



Press Release

20 November 2014

Commission approves natural gas transmission service tariffs set by the Board of Directors AB Amber Grid

On 20 November 2014, the National Control Commission for Prices and Energy (hereinafter – the Commission) approved the natural gas transmission service tariffs (effective from 1 January 2015) that were set by the Board of Directors of AB Amber Grid on 5 November 2014.

The natural gas transmission service tariffs are posted on the website of AB Amber Grid www.ambergrid.lt.

From 1 January 2015, the current natural gas transmission service pricing model will be subject to change: as part of the implementation of EU legislation, the gas transmission service pricing model, which so far used to be based on the so-called "postage stamp" principle, will be discarded and will be replaced by a new model of transmission system entry and exit point-based capacity allocation and pricing. According to the new model, natural gas transmission service prices will be set separately for the gas transmission system entry and exit points:

- the entry points: at the points of the interconnection of Lithuania's Gas Transmission System with the Gas Transmission Systems of Belarus and Latvia and with the Liquefied Natural Gas Terminal in Klaipėda;
- the exit points: at the points of the interconnection of Lithuania's Gas Transmission System with the Gas Transmission Systems of the Kaliningrad Region of the Russian Federation as well as with the domestic exit point (covering the locations of the interconnection of Lithuania's Gas Transmission System with the gas distribution systems or gas consumer systems).

The new pricing system will facilitate conditions for new gas market participants and for cross-border gas flows.

As compared to the gas transmission service tariffs effective in 2014, total impact of the change in the natural gas transmission tariff on the final price paid by household consumers will on average amount to 1 ct per cubic meter of gas.

The average tariff of firm long-term transmission services set by Amber Grid, approved by the Commission in respect of Lithuania's gas customers, is by 3.3 percent lower than the gas transmission service price cap set by the Commission for the year 2015.

Other significant changes implemented as from 1 January 2015: the natural gas transmission service accounting and metering systems will be changed, therefore gas transmission tariffs will be specified not per gas volume unit (thousand cubic meters) but per unit of energy (megawatt hour (MWh)) based on the higher calorific value; also as from 1 January 2015 the official Lithuania's currency will be the Euro. Accordingly, the capacity booking tariffs for the Gas Transmission System entry and exit points will also be

expressed in Euro per MWh per day per booking period (e.g., per year, per quarter). In addition to that, the at the exit points there are also tariffs set for gas quantities transmitted through these exit points, and these tariffs are expressed in Euro per MWh.

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