

Chairman of the Sofia City Council Georgi Georgiev said that over 325 million euros of heating utility's Toplofikatsiya Sofia debt to Bulgarian Energy Holding (BEH) and its subsidiary, gas supplier Bulgargaz, has been paid off.

Georgiev said that an agreement has been signed with Bulgargaz and the natural gas supplies for the heating utility are guaranteed for all of next year. A debt set-off agreement has been drafted and signed, so that the company can take a breath of fresh air. The Council insists that the state introduces compensatory mechanisms like the ones for electricity, so that the price increase will not be at citizens' expense, he said.

According to Georgiev, the previous Government's inaction has cost Sofia residents some 240 million euros because the natural gas price increase since last September was not compensated in any way.

Caretaker Minister of Energy Rossen Hristov said that the working group established to resolve financial issues of Toplofikatsiya Sofia is working hard and has made significant progress in just a few weeks. The goal is to help the heating utility recover and grow, and right now, the group is focusing on urgent measures on setting off debts and addressing the problems related to the money flow, but these are just interim steps, while the final goal is to have a company that works independently without constant need for assistance, that can provide heating energy to Sofia at reasonable prices and function on a market-based principle. In the next weeks, a plan for stabilizing the company should be drafted.

Georgiev added that the goal is to attract an international investor to allow Toplofikatsiya Sofia to produce electricity, from which it can generate profits and get stabilized.