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Czech utility CEZ said on Monday it intends to initiate an international arbitration after the Albanian energy regulator ERE decided to revoke the licence of its Albanian unit CEZ Shperndarje.

The group insisted that the government's steps infringed the national legislation. Apart from revoking the licence, the Albanian government appointed a temporary manager of CEZ Shperndarje. "The existing owner, the CEZ Group, thus loses all shareholder rights and has therefore no chance how to defend against this de facto expropriation", the Czech company pointed out in its press release.

The company said it is going to take legal action immediately and notify the Albanian government of its intention.

The dispute between CEZ and the Albanian government started in 2012 when state-owned utility KESH resorted to power imports due to severe drought. According to CEZ, the Albanian government tried to transfer the higher costs on to the Czech company.

Source powermarket