

No. 23334

**SWEDEN
and
DENMARK**

**Agreement on co-operation concerning natural gas (with
annex). Signed at Copenhagen on 29 February 1980**

Authentic texts: Swedish and Danish.

Registered by Sweden on 17 April 1985.

**SUÈDE
et
DANEMARK**

**Accord relatif à la coopération dans le domaine du gaz
naturel (avec annexe). Signé à Copenhague le 29 février
1980**

Textes authentiques : suédois et danois.

Enregistré par la Suède le 17 avril 1985.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE GOVERNMENT OF SWEDEN AND
THE GOVERNMENT OF DENMARK ON CO-OPERATION
CONCERNING NATURAL GAS

The Government of Sweden and the Government of Denmark have concluded the following Agreement as a first step towards Nordic co-operation in the sphere of natural gas.

A. The Parties undertake to promote, as far as possible, the implementation of agreements between Dansk Olie & Naturgas A/S (D.O.N.G. A/S), Copenhagen, and Swedegas AB, Stockholm, whereby

(1) D.O.N.G. A/S undertakes to transmit each year, for account of Swedegas AB, up to 2 billion cubic metres of natural gas — but not more than approximately 6 million cubic metres per day — from the Danish-German frontier or the Danish natural-gas treatment plant near the North Sea to the Danish coast of the Sound and to carry out such measures to increase the capacity of the proposed Danish natural-gas network as are necessary in order to fulfil that commitment. The transmission commitment of D.O.N.G. A/S shall remain in effect for 20 years, reckoned from the commencement of transmission operations, but not beyond 8 July 2012.

(2) To cover the costs of the increase in capacity referred to in paragraph (1), Swedegas AB undertakes to pay D.O.N.G. A/S, in advance, the sum of 220 million Danish kroner, of which 180 million Danish kroner shall constitute initial capital expenditure and 40 million Danish kroner shall constitute capitalized additional costs for the operation of the transmission network over a period of 20 years. The advance payment to cover initial capital expenditure and the portion of the capitalized operating costs pertaining to the period following the commencement of transmission operations shall be regarded as a fee paid in advance for the future transmission of natural gas.

(3) D.O.N.G. A/S undertakes to deliver and Swedegas AB undertakes to accept the following quantities of natural gas:

- 55 million cubic metres in 1985;
- 360 million cubic metres in 1986;
- 90 million cubic metres in 1987.

with the possibility of minor adjustments between years if they can be made in the light of conditions prevailing in Denmark. A delivery year shall be reckoned to run from 1 October to 1 October of the following year.

(4) D.O.N.G. A/S shall endeavour to co-ordinate the deliveries specified in paragraph (3) with such deliveries as Swedegas AB may agree upon with Ruhrgas AG, Essen, for the years 1984-1989.

¹ Came into force on 3 October 1980 by the exchange of the instruments of ratification, which took place at Stockholm, in accordance with its provisions.

(5) D.O.N.G. A/S undertakes to deliver and Swedegas AB undertakes to accept 200 million cubic metres of natural gas a year during the period from 1 October 1990 to 1 October 2003.

(6) At the request of Swedegas AB, D.O.N.G. A/S shall deliver, in addition, over the period specified in paragraph (5), up to 240 million cubic metres of natural gas a year, provided that such quantities are obtainable after the natural-gas requirements for Denmark's own supply of energy have been satisfied.

(7) D.O.N.G. A/S shall grant Swedegas AB, for deliveries over the period covering the transmission commitment specified in paragraph (1), first negotiating rights regarding such quantities of Danish-produced natural gas as are not needed to meet the natural-gas requirements for Denmark's own supply of energy, up to 2 billion cubic metres a year, but not more than 6 million cubic metres per day, minus the quantities specified in paragraphs (3), (5) and (6) and such quantities of other natural gas as are conveyed in transit under paragraph (1). D.O.N.G. A/S undertakes, subject to the aforesaid limitations, not to conclude contracts for the sale of natural gas to any other party until negotiations with Swedegas AB for sale on normal commercial terms have been concluded without success. Such negotiations shall have been concluded, at the latest, 120 days after the commencement of the negotiations. The expression "normal commercial terms", as used in that connection, means the customary terms for the sale of North Sea gas at the time.

(8) In the event of any major disruption of the natural-gas supply of one Party, Swedegas AB and D.O.N.G. A/S shall afford each other mutual assistance to be agreed upon in detail.

B. The Government of Denmark shall co-operate with the Government of Sweden in the latter's efforts to achieve the necessary transmission capacity on reasonable terms in the Federal Republic of Germany as far as the Danish-German frontier for natural-gas deliveries from the continent to Sweden.

This Agreement, the annex to which constitutes an integral part thereof, shall be ratified and shall enter into force upon the exchange of the instruments of ratification.

DONE at Copenhagen on 29 February 1980, in duplicate in the Swedish and Danish languages, both texts being equally authentic.

For the Government of Sweden:

TORD HAGEN

For the Government of Denmark:

POUL NIELSON

ANNEX TO THE AGREEMENT BETWEEN THE GOVERNMENT OF SWEDEN
AND THE GOVERNMENT OF DENMARK ON CO-OPERATION IN THE FIELD
OF NATURAL GAS

The commitment of the two Governments to promote, as far as possible, the implementation of agreements between D.O.N.G. A/S and Swedegas AB shall be construed as implying that, within the limits of their respective powers, they will undertake such measures as are necessary for that purpose.

The two Governments shall accordingly endeavour to ensure, *inter alia*, that:

- The necessary licenses are issued for the construction of pipelines and other installations;
- The necessary licenses are issued for the export of natural gas from Denmark and for its import into Sweden;
- The enterprises are able to fulfil their economic obligations to each other under the agreements.

It is also understood that the two Governments shall refrain, as far as possible, from taking any measures that could obstruct or jeopardize the implementation of the agreements between the enterprises, such as the introduction of taxes or charges which substantially alter the economic conditions underlying the agreements.

Each Party is prepared to enter into discussions, at the request of the other Party, concerning the questions referred to herein.
