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## Regulatory and Energy Assistance

### MEMORANDUM

**TO:** Ljubo Glamocic  
Milorad Zivkovic  
Slavica Bogdanovic

**FROM:** Jane Wilson  
REAP Project

**CC:** Ankica Gavrilovic  
R. Brown

**RE:** Amendment to Article 29 of the Electricity Law

**DATE:** 29 May 2007

I have reviewed the proposed amendments to the Electricity Law, and, except for one item addressed below, I think that the amendments have improved the clarity of the Law. It is good work.

I am concerned about the change to Article 29. The sentence providing, “That decision of the regulator shall remain in effect pending the completion of the appellate proceedings” has been removed. [I understand that the Regulator’s decision is final and that a complaint is then filed to commence a court proceeding; that was a correct change to make.]

While I understand that perhaps because of the sentence stating that the decisions of the regulator shall be final, the practical consequences of relying solely on an implied meaning regarding the institution of court proceedings may result in unintended consequences. If because of any uncertainty, a Regulator’s decision is not implemented until the completion of the court proceedings, the unintended consequence could be accounting chaos.

We all know how long court proceedings can take. In the meantime, even additional court proceedings could be started by disgruntled participants in regulatory proceedings. Particularly if we are discussing tariff decisions, numerous complications can occur if one or several decisions are *not* implemented because of complaints filed and then a subsequent decision implemented. Essentially, that will create accounting chaos for both the regulated companies and the regulator because at the end of the court proceedings refunds from companies and additional payments from customers could be flying in all directions!

If the decisions are implemented pending the filing of court complaints, then one net tariff refund of overpayment by regulated companies or additional payment from customers (or both) can be made to implement the court decision(s).

Perhaps this is a “double insurance” approach; but in this case, I request that you consider it carefully.

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