



Georgian National Energy and Water Regulatory Commission

Legislation News

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2008 Legislation News

Parliament of Georgia has introduced several significant amendments to the laws regulating power and gas energy sectors:

- **The definition of small power plant has been changed; currently, the small power plant is the plant with installed capacity of 13 MW or less (march 7, 2008)**
- **The Commission was assigned the task of developing rules for supply and consumption of drinking water by November 1, 2008 (July 5, 2008)**
- **All power plants constructed after August 1, 2008 are deregulated (July 5, 2008)**
- **The number of Commission members was increased to 5 (October 2, 2008)**

The Standard Acts Adopted by the Commission

The work of the Commission in 2008 was rather fruitful; by November 2008, it has adopted 30 standard acts.

for comparison:

In 2007, Commission has adopted only 24 standard acts.

In 2008, the Commission has adopted following important standard acts

- **Rules for Supply and Consumption of Electricity (Capacity)**
- **Rules for Controlling and Licensing Activities in Power, Natural Gas and Water Sectors**
- **Rules for Calculation and Payment of Regulation Fees in Power, Natural Gas and Water Sectors**
- **Rules for Identifying the New Connection to Power Distribution Network Fees**
- **Methodology for Water Consumption Tariff Setting**
- **Rules for Supply and Consumption of Drinking Water**

Rules for Supply and Consumption of Electricity (Capacity) (September 18, 2008)

In order to ensure protection of consumers' rights, and arrange relations between power distribution licensees, small power stations and consumers, the Rules for Supply and Consumption of Electricity (Capacity) and respective Annexes were approved (“Power Sale-Purchase Agreement, Information on Protection of Consumers, Estimated Capacity of Consumer’s Power Receiver and Table of Payment Settlements for Use of Such Capacities).

Rules for Controlling and Licensing Activities in Power, Natural Gas and Water Sectors (September 18, 2008)

Rules for Controlling and Licensing Activities in Power, Natural Gas and Water Sectors were approved along with the respective Annexes (Rules for Controlling and Licensing Activities in Power, Natural Gas and Water Sectors, Rules for Licensing, Form and Description of Licensing Certificate in the Field of Power and Natural Gas Energy to be Issued by the Georgian National Energy and Water Regulatory Commission, Rules for Discarding the Obsolete Strict Registration forms

Rules for Calculation and Payment of Regulation Fees in Power, Natural Gas and Water Sectors (September 18, 2008)

Payers of regulation fees are:

Power generation, transmission, dispatch and distribution, natural gas transportation and distribution licensees, as well as commercial operator of electric energy system, small power stations, natural gas and drinking water suppliers.

Regulation fee shall not exceed 0.5 of the total annual revenues (excluding VAT) received from the regulated activities.

Rules for Identifying the New Connection to Power Distribution Network Fees (September 18, 2008)

- **The fee for connection of new customer to 380-220 V distribution network per 1 KW of the connection capacity shall be determined as follows (including VAT) :**

- **a) 0-6 KW – GEL0;**
- **b) 6-20 KW – GEL20;**
- **c) 20-50 KW – GEL70;**
- **d) 50-100 KW – GEL120;**
- **e) >100 KW – GEL170.**


Methodology for Water Consumption Tariff Setting (August 29, 2008)

- **According to the amendments and addendums introduced by the Law of November 20, 2007 into the Law of Georgia on Electric Energy and Natural Gas, the Commission was granted authority of tariff regulation in the field of drinking water supply and discharge of wastewaters and was assigned the task to develop and approve methodology for water supply tariff setting by September 1, 2007.**
- **The tariff setting methodology envisages current organisational, technical and financial status of water supply system in Georgia and is based on full-cost principle. It shall ensure accurate integration of all economically reasonable costs into the tariff.**

Rules for Supply and Consumption of Drinking Water

(November 26, 2008)

The Rules for Supply and Consumption of Drinking water is the document that regulates relations between suppliers and customers in process of supply, sale, purchase and consumption of water supplied through the water supply system.



According to the Law of Georgia on electric Energy and Natural Gas, the Commission had three members in the period of 1997-2008;

According to the amendments introduced to the Law of Georgia on electric Energy and Natural Gas on October 2, 2008, the number of members was increased to five and, accordingly, any decisions of the Commission are legitimate only if supported by minimum three members.



Thank You for Attention!