

Aleksandar Obradovic EPS CEO, revealed recently the reorganization plan of this public company: Annual savings from reduced administration, at least 36 million EUR. If Serbia does not find one operator of the electricity distribution system until the New Year, businessmen in Nis will pay more for electricity than those in Belgrade. After the expiration of this period comes to the market liberalization at the medium voltage, if remain five distributors, as now, the price of electricity supply will vary by up to 40 percent depending on where the consumer is located.

This means that pump in Belgrade for the same consumption would have less accounts from the gas station in Pirot. The electricity price could disperse investors, and even to expel producers from southern Serbia towards Belgrade and Vojvodina, where network fees are the lowest.

Therefore, it is necessary to restructure the "Serbia Power Utility Company" and to reduce too heavy administration, without clear and defined line of responsibility. This will mean administrative cuts, by which it will end the need for 130 directors at various levels.

- EPS like this has to go back in the past - says Aleksandar Obradovic, a.d.g of EPS, who notes that EPS has ceased to be a monopolist from 1st January 2013th. - Then has been opened the market at high voltage, from 2014th also the medium voltage will be in the market competition, and by 2015th we will have to fight for every consumer also among households. In the Energy Law writes that by 1st October last year EPS had to separate the supply of distribution, because without it there is no liberalization. Previous EPS leadership did not do anything to prepare itself for the competition. Only the new leadership formed "EPS supply" and fulfilled the law. In order to enter the competition, you have to separate the part where there is a natural monopoly - which is a network - from activities where exists a market match. On that network the conditions will be the same for all participants in the match.

For the first market opening, EPS was almost ready, because the high voltage network was already set aside in the "Elektromreza Srbije" and there were physical and technical conditions. The main problem is 1st January 2014th, when is opened the market at medium voltage.

Obradovic said that an important aspect was famous corporatization - and that responsibility must have name and last name.

- EPS is a system where there is no clear responsibility - Obradovic said. - As a director I am not a head to the companies' directors. No public company can deal with the market. In the current system the EPS director cannot carry out the reorganization. Today you have a Board of Directors, directors and 13 directors of subsidiary companies - "Djerdap", "Kostolac", TENT ... They are not responsible to me. They are appointed and dismissed by the Board. I am bypassed. The Board even nominates the directors of companies' branches. EPS is the only public company that has a dependent daughter companies. The process of

working within these companies leads director or directors of their branches. Everyone procures for himself, for his own rules, each with its own administration, its financial managers. System of 35.000 people is fragmented. Such a system does not exist anywhere in the world.

He said that the exact number of employees who are surplus will be known when the reorganization would be complete. He claims that there is a surplus in the administration, but on the other hand lacks fitters, miners, engineers. The point is that EPS will not have 130 directors and the same number of secretaries, advisors, chauffeurs. These people will be reassigned to other locations:

- We take other companies, which give us the miners and workers in plants, especially pay them for our activity; on the other hand, we have a surplus in the administration. Non-productive part will go out, and we will have the need for workers. Some functions will be central - finance, law IT, human resources, public relations and procurement. We will have one director of finance, law, IT sector ... Daughter companies will deal with their business.

FIVE GOALS

FROM the five reorganization goals - the establishment of "Supply", operators, corporatization, centralization, and at the end of a joint stock company, there has been completed only a first step.

Source; Serbia Energy/EPS