

30 June 2014
Sofia, Bulgaria

Dear Speaker Mikov,

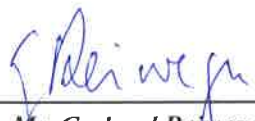
The Embassies of Austria, Czech Republic, France, Japan, The Republic of Korea, the United Kingdom, and the United States are concerned about recent decisions of the State Electricity and Water Regulatory Commission slated to come into effect in the new regulatory period beginning July 1 which would further undermine the economic viability of the electricity system and unilaterally change the terms and conditions of agreements which investors had signed with Bulgarian government agencies in good faith.

These decisions, to reduce the price and quantity of electricity purchased from two thermal power plants and from generators of renewable energy as well as the reduction of the tariffs of electro distribution companies will not resolve the serious challenges Bulgaria is facing in the energy sector, as they are stop-gap measures that are not part of a more global strategic solution for the recovery and long-term development of the power sector. Furthermore, these decisions could have serious negative effects on the economic viability of these companies and potentially also will harm the banks that have loaned to them.

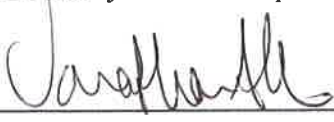
It is widely accepted that the energy sector in Bulgaria is in need of reform, and this has been a challenge for successive governments. We are all ready to share experience from reforms in our own countries. Our business leaders also are well aware that their business activities must generate benefits for all involved. To achieve this, they need to have a regular exchange of ideas with a range of authorities across the government.

Above all, we urge you to refrain from considering legislative amendments related to the regulator's decision described above until industry stakeholders have had a chance to discuss their concerns with you in an open and honest government-business dialog with a focused agenda and an emphasis on finding creative long-term solutions. These steps would help put the country back on the path to sustained growth.

Yours sincerely,


H.E. Mr. Gerhard Reinweger
Ambassador of Austria to the Republic of Bulgaria


H.E. Mr. Pavel Vacek
Ambassador of the Czech Republic to the Republic of Bulgaria


H.E. Mr. Jonathan Allen
Ambassador of the United Kingdom to the Republic of Bulgaria


H.E. Ms. Marcie B. Ries
Ambassador of the United States to the Republic of Bulgaria



H.E. Mr. Takashi Koizumi

Ambassador of Japan to the Republic of Bulgaria



H.E. Mr. Shin Maeng-ho

Ambassador of the Republic of Korea to the Republic of Bulgaria



H.E. Mr. Xavier Lapeyre de Cabanes

Ambassador of France to the Republic of Bulgaria