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 **Press release**

 5 November 2014

**The Board of Directors of AB Amber Grid Sets New Natural Gas Transmission Service Tariffs Effective From 1 January 2015**

Based on the provisions of the Law on Natural Gas of the Republic of Lithuania natural gas transmission service prices shall be set for a one-year period. On 5 November 2014, acting in accordance with the provisions of the aforesaid Law, the Board of Directors of AB Amber Grid adopted its decision on natural gas transmission service prices effective from 1 January 2015. The decision of the Board of Directors of AB Amber Grid will be submitted to the National Control Commission for Prices and Energy (hereinafter – the Commission) for approval.

From 1 January 2015, the natural gas transmission service pricing model will be changed. By implementingthe provisions of EU legislation, instead of the current "postage stamp" principle for setting transmission service prices an Entry-Exit model will be applied for capacity allocation and pricing at individual entry and exit points of the transmission system. New pricing model and the prices of natural gas transmission services, set by the Board of Directors of AB Amber Grid, will establish more favourable conditions for new market participants and cross-border gas flows.

Another change to take effect on 1 January 2015 is the conversion from the currently used natural gas transmission services accounting and pricing units, gas volume units (thou. m3), to accounting and pricing in energy units (MWh).

The prices of natural gas transmission services, set by the decision of the Board of Directors of AB Amber Grid for the internal exit point, designated for Lithuanian consumers, are, on average, by 3.3 percent lower than the price cap set by the Commission for the year 2015. The prices at other entry-exit points are equal to the price caps.

The impact of the change of gas transmission prices to the final gas price payable by household consumers will be, on average, approximately 1 ct per cubic meter of gas. The factors that had a substantial impact on the natural gas transmission price change were the drop in demand for natural gas at heat and power generation plants due to the increase in the use of alternative fuels and the unusually high weather temperatures recorded during the last heating season, as well as the strategic investment projects implemented by AB Amber Grid for gas supply diversification and increase in security of supply.

Following the approval by the Commission, the new natural gas transmission prices effective from 1 January 2015 will be posted on the website of AB Amber Grid, [www.ambergrid.lt](http://www.ambergrid.lt).

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