

Although the Bulgarian Commission for Energy and Water Regulation (KEVR) initially approved 15.21 % increase proposed by Bulgargaz, state-owned gas company later amended the proposal, now asking for a 20.3 % price hike and KEVR decided to terminate administrative proceedings for the approval of the wholesale price of natural gas for September.

Following KEVR's decision, Bulgarian Minister of Energy Temenuzhka Petkova said that an investigation of the principle based on which Bulgargaz formed wholesale gas price for September will be launched. According to Bulgargaz CEO Nikolay Pavlov, the reason for sudden price increase is the adjustment with trends on European exchanges observed in the past few days.

After the completion of the Ministry's inspection, Bulgargaz will have to submit a new proposal for wholesale price of natural gas for September. Until that, it will sell gas at the price from August. According to initial Bulgargaz' proposal, the price for September should have been increased by 15.21 %. The new price should amount to around 11 euros/MWh, excluding VAT and excise duty. The agreement with Gazprom prompted the change in determining regulated wholesale gas prices, which is now set on monthly, rather than quarterly basis. In early March, 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.