

Serbia: Reserve supply expensive, gov consumers failed to comply with procurement cycle

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Date : May 8, 2014

So far, more than a thousand consumers have not chosen a supplier of electricity yet and therefore they pay for electricity 35 percent more, being on a reserve supply in Serbia power utility company EPS.

"Besides that, the total consumers' debt of 1.152 who are currently on reserve power supply is 2.5 billion dinars," Zeljko Markovic, director of EPS Supply says.

"These are mostly public institutions and companies in restructuring that will be at reserve supply by the end of June," Markovic said.

"There is nothing wrong here with backup supply that delivers more expensive electricity, but these consumers are guilty. If an entity wants to get cheaper electricity, it must make an effort to announce a public procurement procedure and do the whole process. Many didn't do so, partly because here in Serbia there exists great tolerance towards those who do not pay." Ruzic said.

So, the debt of consumers who haven't chosen their supplier yet has grown to 2.5 billion dinars as of January 1st, when the electricity market is opened for customers at medium voltage, and EPS Supplying claims for even a fifth of outstanding debts from institutions and companies that are on the reserve supply.

This is a huge debt incurred wholly unjustifiably, because many are used not to pay their bills for years, and now they believe that they are protected, says director of the company for energy efficiency Slobodan Ruzic.

He says that all outstanding debt will go to the burden of EPS and indirectly to the burden of other consumers through electricity price increase.

He couldn't estimate how much this debt would accumulate until June, considering that the public institutions such as hospitals and schools would meet their obligations, as he said.

"Everything should be collected from the public institutions, because, in a way, that is the state's debt. Regarding enterprises in restructuring, there is a different situation, since they can neither pay nor earn money, so I assume the chances for their payment of debts are very negligible," Ruzic concluded .

Markovic explained that EPS Supply had supplied 2.873 consumers with electricity in the commercial market, while 1.152 consumers were at reserve supplying. In relation to their debt which was around two billion dinars, the economy and citizens, owed about 13 billion

dinars.

He says that the rate of collection from consumers who are in the commercial market is 90 percent, while, from those who are at the reserve supplying, it is much lower, about 60 percent.

At the same time, EPS Supply delivers electricity to the customers who are at reserve supplying paying 35 percent higher electricity incomparison to those who chose that company as their supplier from January 1st 2014.

The Serbian Government has extended the deadline by the end of June, for backup supplying to the consumers who didn't choose their electricity supplier by March 1st.

Source; Serbia Energy