

An increase in wholesale natural gas price of 2.2 % for August was proposed by Bulgarian state-owned gas supplier Bulgargaz. The company proposed to the Bulgarian Commission for Energy and Water Regulation (KEVR) that the price of natural gas for August 2020 should be about 9.99 euros/MWh, excluding VAT and excise duty. It also said that it plans to propose 0.05 % price cut for September. Previously, KEVR has approved a 6.05 % reduction of wholesale natural gas price for July, although state-owned wholesale gas supplier Bulgargaz proposed a decrease of 4.13 %. In early March, Bulgargaz and Russian Gazprom Export have finalized an agreement on 40.3 % reduction of the price at which Russia supplies natural gas to Bulgaria, backdated to 5 August 2019. Bulgaria was the last of eight EU Member States of Eastern Europe to strike a deal on a price cut with Gazprom, in the wake of a settlement reached between the European Commission and the Russian monopolist on an anti-trust investigation. According to recent change in regulation, the price of natural gas in Bulgaria is determined once a month, instead of previous method which included gas price adjustments once a quarter, and is also approved by the Commission for Energy and Water Commission (KEVR). A new hybrid formula will now be used, in which the European gas hubs will heavily outweigh oil market fluctuations. The proposed price cut takes into account prices on the European gas markets and the dollar rate. So far, the price of the Russian natural gas for Bulgaria was calculated on the basis of the oil prices for the last six months. Bulgaria covers all its gas needs via Russian imports.