

# TYPES OF PROCEDURES CERC UNDERTAKES

**Croatian Energy Regulatory Council**

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## I. Legal framework for legal procedures undertaken by CERC

- **5 material (substantive) laws** regulate the mutual rights and legal relationship between all participants in the energy sector

The Law on Energy

The Law on the Electricity Market


The Law on Gas Market

The Law on Oil and Petroleum Derivatives Market


The Law on Regulation of Energy Activities

- **1 procedural (adjectival) law** regulates the way CERC acts on objections of energy subjects (a general administrative procedural regulation)

The Law on General Legal Proceedings


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- legal protection of rights and obligations of energy subjects is ensured at the last level of decision making:

**The Administrative Court of the Republic of Croatia** is competent for solving all administrative disputes on the territory of the whole country



## II. CERC Activities against which it is possible to file an administrative claim

1. **Issuing and revoking licenses** for performing the energy activity
2. **Ordering avoidance and prevention of great damages** and dangers to the citizens
3. **Ordering the payment of compensation** for the benefit of the subject which eradicates damages
4. **Giving opinions and supervising the changes in the tariff system and energy prices** which are included in the application of tariff systems
5. **Giving consent for compensations** in using transmission and transport systems

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6. Deciding on objections of end customers about the work of energy subjects and issuing orders on the occasion of appeals to the access to transmission and distribution grid or the conditions of access
  7. Giving consent to subjects under obligation of public service for the amount of inherited expenses, which are included in the price of energy
  8. Issuing orders about gaining the status of privileged producer
  9. Conducting public tenders for the construction of objects for electricity production for tariff customers
  10. Approving the construction of a direct pipeline for privileged customers and purchaser



### III. First Instance Procedure

Energy subjects submit to CERC:

- **Application** - when they are asking for a certain right,
- **Objection** - when they are not satisfied with the work of other subjects.  
Application or objection must be submitted in written form (in practice)

**Deadlines for solving objections or applications**

**30 days** in simple procedures or cases,

**60 days** in complex cases when it is necessary to conduct an investigative procedure

A possibility of **public hearing** has been foreseen for the interested energy subjects (it was rarely used in practice)

In most cases, the energy subject dissatisfied with CERC decision can **file a claim at the Ministry competent for energy issues**, and in other cases it can ask for court protection



## IV. Appeal Procedures

- An appeal can be submitted to the competent Ministry within 15 days from receiving CERC's decision
- A claim at the Administrative Court of the Republic of Croatia is filed within 30 day of receiving CERC's decision
- After receiving a complaint CERC must forward the whole case (all files) to the Ministry or Court within 8 days



## V. Types of Procedures Undertaken by CERC

In practice CERC conducts a simple administrative procedure:

- **Decisions** are made based on collected written documentation (rule)
- **Discussions and hearings of parties and experts** are an exception
- It is customary to use **alternative dispute resolution methods as direct conversation of a council member with the parties**  
Through these conversations council members give instructions about the evidence which need to be collected and submitted with the case



## VI. Reform of Energy Legislation

- In the legislative procedure **4 material laws were changed**, which regulate the energy sector in the Republic of Croatia. It is expected that more new laws and changes will occur in 2005
- **The competent Ministry proposes a completely new law on regulation.** A regulatory agency is founded with extended range of activities, and a much larger number of employees



**Important novelties in CERC's previous way of work, that is the future agency's, are:**

- **Dispute resolution among energy subjects** (energy suppliers and purchasers)
- **Reinstating controlling activities (supervision)** on energy subjects
- **Protection of market competition** in energy sector
- **Establishing the methodologies on which the prices of energy will be based**

**With passing of new laws, the following legal issues arise:**

- **Application of procedural law** in the future agency's work, and methods of its future work
- **Creating the practice and equal behavior in similar cases** (case studies and precedents)



The end

THANK YOU!