

Lithuania to Spin Off Gas Grid, Force Gazprom to Sell Out

By [The Moscow Times](#)

March 09, 2013

The  **Moscow Times**

OSLO — Lithuanian gas utility Lietuvos Dujos said it would spin off its gas transportation arm by the end of July and EU rules would force Gazprom and E.ON Ruhrgas to sell their stakes in the new firm.

The new gas grid operator, called Amber Grid, will take 1.6 billion litas (\$602.4 million) or 57.4 percent of the utility's assets, Lietuvos Dujos said Thursday.

Lithuania, which is implementing European Union market liberalization rules, will require the spinoff by law and forbid companies involved in gas production and supply from controlling gas transportation as well.

Joachim Hockertz, deputy chief executive of Lietuvos Dujos, said in an interview that both Russia's Gazprom and Germany's E.ON would have to sell their stakes as a result.

"They must sell. Otherwise the main shareholders will lose all the management rights [in Lietuvos Dujos itself], and the minority shareholder, which is the government, will take all the rights," Hockertz said.

"That, of course, is an unacceptable situation for the strategic shareholders, E.ON Ruhrgas and Gazprom, which together hold 76 percent and might have no say whatsoever," he said.

E.ON holds 38.92 percent, Russia's Gazprom 37.06 percent, the Lithuanian government 17.7 percent and small shareholders 6.32 percent of Lietuvos Dujos.

The rules require the spinoff by the end of July 2013 and E.ON and Gazprom to sell their stakes in the new company by the end of October 2014.

Russian state-controlled Gazprom, Europe's top gas supplier, has strongly criticized the move to separate gas transportation and supply businesses. Moscow has threatened to take Lithuania to an international arbitration over Gazprom's investments.

Gazprom and E.ON also hold stakes in other Baltic utilities.

Estonian gas utility Eesti Gaas is expected to sell its gas transportation business by the end of 2015, and Latvia is expected to take decisions on unbundling shortly.

E.ON said in October that it would sell all its interest in Finland, where it has a 20 percent stake in gas supplier Gasum.

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