



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

Rules for the Supply and Consumption of Natural Gas

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Natural Gas Sector

Rules for the Supply and Consumption of Natural Gas, GNERC's Order No. 12 dated July 9, 2009, were developed and adopted to regulate the natural gas sector and the relationship of licensed distributors, suppliers, and consumers of natural gas; to protect consumer rights; and to improve service. The Rules became effective on September 1, 2009

The Rules became ever more important when changes were made to the Administrative Code of Georgia. Beginning September 1, 2010 gas distribution companies have the right to review administrative violations (e.g., stealing of natural gas) and take actions with respect to them



Natural Gas Sector

Rules for the Supply and Consumption of Natural Gas contain 8 sections and 39 articles, which regulate the relationship of licensed distributors, suppliers, and retail consumers at the time of purchase, sale, distribution, transfer, and/or consumption of natural gas through the distribution network. Rules defined in this document are mandatory for everyone. The companies are prohibited from enforcing on consumers responsibilities that contradict the Rules established by GNERC

The main principle of supplying consumers with natural gas is the safe, uninterrupted, and reliable delivery of gas, which follows established criteria and is conducted in accordance with law, licensing terms, these Rules, and the terms of agreements



Rules in Natural gas Sector

Suppliers and licensed distribution companies cannot enter into agreement with retail consumers and cannot agree or impose any terms that contradict the Rules and existing law

If consumer rights are violated, a complaint can be filed with a public defender of consumer rights at GNERC, or an appeal can be made directly to GNERC or to court; the consumer can claim damages, which resulted from the violation of consumer rights guaranteed by the Rules and/or from unfulfilled obligations



Rules in Natural gas Sector

Different sections of the Rules address the issues of service, metering, stealing of gas, and methods of its prevention; methods of calculating the volume of stolen gas and its cost; procedures for reviewing disputes related to metering and accounting for the natural gas consumption; methods of checking and maintaining networks; and connecting retail customers

Retail consumers are not obligated to accept terms and/or services that are not directly specified in the Rules or in law



Rules in Natural gas Sector

In the Rules, much attention is given to the freedom of agreements and changing the terms of agreements (with the consumer's consent). Suppliers enter into agreement with retail consumers on purchasing the natural gas at the terms and prices, which were released to the public in the form of a standard agreement

The supplier can offer any number of consumers to enter into an agreement or make changes to an agreement. Retail consumers have the right to enter into agreement with suppliers and ask for a written contract that contains offered terms



Rules in Natural gas Sector

The Rules are the same for residential and non-residential consumers, except certain cases involving the latter (temporary use of fixed assets by a non-residential consumer; stealing of natural gas etc.). Such cases are discussed in a separate section of the Rules.

Much attention is given to the issue of access to information. A licensed distribution company must display the Rules visibly at its service centers, and also display all acts and documentation that relate to service and payments. A supplier must also have an official website, which is established and updated according to existing rules.

The information on natural gas intended for retail consumers is published by the supplier each September (during the first week of September) through an informational vehicle selected by the Commission



Questions to KPSC

What laws regulate the operations of gas distribution companies?

What is the amount of allowable losses ? (in % of received gas)

What methods are used for calculating allowable (normative) losses



Questions to KPSC

Number of consumers (residential(household) and non-residential)

What is the procedure for reviewing consumer complaints?

What are the administrative practices regarding consumer complaints?

What are the most common complaints received by gas distribution companies?

What is a procedure for reviewing administrative violations?



Thank you for your attention!