



STATE ENERGY REGULATORY COMMISSION

## ***Presentation of Licenses and Control in Gas Supply Division***

**Kostadin Balachev**

Director


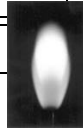
Sofia, 23-27 September 2002


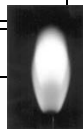


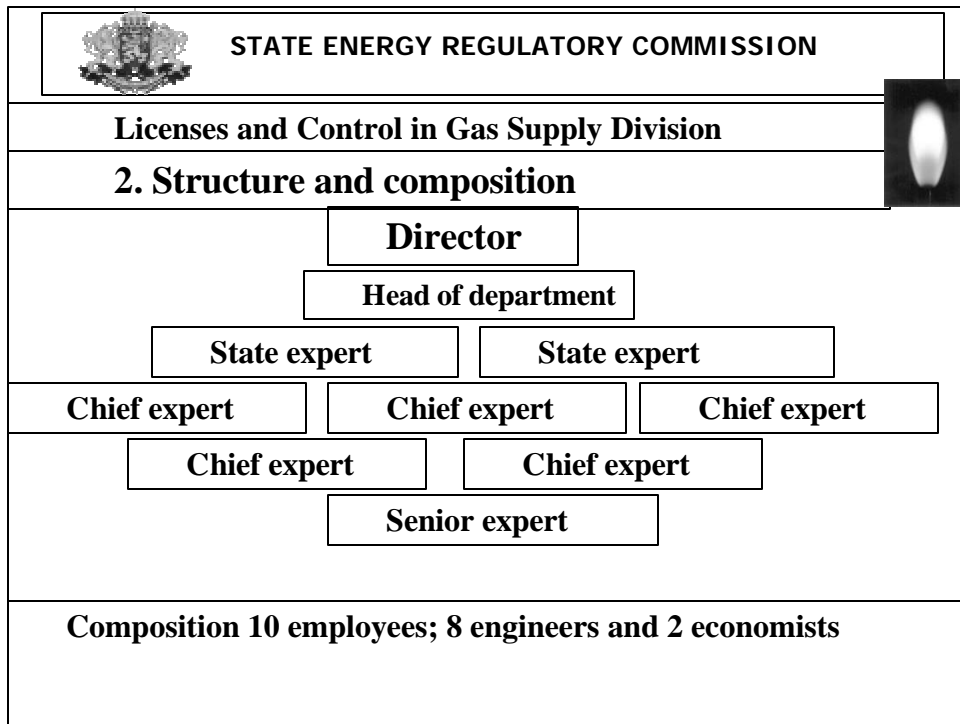
STATE ENERGY REGULATORY COMMISSION


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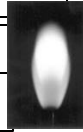
- 1. Functions and tasks**
- 2. Structure and composition**
- 3. Activities**
- 4. Development, aims and purposes**


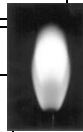
<div data-bbox="305 189 419 272"></div> <div data-bbox="456 204 1043 235">STATE ENERGY REGULATORY COMMISSION</div>	
Licenses and Control in Gas Supply Division	
1. Functions and tasks	
<ul style="list-style-type: none"> <li>• <b>Supports the SERC activity in the area of the gas sector – technical and general regulatory aspects in:</b>  <b>Internal markets</b> <ul style="list-style-type: none"> <li>• <b>Prepares the documents and carries out the necessary actions on issuing permits and licenses provided for in the EEEA;</b></li> <li>• <b>Amends, supplements, terminates and revokes permits and licenses;</b></li> </ul> </li> </ul>	


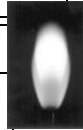
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Licenses and Control in Gas Supply Division	
1. Functions and tasks	
<ul style="list-style-type: none"> <li>• <b>Supports the SERC activity in the area of the gas sector – technical and general regulatory aspects in:</b>  <b>Transit</b> <ul style="list-style-type: none"> <li>• <b>Issues permits for the construction of transit gas and oil pipelines through the territory of the country and licenses for carrying out activities related to transit transmission of natural gas and oil;</b></li> </ul> </li> </ul>	


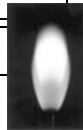




 <div style="display: inline-block; text-align: right; vertical-align: middle;"> <b>STATE ENERGY REGULATORY COMMISSION</b> </div>
<b>Licenses and Control in Gas Supply Division</b>
<b>3. Activities</b>
<ul style="list-style-type: none"> <li>• <b>Licenses - opinions, documents and the issuing of:</b> <ul style="list-style-type: none"> <li>• <b>Permits and licenses for transit transmission of natural gas and oil through the territory of the country;</b></li> <li>• <b>Conditions for the connection with the gas distribution network;</b></li> <li>• <b>Conditions for the selling of natural gas;</b></li> <li>• <b>Conditions for access to the networks for the transmission and distribution of natural gas;</b></li> </ul> </li> </ul>


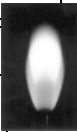
<div data-bbox="304 189 419 272"></div> <div data-bbox="464 204 1055 235">STATE ENERGY REGULATORY COMMISSION</div>	
Licenses and Control in Gas Supply Division	
3. Activities	
<ul style="list-style-type: none"> <li>• participates in the preparation of tender documents for the construction of new sites for transmission, distribution and storage of natural gas in setting the criteria for the respective tender;</li> <li>• carries out the necessary actions on announcing and holding the tenders.</li> <li>• conditions in the contracts for selling natural gas and proposals for amendments;</li> <li>• develops, coordinates and proposes drafts of statutory acts;</li> </ul>	

<div data-bbox="304 1027 419 1110"></div> <div data-bbox="449 1045 1042 1076">STATE ENERGY REGULATORY COMMISSION</div>	
Licenses and Control in Gas Supply Division	
3. Activities	
<ul style="list-style-type: none"> <li>• considers requests for failure to fulfill the conditions of the license granted;</li> <li>• controls the conditions laid down in the permits and licenses,</li> <li>• Tenders for investor in the construction of new gas distribution networks <ul style="list-style-type: none"> <li>• Analysis of the designated 6 regions in the list.</li> <li>• Preparation of tender documentation</li> <li>• Announcing and holding tender procedures</li> </ul> </li> </ul>	

<div data-bbox="304 189 419 272"></div> <div data-bbox="449 204 1041 235">STATE ENERGY REGULATORY COMMISSION</div>	
Licenses and Control in Gas Supply Division	
3. Activities	
<ul style="list-style-type: none"> <li>• <b>Permits</b> <ul style="list-style-type: none"> <li>• Prepares documents for the construction of transit gas pipelines on the territory of the country;</li> <li>• Carries out the necessary actions for the construction of transit oil pipelines;</li> <li>• Participation in the preparation of statutory acts by SERC and opinions on acts sent by other institutions for coordination;</li> <li>• Opinions on the drafting of the project for the new Energy Act;</li> </ul> </li> </ul>	

<div data-bbox="304 1027 419 1110"></div> <div data-bbox="449 1045 1041 1076">STATE ENERGY REGULATORY COMMISSION</div>	
Licenses and Control in Gas Supply Division	
3. Activities	
<ul style="list-style-type: none"> <li>• setting the rules and criteria for the quality of the services offered by the energy companies;</li> <li>• control over the impact on the environment and a requirement for inspections by specialized authorities;</li> <li>• <b>Control:</b> <ul style="list-style-type: none"> <li>• Over the conditions in the permits and licenses granted and the quality of the natural gas supplies;</li> <li>• Over the mandatory guidelines for violations of the permits and licenses issued;</li> </ul> </li> </ul>	

	 <b>STATE ENERGY REGULATORY COMMISSION</b>	
	<b>Licenses and Control in Gas Supply Division</b>	
	<b>3. Activities</b>	
	<ul style="list-style-type: none"> <li>• carries out inspections based on complaints submitted, information received, requests and proposals and in coordination with the Legal Directorate prepares responses;</li> <li>• proposes guidelines for the rectification of violations established during the inspections;</li> </ul>	

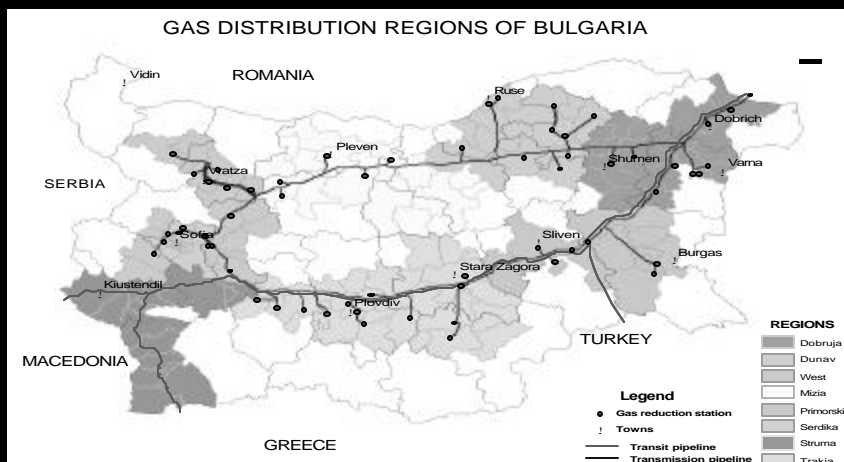
	 <b>STATE ENERGY REGULATORY COMMISSION</b>	
	<b>Licenses and Control in Gas Supply Division</b>	
	<b>3. Activities</b>	
	<ul style="list-style-type: none"> <li>• <b>Activities performed:</b> <ul style="list-style-type: none"> <li>• Prepared tender draft documentation for the holding of the tender for choice of investor in the “Serdika” region;</li> <li>• Applications for licenses processed – 76;</li> <li>• Licenses issued – 38;</li> <li>• Companies inspected – 14;</li> <li>• Developed guidelines for companies where violations have been established – 6</li> </ul> </li> </ul>	



## STATE ENERGY REGULATORY COMMISSION

### Licenses and Control in Gas Supply Division

### *Gas Distribution Regions*

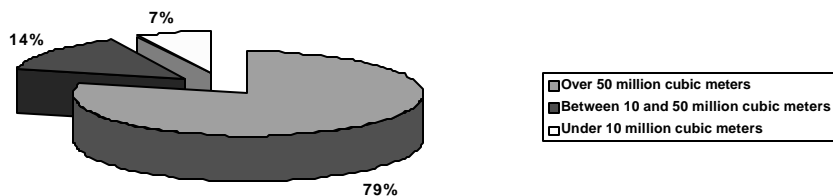


## STATE ENERGY REGULATORY COMMISSION

### Licenses and Control in Gas Supply Division

### *Structure of consumption*

### ANNUAL CONSUMPTION



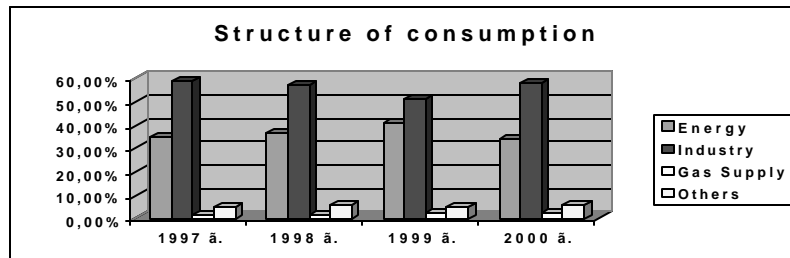


## STATE ENERGY REGULATORY COMMISSION

### Licenses and Control in Gas Supply Division

### *Data on the gas sector*

Consumption of the different types of consumers



## STATE ENERGY REGULATORY COMMISSION

### Licenses and Control in Gas Supply Division

### 4. Development and future tasks

- Issuing of permits and licenses through the holding of investor tenders;
- Provision of an acceptable financial regime (this includes tax regime, pricing methodology and equality in the competition with the other energy carriers);
- Drafting of exact rules for quality of the client service;
- Upgrading the natural gas priced in gas supply ;



## STATE ENERGY REGULATORY COMMISSION

### Licenses and Control in Gas Supply Division

#### 4. Development and future tasks

- Participation in the international activity of SERC;
- Participation in the development of a new Act on energy in compliance with the EU Directive;
- Participation in the development of clear legal and regulatory rules;
- Issuing of permits and licenses for transit transmission through the territory of the country;
- Regulation of the transmission of oil and oil products;
- Application of the EU Directives;



## STATE ENERGY REGULATORY COMMISSION

### Licenses and Control in Gas Supply Division

#### *Transit oil pipelines*





**Licenses and Control in Gas Supply Division**

**4. Development and future tasks**

**Main problems:**

- **Measurements – class of precisions, ownership of the measurement meters, control, etc.**
- **Ownership of the elements of the networks;**
- **Interaction with municipalities as regards the future gasification – data, schemes and information needed for the holding of the tenders;**
- **Odorisation of the gas – control and methods;**
- **Domestic users – ways of initial subsidizing of the future users;**
- **Main rules on the gas market.**