bankruptcy or has gone into liquidation.

**Section 9** If the undertaking has submitted the documents referred to in Section 6 within the specified time, but the documents have some shortcoming that could easily be corrected, the supervisory authority may make a decision on a delay charge only if the undertaking 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 notice. Such a notice may be sent by mail to the postal address that the undertaking has most recently given to the supervisory authority.

**Section 10** A delay charge shall be waived if the failure to submit the document appears to be excusable in view of circumstances over which the undertaking has no control. The charge shall be taken into account even if it appears obviously unreasonable to impose it.

The provisions on waiver shall also be applied if no request to this effect has been made, should this be called for owing to matters that have emerged regarding the matter.

**Section 11** If a delay charge has not been paid after a payment reminder, the charge shall be handed over for collection. The Government may prescribe that collection need not be required for trivial amounts.

The Act (1993:891) on Collection of State Debts, etc. contains provisions on collection. Enforcement under to the Enforcement Code may be effected for collection.

**Section 12** A decision on a delay charge may be enforced even if it has not entered into final legal force.

If an undertaking has the right to reclaim the delay charge paid following a decision by a court, 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 Payments Act (1997:483).

## **Chapter 11. Other provisions**

### **Liability provisions**

**Section 1** A sentence of a fine or imprisonment of at most one year shall be imposed on anyone who intentionally or negligently

1. contravenes the provisions of Chapter 2, Sections 1, 2 or 3, or
2. contravenes the conditions imposed on the basis of Chapter 2, Section 9, second paragraph.

Liability shall not be imposed in minor cases.

**Section 2** Liability shall not be imposed under this Act if the act is penalised under the Criminal Code.

**Section 3** Anyone who has disregarded an order subject to a default fine shall not have a sentence imposed under this Act for an act that is covered by the order.

### **Appeals**

**Section 4** An appeal against a decision of a supervisory authority under Chapter 2, Sections 15 and 16, Chapter 6, Section 5, first paragraph, Chapter 7, Section 5, second paragraph and Chapter 10, Sections 3, 4, 7 and 10 and an appeal against a decision of the system management authority for compensation under Chapter 7, Section 2 and also for measures and compensation under Chapter 8a, Sections 5 and 6, may be brought at a general administrative court. Leave to appeal is required to bring an appeal at the Administrative Court of Appeal.

The Government may make regulations concerning appeals against other decisions under this Act or under the regulations made on the basis of the Act. (SFS 2006:646).

### **Entry into force and transitional provisions**

1. This Act enters into force on 1 July 2005, when the Natural Gas Act (2000:599) shall cease to apply.
2. This Act shall also apply to concessions that have been granted under the Natural Gas Act (2000:599) and under the Act (1978:160) on Certain Pipes and that relate to pipes for the transport of natural gas or products from natural gas, subject to the following exceptions.

- a) Section 1, second paragraph, item 1 of the Act on Certain Pipes shall still be applied to pipelines the construction of which was commenced before 1 August 2000.
  - b) An exemption that has been allowed on the basis of Section 1, third paragraph of the Act on Certain Pipes shall still apply.
  - c) The provision on the term of a concession that was granted under the Act on Certain Pipes shall still apply.
  - d) A condition for a concession that has been granted under Section 6, second paragraph of the Act on Certain Pipes shall still apply.
3. The obligation, under Chapter 3, Section 5, first paragraph, for a party who is a proprietor of a natural gas pipeline to connect other natural gas pipelines does not, before 1 July 2007, include natural gas pipelines whose proprietors are customers that buy natural gas intended for domestic consumption.
  4. A supplier of natural gas may not before 1 July 2007 take over the supplies to a customer who buys natural gas intended for domestic consumption.
  5. A holder of a concession that before 1 November 2004 has concluded a contract for the acquisition of natural gas that is needed to engage in the transmission of natural gas may apply the contract during its remaining term, though at most until the end of October 2007.
  6. The provisions of Chapter 4, Section 3, first paragraph and Chapter 6, Section 1, Section 2, and Section 3, first and second paragraphs apply from and including the financial year starting on 1 July 2005 or immediately thereafter. Before that, the corresponding provisions of the repealed act apply.
  7. The provisions of Chapter 6, Section 5, first paragraph, first sentence shall apply to charges and other conditions for connections such as are referred to in Chapter 3, Section 5 and for transmission tariffs that apply from and including the financial year commencing on 1 January 2006 or immediately thereafter.
- The proprietor of a natural gas pipeline shall no later than 15 August 2005 submit an application for approval in accordance with Chapter 6, Section 5, first paragraph. The supervisory authority shall determine such a matter no later than 30 November 2005.
8. All gas suppliers shall no later than 31 July 2005 notify the proprietors of natural gas pipelines involved about the offtake points from which they supply natural gas. The notice shall also contain information about who has/have undertaken the balance responsibility at the offtake points.
  9. The provisions of Chapter 7, Section 5, second paragraph apply as of and including 1 January 2006.
  10. The provisions of Chapter 10, Section 4 apply to matters where a complaint has been received by the supervisory authority on 1 July 2005 or later.