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GAP ANALYSIS OF LEGAL AND REGULATORY BARRIERS TO THE SUCCESSFUL FUNCTIONING OF BIH'S ELECTRICITY MARKET AND RECOMMENDED IMPROVEMENTS

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Table of Contents

I. EXECUTIVE SUMMARY	1
II. CURRENT ENVIRONMENT	2
III. GAP ANALYSIS.....	3
A. Retail Supplier Licensing	4
B. Customer Switching Process	10
C. Information Sharing	18
D. Default Supplier/Supplier of Last Resort.....	24
E. Metering.....	28
F. Billing and Collection	33
G. Contracts.....	38
IV. ASSESSMENT AND RECOMMENDATIONS	41
A. General Assessment	41
B. Specific Recommendations - Federation (FERC)	49
C. Specific Recommendations - Republika Srpska (RSERC)	56
D. Specific Recommendations - State (SERC)	62

I. EXECUTIVE SUMMARY

In order for a competitive market to function, three basic elements must be in place: (1) market design (the roles and responsibilities of the market participants and how they interact); (2) market processes (the what, when and how each market participant performs its role); and (3) contracts (the commercial relations between market participants). The three Bosnia and Herzegovina (BiH) energy regulators assembled the *Market Working Group*, comprised of their representatives plus the Regulatory Energy Assistance Project (REAP), to address various issues concerning the development of the BiH retail electricity market in these three areas. The Group reviewed the relevant primary and secondary legislation and operational rules to determine what gaps in the laws might impose barriers to successful participation by customers and suppliers in the BiH electricity market.

Following up on a series of workshops with the Market Working Group, regulators, and staff from all three Commissions and the power utilities that studied the most significant issues affecting market functioning, this report elaborates on and refines the gaps identified in those workshops and recommends solutions to comply with the 2009 EU Electricity Directive and regional initiatives. The studied issues fall into seven general categories,¹ some of which overlap or include related activities (as examples, retail supplier licensing and customer switching both depend on network access, and customer switching and billing all depend on effective information-sharing mechanisms):

1. Retail Supplier Licensing
2. Customer Switching
3. Information Sharing
4. Default Supplier and Supplier of Last Resort
5. Metering
6. Billing and Collections
7. Contracts

This report is structured to address the legal and regulatory framework, processes, and contractual arrangements related to each of the seven market operations above for all three jurisdictions (the Federation Electricity Regulatory Commission (FERC); the Republika Srpska Energy Regulatory Commission (RSERC), and the State Electricity Regulatory Commission (SERC), as applicable) (Part III), followed by an assessment and recommended measures for each Commission to fill identified gaps (Part IV). While this report does not examine in depth the status of cost-based tariffs and functional unbundling, it

¹ An eighth category, scheduling and balancing, is currently being studied by REAP with the Case Study Working Group, but additional work needs to be done before an effective gap analysis can be performed.

is noted that implementation of these schemes is also a prerequisite for effective market opening.

II. CURRENT ENVIRONMENT

Market opening is prescribed by both the State and Entities laws on electricity, as well as by the Energy Community Treaty (Treaty) to which BiH is a party. Market Opening means that end use customers - generally defined as industrial, commercial and household customers who do not resell their electricity - are able to (or must) choose their own suppliers of electricity to purchase energy, capacity and other services at negotiated prices, while all natural monopoly services (such as the transmission and distribution of electricity) are available to customers at fair, transparent and nondiscriminatory prices, always regulated by the regulators. The Energy Community Treaty requires that parties “open the market” to all non-household customers as of January 1, 2008, and to all customers as of January 1, 2015.

The initial deadlines have passed, and although the legal framework for market opening is largely in place,² in practice the BiH market is currently open only to the largest customers, resulting in a somewhat prolonged transitional period during which the Electroprivredas (EPs) continue to supply almost all customers. Processes are still not clear nor reliable information readily available to support effortless supplier choice by other than large customers.

Tariffs in Bosnia and Herzegovina are not yet fully cost-based. Whereas the challenges of obtaining full information from the regulated companies have been resolved, cross-subsidies between customer classes remain in the EP tariffs. RSERC has proactively reduced cross-subsidies but small commercial customers continue to subsidize approximately 7% of household customer tariffs. FERC has had challenges in removing the cross-subsidies, in part due to imports that supply one of its largest eligible customers, so that households receive a cross subsidy ranging from 11% to 14% from 10 kV and small commercial 0.4 kV customers. Additionally, it is likely that none of the EPs has a rate of return that provides for adequate remuneration of the network assets and new investments.

² The market is currently legally open by choice in FBiH, RS and the Brčko District to all but households and small commercial customers; FBiH further mandates opening in stages by removing the current tariffs as follows: for ≥ 110 kV, as of 01.06.2102; for 35 kV, as of 1.06.2013; for 10 kV, as of 01.06. 2014 and for other customers, as of 01.01.2015. In all three jurisdictions these customers have the right to be supplied by the Public Supplier, whose prices are below the market price, at least until 2015. See SERC Decision on Amendments to the Decision on Scope, Conditions and Time Schedule of Electricity Market Opening in BiH (Sept. 23, 2009); RSERC Rule Book on Eligible Customer Art. 4; FERC Rulebook on Eligible Customers Supply Art. 6 (hereinafter for both Entities referred to as “Eligible Customer Rule”).

Unbundling is uneven across Bosnia and Herzegovina. Republika Srpska has functionally and legally unbundled its EP, while the Federation's EPs have yet to make any progress on unbundling. However, the new draft Federation Electricity Law, soon to be on the Federation Parliament's agenda, does require functional, legal and accounting unbundling.

III. GAP ANALYSIS

The following tables provide a snapshot of the relevant processes and requirements in the applicable Entity and State Commission legislation that governs the particular activity. The identified gaps are based on the English versions of the laws and rules available on each regulator's website. If the information is incorrect or outdated, then the website needs to be updated to reflect this. It is important that foreign companies seeking to enter BiH markets can easily find the relevant information about their regulatory obligations in the official language of the European Energy Community.

The issues identified in the following tables are considered indicia of regional best practices, but it should be kept in mind that jurisdictions do vary with respect to some requirements in each of these areas. Thus, some features (e.g., ensuring nondiscriminatory network access and having clear switching procedures) are considered obligatory and are therefore more important than others (e.g., adding more precise language on DSO confirmation of switch). The overview and recommendations in Part IV will help prioritize the legal and regulatory provisions most in need of attention.

A. Retail Supplier Licensing

The important characteristics of any licensing process are **clarity and timeliness in processing of applications**, and **clear and objective criteria**. To encourage market entrants, application processes should be streamlined and straightforward, often accomplished through completion of a standardized form available on the regulator’s website. Moreover, “Member States shall take all measures necessary to ensure that administrative procedures do not discriminate against supply undertakings already registered in another Member State.” (2009 Electricity Directive Arts. 3(4) & (5).)

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC) ³	Comment
Clarity of licensing process				
1. Is Commission responsible for issuing license	Yes Elec. Power Law Art. 14	Yes Energy Law Art. 13 Electricity Law Art. 53	Yes (for Brčko District) Brčko Supply Decision Art. 2 Licensing Rule Art. 4(2)	<i>Compliant</i>
2. Does a Guideline for electricity license application exist (is there list of required documents)	Yes (list of required information) Elec. Power Law Art. 79 Licensing Rule Arts. 29-35	Yes (list of required information) Electricity Law Arts. 54 & 56 Rule on Licenses Arts. 9, 23, 26, 27, 28, 31	Yes Licensing Rule Arts. 18 & 24	<i>Generally compliant</i> Each rule lists required proof to be submitted with license applications, but explanatory guidelines would be helpful
3. Do the application forms exist	Yes Licensing Rule Arts. 9 Form 3:ZO	Yes Rule on Licenses Art. 8 Forms OB.04.03 & OB.04.04	Yes Licensing Rule Art. 7 Decision on Establishing Forms Art. 2	<i>Compliant</i> RSERC: Could not find forms on website in English SERC: Need to update form to include Brčko supply

³ SERC’s direct regulation of retail public supply is limited to the Brčko District; otherwise, there is a jurisdictional divide between the transmission and foreign trade activities regulated primarily by SERC and the retail supply activities regulated primarily by the Entity commissions.

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC) ³	Comment
4. Does a timeframe concerning processing of application exist	Yes during transitional phase; otherwise no Licensing Rule Arts. 17 (decision), 49 (120 days)	No Rule on Licenses Art. 21	No Licensing Rule Art. 16 (depends on complexity of application; as efficiently as possible)	<i>Noncompliant</i>
5. Do the payment details and fee exist	Yes Licensing Rule Arts. 9, 10, 18 Decision on Regulatory Fees (2009)	Yes Rule on Licenses Art. 10 Decision on Regulatory Fee (2012)	Yes Licensing Rule Art. 17 Decision on Amount of Charge for Submitting Licensing Application (2005)	<i>Generally compliant</i> FERC: Website has 2009 decision and statement of one-off fees and it is unclear which document applies RSERC: Could not find decision on fees in English on the website
6. Does the Commission confirm receipt of a completed application	Yes Licensing Rule Art. 10	Yes Rule on Licenses Art. 12	Yes Licensing Rule Art. 8	<i>Generally compliant</i> RSERC: Rule indicates that Commission will make a formal determination that application is complete but does not indicate applicant will be informed
7. Is the procedure to submit additional documents in case of incomplete application envisaged (is the deadline to provide this defined)	Yes Licensing Rule Art. 12 - (FERC can set deadline in its notice to customer)	Yes, but no deadline Rule on Licenses Art. 13	Yes Licensing Rule Art. 9 (SERC can set deadline in notice)	<i>Generally compliant</i> Each commission should make clear the deadline for response, which should be proportional to the extensiveness of the document request. Can do so in the notice to applicant.
8. Is public notified of a pending application	Yes, by FERC Licensing Rule Art. 11 Procedural Rules Art. 44	Yes, by RSERC Rule on Licenses Art. 15 Procedural Rules Art. 15	Yes, by SERC Licensing Rule Art. 10	<i>Compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC) ³	Comment
9. Is public given an opportunity to participate in the proceeding	Yes, with limitations Licensing Rule Arts. 11, 14, 15 Procedural Rules Arts. 29 & 44	Yes, with possible limitations Rule on Licenses Arts. 15, 18 Procedural Rules Arts. 36 & 43	Yes, except for temporary license Licensing Rule Arts. 10-11, 14	<i>Generally compliant</i> FERC limits public participation in a formal hearing (Licensing Rule Art. 15 & Procedural Rules Art. 29) RSERC appears to allow public comment in all proceedings although Procedural Rule 36(3) envisions certain limitations
10. Does the tacit authorization mode exist	No	No	No	<i>Acceptable (jurisdictions vary)</i>
11. Is there a process for extension (renewal), amendment, or transfer of a supply license	Yes Licensing Rule Arts. 7 (duration); 41 (same process as initial license); 42 (modifications/amendment); 43 (revocation); 44 (transfer)	Yes Rule on Licenses Art. 6 (duration); 64 (same process as initial license); 65 (amendment); 66 (transfer)	Yes Licensing Rule Art. 54 (renewal); 55 (amendment); 59 (transfer)	<i>Compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC) ³	Comment
Clarity and objectivity of criteria for license				
12. Do criteria to assess the acceptability of the submitted application exist	Yes Licensing Rule Arts. 10, 29	Yes Rule on Licenses Arts. 23, 26, 27	Yes Licensing Rule Arts. 18 & 24	<i>Generally compliant</i> All rules provide list of required proof but consider requiring more specific information (e.g., on ownership/affiliations, such as SERC Rule requires for international trade license) SERC: Brčko Temporary Licensing Rule and general Licensing Rule Art. 19 do not have supply-specific criteria
13. Do criteria exist to issue the license	Yes Licensing Rule Arts. 30-35	Yes Elec. Law Art. 52 Rule on Licenses Arts. 28, 31, 35	Yes Licensing Rule Arts. 28 & 34	<i>Generally compliant</i> Consider adding willingness to comply with conditions, including SOLR
14. Are the grounds for refusal of the application made clear	Yes Licensing Rule Art. 40	Yes Rule on Licenses Art. 22	Yes Licensing Rule Art. 38	<i>Compliant</i>
15. Proof of ability to finance supply activities	Yes Elec. Power Law Art. 47 Licensing Rule Arts. 29(e), (f), (h)-(k) and 30(f) Form 3	Yes but may need more specificity Elec. Law Art. 56 (requires that criteria include elements for evaluation of economic and financial capabilities) Rule on Licenses Art. 23(e)-(h)	Yes Licensing Rule Art. 1(e), (f), (g) & (k)	<i>Compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC) ³	Comment
16. Proof of technical ability to perform service, including necessary arrangements with TSO and DSO	<p>Yes</p> <p>Elec. Power Law Art. 47</p> <p>Licensing Rule Arts. 29(g), (m), (o), (p); 30(g)-(k)</p> <p>Form 3(F)</p>	<p>Yes</p> <p>Elec. Law Art. 56 (requires that criteria include elements for evaluation of technical capabilities)</p> <p>Rule on Licenses Arts. 23(d), (e), (i); 26(b); 27(b); & 31</p>	<p>Yes</p> <p>Licensing Arts. 18(1)(l) & 24(a) & (e)</p>	<p><i>Generally compliant</i></p> <p>FERC: Form requires proof about ISO certification but no mention of DSO; some sections of form ambiguous (e.g., what should Business Plan include?)</p> <p>SERC: Need to add supply-specific requirements</p>
17. Are suppliers prohibited from holding transmission or distribution licenses	<p>No</p> <p>Elec. Power Law Arts. 46 & 78</p> <p>Licensing Rule Arts. 5(1), 6(c), 30, 33</p> <p>Gen. Conditions of Supply Art. 92</p> <p>Form 3(F)(19)</p>	<p>No</p> <p>Elec. Law Art. 62 (trade and supply license independent from distribution)</p> <p>Rule on Licenses Art. 7(3); 34(h) & 35(a)</p> <p>Gen. Conditions of Supply Art. 114</p>	<p>Yes for ISO but No for Transco</p> <p>Law on Transm. Arts. 3.3, 6</p> <p>Law Establishing Transco Art. 2 (SERC's ability to allow Transco to perform supply activities)</p> <p>Brčko: Licensing Rule Art. 6(e) and (f) (Brčko tariff customers is incumbent DSO; other supply licensees must be unbundled from DSO)</p>	<p><i>Noncompliant</i> (recognizing transition period)</p> <p>FERC: Distributors hold Tier 1 supply licenses and may hold Tier II licenses</p> <p>RSERC: Law separates trade/supply from distribution but unbundled accounts requirements (Rule on Licenses Arts. 34 & 35) presuppose single company performing both functions</p> <p>SERC: Law permits Transco to have supply license with SERC approval</p>
18. Do suppliers have nondiscriminatory access to transmission and distribution networks	<p>Yes</p> <p>Elec. Power Law Art. 35</p> <p>Licensing Rule Art. 27(f) & (g)</p> <p>Gen. Conditions of Supply Art. 9</p>	<p>Yes</p> <p>Law on Electricity Art. 38, 44</p> <p>Rule on Licensing Art. 34(e)</p> <p>Elig. Customer Rule Art. 10(3)</p>	<p>Yes</p> <p>Law on Transm. Art. 7.6</p> <p>Rules on Third Party Access Art. 2</p>	<p><i>Compliant</i></p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC) ³	Comment
19. Proof of premises and area to be supplied	Yes Licensing Rule Art. 29(m) Form 3(F)(15)	Yes Rule on Licenses Art. 26	Yes Licensing Rule Art. 24(c) & (d)	<i>Compliant</i>
20. Standards for revocation of license	Yes Licensing Rule Art. 43	Yes Rule on Licenses 67-68	Yes Licensing Rule Art. 57	<i>Compliant</i>
21. Obligation to serve as SOLR	Yes Elec. Power Law Art. 78 Licensing Rule Art. 31(h)	Yes Elec. Law Art. 62 Rule on Licenses Art. 35(g)	Yes Licensing Rule Art.47(c)	<i>Generally compliant</i> FERC and RSERC: Licensing Rules (FERC Art. 31 and RSERC Art. 35) only provide that commissions "may" impose SOLR condition; should be mandatory

B. Customer Switching Process

“Member States shall ensure that the eligible customer is in fact able easily to switch to a new supplier.” (2009 Electricity Directive Art. 3(7).) There is no particular retail market design mandated, but **timeliness and ease of switching**, as well as **access to necessary information** for both suppliers and customers are critical features in a competitive market. Regulatory authorities must contribute to the compatibility of necessary data exchange processes for customer switching, and monitor the market for transparency and competitiveness, including the rate at which switching is occurring. Regulators are empowered to carry out necessary investigations and impose penalties for discriminatory behavior or noncompliance with regulatory obligations. Regulators should also ensure that customers and suppliers are able to obtain fair and prompt resolution of disputes.⁴ (Art. 3(9) & Annex 1.)

⁴ Note that specific requirements related to **communication/information sharing** among market participants are reviewed in Table C, and arrangements with **SOLR and default suppliers** are reviewed in Table D.

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
Level playing field				
<p>1. Are market roles clearly defined and available to customers</p>	<p>Yes</p> <p>Elec. Power Law Art. 3 defines buyers and eligible/ noneligible buyers, supply, distribution operator; Parts VIII-XII describe roles of each</p> <p>Lic. Rule Art. 4 defines customers, eligible/noneligible customers, DSO, supply and SOLR</p> <p>Elig. Customer Rule Art. 3 defines "qualified" customer, noneligible customer, public supplier, SOLR and DSO</p> <p>Gen. Conditions of Supply Art. 4 defines customer, supplier and DSO</p>	<p>Yes</p> <p>Law on Electricity Art. 3 defines customers, eligible customers, end users, wholesale customers, supply, distribution; Parts VI-VIII & XI describe roles of each</p> <p>Rule on Licenses Art. 3 defines eligible/noneligible customers, DSO, supplier, supply of tariff customers and SOLR</p> <p>Elig. Customer Rule Art. 3 defines eligible/noneligible customers, supplier of elig. customers, public supplier/ SOLR (as same entity)</p> <p>Gen. Conditions of Supply Art.4 defines eligible buyer, end users, distribution</p>	<p>Yes</p> <p>Law on Transm. Art. 2 (customers, distribution, supply, trader)</p> <p>Decision on Market Opening Art. 2 identifies market participants as eligible customers, generators, traders, suppliers (and defines each)</p> <p>Market Rules Art. 2</p> <p>Brčko: Gen. Conditions of Supply Art.4 defines eligible buyer, end users, distribution</p>	<p><i>Compliant</i></p> <p>FERC: Definitions in Law are vague but description of functions are clear; Rules are clear but need minor harmonizations</p> <p>RSERC: Law clearly describes functions and definitions are consistent</p> <p>SERC: Note that Market Rules Art. 2 does not include eligible customers in list of market participants, which is inconsistent with definition in Decision on Mkt. Opening, but is appropriate in context of Market Rule and Grid Code</p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
<p>2. Is switching process clear who has responsibility for metering and when it is to be performed</p>	<p>Yes Elig. Customer Rule Art. 6(2) (DSO); 17(10) (timing); 19(4) (after loss of supplier) Licensing Rule Art. 26(f) (Distr. Licensee must have efficient system for reading meters) Gen. Conditions of Supply Arts. 5 (DSO reads meters) & 62 (normally monthly but can be shorter if switching)</p>	<p>Yes Elig. Customer Rule Art. 15(13) (System Operator); 15(14) (timing of reading) Gen. Conditions of Supply Arts. 53 (cessation of contract) & 81 (DSO and end user obligations to read meters)</p>	<p>No In Market Rule it appears that BRPs (EPs) are responsible for meter reading; in Grid Code, some meters (commercial) are read by ISO Eligible customer/distribution arrangements in the Brčko District not yet fully developed (see Decision on Supply of Elig. Customers Art. 12(3))</p>	<p><i>Somewhat compliant</i> FERC: Elig. Customer Rules is not clear when meter is read (though Art. 17(10) states data is to be provided to supplier within 5 days of reading) SERC: There is no BiH provision specifically addressing process for switching by customers directly connected to transmission grid</p>
<p>3. Can supplier/customer obtain nondiscriminatory access to network</p>	<p>Yes Elec. Power Law Arts. 35, 36 Licensing Rule Art. 27(f) & (g)</p>	<p>Yes Law on Electricity Art. 38, 44 Rule on Licenses Art. 34(e) Elig. Customer Rule Art. 10(3)</p>	<p>Yes Law on Transm. Art. 4(d) and 7.6 Licensing Rule Arts. 42-44 (access to transmission a condition for Transco and ISO licenses) and 49 (distribution access by third parties) Tariff Methodology for Elec. Distribution in Brčko District Art. 32</p>	<p><i>Compliant</i> FERC and RSERC: Note that Licensing Rules (FERC Art. 27 and RSERC Art. 34) say certain conditions “may” be in distribution license, incl. TPA TPA is mandatory so these conditions should not be discretionary</p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
4. Limitations on network access	<p>Yes</p> <p>Elec. Power Law Art. 41 (limited technical or operational capacities)</p> <p>Gen. Conditions of Supply Arts. 5(1)(f) & 7(1)(b) (appropriate technical conditions)</p>	<p>Yes</p> <p>Law on Electricity Art. 44 (limited technical or operational capacities)</p> <p>Gen. Conditions of Supply Art. 45(11)* (technical and operational limits)</p> <p>* Need to correct para. numbering in this Article)</p>	<p>Yes</p> <p>Rules on Third Party Access Art. 8 (lack of capacity)</p> <p>Brčko: Gen. Conditions of Supply Art. 45(3) (technical and operational limits)</p>	<p><i>Partially compliant</i></p> <p>In all three commissions, technical limits (e.g., capacity) justify denial of access (which is appropriate) – need to ensure through monitoring and enforcement that “technical limits” are “duly substantiated” and not used as excuse for discrimination</p>
5. Penalties for improper refusal of access	<p>Yes</p> <p>Elec. Power Law Art. 82 (fines)</p> <p>Licensing Rule Art. 43 (revocation of license)</p>	<p>Yes</p> <p>Law on Electricity Art. 63 (sanctions), 95 (fines)</p> <p>Rule on Licenses Art. 68 (revocation of license)</p>	<p>Yes</p> <p>Law on Transm. Art. 9.3 (fines)</p> <p>Licensing Rule Arts. 57 (revocation of license) & 67 (sanctions)</p>	<p><i>Compliant</i></p>
6. Process for cancelling existing contract	<p>Yes but too restrictive</p> <p>Elig. Customer Rule Art. 17(3) (responsibility of eligible customer and need for 30 days’ notice)</p>	<p>Yes but too restrictive</p> <p>Elig. Customer Rule Art. 15(3) (responsibility of eligible customer and need for 40 days’ notice)</p>	<p>Yes</p> <p>Brčko Supply Decision Art. 12 (new supplier informs old supplier)</p>	<p><i>Noncompliant (FERC and RSERC)</i></p> <p><i>Compliant (SERC)</i></p> <p>FERC & RSERC: Notice periods to existing supplier too long; notice and timing can be set by contract</p>
7. Objection to switch by existing supplier	<p>Yes but only pursuant to terms of its contract</p> <p>Elig. Customer Rule Art. 18</p>	<p>Yes but only pursuant to terms of its contract</p> <p>Elig. Customer Rule Art. 16</p>	<p>N/A</p> <p>Eligible Customer rules in Brčko District not yet developed</p>	<p><i>Generally compliant⁵</i></p> <p>Caution: Not all contractual obligations should be grounds for objecting to switch; some issues can be addressed through process for contract disputes</p>

⁵ In this report, where the Entity Eligible Customer Rules cover the particular issue and the comments indicate compliance, there is recognition that the SERC Eligible Customer Rules are not yet adopted but are in process and presumably will be consistent with the Entity Eligible Customer Rules.

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
8. Is distribution company neutral party	<p>No</p> <p>Elec. Power Law Arts. 46 & 78</p> <p>Licensing Rule Arts. 5(1), 6(c), 30, 33</p> <p>Gen. Conditions of Supply Art. 92</p> <p>Form 3(F)(19)</p>	<p>No</p> <p>Elec. Law Art. 62 (trade and supply license independent from distribution)</p> <p>Rule on Licenses Art. 7(3); 34(h) & 35(a)</p> <p>Gen. Conditions of Supply Art. 114</p>	<p>Yes for ISO but No for Transco</p> <p>Law on Transm. Arts. 3.3, 6</p> <p>Law Establishing Transco Art. 2 (SERC's ability to allow Transco to perform supply activities)</p> <p>Brčko: Licensing Rule Art. 6(e) and (f) (Brčko tariff customers is incumbent DSO; other supply licensees must be unbundled from DSO)</p>	<p><i>Noncompliant</i></p> <p>Currently in all jurisdictions distribution company can hold supply licenses (except for eligible customers in Brčko)</p>
Clear course of action				
9. Is process outlined	<p>Yes but process is complex</p> <p>Elig. Customer Rule Art. 17</p>	<p>Yes but process is complex</p> <p>Elig. Customer Rule Art. 15</p>	<p>No although in development</p> <p>Brčko Supply Decision Art. 12 (DSO responsible for proposing new switching procedure)</p>	<p><i>Moderately compliant</i></p> <p>Both FERC and RSERC rules have confusing and apparently overlapping timing requirements so that it is not clear when a switch can occur and how long it would take - depending on when customer first notifies old supplier, it could be more than 2 months, even without challenge by existing supplier</p>
10. Restrictions on dates for making switch	<p>Yes</p> <p>Elig. Customer Rule Art. 11(4) & 17(5)</p> <p>Gen. Conditions of Supply Art. 34</p>	<p>Yes</p> <p>Elig. Customer Rule Art. 15(5), (11), (12)</p>	<p>N/A</p> <p>Rules not yet developed</p>	<p><i>Noncompliant</i></p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
11. Restrictions on number of switches between competitive and public suppliers	Yes Elig. Customer Rule Art. 10(2) & (4)	Yes Elig. Customer Rule Art. 17	N/A Rules not yet developed	<i>Acceptable</i> as effort to avoid gaming, but too restrictive for initial switch
12. Is switch finalized in reasonable timeframe	No Elig. Customer Rule Art. 17 (total time ~ 2+ months)	No Elig. Customer Rule Art. 15 (total time ~ 2+ months)	N/A Rules not yet developed	<i>Noncompliant</i> Per EU Directive, change should be effected within 3 weeks; majority of EU countries switch within a month - significant notice period for cancellation of contract contributes to lengthiness of process, as does the need to effect switch on first day of month
13. Fee for switching	No Elig. Customer Rule Art. 10(5) & (6)	No Elig. Customer Rule Art. 10(2) & (4)	N/A Rules not yet developed	<i>Compliant</i>
14. Is written contract required and are contents specified	Yes Elig. Customer Rule Art. 7(1) Gen. Conditions of Supply Art. 33 (contents); 35 (standard forms on supplier website and on file at FERC)	Yes Elig. Customer Rule Art. 11(1) Gen. Conditions of Supply Arts. 52 (contents); 58 (requiring standardized form contract); & 112 (need for concluding contracts)	N/A Detailed rules not yet developed	<i>Compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
15. Is customer able to switch if supplier's price changes	Not clear Elig. Customer Rule Art. 16 requires notice of price change but does not provide for switching	Yes Elig. Customer Rule Art. 13(b) & (c); 14(2)	N/A Detailed rules not yet developed	<i>Partially compliant</i> FERC: Not clear that customer can switch; may be addressed in contract RSERC: Expressly permits switching after notice of price change but not clear if other switching restrictions apply (e.g., deadlines)
16. Is supplier single point of contact for customer	Yes Elig. Customer Rule Arts. 17	Yes Elig. Customer Rule Arts. 12 & 15	In part Brčko Supply Decision Art. 12 (new supplier informs DSO and existing supplier) Detailed rules not yet developed	<i>Compliant</i> Note that customer/DSO contracts on usage and connection presumably would allow the DSO to communicate with the customer on technical issues (connection/reliability/meter readings), which is appropriate
17. Is supplier responsible for DSO arrangements (meter reading, network connection, billing)	Yes Elig. Customer Rule Art. 17(6), (7), (8) & (11)	Yes Elig. Customer Rule Art. 15(7), (8), & (15)	N/A Detailed rules not yet developed	<i>Compliant</i>
18. DSO confirmation of switch	Yes Elig. Customer Rule Art. 17(9)	Yes Elig. Customer Rule Art. 15(9) & (10)	N/A Detailed rules not yet developed	<i>Compliant</i>
19. Are there any deadlines for a final closure of customer's account with the cancelled supplier	No	No	No	<i>Noncompliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
20. Clear and timely dispute resolution process Customer and supplier Customer/supplier and network operators	Yes Elec. Power Law Art. 31 (arbitration of disputes between licensees and buyers); 41 (may appeal to FERC for denial of access) Procedural Rule Art.51	Yes Law on Electricity Art. 44 (appeal to RSERC for denial of access) Rule on Licenses Art. 35 (inform customers about ability to complain to RSERC on termination of service) Rule of Public Hearings and Settlement of Disputes Part II	Yes Law on Transm. Art. 4(j) Law Establishing Transco Art. 7 Rules of Proc. Art. 51 Licensing Rule Art. 41	<i>Compliant</i>

C. Information Sharing

Accessible and transparent information for customers and market participants is an important foundation for a successful supplier switching process. The consumer protection measures in Annex I of the Electricity Directive require Member States to ensure that customers have advance knowledge of available supply terms and prices so that customers can make informed comparisons. Regulators need to monitor supplier representations and ensure information is accurate and understandable and also need to inform customers of their rights regarding universal service. To remove the incentive for the incumbent DSO to withhold information in favor of related suppliers, a neutral data hub is recommended. In the absence of that, an electronic data system that enables the efficient exchange of information, together with a transparent procedure for suppliers and consumers to have access to the data (with protection of customer-specific information), are essential. (2009 EU Elec. Directive para. 50, Art. 3(16) & Annex 1).

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
Customer access to information				
1. Commission access to information from market participants	Yes Elec. Power Law Art. 30(1) Licensing Rule Arts. 12, 32(j), 35(k)	Yes Electricity Law Rule on Licenses Arts. 13(4), 32(g)	Yes Law on Transm. Art. 9 Licensing Rule Art. 41	<i>Compliant</i>
2. Is supplier information available on regulator's website	Yes (list of licensed suppliers) Elig. Customer Rule Art. 21	Yes (list of licensed suppliers) Elig. Customer Rule Art. 21	No	<i>Mostly compliant</i> FERC and RSERC: List only identifies the supplier; consider adding addresses and links to each supplier's website

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
3. Are suppliers required to publish offer prices	Yes Elig. Customer Rule Art. 22(2)	No	N/A Detailed Elig. Customer rules not yet developed	<i>Partially compliant</i> RSERC: Public supplier must publish price (Elig. Customer Art. 20(7)) but no specific requirement for other suppliers and Gen. Conditions of Supply Art. 113 does not list pricing as information to include in supplier materials
4. Does regulator monitor supplier price and marketing information	Yes Elig. Customer Rule Art. 22	No specific rule Elig. Customer Rule does not specify that RSERC will monitor supplier marketing Rule on Licenses Art. 73 contains general monitoring authority provision	No specific rule Licensing Rule Arts. 41(j) (condition of monitoring) & 66 (general monitoring authority) Brčko Supply Decision Art. 14 (monitoring of efficiency of market)	<i>Mostly compliant</i> Rules provide either specific or general authority for regulators to act but need to ensure that monitoring does occur in practice
5. Can customers access information about suppliers and switching requirements from a trustworthy source	Yes Elig. Customer Rule Arts. 15(2)(d), 16 (supplier obligations to inform); 21 (FERC website; DSO customer service) and Art. 22 (Suppliers' websites) Gen. Conditions of Supply Art.91 (DSOs and suppliers to provide customers information)	Yes Elig. Customer Rule Arts. 12, 13 (supplier obligations to inform); 21 (RSERC website; DSO customer service) Conditions of Supply Arts. 7 (end-user rights);(9) (DSO); 58 (RSERC website) & 113 (public supplier to inform tariff customers)	No	<i>Mostly compliant</i> RSERC: No specific requirement for suppliers to post pricing information SERC: No supplier or switching information on website

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
6. Is information on switching and necessary contracts comprehensible and available to customers	<p>Yes</p> <p>Gen. Conditions of Supply Art. 91 (distributors and suppliers must inform customers through websites or marketing materials)</p> <p>Elig. Customer Rule Art. 15(2)(f) (from supplier)</p>	<p>Yes</p> <p>Gen. Conditions of Supply Art. 91 (distributors and suppliers must inform customers through websites or marketing materials) & 113</p> <p>Elig. Customer Rule Art. 12(2)(f) (from supplier)</p>	<p>N/A</p> <p>Detailed Elig. Customer rules not yet developed</p>	<p><i>Mostly compliant</i></p> <p>Rules are adequate with regard to publishing information; regulators need to ensure supplier materials are accurate and clear</p> <p>RSERC website has good overview of process</p>
7. Do customers have access to their consumption data	<p>Yes</p> <p>Gen. Conditions of Supply Arts. 62 (11) (from distribution company on request) & 63(1) (from supplier in bill)</p> <p>Elig. Customer Rule Art. 6 (during transitional period, DSO must provide metering and load curves to customers before its regulated tariff is eliminated)</p>	<p>Yes</p> <p>Gen. Conditions of Supply Arts. 81 (from distribution company on request) & 84 (in content of bill)</p> <p>Elig. Customer Art. 12(d)(before conclusion of supply contract, inform customer of "types of services which are paid per all bases")</p>	<p>Yes</p> <p>Gen. Conditions of Supply Arts. 81 (from distribution company on request) & 84 (in content of bill)</p> <p>Detailed Elig. Customer rules not yet developed</p>	<p><i>Compliant</i></p> <p>FERC: Elig. Customer Rule requirement that DSO give customers metering load data before expiration of its tariff is a specific information obligation that is beneficial; RSERC Art. 12 (d) appears to require that similar data be provided but not specific</p>
8. Are suppliers required to inform customers of price changes in advance	<p>Yes</p> <p>Elig. Customer Rule Art. 16 (30 days in advance)</p> <p>Gen. Conditions of Supply Art. 6(e)</p>	<p>Yes</p> <p>Elig. Customer Rule Art. 13(a) (30 days in advance)</p> <p>Gen. Conditions of Supply Art. 52(r)</p>	<p>Yes</p> <p>Gen. Conditions of Supply Art. 52(r)</p>	<p><i>Compliant</i></p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
Supplier-system operator access to information				
9. Can suppliers obtain customer information from distribution company	Yes, after switch Elig. Customer Rule Art. 17(9) & (10) Gen. Conditions of Supply Art. 32 (usage contract with supplier)	Yes, after switch Elig. Customer Rule Art. 15(9), (10), (13) Gen. Conditions of Supply Arts. 9, 59 & 78(5)	Not clear Detailed Elig. Customer Rules not yet developed Gen. Conditions of Supply Arts. 9, 59 & 78(5)	<i>Mostly compliant</i> All three rules provide for DSO/supplier contracts for usage, access, and mutual relations which should enable data exchange; DSOs are obligated to offer information and provide support for network users (including suppliers)
10. How does new supplier get customer information	From DSO & existing supplier Elig. Customer Rule Art. 17(6) (DSO to give "all data necessary for termination"), (9) (DSO to give necessary contract amendments) & (10) (billing determinants)	From DSO & existing supplier Elig. Customer Rule Art. 15(6) (DSO to give "all data necessary" to cancel contract, (9) (DSO to give necessary contract amendments) & (13) (calculating elements of meters)	N/A Detailed rules not yet developed	<i>Compliant</i>
11. Are there any restrictions on supplier's ability to obtain information from DSO	Yes Elig. Customer Rule Art. 17 provides for DSO to provide information only after the customer's request to switch	Yes Elig. Customer Rule Art. 15 provides for DSO to provide information only after the customer's request to switch	N/A Detailed rules not yet developed	<i>Compliant</i> It is appropriate that DSO protects customer-specific information until customer requests switch
12. Can DSO get information from supplier	Yes Elig. Customer Rule Arts. 15(2) & 17(6), (7), (8) & (11)	Yes Elig. Customer Rule Arts. 12(2) & 15(6), (7), (8), & (15)	N/A Detailed rules not yet developed	<i>Compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
<p>13. Is there a required format for electronic data exchange</p>	<p>Not clear Gen. Conditions of Supply Art. 38(2)(c) (contracts for mutual relations must provide for “manner of system linking and data exchange” between market participants) Distribution Code Art. 79 (Transco and DSO determine communication means)</p>	<p>Not clear Gen. Conditions of Supply Arts. 59 (contracts for mutual relations must provide for “method of communication and exchange of data” between market participants) Distribution Code Art. 6.1 (Transco and DSO determine communication means)</p>	<p>Yes Grid Code paragraphs 5.23, 5.24 & 5.25 - ISO, Transco, and users connected to transmission system will have communication equipment to transfer necessary data Brčko: Gen. Conditions of Supply Arts. 59 (contracts for mutual relations must provide for “method of communication and exchange of data” between market participants)</p>	<p><i>Noncompliant</i> Both FERC and RSERC rules provide for an agreed-upon data exchange/system linkage format among all parties (including ISO) - this is acceptable but commissions should then approve the format (which should be the same in all jurisdictions) SERC: Does contract on connections have data exchange requirements</p>
<p>14. Protection of confidential information (customer information and sensitive business information)</p>	<p>Yes Elec. Power Law Art. 39 (business information) Elig. Customer Rule Art. 17(12) (supplier contract information) Licensing Rule Arts. 27(f) (DSO information) & 45(5) (information at FERC) Rule on Protection of Confidential Information (information filed at FERC) Procedural Rules Arts. 13, 64</p>	<p>Yes Elig. Customer Rule Art. 15(16) (supplier contract information) Rule on Licenses Art. 32(f) (licensee) Procedural Rules Art. 50 Rule on Confidential Information (information filed at RSERC)</p>	<p>Yes Licensing Rule Art. 27 (SERC and parties to maintain confidentiality of submitted data) ISO Grid Code para. 5.5.3 (Contract on Connection) Rule on Protecting Confidential Information</p>	<p><i>Partially compliant</i> RSERC Rule on Licenses imposes conditions on licensees to protect confidential information in accordance with regulations or when designated by the party providing the information; FERC Licensing Rule is not as specific on this, and none of the rules are definite about customer information</p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
<p>15. Do TSO and DSO provide information on access and connection requirements</p>	<p>Yes Gen. Conditions of Supply Arts. 19 & 20 (form applications for electric power permit include all necessary data)</p>	<p>Yes Gen. Conditions of Supply Arts. 9(n) (DSO obligation to make clear guidelines for customers); 20(2) (DSO to publish clear guidelines on connection)</p>	<p>Yes Rules on Connection Art. 4 (form application published by Transco) Brčko: Gen. Conditions of Supply Arts. 9(n) (DSO obligation to make clear guidelines for customers); 20(2) (DSO to publish clear guidelines on connection)</p>	<p><i>Compliant</i> Regulators need to confirm DSO application forms, published materials and website information are correct, understandable, and harmonized</p>
<p>16. Communication between other market participants Suppliers and ISO DSO and ISO</p>	<p>Yes Elec. Power Law Art. 37 (DSO to inform ISO of electricity demand) Elig. Customer Rule 15(2)(c) Gen. Conditions of Supply Art. 38 requires market participants to agree on information exchange methods</p>	<p>Yes Law on Electricity Art. 40 (DSO to inform ISO of system needs) Elig. Customer Rule 12(2)(c) Gen. Conditions of Supply Art. 59 requires market participants to agree on data exchange methods</p>	<p>Yes Market Rules Arts. 17 & 18 (market participants notify ISO of data and contracts); 20 (BRP meter registration); 21 (EP ancillary services information); & 50 (ISO daily data collection) Rules on Connection Arts. 5a(2) & 22(2) (Transco provides preapprovals and connection contract to ISO) Gen. Conditions of Supply Art. 59 requires market participants to agree on data exchange methods</p>	<p><i>Compliant</i></p>

D. Default Supplier/Supplier of Last Resort

Household and small enterprise customers are entitled to universal service - that is, "the right to be supplied with electricity of a specified quality within their territory at reasonable, easily and clearly comparable, transparent and non-discriminatory prices." (2009 Electricity Directive Art. 3(3).) To ensure universal service, states may appoint suppliers of last resort, which may be an incumbent but unbundled distribution company. (Para. 46 & Art. 3(3).) The default supplier is typically a longer term arrangement for customers that have fewer options in the market, while the SOLR steps in instantly on failure of the supplier and serves for a short time (sufficient to allow a customer to find a replacement supplier). While DS/SOLR models differ, in many countries at present both the default supplier and the SOLR are the incumbent supplier.

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
Default (public) supplier				
1. Clarity as to who is default (public) supplier	Yes, during transition period Elig. Customer Rule Arts. 8 & 9 (during transition period, service area distributor)	No Elig. Customer Rule Arts. 3, 8 & 9 (Public supplier is same as SOLR - during transition period, licensees for public suppliers)	Yes Licensing Rule Art. 6(f) & Brčko Decision on Supply of Elig. Customers Art. 5 (PSC Brčko District)	<i>Partially compliant</i> There is no process for selecting the public supplier after the transition period (though FERC rule indicates commissions will amend as market evolves)
2. Restrictions on ability to switch - from competitive to default supplier - from default to competitive supplier	Yes Elig. Customer Rule Art. 10 (2) (cannot return to public supplier in same year) & (4) (prohibits any eligible customer who took partial competitive supply in 2012 from ever returning that quantity to public supplier)	Yes Elig. Customer Rule Art. 17(1) (once per calendar year; 2 months' notice to go from competitive to public supplier; and 40 days' notice to go from public to competitive supplier)	N/A Detailed rules not yet developed	<i>Noncompliant</i> FERC: Timing and quantity prohibitions RSERC: Excessive notice in Art. 17(1)(a) & (b) for going to or leaving public supplier, and no need to require specified notice to competitive supplier - contract will dictate SERC: Need to develop detailed Eligible Customer Rule

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
3. Are conditions for customer access to default (public) supplier clear	<p>In part Elig. Customer Rule Arts. 5 (during transition, available to all eligible customers) & 7 (after transition, available to household and small customers)</p>	<p>Yes Elig. Customer Rule Arts. 6 (during transition, available to all eligible customers) & 7 (after transition, available to household and small customers)</p>	<p>Yes Brčko Decision on Supply Art. 2 (failure to choose)</p>	<p><i>Compliant</i></p>
4. Clear responsibilities of default (public) supplier	<p>Yes Elig. Customer Rule Arts. 12 & 15</p>	<p>Yes Elig. Customer Rule Art. 12</p>	<p>N/A Eligible Customer rules still to be developed</p>	<p><i>Compliant</i> Responsibilities are the same for both public supplier/ SOLRs and competitive suppliers, which is appropriate SERC: Note that Brčko Conditions for Temporary License Art. 3 provided a list of default supplier obligations and rights but this rule was repealed by the new Licensing Rule</p>
5. How is default (public) supplier price determined	<p>By FERC pursuant to methodology in rule Elig. Customer Rules Arts. 12(2) & 20 (eligible customer price determined by formula that factors in weighted average generation prices and market prices)</p>	<p>By RSERC, according to methodology in rule Elig. Customer Rules Arts. 6 (during transition, eligible customers who do not choose supplier may buy from public supplier at price calculated by Annex formula; small and household customers are at tariff rates) & 20(1) (Annex formula for public supply price)</p>	<p>By default supplier (pursuant to methodology in rule) Brčko Decision on Supply Arts. 7-10 (must be comparable to costs performing the same activity in the region; SERC can challenge if not set in transparent manner or is anti-competitive)</p>	<p><i>Somewhat compliant</i> RSERC: The difference in pricing between Art. 6(1) and Art. 6(2) in the rule is confusing; it appears that all eligible customers must pay public supplier price as calculated in the Annex and small and household customers pay a different tariff rate</p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
Supplier of last resort (SOLR)				
6. Are default supplier and SOLR the same entity	Yes during transition Elig. Customer Rule Arts. 8 & 14 (First Tier licensee)	Yes by definition Elig. Customer Rule Arts. 3 (definitions), 8 & 9 (supply licensees of tariff customers)	Yes Brčko Decision on Supply Arts. 5 & 11 (PSC Brčko District)	<i>Acceptable in transition period</i> SERC and FERC rules separate public supplier role from SOLR but both are the incumbent DSO; RSERC rules combine public supplier and SOLR in the same definition but can be any licensee of tariff customers (although currently the incumbent supplier)
7. Clear role of SOLR	Yes Elig. Customer Rule Art. 14 (in cases of supplier failure or termination of the contract for other than nonpayment by customer)	Yes Elig. Customer Rule Art. 18 (in cases of supplier failure or termination of the contract for other than nonpayment by customer)	Yes Brčko Decision on Supply Art. 11 (if supplier ceases to operate)	<i>Compliant</i>
8. Clear basis for customer access to SOLR	If lack of supplier not customer's fault Elig. Customer Rule Art. 14 (bankruptcy or revocation/termination of supply license)	No - both if lack of supplier for any reason and if not customer's fault Elig. Customer Rule Art. 9(2) (for customers that did not choose or were left by supplier) Gen. Conditions of Supply Art. 50 (if lack of supplier not customer's fault)	Yes Brčko Supply Decision Art. 11 (if supplier ceases to operate)	<i>Mostly compliant</i> RSERC: There is inconsistency in the two rules

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
9. Who notifies customer of loss of existing supplier	SOLR Elig. Customer Rule Art. 19(5) (SOLR offers customer contract within 3 days of loss of supplier for bankruptcy or license revocation)	SOLR Elig. Customer Rule Art. 18(5) (SOLR offers customer contract within 3 days)	Not clear Brčko Supply Decision Art. 12(3) (switching procedures will be laid down in separate document)	<i>Partially compliant</i> FERC and RSERC: It appears that the process in Art. 19 (FERC) and Art. 18 (RSERC) assumes no interruption of supply to customer but this could be made more clear
10. Who notifies SOLR of addition of customer	DSO Elig. Customer Rule Art. 19(1) (supplier informs system operator) & (2) (system operator informs SOLR)	DSO Elig. Customer Rule Art. 18(2) (supplier informs system operator) & (3) (system operator informs SOLR)	Not clear Brčko Supply Decision Art. 12(3) (switching procedures will be laid down in separate document)	<i>Compliant</i> Both entities require DSO and SOLR to handle the switch which is appropriate (SERC to be developed)
11. Time restriction on use of SOLR	Yes Elig. Customer Rule Art. 14 (60 days)	Yes Elig. Customer Rule Art. 18 (2 months)	Yes Brčko Supply Decision Art. 11 (30 days)	<i>Compliant</i> Best practices recommends SOLR use be time-limited
12. How is SOLR price determined	By SOLR, supervised by FERC Elig. Customer Rules Art. 14(2) (pass-through procurement costs, T&D costs, imbalance costs, plus SOLR service costs)	By rule, same formula for as for public supplier prices plus 20% Elig. Customer Rules Art. 20(6)	By default supplier Brčko Supply Decision Art. 11 (no express provision for SERC to challenge)	<i>Partially compliant</i> SERC: Rule expressly allows SERC to dispute price of default supplier but not SOLR; SERC's general authority to monitor licensees likely gives it authority but should specify

E. Metering

The EU Directive requires States to ensure that metering responsibilities are clearly defined. (2009 Electricity Directive Art. 41.) Directive Annex 1 further directs that customers have access to their metering data and are able to give such access to any registered supply undertaking. Member States shall define a format for the data and a procedure for suppliers and consumers to have access to the data. Ultimately, intelligent metering systems are to be implemented (by 2020), subject to an economic assessment of their long-term costs and benefits. (Annex I(2).) At this stage, regulators should consider appropriate incentives in tariff proceedings for innovative technology investments by the system operators, keeping in mind other system needs and cost effectiveness principles.

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
1. Responsible parties to install, inspect and maintain meters (Meter Operator)	DSO Gen. Conditions of Supply Arts. 5, 55, 58 & 59	DSO Gen. Conditions of Supply Arts. 9(d)	Transco or registered meter service provider Grid Code paragraphs 5.23.1* (Transco and end users) & 9.2.1 (Transco) * In English version, 5.24.1 Brčko: DSO Gen. Conditions of Supply Art. 9(d) & (g)	<i>Compliant</i>
2. Responsible party for registry of meters (showing network junction and metering points, ID numbers, and technical information) (Meter Administrator)	DSO Rulebook on Metering Point Art. 23 (h)	DSO Distribution Code Art.8.3.	Transco Grid Code Art. 9.10 Brčko: DSO Distribution Code Art. 8.3	<i>Compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
3. Limitations on access to meter registry (register file) (Metered Data Collector)	No	No	Yes Grid Code para. 9.14.1 (Transco, directly; producers, DSOs and connected users on written request)	<i>Partially compliant</i> FERC and RSERC: Distribution Codes do not address confidentiality of DSO database of meters
4. Responsible party for reading, quality control and providing metering data (Metered Data Collector/Meter Data Responsible Party)	DSO Elig. Customer Rule Art. 6(2) (DSO) Licensing Rule Art. 26(f) (Distr. Licensee must have efficient system for reading meters) Gen. Conditions of Supply Arts. 5 (DSO reads meters) & 62 (normally monthly but can be shorter if switching)	DSO & end user Elig. Customer Rule Art. 15(13) (System Operator) Gen. Conditions of Supply Arts. 9(e)* & 81 DSO and end user obligations to read meters) * In English version, (g)	ISO in cooperation with Transco, generators, and connected system users Grid Code para. 9.1.3 Brčko: DSO Gen. Conditions of Supply Arts. 9(g) & 81	<i>Mostly compliant</i> The processes to provide metered data are not clear SERC: In Market Rule it appears that BRPs (EPs) are responsible for meter reading; in Grid Code, some meters (commercial) are read by ISO
5. Technical characteristics of the metering system (Meter Operator)	Yes (general parameters) Gen. Conditions of Supply Art. 55 & 57 Rulebook on Metering (EP BiH & EPHZHB)	Yes (general parameters) Gen. Conditions of Supply Art. 71-73 Distribution Code, Ch. 8	Yes Grid Code Arts. 9.2 - 9.6 (electronic meters, remote reading, 15/60 min. intervals, compliant with IEC standards) Brčko: Yes Gen. Conditions of Supply Art. 71-73 Distribution Code, Ch. 8	<i>Compliant</i> The rules provide the parameters within which meters must operate but technical specifications are left to system operators

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
6. Frequency of meter reading (Meter Operator)	Monthly Gen. Conditions of Supply Art. 62(3)	Monthly Gen. Conditions of Supply Art. 81	Transco & ISO: continual Brčko: Monthly Gen. Conditions of Supply Art. 81	<i>Compliant</i> RSERC and Brčko: Art. 81 gives the supplier and DSO discretion on the timing of household meter readings but at least must occur at year end; in practice, meters are read monthly
7. How is metered data transmitted	Defined by contract General Condition of Supply Art. 38 (Data transmission between market participants will be defined through contracts)	Defined by contract General Condition of Supply Art. 59 (Data transmission between market participants will be defined through contracts)	Yes Grid Code paragraphs 9.6.7; 9.11.10.-9.11.12, 9.14.2 Brčko: Defined by contract General Condition of Supply: Art. 59 (Data transmission between market participants will be defined through contracts)	<i>Partially compliant</i> Transco and ISO will sign a protocol on data collection; ISO will ensure every network user receives its data, but it is still not clear how FERC & RSERC: Process to provide data and actors' roles should be determined by the regulator
8. Limitations on access to metered data	No	No	Yes Grid Code para. 9.7 (protected by user codes) Brčko: No	<i>Partially compliant</i> Transmission network is compliant but rules need to be adopted for the distribution networks

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
9. Is responsibility for the data retrieval (combine recorded data with the customer ID), validation of the metering data and data storage clear (Metered Data Responsible Party)	Yes, partially (DSO) Rule on Metering Point Art. 23 Gen. Conditions of Supply Arts. 5(l) & (p) & Art. 62	Yes, partially (DSO) Gen. Conditions of Supply Arts. 9(e)	Yes, partially (ISO) Grid Code paras. 9.2.1.(d) & (g); 9.6.8-9.6.14; 9.11 & 9.13 Brčko: Yes, partially Gen. Conditions of Supply Arts. 9(g)	<i>Partially compliant</i> ISO Process of validation and replacement of invalid data will be developed but has not been to date. FERC & RSERC: Validation System is not defined in the rules
10. Responsibility for establishment and qualification of metered data from the Metered Data Responsible Party (aggregated according to a defined set of market rules) (Metered Data Aggregator)	No	No	ISO Grid Code ISO Grid Code para. 9.6.8 (meter must have 45-day storage capacity) & para. 9.11 (ISO must store data 1 year) Brčko: No	<i>Partially compliant</i> Transmission network is compliant but rules need to be adopted for the distribution networks; market rules are silent on this issue
11. Responsibility for registering parties linked to metering points and maintaining technical specification, creation and terminating the metering point (Metering Point Administrator)	DSO: Only implicitly General Conditions of Supply, Part III-Chapter	DSO General Conditions of Supply, Art. 35 Distribution Code, Art. 8.3.4.	ISO Grid Code Item 9.2.1(f) & 9.10 Brčko: DSO General Conditions of Supply, Art. 35 Distribution Code, Art. 8.3.4.	<i>Compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
12. Does metering system support balancing market	Yes, partially	Yes, partially	Yes, partially	<i>Partially compliant</i> Meters support only wholesale market but not retail markets; certain roles have not been assigned nor processes described in relevant distribution rules or codes

F. Billing and Collection

Billing of retail customers is one of the most critical functions in a developing competitive market, not only as a communication tool to inform customers about consumption and prices so that they can compare market options, but also as a potential barrier to supplier entry if there are diverse requirements among jurisdictions. The Electricity Directive requires that bill contents include information on fuel mix, environmental impacts, and available dispute mechanisms (2009 Electricity Directive Art. 3(9)), but it is even more important that bills include unit prices (\$/kWh), actual consumption data, and payment options. (See Annex I.) The recommended model is mandatory combined billing by the supplier, which requires clear processes between the supplier and DSO.⁶

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
1. Is there a single bill for both supply and distribution	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 6(1)(d), 33(2)(i), & 63(1) (supplier bills customers for supply)</p> <p>Gen. Conditions of Supply Arts. 5(1)(j) & 33(2)(i) (distributor billings)</p> <p>Licensing Rule Art. 30 (supply criteria includes efficient billing of electricity supplied)</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Art. 84(3) (bill contains separately expressed elements for consumption and usage)</p> <p>Rule on Licenses Art. 31 (supply criteria includes ability to efficiently bill for electricity delivered)</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Art. 84(3) (bill contains separately expressed elements for consumption and usage)</p> <p>Licensing Rule Arts. 35 (applicant must establish efficient billing system) and 47-48 (nondiscriminatory billing as condition of supply licenses)</p>	<p><i>Partially compliant</i></p> <p>FERC: Supply and network are treated separately; it appears that the DSO bills directly for usage (except for tariff customers)</p> <p>RSERC and SERC: The rules appear to contemplate two options, combined billing and separate billing. Art. 84 states that bill will contain both consumption and usage elements; but Art. 46 on DSO contract references DSO billing for usage</p>

⁶ CEER Consultation Paper: *Retail market design, with a focus on supplier switching and billing*, C11-RMF-31-05 (July 2011).

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
2. Is supplier responsible for all billing	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 5(1)(j) &(p) (DSO submits “respective notices” about contract for usage to customers and archives data on billing and collection)</p> <p>Gen. Conditions of Supply Arts. 70 & 71 (DSO bills for unauthorized consumption)</p> <p>See row 1, above.</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 10(c) & 83 (bill for electricity consumed)</p> <p>Arts.46 (supplier for tariff customers “regulates” access contract); 84(3) (bill includes elements of consumption and usage)</p> <p>Gen. Conditions of Supply Art. 93(5) (DSO bills for unauthorized consumption)</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 10(c) & 83 (bill for electricity consumed)</p> <p>Arts.46 (supplier for tariff customers “regulates” access contract); 84(3) (bill includes elements of consumption and usage)</p> <p>Gen. Conditions of Supply Art. 93(5) (DSO bills for unauthorized consumption)</p>	<p><i>Partially compliant</i></p> <p>The rules are ambiguous and need to be revised after unbundling</p> <p>Also, with multiple suppliers (see FERC Elig. Customer Rule Art.10(7); RSERC EC Rule Art. 10(5)), it is not clear which supplier bills for network component</p>
3. Delivery of billing data to supplier	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 62 covers meter reading by DSO, and Art. 63 covers calculation of the metered data and invoicing by supplier; the only provision that might cover DSO-supplier communication of metered data is Art. 38 (mutual relations)</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 81 covers meter reading by DSO, and Art. 83 covers calculation of the metered data and invoicing by supplier; the only provision that might cover DSO-supplier communication of metered data is Art. 59 (mutual relations)</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 81 covers meter reading by DSO, and Art. 83 covers calculation of the metered data and invoicing by supplier; the only provision that might cover DSO-supplier communication of metered data is Art. 59 (mutual relations)</p>	<p><i>Noncompliant</i></p> <p>Network (distribution and grid) codes should provide for data exchange requirements to calculate invoices</p>
4. Time schedule to deliver metered data	<p>Yes, monthly</p> <p>Gen. Conditions of Supply Arts. 62(3) (generally monthly) & (11) (&(4) (DSO must give metered results to end user 8 days from request)</p>	<p>Yes, monthly</p> <p>Gen. Conditions of Supply Art. 81(2)(b) (meters read monthly) &(4) (DSO must give metered results to end user 10-15 days from request)</p>	<p>Yes, monthly</p> <p>Gen. Conditions of Supply Art. 81(2)(b) (meters read monthly) &(4) (DSO must give metered results to end user 10-15 days from request)</p>	<p><i>Noncompliant</i></p> <p>Timing of readings is appropriate but not clear how data is delivered for calculation of invoices</p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
5. Are bill contents specified	No However, Gen. Conditions of Supply Art. 33 requires contract to include manner of billing & payment & Art. 64 requires supplier to inform customers of billing policies	Yes Gen. Conditions of Supply Art. 84	Yes Gen. Conditions of Supply Art. 84	<i>Partially compliant</i> FERC: Billing policies (Art. 64) list some requirements but need to specify contents of bill
6. Do bills contain information on historical consumption	No	No	No	<i>Noncompliant</i>
7. Do bills contain information on unit (per kW) prices	Yes No express requirement in the rules, but this information is included in practice	Yes Gen. Conditions of Supply Art. 84(1)(g)	Yes Gen. Conditions of Supply Art. 84(1)(g)	<i>Partially compliant</i> FERC: Add specific requirements for contents of bill in the rules
8. Do bills contain information on fuel mix and environmental impact	Yes Elig. Customer Rule Art. 15(2)(e) (supplier's fuel mix)	Yes Gen. Conditions of Supply Art. 116 (can be in invoice or promotional material)	Yes Gen. Conditions of Supply Art. 114 (can be in invoice or promotional material)	<i>Compliant</i> While the rules include this requirement, it is not always included on bills
9. Do bills contain information on dispute settlement rights	No, but other documents do Gen. Conditions of Supply Art. 33(2)(q) (in supply contract); 64 (billing policies include manner/deadlines for objection); & 83 (supplier distributor to establish resolution procedures and inform customers)	Yes Gen. Conditions of Supply Art. 84(1)(p) (complaint process)	Yes Gen. Conditions of Supply Art. 84(1)(p) (complaint process)	<i>Mostly compliant</i> FERC: Even though the rules do not specify the contents of bills, there are several requirements that ensure that customers are informed of dispute resolution rights

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
10. Do customers have a choice on frequency of billing	<p>Not clear</p> <p>Gen. Conditions of Supply Arts. 33 & 64 (manner of billing is part of supply contract)</p> <p>Gen. Conditions of Supply Art. 65(7) (if customer does not receive bill within "contracted deadline or according to business policy," it informs supplier who provides the bill without charging the customer for doing so)</p>	<p>Yes for eligible customers (via contract)</p> <p>No for tariff customers (monthly)</p> <p>Gen. Conditions of Supply Art. 85(1)</p>	<p>Yes for eligible customers (via contract)</p> <p>No for tariff customers (monthly)</p> <p>Gen. Conditions of Supply Art. 85(1)</p>	<p><i>Acceptable if approved supply contract offers options</i></p> <p>FERC: While meters are read monthly (Gen. Conditions Art. 62), the rules are not specific on timing of bills, other than pursuant to supply contract</p> <p>Note: It is acceptable to have single standard billing period for tariff and small customers; however, bills should be issued frequently (e.g., monthly)</p>
11. Do customers have payment options	<p>Yes</p> <p>Gen. Conditions of Supply Art. 64(1)(c) (supplier's published policies must include payment plan or installment options)</p> <p>Gen. Conditions of Supply Art. 67 (allows prepaid meters after nonpayment of 3 consecutive bills)</p>	<p>Yes</p> <p>Gen. Conditions of Supply Art. 84 (bill may contain advance payment option); & 86 (payment policy "may foresee" installment plan for vulnerable customers)</p>	<p>Yes</p> <p>Gen. Conditions of Supply Art. 84 (bill may contain advance payment option); & 86 (payment policy "may foresee" installment plan for vulnerable customers)</p>	<p><i>Generally compliant</i></p> <p>The method of payment is one of the areas covered in the supply contract; CEER recommends that an electronic option be provided</p>
12. Is supplier responsible for collection, including for DSO services	<p>Not clear</p> <p>Gen. Conditions of Supply Art. 65 (supplier is contact for payment)</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Art. 86 (supplier determines business policy of collection)</p>	<p>Not clear</p> <p>Gen. Conditions of Supply Art. 86 (supplier determines business policy of collection)</p>	<p><i>Partially compliant</i></p> <p>Rules provide for supplier collection but are not clear with respect to collection of DSO component and treatment of DSO payments</p>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
13. Is there a process for supplier payments to the DSO	<p>Not specifically Gen. Conditions of Supply Art. 38(2)(f)(mutual relations contracts to contain "economic relations between contracting parties")</p>	<p>Not specifically Gen. Conditions of Supply Art. 59(2)(e) (mutual relations contracts to contain "economic relations between contracting parties")</p>	<p>Not specifically Gen. Conditions of Supply Art. 59(2)(e) (mutual relations contracts to contain "economic relations between contracting parties")</p>	<p><i>Noncompliant</i> Although mutual relations contracts provide framework for agreement of payments between suppliers and DSO, this important element needs to be addressed precisely by rule</p>

G. Contracts

The 2009 Electricity Directive is very explicit about the importance of contracts in the development of competitive markets, and in particular the contents of supply contracts, which should include information on such issues as consumer rights, dispute settlement, service type and quality, conditions for renewal or withdrawal, and compensation and refunds. (2009 Electricity Directive Annex I.) Supply contract terms and conditions should be “fair and well-known in advance.” (Annex I(1)(a).) Large non-household customers should be able to enter into contracts with several suppliers and be protected against exclusivity clauses that operate to exclude competing or complementary offers. (Art. 41.) To facilitate switching, especially by household, small, and medium sized customers, it is recommended that the supplier be the single point of contact (so that customer only signs one contract).⁷

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
1. Number of contracts customers must sign to switch (and with whom)	2-3 Gen. Conditions of Supply Arts. 32 (usage contract with DSO); 33 (supply contract) Gen. Conditions of Supply Arts. 7, 11 & 31 (if new connection or increased capacity, connection contract)	1-3 Gen. Conditions of Supply Arts. 45 (usage contract with DSO; for tariff customers, supplier); 46 (supplier can conclude contract for customers outside DSO territory and may “regulate” access for tariff customers); 51 (supply contract) Gen. Conditions of Supply Arts.7(b), 11(1)(b) & 42 (if new connection or increased capacity contract on connection)	1-3 Gen. Conditions of Supply Arts. 45 (usage contract with DSO; for tariff customers, supplier); 46 (supplier can conclude contract for customers outside DSO territory and may “regulate” access for tariff customers); 51 (supply contract) Gen. Conditions of Supply Arts.7(b), 11(1)(b) & 42 (if new connection or increased capacity contract on connection)	<i>Acceptable</i> In most European countries, customer is required to sign one or two contracts (supplier only or supplier and DSO) It appears that the connection contract is only necessary for new or increased capacity connections, but this could be made clearer in all rules

⁷ See NordReg Consultation Report, *Consideration of alternative billing regimes for the Common Nordic End-User Market* at 8 & 18, available at <https://www.nordicenergyregulators.org/upload/Reports/retail%20market/Consultancy%20report%20on%20billing.pdf> and ERGEG Report on Transparency of Energy Prices, Bills, and Contracts, at 36-49 (2005), available at http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/2005/E05-CFG-02-07.pdf

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
2. Is information given to a customer before making a supply contract regulated	Yes Elig. Customer Rule Art. 15(2)(d)	Yes Elig. Customer Rule Art. 12(2)(d)	N/A Eligible Customer rules still in development	<i>Compliant</i> FERC and RSERC: Rules not specific as to information that must be provided; however, both have rules requiring that standard form contracts be available on a supplier's website for review (see row 4, below) SERC: No provision for advance information for customers
3. Is information included in the supply contract regulated	Yes Gen. Conditions of Supply Art. 33(2)	Yes Gen. Conditions of Supply Art. 52(1)(a-v)	Yes Brčko Gen. Conditions of Supply Art. 52(1)(a-u)	<i>Compliant</i>
4. Is the publishing of contractual terms regulated	Yes Gen. Conditions of Supply Art. 35(4) (standard form contracts to be published on website and filed with Commission)	Yes Gen. Conditions of Supply Art. 58(3) (standard form contracts to be published on website and filed with Commission)	Yes Brčko Gen. Conditions of Supply Art. 58(3) (standard form contracts to be published on website and filed with Commission)	<i>Compliant</i>
5. Is amending the terms of a supply contract regulated	Yes in particular areas Elig. Customer Rule Art. 16 (price change) Gen. Conditions of Supply Art. 42 (in case of transfer of contract) * Art. 42 is incorrectly labeled Art. 35 in English version	Yes in particular areas Elig. Customer Rule Art. 13 (price change) Gen. Conditions of Supply Art. 52(1)(r) (price change) & (2) (end user can change consumption amount with notice) * Art. 52(2) is incorrectly labeled Art. 52(1)(c) in English version	Yes Brčko Gen. Conditions of Supply Art. 52(1)(r) (price change) & (2) (end user can change consumption amount with notice)	<i>Partially compliant</i>

Issue	Federation (FERC)	Republika Srpska (RSERC)	State (SERC)	Comment
6. Is terminating a contract regulated	Yes but not specific Gen. Conditions of Supply Arts. 37 (upon request) & 41 (change of ownership)	Yes Gen. Conditions of Supply Art. 53	Yes Gen. Conditions of Supply Art. 53	<i>Partially compliant</i> FERC rules do not specify conditions under which contracts may be terminated (cancelled); RSERC and SERC have list of circumstances but they are too general
7. When a supply contract expires, is the information sent to the consumer regulated	No	No	No	<i>Noncompliant</i> RSERC and SERC: Supply contracts include notice prior to cessation of the contract (Art. 52(1)(u)), but could be more specific on time period for notice
8. Does regulator approve and monitor ISO/TSO contract	N/A	N/A	Yes Licensing Rule Arts. 41, 43, 44 (general monitoring conditions) Rules on Third Party Access Arts. 5 & 7 (Transco, ISO, and user rights regulated by contract)	<i>Mostly compliant</i> SERC rules provide that SERC shall enable access to the transmission system and that it shall monitor licensee activities, but do not explicitly address approval of the ISO/TSO contract
9. Is contract for access to distribution network regulated	Yes Gen. Conditions of Supply Arts. 32 & 35	Yes Gen. Conditions of Supply Arts. 46 & 58	Yes Gen. Conditions of Supply Arts. 46 & 58	<i>Compliant</i>

IV. ASSESSMENT AND RECOMMENDATIONS

A. General Assessment

While the previous tables show that, in many areas, the State and Entity laws and rules contain the information and requirements to perform the competitive market functions in conformance with EU requirements and guidelines (with some exceptions and ambiguities), there are also significant gaps between the wholesale and retail markets, and many of the processes, contracts, and responsibilities are spread over several rules (e.g., the General Conditions of Supply, the Eligible Customer Rules, the Rules on Connection, and Licensing Rules). This makes it difficult for market participants to quickly determine their rights and obligations. Increased focus by the regulatory authorities in two key areas could do much to clarify and simplify the processes for customers and suppliers in BiH:

- **Public education**

Commissions should be actively engaged in public awareness. The enabling legislation for all three commissions gave broad authority that can be used to conduct appropriate public outreach and education programs:

- SERC (2002 Law on Transmission Art 4.2, consumer protection and issuance of public information)
- FERC (2002 Electric Power Law Arts. 14-15, supervision of relations between buyers and generators, distributors and traders; regulate the market to ensure transparent and fair relations between all participants)
- RSERC (2002 Law on Electricity Arts. 23-24, supervision of relations between buyers and generators, distributors and traders; ensure fairness in electricity supply; facilitate transparent and nondiscriminatory behavior)

Each commission should utilize its website to inform consumers about their rights and the process for switching (the RSERC website has a good explanation, which could be updated to add supplier links or contact information). User-friendly guidelines for all market participants, but particularly for customers and suppliers, would greatly reduce confusion, increase participation, and help curtail discriminatory practices. A possible framework for a "Q&A"

guideline is the EC Consumer [Checklist](#), adding the specific information applicable to the jurisdiction and links to forms, rules, suppliers, and other common electricity market sites.

- **Diligent monitoring of licensee activities**

In developed competitive markets, suppliers will seek to facilitate customer choice by handling the process for switching. It is the regulator's duty to actively supervise market activities (including prices, billing practices, and switching rates), examine licensees' websites and public representations, carefully consider allegations in complaints, and enforce regulations through reasonable penalties for noncompliance. For example, the rules contain requirements that certain information be included in bills; the regulators should review their electricity bills to confirm that all required information is there, and follow up with the supplier (EP) if not.

Below are general observations concerning the eight market functions with respect to both entities; specific recommendations for each jurisdiction follow in Parts IV(B-D). The cited rules in the tables for each regulator may not be the only modifications that need to be made for the rules to be harmonized but are the most obvious gaps identified in our review.

1. Retail Supplier Licensing

In general, the Licensing Rules are compliant with EU requirements and practices and provide a roadmap of the process for suppliers to obtain a license. There are some ambiguities that could be clarified as noted below and in the following tables.

The Licensing Rules meet most of the standards for transparent processing of license applications and give the Commissions adequate authority to obtain necessary information from applicants and to monitor compliance with licensing conditions. The categories of information required to be submitted with an application generally cover the financial and technical capabilities of the applicant, but additional specificity, such as data on parent and affiliate companies and shareholders, is often required in other jurisdictions to ensure competitiveness and could be helpful here. In short, while the rules sufficiently *enable* the regulator to require the necessary technical and financial data to assess the applicant's qualifications, the

regulators must fairly and consistently exercise that authority *in practice*. At the same time, the application process should not be overly burdensome and the regulator must take care that its requirements to protect consumers do not themselves become barriers to market entry.⁸

In the initial analysis, REAP identified the financial and technical proof to be submitted by applicants as too general and in need of criteria to assess whether the applicant satisfies the financial/technical standards. The list of criteria in the three Commission's rules is similar to that used elsewhere and gives the Commissions a yardstick for evaluating particular qualifications under the first approach - e.g., licenses will not be given to insolvent companies, for example, as that would not meet the financial stability requirement; or to companies that have not shown they possess the necessary experienced employees. What is left is to ensure that the Commission and its staff evaluate applicant information in a consistent and thorough manner (including investigating outside sources such as sister agencies inside and outside the region), and use their technical expertise to follow up with questions about insufficient information until they are satisfied that the represented qualifications and capabilities are in fact adequate.

Also, there will be some factors that will not be known at the time of application (e.g., whether a potential interconnection arrangement is needed) and in those cases a license can be issued subject to reporting back to the commission when such arrangements are either concluded or abandoned.

Any revisions to licensing rules should also consider language to promote mutual recognition of licenses issued by other EU Member States or Energy Community parties, especially for wholesale trading licenses, consistent with the 2009 EU Electricity Directive Article 3(4). Although most countries require foreign suppliers to complete their license application processes, there is a growing view that regional traders who do not supply end users should not be subject to the burdens of licensing in each jurisdiction. While this approach has not yet been adopted so that the rules should not be amended to accomplish this now, having a separate definition of "trade" that

⁸ To assist potential market entrants in navigating the authorization process, it would be helpful to provide on the commission website a guidance document that covers the license application contents and the review and approval process.

makes the distinction between sales to end-users and sales for resale will facilitate lighter regulation of traders later, when newer regional practices and rules on this issue are developed.

2. Supplier Switching

The most significant barrier to an effective switching process is that the distribution company is currently not a neutral party. Full unbundling, which will require changes to the primary laws, is required.

The process for switching is set forth in both Entity rules in a step-by-step manner (with SERC rules for the Brčko District still to be issued). However, both FERC and RSERC rules have confusing and overlapping timing requirements so that it is not clear when a switch can occur and how long a switch would take - depending on when a customer first notifies its old supplier, it appears it could take more than two months to complete a switch, even without a challenge by the existing supplier under Art. 17 (FERC) or Art. 16 (RSERC). This process could be clearer and more streamlined, although both rules give suppliers the responsibility for coordinating arrangements with the DSOs so in practice competitive suppliers should take the lead in customer service and navigate the process for them.

The confusion caused by the overlapping requirements for switching highlights the importance of the supplier as the single point of contact for customers. A single-point-of-contact model helps fulfill the four customer interface objectives identified by CEER in its most recent Guidelines of Good Practice on supplier switching and billing: it (1) is intuitively comprehensible, (2) enables optimal customer service, (3) helps provide a level playing field (by expanding supplier access to customers), and (4) ensures cost efficiency.⁹

3. Information Access

By customers: Both the FERC and RSERC rules impose obligations on suppliers to provide certain specific information in their bills and/or on their websites, however, in some cases the language could be more specific. Also, the rules lack provisions regulating supplier

⁹ CEER, *Electricity and Gas Retail Market Design, with a focus on supplier switching and billing*, C11-RMF-39-03 (Jan. 2012), available at http://www.energy-regulators.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Customers/Ta b3/C11-RMF-39-03_GGP-Retail-Market-Design_24-Jan-2012.pdf

marketing activities (and there is nothing in the Law on Competition on this issue).

It does not appear that there are available price comparison tools for consumers, which are often developed by competitive market entities (traders and suppliers). Effective price comparison tools should be accurate, user-friendly and monitored by regulators - which highlights the importance of uniform data exchange formats (so that available data can be easily compared).

Between market participants: All three jurisdictions require suppliers and system operators to provide necessary data to each other in order to perform their functions. The rules are not explicit with regard to exchange of information between suppliers and system operators prior to a request by a customer to switch. As a neutral market facilitator, the DSO should provide non-customer-specific and non-commercially sensitive information to all suppliers without bias or discrimination. Regulators should consider specific provisions preventing the release of customer-specific information by licensees without the customer's consent (except as necessary due to other laws). Other EU countries allow supplier access (via data exchange) to customer and consumption information; however, the principle of customer consent is still important so protections are considered appropriate. Rules need to be clear as to what data suppliers can access, at what point in the marketing process, for what purposes suppliers can use this data, and what customer authorization is necessary (which can be in the contract with the supplier).

Also, standardized electronic data exchange formats are important for efficient communication between network operators, generators and suppliers. Both Entities and the Brčko District have rules requiring the market participants to agree on a data exchange format, which is an appropriate delegation of responsibility since utilities, suppliers and traders are often the most knowledgeable about the suitable technologies. The same agreed-upon format should, however, be approved by the three commissions so they are harmonized to facilitate the exchange of information among licensees and between jurisdictions. Going forward, the ability to meet electronic data exchange requirements would be part of the licensing process (licensing applications might require certification by the regulator that the applicant possesses the necessary electronic capabilities).

4. Default Supplier and Supplier of Last Resort

To choose incumbent suppliers to act as default supplier and supplier of last resort is, from a competition perspective, not the best solution. Nonetheless, even in advanced markets, the default supplier is typically the supplier to the area prior to deregulation, and BiH currently follows that model. The Eligible Customer Rules will need to be updated when there are other market entrants that can qualify to serve in these roles. In addition, currently both functions are performed by the same company, which is not unusual but which emphasizes the need for clear accounting separation because of the different pricing required to compensate the SOLR for having standby supplies available for immediate service.

There could be more clarity in the process for switching from competitive supply to SOLR service, to recognize that this step must be completed instantaneously in the event an existing supplier gives no notice of cessation of supply. Both Entity rules (SERC's rules for the Brčko District remain to be developed in detail) require the failing supplier to notify the system operator and the system operator to then notify the SOLR, but there is a potential gap in the timing of SOLR's commencement of service to the customer; in practice this is likely instantaneous but the rules are not clear. We have recommended additions to resolve this.

5. Metering

Metering processes are set out in a number of rules in each commission: in particular, the Grid Codes, General Conditions of Supply, and Eligible Customer Rules, and many are not in English. Already identified in the section on Billing and Collection is the gap relating to the obligation of the DSO to read the meters and the obligation of the supplier to calculate the invoices based on the metered data - it is not clear in the rules how the metered data is transmitted to the supplier.

Related issues are those of aggregating and validating the collected data, which is not covered in the several rules which describe metering processes, particularly at the distribution level. The rules also do not address (or assign responsibilities for) non-incremental metering data profiling and meter data flow between actors in the distribution network and retail market.

In updating the rules, the commissions need to ensure that the organization of the database is market-oriented (including rules on

aggregation of metering data). The missing steps in the metering process, such as aggregation, validation, profiling for non-incremental metering data, and communication of metered data, need to be prescribed. Importantly, there must be uniformity in these processes, and coordination with regard to data flow, between and among the Customer, Supplier, DSO, and ISO/Transco-ISO. In reviewing and revising the various rules covering metering activities, consider the need for the following:

1. Provisions in the rules to validate metered data in order to ensure collected data could be used for balancing settlement and creation of the technical preconditions for it.
2. Provisions in the rules to aggregate metered data and create technical preconditions for it.
3. A methodology to profile non-incremental metered data.
4. Assignment of the actor to perform the supplier volume allocation.
5. Provisions on how to allocate consumed volumes by supplier on balancing and create the technical preconditions for it
6. Provisions that describe the metering data flow

6. Billing and Collection

The billing provisions in all three General Conditions of Supply are ambiguous with respect to the treatment of network vs. supply charges. During the transition period, this is not a large issue, since the incumbent EP performs both supply and distribution functions. (FERC Gen. Conditions Art. 92; RSERC Gen. Conditions Art. 114.) A barrier arises, however, when customers who switch have to have two bills, while customers remaining with the incumbent supplier only have to have one. Assuming a supplier-centric model is followed in a competitive market (as is recommended in the region), the rules will need to be revised in several places to clarify that there will be a single retail electricity bill that contains the amounts for both network and supply of electricity,¹⁰ that payment will be made to the supplier, and that the supplier will remit the network portion to the DSO within an established (and relatively short) timeframe. This will require the adoption of complex data exchange and financial

¹⁰ RSERC's rules provide for a single bill (Gen. Conditions of Supply Art. 84(3)); however, there is still ambiguity on collection and supplier payments of distribution charges to DSO. Art. 59 (contracts on mutual relations) may be a vehicle to resolve this but need a clear process, including time limit within which supplier must pay DSO.

settlement rules that address the allocation of the risk of nonpayment or partial payments between the supplier and the DSO.

7. Contracts

From a regulatory oversight standpoint, many of the consumer protection measures applicable to contracts are really more essential for smaller customers (e.g., medium, small and household categories) than for large customers, simply because the latter has more bargaining leverage and contract experience. The same standard form contract (currently required by all three regulators) may not be suitable for all classes of customers, but there is no distinction in the rules on this. The current language appears broad enough to permit having different standard form contracts for different customer categories, but this should be clearer. (See General Conditions of Supply for FERC Art. 35; for RSERC, Art. 58; for SERC (Brčko), Art. 58.) All rules should also include a prohibition on “exclusivity clauses” in large, non-household supply contracts.

Also, it is important to ensure that customers receive information on supply terms and conditions and prices sufficiently in advance of signing supply contract for customer to be able to compare offers. Both FERC and RSERC rules provide for advance notice (final SERC Eligible Customer Rules are still in development), but none specify a minimum period of time (or even qualifying language requiring the information to be provided “reasonably in advance of concluding the contract to enable customer to evaluate supply options”).

B. Specific Recommendations – Federation (FERC)

1. Supplier Licensing

Licensing Rule Article 31 outlining the conditions that FERC “may include” in a license is a good example of a rule providing sufficient *authority* to the commission, but nonetheless lacking clarity as to whether the conditions will actually be imposed on all licensees - leading to potential inconsistent and even discriminatory licensing practices. It is likely that FERC intended these conditions to be applicable to all licensees but the English translation at least suggests that discretion can be exercised.

Lic. Rule	Recommendation
Art. 5(1), second sentence	Ambiguous. What is the exception for supply and trade licenses “consistent with the Law of Transmission”? The rule envisions licensing of suppliers and the definition includes trading activity, so this exception sounds like there is a separate trade license from a supply license. It might be appropriate to consider a separate trading license in addition to a supply license (suppliers would probably hold both licenses whereas traders might not)
Arts. 5, 6, 30, 33 (also Gen. Conditions Art. 92)	After full unbundling, these sections need to be amended to remove distribution company as appropriate licensed supplier (also requires change to Elec. Power Law)
Arts. 9-10	Imposes regulatory fee but need to update website to include current decision on amount
Art. 15 & Procedural Rules Art. 29	Amend to allow some form of public input in formal licensing proceeding
Art. 17	Add language to limit timeframe for decision on license to no later than, e.g., 60 days from completed application
Art. 29	Amend to require information on parent companies and shareholders (see, e.g., SERC Rule Art. 19(c)); add DSO arrangement to para. (o); consider further defining Business Plan (para. (l))
Art. 31	Amend “may” to “will”; if there is any basis for exempting a licensee from any of the enumerated conditions, another paragraph could be added to permit an exemption only “for good cause” that must be explained in the application and in the license approval decision

One comment on Form 3: the Personnel section appears too broad and could be read to cover all personnel of applicant; need to clarify which personnel (e.g., officers or supervisors); it would be too burdensome to supply educational qualifications for every employee.

Also, the website is unclear as to which of the two application fee documents applies (the decision is dated 2009 and appears to only apply to that year).

2. Customer Switching

Recommend putting clear guidelines on FERC website to inform customers of each step in the switching process - for example, answer the questions “Where do I find information on suppliers?”; “How can I compare prices?”; “Who will read my meters?”; “How do I cancel my existing supplier?” A list of frequently asked questions can be found on the EC Consumer [Checklist](http://www.energycustomers.ie/electricity/euchecklist.aspx) (available at <http://www.energycustomers.ie/electricity/euchecklist.aspx>).

Law/Rule	Recommendation
Eligible Cust. Rule Art. 3	Add definition of supplier to eligible customers to include RSERC-licensed suppliers Consider adding definitions of other market participants (e.g., DSO, public supplier) so eligible customers can easily find all in one place; definitions should harmonize with other rules and laws
Elig. Customer Rule Art. 10(2) & (4)	Consider amending to allow return to public supplier in certain circumstances or with approval of FERC
Elig. Customer Rule Art. 11(4)	Amend to remove restrictions on timing of switch - what reason is there to limit choice to these times?
Elig. Customer Rule Art. 17(3)	Amend to remove 30-day notice period for cancelling existing supply contract; parties can agree to notice period if important. If deemed necessary for initial switch in transition period, limit to that circumstance Also consider having new supplier inform existing supplier, rather than customer informing existing supplier (particularly for small and household customers)
Elig. Customer Rule Art. 17(4)	Consider deleting this paragraph as payment disputes can be addressed outside the switching process
Elig. Customer Rule Art. 17(5)	Amend to remove limitation that “application date” must be first day of month - unnecessarily prolongs process; switch should be able to occur on any business day
Elig. Customer Rule Art. 17(10)	Amend to clarify timing of the reading of the meter
Elig. Customer Rule Art. 18	The language in paragraph 1 that a challenge by the existing supplier must be in accordance with the existing contract is good; may want to clarify that nonpayment or a payment dispute should not be grounds for challenging a switch if the issue can be resolved through other contract dispute mechanisms (e.g., arbitration or court) (<i>see also</i> Gen. Conditions of Supply Art. 33(4))

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 34(2)	Amend to remove restrictions on timing of switch
Licensing Rule Art. 27	First sentence says FERC “may” include certain conditions in distribution license, incl. TPA. TPA is mandatory, which is clear from other rules and laws; change “may” to “will” if there is any basis for exempting a licensee from any of the enumerated conditions, another paragraph could be added to permit an exemption only “for good cause” that must be explained in the application and in the license approval decision (same as for supply license conditions in Art. 31)

3. Information Sharing

The Commission website should have a clear explanation of market opening and customer rights, with guidelines for participating in the market. Also, the list of suppliers should include contact information and/or links to supplier websites.

While the Eligible Customer Rule requires suppliers to post pricing information to inform customers of price changes, there is some ambiguity as to whether a customer can switch suppliers after being notified of a price change (and if it can, whether it is limited to the June and September deadlines in Article 11).

Finally, as mentioned, the same standardized electronic data exchange format (e.g., XML, EDIFACT) between suppliers, generators, the DSO and the ISO/Transco should be approved by all commissions. The ability of a supplier to obtain information (procedures, specifications, costs, aggregate load data, etc.) from a DSO in advance of a customer request to switch is not clear in the rules, although there are provisions governing the contractual relations between the two that would permit this information-sharing to occur if there were more detailed requirements in them. See General Conditions of Supply Arts. 32 (usage contract between supplier and DSO); 38 (requiring “contracts on mutual relations” to include manner of information linking and data exchange among the parties). The regulator must ensure that the method set out in any contract offers sufficient access to information by the supplier.

Law/Rule	Recommendation
Elig. Customer Rule 16	Provides for 30-day notice by supplier of price change but amend to make clear that customer can switch within specific period of time after notice (or, if this depends on contract language, amend Gen. Conditions of Supply Art. 33 to add "clear pricing terms, including whether supplier can change price and rights of customer in event of a price change" or similar provision to the list of contract contents)
Gen. Conditions of Supply Art. 5	Consider adding obligation for distributor to publish guidelines for customers to exercise their rights (see RSERC Art. 9(n))
Gen. Conditions of Supply Art. 38(2)(c)	This article requires market participants (including ISO and EPs) to agree on manner of data exchange - amend to add "which shall be approved by FERC" Note: Art. 32(m) requires DSO and user contracts to include provision on manner of data exchange, but this provision need not be amended because many end users would not have the approved electronic technology; they can give data to DSO which can then input data into the approved program
Licensing Rule Art. 27	Consider adding specific condition that in exchanging data with other market participants, distributor protects customer-specific information

4. Default Supplier/Supplier of Last Resort

FERC's Eligible Customer Rule has separate sections for the Public Supplier Role and the Supplier of Last Resort role - however, currently, both are the incumbent Tier 1 licensee (i.e., distributor). This separation of functions appropriately allows for different companies to serve these roles when the market is more developed. There is ambiguity in the process for converting from competitive supply to SOLR supply; it should be handled by the suppliers performing these services with no interruption of supply to the customer.

Law/Rule	Recommendation
Elig. Customer Rule Art. 8	After transition period, add provision that shows how Public Supplier will be selected
Elig. Customer Rule Art. 14	Add responsibility of SOLR to immediately serve eligible customer upon notification from system operator of loss or failure of existing supplier (see Art. 19(2))

Law/Rule	Recommendation
Elig. Customer Rule Art. 19(2) & (3)	It is not clear how customer can receive supply seamlessly with the time deadlines for signing a contract; presumably there is no interruption of service but this needs to be clarified (see Art. 14 recommendation above or add "and SOLR shall immediately supply eligible customer" at end of 19(2))
Elig. Customer Rule Art. 19(2), (5) & (6)	Correct typo - references to Article 14 (2) should be to Article 14(1)
Elig. Customer Rule Art. 19(3)	Believe reference should be to Article 14, para. 1(c)?

5. Metering

The metering rules (whether in the Rulebook on Metering, Distribution Code or General Conditions of Supply) in their entirety need to be reviewed and revised to address the gaps in the processing of the metered data identified in Part IV.A (and considering the interaction between the transmission network processes and the distribution network processes). In addition consider the following amendments:

Law/Rule	Recommendation
Rulebook on Metering Point Art. 23	Clarify that DSO has responsibility for preserving confidentiality (limiting access) to meter registry information (can provide to appropriate system users on request - e.g., customer or its supplier) Also clarify data aggregation and validation processes
Gen. Conditions of Supply Art. 62	Clarify methods of transmission of metered data to suppliers for calculation of invoice and also any limitations on access to metered data (e.g., user codes as in ISO Grid Code)

6. Billing and Collections

Although the rules endeavor to separate supply from network usage charges, there is no express provision allowing the supplier to bill for network charges or even conclude the contract on usage on behalf of customers (except perhaps tariff customers). There are also gaps that need to be filled before an independent supplier will be able to perform combined billing and collection for both supply and usage. This will likely entail significant revisions to the rules; the following identified articles are examples of sections that need to be modified.

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 5(1)(j)	Does "Submit all respective notices for customers" include billing? Add provision that DSO may delegate some of this responsibility to supplier
Gen. Conditions of Supply Art. 6(2)(a)	If supplier has right of access to distribution network, it would necessarily be on behalf of customers; remaining rules, however, do not clearly give supplier ability to bill for network access
Gen. Conditions of Supply Arts. 6(1)(d), 33(2)(i); 63(1); & 65 (supplier) Gen. Conditions of Supply Arts. 5(1)(j) & 32(2)(c) (distributor billings)	These sections need to be harmonized to make clear whether a supplier can (or must) bill for both supply and distribution elements. For example, Art. 33(1) and 65(1) states that supplier bills (and customer pays) for electricity <i>consumed</i> , which is not clear if this includes network charges. The contract for usage of the distribution grid (Art. 32) and contract for supply (Art. 33) both include provisions on the manner of billing; if the supplier performs this function it needs to be made clearer in the rules
Gen. Conditions of Supply Art. 32(3)	This provision is broadly written but may envision that the supplier can bill for usage fees for tariff customers; need to be more specific about how the supplier "regulates with the distributor the usage of the distribution grid" and why this can only be done with tariff customers
Gen. Conditions of Supply Art. 63	Article 62 provides for monthly meter reading but there is no express provision for monthly billing for tariff customers
Gen. Conditions of Supply Art. 64	This article addresses billing policies and, together with Art. 33 on the contents of supply contracts, provides a general description of information that needs to be given to the customer; recommend that rules list the specific contents that need to be in bills (price/kWh, historical consumption, dispute process, etc.)
Gen. Conditions of Supply Arts. 70(9) & 71(2)	DSO billing of unauthorized consumption is inconsistent with supplier billing method; consider amending to have DSO calculate unauthorized consumption and supplier bill and collect; if not, need to address how supplier gets reimbursed for supply element of unauthorized consumption
Elig. Customer Rule Art. 10 (3) & (7)	In case of multiple suppliers, which supplier will be responsible for including network charges in its bill? (May need to amend General Conditions of Supply to address this.)

7. Contracts

FERC rules do not include any provision allowing the supplier to act as agent for the customer in executing a contract for usage of the network; this is an important element of a "single point of contact" system.

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 7(2)(b)	Clarify that end-user need only conclude contract on connection if required "in accordance with Article 17"
Gen. Conditions of Supply Art. 33	<p>Consider adding provision specifying that customer (other than small or household customer) is entitled to concurrently conclude supply contracts with other suppliers upon confirmation of the "calculating elements" [term used in RSERC Elig. Customer Rule Art. 10(5)] by the system operator</p> <p>Also consider adding a requirement that notice be sent to customer prior to cessation of contract; notice period should be sufficient for customer to renew contract or obtain substitute supply</p>
Gen. Conditions of Supply Art. 37(a) & (b)	Neither supplier or customer should be able to escape contract simply on written request; need to have conditions constituting a default (breach) of the contract (e.g., nonpayment for defined period of time, unauthorized consumption, failure of supply not due to force majeure, other contract obligations)
Gen. Conditions of Supply Art. 42	Typo in English version (it is labeled "Article 35")
Elig. Customer Rule Art.15	Consider adding provision that supplier can conclude contract on access on behalf of eligible customer

C. Specific Recommendations – Republika Srpska (RSERC)

1. Supplier Licensing

Application forms are not available on the RSERC website; because it is the single checklist suppliers will use to determine their licensing requirements and processes, it should be easy to find on the website in English, as this is the business language of the EU.

Lic. Rule	Recommendation
Arts. 5, 26, 27	The terms “supply license” (Arts. 5(c) & 26) and “supply and trade license” (5(d) & 27) are initially confusing but it appears that one is for tariff customers and the other for both trading and supply of eligible customers. It appears from definitions that trade is intended to be only wholesale sales, not supply. These terms could be made clearer by separating trade from supply (is it envisioned that a company could have two or three licenses: competitive supply, tariff supply, and trade?)
Art. 7(3), 35	After full unbundling, this section needs to be amended to remove distribution company as appropriate supplier (also requires changes to Electricity Law), as the distribution company will unbundle into (i) a distribution system operator (DSO) and (ii) a supply company
Art. 8	Lists forms and indicates they are on the website but could not find in English
Art. 10	Indicates RSERC will determine amount of regulatory fee each year but decision is not on website in English
Art. 12	Amend to specify that RSERC will inform applicant in writing that application is complete
Art. 21	Add timeframe within which decision on completed application will be made (e.g., no later than 60 days after complete application). (Note that Art. 69 provides for decision within 30 days for license revocation proceedings)
Arts. 23	Amend to require information on parent companies and shareholders (see e.g. SERC Rule Art. 19(c))
Art. 31	Add third criteria that licensee is able and willing to comply with license conditions in Article 35, including serving as SOLR if appointed by RSERC

2. Customer Switching

The Commission website contains very helpful explanations of market opening and choosing suppliers, as well as price information for transmission, distribution, and public supply/SOLR. More specific

information answering the questions in the EC Consumer [Checklist](http://www.energycustomers.ie/electricity/euchecklist.aspx) (at <http://www.energycustomers.ie/electricity/euchecklist.aspx>) would be valuable for both customers and suppliers.

Law/Rule	Recommendation
Elig. Customer Rule Art. 3 and Art. 21(1)	In reference to FERC Tier II licensees, one Article says supply and one trade; clarify
Eligible Cust. Rule Art. 3	Amend to add definitions of other market actors so eligible customers can easily find (need to harmonize with other laws); recommend putting clear explanations on website
Elig. Customer Rule Art. 12	Consider requiring suppliers to post pricing information
Elig. Customer Rule Art. 15 (3)	Amend to remove 40-day notice period for cancelling existing supply contract; parties can agree to notice period if important. If deemed necessary for initial switch in transition period, limit to that. Also consider having new supplier inform existing supplier, rather than customer (for small and household customers).
Elig. Customer Rule Art. 15 (4)	Consider deleting this paragraph as payment disputes can be addressed outside the switching process
Elig. Customer Rule Art. 15(5), (11), (12)	It is not clear in paragraph 5 what "application date" means - if switching date is effective date of contract, how does date of application alter that? Amend to remove restrictions on timing of switch - switch should be able to occur any business day of the week
Elig. Customer Rule Art. 16	The language in paragraph 1 that a challenge by the existing supplier must be in accordance with the existing contract is good; may want to clarify that nonpayment or a payment dispute should not be grounds for challenging a switch if the issue can be resolved through other contract dispute mechanisms (e.g., arbitration or court)
Elig. Customer Rule Art. 17(1)	Consider amending to allow return to public supplier more frequently in certain circumstances or with approval of RSERC
Rule on Licensing Art. 34	States that certain conditions "may" be in distribution license, incl. TPA. TPA is mandatory, which is clear from other rules and laws, and presumably part of all distribution licenses, but may want to clarify rule.
Gen. Conditions of Supply Art. 4	After unbundling, amend definition of DSO so that it is a separate company (see also Elec. Power Law definition)

3. Information Sharing

A standardized electronic data exchange format (e.g., XML, EDIFACT) between suppliers, generators, the DSO and the TSO should be approved by the commission. The ability of a supplier to obtain information

(procedures, specifications, costs, aggregate load data, etc.) from a DSO in advance of a customer request to switch is not clear in the rules, although there are several provisions governing the contractual relations between the two that would permit this information-sharing to occur if there were more detailed requirements in them. See General Conditions of Supply Arts. 45 (DSO must give access to network users, which include suppliers); 46(5) (access contract with suppliers to customers outside DSO area); 56(1)(c) access contract between DSO and network user). The strongest provision in the General Conditions is Article 59 requiring “contracts on mutual relations” to include methods of communication and data exchange among the parties; however, the regulator must ensure that the method actually selected offers sufficient access to information by the supplier.

Law/Rule	Recommendation
Elig. Customer Rule Art. 12(d)	Add specificity regarding type of information to be provided before conclusion of supply contract
Elig. Cust. Rules Art. 12 and/or Gen. Conditions of Supply Art. 113	Insert provision (or obligation in Art. 12) to require suppliers to post offer prices on website and for RSERC to monitor supplier marketing/website information
Gen. Conditions of Supply Art. 59	This articles requires market participants (including ISO and EPs) to agree on manner of data exchange - amend to add “which shall be approved by RSERC” Note: Art. 46(3)(p) requires DSO and user contracts to include provision on method of data exchange, but this provision need not be amended because many end users would not have the approved electronic technology; they can give data to DSO in a prescribed format which can then input data into the approved electronic data program
Gen. Conditions of Supply Art. 46(4)(b)	Consider amending to add “in conformance with” or “compatible with” the applicable Distribution Code section that provides network communication requirements
Rule on Licenses Art. 32(f)	Consider adding condition that in exchanging data with other market participants, distributor protect customer-specific information

4. Default Supplier/Supplier of Last Resort

The RS Eligible Supplier Rule combines the functions of default (public) supply and supplier of last resort both in the definition (Art. 3) and in the sections on appointment and role (Arts. 8 & 9). While combining these functions in the rules is not uncommon, it is also not very flexible because not all competitive suppliers will be qualified to perform or even interested in performing both of these roles. While

requiring a competitive supplier to act as SOLR if necessary is a reasonable license condition, serving as a public supplier for tariff customers may not be part of the competitive supplier’s business plan (and would be a barrier to market entry).

Law/Rule	Recommendation
Elig. Customer Rule Arts. 3, 8 & 9	The public supplier and SOLR are the same entity and are the supply licensees for tariff customers, which in practice is the incumbent supplier but could later be several licensees – which is appropriate in concept but process is not clear; how does the public know which entity is the public supplier and which is the SOLR. The website has a good description of who supplies customers during and after the transition period but there should be a link that actually identifies the licensee for a particular service territory so customers know which company to contact
Elig. Customer Rule Art. 6(1) & (2)	The difference between the eligible customers in para.1 who receive public supply at tariff rate, and eligible customers in para. 2 who appear to receive public supply at a different, formula rate is confusing; now that deadline in para. (1) has passed, delete this paragraph and amend para. 2 to refer to the Annex methodology
Elig. Customer Rule Art. 18(3)	Add responsibility of SOLR to immediately serve eligible customer upon notification from system operator of loss or failure of existing supplier, e.g., add “and SOLR shall immediately supply eligible customer” at end of this paragraph

5. Metering

The metering rules (whether in the Distribution Code or General Conditions of Supply) in their entirety need to be reviewed and revised to address the gaps in the processing of the metered data identified in Part IV.A (and considering the interaction between the transmission network processes and the distribution network processes). In addition consider the following amendments:

Law/Rule	Recommendation
Gen. Conditions of Supply Arts. 71-80	Clarify that DSO has responsibility for preserving confidentiality (limiting access) to meter registry information (can provide to appropriate system users on request - e.g., customer or its supplier) Also clarify data aggregation and validation processes

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 81(2)(a)	Because the practice (and goal) is to read all meters monthly and consistent with billing period, consider amending to require monthly reading in the rules Also need to clarify in Article 81 the methods of transmission of metered data to suppliers for calculation of invoice and also any limitations on access to metered data (e.g., user codes as in ISO Grid Code)

6. Billing and Collections

The General Conditions of Supply appear to envision combined billing by the supplier, in particular for tariff customers; however, some provisions are not clear because they refer to billing for “consumed” electricity. In addition, the provision on the contents of network access contracts appears to distinguish between suppliers of tariff customers and suppliers of eligible customers outside the DSO service area on the one hand, and suppliers of eligible customers within the DSO territory on the other, implying a direct arrangement (including billing) between the DSO and eligible customers within its service area. If combined billing is optional as opposed to mandatory (which is not the recommended approach), this nonetheless needs to be clarified. It is recommended, however, that combined billing be mandatory so that the supplier is the primary customer contact.

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 10(c)	Amend to add “and delivered”
Gen. Conditions of Supply Art. 11(2)(a)	This provision appears to give customers and suppliers an option concerning combined billing, which potentially requires two points of contact and two billing systems; recommend amending so that DSO access contracts with customers are “regulated by” the contract on supply
Gen. Conditions of Supply Art. 46(5) & (6)	Is the intent of these paragraphs that a supplier cannot conclude access contracts for eligible customers within DSO territory? If so, how does this reconcile with Eligible Customer Rule Arts. 11(2) (contract on access can be concluded by supplier on behalf of customer) & 15 (8) (new supplier “harmonizes” new supply contract with other necessary contracts, including access) - need to resolve conflict between these provisions -- (see also Article 45(15) & (16)*) (* Need to correct numbering)
Gen. Conditions of Supply Arts. 83	Amend to add “and delivered” and include Contract on Access

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 84	Add historical consumption data to contents of bill
Gen. Conditions of Supply Art. 93(5)	DSO billing of unauthorized consumption is inconsistent with supplier billing method; consider amending to have DSO calculate unauthorized consumption and supplier bill and collect; if not, need to address how supplier gets reimbursed for supply component
Elig. Customer Rule Art. 10(5)	In case of multiple suppliers, which supplier will be responsible for including network charges in its bill? (May need to amend General Conditions of Supply to address situation of multiple suppliers to single customer.)

7. Contracts

Article 11(2) of the Eligible Customer rules allows the eligible customer to authorize the supplier to conclude the contract on access, setting up a mixed single- and dual-point-of-contact regime (which adds complication and duplication of billing systems).

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 11(1)	Clarify that end-user need only submit electric power permit application and conclude contract on connection if required "in accordance with Article 14"
Gen. Conditions of Supply Art. 52(1)	Consider adding provision specifying that customer (other than small or household customer) is entitled to concurrently conclude supply contracts with other suppliers upon confirmation of the "calculating elements" [term in Elig. Customer Rule Art. 10(5)] by the system operator
Gen. Conditions of Supply Art. 52(1)(u)	Consider adding provision specifying notice period of impending cessation (e.g., 60 days)
Gen. Conditions of Supply Art. 52(2)	Incorrectly labeled 52(1)(c) in English version
Gen. Conditions of Supply Art. 53(1)(d)	This paragraph is vague; how can contract be legally cancelled before expiration of the term other than by "agreement between the contracting parties" (covered in (c)) and if required by law (covered in (f))

D. Specific Recommendations – State (SERC)

1. Supplier Licensing

With the exception of the Brčko District (discussed below), SERC does not have jurisdiction over supply licensing, although it does have authority over questions of transmission network access that might arise in the supplier licensing process. While the *Law on Transmission* is clear that the ISO cannot engage in supply activity (Art. 5.1), there is some latitude in the *Law Establishing Transmission Company* for SERC to permit the Transco to engage in activities of generation, supply, trading or distribution (Art. 2). The criteria are quite broad: “in the interests of the Company’s users and shareholders.” (Art. 2(2).) To ensure nondiscriminatory access, the Transco cannot be in the business of generation, supply, or trading.

Brčko District

SERC has recently adopted new Licensing Rules that encompass the activities of supply and distribution in the Brčko District, and also has issued one a decision covering supply to eligible customers and General Conditions of Supply.¹¹ SERC still needs to add more specificity to the eligible customer (supplier switching) rules (which the decision itself recognizes in Article 12(3)). The Eligible Customer Decision also provides that supply licensees from the Federation and Republika Srpska can supply eligible customers in the Brčko District (Art. 2), so need to ensure that final eligible customer rule has similar provisions as Entity Rules.

Law/Rule	Recommendation
Law Establishing Transco Art. 2	Amend as follows: 3 rd paragraph: remove “Except upon prior approval of SERC,” Delete numbered para. 1 allowing generation, trading, or supply activity. Distribution activity is appropriate and likely necessary to directly serve large end-users. Other non-transmission unregulated activities may be authorized so paragraphs 2 and 3 okay.
Licensing Rule Art. 16(5)	Consider adding language to limit timeframe for decision on license to a “no later than” date, e.g., 60 days from completed application

¹¹ Licensing Rules, No. 87/12 (Oct. 2012); Decision on Supply of Eligible Customers with Electricity In the Brčko District Of Bosnia and Herzegovina (Oct. 2011); General Conditions of Supply (Nov. 2011).

2. Customer Switching

The rules for eligible customers to the Brčko District are still under development, and SERC should consider the comments on the Entity rules in adopting rules for Brčko. The recommendations below are largely aimed at the State-wide rules that can affect customer switching practices in the Federation or Republika Srpska.

Law/Rule	Recommendation
Market Rule Arts. 8-14, 20	While these articles recognize eligible customers with regard to selection and responsibilities of BRP, there is no provision specifically addressing process for switching by customers directly connected to grid

3. Information Sharing

Even though SERC does not directly regulate retail suppliers outside the Brčko District, it should consider including supplier information on its website (or links to supplier information on Entity commission websites), as foreign suppliers in particular would view SERC as a first stop.

Law/Rule	Recommendation
Brčko Conditions for Temporary License para. 3.17	This rule has been repealed; however, consider retaining some of the requirements for the supplier, such as this one about information that PSC Brčko District is to put on its website
Gen. Conditions of Supply Art. 59	This articles requires market participants (including ISO and EPs) to agree on manner of data exchange - amend to add "which shall be approved by RSERC" Note: Art. 46(3)(p) requires DSO and user contracts to include provision on method of data exchange, but this provision need not be amended because many end users would not have the approved electronic technology; they can give data to DSO in a prescribed format which can then input data into the approved electronic data program
Gen. Conditions of Supply Art. 46(4)(b)	Consider amending to add "in conformance with" or "compatible with" the applicable Distribution Code section that provides network communication requirements
Licensing Rule Arts. 44, 47, & 48	Consider adding condition that in exchanging data with other market participants, ISO and distributor protect customer-specific information

4. Default Supplier/Supplier of Last Resort

The Eligible Customer rules are not yet detailed; SERC should consider comments to FERC and RSERC rules in developing Eligible Customer rules.

Law/Rule	Recommendation
Brčko Decision on Supply Art. 11	Amend to add that SERC can dispute price of SOLR in same manner as under Art. 10 for default supplier

5. . Metering

The metering rules (whether the Grid Code, Distribution Code or General Conditions of Supply) in their entirety need to be reviewed and revised to address the gaps in the processing of the metered data identified in Part IV.A (and considering the interaction between the transmission network processes and the distribution network processes). In addition consider the following amendments:

Law/Rule	Recommendation
ISO: Grid Code paragraphs 5.24.1, 9.2.1(c), and 9.12.1	These provisions are potentially inconsistent and suggest either Transco or user installs equipment (is this the case?); consider clarification of intent in para. 5.24.1 (add language "in accordance with section 9.2" which ensures registered meter service provider may be responsible for metering installation (para. 9.12.1 appears to cover existing owned meters so may be acceptable)
Grid Code Arts. 9.2, 9.11, & 9.12	Clarify process for validation and correction of data and how network users receive own data
Brcko: Gen. Conditions of Supply Arts. 71-80	Clarify that DSO has responsibility for preserving confidentiality (limiting access) to meter registry information (can provide to appropriate system users on request - e.g., customer or its supplier) Also clarify data aggregation and validation processes
Gen. Conditions of Supply Art. 81(2)(a)	Because the practice (and goal) is to read all meters monthly and consistent with billing period, consider amending to require monthly reading in the rules Also need to clarify in Article 81 the methods of transmission of metered data to suppliers for calculation of invoice and also any limitations on access to metered data (e.g., user codes as in ISO Grid Code)

6. Billing and Collections

The General Conditions of Supply appear to envision combined billing by the supplier, in particular for tariff customers; however, some provisions are not clear because they refer to billing for “consumed” electricity. In addition, the provision on the contents of network access contracts appears to distinguish between suppliers of tariff customers and suppliers of eligible customers outside the DSO service area on the one hand, and suppliers of eligible customers within the DSO territory on the other, implying a direct arrangement (including billing) between the DSO and eligible customers within its service area. If combined billing is optional as opposed to mandatory (which is not the recommended approach), this nonetheless needs to be clarified. It is recommended, however, that combined billing be mandatory so that the supplier is the primary customer contact.

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 10(c)	Amend to add “and delivered”
Gen. Conditions of Supply Art. 11(2)(a)	This provision appears to give customers and suppliers an option concerning combined billing, which potentially requires two points of contact and two billing systems; recommend amending so that DSO access contracts with customers are “regulated by” the contract on supply
Gen. Conditions of Supply Art. 46(5) & (6)	Is the intent of these paragraphs that a supplier cannot conclude access contracts for eligible customers within DSO territory? Need to clarify (see also Article 45(8) & (9))
Gen. Conditions of Supply Arts. 83	Amend to add “and delivered” and include Contract on Access
Gen. Conditions of Supply Art. 84	Add historical consumption data to contents of bill
Gen. Conditions of Supply Art. 93(5)	DSO billing of unauthorized consumption is inconsistent with supplier billing method; consider amending to have DSO calculate unauthorized consumption and supplier bill and collect; if not, need to address how supplier gets reimbursed for supply component

7. Contracts

In the final eligible customer rule, recommend ensuring there is a provision for single-point-of-contact in switching (to handle both supply and network access issues).

Law/Rule	Recommendation
Gen. Conditions of Supply Art. 11(1)	Clarify that end-user need only submit electric power permit application and conclude contract on connection if required "in accordance with Article 14"
Gen. Conditions of Supply Arts.45(15) & 46(5) & (6)	It appears that the phrase "based on the contract on supply which contains necessary provisions on the access to the network" in Art. 45(8) envisions that suppliers can execute contract on access on behalf of tariff customers, but these provisions could be more precise with regard to ability of supplier to act on behalf of customers
Gen. Conditions of Supply Art. 52(1)	Consider adding provision specifying that customer (other than small or household customer) is entitled to concurrently conclude supply contracts with other suppliers upon confirmation of the "calculating elements" [term in RSERC Elig. Customer Rule Art. 10(5)] by the system operator
Gen. Conditions of Supply Art. 52(1)(u)	Consider adding provision specifying notice period of impending cessation (e.g., 60 days)
Gen. Conditions of Supply Art. 53(1)(d)	This paragraph is vague; how can contract be legally cancelled before expiration of the term other than by "agreement between the contracting parties" (covered in (c)) and if required by law (covered in (f))
Rules on Third Part Access Art. 7	Add provision that SERC will approve the ISO/TSO contract (and any amendments)