

Session of the Board of the Energy Regulatory Agency RAE, where the representatives of energy companies will present their comments on the reports of allowed revenues corrections.

RAE Committee has begun to consider a report on the procedure completion of determining the corrections amount of the regulatory allowed revenue and cost of the Montenegrin transmission system CGES.

This is followed by the reports of EPCG Electric Power Industry and Montenegrin electricity market operator COTEE. Before the session started, the Board Chairman Branislav Prelevic said that it consisted of two parts.

“After the first part of the session which is open to the public and where it will be discussed on reports, on the second part the Committee will analyze all of the new allegations and the facts, and if it considers to be relevant and reasonable, it will take them into consideration when making a final decision on corrections”, said Prelevic to the agency MINA-business.

Thus determined corrections will be, as he explained, included in the company income either in a positive or negative direction, and as such they will be transposed into the tariffs for end consumers for the next regulatory year, which starts on August 1.

Prelevic announced that the Committee shall send its decision to the companies for the next five days.

“After that, the Public supplier will make a motion table with prices and corrections that the Board adopts no later than July 16, or 15 days before the effective date of the new tariffs”, said Prelevic.

He said that the RAE would not publish, either officially or unofficially, any projections or speculate with prices before the prices tables would be officially approved, which is on July 16.

On June 26 RAE submitted reports to all subjects on the corrections amount of the regulatory allowed income. The Companies had seven days to record observations on these reports.

“They have been invited today to present publicly their objections or possibly to support their previously presented lists by additional documentation”, said Prelević.

On July 2, 2012th RAE adopted decisions on three-year revenue and tariffs for the four regulated entities in the power sector.

It is envisaged with these decisions that the tariffs for distribution customers for the first regulatory year will be increased in the average of 6.79 percent, or for households with two-tariff meters by 5.86 percent.

For the second regulatory year it is planned to increase the electricity price for distribution customers 5.2 percent, and 6.17 percent for households with two-tariff meters and for the third regulatory year by 5.09 percent and 5.69 percent for households.

“If these predefined revenue will not be realized in the predicted extent, at the end of the

regulatory year RAE undertakes correction of that revenue”, said Prelevic.

On this basis, decisions from 2012th suffered some adjustments after the first regulatory year, namely the tariffs for the second regulatory year were adjusted.

“According decisions on corrections in July last year, there was no planned increase of 5.2 percent or 6.17 percent, but an increase of 1.36 percent and 2.38 percent. This means that the planned tariffs decreased by 3.65 percent and 3.56 percent”, said Prelevic.

He said that during this year also have been created conditions for carrying out corrections of previously determined income, because RAE was obliged to examine whether the company generated revenues according planned size and corrected them if necessary.

New electricity prices will be applied from August 1.