Dear Commissioner Arias Cañete

Thank you for your letter of 22 May 2019 concerning the Swedish regulation on revenue cap for electricity network operation.

The Swedish regulatory framework makes it possible for electricity network operators to carry out the necessary investments in a manner that ensures the viability of the networks while protecting customers from paying excessive electricity grid tariffs. Sweden has made every effort to ensure that the Swedish provisions comply with Directive 2009/72/EC concerning common rules for the internal market in electricity (the Electricity Market Directive).

Sweden is familiar with the European Commission's interpretation of the Electricity Market Directive but does not share the Commission’s view on how some of the provisions in the Directive should be understood.

Sweden is also aware of the European Commission’s actions against Germany and Hungary regarding the interpretation of the Electricity Market Directive and has intervened in case C-718/18 in support of Germany. Sweden awaits the ruling of the European Court of Justice in this case and will carefully analyse the judgment. If the ruling should suggest that national legislation must be amended, Sweden is prepared to take action.

Yours sincerely

[Signature]

Anders Ygeman

Minister of Energy and Digital Development