

Because of the record high wholesale gas prices proposed for the month of April, Bulgarian Ministry of Energy has launched an investigation into state-owned natural gas supplier Bulgargaz. In mid-March, Bulgargaz said that it is planning to propose higher wholesale natural gas price to be applied in April 2021 and the price should be around 16.5 euros/MWh, 12.8 % higher than the price valid in March - 14.6 euros/MWh. Also, Bulgargaz said that it is planning to propose a new price hike for May, increasing the price to around 17.6 euros/MWh.

However, the Commission for Energy and Water Regulation (KEVR) said that it has found a positive difference for 2020 between the estimated costs and those reported by Bulgargaz for the supply of natural gas. As a result, the price offered by the company for the month of April 2021, in its capacity as a public supplier, has been reduced by the amount of the overstated revenue established by KEVR.

That is why the Ministry of Energy launched an inspection of Bulgargaz's activity for 2020, including the realized revenues and reported expenses, as well as their impact on the price of natural gas offered by the public supplier for April this year. The final decision on the price of natural gas for Bulgaria will be made on 1 April, when the public supplier will again make a proposal to KEVR, taking into account the data on the European gas exchanges for the last days of March. If the increase is approved, it will be a record in the last year and so, since a new contract was signed with Gazprom Export, which significantly reduced gas prices for Bulgaria. Last year, there was another attempt for political interference in determining the price of natural gas. In September 2020, due to a letter from the Minister of Energy Temenuzhka Petkova, a new price was not accepted more than 10 days after the deadline, as the Ministry launched an inspection of the way Bulgargaz formed the price, which was supposed to be increased by 20 %. Eventually, the investigation found no wrong doing and the wholesale price of gas was increased by 20 %. Now the situation is similar, but the topic is even more delicate because of the upcoming parliamentary elections. However, the data show that gas prices on international exchanges have also been growing at a record high in recent months, which inevitably affects the price for Bulgaria.