

Serbian TSO and DSO division of operations, handover of 110/x kV substations is awaiting interpretation of the Law

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Since PE EMS is not allowed to alienate the public property and hand it over to anyone, this action is still awaiting the decisions of government authorities. - Meanwhile, the distributors are given training in managing the substations 110/x kV.

At the time of the final countdown to the arrival of the New Year 2013, a working atmosphere in the Dispatch center of EDB seemed quite normal, even though only two or three days ago the dispatchers had been seriously preparing for that moment and the takeover of direct remote command of the substations 110/x kV from EMS. EDB fulfilled the technical requirements for this transition, but in spite of extensive and serious preparations, there was a growing tension in the air as the deadline was approaching. They were checking remote monitoring system, alarm signaling and safety equipment, and installing user instructions for days, and yet, as Aleksandar Milojkovic, Manager of System Department at EDB, said in an interview for our magazine in mid-December, "Nothing is absolutely sure until the process starts."

Answers sought by EPS

Just before the closure of this issue, we called Milojković to tell us how the takeover of command had passed, but to our surprise, we found out that the takeover hadn't taken place in EDB, nor in other distribution companies of EPS, which had not been fully prepared to take over the command, but were ready to at least partially assume control of these high voltage facilities. The handover within legal period was prevented by the Law. Of course, the reason why that happened isn't the Energy Law, imposing the regulation on the separation between

transmission and distribution systems at voltage level of 110 kV until January 1st, 2013, but the Law on Public Property which clearly states that the networks are treated as public property.

We then recalled that in December Milojković said that “some preparations now depend more on lawyers than on engineers.” We understood that “on lawyers” means that it had not yet been decided how the public property would be rented to the companies. This issue was already questioned in the phase of preparations, and it has got a particular attention since the adoption of the Law on Public Property in September 2010. Consequently, PE EPS and PE EMS have contacted the line Ministry and the competent government institutions several times, seeking to resolve all the existent problems related to the use of public property. Moreover, EPS took the initiative to organize a meeting with representatives of all ministries and government authorities responsible for taking care of public property, which was held last year. Our magazine reported the assurances of competent officials that all opened issues would be addressed as soon as possible. However, the deadline for the separation of the transmission and distribution systems not only arrived, but it also passed. In order to prevent such a scenario and find an efficient solution to the problem of public property the CEOs of PE EPS and PE EMS sent a joint letter to the line Ministry in October last year. To precise, this situation involves at least three ministries and several government institutions, all competent for enabling implementation of the Law on Public Property.

Nebojsa Petrovic, Executive at EMS responsible for electric power transmission and the President of EMS' Committee for the handover of these facilities, said in December that the changes in founding charters of PE EPS and PE EMS would be the basis for resolving the property-rights as well as economic and financial issues. Our supposition that the “paperwork” (except technical agreements) will be completed after the handover has turned out to be realistic. Obviously, this would have happened, if just three days before the New Year a question hadn't arisen as to how EMS could give the property which it doesn't possess according to the Law on Public Property, or how such facilities could be overtaken by EPS, or more specifically its companies, and, above all, as to who would be responsible for any unfortunate event if the facilities are handed over/taken over only physically, but not legally. It was agreed the handover to be postponed for January.

Distribution companies will get the substations

However, the road to solution has prolonged due to January's holiday season. A few days before the closure of this issue, Radovan Stanic, a sector manager at Electricity Distribution Department at EPS and the President of Committee for takeover, said after a long meeting held in the line Ministry that it has been agreed that as soon as the further steps regarding the public property treatment are determined, the Public Directorate for Property will prepare a conclusion and submit it to the Government for official approval. According to the conclusion, EMS could no longer claim the right over the use of property, because it would be transferred to distribution companies (if the right over the use of property stayed in place). Accordingly, the right over the use of 110/x kV substations would not be conveyed to Electric Power Industry of Serbia, but to its subsidiary companies. According to Stanic, when the Government has made a conclusion, it then will be implemented through a set of agreements signed between the Directorate for Property and distribution companies.

In the meantime, as we know, PE EMS insists on changing its charter, because 53 substations which it is to hand over to the distribution companies are classified as capital assets on its balance sheet, and thereby matched with the company's liabilities. By contrast, the distribution companies of EPS do not intent to change their founding acts.

It seems that the new laws have created major headaches even for those who formulated and enacted them. The deadline defined by laws enters into force although the procedures related to a given situation have not yet been clarified. As long as the state authorities do not resolve the issue of public property, at least a segment relative to the rights over the networks, EMS and distribution companies of EPS will continue to provide their electricians with adequate training, thus enabling them to take control over 110/x kV substations. According to the agreement, about 60 operators from EMS are expected to join the distribution companies of EPS, but this number is hardly sufficient to provide a permanent crew in 53 substations which are not equipped with remote control technologies.

"Elektrodistribucija Beograd" has made the greatest progress in overall preparations, including the training of operators, which will continue throughout this year so that all the teams become fully capable of handling 110/x kV substations, as Milojkovic confirmed in December. He also said that 30% of all trained employees of EDB were expected to be able to immediately work independently. Since this process has been prolonged for years, the most experienced electricians have been retired in the meantime, while the younger employees have been trained while doing their other tasks, because EDB does not have enough people to perform these activities. At the time he wasn't very enthusiastic about EMS' practice, prohibiting the inexperienced employees from working together with the experienced ones in the first month, but now the legal problems have brought a kind of relief.

All distribution companies are facing, more or less, the same problem of lack in skilled electricians, and especially those who are trained to independently manipulate substation at high voltage level. EDB is considered to be best prepared; "Elektrosrbija" is able to manage operations itself to a certain extent, whereas the companies "Centar" and "Jugoistok" largely depend on assistance of EMS. Let us recall that EMS has offered the highest possible professional assistance not only in training of operators, but also in maintaining these facilities, which is free of charge, except that distribution companies should pay VAT on provided services, as everything has to be done in accordance with the legal provisions.

"Jugoistok" will take over the largest number of 110/x kV substations, or exactly 22, thus tripling the number of these facilities within its system. Aleksandar Krstic, Manager of System Management Department, argued in December that "Jugoistok" will be ready to take control of all these facilities immediately after the takeover, apart from Zajecar Division. Why not Zajecar? He explained that the division "Elektrotimok" in Zajecar has not had any substation of 110 kV voltage, and now it gets a half of the total number of 110/x kV substations of "Jugoistok" or 11 substations.

Given that "Elektrotimok" hasn't had any 110/x kV substation, it hasn't qualified operators either. Although training has lasted for several months, the help from EMS will be necessary. This company will not be able to take over direct remote control of all the SSs by the end of

this year, so it will temporarily rely on services of EMS' dispatch centers. Not only should "Jugoistok" take over most of the facilities, but also almost a half of the assistants from EMS. If the debate on the implementation of new regulations prolongs, all distribution companies within EPS will be able to smoothly face takeover, managing, direct command and maintaining of SSs. It seems that there will be plenty of time for training and practicing.

Between the lines

Networks should not be included in the capital of DCs

On behalf of the Republic of Serbia, the Government shall determine the manner in which the use of public property will be given to distribution system operator (DSO). Networks cannot be a part of the company's capital, because it is prohibited by the Law on Public Property, so it is possible that the Government would transfer the rights over the use of substations to DSO, by concluding corresponding contract. This contract should precise rights and obligations of DSO as regards maintaining, investing in these facilities, insurance of the property, and the like.

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