

*TSO company MEPSO* is legally unbundled from all other activities and owned by the State. The market operation activities are performed within *MEPSO* as an integrated function. In addition, the dominant producer *ELEM* and the transmission system operator *MEPSO* are owned by the State. DSO network owned by Austria EVN covers the supply of tariff customers.

The distribution network operators (*EVN Makedonija* and *ELEM*) perform the activities of supply of tariff customers, but still do not publish their financial statements separately for each of their regulated activities. A compliance program for functional unbundling is also missing. Although both distribution network operators have established separate legal entities for dealing in trade and competitive retail supply, their activity to supply tariff customers is still fully bundled with distribution.

The unbundling requirements have not been properly implemented in this respect so far. Third party access is addressed in a compliant manner by the Law, the implementation needs improvements, particularly as regards easy access to information on the terms and conditions for access.

*MEPSO* is working on improving its Grid Code from 2006 in order to comply with the Energy Law and to keep in line with *ENTSO-E* regulation. Part of this process is the development of a set of procedures for the procurement of electricity (for network losses, for ensuring system security in case of disruption of supply or significant imbalances in demand).

Non-discriminatory access is implemented in the grid codes for transmission and distribution, developed by network operators and approved by ERC.

Connection charges are also regulated and approved by ERC. The charges and price lists for connection are being reviewed by ERC and a decision is pending. Network tariffs for transmission and distribution network operators are set by ERC for a three year period, subject to annual review. Network tariffs are published on ERC's web page, but *MEPSO* and distribution network operators do not publish charges for the use of their network on their respective web pages. The transparency of applicable network tariffs is not properly enforced.

**Note: Article is the extract from Macedonia electricity market report 2014**

Source; Serbia Energy See Desk