



Initiated competition supervision proceeding against E.ON Energiaszolgáltató Kft

The Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) initiated a competition supervision procedure (Vj-124/2010) against E.ON Energiaszolgáltató Kft for the alleged infringement of the abuse of a dominant position.

The GVH noticed that E.ON Energiaszolgáltató Kft (E.ON) modified the termination conditions of total supply consumer contracts from the 1st July 2009. According to the modifications, customers are only allowed to terminate their contracts on the first day of each year, however, Article 176 (2) of Act LXXXVI of 2007 on the electricity (Vet.) provided non-eligible consumers with an opportunity to terminate their contracts if they wished to do so, subject to thirty days notification.

According to the available data, since the 1st of January 2008 a significant proportion of consumers have continued to purchase electricity from E.ON, which is the commercial partner of the former public service provider. Since the 1st of January 2009 the circle, which is eligible to universal supply services, expanded and consequently a lot of costumers switched to universal supply services, while a lot of customers have recently chosen other competitors. In contrast to this, available data shows that the majority of the original customer base of the non-eligible costumers was still supplied by the E.ON in June 2009.

According to the above-mentioned, E.ON has presumably infringed with its individual and general terms and conditions of the consumer contracts, Article 21 of the Hungarian Competition Act, which prohibits the abuse of a dominant position.

The above-mentioned conduct may also infringe Section 1 and Section 2 b) of Article 102 of the Treaty on the Functioning of the European Union. According to these sections, any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it shall be prohibited as incompatible with the internal market in so far as it may affect trade between Member States.

The initiation of the competition supervision proceeding does not mean that the undertaking in question has actually committed the infringement. The proceeding aims to clarify the facts and, therefore, prove that the presumed infringement has been committed. According to the Competition Act, such proceedings must be closed within 180 days, however, this time limit can be extended two times by a further 180 days each, depending on the complexity of the case.

Budapest, 17th January 2011

Hungarian Competition Authority
Communication Group

Further information:

Katalin GONDOLOVICS

Hungarian Competition Authority

Address: 1054 Budapest, V., Alkotmány u.5.

Postal address: 1245 Budapest, 5. POB. 1036

Tel: +36-1-472-8902

email: press@gvh.hu

<http://www.gvh.hu>