

# The electricity prices still to be controlled by Serbian government?

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The electricity price increase, announced several times in last weeks was also demanded by EPS and linked to energy system needs for investment which may come from kwh price increase is still an open and unclear topic in Serbia. The question is, a social policy categorization of the electricity price of actual PR of the parties which may form the new government?

According to the daily news Novosti, even in the next period this price will be controlled by Serbian government.

In accordance with current and new Energy law, Serbian Energy Agency should overtake completely the authority over electricity and gas prices. However we can expect some delay in this direction as government might still remain with final decision on price reform. The question is, a social policy categorization of the electricity price of actual PR of the parties which may form the new government?

The agency should remain in advisory position by end of the year 2012, prices to be proposed only by the agency but final decision to be given by Government of Serbia. The social card system platform in EPS is still not completed and Serbia faces to prolong the energy system reform, specially on electricity which is still considered as social category and political PR tool was storytelling.

Different voices with same message are coming from energy system and industry experts, from Electric power of Serbia which is a state owned power generation and distribution company but also from different public opinion experts on energy.

According to the Slobodan Petrovic, chairman of Energy committee of Serbian Chambers of

Commerce, the price of electricity should be increased, by end of the year Serbia should increase this prices at least for inflation rates. Additional increases are needed in following years in order to achieve the basic market trend prices in the region. This funds could be used for modernization and overhaul of the power gen system which is quite old.

Several times so far Electric Power of Serbia representatives were announcing the need for electricity price increase, expecting that kwh price should jump for 60% in next two years. However in their business plan for 2012 they did not projected this increase. If EPS officially submit the request to Energy Agency this question will be open surely.

*Source Serbia Energy Magazine*