

Energy Regulatory Agency of Montenegro

Consumers and cooperation between the Regulator and Centre for customers protection

September 8th 2010

Workshop On Ways Of improving Participation Of Consumer
representations in The Regulatory Process

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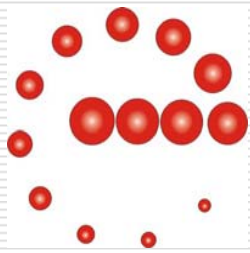
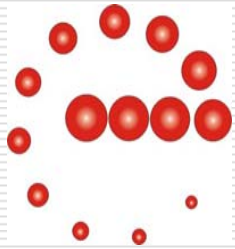


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Legal framework

- New Energy Law adopted (Off.Gazz. No.28/2010)
- Law on Customers protection (Off.Gazz. No.25/2007)

Other regulations:

- Rulebook on electricity supply (Off.Gazz. No.54/2009)
 - Temporary Distribution Grid Code from 2005
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Legal framework/Laws

New Energy Law:

- specifies energy activities and regulates terms and conditions for carrying out of those activities in order to ensure quality and secure energy supply to final customers
- Ensure achieving Public Interest by ensuring sufficient quantities of energy that are required for life and work of citizens and their supply in a secure, safe, reliable and quality manner, at real prices
- Provide protection of final electricity and gas customers and their interests
- Defines supplier of vulnerable customers and vulnerable consumers

Law on Customers protection:

- Governs general consumers rights in buying goods and services, way of achieving these rights and the procedures for protection of consumers rights.
 - Defines the term consumer, group of consumers and consumers organization
 - Defines Public services, and consumer rights to be connected to the grid
 - Governs institutional consumers protection through National program for consumers protection
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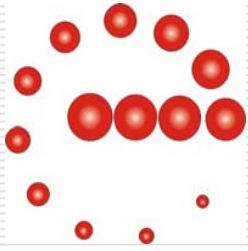
Legal framework/other regulations

Rulebook on electricity supply :

- Defines the way of supplying electricity to tariff and eligible customers, functions of the Public Supplier, way of suppliers switching and non-authorized consumption
- Defines Public Supplier, tariff and eligible customers, conditions for supply and supply contracts

Temporary Distribution Grid Code:

- Defines general electricity supply standards
 - Security and quality of supply of electricity
 - Conditions for connection and connection of consumers to grid
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Institutional actors

□ Institutions:

- Government of Montenegro:
 - Ministry of Economy/Energy Sector
 - Ministry of Labour and Social welfare
- Energy Regulatory Agency

□ Other organizations:

- Centre for consumers protection
 - Centres for social work
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Institutional actors/Government

- ❑ Establishes and implements National Energy Policy that sets Energy Development goals (one of them is final customers protection)
 - ❑ Issues National Energy Development Strategy that initiates active programme of decisions relating to gradual increase of prices with a due respect of (socially) vulnerable consumers
 - ❑ Adopts Programs for subsidizing of consumers (4 programs for socially the most vulnerable citizens, electricity consumers and for distribution categories of 35, 10 and 0,4kV.)
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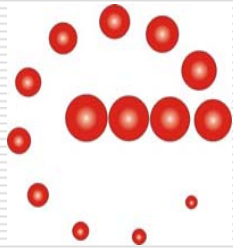
Institutional actors/Ministry of Economy and Labour and Social welfare

Ministry of Economy:

- Develops and suggests the National Program for consumers protection that provides achieving and protection of the rights and interests of consumers and promotion of consumers protection
- Coordinate the national legislation with the EU legislation

Ministry of Labour and Social welfare

- Carries out activities relating to:
 - working relations, protection at the work
 - social protection and protection of children
 - development of strategic documents in the area of social protection
 - Within the Ministry operate Centres for social work
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Institutional actors/Energy Regulatory Agency

1. Is the main institution for protection of consumers through the approval of regulations including protection of consumers, setting of tariffs
2. Sets Rules and Procedures for dispute resolution by applying rules of arbitration, for functioning of a Public Supplier;

Energy products

1. Approves Rules for regulated tariffs for electricity or gas supply to tariff and eligible customers;
2. Approves tariffs for tariff consumers
3. Sets tariffs for supply of vulnerable customers
4. Approves methodologies for setting tariffs for last resort supplier;

Networks

1. Sets minimum standards regarding quality of supply;
 2. Approves rules and procedures for functioning of electricity and gas distribution systems (e.g. grid code)
 3. Approves charges for use of distribution systems (el., gas)
 4. Approves methodologies for setting of prices for connection to electricity and gas distribution network
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Institutional actors/ Centre for customers protection

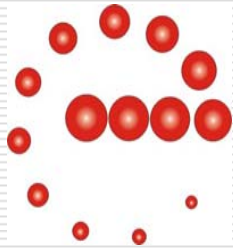
- ❑ Non-governmental and non-profit organization aiming to protect consumers in Montenegro according to Guidelines provided in UN Resolution.
 - ❑ Provides assistance in achieving economic interests and rights of consumers
 - ❑ Participates in public hearings in the stage of the developing of Laws and other regulations regulating the rights of the consumers
 - ❑ Deals with consumers complains and appeals through open phone lines and its site.
 - ❑ Long term experience in consumers education relating to their protection and informing the public of experiences gained
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Consumers

- ❑ Defined by the Law on consumers protection as: a physical person who purchases, buys, uses goods and services including public services
 - ❑ Energy law provides protection of economic interests of consumers
 - ❑ Energy Law defines vulnerable consumers as: households that are connected to electricity or gas distribution system, composed of persons:
 - in need of social support whose social status is determined by a responsible authority, and
 - who are disabled, who have special needs and with poor health condition, who may be exposed to a threats to life or health as a result of a limitation or termination of energy supply
 - ❑ Energy Law defines Supplier of vulnerable consumers
 - ❑ The Agency defines tariffs for electricity supply to vulnerable consumers to whom the supply services shall not be terminated
 - ❑ Disputes between consumers and operators are resolved by the regulator (107 complains)
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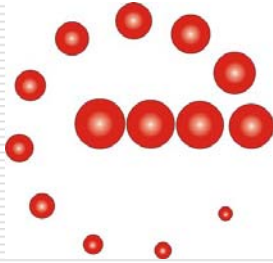
Cooperation between the regulator and the centre

- Up to now the cooperation is good and it relates to:
 - Promotion of legislation in the area of consumers protection
 - Education and informing the consumers
 - Connection and cooperation with international institutions and organizations dealing with protection of consumers
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Future activities

- better collaboration in the development of legislation
 - partnerships relating to the implementation of the new legislation, especially related to the customers protection
 - collaboration on individual projects related to customer protection, educating the general public and rising awareness
 - Cooperation in better consumers education and information
 - Promotion of the common interests in the protection of consumers
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