

The first and necessary step toward an announced electricity price increase was made, precondition step as part of the fast forward electricity market liberalization which will lead to electricity price increase and opening of wholesale and retail power market.

Serbian Government has adopted a decision for determining the public supplier with energy and this job is entrusted to an Industrial Company "EPS Supply" whose founder is Public Company "Elektroprivreda Srbije", Serbian power utility holding.

Decision was adopted on last week Government's session- EPS stated.

According to the Law, prices are no longer possible to be determined until public supplier is chosen among other things.

Prices are not possible to be determined until choosing public supplier. This decision accomplishes all regulations of Energy Law and the conclusion of Serbian government that adopts beginning bases for EPS's reorganization- it is stated in an announcement. This accomplishes all conditions for "EPS Supply" to submit a request for license approval to Energy Agency and to continue the law procedure for "EPS Supply" to become a supplier to all electricity energy that are being supplied at regulated prices.

Although the price increase was announced in the beginning of the year, it was being postponed from month to month and KWs are still at same prices. Energy Agency has stated recently that no request has been sent from "Elektroprivreda Srbije" and that no requests from this company have arrived to AERS which is a condition to the price increase.

Public supplier is chosen now, so mechanism for price increase can be launched. However, it is hard to say when price grow will happen. Considering law procedures, even if request is sent tomorrow, at least a month will be required. On the other side, considering the hard economy situation, it is little important if price increase will happen before September.

It is also unfamiliar how much KW can cost. 10 to 12% were announced in the beginning of the year and Minister of Energy Zorana Mihajlovic didn't want to precise how high this price increase percent can be pointing that price is being determined by AERS on EPS's suggestion i.e. the company for public supply in this company. However, she said that electricity price is being determined with the reference to expenses so we can expect it can grow in the future.

Source; Serbia Energy/EPS