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On 5th July 2010, Sverdlovsk Regional Arbitration Court pronounced validity of the decision of the Sverdlovsk OFAS Russia that "MRSK Urals" OJSC and "RSK"OJSC violated the Federal Law "On Protection of Competition".

On 9th September 2009, the Sverdlovsk OFAS Russia found that "MRSK Urals" OJSC and "RSK"OJSC violated Clause 5 Part 1 Article 11 of the Federal Law "On Protection of Competition".

"MRSK Urals" OJSC and "RSK"OJSC violated the Law by engaging in concerted actions on imposing upon GSK-50 unfavourable conditions for access to electric networks of "RSK"OJSC, as well as electric energy transmission in the form of payment for technological connection of electric network facilities of "RSK"OJSC to the network of the adjacent regional network organization - "MRSK Urals" OJSC.

On 7th May 2009, GSK-50 filed a petition to the Sverdlovsk OFAS Russia that "MRSK Urals" OJSC and "RSK"OJSC had violated the antimonopoly norms.

As stated in the petition, in May 2008 GSK-50 applied to "RSK"OJSC for technological connection of newly commissioned facilities with maximum capacity of energy-receiving devices at 65 kW.

According to Clause 20 of the Rules for technological connection, a network organization must prepare and issue technical conditions to the applicant within fifteen days after the date the contract was concluded.

In October 2008 "RSK"OJSC sent technical conditions to GSK-50, which only stated that technological connection of its facilities would be possible only if "MRSK Urals" OJSC was to increase connected capacity in the networks of "RSK"OJSC.

GSK-50 was supposed to pay for technological connection as connected capacity in the network of "RSK"OJSC had to be increased; the payment was calculated on the basis of the tariff set by the Sverdlovsk Regional Energy Commission for "MRSK Urals" OJSC.

In March 2009, GSK-50 received a contract for technological connection drafted by "MRSK Urals" OJSC.

In the FAS Russia's opinion, the network organizations were imposing upon their consumers other contracts as a mandatory condition for technological connection (for instance, a contract for participation of GSK-50 in financing electric networks reconstruction and development).

On 29th April 2009, "RSK"OJSC and GSK-50 ?concluded a contract for technological connection to the networks of "RSK"OJSC, under which the payment for technological connection was calculated at 52,800 Rubles - the tariff set by an order of the Sverdlovsk

Regional Energy Commission.

The Sverdlovsk OFAS Russia found that "MRSK Urals" OJSC and "RSK"OJSC were engaged in concerted actions, as a result of which GSK-50 was indirectly connected through the network of "RSK"OJSC. Subsequent continuous participation of "RSK"OJSC in providing services for electric energy transmission to the customer will generate additional profit for the company.

In its turn, "MRSK Urals" OJSC will obtain unjustified income as a payment for not-exercised technological connection of electric network facilities of "RSK"OJSC to the network of "MRSK Urals" OJSC.

The case against "MRSK Urals" OJSC and "RSK"OJSC was closed as "RSK"OJSC and GSK-50 entered into a contract and the antimonopoly violation was voluntarily eliminated.

Initially, the Court of First Instance overruled the decision of the Sverdlovsk OFAS Russia and allowed the claim of "MRSK Urals" OJSC and "RSK"OJSC.

The Cassation Court remanded the case for reconsideration to the Court of First Instance, instructing on the importance of examining the issue about initiating the technological connection procedure.

On 5th July 2010, the Sverdlovsk Regional Arbitration Court examined the case and pronounced legitimacy and reasonableness of the decision made by the Sverdlovsk OFAS Russia that "MRSK Urals" OJSC and "RSK"OJSC had violated the Federal Law "On Protection of Competition".

According to the Head of the Sverdlovsk Office of the Federal Antimonopoly Service (OFAS Russia) Tatiana Kolotova, a specific feature of this case is that at the second hearing the Court of First Instance pronounced legitimacy of the decision of the antimonopoly body. Earlier the OFAS Russia investigated a similar case but the Court's judgment was not to the benefit of the antimonopoly body. The present judgment proves that the Sverdlovsk OFAS Russia is gradually developing positive practice of being able to prove legitimacy of non-regulatory legal acts passed by the OFAS Russia.