

Authorities decided to postpone liberalization for the 170.000 small consumers of the gas market and transfer from regulated to free market, provisional decision was 1.7 and current decision targets 31.12.2014. Until recent discussions with the IMF, the authorities wanted to stop, from July 1, the timing of liberalization as domestic gas prices reached the European average, amid sharp fall in consumption and prices.

By law, these consumers have the right to remain in the regulated market by the end of the year. But price increases provided in the schedule of liberalization adopted by the Government will not take place on July 1 that reached convergence with the European average. IMF complained about not fully liberalized gas market, but the fact is that Romania reached convergence with the European average and that SMEs need time to adjust to the conditions of contracting gas free market.

Moreover, the Government decided gas producers and suppliers to transact transparent about a quarter of the gas needed free market and develop trading tools and products. Recently, the federation of utilities announced that it advocates a gradual deregulation of gas market to avoid chaos among consumers and unpredictable increase in prices. The current prices of natural gas from domestic production have already reached convergence with those of gas markets in Western Europe. Given the persisting need to import gas to meet the country's total consumption is expected that in the absence of an appropriate legislative framework, the price of natural gas from domestic production, which come almost exclusively from just two producers, grow up at a level comparable to that of imported Russian gas. These are higher than those of Western Europe, which will increase the deterioration of competitiveness of the Romanian economy and will affect both consumers who are already on the free market and the 170,000 other industrial and commercial consumers, who will not most benefit from regulated prices.

Gas providers have asked the authorities to assist creation of liquid wholesale market, able to deliver products and provide conditions that meet customer expectations and to create all the necessary tools for the development of alternative proposals.

On the July 1, domestic gas price would "freeze" at about 286 dollars / 1,000 cubic meters for approximately 170,000 small industrial customers in the regulated market. ANRE (energy market regulator) will adjust the level up or down quotations based on European. From 1 January 2015, and these small consumers will be free to negotiate gas price with existing providers.