

HOW TO BECOME A SHIPPER IN LITHUANIA



Regulation

Regulating rules approved by the National Energy Regulatory Council:

- for access to the natural gas transmission system;
- for natural gas transmission system balancing.



For access to the natural gas transmission system

Rules approved by the National Energy Regulatory Council by its Resolution as of 29 December 2021 (active from 1 March), lays down:

- the procedure, terms and conditions for the use of the Natural Gas Transmission System owned by the Transmission System Operator;
- the procedure, terms and conditions for the exchange of information between the TSO and the transmission system users;
- the guidelines on cooperation between the TSO and operators of other gas systems;
- the rights, obligations and liabilities of the TSO and the system users;
- the procedure of concluding the contracts.

The Access Rules were developed with a view to ensuring fair, equitable and nondiscriminatory access to the Gas Transmission System (controlled by AB Amber Grid) for all system users.

The Access Rules shall apply to all system users, as well as individuals who are going to become the System Users of the TSO system, to all owners of the systems that are directly connected to the TSO's Gas Transmission System, and to all operators of gas distribution systems and other gas systems connected to the Gas Transmission System to the extent it is related to the provisions on cooperation and exchange of information stipulated by the cooperation agreements made between the TSO and the operators concerned.



For natural gas transmission system balancing

Rules approved by the National Energy Regulatory Council by its Resolution as of 30 December 2021 (active from 1 March), lays down:

- to identify the principles of balancing, procedure and conditions of the natural gas transmission system in the natural gas transmission system managed by the Transmission System Operator;
- to ensure the safe and efficient operation of the transmission system;
- to regulate the rights and obligations and relationship between the Transmission System Operator, the Transmission Network Users and other market participants trading in gas under bilateral sale and purchase contracts and (or) on the trading platform at the Lithuanian virtual trading point, distribution system operators, and trading platform operator involved in balancing the transmission system;
- for every Balancing Period (i.e. on a daily basis) natural gas market participants shall balance their quantities of natural gas injected into the gas transmission system with the ones off-taken from the gas transmission system;
- if the market participant, involved in balancing the transmission system, fails to balance the amount of gas, he pays an imbalance charge to the Transmission System Operator, if a market participant involved in balancing the transmission system has caused a lack of gas in the transmission system or the Transmission System Operator pays imbalance charge to him if a market participant involved in balancing the transmission system has caused the surplus of gas in the transmission system, by applying balancing prices.



CONCLUSION OF NATURAL TRANSMISSION CONTRACT



Natural transmission contract and the procedure for its conclusion

The potential user of the transmission system in order to be entitled to make use of the transmission system operated by AB Amber Grid and of the gas transmission services must conclude a natural gas transmission service contract with AB Amber Grid.

Gas transmission without a contract or in violation of the contract terms are prohibited by law.

According to regulation to conclude a natural gas transmission contract, a potential network user must, no later than 2 months before booking capacity for the first time, submit:

- appropriate collaterals for the fulfillment of all obligations;
- application for conclusion of the Transmission Contract.



Application for the natural transmission contract

The application must contain the following information:

- Company details (address, bank details, VAT number, etc.);
- Responsible persons;
- Accompanying documents (Power of attorney if the signatory is a person other than the head of the legal entity and other);
- EIC and ACER codes – this is mandatory for data exchange!

AB Amber Grid evaluates the application within 14 calendar days. And will:

- offer to conclude a Transmission Contract;
- or request to specify/supplement the information or documents referred to in the request by providing explanations and justification for such a request;
- after the identification of risks, shall request the potential users of the transmission system to provide the latest financial statements;
- or refuse to grant the request for a Transmission Contract.



Collateral for the fulfillment of obligations

The Network User before entering into the transmission contract shall provide the TSO with appropriate collaterals for the fulfillment of all obligations under the contract and/or the Access Rules.

➤ The minimum amount of the collateral for the fulfillment of obligations - **EUR 25 000**.

According to regulation, the potential user of the transmission system does not require to provide the collateral if:

- the Network User has a long-term foreign currency credit rating that is equal to or higher than Baa1 according to Moody's agency, or BBB+ - according to Standard & Poor's agency, or BBB+ - according to Fitch rating agency;
- If it meets 153 paragraphs of the Rules for access to the natural gas transmission system.

The collateral for the fulfillment of obligations should be:

- Cash deposit;
- Bank guarantee (The period of validity of the collaterals for the fulfillment of obligations provided by a Network User cannot be less than two months after the expiration of the booked capacity products).



Types of contracts

Main contracts:

- Natural Gas Transmission Service Contract;
- Natural Gas Transmission Service System Balancing Contract;
- Agreement on the Right to use the Electronic Transmission Service Booking and Administration System (mandatory).

Note: The natural gas transmission service contract covered all the provisions and rules related to balancing, so we don't offer to conclude the balancing agreement to those who have transmission service agreement signed.

Additional contracts offered for network users' convenience and administration:

- Agreement On the Procedure for Issuing VAT Invoices for Balancing Gas. (The agreement allows us to issue an invoice on behalf of the network username, then the network user causes a surplus of gas in the transmission system)
- Agreement To The Natural Gas Transmission Service Contract For Application Of Value Added Tax (if network user won't be a VAT payer in Lithuania).



The regulations,
The contracts,
The document templates and
other important information can
be found at www.ambergrid.it
or
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