

## Romania: Energy regulator drops regulated rate of return, DSO investors angry

**Categories :** [SEE Energy News](#)

**Date :** December 8, 2014

DSO companies are worried about changes recently approved by the Regulatory Authority for Energy (ANRE) on the methodology for setting regulated rate of return (ROR) and the proposed reduction of ROR by ANRE for electricity distributors from 8.52% to 7.45%.

If the reduction of Regulated Rate of Return is approved, future profitability of the distributors of electricity will be reduced by about 12.5% stated the DSO companies Electrica, EON and ENEL in joint statement.

These changes affect especially Electrica Muntenia Nord Distribution, Electrical Distribution Transilvania Sud, Electrica Distribution Transilvania Nord, E.ON Moldova Distribution Distribution Banat ENEL ENEL ENEL Distribution Dobrogea and Muntenia Distribution.

Property Fund which manages Electrica assets is particularly concerned that the constant changes to the regulatory framework are unstable and unpredictable business environment, thus preventing companies to take investment programs in the context the required rate of return on capital is uncertain. Furthermore, these legislative changes will banish unexpected fiscal and commercial investors, who will not be interested in providing capital in a regulatory environment so unpredictable, says in the statement.

DSO companies points out that the proposed changes come 4 months after the listing of Electrica by the Romanian state in Bucharest Stock Exchange (BVB) and the London Stock Exchange (LSE) and place post tax infrastructure shortly after Nuclearelectrica and Romgaz listings.

Such negative changes could jeopardize the success of any listings or privatization of state enterprises in Romania Bucharest Stock Exchange, concludes the joint statement of DSO companies.