

**PRESS RELEASE**

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**Natural gas transmission services prices will decline in 2020 – AB Amber Grid Board has set transmission services prices**

On the 23rd of September AB Amber Grid Board set the natural gas transmission prices for 2020. The approved natural gas transmission service prices have been submitted to the National Energy Regulatory Council (NERC) for evaluation.

In 2020, the average price of transmission services for the needs of Lithuanian consumers (considering long-term and short-term services), compared to the average price in 2019, will fall on average by slightly more than 16% - to 1.22 EUR / MWh.

“In 2020, the cost savings of the Company's regulated activities in the previous regulatory period (2014-2018) and additional revenue received for short-term capacity in transmitting gas both to Lithuanian consumers and to Latvian direction will have the greatest impact on the decrease of average natural gas transmission prices for Lithuanian system users”, - explained Saulius Bilys, the CEO of Amber Grid.

These are the key factors that led to significant reduction (by almost 18%) of transmission service revenue cap for 2020 by the NERC after it has assessed discrepancy in return on investment.

The transmission service prices for 2020 were also influenced by the public consultation on the pricing methodology for regulated activity services of AB Amber Grid from 2020 that was conducted by the NERC in the 1st half of 2019 in accordance with the requirements of Commission Regulation (EU) 2017/460 of 16 March 2017 establishing a network code on harmonised transmission tariff structures for gas (TAR NC) (hereinafter – the Public Consultation), and by the proposals from market participants received during it, as well as by the opinion of the Agency for the Cooperation of Energy Regulators (ACER).

In the light of the results of the public consultation and with a view to facilitating access of the market participants to Lithuania's Klaipėda liquefied natural gas (LNG) terminal, and thus increase competitive pressure on gas market prices, AB Amber Grid suggests the NERC to approve (as in 2019) a 75% discount on the price of transmission services at the entry point in Klaipėda.

In order to increase the simplicity and flexibility of the use of the transmission system, and to promote the development of the regional gas market, the transmission service prices at the entry points are planned to be harmonized with future entry prices in the neighbouring tariff area covering Latvia, Estonia and Finland.

Also at the entry points and the exit point with Latvia, the company plans to apply lower price multipliers for short-term services compared to those applied in 2019. Correspondingly, in 2020, the average service price of natural gas transportation through the territory of Lithuania on the route Klaipėda LNGT-Latvia (estimating the average of the long and short term product prices), compared to 2019, will fall on average by about 18%.

In agreement with the NERC, the prices of natural gas transmission services, which will become effective on 1 January 2020, will be made publicly available on the website of AB Amber Grid [www.ambergrid.lt](http://www.ambergrid.lt).

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