

Although consumers of electricity in the high voltage from the start of this year are obliged to buy electricity directly on the market, only the “Messer Tehnogas” decided to change supplier. The remaining 26 customers who have lost their right to a public supply, signed a contract with the “Electric Power Industry of Serbia” (EPS).

- The agreements signed by EPS with 26 customers in the high voltage supply are in a free market because even EPS is the participant in this market. All buyers, that according to the Energy Law are not eligible for public supply from 1 January 2013, except “Messer”, signed contracts for total supply with “Electric Power Industry of Serbia” - confirmed in EPS .

EPS on 31 January once raised the price of electricity for almost 70% for customers on high voltage, just a month after the liberalization of the market for this category. Because of the increase in electricity prices, “Messer”, which has a 5% share of the total consumption of all customers on the open market, has signed a contract with the Slovenian company GEN-I.

- By price shock, Serbia won 30% higher electricity prices than Germany, although by then still had very competitive prices. It’s a dramatic negative impact on Serbia as an industrial location. We were not prepared for such a drastic increase. In Serbia, any company had no experience in conjunction with any other company that sells electricity, except for EPS, and we had no experience in how foreign exchange currents operate. We decided to take the risk though. Due to the lower prices, the first in Serbia, we chosen another provider instead EPS and entered into a contract for the supply of electricity to the company GEN-I - explained Ernst Bode, director of “Messer Tehnogas”.

Our source said that they were very satisfied with the right decision and that they have good cooperation with the Slovenian company.

- Although the cost of electricity is still higher than the cost in Germany. Although we still pay electricity 50% more than before, compared with EPS offer, with the supply of GEN-I, we have achieved significant cost savings - says Bode.

On the list of industrial customers who have lost their right to public supply, six companies are in restructuring, seven companies are privately owned, while the rest are the public enterprises.

In Energy Agency 63 suppliers are licensed, of which 27 are active. We asked private companies why despite the price increase they chosen to continue buying electricity from EPS and not from one of these 27 suppliers.

From companies „Titan Cementara”, „Holcim“, „Lafarge” and „Sirmium Steel” we could not get an answer, as well as from „Fiat Automobiles Serbia”.

To the question why NIS Oil Refinery Pancevo decided to sign agreement with EPS, considering that EPS increased electricity prices early in the year, the NIS said:

- Contract with EPS was signed in accordance with the result of an open tender, and the situation on an electrical power market after its partial liberalization, in accordance with the laws of the Republic of Serbia, as well as the fact that this company offered to NIS best

conditions for electricity supply.

In the company they say that they would consider in the coming period the possibility of signing a contract with another supplier, and stipulate - competitive commercial terms, and also providing guarantees of stable and regular supply of the necessary amount of electricity for the smooth operation of NIS.

Although since the beginning of the year about 10% of the electricity market is formally opened, one might say that free electricity market does not exist today.

Everything is in the hands of the state, where I do not think of issue of privatization of EPS, but that the state wants normal company which will make a profit while the government will take the policy. In this situation, anything is possible and the free market is actually not free because EPS is not the company. EPS still can transfer its business costs to other actors, and EPS is not managed with a clear business purpose. EPS is not even the owner of "their" property. On the other hand, many jobs exist in Serbia only because the price of electricity was the way it was, and we may see displacements of serious dimensions on demand side. A lot of customers who are required to sign contracts are not able to pay for electricity, and the companies that were in restructuring had also legal right to do so .

Source; Serbia Energy