

## **Bulgaria: Electricity distributors CEZ, EVN and Pro Ergo accused of unfair competition**

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Bulgaria's Commission for Protection of Competition (CPC) became the latest state regulator to announce administrative proceedings against the country's three electricity distribution firms, accusing them of unfair competition on May 13.

CPC said in a statement that the three distribution firms – owned by Czech CEZ and Energo-Pro, as well as Austria's EVN – were abusing their dominant market position when giving access to cable TV and internet service providers to utility poles.

Such power poles were part of the electricity infrastructure owned by the distribution firms and their maintenance costs were already factored into the bills paid by consumers. As such, renting use of utility poles to other companies was an additional revenue stream for the companies, CPC said.

The regulator said that by including pole maintenance costs in the rental price was unjustified and was unfair to telecommunication companies wanting to rent use of the facilities.

CPC's decision is final and cannot be appealed. The regulator gave the three distribution companies 30 days to present their objections to the ruling, after which it is expected to hand down fines.

The announcement comes only a day after the expiration of the deadline, set by the State Energy and Water Regulatory Commission, for the companies to present their responses in the proceedings to repeal their operating licences.

The proceedings were prompted by the commercial dispute between them and state electricity utility NEK, which accuses the power distribution companies of unlawfully offsetting and failing to pay bills due for electricity. NEK claims that it is owed 347 million leva for electricity deliveries.

The electricity distribution firms, for their part, say that the amounts have been withheld from NEK as compensation for the mandatory purchase of electricity generated by renewable energy firms, which the firms are required to buy by law.

The utilities regulator did not say when it would issue a ruling, but reports in Bulgarian media on May 13 claimed that SEWRC was leaning towards fining the companies, rather than repealing their licenses.

The regulator plans to announce the results of regulatory checks into the operations of the



three electricity distribution firms on May 14.

Source; Serbia Energy See Desk