

Lithuania Fines Russia's Gazprom \$48 Million for Stifling Competition

By [The Moscow Times](#)

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VILNIUS — Lithuania's competition authority has fined Russia's Gazprom a record 123 million Lithuanian litas (\$48 million), saying the company had prevented competition in the Baltic state.

Gazprom, the world's top gas producer and supplier of about 30 percent of Europe's gas needs, is also facing an EU investigation over suspected anti-competitive behavior, including overcharging customers and blocking rival suppliers.

The company, Lithuania's sole natural gas supplier, breached competition rules when it refused to negotiate a deal on gas exchange with Lithuanian power producer Lietuvos Energijos Gamyba in 2012, Lithuania's competition council said in a statement.

The power producer, a part of Lithuania state-owned energy group Lietuvos Energija, had negotiated a deal with an unidentified seller in Western Europe to buy gas from 2013 to 2015.

But because the physical delivery was not possible, Lietuvos Energijos Gamyba asked Gazprom to exchange the gas the Lithuanian company planned to buy in Western Europe for volumes the Russian company delivers to Lithuania via Belarus.

Gazprom, however, refused to enter negotiations on such a deal, prompting the Lithuanian company to file a complaint with the competition authority in July 2012.

It meant that Lithuanian consumers had to pay more for electricity and heat generated by burning more expensive Russian gas, the competition council said.

Gazprom's actions were in breach of its obligation not to prevent customers from seeking alternative suppliers when the Russian company bought 37.1 percent of Lithuania's gas supplier Lietuvos Dujos a decade ago, the council added.

The 123 million lira fine is the biggest ever issued by the competition authority, the watchdog's spokeswoman said.

Lithuanian state-owned companies last month offered to buy Gazprom's stakes in the country's gas utility Lietuvos Dujos and gas transmission company Amber Grid.

Under European Union gas market rules designed to ensure fair competition, companies that supply energy are not allowed to dominate ownership of the infrastructure.

Gazprom, which is due to hold a board meeting on Wednesday to decide on its shares in Amber Grid and Lietuvos Dujos, declined to comment on the fine.

The competition authority also said Gazprom refused to provide it with required information, citing the decision of Russian President Vladimir Putin to ban strategic companies from sharing information with foreign regulators.

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