

Fortum's Annual Report 2014

Fortum is an energy company highly committed to sustainability. We strive to respond to the needs of our customers by generating, selling and distributing low-carbon electricity and heat and by offering energy-sector expert services.

31 Other provisions

EUR million	2014				2013			
	CSA provision	Environmental	Other	Total	CSA provision	Environmental	Other	Total
1 January	103	2	12	117	178	4	24	206
Provisions for the period	0	0	22	22	0	1	9	9
Provisions used	-14	0	-4	-18	-24	-2	-11	-37
Provisions reversed	-4	0	-3	-7	-48	0	-10	-57
Unwinding of discount	6	0	0	6	12	0	0	12
Exchange rate differences	-35	0	-3	-39	-16	0	0	-16
31 December	56	2	24	82	103	2	12	117
Of which current provisions ¹⁾	56	0	10	66	20	0	3	23
Of which non-current provisions	0	2	15	17	83	2	10	94

¹⁾ Included in trade and other payables in the balance sheet, see note 34.

Fortum's extensive investment programme in Russia is subject to possible penalties that can be claimed if the new capacity is substantially delayed or agreed major terms of the capacity supply agreement (CSA) are not otherwise fulfilled. The remaining provision is assessed at each balance sheet date and the assessment is based on changes in estimated risks and timing related to commissioning of the remaining power plants in the investment programme. During 2014 EUR 4 million of the provision was reversed to the income statement relating to the lower penalties for Nyagan 2. The remaining provision for possible penalties amounts to EUR 56 million (Dec 31 2013: 103). Paid penalties during 2014 amounted to EUR 14 million (2013: 24). The provision increases due to unwinding of the discounting of potential future penalty payments, which during 2014 resulted in an increase of the provision with EUR 6 million (2013: 12). The unwinding effect is recognised in other financial expenses.

Environmental provision are mainly related to cleaning of contaminated land. Main part of the provision is estimated to be used within ten years.

Restructuring provisions, included in other provisions, amounts to EUR 1 million (2013: 2).

Other provisions include also provisions for insurance payments, tax claims and provisions for onerous contracts. The other provisions are estimated to be used within two to five years.

[Regarding provisions for decommissioning and provision for disposal of spent fuel for nuclear production, see note 30.](#)