



# **Georgian National Energy and Water Supply Regulatory Commission**

## **Current Status of Water Supply System and Development Prospective**

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2013



# Legal Framework

- On November 20, 2007, Georgian parliament made amendments to Georgian Law on Electric Energy and Natural Gas. Based on these amendments, Georgian National Energy Regulatory Commission was charged with additional functions of regulating water supply.
- As a result of these changes, the commission was also charged to approve tariff design methodology and rules for the supply and use of drinking water.
- On June 21, 2011, Georgian parliament amended Georgian Law on Licenses and Permits. List of required licenses in Georgian Law on Licenses and Permits was expanded by adding a water supply license to it.



# Legislative and regulatory acts adopted by the Commission:

- Water Supply Tariff Design Methodology
- (Regulation # 18);
- Rules for the Supply and Use of Drinking Water
- (Regulation # 32);
- Rules on Administrative Penalties and Enforcement Measures in Cases of Stealing Electricity or Natural Gas, as Well as Illicit Use of Drinking Water and Sewage Systems
- (Regulation # 14);
- By Regulation # 18, amendments and additions were made to Regulation #32 of November 26, 2008, which require that the price for connecting new customers to the water supply system be established and a metering station be set up for residential customers;



By Regulation # 6, amendments and additions were made to Regulation #32 of November 26, 2008, which require that a technical condition be issued and a metering station be set up for non-residential consumers;

- Decision # 15/3 on the approval of Uniform Registry and Log Forms for Water Supply Services;
- Decision # 15/21 on the approval of Accounting Forms to Show that, by their activities and services, drinking water suppliers comply with applicable requirements.
- Decision # 15/22 on the approval of Quarterly Accounting Forms of the Water Supply System;



# Supplying Drinking Water

Georgian water supply and water sewage sector is served by three large licensees;

- Georgian Water and Power, Ltd - mainly provides services to Tbilisi, Mtskheta and Rustavi (31.8% of the total Georgian population).
- Georgian Unified Water Supply Company, Ltd - Serves the biggest part of the country (58.5% of the population). The company is composed of a central office, 6 regional branches (in Mengrelia, Imereti, Middle Kartly, Lower Kartli, Samtskhe-Javakheti and Kakheti) and 56 service centers.
- Batumi Water, Ltd, also Kobuleti Water Supply Company and 5 local water supply companies in Adjara, which serve the Autonomous Republic of Adjara (8.6% of the whole population of Georgia).
- Several small companies provide services to Georgian water supply system (1.1% of the population of the country). In total, 15 licensees are providing services to the water supply system of the country.



# The Overview of the Infrastructure of the Water Supply System

- Georgian government, through the Ministry of Regional Development and Infrastructure, implemented several initiatives nationwide in the direction of the improvement of municipal services and infrastructure - mainly through donors.
- As a result, parts of outdated and broken down infrastructure were restored and renovated. Even though the effectiveness of services did not improve significantly, the schedule of water delivery improved and water quality monitoring became the first priority.
- Most of the population of Georgia has water delivered according to the schedule. Tbilisi population is more or less provided by uninterrupted 24-hour water supply.



In order to resolve problems in the water supply system, rehabilitation works are underway with the help of the Asian Development Bank and European Investment Bank, in particular:

- In order to improve Georgian water supply and sewage sector, in March of 2011, Asian Development Bank issued a long-term loan in the amount of 500 million US dollars which will be used to resolve water supply and sewage system issues in 6 urban centers of Georgia (Kutaisi, Poti, Zugdidi, Anaklia, Marneuli and Mestia). As a result, the residents of all these six urban centers will have uninterrupted water supply.
- European Investment Bank gave Georgia a long term loan in the amount of 40 million Euros which will be used to resolve water supply and sewage problems in 26 municipalities of the country.
- In 2011, with the active participation of the European Investment Bank, Georgian Unified Water Supply Company was given a 4 million Euro grant which will be used in 11 urban centers to implement a project on water which is unaccounted for, as well as the training of water supply staff and funding their education in the leading universities of Europe.



- In 2011, it became possible to provide a 24-hour water supply to Borjomi and Bakuriani.

- The majority of Kutaisi (the second largest city in Georgia) population moved to the daily water supply and part of them have uninterrupted supply.
- Georgian Unified Water Supply Company continues rehabilitation work in the water supply system. After the rehabilitation, 250 000 consumers will be supplied with water for 16 hours instead of 6 hours. In addition, pressure will increase in the pipes which will provide water to the problematic top floors of some high rise buildings.
- The installation of water meters are in progress and is quite successful.
- Currently 75671 residential customers have water meters installed by Georgian Unified Water Supply Company.



Batumi water supply and sewage network is outdated and amortized because they have been in service for a very long period.

- Therefore, as per the decision of Georgian government, we are in the fifth year of a large-scale construction and installation works as part of Batumi Municipality Infrastructure Rehabilitation Project.
- German State Reconstruction and Development Bank (KFW) with the co-participation of Batumi municipality is providing credit for the rehabilitation works within the framework of Georgia-Germany financial cooperation.
- As a result of the project, the residents of so called "Old Batumi" already have uninterrupted water supply. By the end of 2013, 3/4th of the population will have uninterrupted water supply and 1/4 will have a 24-hour service in 2014-2015.
- In order to streamline drinking water metering, Batumi municipality funding made it possible that up to 13 000 residential customers have meters installed.



In 2010, the construction of the water purification station started where residential wastewater and polluted business wastewaters of similar composition will be purified.

- It will be possible to adequately clean industrial fecal wastewaters of Batumi as per applicable Georgian laws, standards and technical regulations.
- 72 million Euros have already been utilized in order to fund works of the first and second phases of the Rehabilitation Project of Batumi Water Supply System.
- 44 million Euros have been set aside for the third phase of rehabilitation and installation works.
- After the rehabilitation, the city population will be able to receive uninterrupted reliable and quality water supply. In addition, by carrying out the installation of meters and implementing other organizational and technical measures, it is anticipated that, in the beginning of 2014, the drinking water loss will decline.



Georgian Water and Power, Ltd continues the fulfillment of assumed responsibility of the 14th of May, 2008, in particular, providing uninterrupted water supply to customers in the old borders of Tbilisi.

- Significant amount of work has been performed in the direction of the improvement of water supply. A program on the 24-hour water supply of the city has been developed.
- Intensive work is underway to rehabilitate underground communications and install individual meters, which are directly linked to the uninterrupted water supply services to the Tbilisi population.
- According to the data of January 1, 2013, 81981 residential customers have meters installed.
- The installment of individual meters significantly decreased irrational water waste. This trend automatically changed the water delivery performance.



According to the 2012 data, the amount of supplied water was 400 million m<sup>3</sup>, which is 4.8% less than the same indicator of 2011.

## The Delivery of Drinking Water Supply in Georgia in 2010-2012

- 2010 - 449.760 million m<sup>3</sup>
- 2011 - 420.0 million m<sup>3</sup>
- 2012 - 400.0 million m<sup>3</sup>



# Dispute Review and Resolution

- According to the license terms approved by the Commission, it is one of the water suppliers' responsibilities to ensure that uninterrupted and quality water is delivered to customers and all problems associated with the water supply/delivery are addressed in a timely manner.
- Upon the receipt of written notifications or phone calls about problems with the water supply, an immediate response is initiated to cure the problem.

If orders received from the commission are not carried out in a timely manner, such companies will face administrative actions.

- The majority of complaints received by the Commission are regarding the problems with the supply of water and the adjustment of unfair charges applied to customers.
- The majority of complaints are resolved in favor of customers.
- The Commission reviews and makes decisions on a case-by-case basis.



# Service Quality Control

- For the past few years, due to the conditions in the water supply infrastructure, not very often but occasionally, drinking water quality would not satisfy sanitation requirements. The cases of drinking water deficit were identified - meaning that certain part of the public was not able to receive enough amount of water satisfying sanitation and hygienic standards.
- Due to the rehabilitation of water supply system and installment of water meters for customers, the situation in the water supply sector has improved significantly and it will become possible to administer quality control over this service.
- We would like that our colleagues share their experiences in the field of service quality control.



**Thanks for Listening**