

**OPINION: ABUSE OF DOMINANT POSITION
BY ENERGY TRANSMISSION SYSTEM OPERATORS**

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Major developments and many structural changes take place for energy companies and mainly for the transmission systems owners and operators (TSOs). The networks constitute the basic requirement for the existence of competition, since their users, i.e. electricity and gas production and supply companies, depend on their existence and expansion, in order to exercise their activities effectively, under competition conditions in the local Greek and other European markets. Companies owning or operating such networks do not face directly competition in the market of their own network, where they operate as natural monopolies, but more than this, they have been imposed with the responsibility to protect competition in production and supply markets. Basically the TSOs, who belong to vertically integrated companies, have the capability and the motive to abuse their dominant position in favor of the affiliated production and supply companies and to the detriment of their competitors and the consumers.

In the last few years, cases of dominant position abuse by TSOs have been increasingly and firmly handled by the Commission of the European Union, which gathered evidence on the anti-competitive behavior of major energy companies resulting to structural remedies offered by the latter to the Commission. Such an abuse was based, among others, on the denial by the TSOs of network access to third parties, competitors of the vertically integrated company, on the imposition of unduly high access fees and network usage fees, on omitting of taking proper congestion management measures or the lack of investments in the networks in order to cover future user needs.

Following intervention by the Commission, major energy companies, such as the German ones RWE and E.ON, have been obliged to sell their networks, the former its high-pressure gas transmission system and the latter its electricity transmission system, to independent investors, so as to appease the Commission’s competition concerns regarding the discretionary treatment of competitors in the production and supply chain. The sale procedures has been completed, while RWE received a price of 500 million euro and E.ON over 1 billion euro, according to the German press. In view of these developments, other large companies have also sold their networks, such as Vattenfall, while RWE has additionally sold its electricity transmission network.

It is quite notable that German energy companies, which were the leading resisters of the imposition of ownership unbundling of the networks from the production and supply activities as it was proposed by the European organs, are now proceeding to their sale, even on their own volition sometimes.

Thus, the question arises of whether the maintenance by a vertically integrated company of the ownership on the transmission network that it is obliged to operate totally independent from the production and supply activities, has an adverse effect on the desirable benefit of the group, but even more than this, whether it constitutes a burden to its unhindered development, as a remnant of the pre-liberalisation era. This question should be also posed as to the Greek electricity market, so that it can be effectively opened and the incumbent electricity company (PPC) be released from this relic of the past.

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