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# Specification Of The Baltic-Finnish Gas Monthly Index (BGMI)

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APPROVED BY  
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of the Chief Executive Officer of UAB  
GET Baltic

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# Specification Of The Baltic-Finnish Gas Monthly Index (BGMI)

Version applicable from: 1st March 2022

## 1. General provisions

- 1.1. The Specification of UAB GET Baltic (hereinafter - the Company) Baltic-Finnish Gas Monthly Index (BGMI) (hereinafter - the Specification) shall lay down the principles of BGMI calculation and the publication procedure.
- 1.2. BGMI shall be calculated based on a transparent and reliable monthly market exchange trades. It shall enable market participants to monitor long-term market natural gas price developments in the Baltics and Finland.
- 1.3. The purpose of the Specification is to define the principles and procedure of BGMI classification, calculation and publication and to determine the procedure for reviewing the Specification.
- 1.4. The Specification shall be binding on the employees of the Company whose functions are related to the calculation and publication of BGMI.

## 2. Classification of BGMI

- 2.1. BGMI is classified by the time of delivery and the place of concluded transactions in the monthly market.
- 2.2. BGMI values for each month are distinguished.
  - 2.2.1. Monthly value of BGMI identifies the monthly market transactions index value for a specific delivery month.
- 2.3. BGMI value is distinguished as common value of the Baltic-Finnish Gas Exchange and as separate values of each market area  $BGMI_{Lithuania}$ ,  $BGMI_{Latvia-Estonia}$ ,  $BGMI_{Finland}$ .
  - 2.3.1. BGMI value of the Baltic-Finnish Gas Exchange is determined as common value of all Baltic countries and Finland, evaluating transactions concluded in Lithuanian, common Latvian-Estonian and Finnish market areas.
  - 2.3.2.  $BGMI_{Lithuania}$  value is determined by evaluating concluded transactions in Lithuanian market area.
  - 2.3.3.  $BGMI_{Latvia-Estonia}$  value is determined by evaluating concluded transactions in common Latvian-Estonian market area.
  - 2.3.4.  $BGMI_{Finland}$  value is determined by evaluating concluded transactions in Finnish market area.

## 3. Methodology of BGMI calculation

- 3.1. BGMI value is determined as a volume weighted average of all buy and sell trades executed in the monthly market in all three market areas for the particular delivery month.
- 3.2. The volume weighted average price is calculated by adding up all buy volumes multiplied by the transaction price and sell volumes multiplied by the transaction price and then dividing by the total amount of all buy and sell trades:

$$\text{Baltic Gas Monthly Index} = \frac{\sum(\text{Price}_B \times \text{Quantity}_B + \text{Price}_S \times \text{Quantity}_S)}{\sum \text{Quantity}_{BS}}$$

$Price_B$  – buy price of the trade

$Quantity_B$  – buy volume of the trade

$Price_S$  – sell price of the trade

$Quantity_S$  – sell volume of the trade

$Quantity_{BS}$  – total amount of sell and buy of trades

3.3. The BGMI values for the different market areas in Lithuania, common Latvian-Estonian market area, Finland are determined as a volume weighted average of all buy and sell trades executed in the monthly market in particular market area for the particular delivery month.

3.3.1. The volume weighted average price for Lithuanian market area is calculated by adding up all buy and sell volumes multiplied by the transaction prices and then dividing by the total amount of buy and sell trades:

$$BGMI_{Lithuania} = \frac{\sum(Price_{B(LT)} \times Quantity_{B(LT)} + Price_{S(LT)} \times Quantity_{S(LT)})}{\sum Quantity_{BS(LT)}}$$

$Price_{B(LT)}$  – buy price of the trade for Lithuanian market area

$Quantity_{B(LT)}$  – buy volume of the trade for Lithuanian market area

$Price_{S(LT)}$  – sell price of the trade for Lithuanian market area

$Quantity_{S(LT)}$  – sell volume of the trade for Lithuanian market area

$Quantity_{BS(LT)}$  – total amount of sell and buy of trades for Lithuanian market area

3.3.2. The volume weighted average price for common Latvian-Estonian market area is calculated by adding up all buy and sell volumes multiplied by the transaction prices and then dividing by the total amount of buy and sell trades:

$$BGMI_{Latvia-Estonia} = \frac{\sum(Price_{B(LV-EE)} \times Quantity_{B(LV-EE)} + Price_{S(LV-EE)} \times Quantity_{S(LV-EE)})}{\sum Quantity_{BS(LV-EE)}}$$

$Price_{B(LV-EE)}$  – buy price of the trade for Latvian-Estonian market area

$Quantity_{B(LV-EE)}$  – buy volume of the trade for Latvian-Estonian market area

$Price_{S(LV-EE)}$  – sell price of the trade for Latvian-Estonian market area

$Quantity_{S(LV-EE)}$  – sell volume of the trade for Latvian-Estonian market area

$Quantity_{BS(LV-EE)}$  – total amount of sell and buy of trades for Latvian-Estonian market area

3.3.3. The volume weighted average price for Finnish market area is calculated by adding up all buy and sell volumes multiplied by the transaction prices and then dividing by the total amount of buy and sell trades:

$$BGMI_{Finland} = \frac{\sum(Price_{B(FI)} \times Quantity_{B(FI)} + Price_{S(FI)} \times Quantity_{S(FI)})}{\sum Quantity_{BS(FI)}}$$

$Price_{B(FI)}$  – buy price of the trade for Finnish market area

$Quantity_{B(FI)}$  – buy volume of the trade for Finnish market area

$Price_{S(FI)}$  – sell price of the trade for Finnish market area

$Quantity_{S(FI)}$  – sell volume of the trade for Finnish market area

$Quantity_{BS(FI)}$  – total amount of sell and buy of trades for Finnish market area

#### **4. Publication of the index**

- 4.1. Index is calculated and published in euros, VAT excluded.
- 4.2. Monthly values of BGMI as well as monthly BGMI values of separate market areas are published and updated every 10 minutes on the Company's website: <https://www.getbaltic.com/en/market-data/trading-data/>.

#### **5. Review of the specification**

- 5.1. In case of major changes in market size, number of market areas, inclusion of new products or removal of currently traded products from trading and/or in case of appearance of other factors that could affect the index's ability to reflect the actual market situation and the price of natural gas, the Company would initiate amendment of the Specification. The Company will inform about any amendments of the Specification by publishing the information on its website in advance.

#### **6. Final provisions**

- 6.1. The principles set out in the Specification shall be applied when calculating index for the periods from 1 January 2019.
- 6.2. The Specification may be amended, supplemented or repealed by the order of Chief Executive Officer of the Company.
- 6.3. The Company publishes the amendments to the Specification publicly on its website immediately after the relevant decision has been adopted.