

FIRST ANNUAL REGULATORY CONFERENCE

For the Global Regulatory Network

SLOVAKIA UPDATES & ISSUES

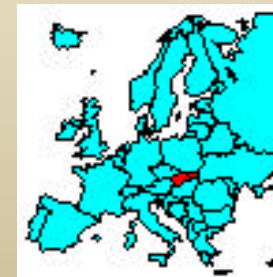
Prof. Dr. Dusan HOLOUBEK
RONI Commissioner
Slovakia

Windhoek, Namibia

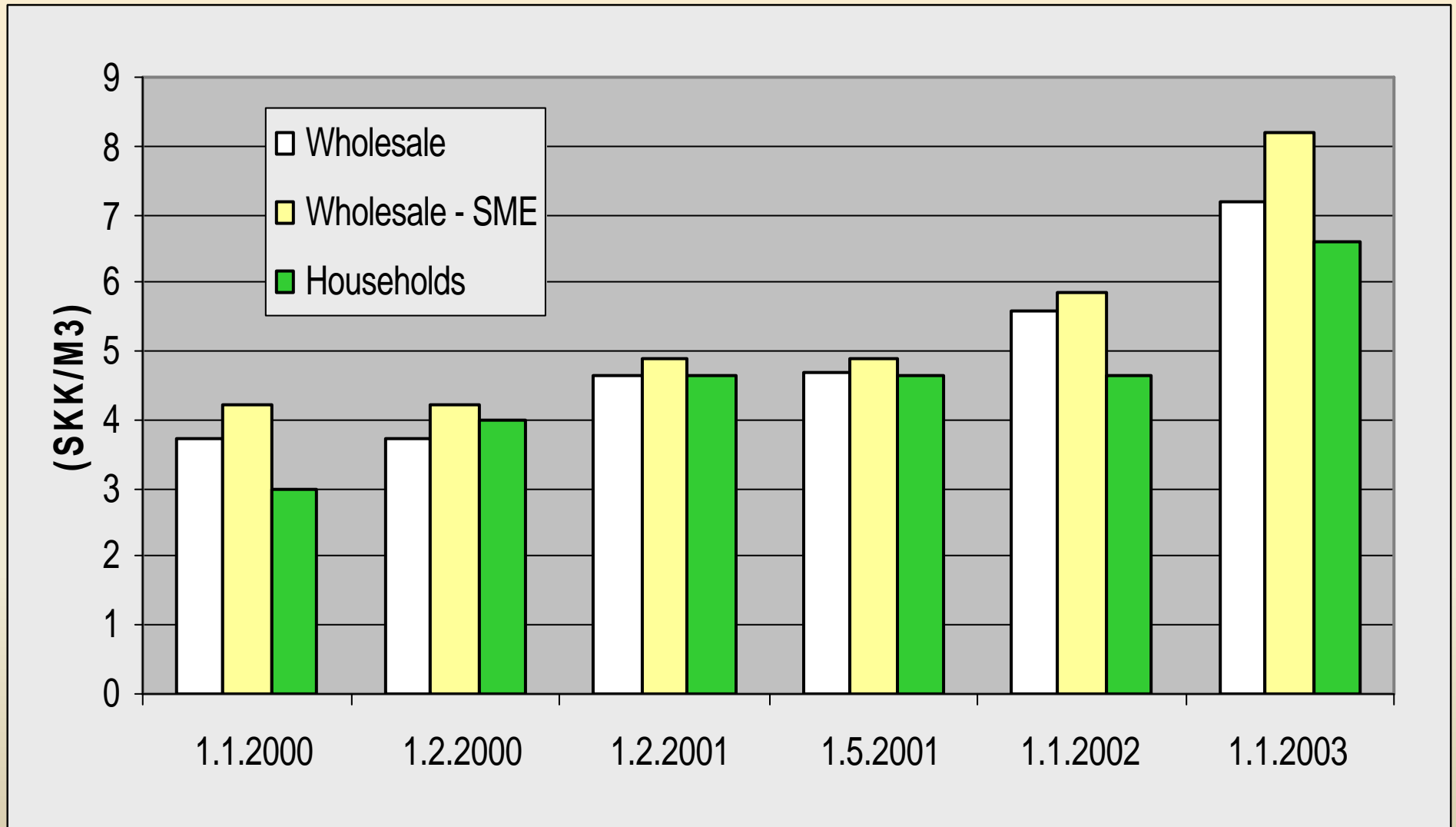
16 – 17 June 2003

Key Events and Activities in 2002 through June 2003

- Legislation for Price Control of Network Media (NG, Electricity, Heat, Water + Sewage);
- Since Jan. 2003: Price Control from Ministry of Finance to RONI;
- Natural gas: average price increase by 33 % – 10% cross-subsidy will be removed in 2004;
- Power sector: average price increase by 20 % - no cross-subsidy;

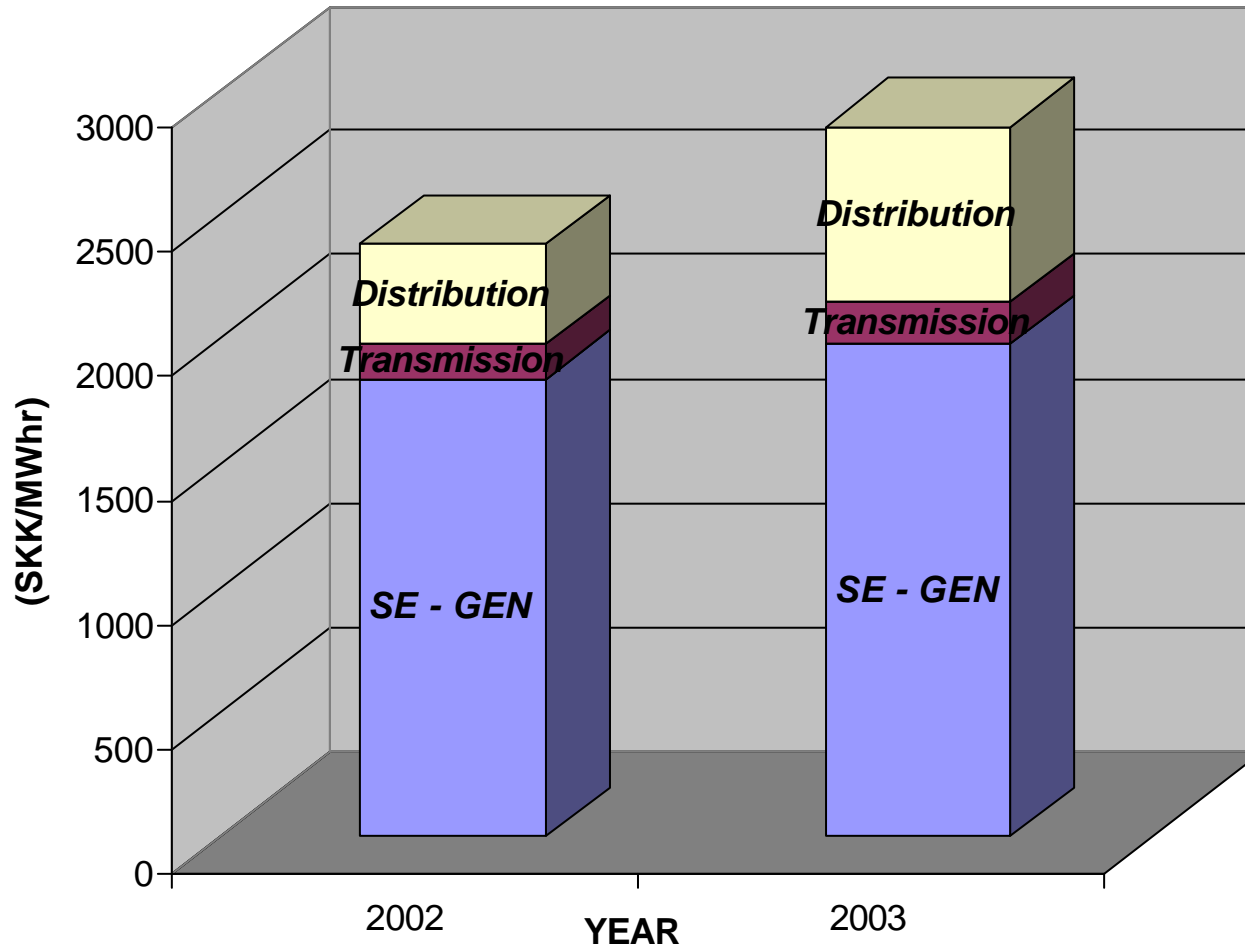


NG Price Development - VAT excluded



42 SKK = 1 EUR

POWER PRICE BREAKDOWN



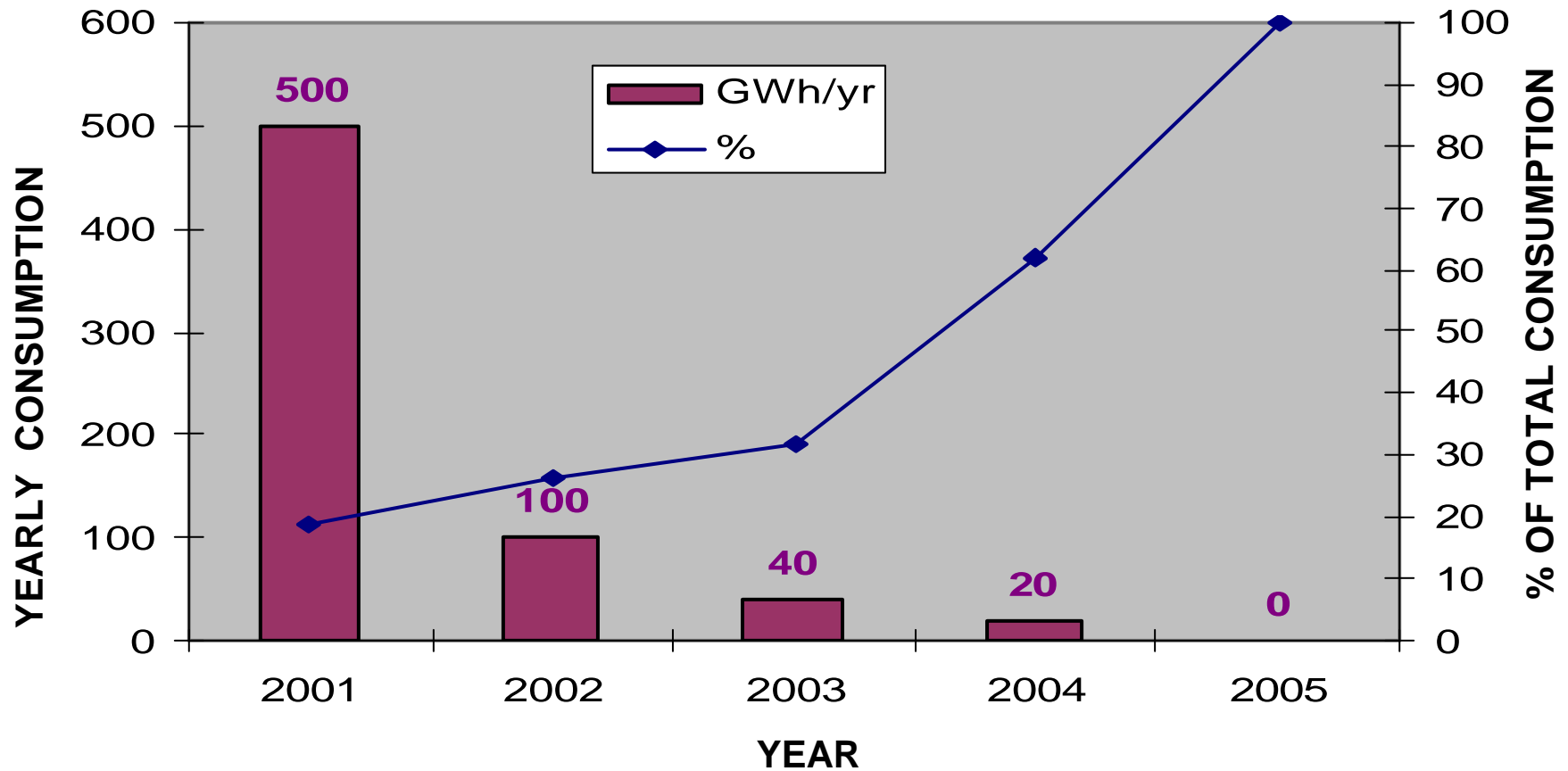
Status of Introduction of Competition and Related Issues

Internal Market Opening

- Internal Market Opening (electricity)
 - 1.1.2001 - 500 GWh (19 %)
 - 1.1.2002 - 100 GWh (27 %)
 - 1.1.2003 - 40 GWh (32 %)
 - 1.1.2004 - 20 GWh (62 %)
 - 1.1.2005 - 0 GWh (100%)
- Internal Market Opening (gas)
 - 1.1.2003 – 15 MM³



INTERNAL ELECTRICITY MARKET OPENING



Status of Introduction of Competition and Related Issues

External Power Market Opening

Factors affecting imported power:

- Seasonal Availability
- Technical constrains – bottlenecks
 - Available capacity of inter-connectors
 - Actual availability of capacity
- Legal restrictions
 - ⇒ in 2003 < 33%
 - ⇒ in 2004 < 66%
 - ⇒ in 2005 100%



Key Anticipated Issues and Activities for the Next Year

- ◆ Legal unbundling of regulated and non-regulated activities;
- ◆ Establish a functioning market and market operator;
- ◆ Full harmonization of energy and regulatory laws with EU Directives;
- ◆ Resolve transitions issues:
 - stranded costs (electricity)
 - take-or-pay contracts (gas)



Úrad pre reguláciu sietí ových odvetví

Office for Regulation of Network Industries

(established in 2001)

Slovak Republic

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