

**Decision no. 86/11.03.2004**  
**on notification of the Ministry of Public Finance for obtaining the**  
**authorization of state aid to be granted to National Company of Electric**  
**Power Transportation of "Transelectrica" SA ( CNTEE Transelectrica**  
**SA)**

The president of the Competition Council,

Based on:

1. Decree no. 57/2004 for appointment of Competition Council' s members;
2. The provisions of Competition Law no. 21 /1996, published in Official Gazette no.88, Part I, of 30.04.1996 with subsequent amendments and completions;
3. The provisions of the Law no. 143/1999 on State aid, published in Official Gazette no. 370, Part I of 03.08.1999 with subsequent amendments and completions;
4. Regulation on organization, functioning and procedure of the Competition Council, published in the Official Gazette no. 50 bis, Part I, of 25.03.1997, with further modifications and completions;
5. Regulation on the form, content and other details of state aid notification, published in the Official Gazette no. 125, Part I, of 24.03.2000;
6. State aid notification of the Ministry of Public Finance, submitted under Note no. 240157/19.01.2004, registered at Competition Council as no. RS-AS 03/22.01.2004, notification that became effective at the date the information was correct and complete, mainly on 18.02.2004.
7. The Note of the Department for State aid Authorisation on the notified State aid.

Having in regard:

1. The financial support from which CNTEE TRANSELECTRICA will benefit has the form of guarantee, on behalf and account of the State, granted by the Ministry of Public Finances to the company for contracting the credit from Nordik Investment Bank. The total amount of external credit is of Euro 13,300,000, under no preferential conditions.
2. The allocated funds granted by Nordik Investment Bank shall be used for re-technology of the electric station Rosiori of 400/220 KV, which is part of public infrastructure, namely the National System of Electric Power Transportation, according to the Electric Power Law no. 318/2003, G.D. no. 627/2000 (and confirmed by the lists approved by G.D. no. 45/2003 and G.D. no. 15/2004).
3. CNTEE Transelectrica SA is a national company – the state is the sole shareholder represented by the Ministry of Economy and Commerce which ensures the exploitation of National Network of Electric Power Transportation (strategic electric network of national interest).
4. CNTEE Transelectrica SA is the transport operator of National System of Electric Power Transportation and the commercial operator on electric power market, carrying out these activities based on licenses granted by the National Regulatory Agency for Energy. CNTEE Transelectrica SA is entrusted with the functioning of the National System of Electric Power Transportation, ensuring the high quality, safety, efficiency and environment protection.
5. According to the Electric Power Law no. 318/2003, CNTEE Transelectrica SA provides public transportation services for all the users of electric transport network, under non-discriminatory conditions, ensuring the access to network of any applicant that fulfils the legal conditions.
6. The relevant market on which CNTEE Transelectrica SA operates is the market of the public services of electric power transportation. This market is a regulated one, the tariff for electric power transportation is fixed by the National Regulatory Agency for Energy (Articles 54-58 of the Electric Power Law no. 318/2003).

7. CNTEE Transelectrica SA is the sole operator on market of the public services of electric power transportation, having thus a natural monopoly position.
8. The re-technology of the Rosiori Electric Station 400/220 KV will increase the safety level of the National Energetic System. The necessity to re-technology the Station is related to the inter-connected functioning of Romania to West European Systems- UCTE.
9. Having in regard that CNTEE Transelectrica SA is the sole operator on the market of public services of electric power transportation, and that there is no other competitor on the relevant market, the guarantee granted by the Ministry of Public Finances on behalf and account of the State for contracting the credit from the Nordik Investment Bank does not fulfill the selectivity criteria - element that characterizes the State aid - and does not lead to the distortion of competition.

## **DECIDES**

**Article 1.** Within the meaning of Article 8(2) read in conjunction with Article 12(2) let a) of the Law no. 143/1999 on State Aid with further completions, the guarantee granted by the Ministry of Public Finance on behalf and account of the State, for the credit contracted by CNTEE Transelectrica SA from the Nordik Investment Bank does not constitute State aid since this loan is used for the re-technology of the Electric Station Rosiori 400/220 V, which is part of the public infrastructure, namely the National System of Electric Power Transportation.

**Article 2.** The present decision becomes applicable as of its communication.

**Article 3.** The present decision shall be communicated by the Secretariat General of the Competition Council to:

- the Ministry of Public Finances, 17Apolodor Street, sector 1, Bucharest
- the National Company of Electric Power Transportation “Transelectrica” SA, 33 Gh. Magheru Street, , sector 1, Bucharest.

**Article 4.** The Secretariat General and Department for State Aid Authorization shall pursue the fulfillment of the present decision.

