

**Executive order No. 78 of 26/01/2018 (Current)**

**Print date: 16 May 2019**

Ministry: Ministry of Climate, Energy and Utilities

**Later amendments to the Regulation None**

Case number: Ministry of Energy, Utilities and Climate  
Danish Energy Agency, Case No. 2017-5350

## Executive order on payment for the transportation of crude oil and condensate

Pursuant to Section 3(3) of the Act on establishing and using a pipeline for the transportation of crude oil and condensate, cf. Consolidated Act No. 277 of 25 March 2014 as amended by Act No. 630 of 8 June 2016 and Act No. 1400 of 5 December 2017, the following shall be determined pursuant to authority of Section 4(1) of Executive Order No. 1512 of 15 December 2017 regarding the tasks and powers of the Danish Energy Agency and following negotiations with the Owner and Users:

### Chapter 1

#### *Definitions*

1. This Executive Order uses the following definitions:
  - 1) The Agreement: The Agreement of 19 May 1981 between the Minister for Energy and the Concessionaires pursuant to the Sole Concession.
  - 2) The Concessionaires: The Concessionaires pursuant to the Sole Concession and their assistance providers cf. Protocol of 16 July 1962 to the Exclusive Rights Concession.
  - 3) The Users: The Concessionaires, the licensees and others connected to the Oil Pipeline.
  - 4) The Owner: The Owner at any point in time of the pipeline with associated pumping and terminal facilities for the transportation of crude oil and condensate established from the Danish continental shelf in the North Sea to Fredericia, cf. Section 1(1) of the Act.
  - 5) The Sole Concession: The Sole Concession of 8 July 1962 for the exploration and recovery of hydrocarbons etc. from the Danish Subsoil, cf. Executive Order No. 372 of 7 November 1963.
  - 6) The Act: Act on establishing and using a pipeline for the transportation of crude oil and condensate.
  - 7) The Oil Pipe Line: Where nothing else is explicitly stated, all installations and facilities used for the business carried out by the Owner pursuant to Section 1(1) of the Act, irrespective of whether these installations etc. are owned or operated by the Owner or other parties.
  - 8) The licensees: The company or companies which, together and with specified shares, hold a License.
  - 9) License: License for exploration and recovery of hydrocarbons granted after 1 July 1981 pursuant to the Act on the use of the Danish subsoil.

### Chapter 2

#### *Area*

2. *-(1)* The Executive Order covers the company pursuant to Section 1(1) of the Act, Transportation of crude oil and condensate from the North Sea to Fredericia. The Executive Order applies to liquid hydrocarbons recovered pursuant to the Sole Concession which, pursuant to Section 8(2) of the Agreement, is transported via the Oil Pipeline, and for liquid hydrocarbons which pursuant to licenses are recovered from North Sea fields under obligation to connect, cf. Section 2(1) of the Act. The Executive Order also covers other Users of the Oil Pipeline.

(2). Payment and other terms for use by the company pursuant to Section 1(2) of the Act, performance of

separation in separation facilities, shall take place in accordance with an agreement with the Owner, cf. Section 2(5) and Section 3(b)(2) of the Act.

### Chapter 3

#### *Reservation of capacity*

3. -(1) The volume of a User's reservation of capacity shall be determined on the basis of the User's request for same to the Owner in accordance with the terms of the transportation agreement with the relevant User.

(2) A User can apply to the Owner for the reservation of capacity which by up to 20% exceeds the total volume of crude oil or condensate expected in the production profile forming the basis for the approval of expansion and any further expansions of a field subject to Section 10 of the Danish Act on Subsoil Exploitation or the quantity which may be recovered during a period of time in accordance with the following approval pursuant to Section 15 of the Danish Act on Subsoil Exploitation. An increase of up to 20% shall be calculated separately for those periods for reservation which are stated in the transportation agreement with the individual User.

### Chapter 4

#### *Extent of payment obligation*

4. Users shall pay the Owner as follows:

- 1) An amount to cover the Owner's cost of capital related to financing the establishing of the Oil Pipeline.
- 2) An amount to cover the Owner's additional costs related to operating the Oil Pipeline.
- 3) An amount to cover the increase in total decommissioning costs for the Oil Pipeline relative to the estimated costs as per 1 January 2018 which might arise in relation to the Owner's investment in new installations or upgrading of existing installations covered by Section 1(1) of the Act, cf. Section 5(2).

5. -(1) The costs of capital referenced in Section 4(no.1) comprise all costs related to the financing of expenses approved by the Minister for Energy at the time and which the Owner has been reasonably justified in expending for the establishing of the Oil Pipeline, to include interest and instalments on loans acquired, adjusted for any exchange losses and gains, commissions and other financing costs irrespective of their nature. Start-up expenses includes all costs for design, installations, and other costs with a view to or related to commissioning of the installation, including operating costs prior to commissioning of the Pipeline as of 1 May 1984.

(2) Costs of capital also include all costs of the nature detailed in subsection (1) which have been approved or may in future be approved by the Minister for Energy, Utilities and Climate such that the Owner has had good reason to pay for the establishing of new installations which form part of the Oil Pipeline, cf. Section 1(1) of the Act, or the carrying out of significant improvements to the Oil Pipeline and which cannot be considered as expenses paid with a view to or related to the commissioning of the Oil Pipeline, cf. subsection(1). The Owner shall notify the Users about the establishing of new installations as early as possible and explain the effects that such plans will have on the total decommissioning costs, cf. Section 7, in order to allow the Users to comment on the issue. The Users must be given the opportunity to monitor the works with a view to advising the Owner, such as in respect of the financing most beneficial to the Parties.

(3). The costs pursuant to subsection (1) and subsection (2) shall be financed via loans. Loans to finance establishing costs for the Oil Pipeline shall be arranged such that the total amount are repaid over 15 years from the date of commissioning. Financing the costs of subsequently established installations or improvements, cf. Para. 2, shall be arranged in the same way, such that repayment of loans commences at the time of commissioning of the installation or improvement. If the expected technological or financial lifespan for the subsequently established installations is less than 15 years, the repayment period shall be specified in accordance with the expected lifespan in accordance with regulations determined by the Minister for Energy, Utilities and Climate.

(4) The costs referenced in subsection (1) and subsection (2) can be financed by the Owner directly

where the company and the Users agree on this and the associated terms. The terms for the Users' payments shall in such a case be determined so as to accord as far as possible with what would have been in place had the investments been financed via loans. Agreements between the Owner and the Users pursuant to this Para. 4 are subject to approval by the Minister for Energy, Utilities and Climate.

6. *-(1)* The operating costs referenced in Section 4(no.2) comprise expenses of any kind with the exception of the expenses referenced in Section 4(no.1, no.3), cf. Sections 5 and 7, which the Minister for Energy, Utilities and Climate may determine have been reasonably paid by the Owner in connection with responsible ownership, operating or decommissioning of the Oil Pipeline, cf. Section 1(1) of the Act, including, i.a., the consideration of good practice for similar activities in the oil and gas industry and authority requirements, including expenses for operations, repairs and maintenance of the Oil Pipeline, supervision of same, administration, including shares of group costs determined in accordance with accepted accounting principles, insurances, including industrial injury insurance, cf. subsections 2-4, and value added tax, customs or other levies of a public law nature which are levied on the Owner in connection with performing the business covered by the Act, cf. however subsection 5(no.1).

(2). The Owner shall be entitled and obligated, following consultation with the Users and with consideration to, inter alia, good insurance practice for similar activities, to include with respect to risk and liability issues related to the oil and gas industry, to take out insurance against damage and liability arising from the ownership and operation of the Oil Pipeline, cf. Section 1(1) of the Act. The insurance shall include cover for damage to the installation in accordance with the full value and replacement value principle and usual cover for compensation claims from third parties and the Users, also to include contract liability and product and pollution liability. Insurance can be taken out with standard terms regarding excess and limitation of cover for damage and liability.

(3) The Owner shall, if the Users so agree, take out insurance to comprise cover in addition to that specified in subsection. (2).

(4) Expenses for the remediation of damage or to cover liabilities not covered by an existing insurance, including expenses arising from excess or insurance cover limitation terms, or for which insurance has not been taken out, shall be covered by the costs specified in subsection (1), cf. however subsection 5(no.2, no.3).

(5) The following expenses shall not be covered by costs pursuant to subsection (1):

- 1) Company tax and hydrocarbon tax and any other taxation of the Owner's income which can be equated to these.
- 2) Expenses related to damage to the Owner's Oil Pipeline as a result either of external events of an extraordinary nature, such as natural disasters, acts of war or terrorism attacks, or wilful acts or gross negligence on the part of the Owner to the extent that such damage is not covered by the insurance taken out pursuant to subsection (2) and (3).
- 3) Expenses related to compensation claims from third parties or the Users in the event of damage caused by wilful acts or gross negligence on the part of the Owner to the extent that such compensation claims are not covered by insurance taken out.

7. *-(1)* The Owner shall prepare an opening statement as of 1 January 2018 of the expected final costs for the decommissioning of the Oil Pipeline when the Oil Pipeline is finally decommissioned, including the costs related to full or partial shut-down, decommissioning and final disposal of the Oil Pipeline, and operational costs of the same nature as those covered by Section 4(no.2), cf. Section 6, which arise or are expected to arise after the last calendar year in which transportation of crude oil or condensate is performed for the Users. The Owner shall submit a statement of assets forming the basis for the estimate of expected, total, final costs for decommissioning the Oil Pipeline in the opening statement, and a description of the calculation model used, with a view to the Users being able to comment on same. The opening statement shall be prepared in accordance with previous practice and principles for assessing decommissioning costs for the Oil Pipeline. The statement of assets, the opening statement, and the calculation model shall be submitted to the Minister for Energy, Utilities and Climate for approval together with statements from the Users no later than 1 July 2018. The Minister can determine terms for the approval.

(2) The increase in total decommissioning costs referenced in Section 4(no.3) in the event of the Owner's investing in new installations or upgrading existing installations covered by Section 1(1), cf. Section 5(2) of the Act, involves increases to the costs stated in the status pursuant to subsection 1, first sentence.

(3). Contributions to the decommissioning costs referenced in subsection (2) shall be paid from and including the financial year in which the new installation or improvement is commissioned. The annual contribution is calculated by multiplying the part of such costs not yet covered by reserves by the ratio between the quantity of crude oil and condensate in the financial year for which capacity has been reserved, and the total quantity of crude oil and condensate for which capacity has been reserved for the remaining lifespan of the investment. Lifespan is defined as the shorter of the technological and the financial lifespan for the investment. The calculation shall be based on the latest prognosis of transported quantities at any time and the latest statement of capacity reservations at any time and the latest estimate of increase in total decommissioning costs at any time relative to the opening statement prepared pursuant to subsection 1.

(4) The amount calculated in subsection 3 is corrected by interest accrued on amounts in reserve for decommissioning and company tax issues relative to reserves, accrued interest and subsequent payment of decommissioning costs. Amounts reserved are presumed to accrue interest at the same rate as outstanding investments in the Oil Pipeline, cf. Section 1(1) of the Act, and separation installations, cf. Section 1(2) of the Act.

**8.** The Owner may erect necessary credit facilities with a view to ensuring that the company can satisfy its financial obligations regarding activities covered by the Act at any time. Interest and other costs hereto related is covered by Section 4(no.2), cf. Section 6(1).

**9.** For the costs of capital referenced in Section 4(no.1), cf. Section 5, the Users shall pay an amount which for the individual User is calculated by multiplying the total costs of capital for a financial year by the User's share of the sum of the total quantities of crude oil and condensate for the transportation of which the User has reserved capacity in the given financial year and the quantity of crude oil and condensate for the transportation of which other Users have reserved capacity in the same year.

**10.** For the operating costs referenced in Section 4(no.2), cf. Section 6, the Users shall pay an amount which for the individual User is calculated by multiplying the average operating costs of a financial year per transported quantity unit of crude oil and condensate, including water and sediments, by the number of units of crude oil and condensate, including water and sediments, transported by the Owner for the User in the relevant financial year. The transported quantities of crude oil and condensate for Users shall be calculated at the time of connection using the procedure approved by the Minister for Energy, Utilities and Climate at all times.

**11.** For the decommissioning costs referenced in Section 4(no.3), cf. Section 7, the Users shall pay an amount which for the individual User is calculated by multiplying the total decommissioning costs for a financial year by the User's share of the total of the total quantities of crude oil and condensate for the transportation of which the User has reserved capacity in the given financial year and the quantity of crude oil and condensate for the transportation of which other Users have reserved capacity in the same year.

**12.** Any interest accrued to the Owner of the amounts paid pursuant to Section 13(1 and 2) and any income from the selling, letting or the like of tangible assets for which the expenses have been paid or are to be paid by the Users, shall be credited to the Users.

## Chapter 5

### *Statement and payment of outstanding amounts*

**13. -(1)** For the performance of payment obligations pursuant to Chapter 4, the Users shall make interim payments according to the regulations in Sections 14 and 15. The interim payment shall be adjusted for each financial year in accordance with the regulations of Sections 18-20. Payments from the Users shall be based on statements prepared by the Owner for each User.

(2) The financial year follows the calendar year.

(3) Prior each financial year, the Owner shall prepare a budget including expected income and expenses related to the Users. The budget shall include necessary specifications concerning individual income and expense types, which in relation to the costs of capital shall include the nature of loans and their repayment dates. In order to determine the amounts referenced in Section 14(2), the Owner shall prepare a plan for the repayment of the loans referenced in Section 5(3). The budget and plan shall be submitted, cf. section 25, to the Minister for Energy, Utilities and Climate and to the Users before 1 September of the year prior to the financial year.

(4) Prior to financial year 2019 and for each subsequent financial year, the Owner shall update the statement of expected expenses for the completion of decommissioning of installations as calculated pursuant to Section 7(1). The statement shall be submitted to the Minister for Energy, Utilities and Climate before 1 September of the year prior to the financial year, cf. Section 25(1). Where a statement pursuant to first sentence involves a change to the expected expenses for the completion of decommissioning, cf. Section 7(1), the statement shall include a specification of the change.

(5) Based on the statement referenced in subsection 4, the Owner shall prepare a plan for reserving funds for the payment of the share of the decommissioning costs which constitutes an increase in the total decommissioning costs for installations which form part of the Oil Pipeline which have arisen as a result of the Owner investing in new installations or upgrading existing installations covered by Section 1(1) of the Act, cf. Section 5(2), relative to the total calculated decommissioning costs per 1 January 2018.

(6) The model for the decommissioning costs statement shall be based on the similar model for reserves for decommissioning costs in transportation agreements with Users with necessary adjustments.

(7) When the Oil Pipeline has been finally decommissioned, the Owner shall prepare a final decommissioning costs statement for the decommissioning of those parts of the Oil Pipeline which are included in the opening statement prepared pursuant to Section 7(1, first sentence).

(8) When the Oil Pipeline has been completely decommissioned the Owner shall prepare a statement of total final costs related to the decommissioning of those parts of the Oil Pipeline which is not included in the opening statement prepared pursuant to Section 7(1, first sentence). The difference between the final statement pursuant to this paragraph and the total of the amounts claimed pursuant to Sections 7 and 11 of 1 January 2018 until the complete decommissioning of the Oil Pipeline shall be credited or debited to the individual User based on the total quantity of crude oil or condensate transported through the Oil Pipeline from 1 January 2018 until complete decommissioning of the Oil Pipeline.

#### *Interim payment*

14. -(1) Ongoing payments during a financial year shall be made in accordance with interim statements prepared by the Owner.

(2) In order to cover costs of capital pursuant to Section 4(no.1) and Section 5, the Users shall pay monthly amounts equal to the relevant month's due payments for the Owner's loans to the same extent that such payments are not to be re-financed in accordance with the decommissioning plan pursuant to Section 13(3), cf. Section 5(3). The amount shall be increased or reduced as the result of any currency exchange rate changes for those loan payments which fell due in the previous month. In respect of investments financed by the Owner, the monthly payment shall be 1/12 of the annual depreciation determined pursuant to Section 5(4) and interest accrued on the amount invested. The individual User's contribution to covering costs of capital in a given month shall be calculated in accordance with the principles in Section 9 on the basis of the latest statement of reservations of capacity for the transportation of crude oil and condensate in the relevant month in accordance with the transportation agreements.

(3) In order to cover operating costs, the Users shall pay a monthly amount, pursuant to Section 4(no.2) and Section 6, equal to the amount for the relevant month in the budget. The amount can be adjusted by any identified deviations between previously claimed amounts and actually paid expenses during the financial year. The individual User's contribution to covering operating costs in a given month shall be calculated in accordance with the principles in Section 10 on the basis of the latest prognosis of transported quantities in the relevant month in accordance with the transportation agreements.

(4) In order to cover decommissioning costs pursuant to Section 4(no.3), the users shall pay a monthly amount equal to 1/12 of any increases in the year's expenses for decommissioning as calculated in the reserves plan pursuant to Section 13(5).

15. -(1) No later than the 20th in a month, the Owner shall submit to the Users a statement for the following month of the costs of capital calculated pursuant to Section 14(2), indicating their size, due date, the nature of loans, creditor relative to loans and any adjustments following currency exchange rate changes for the loan payments of the previous month. The payment shall be received by the Owner no later than 3 days before the timely payment to the loan provider. For loans for which several monthly payments are to be made, the Users shall, however, pay an amount equal to all payments for the month no later than by the 10th of the relevant month.

(2) On the 25th of a month, the Owner shall submit a statement of calculated operating costs for the following month pursuant to Section 14(3). The amount shall be paid no later than on the 10th of the latter month.

(3) No later than on the 25th of a month the Owner shall submit to the Users a statement for the following month of the payments to cover decommissioning costs pursuant to Section 15(4). The amount shall be paid no later than on the 10th of the latter month.

(4) Amounts due shall be paid by the Users in Danish kroner. Amounts for the cover of obligations in foreign currency can be paid in the respective currency by agreement between the Users and the Owner, provided that the required permits pursuant to foreign currencies legislation are present.

#### *Payment reduction and delay*

16. -(1) In the event that the transportation possibility via the Oil Pipeline ceases or is reduced during longer-term operating trouble for reasons other than referenced in subsection 2, the Minister for Energy, Utilities and Climate shall determine, after prior discussion with the Owner and the Users, whether and, if so, to what extent, the payment obligation pursuant to Section 4(no.1, no.2) shall be delayed.

(2) Where the transportation possibility via the Oil Pipeline ceases or is reduced for reasons which can be characterised as wilful acts or gross negligence on the part of the Owner, the payment of costs of capital and operating costs pursuant to Section 4(no.1, no.2), cf. Sections 5 and 6, shall be finally reduced as referenced in subsection 3 and 4. In the event that an exemption is granted as referenced in Section 17, the payment obligation pursuant to Section 4(1 and 2) shall, however, be retained to the extent that on-shoring is possible, unless an alternative determination is reached by the Minister of Energy, Utilities and Climate.

(3) Delay or reduction pursuant to subsection 1 and 2 shall be calculated on the basis of the amounts referenced in Section 4(1 and 2) which for a financial year can be proportionally related to the period during which the transportation ceased or was reduced. Reduction or delay shall be proportional to the quantity of crude oil and condensate for which transportation has not been available during the relevant period.

(4) The calculation of the non-transported quantities of crude oil and condensate shall be based on the Users' most recently submitted short-term prognoses of transported quantities of crude oil and condensate, unless an alternative calculation basis is determined by the Minister for Energy, Utilities and Climate.

17. -(1) As long as the transportation opportunity via the Oil Pipeline has ceased or is reduced, the Minister for Energy, Utilities and Climate shall grant exemption to allow alternative means of transportation.

(2) The exemption shall be renewed every seven days and shall lapse without notice when the transportation opportunity via the Oil Pipeline has been re-established after notification from the Owner, who shall notify the Users of this to the widest possible extent.

(3) If, after negotiations with the Owner and the Users, the Minister for Energy, Utilities and Climate finds that the operating trouble is caused by extraordinary circumstances, such as unlawful conditions attributable to the Users, the exemption may lapse.

#### *Annual adjustment*

**18.** No later than 3 months following the end of a financial year, the Owner shall submit an annual statement of the amounts that the Users are obligated to pay for the relevant year. The statement can, in full or in part, include previous financial years in respect of amounts which it has not been possible to include in the annual statement for the relevant financial year.

**19.** No later than 30 days after receiving the statement from the Owner, the Users shall pay to the Owner the amount by which the annual statement exceeds the User's interim payments for the relevant year.

**20.** Any amounts which, according to the total claim by the Owner in the annual statement for the previous financial year, is below the interim payments made by the Users, shall be deducted from the next interim statement(s) following the submission of the annual statement.

## Chapter 6

### *General regulations*

#### *Submission of statements etc.*

**21.** All statements, notifications or other communications pursuant to this Executive Order, irrespective of their nature, shall be submitted to a shared business address for the licensee in respect of the individual license and to Concessionaires in respect of the Sole Concession. The business addresses shall be submitted in writing to the Owner.

#### *Deposit accounts*

**22.** All payments from the Users to the Owner shall be done via payment to the accounts indicated in writing by the Owner. The Owner can change this information with 10 days' written notice.

#### *Payment obligation*

**23.** The Users are obliged to use standard payment methods to pay amounts claimed pursuant to statements referenced in Sections 15 and 19 to the extent that the amount is part of an approved budget, cf. Section 25, which may be adjusted pursuant to Section 14(3). Any omission in accordance with standard Danish legislation from complying with this payment obligation shall only be possible when in each individual instance the Owner has been provided with 3 months' advance notice in writing.

#### *Payment delay*

**24.** *-(1)* Where one of the Users omits to pay outstanding amounts as referenced in Section 4(no.1, no. 2) on time, the Party shall compensate for the resulting financing costs in the form of an addendum of 8 percent p.a. of the outstanding amount. The addendum shall be credited to the Users in connection with the next interim statement pursuant to Section 15(2).

*(2)* Section 4(1) of the Interest Act, cf. Consolidating Act No. 459 of 13 May 2014, shall also apply.

#### *Budgets*

**25.** *-(1)* No later than by 1 September of every year, the Owner shall submit a budget for the following financial year, cf. Section 13(3), to the Users and the Minister for Energy, Utilities and Climate. Budget estimates for the three subsequent financial years shall be included. At the same time, the Owner shall convene a meeting with the Users regarding the budget with not less than 3 weeks' notice and no later than by 1 November of the current calendar year. No later than by 15 November, each of the Users shall notify the Owner if they can approve the budget. Approval of the budget requires the acceptance of all the Users.

*(2)* Where a User is not able to approve the budget, they shall justify this by specifying which part or part or parts of the budget which the User is unable to approve. In the event that not all Users can approve the budget, the Owner shall immediately after the 15 November budget proposal forward all User notifications as to whether they can approve the budget and all other relevant information to the Minister

for Energy, Utilities and Climate, who shall make a determination regarding the budget for the following financial year.

(3) The Minister for Energy, Utilities and Climate shall be presented with budgets for the establishing of new installations to be part of the Oil Pipeline or the execution of significant improvements of the Oil Pipeline for approval, cf. Section 5(2). The budgets shall contain a specification, cf. Section 13(4), of any changes to expected expenses for the completion of decommissioning of installations which form part of the Oil Pipeline, cf. Section 1(1) of the Act, which may result from the establishment. The budgets shall include the distribution of expenses across financial years.

#### *Accounts*

**26. -(1)** No later than by 1 April, the Owner shall submit accounts for the previous financial year to the Users and the Minister for Energy, Utilities and Climate. The accounts shall be audited in accordance with the at any time valid regulations for the Owner's overall business. Where the financial year includes expenses for installations, these expenses shall be separately accounted for. At the time of distributing the accounts, the Owner shall convene a meeting with the Users regarding the accounts with not less than 3 weeks' notice and no later than by 1 May of the current calendar year. Before 15 May, each individual User shall notify the Owner if they have any comments to the accounts. The accounts and the Users' statements shall be submitted to the Minister for Energy, Utilities and Climate no later than 1 July. The accounts require the approval of the Minister for Energy, Utilities and Climate. The Minister for Energy, Utilities and Climate can determine terms for the approval.

(2) With not less than 30 days' notice and no later than 24 months after the end of a financial year, one or more Users can, after having received the accounts for a financial year, cf. Para. 1, perform an audit to show that the accounts were prepared in accordance with the budget for the financial year, the Oil Pipeline Act, this Executive Order and the guidelines pursuant to Sections 27 and 28. For the purpose of such an audit, the Users shall have access to relevant accounting materials at the Owner. The expenses for such an audit shall be paid by the relevant Users. A report on the audit must be submitted to the Minister for Energy, Utilities and Climate.

(3) In the event that the Owner and the Users disagree about the accounts for a financial year, the Minister for Energy, Utilities and Climate shall reach a determination.

(4) In the year following the completion of installation works, the Owner shall submit accounts for the total installation works to the Users and the Minister for Energy, Utilities and Climate. The account shall be discussed in the meeting relating to the previous year's accounts, cf. subsection(1). No later than by 15 May, the individual Users shall notify the Owner whether they can approve the account. The accounts and the Users' statements shall be submitted to the Minister for Energy, Utilities and Climate no later than 1 June. The account requires the approval of the Minister for Energy, Utilities and Climate. The Minister for Energy, Utilities and Climate can determine terms for the approval.

#### *Guidelines for budgets, statements and accounts*

**27. -(1)** The Owner shall prepare detailed guidelines for the matters referenced in chapters 5 and 6 with the purpose of complying with and ensuring implementation of the regulations of the Executive Order. The guidelines shall include the principles and timeframes for preparing budgets and statements for the Users and the registration of income and expenses on the part of the Owner pursuant to the Executive Order. The guidelines prepared by the Owner shall be approved by the Minister for Energy, Utilities and Climate pursuant to the regulations of subsection (2). Approved guidelines can be altered by the company pursuant to the regulations of subsection (2).

(2) In the event that the Owner wishes to alter the guidelines referenced in subsection (1), proposals for alternative guidelines shall be submitted; inviting comment, to the Users, and a copy shall be submitted to the Minister for Energy, Utilities and Climate. Statements from Users and the Owner's comments to these shall be then submitted to the Minister for Energy, Utilities and Climate. The guidelines require the approval of the Minister for Energy, Utilities and Climate. The Minister for Energy, Utilities and climate can determine terms for the approval. The Minister for Energy, Utilities and Climate can compel the

Owner to make changes to approved guidelines.

**28.** *-(1)* The guidelines determined pursuant to Section 27 are intended to ensure that income and expenses related to the Oil Pipeline are registered in accordance with the regulations of this Executive Order and the requirements related to good accounting practice, including registration with the required specification of individual income and expense types.

*(2)* The guidelines determined pursuant to Section 27 further aim to ensure that the Owner's budgets and annual statements provide a clear and transparent overview of income and expenses of the business in compliance with legislation, for the purpose of which it shall include specific principles regarding the explanation and distribution of individual income and expense items.

*(3)* All materials related to the issues referenced in Paras. 1 and 2, whatever their nature, including letters received, copies of letters sent, or business papers, notes, etc., must be stored by the Owner for at least 15 years.

#### Chapter 7

##### *New regulations*

**29.** Where production plants with other Owners and the current Users are connected to the Pipeline, changes to this Executive Order, cf. Section 3(3) of the Act, shall become the object of negotiations with all parties obligated to connect and the Owner.

#### Chapter 8

##### *Entry into force etc.*

**30.** *-(1)* The Executive Order shall enter into force on 1 March 2018.

*(2)* Executive Order No. 1450 of 8 December 2017 regarding payment for the transportation of crude oil and condensate is repealed.

*(3)* Sections 16-18 of Executive Order No. 797 of 25 June 2010 regarding payment for transportation of crude oil and condensate shall still apply to circumstances relating to financial years prior to the entry into force of this Executive Order. Executive Order No. 797 of 25 June 2010 shall additionally apply to budgets for 2014, including budgets for installations, as well as accounts for 2013.

*Danish Energy Agency, 26 January 2018*

Janni Torp Kjærgaard

/ Trine Sannem Mønsted