



ENERGY REGULATORY COMMISSION
OF THE REPUBLIC OF MACEDONIA



Workshop on ways of improving participation of consumer representations in the regulatory process:

**„Involvement of customer protection
organizations in the regulatory process –
experience in the Republic of Macedonia“**

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Legal framework :

- Energy Law (“Official Gazette of the R. Macedonia” No. 63/06, 36/07, 106/08);
- Customers’ Protection Law (“Official Gazette of the R. Macedonia” No. 38/04, 77/07);

Rights of customers:

- According to Article 6 of the Energy Law and Article 118,119 and 120 of the Customers' Protection Law, the public service obligations ensure that:
 - All customers in a specified geographic service territory have access and connection to the appropriate energy network and reliable, safe, quality and uninterrupted dispatch and supply of energy under the same conditions, prices and tariffs, as one previously approved and published by the Energy Regulatory Commission which shall include the costs for provision of such services as well as for efficient utilization of energy resources, promotion and improvement of the environment;

Competences of the Regulatory body:

- According to Article 19, paragraph 1 of the Energy Law, among other competences, ERC has direct competences for:
 - Ensuring promotion of the protection of the rights of energy users;
 - Participating in the resolution of disputes or resolving disputes that may arise among the participants in the energy market including cross-border disputes;
 - Proposing to the relevant authorities measures to be undertaken, within the scope of their competences and in a procedure as defined by this law, against the entities that pursue the activity contrary to the provisions of this law;

Conclusions and recommendations of the Customers' Protection Organization for the public energy services *

- Conclusions for the actual legal framework for electricity
 - There is legislation that regulates the organizational, technical, energetic and tariff aspects of this public energy service;
 - These by-laws define: energy activities, providers of services, relations among participants with their rights and obligations, conditions for supply with electricity and methodologies for setting price and tariffs for electricity as well;

* Draft Proposal for improvement of the protection of customers that use public services in Republic of Macedonia – Project of CPO, OCT. 2009; sponsored by the USAID; Provided by the INSTITUTE FOR SUSTAINABLE COMMUNITIES

- The Energy Law stipulates the status of regulator and defines its competences;
- There is a rulebook on the method of control of the quality of electricity in the distribution network adopted by the government;
- The legislation does not ensure a two degree legal procedure in all cases;
- There is no verification of the new by-laws made by any authorities;
- The influence of the Customer Organization on the process of adoption of the power by-laws or in the process of setting the price of electricity, is not effective besides the fact that the representatives of the organization are presented on the preparing sessions of the Energy Regulatory Commission when these issues are on the table;

- Results of the poll with electricity customers:
 - The operators of the call centre are still not sufficiently trained to give full information;
 - There is substandard quality of electricity in some regions;
 - The distributor switched off the power in some regions where there were a large number of non-paying consumers;
 - Slow reparations of damaged electrical equipment;
 - Insufficient transparency in response to a complaint;
 - Absence of contracts for electricity supply;
 - Absence of a two degree legal procedure in resolving disputes;

- Conclusions for the actual legal framework for district heating
 - The Energy Law regulates the supply of thermal energy for district heating;
 - The other by-laws regulate this energy activity and the relations among participants with their rights and obligations, conditions for supply with thermal energy for district heating and methodology for setting the price;
 - There is insufficiency of legislation that regulates disputes;
 - There is absence of an organ or institution that controls the quality or parameters of the delivered thermal energy;

- Results of the poll with district heating customers:
 - The citizens are not satisfied with this public service;
 - There is substandard quality of heating in some regions of the town;
 - Great number of customers did not foot their bill for district heating on time;
 - Slow reparations of the damaged equipment for heating and long interruptions in the supply;
 - Insufficient or bad connection with the call centre;
 - This public service is expensive;

Scope on the present situation (10 months later): Viewpoint of the Energy Regulatory Commission

- Adoption of new legislation:
 - The Rulebook for conditions for supply of electricity (“Official Gazette of the R. Macedonia” No. 162/09);
 - The Rulebook on conditions, method and procedure for resolving the disputes among the performers of energy activities and users of these, as well as for defining the amount of payment for resolving disputes (“Official Gazette of the R. Macedonia” No. 13/10);

- The Rulebook for conditions for supply of thermal energy for district heating (“Official Gazette of the R. Macedonia” No. 151/09);

- Expected results from the use of the new legal acts:
 - New legal acts define contracts among providers and customers of public services for distribution and supply with electricity and district heating. The form and content of contracts is proposed and verified by the regulator;
 - New legal acts define technical quality of electricity and thermal energy and the quality of service of supply with electricity and thermal energy;

- Expected results from the use of the new legal acts:
 - Specifying the conditions for paying the bill for consumed electricity and for the service of supply;
 - Defining the period for repairing the damaged electrical equipment and refunding the customers for the costs caused by the interruptions in the supply of electricity;
 - Establishing a two degree legal procedure for resolving disputes among providers and consumers;

- Expected results from the new way of cooperation of the regulator with customer organization:
 - Representatives of the Regulator will participate in all projects that improve the rights of the customers who use public services in the field of the energy;
 - Representatives of the Customer Organization will be present in the repairing public sessions of the Regulatory Commission when it decides on setting the price of energy or for the content of the rules that affected customers rights.
 - They will be also invited to participate in the sessions for resolving disputes as a technical and legal adviser of the customers involved in disputes with providers of the public energy services;

- Practical improvement in the cooperation of ERC with Customer Organization:
 - The ERC will ensure an effective influence of the Customer Organization in matters concerning their rights for public energy service;
 - The ERC ensures the improvement of service of electricity and district heating by issuing these by-laws in which are defined: meters for all customers, standardized conditions of quality of electricity and thermal heat for district heating as well as standardized conditions for service complaints and transparent procedure for resolving disputes;

Thank you for your attention

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