

Bulgarian Commission for Energy and Water Regulation (KEVR) has approved a 30.4 % increase of wholesale natural gas price for December, significantly higher than 14.4 % hike initially proposed by gas supplier Bulgargaz.

The wholesale price is increased to around 68.1 euros/MWh, excluding VAT and excise duty. Previously, KEVR approved 9.8 % increase of wholesale natural gas price for December. KEVR Chairman Ivan Ivanov commented that the regulator can by no means curb a rise in the gas price. He voiced his concern that this increase, which is entirely due to external factors, had dire implications for the district heating companies using natural gas, which accounts for 60 to 70 % of the heating service. After the Parliament imposed a moratorium on the prices of electricity, heat and water in December, those companies continued providing heating at the price of natural gas of 31 July 2021, although they pay nearly three times more for it.

The regulator called for a mechanism for urgent compensation to the heating utilities and all other natural gas users. Otherwise the heating companies may not be able to pay Bulgargaz, which in turn is obliged to pay for gas deliveries in advance. This could lead to intercompany indebtedness on a scale that might put at risk Bulgaria's energy system and economy.

In March 2020, Bulgargaz and 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.