

## Power firm CEZ files complaint with EU against Bulgaria

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Czech power producer CEZ (CEZP.PR) filed a complaint with the European Commission against Bulgaria on Friday for the government's moves to take away the company's license in the Balkan country.

CEZ has had a rough ride in Bulgaria since public protests against high electricity prices led to the fall of Prime Minister Boiko Borisov in February, and authorities have struck out against CEZ and other power firms.

Conflicts between regulators and power companies have been spreading around central and eastern Europe as firms and people, suffering from Europe's economic downturn, face steep rises in electricity bills, often caused by a rising proportion of power from expensive wind and solar plants.

The protests followed a spell of cold weather and a change in billing periods, which handed people in the EU's poorest country unusually high electricity bills.

Bulgaria's energy regulator accuses CEZ of breaking public procurement laws. CEZ says it has not found any substantial errors in its actions and that the accusations anyway should not lead to the loss of its license.

"We asked the European Commission for an independent assessment of the situation, with the aim to secure objective and just treatment for our Bulgarian companies," Tomas Pleskac, head of CEZ's distribution and foreign activities, said in a statement.

"This concerns above all the launch of the procedure to rescind the license, which was on the basis of an impulse from the prime minister and not an independent regulatory authority,"

CEZ said.

Also Bulgaria's anti-monopoly office on Thursday started a probe of CEZ, another Czech firm Energo-Pro and Austria's EVN (EVNV.VI).

EVN has said it is preparing to start international arbitration against Bulgaria over its earlier regulatory decisions.

CEZ, which owns two distribution firms and a thermal power plant in Bulgaria, said its distribution firms keep less than 3 percent of the money received from household electricity bills, while the remainder goes to paying power generators and other costs. It attributed the price rises to production costs and increasing renewable power.

CEZ has already got a black eye in Albania, where conflicts over prices led to the loss of its license, its departure from the country and a 5.8 billion crown (\$289.1 million) write-off last year.

*Source Reuters*