

LEGAL SYSTEM

COMMISSION'S AUTHORITY
PROVIDED THROUGH
LEGISLATIVE SYSTEM

The basic legal system

- **The basic legislation exists since 1995.**
- **The legislation determines rules and relations between the trade parties of the electrical power.**
- **The trade competition is still not developed.**
- **Still the market is closed in.**

The basic legal system

- **It is the competence of the regulator to regulate the tariffs and prices regarding the monopoly activities.**
- **Develops the tariffs methodology.**
- **Protects the consumers interests.**
- **Stimulates investments in the electrical power sector.**

The legal system in establishing the regulatory body

- **The regulatory body is established according to a special law.**
- **It is created as an independent body.**
- **It is organized as a public institution.**
- **The regulator is financed by companies' taxes of regulation.**

The legal system assures these competences

- **Giving, prohibiting and dismissing licences for companies operating in the electrical power sector.**
- **Establishing tariffs and pricing criteria as well as calculation methodology.**
- **Establishing and approving procedures in the electrical power market regulation.**
- **Monitoring and controlling the activities of licensed parties.**

The Regulator Body assures

- **Balance of companies and consumers interests.**
- **Equal treatment and non-discrimination of the players partaking in the electrical power sector.**
- **Efficiency, transparency stable functioning of the electrical power sector.**
- **Competition promotion**
- **Protection of the consumers interests.**

Market Structure and Legislation

- **Electrical power sector is still owned by the state.**
- **The legislation encourages the re-structuring of this sector.**
- **Stabilization of this sector as well as division of the activities as production, transmission and distribution has become nowadays a crucial matter.**
- **The market structure model will be determined when the monopoly and vertically integrated company KESH (APC) will be reconstructed.**

The basic Legislation and Licensing

- **The Legislation authorizes the Regulatory Body to license the activities in the electrical power sector regarding:**
- **PRODUCTION**
- **TRANSMISSION**
- **DISTRIBUTION**
- **SUPPLY**

The basic Legislation and Licensing

- **The license validity not less than 25 years.**
- **The license holder is obliged to:**
- **Implement the license conditions**
- **Keep special accounts for the activities subjects of license**
- **Have financial warranties to ensure continuation of the activity and service ascertainment.**
- **Provide required information to the Regulatory Body.**

ERE's Interaction with other Government Institutions

- **The Legislation provides the report presentation of the ERE's activity in the Council of Ministers.**
- **Ere provides informative material to the Government related to the situation in the electrical power sector.**
- **Ere presents the annual activity report to the Parliament.**
- **Ere presents required reports to the Permanent Comissions of the Parliament.**
- **Ere keeps contacts with all independent or state organizations interested in the electrical power sector.**

ERE's Interaction with other Government Institutions

- **ERE's relationships are regulated through different Codes.**
- **The relationships regulation will take place after being determined in the Codes.**
- **The Codes are not yet prepared.**
- **ERE implements the Government developmets policies regarding the electrical power sector.**

The New Legislation

- **The new legislation is expected to be approved.**
- **This legislation increases the ERE's authority**
- **This legislation increases the ERE's activity areas.**

**LEGISLATIVE SYSTEM
AND INTERACTION WITH
OTHER GOVERNMENT
INSTITUTIONS**

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