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## REGARDING THE INTEGRATION OF THE BALTIC NATURAL GAS MARKET

AJ Power Gas AS, a Latvian and Lithuanian natural gas market participant, wishes to express appreciation regarding the developments with the expected merger of Latvian, Estonian (from 2020), and Finnish (from 2022) natural gas markets and forming of their joint tariff zone from 2020.

Nevertheless, we would like to note that without accession of Lithuania to the merged market zone, barriers for direct access to alternative gas sources through the LNG terminal in Klaipeda will still exist. This barrier, in our opinion, does not provide the full potential benefits of the regional market to Baltic end-consumers of natural gas.

Therefore we strongly support that solutions are sought with the Lithuanian side to eliminate the cross-border point between Latvia and Lithuania as soon as possible or at least a zero tariff for transmission services at the Kiemenai interconnection point is set. In our view, the tariff's methodology and indicative 2020-2023 tariffs – Scenario 2 (as published by AB Amber Grid and accessible by following this link - <https://ej.uz/AmberGrid>) would lower gas prices, substantially increase competition for pipeline gas, and incentivize diversification of gas supplies in the Baltic area.

We would greatly appreciate receiving further information on the Lithuanian accession to the regional market and/or what is the solution for Kiemenai interconnection point tariffs from 2020 onwards.

Sincerely,

Roberts Samtiņš  
Member of the Board