

Connection of Electric Facilities to the Network



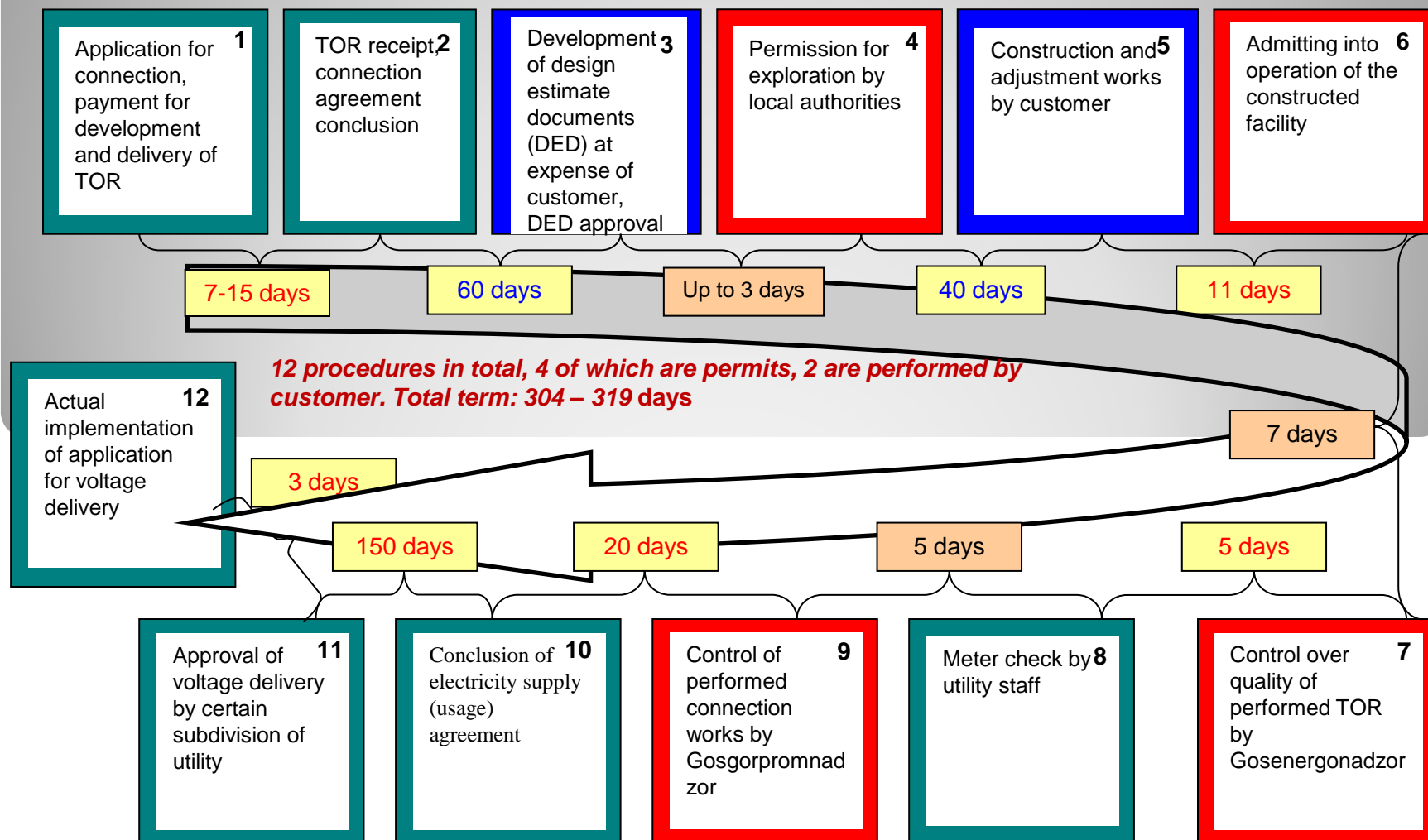
Problematic Issues when Connecting to Electric Network

(before adopting Law 5021 – before 01.01.2013)

- 1. Non-transparency of providing services on connection of facilities to the network**
- 2. Uncertainty of the term of providing services on connection to the electric network**
- 3. Non-transparent procedure of defining connection charge**
- 4. Noncompliance of Ukrainian legislation to the EU legislation**
- 5. Result – 169th place in the rating Doing Business**



Stages of connection performance before 01.01.2013



As a result total term of connection was more than 300 days and required 12 procedures

To regulate the issues of connection corresponding regulatory legal acts were adopted, directed at:

- streamlining the procedures and reducing their number**
- reducing the term of connection**

1. The Law of Ukraine "On introducing amendments to some laws of Ukraine concerning connection charge to the network of the subjects of natural monopolies" was adopted, which introduced corresponding amendments to the Law of Ukraine "On electricity" and the Law of Ukraine "On regulation of bridge constructing activity"

2. NERC Resolution of 17.01.2013 #32 "On approval of the Rules of connection of facilities to electric network" was adopted

3. NERC Resolution of 12.02.2013 #115 "On approval of calculation methodology of facilities connection to network charge" was adopted

4. NERC Draft Resolution "On approval of the Method of services financing of facilities connection to electric network" was approved



Standard Connection

**1st stage (from 01.01.2013):
up to 16 kW (and including)**

Households, small business:
small architectural forms,
trade kiosks,
fast food courts
and service sector


**2nd stage (from 01.01.2015):
from 16 kW up to 50 kW (and including)**

Medium business:
Offices, administrative buildings,
public catering
and service sector

**3rd stage (from 01.01.2017):
from 50 kW up to 160 kW (and including)**

Industry,
warehouses,
small industrial production

These are mass connections – more than 95% of all applications
Rates are received for standard connections and final term of providing services on connection was set



**Standard connection
of 1st stage (from 01.01.2013)
up to 16 kW (and including)**

Number of procedures – 5

Term – 42 days

Price – 950 UAH/1kW

Implementation of 2nd and 3rd stages of standard connection



2nd stage from 16 kW up to 50 kW (and including) – from 01.01.2015

3rd stage from 50 kW up to 160 kW (and including) – from 01.01.2017

Connection procedure for the second and third stages will be similar to the procedure of the first stage, although the final term will be slightly longer (approximately – 72 days for 2nd stage and 117 days for 3rd stage)



Optimization of connection procedure for the customers during standard connection

Time	Performer	Procedure		After introduction of connection charge	
7	PSC «Kieveno»	Application submission and receiving TOR, preparation of terms of reference	✓	Procedure is being optimized, + conclusion of connection agreement	7
53	Design organization	Development and approval of the project (including PSC «Kieveno», Head Department of Architecture of Kiev City State Administration)	✗	Procedure is being cancelled	53
3	Head Department of public amenities of Kiev City State Administration	Receiving permit for land works	✗	Procedure is left for the utility and not for customer	3
40	Private contractor	Actual implementation of works, performed by organization that has licenses and permit required	✓	Procedure is performed by the utility	15
11	Inspection board	Taking into operation of the facility by inspection board with participation of State architectural-construction inspection	✗	Procedure is being cancelled	11
7	Gosenergonadzor	Consistency control of the performed work according to TOR and design solutions	✗	Procedure will be cancelled in the future	7
5	PSC «Kieveno» Supply sub-division	Technical check and electricity metering devices check	✗	Procedure is being cancelled	5
5	Gosgorpromnadzor	Control of performed works for connection	✓	Procedure remains	5
20	PSC «Kieveno» Supply sub-division	Conclusion of agreement on electricity supply and when necessary contract for maintenance of connected facility	✓	Procedure is conducted in parallel with connection	5
150	PSC «Kieveno»	Agreement on supply of voltage to customer facility	✗	Procedure is being cancelled	150
3	PSC «Kieveno»	Actual implementation of application for voltage delivery by supply company staff	✓	Procedure remains	3
 285 days			 42 days		



Non-Standard Connection

Some complicated projects and facilities with powerful industrial function

**Procedures and terms are also legally set
Connection cost is set according to project documents**



Optimization of connection procedure for the customers during non-standard connection

Time	Performer	Procedure	After introduction of connection charge	
7	PSC «Kievenoergo»	Application submission and receiving TOR, preparation of terms of reference	✓ Procedure is being optimized, + conclusion of connection agreement	15
53	Design organization	Development and approval of the project (including PSC «Kievenoergo», Head Department of Architecture of Kiev City State Administration)	✓ Reduction of term	45
3	Head Department of public amenities of Kiev City State Administration	Receiving permit for land works	✗ Procedure is left for the utility and not for customer	3
40	Private contractor	Actual implementation of works, performed by organization that has licenses and permit required	✓ Procedure is performed by the utility	40
11	Inspection board	Taking into operation of the facility by inspection board with participation of State architectural-construction inspection	✓ Procedure remains	11
7	Gosenergonadzor	Consistency control of the performed work according to TOR and design solutions	✓ Procedure remains	7
5	PSC «Kievenoergo» Supply sub-division	Technical check and electricity metering devices check	✗ Procedure is conducted in parallel with concluding agreement for supply	5
5	Gosgorpromnadzor	Control of performed works for connection	✓ Procedure remains	5
20	PSC «Kievenoergo» Supply sub-division	Conclusion of agreement on electricity supply and when necessary contract for maintenance of connected facilities	✓ Reduction of term	14
150	PSC «Kievenoergo»	Agreement on supply of voltage to customer facility	✗ Procedure is being cancelled	14
3	PSC «Kievenoergo»	Actual implementation of application for voltage delivery by supply company staff	✓ Procedure remains	3
 285 days		 140 days		

The results of adjustment of services for connection to electric network (after adoption of Law 5021 – from 01.01.2013)

- 1. Transparency of providing services on connection**
- 2. Defining term of providing services on connection**
- 3. Setting connection charge**
- 4. Adapting legislation of Ukraine to EU legislation**



The results of legislation changes from 01.01.2013

	Method of connection until 01.01.2013	Method of connection from 01.01.2013 NON-STANDARD	Method of connection from 01.01.2013 STANDARD
Number of procedures	12	8	5
Term, days	285	140	42 (1 st stage) 72 (approximately for 2 nd stage) 117 (approximately for 3 rd stage)
Cost, UAH / 1 kW	1460 (up to 16 Kw)	According to design estimate documents – 1460 (up to 16 kW)	950 ↓35%



**Thank you for your
attention!**