

Issuer:	Riigikogu
Type:	act
In force from:	15.03.2019
In force until:	In force
Translation published:	20.03.2019

Natural Gas Act¹

Passed 29.01.2003
 RT I 2003, 21, 128
 Entry into force 01.07.2003

Amended by the following acts

Passed	Published	Entry into force
10.03.2004	RT I 2004, 18, 131	15.04.2004
16.11.2005	RT I 2005, 64, 483	11.12.2005
07.12.2006	RT I 2006, 58, 439	01.01.2007
07.02.2007	RT I 2007, 17, 80	09.03.2007
22.11.2007	RT I 2007, 66, 408	01.01.2008
10.06.2009	RT I 2009, 34, 225	06.07.2009
15.06.2009	RT I 2009, 39, 262	24.07.2009
27.01.2010	RT I 2010, 9, 41	08.03.2010
22.04.2010	RT I 2010, 22, 108	01.01.2011 enters into force on the day determined by the decision of the Council of the European Union concerning repeal of the derogation established in respect of the Republic of Estonia on the basis of Article 140 (2) of the Treaty on the Functioning of the European Union, Decision No. 2010/416/EU of the Council of the European Union (OJ L 196, 28.07.2010, pp. 24–26).
10.06.2010	RT I 2010, 41, 241	01.08.2010
23.02.2011	RT I, 25.03.2011, 1	01.01.2014; amended date of entry into force to 01.07.2014 [RT I, 22.12.2013]
06.06.2012	RT I, 28.06.2012, 2	08.07.2012, partially 01.11.2012, 01.01.2013, 01.01.2014 ja 01.01.2015
05.12.2013	RT I, 22.12.2013, 1	01.01.2014
19.02.2014	RT I, 13.03.2014, 4	01.07.2014
26.03.2014	RT I, 09.04.2014, 6	10.04.2014, partially 01.01.2015
17.04.2014	RT I, 06.05.2014, 2	07.05.2014
05.06.2014	RT I, 29.06.2014, 1	01.07.2014
19.06.2014	RT I, 12.07.2014, 1	01.01.2015
19.06.2014	RT I, 29.06.2014, 109	01.07.2014, official titles of ministers replaced in accordance with s. 107 ³ (4) of the Government of the Republic Act
09.12.2015	RT I, 30.12.2015, 5	01.01.2016
08.02.2017	RT I, 03.03.2017, 1	01.07.2017
31.05.2017	RT I, 16.06.2017, 1	01.07.2017
14.06.2017	RT I, 30.06.2017, 2	01.07.2017, partially 10.07.2017 and 01.01.2020
06.06.2018	RT I, 29.06.2018, 1	01.07.2018

06.06.2018
21.11.2018
20.02.2019

RT I, 29.06.2018, 2
RT I, 12.12.2018, 3
RT I, 13.03.2019, 2

09.07.2018
01.01.2019
15.03.2019

Chapter 1 GENERAL PROVISION

§ 1. Scope of application of this Act

(1) This Act governs activities related to the import, transmission, distribution and sale of natural gas (hereinafter, 'gas') by way of gas networks (hereinafter, 'networks'), and connection to networks.

(1¹) The requirements established in this Act with respect to gas, including liquefied natural gas (hereinafter, 'LNG'), shall also apply to biomethane, gas obtained from biomass and other types of gas, provided these meet the quality requirements of gas and they can technically and safely be introduced into and transmitted via the gas network.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(2) The activities specified in subsection 1 of this section must be co-ordinated and conform to the principles of objectivity, equal treatment and transparency in order to guarantee a secure, reliable and effective gas supply at a justified price in compliance with environmental requirements and the needs of the customers.

(3) The provisions of the Administrative Procedure Act apply to administrative proceedings provided in this Act without prejudice to the rules specific to this Act.

[RT I 2005, 64, 483 – entry into force 11.12.2005]

§ 2. Definitions

The terms in this Act are defined as follows:

1) 'network' means a fixed operational assembly which consists of gas pipelines and any construction works connected to those pipelines, and which is necessary for the transmission and distribution of gas; consumer or producer installations and equipment are not deemed to be part of the network;

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

2) [repealed – RT I 2005, 64, 483 – entry into force 11.12.2005]

3) 'consumer installation' means an interconnected operational assembly of gas pipelines which is intended for supplying the customer with gas and which is located on one or several registered immovables, in construction works or in a complex of construction works that are functionally interconnected and constitute a single economic unit, including the land necessary for servicing those registered immovables, construction works or complex of construction works;

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

4) 'network area' means the area in which a network that is owned by or that is in the possession of a single network operator is located and developed;

5) 'licensed territory' means the area, defined in a network operator's authorization, in which the network operator operates;

6) 'supply point' means the point of connection between the network and a consumer or producer installation, or the point of connection between the network and another network operator's network;

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

7) 'service boundary of the network' means the boundary within which the network operator maintains the network on a contract basis;

8) 'customer' means a party who purchases gas distributed through the network for that party's own use;

9) 'network operator' means an undertaking engaged in the provision of network services;

10) 'seller' means an undertaking engaged in the sale of gas;

11) 'security of supply' means the capability of the gas system to guarantee that customers enjoy a due supply of gas, considering existing demand and estimated future demand;

[RT I 2007, 17, 80 – entry into force 09.03.2007]

12) 'supply disruption' means a reduction or interruption in the supply of gas through at least one interconnector that crosses the national border, which results in endangering the due operation of the internal gas market and the supply of gas to customers;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

13) LNG terminal means a civil engineering work, together with the related ancillary services, which is used for liquefying gas or for importing, offloading and regasification of LNG. Gas storage facilities are not part of an LNG terminal;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

14) 'ancillary services' means the services required for the operation of and access to networks or LNG terminals and gas storage facilities, including load balancing, blending and injection of inert gases. Services which are necessary for fulfilling the obligations of the system operator are not part of ancillary services;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

15) 'gas storage facility' means a facility owned or operated by a gas undertaking and used for the storage of gas, including the part of an LNG terminal used for the storage of LNG. A gas storage facility does not include

the part of an LNG terminal which is used for production operations, or the part of a civil engineering work used for carrying out the functions of the system operator;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

16) ‘gas transmission network’ means an operational assembly which is necessary for the transmission of gas and for the creation of connections with the networks of other countries or for the transit of gas, and which consists of gas pipelines whose operating pressure exceeds 16 bar and of any construction works connected to those pipelines in a fixed manner, as well as of the control, protection, communication and metering systems necessary for the operation, maintenance and development of the transmission system;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

17) ‘storage network operator’ means a person who performs the task of storing gas and is responsible for ensuring that gas storage facilities are used in compliance with the requirements;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

18) ‘operator of an LNG terminal’ means a person who performs the tasks of liquefying gas, importing gas, reloading gas and regasification of LNG and is responsible for ensuring that the gas liquefaction plant is used in compliance with the requirements;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

19) ‘vertically integrated undertaking’ means a gas undertaking which is or gas undertakings which are controlled within the meaning of the Competition Act by one person or several persons and at least one of the tasks of which is the transmission, distribution, liquefaction or storage of natural gas and the other task is the production or sale of natural gas;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

20) ‘unprotected consumer’ means a household customer who has been granted a subsistence benefit in accordance with subsections 2 and 3 of section 131 of the Social Welfare Act;

[RT I, 30.12.2015, 1 – entry into force 01.01.2016]

21) ‘distribution network operator’ means a network operator who is engaged in the provision of network service in a network whose operating pressure is less than 16 bar.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

22) ‘stand-alone network’ means a gas distribution pipeline that does not have a connection to a distribution network or the transmission network and that is intended to transport gas to persons not connected to a distribution network or the transmission network;

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

23) ‘biomethane’ means a gaseous-form substance that conforms to the quality requirements for natural gas, that is produced from biodegradable waste, sewage and sewage residue, from agricultural-origin waste and from biomass derived from various sources;

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

24) ‘producer installation’ means a fixed operational assembly consisting of devices used to produce gas.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

Chapter 2

OPERATION OF GAS MARKET

Division 1

Gas Market Participants

§ 3. Market participants

Market participants are gas undertakings and customers.

§ 4. Gas undertaking

A gas undertaking is an undertaking which operates in at least one of the activity areas of production, import, transmission, distribution, storage and sale of gas, and which is responsible for attending to commercial or maintenance issues related to the corresponding activity.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 5. Eligible customer

(1) An eligible customer is a market participant who is not a household customer.

(2) Eligible customers have the right to purchase gas from any seller within the technical limits of the network.

[RT I 2005, 64, 483 – entry into force 11.12.2005]

§ 6. Household customer

- (1) A household customer is a customer who purchases natural gas for his or her own household consumption.
- (2) Until 1 July 2007, household customers purchase gas from the network operator to whose network their consumer installations are connected or from a seller designated by the network operator.
- (3) As of 1 July 2007, household customers have the right to purchase gas from any seller within the technical limits of the network.
[RT I 2005, 64, 483 – entry into force 11.12.2005]

Division 2 Operation of the Gas Market

§ 7. Import, transmission, distribution and sale of gas

- (1) ‘Import of gas’ means the application, to gas, of the customs procedure ‘release for free circulation’ as defined in Regulation (EU) No. 952/2013 of the European Parliament and of the Council laying down the Union Customs Code (OJ L 269, 10.10.2013, pp. 1–101).
[RT I, 16.06.2017, 1 – entry into force 01.07.2017]
- (2) For the purposes of this Act, ‘transmission of gas’ means the transport of gas through a transmission pipeline to an agreed supply point or from the supply point to the transmission pipeline. The use of an upstream pipeline network or of a part of the transmission network for local distribution of gas is not regarded as transmission of gas.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]
- (3) For the purposes of this Act, ‘distribution of gas’ means the transport of gas through regional or distribution pipeline systems to consumer installations or agreed supply points, or from the supply point to the distribution pipeline system, including the part of the transmission network used for local distribution of gas.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]
- (4) For the purposes of this Act, ‘sale of gas’ means the transfer of gas to a person for a charge.
[RT I 2005, 64, 483 – entry into force 11.12.2005]

§ 8. Obligations of gas undertakings

- (1) The gas undertaking shall ensure that customers are supplied with gas in compliance with this Act, the ancillary conditions of the authorization and the relevant contracts.
[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]
- (2) A gas undertaking shall, in its internal accounting rules, establish principles which require the accounts for transmission, distribution and sale of gas and for any activity area unrelated to these activities to be kept in the manner that separate undertakings operating in these areas of activity would be obligated to.
[RT I 2007, 17, 80 – entry into force 09.03.2007]
- (2¹) A gas undertaking shall keep separate accounts for the sale of gas to household customers and eligible customers.
[RT I 2007, 17, 80 – entry into force 09.03.2007]
- (2²) Gas undertakings must establish accounting rules regarding the classification of assets and liabilities and of items of revenue and expenditure, to be followed in keeping the accounts of the activity areas specified in subsection 2 of this section.
- (3) A gas undertaking shall make it possible for the Competition Authority to audit its accounts and shall provide any necessary explanations concerning its economic activities.
[RT I 2007, 66, 408 – entry into force 01.01.2008]
- (4) A gas undertaking shall submit information concerning the formation of the price of gas and of the price of network services to Statistics Estonia pursuant to the procedure provided in the Official Statistics Act.
[RT I 2010, 41, 241 – entry into force 01.08.2010]
- (4¹) A gas undertakings who is not obligated to publish its annual accounts shall keep a copy thereof at its seat of business and make it available to members of the public.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]
- (4²) Gas undertakings shall preserve the information regarding gas transactions for five years and shall transmit the information, if this is needed, to the Competition Authority and the European Commission. The information shall include the following particulars:

[RT I, 13.03.2019, 2 - entry into force 15.03.2019]

- 1) term of the transaction and terms and conditions concerning delivery and payment;
- 2) volume of the transaction;
- 3) date and time of fulfilling the transaction by trading period;
- 4) price of the transaction;
- 5) particulars of the seller;
- 6) details of uncompleted supply contracts.

[RT I, 28.06.2012, 2 - entry into force 08.07.2012]

(4³) The information referred to in subsection 4² of this section is deleted after the lapse of five years.
[RT I, 13.03.2019, 2 - entry into force 15.03.2019]

(5) A gas undertaking shall publish the approved prices, ceiling rates, methods, standard terms and conditions, as well as information regarding the rights of the customer and the possible ways of resolving disputes on its website and shall provide information regarding these to any person who requests such information.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(5¹) When this is requested by the customer, the gas undertaking shall provide to the customer information regarding the customer's consumption according to the relevant form. No additional fee shall be charged for the provision of consumption information.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(5²) The consumption information form specified in subsection 5¹ of this section shall be established by the minister responsible for the area by a regulation.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(6) A gas undertaking shall organise the preparation, submission and publication of its annual report pursuant to the Accounting Act. If auditing is compulsory, the sworn auditor's report shall, among other matters, include an assessment regarding compliance of the gas undertaking's annual report and annexes thereto with the provisions of this Act.
[RT I 2010, 9, 41 – entry into force 08.03.2010]

(7) At the request of the Competition Authority, a gas undertaking shall provide to the Competition Authority the information necessary for performance of the duties of the competent authority as stipulated in Regulation (EU) No 994/2010 of the European Parliament and of the Council concerning measures to safeguard security of gas supply and repealing Council Directive 2004/67/EC (OJ L 295, 12.11.2010, pp. 1–21).
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 8¹. Unbundling of activities

(1) The network operator who provides transmission services may concurrently engage in the provision of distribution services but may not at the same time be a seller, except in the case mentioned in subsection 1 of section 26⁵ of this Act.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(2) A network operator who has more than 100,000 consumers connected to its distribution network and who does not provide transmission services shall unbundle its gas distribution and sales activities and establish, as of 1 July 2007, separate companies for the distribution and sale of gas. If the number of connected customers of a network operator exceeds the ceiling value of 100,000 after this date, the network operator shall bring its activities into conformity with the requirements of this section within six months.

(3) A network operator who has less than 100,000 consumers connected to its distribution networks and who does not concurrently provide transmission services may at the same time be a seller.

(4) [Repealed – RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(5) Where the number of consumers connected to the network of a distribution network operator equals or exceeds 100,000, the trade mark of the distribution network operator must be clearly distinguishable from the trade mark of an undertaking that belongs to the same group and that is engaged in the production or sale of gas.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 9. Sale of gas

(1) The seller of gas who has the greatest market share within a network area is obligated to sell gas within the technical limits of the network to any household customer who has a network connection and who is located within the network area if the customer wishes to purchase gas.
[RT I 2007, 17, 80 – entry into force 09.03.2007]

(1¹) The amounts of gas sold shall be simultaneously expressed in kilowatt hours and in cubic metres.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(2) The selling price of gas does not include the price of the network service, with the exception of the transmission tariff described in Commission Regulation (EU) No. 2017/460 establishing a network code on harmonized transmission tariff structures for gas (OJ L 72, 17.03.2017, pp. 29–C0#3F56).
[RT I, 29.06.2018, 2 – entry into force 09.07.2018]

(3) [Repealed – RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3¹) [Repealed – RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3²) [Repealed – RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3³) [Repealed – RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(4) As of 1 July 2007, gas undertakings must submit separate invoices for the sale of gas and for the provision of network services, or to distinguish such activities as separate items of a single invoice.

(5) The gas undertaking shall submit an invoice for the natural gas consumed by and for the network service provided to the customer at least once a month, unless agreed otherwise with the customer. No additional fee shall be charged for the submission of the invoice.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(6) In the case of a change of seller, the seller shall submit its final invoice to the customer within six weeks as of the termination of the contract for the sale of gas.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(7) The seller has a right to request from the network operator the meter readings of the customer, provided the customer has given its consent in a form that allows reproduction in writing. No additional fee shall be charged for the submission of meter readings to the seller.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 9¹. Gas undertaking in dominant position on the market

(1) The gas undertaking in a dominant position on the market (hereinafter, ‘the gas undertaking in a dominant position’) within the meaning of the Competition Act publishes the terms and conditions of the sale of gas and the principles of formation of the selling price.

(2) In elaborating the terms and conditions of the sale of gas and in establishing the selling price of gas, the gas undertaking in a dominant position has regard to the principles of equal treatment and transparency.

(3) The selling price of gas must cover the necessary operating expenses and ensure that the necessary investments can be made and a justified profit is returned.

(4) If the Competition Authority demands it, the gas undertaking in a dominant position must provide evidence regarding compliance of the selling price with the conditions specified in subsection 3 of this section.
[RT I 2007, 66, 408 – entry into force 01.01.2008]

(5) If the selling price does not conform to the conditions specified in subsection 3 of this section, the Competition Authority has a right to require that the price be brought into conformity with those conditions.
[RT I 2007, 66, 408 – entry into force 01.01.2008]

(6) The undertaking in a dominant position may not refuse to sell gas to a household customer who has a network connection if the customer requests that.
[RT I 2009, 34, 225 – entry into force 06.07.2009]

§ 10. Selling price of gas for household customers

(1) In setting the price of gas for household customers, the gas undertaking in a dominant position follows the principle that the weighted average price of the gas it sells contains the price for which it has purchased gas from abroad and a sales margin added thereto.

(2) In purchasing gas, the gas undertaking in a dominant position follows good business practice and makes its purchases of gas at the most favourable price possible.

(3) The gas undertaking in a dominant position must obtain the approval of the Competition Authority for the ceiling rate of its sales margin.

(4) The ceiling rate of the sales margin specified in subsection 3 of this section must cover the costs incurred in the sale of gas and ensure justified profitability. The Competition Authority prepares and publishes uniform

methods for the calculation of the ceiling rate of the sales margin and relies on these methods when approving the ceiling rate of the sales margin.

(5) The Competition Authority makes the decision with respect to approval of the ceiling rate of the sales margin specified in subsection 3 of this section within thirty days from the submission of the corresponding application. If the application for approval is particularly complicated or requires more work than usual, the Competition Authority may extend the term for processing the application to sixty days, informing the applicant of the extension of the term before the initial term expires.

(6) The term for processing the application specified in subsection 5 of this section is suspended if the Competition Authority has not received the information that it has requested and that is necessary for approving the application.

(7) If the weighted average price of the gas sold during a calendar year exceeds the weighted average purchase price of gas for the same period, to which the sales margin specified in subsection 4 of this section has been added, the gas undertaking in a dominant position sets off the difference in prices with the customer within three months and submits a corresponding report to the Competition Authority not later than by 1 May each year. The set-off must be shown as a separate item in the gas sales invoice.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(8) If the Competition Authority demands it, the seller of gas must provide explanations and reasons for the prices set.

(9) A seller of gas shall publish the selling prices of gas and notify customers thereof not later than one month prior to the date as of which such prices will apply.
[RT I 2009, 34, 225 – entry into force 06.07.2009]

§ 10¹. Terms and conditions of contract

(1) Prior to concluding a connection contract, network contract or a contract for the sale of gas, the party to the contract who is a consumer and a natural person must be provided with information concerning the material terms and conditions of the contract and any possible alternatives in terms of its content.

(2) The connection contract, network contract or contract for the sale of gas that is executed in a written or electronic form or in a form that allows written reproduction or in any other form subject to stricter formal requirements, or the standard terms and conditions of such a contract, set out the following information:

- 1) in the case of the network or connection contract, the name of the network operator, in the case of a contract for the sale of gas, the name and registration number in the Commercial Register of the network operator or the seller, as well as the address and other contact details of the network operator and the seller;
- 2) a description of the services provided on the basis of the network or connection contract and the date on which the provision of services commences or the principal parameters of the natural gas sold under the contract for the sale of gas;
- 3) the principal quality parameters of the services provided on the basis of the network or connection contract or a reference to a document which is accessible and which sets out such parameters;
- 4) the time of initial connection to the network in accordance with the connection contract entered into for connection to the network or for amendment of the consumption or production conditions;
- 5) a description of the maintenance services provided;
- 6) the manner of obtaining relevant information concerning the charges payable under the contract;
- 7) the conditions for amendment of the contract and the conditions for cancellation of the contract, including cancellation without charge;
- 8) information concerning the conditions under which the consumer may obtain a refund or a money or other compensation if the services provided under the network or connection contract or the a contract for the sale of gas do not conform to the terms and conditions of the corresponding contract;
- 9) information concerning the procedure for dealing with complaints;
- 10) in the case of a network contract or a contract for the sale of gas, the term of the contract and the conditions for renewal and termination of the contract;
- 11) the procedure for estimating the amount of consumed gas by the network operator in the case that the customer has not provided that information;
- 12) the options of payment for the services.

(3) The contract may not include restrictions concerning entry into contracts for the sale of gas with more than one seller.

(4) The seller of gas must, on its website, make accessible to the public the standard terms and conditions of contracts for the sale of gas to household customers which, among other things, provide the following:
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

- 1) the name, registration number in the Commercial Register, address and other contact details of the seller;
- 2) a description of the services provided;

- 3) the principal quality parameters of the services provided or a reference to a document which is accessible and which sets out such parameters;
- 4) the procedure for notification of customers of the charges applied;
- 5) the term of the contract, conditions for renewal, amendment and termination of the contract;
- 6) conditions for cancellation of the contract without charge;
- 7) the options of payment for the service.

(5) The Competition Authority does not approve the standard terms and conditions if a standard term contravenes this Act or if the content or manner of expression or of presentation of the term is unusual or difficult to understand within the meaning of subsection 3 of section 37 of the Law of Obligations Act, or if the term is unfairly prejudicial to the other party within the meaning of section 42 of the Law of Obligations Act, and is therefore void.

(6) The contract for the sale of gas sets out, among other matters, the category of supply.

(7) The contract for the sale of gas to a household customer may also include provisions of the contract for network services which deal with the provision of the network services necessary for the distribution of the gas to be sold.

(8) The seller of gas must make it possible to terminate the contract for the sale of gas on account of the customer's switching to another seller, within 14 days starting from the presentation of the corresponding request by the customer, provided the obligations arising from the contract to be terminated have been performed. The new contract for the sale of gas takes effect at the turn of the calendar month.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(9) At least 30 days prior to amending the terms and conditions of a contract, including prices and tariffs, the network operator or the seller transmits to the customer the corresponding notice. The notice sets out the envisaged amendments, the basis for the envisaged amendments and the date on which they are intended to take effect, as well as information concerning the fact that the consumer is entitled to cancel the contract if he does not agree to the amendments.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 10². Data exchange in the gas market

(1) For the efficient operation of the gas market, for facilitating competition between the sellers and for changing the open supplier, the system operator creates a digital environment (hereinafter, 'data exchange platform'), and makes it possible, on an equal footing, for market participants who have the corresponding statutory duty and the corresponding statutory right to submit and to receive data. The submission and receiving of data is free of charge.

(2) The network operator submits the following data to the data exchange platform:

- 1) the market participant's identifier;
- 2) the metering point's identifier;
- 3) the particulars of the metering point;
- 4) metering data by metering point;
- 5) the period of validity of the market participant's network contract;
- 6) other particulars that are necessary for achieving the aims set out in subsection 1 of this section.

(3) An open supplier transmits to the data exchange platform the period of validity of the market participant's sales contract and the particulars of the open supplier.

(4) The data entered in the data exchange platform are preserved for five years.

(5) The system operator publishes on its website the technical guidelines for the use of and registration on the platform.

(6) The procedure for submitting data to the data exchange platform, for use of the data and for data exchange between market participants, as well as the list of particulars mentioned in clauses 1–3 and 6 of subsection 2 and in subsection 3 of this section are established by the minister responsible for the area in the network code governing the operation of the gas market which is to be established under subsection 7 of this section.

(7) The minister responsible for the area establishes, by regulation, the network code governing the operation of the gas market.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 10³. Certificate of origin

(1) A certificate of origin is an electronic document which the system operator issues to the producer on the basis of the producer's request and which certifies that the producer has produced biomethane.

(2) The standard energy unit of the certificate of origin is one megawatt-hour. For each produced megawatt-hour of biomethane, one certificate of origin is issued.

(3) Only certificates of origin that are in conformity with the requirements provided in this section may be used to prove that the biomethane that has been consumed originates from a renewable energy source.

(4) The certificate of origin may be used within the 12 months following the production of the corresponding energy unit. The validity of the certificate expires when the certificate has been used. If the certificate is used in the calendar year in which the energy unit was produced or by 31 March of the calendar year following that year, the certificate is accounted as having been used in the calendar year in which the energy unit was produced. If the certificate is used after 31 March of the calendar year following the production of the energy unit, it is accounted as having been used in the calendar year following the production of the energy unit.

(5) The system operator elaborates and publishes on its website the conditions and procedure for the issue and use of certificates of origin, and the price list of services developed to cover justified costs of administrating the certificates. The system operator has a right to charge a justified fee for operations carried out concerning certificates of origin.

(6) The system operator creates an electronic database for the administration of certificates of origin and publishes information concerning the certificates of origin that have been issued on its website. Information concerning the issue of a certificate of origin is published on the system operator's website at the latest within the business day following the issue of the certificate.

(7) The list of particulars to be shown on the certificate of origin is established by the minister responsible for the area in the network code governing the operation of the gas market.

(8) When the certificate of origin is alienated, it is transferred to the other party through the electronic database of certificates of origin.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

Division 3

Balance Responsibility

§ 11. Definitions related to balance responsibility

(1) For the purposes of this Act, 'balance' means equivalence between the quantity of gas for a market participant agreed upon for the balance period and the quantity of gas supplied to the market participant during the balance period.

(2) 'Balance period' means the 24-hour period that starts at 7 a.m. in the morning and ends at 7 a.m. in the morning of the following day.

(3) 'Balance portfolio' means the area of balance responsibility of the balance provider, which is determined by the metering points of the market participants whose balance is ensured by the balance provider.

(4) 'Balance provider' means a market participant who supplies gas to the transmission network or to whom gas is supplied from the transmission network through the relevant connection points, and who has entered into a balance contract with the system operator. The balance provider of household customers is their seller, or the seller designated by the network operator, if the household customer does not have an open supply contract.

(5) 'Open supply' means the sale of gas during the balance period to a market participant on the basis of metering data, or in the event of an imbalance, the sale of the missing quantity or the purchase of the surplus quantity of gas.

(6) 'Open supplier' means the system operator, seller of gas or, in the event of an interruption of the open supply contract, the seller to whose network the customer's gas installation is connected and who has been designated by the network operator, where the system operator, seller of gas or seller designated by the network operator provides an open supply.

(7) 'Balance contract' means the open supply contract entered into by the system operator and the balance provider under which the balance provider undertakes to ensure the balance. Standard terms and conditions of that contract, which set out the rights and the obligations of the system operator and of the balance provider in ensuring the balance responsibility, constitute an integral part of the contract.

(8) 'Fixed supply' means supply, to the market participant, of the quantity of gas agreed with him for the balance period.

(9) 'Balance responsibility' means the market participant's obligation to ensure the balance for each balance period.

(10) 'Balance gas' means gas which the system operator sells to the balance provider or purchases from the balance provider to cover the imbalance that has arisen during the balance period within the balance portfolio of the balance provider.

(11) 'Balancing gas' means gas which, during the balance period, has been introduced into the transmission network or released from that network and which is purchased or sold by the system operator for the purpose of maintaining the operational capacity of the network. The quantity of the balancing gas purchased or sold during the balance period is calculated in energy units as the difference between the quantities of gas that have been introduced into and released from the transmission network during the balance period.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 12. Balance responsibility arrangements

(1) In order to supply gas through the transmission network, a market participant concludes a balance contract with the system operator, except where the market participant has delegated its balance responsibility to another balance provider that has concluded a balance contract with the system operator.

(2) The supply of the cross-border trade in gas of the Estonian state must be reflected in the balance settlement of the balance provider.

(3) Each market participant has one open supplier. In order to purchase the gas used to provide network services, the network operator must have one open supplier for the network boundary points. The customer and the producer each have one open supplier per metering point.

(4) The system operator elaborates the standard terms and conditions for balance contracts and the methodology for determining the price of balance gas, and obtains approval concerning those terms and conditions and methodology from the Competition Authority. The Competition Authority does not approve the methodology if that methodology does not conform to the requirements provided in this Act or the legislation made under it.

(5) If, as a result of balance settlement, the balance provider's balance turns out to be negative, it is deemed that the system operator has, during that period, sold to the balance provider the quantity of balance gas that is necessary for maintaining the balance provider's balance. If, as a result of balance settlement, the balance provider's balance turns out to be positive, it is deemed that the balance provider has, during that period, sold to the system operator the quantity of balance gas that is necessary for maintaining the balance provider's balance.

(6) The price of the balance gas is determined by the system operator in accordance with this Act and with the balance contract after the end of the balance period.

(7) The system operator sets the price of the balance gas such that that price makes it possible for the system operator:

- 1) to cover the justified costs laid out in order to balance the system;
- 2) to cover the justified costs related to the purchase and sale of balance gas;
- 3) ensure justified profitability.

(8) When elaborating the standard terms and conditions of balance contracts and setting the price of balance gas, the system operator has regard to the principles of equal treatment and of transparency.

(9) The system operator publishes the methodology for setting the price of balance gas and the standard terms and conditions of balance contracts, which have been approved by the Competition Authority, on its website at least 30 calendar days before their application.

(10) Unless agreed otherwise, the calculation period which is the basis for money payments related to the balance is the calendar month.

(11) The minister responsible for the area may, in the network code governing the operation of the gas market, establish requirements regarding the exchange of information relating to balance responsibility.

(12) The procedure for balance responsibility is established by the minister responsible for the area in the network code governing the operation of the gas market.

(13) The procedure for changing the open supplier is established by the minister responsible for the area in the network code governing the operation of the gas market.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 12¹. Rights and obligations of the balance provider

(1) For any balance gas that the balance provider sells to the system operator, that provider has a right to receive payment in accordance with this Act and the balance contract.

(2) For the balance gas sold to the balance provider by the system operator, that provider must pay in accordance with this Act and the balance contract.

(3) If the balance provider is off-balance, that provider is obligated, upon a demand by the system operator, to demonstrate immediately how it intends to ensure the balance. When the system operator demands it, the balance provider must commence activities that lead to the restoration of the balance.

(4) The balance provider enters into gas supply contracts on terms which make it possible for that provider to ensure its balance at any time.

(5) The balance provider determines the procedure that must be followed when that provider is notified of any fixed supply to a market participant whose balance is maintained by the balance provider in accordance with this Act.

(6) The balance provider publishes on its website the conditions for maintaining balance responsibility and the methods for determining the fee charged for balance deviations and provides information concerning those conditions and methods to anyone who requests it.
[RT I 2007, 17, 80 – entry into force 09.03.2007]

§ 12². Balance provider's guarantees

(1) When concluding the balance contract, the balance provider presents to the system operator guarantees corresponding to international investment grade credit rating which are issued by an Estonian bank or a bank in a country that is a member of the European Union or the European Economic Area and which provide assurance that the balance provider will unconditionally perform its obligations to the system operator. The aforementioned guarantees are a permanent guarantee and a variable guarantee.

(2) The amount of the balance provider's variable guarantee is determined by the system operator.

(3) The amount of the balance provider's permanent guarantee and the conditions for the presentation of guarantees and for the determination of their amount are established by the minister responsible for the area in the network code governing the operation of the gas market.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

Division 4 Gas System and System Responsibility

§ 13. Gas system

For the purposes of this Act, 'gas system' means a technical system which comprises the gas transmission network located in the Estonian territory together with the relevant control, protection, communication and metering systems, the distribution networks connected to the transmission network together with the relevant control, protection, communication and metering systems, and the consumers, producers, liquefied gas terminals and gas storage facilities connected to the distribution and the transmission network.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 14. System responsibility

System responsibility is the obligation of the system operator to ensure, at all times, the security of supply for and the balance of the gas system in accordance with the contracts entered into.

§ 15. System operator

(1) For the purposes of this Act, the system operator is a network operator who provides transmission services and who owns or operates metering systems on the national border.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(1¹) The system operator provides gas transmission services or, concurrently, gas transmission and distribution services.
[RT I, 28.06.2012, 2 – entry into force 01.01.2015]

(2) System operators shall exercise the rights and perform the obligations arising from this Chapter in compliance with the principles of impartiality and equal treatment with respect to other gas undertakings and customers in the gas network.
[RT I 2005, 64, 483 – entry into force 11.12.2005]

§ 15¹. Ensuring independence of system operators

(1) The person in charge of managing the system operator may not at the same time be a member of the management board of another gas undertaking or be otherwise in charge of the everyday economic activities of another gas undertaking.

(2) The system operator must have in its possession the resources required for the preservation and development of the network, including technical, physical, financial and human resources. This does not prevent the parent company from carrying out economic and management oversight of the subsidiary, which primarily includes the right to approve the annual financing plan of the system operator and the ceiling limit for the debt of the subsidiary. The parent company may not intervene in the everyday economic activities of the subsidiary or in the decisions concerning the construction or upgrades of the network, provided these decisions do not exceed the limits of the approved financing plan.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3) [Repealed – RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(4) [Repealed – RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(5) The system operator who owns the gas transmission system and the subsidiaries of that operator may not use shared services, except for management or information technology services.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(6) Where an undertaking engaged in the provision of the gas transmission service is split off from a vertically integrated undertaking, the undertaking engaged in the provision of the gas transmission service may not convey the business secrets in its possession to an undertaking engaged in production or sale and the employees of the undertaking engaged in the provision of the gas transmission service may not, in the course of the split, accept employment positions with an undertaking engaged in production or sale.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 16. Obligations of system operators

(1) In order to perform the obligations provided in section 14 of this Act, the system operator shall:

1) ensure the security of supply for the gas system;
2) plan and supervise the supply of gas in the gas system, the distribution of gas in the network, and the consumption of gas, taking into account the technical limitations of the gas system;

2¹) comply with the requirements established for transmission system operators with respect to capacity allocation, congestion management, balancing, capacity trade, transparency and record keeping in Regulation (EC) No 715/2009 of the European Parliament and of the Council on conditions for access to the natural gas transmission networks and repealing Regulation (EC) No 1775/2005 (OJ L 221, 14.08.2009, pp. 36–54);
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

2²) ensure access to the transmission network for third parties pursuant to requirements established in Regulation (EC) No 715/2009 of the European Parliament and of the Council;
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

2³) comply with the requirements established for transmission system operators established in Regulation (EC) No 994/2010 of the European Parliament and of the Council;
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

2⁴) cooperate within the European Network of Transmission System Operators for Gas both at regional and EU level in order to ensure efficient functioning of the market pursuant to the requirements established in Regulation (EC) No 715/2009 of the European Parliament and of the Council;
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

2⁵) submit to the Competition Authority a plan of investments to implement the measures required for ensuring the infrastructure standard provided in Article 6 of Regulation (EC) No 994/2010 of the European Parliament and of the Council as of 3 December 2014, or demonstrate with relevant market measures that the infrastructure standard has been met;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

2⁶) submit to the Competition Authority every second year the information described in Article 3 of Council Regulation (EU, Euratom) No 617/2010 concerning the notification to the Commission of investment projects in energy infrastructure within the European Union and repealing Regulation (EC) No 736/96 (OJ L 180, 15.07.2010, pp. 7–13) using the form given in Commission Regulation (EU, Euratom) No 833/2010 implementing Council Regulation (EU, Euratom) No 617/2010 (OJ L 248, 22.09.2010, pp. 36–56);
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

3) ensure cooperation with the gas systems of neighbouring states, taking into account the technical limitations of such systems in real time;

4) settle, in accordance with this Act, the legislation enacted under it and agreements entered into by the system operator and balance provider, the balance of the gas system and the balance of the balance providers on the basis of information submitted to the system operator and purchase and sell balance gas with the aim of ensuring the effective functioning of the gas market and the equitable division between the balance providers of expenses incurred in order to ensure the balance of the gas system;

[RT I 2007, 17, 80 – entry into force 09.03.2007]

4¹) on the basis of data relating to balance settlement and other relevant data, submit invoices to the balance provider for each calculation period regarding the charges payable for the balance gas purchased by the balance provider and any other charges payable to the system operator by virtue of legislation or contract and collect the sums payable by the balance provider on the basis of invoices;

[RT I 2007, 17, 80 – entry into force 09.03.2007]

4²) on the basis of data relating to balance settlement and other relevant data, calculate the amounts of balance gas sold by a balance provider to the system operator during each calculation period and pay the balance provider for such amounts;

[RT I 2007, 17, 80 – entry into force 09.03.2007]

5) execute balance contracts;

6) perform other duties arising from this Act.

(2) When purchasing services needed to perform its obligations, the system operator shall use transparent procedures and conditions which do not discriminate between gas undertakings and do not contain unjustified limitations.

(3) The system operator may not disclose confidential information received in the course of performing its obligations to third persons, unless the disclosure of such information is prescribed by law or the communication of the information is necessary order to perform obligations arising from this Act.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(3¹) The system operator must inform the Competition Authority of every planned transaction which may give rise to the need to review the undertaking's conformity to the requirements listed in section 29¹ of this Act, or of any circumstances under which a person from a country other than a member state of the European Union (hereinafter 'third country') may acquire control of the transmission network or of the system operator.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(4) The system operator shall submit to the Competition Authority the information required for the preparation of reports on security of supply.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

(5) The obligations of the system operator relating to provision of gas transmission services and determination of the fee charged for those transmission services are provided in Regulation (EC) No 715/2009 of the European Parliament and of the Council.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(6) The system operator shall ensure that commercially advantageous information regarding its own activities is used in accordance with the principle of equal treatment.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(7) The system operator shall disclose the information required for effective competition and for effective functioning of the market, except for business secrets.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(8) The system operator may not convey a business secret to a gas undertaking engaged in production or sale.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(9) The system operator may not misuse a business secret it has obtained through an undertaking that it controls within the meaning of the Competition Act from a third party in the course of arranging access to the network.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(10) The system operator shall ensure capacity allocation and scrutiny of the security of the network by means of an integrated system in cooperation with the transmission system operators of other member states.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 17. Rights of the system operator

(1) In order to perform its obligations, the system operator has a right to demand that a balance provider increase or reduce gas supply in accordance with the balance contract concluded with that provider.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(2) The system operator has a right to issue mandatory orders to market participants to limit or suspend the consumption of gas by customers if this is required to mitigate the effects of a supply disruption. Such an order must have its basis in the contract concluded with the consumer in which provision is made for limiting or suspending the consumption of gas, or in the resolution of the Government of the Republic referred to in section 26²(2²) of this Act.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(3) In order to fulfil its system responsibility, the system operator has a right to impose technical restrictions on the use of gas systems.

(4) The system operator has a right to request information required for the performance of its obligations from all market participants and local authorities.

(5) The system operator has a right to demand that the balance provider comply with the requirements and perform the obligations provided in legislation or contracts and, in the event that such requirements are not complied with or such obligations are violated, the system operator has the right to refuse to conclude the contract with the balance provider or to terminate the contract or have recourse to other legal remedies prescribed by legislation or the contract.

(6) The system operator has a right to require that the balance provider cover the costs related to balance settlement.

(6¹) The system operator has a right to purchase and sell balancing gas. The system operator is not required to hold the authorization for the import and sale of balance gas and of balancing gas.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(7) The system operator does not compensate any damage or reimburse any expenses incurred as a result of the performance of orders referred to in subsections 1–3 and 5 of this section, except in the case where the actions or orders of the system operator have been unlawful.
[RT I 2007, 17, 80 – entry into force 09.03.2007]

(8) The rights of the system operator relating to the provision of gas transmission services and the determination of the fee charged for the transmission services are provided in Regulation (EC) No. 715/2009 of the European Parliament and of the Council.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 17¹. Tasks of LNG terminal operators

(1) The gas undertaking who owns an LNG terminal shall appoint an LNG terminal operator. The undertaking who owns an LNG terminal may appoint itself or another undertaking to act as the terminal operator. The owner of the LNG terminal shall inform the Competition Authority of the appointment of the LNG terminal operator.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(2) The terminal operator shall perform the following tasks:

- 1) maintain and develop the LNG terminal in order to meet service obligations;
- 2) ensure third parties' access to the terminal pursuant to requirements established in Regulation (EC) No 715/2009 of the European Parliament and of the Council;
- 3) comply with the requirements established for terminal operators with respect to capacity allocation, congestion management, balancing, capacity trade, transparency and record keeping in Regulation (EC) No 715/2009 of the European Parliament and of the Council;
- 4) observe the principle of equal treatment of market participants;
- 5) provide the system operator, any other terminal operator and any other network operator with sufficient information to ensure that the transmission of gas takes place in a manner compatible with the secure and efficient operation of the interconnected system.

(3) The terminal operator may not disclose to third parties any business secrets to which it has become privy in the course of performing its tasks, except where such disclosure is required in order to perform obligations arising from legislation.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(4) The terminal operator shall obtain approval from the Competition Authority for standard terms and conditions of the agreement on the use of the terminal and the methodology for calculating tariffs.

(5) The tariffs for the use of the terminal shall be established such as to ensure that:

- 1) the necessary operating expenses are covered;
- 2) investments are made in order to perform operational and development obligations;
- 3) environmental requirements are complied with;
- 4) quality and safety requirements are complied with;
- 5) justified profit is returned.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 17². Tasks of storage network operators

(1) The gas undertaking who owns a gas storage facility shall appoint a storage network operator. The undertaking who owns a gas storage facility may appoint itself or another undertaking to act as the storage network operator. The owner of the gas storage facility shall inform the Competition Authority of the appointment of the storage network operator.

(2) The storage network operator shall perform the following tasks:

- 1) maintain and develop the network of storage facilities in order to meet gas storage service obligations;
- 2) ensure third parties' access to the storage facilities following the requirements established in Regulation (EC) No 715/2009 of the European Parliament and of the Council;
- 3) perform the obligations of a storage system operator as established in Regulation (EC) No 715/2009 of the European Parliament and of the Council;
- 4) observe the principle of equal treatment with regard to all market participants;
- 5) provide the system operator, network operator, other storage system operators and LNG terminal operators with sufficient information to ensure that the transportation and storage of gas takes place in a manner compatible with the secure and efficient operation of the interconnected system;
- 6) disclose the information required for effective competition and for effective functioning of the market, except for business secrets.

(3) The storage network operator may not disclose to third parties any business secrets to which it has become privy in the course of performing its tasks, except where such disclosure is required in order to perform obligations arising from legislation.

(4) The storage network operator shall obtain the approval of the Competition Authority for standard terms and conditions of agreements on the use of the storage facility and for the methodology for calculating tariffs.

(5) Before approving the methodology for calculating tariffs for storage facilities, the Competition Authority shall consult with users of the network.

(6) The tariffs for the use of the gas storage facility shall be established such as to ensure that:

- 1) the necessary operating expenses are covered;
- 2) investments are made in order to perform operational and development obligations;
- 3) environmental requirements are complied with;
- 4) quality and safety requirements are complied with;
- 5) justified profit is returned.

(7) The standard terms and conditions and the tariffs for the use of a storage facility shall be published on the website of the storage network operator.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 17³. Quality requirements for gas and for biomethane

(1) The quality requirements for gas and for biomethane provide the limit values of the physical and chemical characteristics and composition of the gas and biomethane that are introduced into, and transported through, the transmission network operated by the system operator.

(2) The quality requirements for gas and for biomethane are established by the minister responsible for the area in the network code governing the operation of the gas market.

(3) In establishing the quality requirements, the minister responsible for the area has regard to the quality requirements of gas applicable to the gas systems connected to Estonia's gas system, the technical requirements for gas installations and the technical requirements for gas systems.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

Chapter 3 FUNCTIONING OF NETWORK

§ 18. Connection to network

(1) For the purposes of this Act, connection to a network is the connection to the network of a consumer installation, a gas production facility, a network belonging to another network operator or of an LNG terminal.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2) Within the technical limits of the network, a network operator is required to provide a network connection for all persons located within its network area who apply for a connection (hereinafter 'connectee') unless this endangers the security of supply for earlier connectees.

(3) A network operator must provide reasons to any refusal of an application from a connectee in writing within thirty days as of the receipt of the application.

(4) On the basis of an application from a connectee, the network operator shall issue the conditions for connection to the network (hereinafter 'conditions of connection').

- (5) The conditions of connection shall:
- 1) be transparent and unambiguous;
 - 2) comply with the principle of equal treatment of similar connectees;
 - 3) take into consideration the technical and economic conditions of each particular connection;
 - 4) take into consideration the interests of network development and stability;
 - 5) take into consideration the technical capacity of the network.

- (6) The conditions of connection shall determine:
- 1) the supply point;
 - 1¹) gas consumption regime at the point of supply;
 - 2) location of the metering system and type of metering instruments;
 - 3) the service boundary of the network;
 - 4) the obligations of the connectee and the network operator;
 - 5) an estimate of the connection fee;
 - 6) the term of validity of the conditions of connection;
 - 7) any other special conditions.

(7) A connection fee shall not be collected upon replacement of a consumer installation connected to a network or in the event of a change of ownership of the consumer installation provided that the following conditions are met concurrently:

- 1) connection to the existing consumer installation occurs such that the supply point remains unchanged;
 - 2) no application is made for a change in the combined usage capacity or consumption regime set out in the contract entered into by the former customer;
 - 3) technical conditions for connecting the connectee's consumer installation continue to exist.
- [RT I 2005, 64, 483 – entry into force 11.12.2005]

§ 18¹. Gas pipeline crossing national border

(1) Building a gas pipeline crossing the national border (hereinafter 'interconnector') is permitted only with the authorization of the Government of the Republic.

(2) The application for the authorization described in subsection 1 of this section must set out the following:

- 1) the name and address of the applicant;
 - 2) information regarding the location of the interconnector;
 - 3) technical parameters of the interconnector (pressure, capacity, diameter, length, etc.);
 - 4) planned time of construction;
 - 5) estimated cost of construction;
 - 6) reasons explaining the necessity of the interconnector;
 - 7) the results of environmental impact assessment.
- [RT I 2005, 64, 483 – entry into force 11.12.2005]

§ 18². Access of third parties to network

(1) On the basis of the corresponding application, the Competition Authority may grant a temporary derogation regarding the access of third parties to a new interconnector which crosses the national border, including access to significantly increased capacity, or a part of such capacity, of an existing interconnector, or to an LNG terminal or a gas storage facility, in which case the application of the provisions of ss. 18, 23, 23², 29¹, 29³, 29⁴ and 37(3)(20) of this Act may be forgone in respect of the gas undertaking or terminal operator.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(2) For the purposes of this Act, 'access to network by third parties' means the right of a market participant to connect to the network or to use network services.

(3) For the purposes of this Act, 'new interconnector' means an interconnector for the construction of which the authorization specified in section 18¹ of this Act has been granted after 15 July 2003.

(4) The minister responsible for the area establishes the list of particulars to be included in applications for a derogation and in the corresponding decisions of the Competition Authority.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

(5) The Competition Authority transmits a copy of the application for derogation and of the decision made concerning the application to the European Commission immediately after receiving the application and making the decision. The decision is published on the website of the Competition Authority.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(6) The Competition Authority shall comply with the decision of the European Commission to amend or cancel the decision granting the derogation within one month and shall notify the European Commission of the new decision.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 18³. Conditions for granting a temporary derogation

(1) A temporary derogation may be applied for if the new interconnector complies with the following requirements:

- 1) the investment must increase competition in the area of gas supply and improve the reliability of supply;
- 2) in consideration of the risk level related to the investment, the investment would not be made if the derogation was not granted;
- 3) the owner of the interconnector must be a natural or legal person who operates, at least in terms of legal status, as an entity separate from the network operators to whose networks the interconnector is to be connected;
- 4) fees are to be charged to the users of the interconnector;
- 5) the temporary derogation does not restrict competition, effective operation of the internal gas market or the operation of a regulated network to which the interconnector is connected.

[RT I 2005, 64, 483 – entry into force 11.12.2005]

(2) Upon application for temporary derogation in the case of a significant increase in the capacity of an existing interconnector, the conditions specified in subsection 1 of this section must be observed and the increase in capacity must make it possible to utilise new sources of supply.

[RT I 2005, 64, 483 – entry into force 11.12.2005]

(3) When granting a temporary derogation, each application shall be considered separately in terms of whether additional conditions should be established concerning the duration of the derogation and to ensure a non-discriminatory access to the interconnector. When deciding on such conditions, consideration shall be first and foremost given to the additional capacity that is under construction and changes in the existing capacity, the term of the project and the prevailing conditions of the gas market in the member state.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(4) If the interconnection referred to in subsection 1 of section 18² of this Act is located on the territory of more than one member state, the Competition Authority may, within two months after receiving, from the relevant regulatory authority of the member state, the application for derogation referred to in subsection 1 of this section, transmit to that authority its advisory opinion.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(5) The Competition Authority shall, within six months as of the date on which it received, from the last relevant regulatory authority, the application for derogation, notify the Agency for the Cooperation of Energy Regulators of the decision reached concerning the application. In justified cases, the Competition Authority may request from the Agency for the Cooperation of Energy Regulators an extension of the time-limit for notification by three months.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(6) The Competition Authority shall only make the decision referred to in subsection 1 of section 18² of this Act after the applicant for the derogation has ascertained the potential interest of users of the new interconnection, of significantly increased capacity or a part of such capacity.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 19. Entry into network connection contract

(1) In order to connect to the network, the owner of the consumer or producer installation to be connected to the network or an authorized representative of such an owner concludes a written contract with the network operator.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(2) The contract shall, amongst other things, determine:

- 1) the supply point;
 - 1¹) gas consumption or production regime at the supply point;
- 2) location of metering system and type of metering instruments;
- 3) the service boundary of the network;
- 4) the connection fee;
- 5) [Repealed – RT I 2005, 64, 483 – entry into force 11.12.2005]
- 6) the term for performance of the contract.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(2¹) The particulars specified in points 1#3 of subsection 2 of this section are regarded to constitute the technical conditions for connection.

(3) The Competition Authority has a right to scrutinize the justification of any refusal to provide a connection, any connection fee and the terms and conditions of connection contracts.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

§ 20. Calculation of connection fees

- (1) Network operators have a right to charge connectees justified connection fees.
- (2) When calculating the connection fee, the basis for the calculation is the need to ensure that the justified expenses for the particular connection are covered, among other things:
 - 1) investments, including the construction of the metering system;
 - 2) compliance with environmental requirements;
 - 3) compliance with quality and safety requirements.
- (3) The connection fee is calculated by the network operator based on the methodology for calculating connection fees.
- (3¹) The network operator obtains the approval of the Competition Authority for the methodology of calculating connection fees.
[RT I 2007, 66, 408 – entry into force 01.01.2008]
- (4) If the technical conditions of the connection at the supply point are modified on the initiative of the network operator, the costs involved are borne by that network operator.
- (5) The network operator may charge a justified fee for a modification of the technical conditions of gas consumption or production if the modification is initiated by the consumer or producer or another gas undertaking.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 21. Licensed territory of network operators

- (1) The network operator defines its network area.
- (2) The network operator may have several network areas which together constitute the licensed territory specified in the authorization held by that operator.
- (3) The licensed territories of different network operators may overlap.
- (4) When several network operators agree to make reciprocal changes to their respective licensed territories, the whole area in which the operators operate must remain covered by their licensed territories after the changes.
- (5) Network operators notify the Competition Authority of making reciprocal changes to their respective licensed territories in accordance with subsection 4 of this section and annex to the notice the agreement they have concluded concerning the division of their activities and obligations.
[RT I 2007, 66, 408 – entry into force 01.01.2008]

§ 21¹. Planning and construction of networks

The requirements for the planning and building of construction works shall apply to the planning and building of networks.
[RT I 2007, 17, 80 – entry into force 09.03.2007]

§ 21². Network development plan

- (1) After consulting with market participants, the system operator prepares a ten-year plan for network development (hereinafter ‘network development plan’) and submits it to the Competition Authority.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]
- (2) In preparing the network development plan, the system operator shall have regard to existing and estimated future demand, having regard to investment plans for regional and Europe-wide networks, as well as investment plans for LNG terminals.
- (3) The network development plan contains measures in order to guarantee the adequacy of the system and the security of supply for the next ten years. The development plan sets out, in particular:
 - 1) the plan for building or upgrading principal transmission infrastructure;
 - 2) the technical parameters of planned investment projects;
 - 3) a time frame for the investment projects.
- (4) The system operator submits to the Competition Authority a report on the progress made in implementing the network development plan and on eventual changes in the plan by 3 March each year, amending the development plan with particulars in respect of the investments to be made during the following three years.
- (5) The system operator publishes the network development plan on its website.

(6) The Competition Authority monitors and assesses the investments made in order to implement a network development plan as regards their consistency with the Europe-wide network development plan and presents its assessment regarding the investment plans of the system operator in its annual report. Such assessment may include recommendations to amend those investment plans.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 22. Rights and obligations of network operators

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(1) The network operator is obligated to ensure that any person who has a network connection is supplied with gas in accordance with this Act, the ancillary conditions of its authorization and the contract entered into with that person.

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

(1¹) If the network operator itself is not a seller, the operator designates a seller in its network area, provided there are no other gas sellers in the area from whom customers could purchase gas.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2) A network operator is responsible for the functioning and maintenance of the network which it owns or operates.

(3) The network operator is required to develop the network in a manner which ensures that all consumer installations located within its network area are connected to the network.

(4) [Repealed – RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(4¹) The network operator publishes on its website the quality parameters of gas, including the highest and lowest calorific value of gas.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(5) The network operator is required to provide other network operators with the necessary information to ensure the distribution and sale of gas in a manner which enables interconnected networks to be used securely and effectively.

(5¹) The network operator does not disclose confidential information received in the course of performing its obligations to third parties, unless the disclosure of such information is prescribed by law or the communication of the information is necessary in order to perform obligations arising from this Act.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(6) A network operator may terminate its activities only if it transfers to another network operator the obligations incumbent upon itself by virtue of this section.

(7) The network operator gives the Competition Authority at least a twelve months' written notice regarding termination of its activities, specifying the date and schedule for termination, and provide a sufficiently detailed overview of the circumstances that guarantee that the requirements provided in this section are met.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

(8) The network operator specified in subsection 8¹(2) of this Act is obligated to comply with the requirements provided in section 15¹.

(9) When providing network services, the network operator observes the principle of equal treatment of market participants.

(10) The network operator has a right to refuse to provide network services if:

1) the gas installation of the user of network services does not conform to the requirements specified in legislation or to the technical conditions established by the network operator for connecting to the network;

2) the network lacks the capacity necessary for the provision of network services.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(11) The network operator provides reasons for any refusal to provide network services. The reasons for refusal must cite the legal basis of the refusal. The network operator notifies the Competition Authority of its refusal to provide network services on the basis of clause 2 of subsection 10 of this section.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

(12) The network operator publishes on its website the services offered by the operator together with the conditions of their provision and the fees charged for each service or the methodology for calculating the fees.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(13) The network operator is obligated to submit the metering data required for balance settlement to the balance provider and the system operator.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(14) The network operator ensures that any commercially advantageous information regarding its own activities is used in accordance with the principle of equal treatment.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

(15) The provider of the vital service referred to in clause 2 of subsection 2 of section 34 of the Emergency Act is:

- 1) the undertaking that provides transmission services in the gas network;
- 2) the undertaking that has more than 10,000 consumers connected to its distribution network.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(15¹) The network operator submits to the Competition Authority the conditions for access to cross-border infrastructure and the methods for allocation of capacity and for dealing with congestion. At the reasoned proposal of the Competition Authority, the network operator amends such conditions and methodology.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(16) The network operator is provider of a service of general interest within the meaning of the General Part of the Economic Activities Code Act.

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

§ 23. Network services and the price of network services

(1) For the purposes of this Act, ‘network services’ means the provision of the gas transmission service or the gas distribution service through a gas network.

(2) The prices for network services must ensure a smooth supply of gas to customers and be justified accordingly on the basis of expenditure required for the operation and development of the network, the reliability of the network and the security of supply, the metering of the gas distributed through the network, the calculation and communication of meter readings and the return of justified profit.

(3) The price of network services must be established such that it ensures:

- 1) coverage of the necessary operating expenses are covered;
- 2) the making of investments to fulfil operational and development obligations;
- 3) compliance with environmental requirements;
- 4) compliance with quality and safety requirements;
- 5) the return of a justified profit on the capital invested by the undertaking;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

6) the price of the network service must cover the justified costs of purchasing the gas used to provide that network service.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(3¹) Justified profit referred to in clause 5 of subsection 5 of this section is calculated on the basis of the capital invested by the undertaking and the weighted average cost of capital.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(3²) The price of the network service must make it possible for the system operator to operate, and to develop, in fulfilment of the obligations flowing from the law, the data exchange platform referred to in section 10² of this Act and the database of electronic certificates of origin referred to in section 10³ of the same Act.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(4) The network operator must submit the prices of network services and the grounds for the establishment of such prices to the Competition Authority for approval and, at the demand of the Competition Authority, state the reasons for the formation of those prices.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(4¹) The Competition Authority develops uniform methods for calculating the prices of network services, taking account of the requirements set out in sections 23 and 23² of this Act.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(4²) The Competition Authority publishes uniform methods for calculating the prices of network services and relies on such methods when approving the price of a network service.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(5) The Competition Authority considers the applications for the establishment of prices provided for in subsection 4 of this section in accordance with the procedure provided in subsections 5 and 6 of section 10 of

this Act. Where the subject matter of the application is a change of the price of the network service on account of a change, for the network operator, in the price of the transmission or distribution services related to the gas purchased, the Competition Authority decides on approving the price of the network service within ten business days following submission of a due-to-form application.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(6) The network operator who provides a transmission service publishes the approved prices of the network service on its website and informs the consumers and distribution network operators of new prices at least three months in advance of the date on which such prices come into effect. The distribution network operator publishes the approved prices of the network service on its website and informs the consumers of new prices at least two months in advance of the date on which such prices come into effect.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 23¹. Contract for provision of network services

(1) To provide network services, the network operator shall enter into a contract for the provision of network services (hereinafter ‘network contract’) with the market participant who applied for the use of the network.

(2) A network operator may enter into separate network contracts with a market participant in order to provide different network services.

(3) A network operator shall obtain approval from the Competition Authority for standard terms and conditions of network contracts.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

(4) The Competition Authority shall not grant its approval to standard terms and conditions of a network contract if the content thereof does not correspond to the balance of rights and obligations of the user of the network service on the basis of which the Competition Authority granted its approval of the price of the network service.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

(5) The parties may agree to derogate from the standard terms and conditions of network contracts.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

§ 23². Principles for calculating the price of network service

(1) The calculation of the price of a network service shall be based on the average (arithmetic mean) amount of sales during the last three calendar years. If necessary, further analysis shall be conducted in order to determine the amount of sales.

(2) The calculation of the price shall not include the following expense items:

- 1) expenses related to monetary claims unlikely to be collected;
- 2) sponsorships, gifts and donations;
- 3) expenses unrelated to principal activities;
- 4) fines and late interest charged on the basis of legislation;
- 5) finance expenses;
- 6) expenses related to income tax charged on dividend payments;
- 7) other expenses not required for the performance of duties imposed on the undertaking by law.

(3) The expenses included in the price calculation must be justified, and must be based on cost efficiency and allow the undertaking to carry out the tasks prescribed by law. The following principles shall be observed in assessing justified operational expenses:

- 1) observation of the dynamic of expenses in time and its comparison with the dynamics of the consumer price index;
- 2) detailed analysis (including expert assessments) of the justifiability of different expense components;
- 3) comparison of the undertaking’s expenses and of the statistical parameters calculated on their basis with the expenses of other similar undertakings.

(4) The calculation of justified profitability and depreciation of fixed assets included in the price calculation shall be based on the fixed assets required for the provision of network service.

(5) The fixed assets shall not include:

- 1) long-term financial investments;
- 2) intangible assets, except for software licences;
- 3) fixed assets acquired with grant aid (including targeted funding);
- 4) fixed assets acquired with funds obtained from connection fees;
- 5) fixed assets which the undertaking does not use for the purpose of providing network service.

(6) The value of fixed assets shall be accounted on a continuing basis and shall continue to be accounted also when the ownership of the undertaking or of the assets changes.

(7) The calculation of justified profitability shall be based on the principle according to which the value of the fixed assets required for the provision of network service, plus the amount of working capital, is multiplied by the weighted average cost of capital.

(8) The amount of the working capital referred to under subsection 7 of this section shall be five per cent of the average (arithmetic mean) turnover of the last three calendar years. If necessary, a further analysis shall be conducted in order to determine the amount of the working capital.

(9) The calculation of the depreciation charge for fixed assets shall be based on the value of the fixed assets required for the provision of network service and the rate of depreciation which corresponds to the technical useful life of the fixed assets.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 24. Metering and installation of metering systems

(1) A network operator shall ensure the metering of all quantities of gas consumed from the network and the collection and processing of meter readings and shall keep relevant records.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(1¹) The network operator shall convert the metered amounts of gas into units of energy. The energy units to be used shall be kilowatt hours (kWh).

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(1²) The methodology for converting the metered amounts of gas into units of energy is established by the minister responsible for the area in the network code governing the operation of the gas market.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(2) [Repealed – RT 1 2005, 64, 483 – entry into force 11.12.2005]

(3) Metering systems in a network which is in the possession of a network operator shall be installed by that network operator at its own expense, unless otherwise stipulated in the contract, and those metering systems shall conform to design documentation, be as close as possible to the point of consumption of gas and be supplemented with the necessary auxiliary equipment.

(4) If the existing metering system of a customer does not comply with the technical requirements established, the network operator shall replace the metering system at its own expense, unless otherwise stipulated in the contract.

(5) If the customer or producer wishes to change the capacity of the consumer or producer installation, the network operator replaces or resets the metering system and any equipment which limits consumption or production capacity. The customer or producer who requested the resetting covers the expenses related to that resetting.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(6) The obligation for, the time-limit and the procedure of the transition to the remote reading of the metering systems is established by the minister responsible for the area in the network code governing the operation of the gas market.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(7) In establishing the principles referred to in subsection 6 of this section, the minister responsible for the area takes his or her decision on the basis of the business case for the use of remote reading devices.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 25. Illegal use

(1) The use of gas or network services is illegal if there is no legal basis for such use or if requirements arising from this Act are infringed, in particular in the case of:

- 1) concealing or reducing of the actual amount consumed by way of damaging the meters, tampering with readings, or damaging the metering systems, parts thereof or stop valves;
- 2) consumption from an unmetered connection without the permission of the gas undertaking;
- 3) consumption without a valid written contract.

(2) When the gas undertaking and the customer have not entered into a written contract, yet the gas undertaking regularly submits invoices to the customer for gas consumed and the customer pays those invoices in a timely manner, this shall not be deemed a case of illegal use specified in clause 3 of subsection 1 of this section.

(3) In addition to the cost of illegally used gas and network services, a market participant shall compensate the network operator and the seller for any harm caused by the illegal use of gas and network services and shall reimburse them for any reasonable expenses incurred in determining the extent of such harm.

(4) The principles for determining the amount of gas and network services used illegally and the cost thereof shall be established by the minister responsible for the area.
[RT I 2007, 17, 80 – entry into force 09.03.2007]

§ 26. Interruption and resumption of gas supply

(1) If there is danger to the life, health or property of persons or to the environment, the network operator has a right to interrupt a network connection without giving advance notice thereof to the customer.

(2) When it is established that illegal use of gas has taken place, the network operator has a right to interrupt the network connection forthwith.
[RT I 2007, 17, 80 – entry into force 09.03.2007]

(3) The network operator has a right to interrupt the supply of gas, having given at least seven days' notice, in the following cases:

1) the consumer or producer installation adversely affects the supply of gas to another customer or the technical parameters of the network;

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

2) the network operator is prevented from accessing a metering system located on premises owned or occupied by the customer or producer in order to inspect or replace the system or to perform any work which is necessary for operating the consumer or producer installation;

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

3) contracts entered into on the basis of this Act or terms and conditions provided for by this Act have been infringed.

(3¹) If a household customer has failed to pay the amount payable according to the contract entered into with the seller and the household customer uses gas for heating a dwelling used as permanent residence, the supply of gas may be interrupted during the period from 1 October to 30 April only after 90 days have passed since receipt of the notice referred to in subsection 4 of this section.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(4) Before the supply of gas is interrupted in the cases provided in subsection 3 of this section, the network operator is obligated to give the customer or producer reasonable time to eliminate the defects and to notify the customer of the pending interruption in writing. The notice must set out:

1) the reason for the interruption;

2) the time-limit for elimination of the defect.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(5) The network connection and gas supply interrupted for the reasons provided in subsection 3 of this section are restored after the customer or producer has paid the justified costs of interruption and reconnection, provided the contract has not been terminated.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 26¹. Minimum requirements for security of supply

(1) In ensuring the security of supply in the case of a supply disruption the requirements established in Regulation (EC) No 994/2010 of the European Parliament and of the Council must be followed.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2) The protected customers in respect of whom the supply standard stipulated in Article 8 of Regulation (EC) No 994/2010 of the European Parliament and of the Council applies include:

1) household consumers whose consumer installation is connected to a gas distribution network;

2) undertakings who produce heat for heating dwellings and for who it is impossible to use any fuel other than gas.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(3) [Repealed – RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(4) [Repealed – RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(5) The consecutive duration of an interruption of gas supply caused by failures may not exceed 72 hours and the total duration of interruptions per year may not exceed 130 hours. The network operator shall maintain records of the duration of interruptions.

[RT I 2007, 17, 80 – entry into force 09.03.2007]

§ 26². Maintaining security of supply

(1) If the system operator has reliable information that an event may take place which could to a significant extent adversely affect the supply situation or that a supply disruption has already taken place, the system operator shall notify the Ministry of Economic Affairs and Communications and the Competition Authority of the event or the disruption and of the market measures implemented by the system operator.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2) Together with the Competition Authority, the Ministry of Economic Affairs and Communications analyzes the information received from and the market measures implemented by the system operator. If the analysis reveals that for the purpose of ensuring security of supply it is necessary to implement any of the measures of compulsory reduction of gas demand listed in subsection 3 of this section, the Ministry of Economic Affairs and Communications makes the proposal to the Government of the Republic to allow the implementation of the measures of compulsory reduction of gas demand named in the plan of measures required in order to eliminate the supply disruption referred to in section 26²(1) or to alleviate the effects of such a disruption.
[RT I, 03.03.2017, 1 – entry into force 01.07.2017]

(2¹) If the European Commission decides to implement measures to ensure the security of supply in the entire European Union or in a specific region of the European Union, the Ministry of Economic Affairs and Communications shall communicate this to the crisis committee of the Government of the Republic and shall then, if necessary, make a proposal to the Government of the Republic to allow the implementation of the measures of compulsory reduction of gas demand.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2²) The resolution of the Government of the Republic must set out:
1) the reason for implementing the measures;
2) the expected duration in days of the period when the measures are in effect;
3) the list of the measures to be implemented.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(3) In the case specified in subsection 2 of this section, the following measures may be implemented:
1) reduction of the supply of gas to persons who use gas for purposes other than production of heat;
2) authorization of reduction of the supply of gas to undertakings producing heat;
3) authorization of a reduction in the temperature of the water released for the heating of residential buildings;
4) obligating the undertakings producing heat to use reserve fuel.

(4) The Competition Authority shall promptly inform the European Commission of any situation described in subsection 1 of this section and of the measures implemented to resolve the situation.
[RT I, 28.06.2012, 2 - entry into force 08.07.2012]

(5) [Repealed – RT I 2009, 39, 262 – entry into force 24.07.2009]

(6) [Repealed – RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(7) Supervision over maintaining the security of supply shall be exercised by the Competition Authority who shall prepare and publish an annual report on the situation of security of supply each year.
[RT I 2007, 66, 408 - entry into force 01.01.2008]

§ 26³. Plans for ensuring security of supply

(1) The Competition Authority shall submit a plan for coping with supply disruptions and the preventive action plan specified in Regulation (EC) No 994/2010 of the European Parliament and of the Council for reducing the risks affecting the security of gas supply to the Ministry of Economic Affairs and Communications.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2) The Ministry of Economic Affairs and Communications shall by directive approve the plan referred to in subsection 1 of this section and transmit it to the crisis committee of the Government of the Republic for information purposes.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3) The Competition Authority shall publish on its website the plans referred to in subsection 1 of this section in the extent that preserves the confidentiality of sensitive business secrets.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 26⁴. Stocks of gas

(1) For each calendar month, stocks of gas (hereinafter, 'stocks') must be maintained in a quantity that ensures the supply of gas to protected customers in accordance with Regulation (EU) No. 994/2010 of the European Parliament and of the Council.

(2) The stocks are constituted and administered by the system operator and their keeping is organized in a manner that ensures the availability of the stocks in the event of a supply disruption.

(3) The system operator may store the stocks in a Member State of the European Union.

(4) The system operator may keep the stocks itself or delegate their keeping to another legal person in accordance with the corresponding agreement entered into with that person.

(5) The Competition Authority has a right to verify the existence of the stocks, their keeping, replenishment and conformity to requirements concerning the quality of gas established under section 173 of this Act.

(6) The justified costs flowing from the administration of the stocks are borne by the users of network services through the price of those services.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 26⁵. Use of stocks

(1) The stocks are used to ensure security of supply for protected customers in the event of a supply disruption. When stocks are released for use, the system operator is not subject to the requirements established in this Act with respect to the sale of gas and to sellers of gas.

(2) After the application of a gas demand reduction measure referred to in subsection 3 of section 262 of this Act, the system operator analyzes the security of supply of protected customers. If it turns out that the security of supply of the protected customer is not ensured, the system operator releases stocks for use. The system operator notifies the decision to release stocks for use to the Competition Authority at the first opportunity, and publishes the decision on its website on the day on which it is adopted.

(3) The decision to release stocks for use must contain:

- 1) the reason for the release;
- 2) the estimated duration of the supply disruption in calendar days, during which the stocks released for use will be used;
- 3) a description of the actions required to replenish the stocks;
- 4) the quantity of stocks released for use.

(4) The system operator sells stocks to protected customers at their weighted average purchase price which is augmented by the transit costs of stocks.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 26⁶. Sale of stocks during periods of no supply disturbance

(1) The system operator has a right to sell stocks in order to reduce the stocks when their quantity exceeds the mandatory quantity by at least five percent. To reduce the stocks, excess stocks may be sold at the market price.

(2) When reducing the stocks, it must be ensured that the obligation to maintain the stocks is fulfilled at all times.

(3) Reduction of the stocks refers to the situation in which, when deciding on the sale of a quantity of stocks by which the stocks exceed the mandatory quantity, there is no intention of replenishing the stocks. Reduction of the stocks is not deemed to occur when, at the time of deciding on the sale of stocks exceeding the mandatory quantity, it is decided to replenish the stocks, and where, when selling and purchasing stocks, the price risk of gas is hedged against.

(4) At the time of supply disturbance, it is not allowed to sell stocks for the purpose provided in subsection 1 of this section.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

Chapter 4

THE OBLIGATION OF UNDERTAKINGS TO NOTIFY AND TO OBTAIN AUTHORIZATION

§ 26⁷. Obligation to notify

For pursuing the activity of a seller of gas, the undertaking must present a notice of economic activity to the Competition Authority.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 27. Authorization obligation

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013, 1)]

(1) An undertaking is required to have an authorization in the following areas of activity:

- 1) [repealed – RT I, 30.06.2017, 2 – entry into force 10.07.2017];
- 2) provision of gas transmission services;
- 3) provision of gas distribution services;
- 4) import of gas
- 5) operation of an LNG terminal;

[RT I, 29.06.2014, 1 – entry into force 01.07.2014]

6) provision of gas storage services.

[RT I, 29.06.2014, 1 – entry into force 01.07.2014]

(2) Any person who sells gas solely to its members, commercial lessees or tenants is not subject to the authorization obligation provided that the sale of gas is not the principal activity of the person and that gas is sold only within a single immovable, or within the construction work which is a movable, together with the land necessary for servicing that construction work.

[RT I, 29.06.2014, 1 – entry into force 01.07.2014]

§ 28. Application for authorization

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

(1) An application for authorization is processed by the Competition Authority.

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

(2) In addition to the information required under the General Part of the Economic Activities Code Act, an application for authorization is to set out the following information and to include the following documents as annexes:

- 1) the licensed territory applied for, except in the case of the areas of activity of the sale of gas and import of gas;
- 2) in the case that the authorization applied for concerns the import of gas through a network, a declaration from the system operator that, in view of the technical capacity of the system, the transmission and distribution of gas is permissible and does not jeopardise the security of supply;
- 3) layout plans and description of the networks located within the licensed territory, except in the case of the activities referred to under clause 1 and clause 4 of subsection 1 of section 27 of this Act.

[RT I, 29.06.2014, 1 – entry into force 01.07.2014]

§ 29. Subject of scrutiny of the authorization

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date entry into force – RT I, 22.12.2013)]

The undertaking shall be granted the authorization provided:

- 1) it possesses the technical capability and employs personnel with the requisite skills for pursuing the activity stated in the application;
- 2) it has the required economic and organisational prerequisites and conditions to engage in the activity in respect of which it seeks an authorization;
- 3) the share capital of a distribution network operator must amount to at least 31,950 euros;
- 4) the share capital of an undertaking that provides gas transmission services must amount to at least 128,000 euros;
- 5) the share capital of an undertaking that provides the service of operating an LNG terminal must amount to at least 128,000 euros;
- 6) the share capital of the undertaking that provides gas storage services must amount to at least 128,000 euros.

[RT I, 29.06.2014, 1 – entry into force 01.07.2014]

§ 29¹. Management of undertakings providing gas transmission services

(1) A person who controls an undertaking which provides gas transmission services may not control, or exercise any other rights in respect of, an undertaking which produces or sells gas or electricity. A person who controls an undertaking which produces or sells gas may not control, or exercise any other rights in respect of, an

undertaking which provides gas transmission services, or in respect of the transmission network operator of a power system.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(1¹) An undertaking engaged in production or sale may not have control within the meaning of the Competition Act over an undertaking which provides gas transmission services in a member state of the EU that applies the requirement of the separation of ownership of undertakings providing gas transmission services from undertakings engaged in production and sale.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(1²) The other rights referred to in subsection 1 of this section include, first and foremost, voting rights, the right to appoint members to the supervisory or management board of the undertaking or to a body that legally represents the undertaking, holding a controlling interest in the undertaking, or using or disposing of a significant part of the undertaking's other property.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(2) [Repealed – RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3) The person who appoints members of the supervisory or management board of an undertaking providing transmission services or members of a body that legally represents such an undertaking may not have control over an undertaking which produces or sells gas or electricity or exercise any other rights in respect of that undertaking.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(4) A member of the supervisory or management board of an undertaking which provides gas transmission services may not be a member of the supervisory or management board of an undertaking which produces or sells gas or a member of a body that legally represents such an undertaking.

(5) If the person referred to in subsections 1 and 3 of this section is the government, the undertaking which provides gas transmission services may not be controlled by the same government agency that controls an undertaking which produces or sells gas.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 29². Scrutiny before acquisition of gas transmission network

(1) An undertaking who wishes to acquire a gas transmission network shall apply before the acquisition of the gas transmission network for an assessment of its conformity to the government's internal security. The application shall be submitted to the Ministry of the Interior.

(2) The Ministry of the Interior assesses potential dangers of the acquisition of the gas transmission network to the internal security of the nation on the basis of the principles of internal security policy of the Republic of Estonia.

(3) The Ministry of the Interior may request other state agencies, third parties and the applying undertaking to submit documents and information necessary for carrying out the assessment. The Ministry of the Interior performs the scrutiny and makes a substantiated decision within 90 days as of the submission of the application by the undertaking or as of the receipt of additional documents and information.

(4) The decision shall state a positive or negative view in respect of the applicant's conformity to the internal security of the government in the event of acquisition of the gas transmission network. The decision shall be binding to the owner of the gas transmission network, the person who is to decide or approve the sale of the gas transmission network and the undertaking wishing to purchase the gas transmission network.

(5) The decision shall state the negative view if:

- 1) the acquisition of the gas transmission network by the undertaking which applied for the scrutiny may endanger the internal security of the nation;
- 2) the applicant has failed to submit by the deadline established by the Ministry of the Interior the documents and information requested on the basis of subsection 3 of this section;
- 3) the documents and information submitted by the applicant are inaccurate, misleading or false;

(6) A transaction regarding the acquisition of a gas transmission network entered into with a person who has failed to pass the scrutiny specified in this section shall be void.

(7) The decision shall be transmitted to the applicant and the owner of the gas transmission network within three days after it is made.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 29³. Assessment of compliance of undertakings providing gas transmission services with established requirements

(1) The Competition Authority shall initiate the procedure of assessment of compliance with established requirements of an undertaking which provides gas transmission services in respect of the person who has applied for an authorization to provide gas transmission services.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2) The Competition Authority shall assess the compliance of the person named in subsection 1 of this section with the requirements specified in section 29¹ of this Act in accordance with this section and Article 3 of Regulation (EC) No 715/2009 of the European Parliament and of the Council.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(3) The person who has applied for an authorization to provide gas transmission services shall inform the Competition Authority of every planned transaction which may give rise to the need to perform a new assessment of compliance of the undertaking with the requirements established in section 29¹ of this Act.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(4) In the course of the assessment of compliance of an undertaking providing gas transmission services with established requirements the Competition Authority may request from the undertaking information which is required for carrying out the tasks specified in this section.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(5) The Competition Authority shall prepare a draft decision regarding the assessment of compliance with established requirements within four months as of receipt of application for authorization or as of receipt of requested information and shall immediately transmit the draft decision together with the relevant information to the European Commission in order to obtain the opinion of the latter.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(6) The Competition Authority shall make a decision regarding the assessment of compliance with established requirements within two months as of receipt of the opinion of the European Commission or within four months as of the request of the Commission's opinion. When making its decision the Competition Authority shall take the Commission's opinion into account to the greatest extent possible.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(7) The Competition Authority shall publish its decision in the Official Journal of the European Union. If the decision of the Competition Authority differs from the opinion of the European Commission, the Competition Authority shall publish its decision in the Official Journal together with the reasons for the decision and the opinion of the European Commission.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(8) If the Competition Authority has not made a decision regarding assessment of compliance with established requirements within the time-limit set out in subsection 6 of this section, the undertaking is deemed to comply with the requirements set out in section 29¹ of this Act.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 29⁴. Assessment of compliance with established requirements of undertakings which provide gas transmission services and which are associated with persons from third countries

(1) If the owner of a transmission network or the system operator is controlled by a person or persons from third countries, and if such owner or operator applies for an authorization to provide gas transmission services, the Competition Authority shall immediately notify this to the European Commission. The Competition Authority shall also immediately inform the European Commission of the circumstances which allow the person from a third country to acquire control of the transmission network or of the undertaking providing gas transmission services.

(2) The person referred to in subsection 1 of this section must prove that its activities or the activities of those who control that person do not jeopardise the security of supply of the Republic of Estonia or the European Union.

(3) In assessing the security of supply referred to in subsection 2 of this section, the Competition Authority shall take into account:

1) the rights and obligations which the European Union has in respect of the relevant third country and which emanate from international law, including security of supply agreements entered into with one or more third countries and which the European Union is a party to;

2) the rights and obligations which the Republic of Estonia has in respect of the relevant third country and which emanate from the agreements entered into with the third country as long as they do not conflict with the law of the European Union;

3) other circumstances related to the assessment of compliance with established requirements and to the relevant third country.

(3¹) Prior to the assessment referred to in subsection 3 of this section, the Competition Authority shall submit to the European Commission an application requesting the Commission's opinion on whether the undertaking complies with the requirements set out in section 29¹ of this Act and whether the undertaking jeopardises the security of supply of the European Union.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(4) The Competition Authority has a right to make a negative decision in respect of compliance of an undertaking which provides gas transmission services if it may jeopardize the security of supply of the Republic of Estonia or the European Union.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 29⁵. Separation of management of distribution network operators

(1) Where more than 100,000 customers are connected to the network of a distribution network operator, the members of the management board of that distribution network operator may not at the same time be members of the management board of another gas undertaking that controls, or is controlled by, the distribution network operator, or otherwise have responsibility for the day-to-day economic activities of another gas undertaking that controls, or is controlled by, the distribution network operator.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(2) [Repealed – RT I, 30.06.2017, 2 – entry into force 10.07.2017]

(3) Any remuneration paid or any other benefit provided to a member of the management board of a distribution network operator may not depend on the commercial performance of another gas undertaking or a person who has control over another gas undertaking.

(4) A distribution network operator must have in its possession the resources required for the preservation and development of the network, including technical, physical, financial and human resources. This does not prevent the parent company from carrying out economic and management oversight of the subsidiary, which primarily includes the right to approve the annual financing plan of the distribution network operator and the ceiling limit for the debt of the subsidiary. The parent company may not intervene in the everyday economic activities of the subsidiary or in the decisions concerning the construction or upgrades of the network, provided these decisions do not exceed the limits of the approved financing plan.

(5) The distribution network operator shall prepare and implement a plan that contains measures necessary to ensure equal treatment of other gas undertakings and customers and that sets out the obligations of employees of the distribution network operator for implementing such measures. The distribution network operator shall submit an annual report regarding the implementation of the plan to the Competition Authority and publish it on its website.

(6) The plan mentioned in subsection 5 of this section is drawn up, its implementation is monitored, and the annual report concerning the measures taken to implement the plan is compiled by an employee who is appointed by a member of the management board of the distribution network operator, is directly subordinate to that member, is independent in compiling the report, and has access to the entirety of the data of the distribution network operator, and of any other undertaking belonging to the group of companies to which the distribution network operator belongs, in so far as these data are required for the performance of his or her task.

(7) A distribution network operator who operates as part of a vertically integrated undertaking may not be the person who provides a service that is not related to the distribution service.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 29⁶. Separation of management of storage network operator

(1) The person in charge of managing the network of storage facilities may not at the same time be a member of the management board of another gas undertaking or be otherwise in charge of the everyday economic activities of another gas undertaking.

(2) Any remuneration paid or any other benefit provided to a storage network operator may not depend on the commercial performance of another gas undertaking or a person who has control over another gas undertaking.

(3) A storage network operator must have in its possession the resources required for the preservation and development of the network, including technical, physical, financial and human resources. This does not prevent the parent company from carrying out economic and management oversight of the subsidiary, which primarily includes the right to approve the annual financing plan of the storage network operator and the ceiling limit for the debt of the subsidiary. The parent company may not intervene in the everyday economic activities of the subsidiary or in the decisions concerning the construction or upgrades of the network, provided these decisions do not exceed the limits of the approved financing plan.

(4) The storage network operator shall prepare and implement a plan that contains measures necessary to ensure equal treatment of other gas undertakings and customers and that sets out the obligations of employees of the storage network operator for implementing such measures. The storage network operator shall submit an annual report regarding the implementation of the plan to the Competition Authority who shall publish it.

(5) The plan mentioned in subsection 4 of this section is drawn up, its implementation is monitored, and the annual report concerning the measures taken to implement the plan is compiled by an employee who is appointed by a member of the management board of the storage network operator, is directly subordinate to that member, is independent in compiling the report, and has access to the entirety of the data of the storage network operator, and of any other undertaking belonging to the group of companies to which the storage network operator belongs, in so far as these data are required for the performance of his or her task.

(6) A storage network operator who operates as part of a vertically integrated undertaking may not be the same person who provides a service that is not related to storage.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 30. Decision on issuing the authorization

[Repealed – RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

§ 30¹. Granting the authorization to provide gas transmission services

(1) The authorization to provide gas transmission services shall be granted to a person who owns the gas transmission network, who owns or operates metering systems on the national border, who complies with the requirements specified in sections 29¹ and 29⁴ and fulfils the conditions specified in section 29 of this Act.

(1¹) It is not contrary to subsection 1 of this section when an undertaking providing transmission services establishes a joint enterprise with an undertaking who owns a transmission network in another member state and acts as the system operator, or with an undertaking who is an independent system operator recognised in another member state in accordance with Article 14 of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.08.2009, pp. 94–136) or an independent network operator within the meaning of Chapter IV of the same Directive.
[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(2) The authorization to provide gas transmission services may be granted to one network operator only.

(3) The decision in respect of issuing or refusing to issue the authorization to provide gas transmission services shall be made within ten months as of receipt of the application specified in section 29³(1) and of the information demonstrating compliance with the requirements established in this Act. Reasons must be provided for the decision.

(4) The Competition Authority shall inform the European Commission of the decision to grant an authorization to provide gas transmission services and of appointing the holder of the authorization as the system operator and shall publish the decision in the Official Journal of the European Union.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 31. Refusal to issue the authorization

[Repealed – RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

§ 32. Ancillary conditions of the authorization

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]
The authorization shall set out the following ancillary conditions:

- 1) the requirements for the import of gas set by the system operator in accordance with the provisions of clause 2 of subsection 2 of section 28 of this Act in consideration of the technical capacity and security of supply of the gas system;
- 2) the development obligation in accordance with section 22 of this Act;
- 3) other ancillary conditions, if this is necessary in order to ensure security of supply or the performance of obligations or in order to achieve any objectives arising from this Act or the legislation enacted on its basis or in order to take into consideration the particular character of a specific activity.

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013, 1)]

§ 33.–§ 36.[Repealed – RT I, 29.06.2014, 1 – entry into force 01.07.2014]

Chapter 5

STATE SUPERVISION

§ 37. State supervision

[RT I, 13.03.2014, 4 – entry into force 01.07.2014]

(1) State supervision over compliance with the requirements provided in this Act and the legislation enacted on its basis shall be exercised by the Competition Authority. In performing the functions imposed on it by this Act, the Competition Authority shall be independent and shall exercise its powers with impartiality.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(2) The Competition Authority shall ensure preservation of the business secrets of the undertaking and use the information at its disposal solely for the performance of duties arising from this Act.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3) Under this Act, the Competition Authority is authorized to perform the following functions:

[RT I, 13.03.2014, 4 – entry into force 01.07.2014]

1) approve the ceiling rate of the sales margin described in subsection 3 of section 10 of this Act;

[RT I 2009, 34, 225 – entry into force 06.07.2009]

1¹) scrutinise the price of the gas to be sold to household customers and the compensation of household customers for price differences;

[RT I 2009, 34, 225 – entry into force 06.07.2009]

2) scrutinize the terms and conditions of balance contracts and the prices for providing the balance responsibility service specified in section 11(2) of this Act;

3) approve the methods for calculating connection fees as specified in section 20(3¹) of this Act;

4) approve the prices for network service specified in section 23(4) of this Act;

5) issue and revoke authorizations, establish and amend the conditions of authorizations, and monitor compliance with those conditions;

6) consider applications for obtaining the temporary derogation specified in subsection 1 of section 18² of this Act, make the corresponding decisions and forward these to the European Commission;

7) prepare, publish and submit reports on security of supply to the European Commission by 31 July each year;

8) monitor compliance of the use and management of cross-border connections with the requirements of competition and effective functioning of the market;

9) scrutinise that market participants comply with the conditions set out in this Act and the legislation enacted on its basis, and perform the relevant obligations (separate accounts, independence of the network operator, publication of information, etc.);

9¹) monitor the time that a network operator takes to establishing a connection to the network and to repair the network;

[RT I 2007, 17, 80 – entry into force 09.03.2007]

9²) monitor the degree of competition in the gas market and conformity of the market to the principles of transparency;

[RT I 2007, 17, 80 – entry into force 09.03.2007]

9³) perform analyses of the balance of demand and supply of gas and of estimated future demand, of the existing supply potential, of planned interconnectors and the interconnectors under construction; of the level of maintenance of networks and of measures to cover estimated peak demand as well as of the measures to be implemented for ensuring security of supply;

[RT I 2007, 17, 80 – entry into force 09.03.2007]

10) submit annual reports on its activities, on the performance of its tasks and on the results achieved to the relevant institutions of member states, the Agency for the Cooperation of Energy Regulators and the European Commission, and publish these reports on its website;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

11) publish the prices and charges approved on the basis of this Act on its website;

12) resolve disputes between market participants pursuant to the procedure provided in this Act;

13) [repealed – RT I, 28.06.2012, 2 – entry into force 08.07.2012]

14) exercise supervision over compliance with the requirements established in respect of system operators and LNG terminal operators in Regulation (EC) No 715/2009 of the European Parliament and of the Council and with the guidelines established in Article 23 of the same regulation;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

15) perform other functions imposed on the Competition Authority by Regulation (EC) No 715/2009 of the European Parliament and of the Council;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

16) assess compliance with the requirements established in section 29¹ of this Act of the person who has applied for the authorization to operate a gas transmission network, observing the provisions of sections 29³ and 29⁴ of this Act;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

17) consult with organisations representing gas undertakings and the Consumer Protection and Technical Regulatory Authority in relation to the development of methods;

[RT I, 12.12.2018, 3 - entry into force 01.01.2019]

18) make sure that no cross-subsidisation occurs in the case of transmission, distribution and supply activities and the handling of LNG;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

19) assess and monitor the investments made in order to implement the network development plan and provide recommendations for modifying the development plan if necessary;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

20) publish on its website the standard terms and conditions and tariffs for the use of LNG terminals and rely on these when approving the terms and conditions and tariffs for the use of the terminals;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

21) publish on its website information regarding consumer rights, the legislation in force and the possible ways of resolving disputes;

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

22) perform the duties imposed on the Competent Authority by virtue of Article 3 of Regulation (EU) No 994/2010 of the European Parliament and of the Council;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

23) transmit to the European Commission the information described in Article 3 of Council Regulation (EU, Euratom) No 617/2010.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

24) comply with and implement all relevant legally binding decisions of the Agency for the Cooperation of Energy Regulators and the European Commission;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

25) publish, at least once a year, recommendations concerning the setting of the price of gas offered for sale;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

26) monitor compliance with the requirements of integrity and transparency of the wholesale gas market by the market participants;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

27) where necessary, recommend changes in the methods of the system operator for the allocation of capacity and for dealing with congestion;

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

28) ensure access to the consumers' consumption information.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3¹) In situations where the transmission or distribution price or the price for the use of a storage facility or LNG terminal is not justified or the price has not been set and the gas undertaking does not comply with an enforcement order issued by the Competition Authority, the Competition Authority may establish, not for longer than two months, temporary prices for the transmission or distribution of gas and for the use of a storage facility or LNG terminal. The surplus profits which the gas undertaking earned while applying the unjustified transmission or distribution price shall be deducted from the sales revenue when the prices of network services are being approved.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3²) At the reasoned demand of the market participant, the Competition Authority discloses the information described in subsection 4² of section 8 of this Act to the extent that it does not include business secrets.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(4) The Competition Authority shall cooperate with the Agency for the Cooperation of Energy Regulators founded on the basis of Regulation (EU) No 713/2009 of the European Parliament and of the Council, with the European Commission and with the regulatory authorities of other member states in order to:

1) [repealed – RT I, 09.04.2014, 6 – entry into force 10.04.2014]

2) [repealed – RT I, 09.04.2014, 6 – entry into force 10.04.2014]

3) suppress any restrictions to trade in natural gas between member states, as well as to develop appropriate cross-border connections to meet demand and enhance the integration of national markets;

4) develop in a cost-effective way customer-orientated, secure, reliable, efficient and non-discriminating systems and to promote them according to the general objectives of energy policy;

5) facilitate the access of new supply sources to the network;

6) ensure the provision of appropriate incentives to market participants in order to enhance the system and to integrate markets;

7) ensure that customers benefit from effective functioning of the market, promote competition and customer protection.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(5) In regulating cross-border issues, the Competition Authority shall cooperate and exchange with the supervisory agencies of other member states and the Agency for the Cooperation of Energy Regulators the information necessary for performing the functions specified in this Act and other legislation so as to:

1) ensure optimal management of the network;

2) facilitate the creation of a European joint gas exchange;

3) optimise the allocation of cross-border capacity;

4) ensure an adequate level of interconnection capacity within networks to allow for the development of competition and improvement of security of supply, at the same time avoiding discrimination against different market participants;

5) coordinate the development of network codes;

6) coordinate the development of congestion management rules.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(6) In order to perform its functions, the Competition Authority shall cooperate with the system operator, market participants and, if necessary, with relevant institutions of other EU member states.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 37¹. Functions of Competition Authority in assessing compliance of system operator with established requirements

The Competition Authority shall monitor the compliance of the system operator with the requirements established in section 29¹ of this Act and shall, while observing the provisions of sections 29³ and 29⁴, initiate assessment of compliance of the undertaking providing gas transmission services with established requirements when:

1) it has received the information described in section 16(3¹) of this Act;

2) it has become aware that a planned change in the rights or influence of the person who enjoys direct or indirect control over the system operator may result in infringement of the requirements established in section 29¹ of this Act or when it has reason to believe that such infringement has already taken place;

3) it has become aware of circumstances which permit a person from a country other than a member state of the European Union to acquire control over the system operator;

4) the European Commission has submitted a reasoned request.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 37². Integrity and transparency of wholesale gas market

(1) Market participants engaged in wholesale trade shall observe the requirements established in Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency (OJ L 326, 08.12.2011, pp. 1–16).

(2) The Competition Authority shall, for the purposes of fulfilling the obligation set out in subsection 1 of this section, cooperate with the regulatory authorities of the other EU member states and the Agency for the Cooperation of Energy Regulators.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

(3) [Repealed – RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 38. Special state supervision measures

[RT I, 13.03.2014, 4 – entry into force 01.07.2014]

The Competition Authority may, in order to exercise state supervision as provided in this Act, implement the special state supervision measures provided in sections 30, 31, 32 and 50 of the Law Enforcement Act on the grounds and following the procedure provided in that Act.

[RT I, 13.03.2014, 4 – entry into force 01.07.2014]

§ 38¹. Special rules regarding state supervision

The Competition Authority is authorized to establish temporary prices for the transmission or distribution of gas for not longer than two months in situations where the transmission or distribution prices are not justified or the gas undertaking does not comply with the enforcement order issued by a law enforcement agency.

[RT I, 13.03.2014, 4 – entry into force 01.07.2014]

§ 38². Limit rate of coercive payments

In the case of a failure to comply with an enforcement order, the Competition Authority may impose a coercive measure in accordance with the Substitutive Enforcement and Coercive Payments Act. The upper limit of a coercive payment is 1,300 euros.

[RT I, 13.03.2014, 4 – entry into force 01.07.2014]

§ 39. Enforcement orders of the Competition Authority

[Repealed – RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 39¹. Resolution of complaints

(1) A market participant may file a written complaint with the Competition Authority in respect of an action or omission of another market participant that contravenes this Act or the legislation enacted on its basis.
[RT I 2007, 66, 408 – entry into force 01.01.2008]

(2) The Competition Authority shall consider the complaint specified in subsection 1 of this section and make a decision regarding the complaint within thirty days as of receipt of the complaint.
[RT I 2007, 66, 408 – entry into force 01.01.2008]

(3) If the Competition Authority makes a request for information which is necessary for resolving the complaint, the term specified in subsection 2 of this section shall be suspended until such information is received, but not for longer than thirty days.
[RT I 2007, 66, 408 – entry into force 01.01.2008]

(4) In cross-border disputes, the complaint shall be resolved by the supervision body which has jurisdiction over the undertaking against whom the complaint was filed.
[RT I 2007, 17, 80 – entry into force 09.03.2007]

§ 40. Acquisition and expropriation of property in the public interest

[RT I, 29.06.2017, 1 – entry into force 01.07.2018]

(1) In addition to the grounds provided in the Acquisition of Immovables in Public Interest Act, the Competition Authority is authorized to apply for acquisition in the public interest, including expropriation, of the following property or real rights:

- 1) property used in the activity provided in the authorization, if the person operating on the basis of the authorization fails to comply with the obligation to continue the activity;
- 2) property used in the activity provided in the authorization, if the period of validity of the authorization has expired or the authorization has been revoked and there is no guarantee that the activities carried out on the basis of that property will continue to be in compliance with this Act, and this may endanger the security of supply of the gas system;
- 3) the network and the limited real right which grants a person the use of the network, if the owner of the network fails to perform the obligation provided in section 22 of this Act or if the network operator who owns or uses the network does not hold the authorization required under this Act.

(2) The Competition Authority may apply for acquisition of property in the public interest, including expropriation, on the grounds provided in subsection 1 of this section only if, prior to presenting the application, it has given a reasonable time-limit to the owner of the property to eliminate the corresponding adverse circumstance and if the owner of the assets has not, within that time-limit, eliminated that circumstance.

(3) The Competition Authority does not have the obligation set out in subsection 2 of this section if performance of the obligation may endanger security of supply.

(4) The acquisition of property in the public interest, including expropriation, is carried out following the procedure provided in the Acquisition of Immovables in Public Interest Act. When conducting the corresponding proceedings, the time-limits provided in that Act do not have to be complied with and the owner of the property is paid no additional compensation above the consideration due for the property.
[RT I, 29.06.2018, 1 – entry into force 01.07.2018]

Chapter 6 LIABILITY

§ 41. Failure to give notice of changes in particulars

[Repealed – RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

§ 42. Failure to comply with the conditions of the authorization

Failure by a legal person to comply with the ancillary conditions of its authorization is punishable by a fine of up to 3,200 euros.

[RT I, 25.03.2011, 1 – entry into force 01.07.2014 (amended date of entry into force – RT I, 22.12.2013)]

§ 43.–§ 44.[Repealed – RT I, 12.07.2014, 1 – entry into force 01.01.2015]

§ 44¹. Failure to comply with conditions for access of third parties to the transmission network

(1) Failure to comply with the conditions for access of third parties to the transmission network provided in Regulation (EC) No 1775/2005 of the European Parliament and of the Council is punishable by a fine of up to 300 fine units.

[RT I 2010, 22, 108 – entry into force 01.01.2011]

(2) The same Act, when committed by a legal person, is punishable by a fine of up to 10 percent of the turnover of the system operator or of the vertically integrated undertaking for the last audited financial year.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 44². Violation of the requirements of wholesale energy market

(1) Failure to comply with the requirements established in Articles 3–5 of Regulation (EC) No 1227/2011 of the European Parliament and of the Council is punishable by a fine of up to 300 fine units.

(2) The same act, when committed by a legal person, is punishable by a fine of up to 32,000 euros.

[RT I, 09.04.2014, 6 – entry into force 10.04.2014]

§ 44³. Provision of transmission services for unapproved fees

(2) The same Act, when committed by a legal person, is punishable by a fine of up to 10 percent of the turnover of the system operator or of the vertically integrated undertaking for the last audited financial year.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 44⁴. Failure to grant access to consumption data

(1) Failure to comply with the obligation provided in subsection 5¹ of section 8 of this Act is punishable by a fine of up to 300 fine units.

(2) The same Act, when committed by a legal person, is punishable by a fine of up to 10 percent of the annual turnover of the system operator or of the vertically integrated undertaking for the last audited financial year.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 44⁵. Violation of the independence requirements established for the system operator

(1) Failure to conform to the requirements referred to in section 29¹ of this Act is punishable by a fine of up to 300 fine units.

(2) The same Act, when committed by a legal person, is punishable by a fine of up to 10 percent of the turnover of the system operator or of the vertically integrated undertaking for the last audited financial year.

[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 44⁶. Violation of the requirements provided for the system operator and for vertically integrated undertakings

Violation by the system operator or by a vertically integrated undertaking of the requirements provided in subsection 3 of section 16, in subsections 2 and 3 of section 17¹, in subsection 2 of section 18 and in subsection 5¹ of section 22 of this Act is punishable by a fine of up to 10 percent of the annual turnover of the system operator or vertically integrated undertaking for the last audited financial year.

[RT I, 29.06.2018, 2 – entry into force 09.07.2018]

§ 45. Procedure

Extrajudicial proceedings in matters of misdemeanours defined in this Chapter are conducted by the Competition Authority.

[RT I, 12.07.2014, 1 – entry into force 01.01.2015]

Chapter 7

IMPLEMENTING PROVISIONS

§ 46. Term of agreement entered into with the state on the basis of the Energy Act

The agreement concluded between an undertaking and the state pursuant to the Energy Act remains in force until the date specified in the market licence.

§ 47. Validity of market licence and authorization

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

(1) A market licence issued pursuant to the Energy Act is valid until the date specified in the market licence.

(2) Valid market licences issued prior to the entry into force of this Act shall be registered by the Competition Authority in the register of economic activities not later than 15 April 2005.

[RT I 2007, 66, 408 – entry into force 01.01.2008]

(3) An authorization to provide gas transmission services which is issued before 8 July 2012 remains valid until the authorization referred to in section 30¹(1) of this Act is issued or until 1 January 2015.

[Repealed – 29.06.2014, 1 – entry into force 01.07.2014]

§ 48. Bringing the activity of an undertaking into compliance with requirements provided in this Act

(1) Gas undertakings operating on the basis of the Energy Act prior to the entry into force of this Act shall bring their activity into compliance with the requirements provided in this Act within one year after the entry into force of this Act.

(2) Network undertakings operating on the basis of section 8¹(1) of this Act shall bring their activity into compliance with the requirements provided in this Act by 1 January 2006.

[RT I 2005, 64, 483 – entry into force 11.12.2005]

§ 48¹. [Repealed – RT I 2009, 39, 262 – entry into force 24.07.2009]

§ 48². Term for approval of ceiling rate of sales margins

The gas undertaking in a dominant position shall submit to the Competition Authority an application for approval of the ceiling rate of the sales margin by 1 October 2009. Until approval of the ceiling rate of the sales margin specified in section 10(3) of this Act is granted, the gas undertaking in a dominant position shall use the sales margin previously approved by the Competition Authority, on the basis of which the maximum prices of gas are calculated and the rate of which shall be communicated by the Competition Authority to the gas undertaking in a dominant position by 1 August 2009.

[RT I 2009, 34, 225 – entry into force 06.07.2009]

§ 48³. Information to be submitted by system operator

(1) The system operator shall submit to the Competition Authority the investment plan specified in section 16(1)(2⁵) of this Act at the latest by 1 December 2012.

(2) The system operator shall submit to the Competition Authority the development plan specified in section 21²(1) of this Act at the latest by 1 January 2013.

(3) The system operator shall submit to the Competition Authority the information specified in section 16(1)(2⁶) of this Act at the latest by 1 January 2013.

[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 48⁴. Reorganization of the activity of system operator

(1) At the latest by 1 January 2015, the system operator shall bring its activity into compliance with the requirements for system operators which enter into force on 1 January 2015 and according to which the system operator is the network operator who owns the transmission network, who owns or maintains metering systems on the national border and who holds the authorization to provide gas transmission services as specified in section 30¹(1) of this Act.

(2) The system operator shall by 1 January 2013 submit to the Competition Authority the information regarding the schedule of planned and implemented measures for bringing its activity into compliance with the requirements for the system operator which enter into force on 1 January 2015. The Competition Authority shall scrutinise the progress made by system operator in implementing the measures described in the schedule.

(3) A gas transmission network may be transferred as an undivided asset to an undertaking who has passed the scrutiny specified in section 29² of this Act.
[RT I, 28.06.2012, 2 – entry into force 08.07.2012]

§ 48⁵. Establishment of the data exchange platform and of the electronic database of certificates of origin

The system operator establishes the data exchange platform referred to in subsection 1 of section 10² of this Act at the latest by 1 January 2017 and the electronic database of certificates of origin referred to in subsection 6 of section 10³ at the latest by 1 July 2017.
[RT I, 30.06.2017, 2 – entry into force 10.07.2017]

§ 49. Amending the State Fees Act

[Omitted from this text.]

§ 50. Entry into force of this Act

This Act enters into force on 1 July 2003.

¹Directive 2009/73/EC of the European Parliament and of the Council concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (OJ L 211, 14.08.2009, pp. 94-136); [RT I, 28.06.2012, 2 – entry into force 08.07.2012] Directive 2009/28/EC of the European Parliament and of the Council on the promotion of the use of energy from renewable sources and amending and subsequently Directives 2001/77/EC and 2003/30/EC (OJ L 140, 05.06.2009, pp. 16–62). [RT I, 30.06.2017, 2 – entry into force 10.07.2017]