

Press-release of 07.07.2010

07 июля 2010, 14:12

On 7th July 2010, the Moscow Arbitration Court confirmed legitimacy and reasonableness of the FAS Russia's decision and determination regarding "Biyskenergo" Ltd. The company violated the law by manipulating prices on the wholesale market of electric energy (capacity).

On 1st December 2009, FAS Russia found that "Biyskenergo" Ltd. abused market dominance (a violation of Part 1 Article 10 of the Federal Law "On Protection of Competition"). "Biyskenergo" Ltd. was issued a determination to transfer its unlawfully obtained income (over 117 million Rubles) to the federal budget.

"Biyskenergo" Ltd. is involved in generating electric energy within the geographic boundaries of the second price zone of electric energy (capacity) and within the boundaries of a free power transfer zone - "Barnaul - Biysk generation centre".

"Biyskenergo" Ltd. violated the law by manipulating prices on the wholesale energy market: In the periods of 23rd May - 1st July 2007 and 8th May - 18th November 2008 the company filed unreasonably overrated price bids for selling electric energy.

As a result of such actions of "Biyskenergo" Ltd., energy prices changed considerably and the interests of participants of the wholesale market of electric energy (capacity), operating within the geographic boundaries of the second price zone of the wholesale energy market, were infringed.

From 23rd May to 1st July 2007, "Biyskenergo" Ltd. was filing price bids to the market administrator for competitive selection of the price bids on the "day-ahead market" and for competitive selection of the price bids for balancing the system with regard to the Biysk No.1 Heat-and-Power Plant. The price range in the bids varied from 100,000 Rubles/?Wt per hour to 147,000 Rubles/?Wt per hour, which is more than 100 times the level of maximum economically justified costs of generating electric energy (ignoring capacity), approved by the order of the Federal Tariff Service in order to determine the cases of price manipulation on the wholesale energy market. In the "day-ahead" price varied from 269.08 to 482.99 Rubles/?Wt per hour.

"For the first time the new provisions of the law on electric power industry regarding price manipulation on the market of electric energy were given legal evaluation by judicial bodies. For FAS Russia it is important that from the outset the courts and the antimonopoly authority have consistent positions. The Antimonopoly Service passed several similar decisions. Currently FAS Russia is examining another case opened upon certain signs of price manipulation on the wholesale energy market", said Deputy Head of FAS Russia Anatoly Golomolzin.