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Copy: The Public Utilities Commission
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Regarding the usage of Inčukalns underground gas storage

Dear Sir or Madam,

LITGAS UAB and other Lithuanian gas supply companies were always taking an interest to have the opportunities to keep respective gas volumes in the Inčukalns underground gas storage facility. However, the potential of such services was quite limited due to unfavourable pricing.

In line with the changes occurring in the Latvian gas system, we are confident in the Inčukalns UGS importance ensuring the flexibility of gas market not only in Latvia, but in the Baltic region as well. To be able to use UGS facility, it is very important and necessary to have objectively reasoned, fair and transparent conditions. Moreover, those conditions should be economically justified.

In regards to increase storage service tariffs, we are suggesting for the GSO to provide to the Users of GSO more flexible usage of storage in terms of duration of gas storage.

Please, consider the possibility to provide monthly usage of the storage and the tariffication methods with accordance to that. It would be a considerable incentives for LITGAS and other Lithuanian gas market participants to take into account possibilities to use UGS even in current Gas Year. For the sake of clarity, we see a clear business case for our companies to storage up to 100 mcm for up to 6 month period, but this would be economically feasible with the monthly storage services tariff of approximately 2-2,4 €/1000 m³.

Chief Executive Officer

Vytautas Čekanavičius

A handwritten signature in black ink, appearing to be the name Vytautas Čekanavičius, written in a cursive style.

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