



IURC and ERE Partnership	
<h2 style="text-align: center;">Consumers Protection and the Disagreements Settlement</h2>	
<p>Kastriot Sulka – Pricing and Tariffs Department Arben Xhiku – Licensing, Monitoring and Export-Import Department</p>	
ERA- Albania	June 2003

<h3>Consumers Protection – Legal Grounds</h3>	
<p><b>Law No. 7970, date 20.7.1995</b></p> <ul style="list-style-type: none"> <li>• <b>Article 24, 2/a "to protect consumers from monopoly prices"</b></li> <li>• <b>Article 24, 2/g "to openly and clearly reflect the subventions authorized by the Government, ..."</b></li> <li>• <b>Article 24, 3 "procedures to be determined by ERE according to the above statement should include:</b> <ul style="list-style-type: none"> <li>a) <b>time spans to implementing the tariffs and decisions from ERE;</b></li> <li>b) <b>possibilities that buyers and other interested parties are to take part in the tariff approving process;</b></li> <li>c) <b>Consumers protection through reimbursement process if tariffs are not established yet.</b></li> </ul> </li> </ul>	
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## Consumers Protection – Actual Procedure



### I. The Cost – Price specifics for Albania

- Continuous increase of price
- Price increase pace (10%)

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## Consumers Protection – Actual Procedure



The price change in % for 2002 and 2003									
Category of the Electrical Power consumers	2002	Price acc. CMD	KESH proposal	ERE-s proposal	Change in % to CMD	Change in % KESH	Change in % to 102		
I-1 Budgetary	4	5	8	8.00	-12.5%	0.0%			
I-2 Non budgetary Water - Supply	4.5	8	5	5.00	-60.0%	0.0%	11.1%		
Other non-budgetary	5	10	9	9.50	-20.0%	-8.4%	3.8%		
Private	5	10	9	9.50	-20.0%	-8.4%	3.8%		
II-1 Budgetary	5	5	8.5	8.50	-5.0%	0.0%	5.3%		
II-2 Non budgetary Water - Supply	4.5	8	5	5.00	-60.0%	0.0%	11.1%		
II-3 Non budgetary (Diesel, Chrome, Copper, Siderurgy, Cement and Chemicals production)	4	8	8	6.30	-27.0%	-27.0%	5.0%		
II-4 Non budgetary Supply by TM (6, 10, 20 kV) measuring in TM	9.2	11	10	10.00	-10.0%	0.0%	8.7%		
II-5 Non budgetary Supply in TM (6, 10, 20 kV) measuring in TU	9.6	11	11	10.50	-4.8%	-4.8%	8.4%		
II-6 Private (Ironworks - Bakery, wheat production)	4.5	8	8	5.00	-60.0%	-60.0%	11.1%		
II-7 Private (Ironworks - Religious objects)	4	8	8	5.00	-60.0%	-60.0%	25.0%		
II-8 Private - Supply by TM (6, 10, 20 kV) measuring in TM	9.2	11	10	10.00	-10.0%	0.0%	8.7%		
II-9 Private - Supply by TM (6, 10, 20 kV) measuring in TU	9.6	11	11	10.50	-4.8%	-4.8%	8.4%		
III-1 Budgetary	4	5	8	8.00	-12.5%	0.0%	12.5%		
III-2 Non budgetary Water - Supply	4.5	8	5	5.00	-60.0%	0.0%	11.1%		
III-3 Non budgetary (Diesel, Chrome, Copper, Siderurgy, Cement and Chemicals production)	4	8	8	6.30	-27.0%	-27.0%	5.0%		
III-4 Non budgetary Supply by TU net	12	13	12	12.00	-8.3%	0.0%	0.0%		
III-5 Private (Ironworks - Bakery, wheat production)	4.5	8	8	5.00	-60.0%	-60.0%	11.1%		
III-6 Private (Ironworks - Religious objects)	4	8	8	5.00	-60.0%	-60.0%	25.0%		
III-7 Non budgetary Supply by TU net	12	13	12	12.00	-8.3%	0.0%	0.0%		
Totals for domestic	484	538	518	485	-10.3%	-4.3%	4.8%		
Domestic	4	4.5	4.3	4.16	-9.0%	-4.9%	2.5%		
Domestic over 300 kWh	8	10	9.8	8.80	-13.0%	-11.4%	10.0%		

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➤ The third parties opinion

➤ Hearing process

❖ Appeal in Court



- Pursuant to the Albanian Government policies regarding the electrical power.
- Protects consumers regarding the prices and tariffs.
- Makes efforts to ensure good conditions, quality, efficiency, continuation and stability of the service.
- Acts in the way that the license holders should be as more efficient as possible in order to improve their financial status.
- Stimulates competition.
- Keeps the balance of the consumers, state, public, investors and players interests in the electrical power sector.
- Develops and makes compulsory the working and technical standards for the licensed parties.
- Encourages standards and common codes regarding all the electrical power sectors. The third parties opinion.

## The structuring situation of the interested players in the electrical power sector



- State.
- Producer and supplier.
- Consumer, consumer's associations: industrial, statal, residential.
- The beginning of their organization: The Consumer's Protection Association, Industrialists Association, Big Consumers (steel, cement, etc).
- The consumer's protection department, Ministry of Economy, state role

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## Justice in the interested parties equality and in decision making



- E.R.E-s intervention in drafting the contracts between KESH Sh.a. and consumers.
- Contract until 2002 (September)
- Contract after 2002 (September)
- Its approval and implementation.

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## **ERE-s role increase in consumers' protection**



- Cooperation in drafting the legal ground regarding the consumers' protection;
- Cooperation in drafting the legal ground regarding the competition protection;
- Requirements for the standards;
- Accomplishment of several obligations in licensing or re-licensing;
- Hearing Process

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