



**PRESS RELEASE**

**15 November 2017**

**Next year natural gas transmission service price for Lithuanian system users will once again go down**

On 14 November 2017, the board of Lithuania's natural gas transmission system operator, AB Amber Grid, approved lower prices for natural gas transmission services effective as from 1 January 2018. The decision is still to be endorsed by the National Commission for Energy Control and Prices (NCC).

In 2018, natural gas transmission prices for Lithuanian system users, in energy transmission unit, in comparison with 2017, will decrease by on average 36.5% – to EUR 1.13 per MWh.

This factor alone is bound to reduce the bills of transmission system users for gas transmission services by an aggregate amount of roughly EUR 13 million. Since the beginning of this year, average natural gas transmission prices for Lithuanian system users have already decreased by 8%.

"In 2018, the biggest impact factors on the decrease of average natural gas transmission prices for Lithuanian system users were the cost savings in the Company's regulated activities in the course of the period from 2014 to 2016 and the additional revenue for the short-term capacity and the long-term capacity overruns," said Saulius Bilys, CEO of AB Amber Grid.

These were the factors that led the NCC, upon the assessment of the non-compliance of the return on investment, to significantly reduce natural gas transmission service price cap at the domestic (national) exit point for the year 2018.

According to the Entry-Exit Point Pricing System, the concrete transmission service prices were set separately for the transmission system entry points and for the exit points.

For all Lithuanian transmission system entry points the new prices set for the year 2018 are equal and remain at a level similar to that of 2017. Taking into account the fact that at certain points the gas flows during the last years were devoid of any seasonal nature and in order to stimulate the development of the natural gas market of Lithuania and that of the entire Region, the prices for the short-term transmission capacities (quarterly, monthly, daily) at all the entry points and at the exit point to the Republic of Latvia (Kiemėnai) were calculated without the application of any seasonal multipliers and as a result are lower than those of 2017. Such a pricing is bound to have an incentive effect on the cross-border gas flows.

Upon the agreement with the NCC, the natural gas transmission service prices effective as from 1 January 2018 will be published on AB Amber Grid website [www.ambergrid.lt](http://www.ambergrid.lt).

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*Background information on AB Amber Grid:*

*AB Amber Grid, gas transmission system operator, ensures a reliable and secure transmission of natural gas through high-pressure pipe-systems to system users, as well as operation, maintenance, and development of the natural gas infrastructure. AB Amber Grid is listed on the supplementary trading list of the Baltics at NASDAQ Vilnius Stock Exchange. Controlling interest of AB Amber Grid is with UAB EPSO-G, a holding*

*company which further holds controlling interests at AB Litgrid, electricity transmission system operator, and UAB BALTPPOOL, energy resources exchange operator. UAB EPSO-G, which is 100-percent controlled by the Ministry of Energy of the Republic of Lithuania, is in charge of the implementation of strategic tasks of the development of Lithuania's gas and electricity infrastructure, it also manages projects dedicated to the integration into the EU energy markets, and seeks implementation of goals of the EU energy union.*

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