

Enel CEO Asks Government Not to Meddle in Energy Industry

By [The Moscow Times](#)

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Fulvio Conti, the chief executive of Italy's electric utility company Enel, has appealed to Russian authorities to maintain transparency and competitiveness in Russia's energy sector, where his firm is heavily invested.

Enel was one of the first major foreign companies to invest in Russian energy assets. In 2007 it bought 25 percent of RAO UES and eventually upped that to a controlling stake.

At the international investment forum in Sochi last week Conti appealed to Prime Minister Dmitry Medvedev to "have compassion for the industry" and keep the energy sector profitable to attract new investors. The company has several strategic investments in the Russian energy sector and it wants to invest more if "the market is correct and open," Conti said, Interfax reported.

Foreign investors came to invest in regional power companies because they have contracts

to build generation capacity on the condition that they will see a return on their investments within 15 years thanks to consumer payments for energy bills. But in 2011 the government delayed a rise of energy prices to fight inflation, and is now planning to approve a tariff freeze.

Conti said he respected the political decision of the Russian authorities to freeze tariffs charged by natural monopolies, but noted that the move should be short-termed, otherwise it will hurt the industry.

The modernization of Russian energy generating facilities requires over 650 billion euros until 2035, he added. Decisions to begin construction must be made now, otherwise Russia may experience shortage of energy in the next five years, Conti said.

He also said that if the government holds energy rates constant for a long time, it might compromise the chances of investors seeing their returns.

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