

## **Bulgaria: DSO companies CEZ, EVN and EnergoPro halting investments into network modernization due to the profit losses**

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ČEZ, EVN and Energo Pro are confronted with bankruptcy because electricity price decreases.

All three distributors of electricity in Bulgaria: ČEZ Bulgaria, EVN Bulgaria and Energo Pro are confronting bankruptcy. Reasons for it are electricity price decrease in March 2013, new rules for electricity purchase from renewable energy sources so obstructions for distributors' expenses compensations should be from National Committee for Energy Regulation and Water Industry (DKEVR). EVN, which has around 150 million EUR loss since June 2012 is in the biggest problems and Energo Pro has accumulated to around 7,5 million EUR losses since the beginning of 2013 and they expect losses to grow up to 70 million EUR by the end of a year. Only electricity price decrease from March 2013 will bring losses of 17 million EUR for EVN and 12 million EUR for Energo Pro- their projections show.

On the other side, ČEZ states that its losses increased up to almost 100 million EUR so all of them agree that they can announce a bankruptcy at any moment and that there are practically no investments in maintenance and network modernization. However, ČEZ announces that it will invest 1,1 million EUR in west Bulgaria including Sofia where 600 000 EUR will be invested in maintenance and network modernization so service quality can be increased to European height.

Source; Energy regulator/Agencies/Serbia Energy see desk