

According to the statement from the company, Czech CEZ Group has filed a request for international arbitration against Bulgaria due to its failure to observe the investment protection provisions of the Energy Charter Treaty.

The statement further said that the Group decided to launch the proceedings before the International Centre for Settlement of Investment Disputes with the World Bank after a number of actions taken by Bulgarian authorities which damaged CEZ' subsidiaries in Bulgaria and caused the long-term critical situation on the energy market which is not improving. Bulgarian state did not use the opportunity for amicable settlement of this dispute despite several notifications and requests from CEZ.

CEZ' spokesperson Barbora Pulpanova said that the company blames the pricing decisions of the local energy regulator KEVR for not meeting the expectations at the time of the privatization process in the long-term and causing businesses in the energy sector to face declining profitability or even losses.

Previously, CEZ Bulgaria along with other electricity distributors in the country, was involved in a number of long-term disputes with Bulgarian authorities, however, none of these disputes has reached the arbitration stage.