

Bulgaria: Power Utility company NEK reported loss of 70MEUR in 2013

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Bulgaria's state-owned power market incumbent - the National Electricity Company posted financial loss before tax of about EUR 71.112 m the company's annual report for 2013, unpublished until recently, reveals. These results echoed on a fall of sales with 7.2% to big consumers due to the exodus of businesses connected to the high and medium voltage grids from the regulated market.

Bulgaria's state-owned power market incumbent - the National Electricity Company (NEC, also frequently NEK) posted financial loss before tax of BGN 142.225 million (about EUR 71.112 m), the company's annual report for 2013, unpublished until recently, reveals. NEC delayed with months the publishing of its financial results while partial information about huge deficits surfaced through the most recent regulatory decision to gradually compensate some BGN 1.5 m of NEC's loss through electricity prices and in detriment of other market participants - such as end-suppliers and network operators.

In comparison NEC's loss for 2012 was much lower - reported at BGN 99.432 m (-43% compared to 2013). In the meantime a slight growth in electricity sales incomes due to a somewhat increased share in electricity exports could not compensate for the overall lower incomes which fell with BGN 110.7 m to BGN 3.014 bn.

These results echoed on a fall of sales with 7.2% to industrial consumers due to the exodus of businesses connected to the high and medium voltage grids from the regulated market. NEC bought 10.1 percent less but more expensive electricity from power plants compared to 2012 reflecting on the overall downward trend in electricity consumption in Bulgaria. NEC also said that PPA's with two American lignite power plants and obligatory purchase of all renewable energy at higher feed-in tariffs which the incumbent sells entirely in the regulated mix also impacted its financial results.

The right of big consumers to switch suppliers or go to the liberalised market inflicted a 57-percent decrease to NEC's sales to high voltage consumers. In 2013 the incumbent sold 613,034 megawatthours of electricity to consumers connected to the high voltage grid which chose to stay with NEC.

Source; Serbia Energy/NEK