



GEORGIAN NATIONAL ENERGY AND WATER SUPPLY REGULATORY COMMISSION

Legal and Regulatory Changes

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The Law on Electricity and Natural Gas

On October 1, 2010 the Georgian Parliament adopted Amendments to the Georgian Law on Electricity and Natural Gas, according to which:

- The disobeying of GNERC's decisions is equated to the violation of license terms;**
- A unified, integrated, and coordinated administration system is introduced in the power, natural gas, and garbage collection sectors by law;**
- GNERC receives the authority to determine the areas (territories) covered by the unified administration system and to distribute tasks to one of those organizations, who service this system;**
- Administrator of the Unified System appointed by GNERC administers service fees.**



The Law on Electricity and Natural Gas

On October 12, 2010 the Georgian Parliament made amendments to the Georgian Law on Electricity and Natural Gas, according to which:

- Cross-subsidies in the water supply sector are permitted during the transition period;
- In specific cases, GNERC is authorized to establish rates for drinking water and sewage for each supplier on an individual basis.



The Law on Electricity and Natural Gas

According to amendments, made by the Georgian Parliament on December 15, 2010 to the Law on Electricity and Natural Gas:

- Until the water supply system is completely stabilized, GNERC is given the authority to determine, depending on the season, rules for calculating water use fees for residential and/or non-residential consumers, who have individual meters



Regulatory Changes

On August 12, 2010, GNERC issued Regulation 14, which introduces Rules for Administrative Violations and Law Enforcement for Stealing of Power and Natural Gas, as well as for Unlawful Use of Drinking Water and Sewage, according to which:

- These areas are governed by official procedures;
- An official form is introduced for issuing responses to administrative violations and applying administrative disciplinary actions such as warnings and penalties



Regulatory Changes

In accordance with amendments to law, on October 13, 2010 GNERC ruled on a unified administration system as follows:

- In metropolitan Tbilisi, a unified, integrated, and coordinated system for the administration of electricity, drinking water, and garbage collection is introduced;
- The administrators of the integrated coordinated system are entities involved in the distribution of electricity in metropolitan Tbilisi;
- Administrators and entities, who provide the service, are charged with preparing agreements regarding the unified administration of service fees on a non-discriminatory and fair basis;
- For those who accumulated debt for services and could not pay it back as a single payment, a mandatory period is set, during which the debt can be paid out gradually.



Regulatory Changes

On November 18, 2010, GNERC adopted Rules for Calculating Allowable Losses in the Gas Distribution Sector, which defined:

- Limits of the Rules;
- Types of losses that should not be considered 'losses in the pipelines';
- Principles of the distribution of losses in the pipelines of different pressure and construction;
- Exceptions



Regulatory Changes

In accordance with the new amendments to law, GNERC's Resolution 31 adopted on December 30, 2010, introduced changes to Rules for the Supply and Consumption of Drinking Water as follows:

- Until the water supply system is completely stabilized, the suppliers of drinking water are authorized, based on statistical data supplied by an official entity, to determine the duration of a 'severe climate period' (subzero) and during this period to charge consumers fees for drinking water according to the 'exception rule'.**



Thank you for your attention!