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Helsinki, Finland, 2011-09-07 10:00 CEST (GLOBE NEWSWIRE) --
Fingrid Oyj

Stock Exchange Release 7.9.2011 at 11.00 EET

Fingrid Oyj will raise the grid fees by 30 per cent on the average at the beginning of 2012. The raises are based on the increase in the cost level of the electricity transmission business and on the company's sizeable capital investment programme for replacing the aged parts of the transmission grid and for connecting new production capacity to the grid.

Fingrid's capital expenditure in 2011 totals approx. 270 million euros. There will also be considerable capital investments to strengthen the grid in the future: Fingrid is prepared to make capital investment of a total of 1,700 million euros in new transmission connections and reserve power plants in the next 10 years.

All in all, Fingrid is planning to construct almost 3,000 kilometres of transmission lines and 30 substations. The capital investment programme encompasses several major projects such as two submarine cable transmission connections and the construction of the Forssa reserve power plant. In addition to the new transmission connections, a number of substations and transmission lines originally constructed in the 1960s and 1970s will be modernised.

The increase in the grid fees is the result of many factors. The company has been communicating the upcoming pressure to increase the grid fees for several years. Alongside the large-scale capital investment programme, the market-based costs of the electricity transmission business are on the increase.

'Fingrid's grid revenue in 2011 totals approx. 220 million euros. The annual reserve power costs and reserve costs will rise by about 20 million euros from the current 30 million euros. The transmission losses in the Finnish grid are also increasing, and the resulting loss energy costs borne by Fingrid are rising to about 70 million euros over the next few years. Moreover, the company's financial costs are expected to go up by about 20 million euros from the present level in the coming years', said CEO Jukka Ruusunen from Fingrid.

The grid fees levied from Finnish industries and energy companies will increase at the beginning of 2012 by 30 per cent on the average. The new contract period extends over four years, but the grid fees will be reviewed annually. The structure of the grid tariff will remain essentially the same as before, but the electricity producers' payment contribution will rise slightly.

'Fingrid's grid fees will rise gradually to a level that corresponds to the permitted level of return derived from system operation as specified by the Energy Market Authority. In the past four years, the grid fees levied by Fingrid have been approx. 250 million euros less than the level of return permitted by the Energy Market Authority, but these reduced earnings will not be recovered in the new fees', Jukka Ruusunen stated.

Further information:

Jukka Ruusunen, President & CEO, tel.+358 40 593 8428
Tom Pippingskold, CFO, tel. +358 40 519 5041
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