



Report name	Issued recommendations	Execution status
<p>Systemic report "Natural monopolies vs. competitive business: how to improve relations"</p>	<p>To oblige operators of engineering network system to publish technological requirements for hook-ups and warehouse facilities to facilitate the implementation of investment programs. National Energy and Utilities Regulatory Commission</p>	<p>In process — comments: According to the information provided by the NEURC, this requirement is currently established for gas transmission and gas distribution system operators due to the relevant provisions of the Code on Gas Transmission System, and the Code on Gas Distribution Systems. Also, in accordance with the clause 4.1.38 of the Code on Distribution Systems, the DSO shall publish and update all necessary information on their official websites and bear responsibility for timely disclosure of information and its authenticity. However, current legislation does not oblige operators of other engineering network systems (heat, water supply and sewage) to publish information on technological requirements for hook-up to networks.</p>
	<p>To require licensees to disclose all consumer applications to hook up and their status, etc. National Energy and Utilities Regulatory Commission</p>	<p>In process — comments: According to the information provided by the NEURC, starting from 11 December 2017 applicants for hook-up services provision can monitor online the detailed flow of events concerning the organizational and technical measures that are carried out by the electricity transmission company in order to provide the hooking-up service. Operation of the personal online cabinet is regulated by the paragraph 4.9 of the Code on Distribution Systems. At the same time, this requirement is not implemented in relation to other engineering network systems (gas, heat, water supply and sewage).</p>
	<p>To hold consultations with licensees, experts and the public on issues regarding hooking-up of producers and consumers to heating networks and ways to resolve them. National Energy and Utilities Regulatory Commission Ministry of Regional Development, Construction and Residential Services Antimonopoly Committee of Ukraine</p>	<p>In process — comments: The NEURC in cooperation with the consultants of the USAID Municipal Energy Reform is working on drafting relevant regulatory documents for hooking up to centralized heating supply system. Within the framework of this USAID project, the NEURC's specialists are members of a working group on the development of the procedure (methodology) for hooking up to heat networks, calculation of the hooking-up fee and financing of hook-up services, etc. The said procedures (methods) are not yet approved and therefore relevant consultations should continue to be carried out, if necessary</p>
	<p>To renew the rules for connecting to water supply and sewage systems so that they regulate, among others, the issue of providing/receiving Technical Specifications, establishing the hooking-up fees for the water supply and sewage networks based on a formula using the costs of the works and services needed at various stages in this process. The new rules should clearly define "access" and "connection/hook-up" as well as contain norms that regulate a number of issues related to: issuing and receiving hook-up permission; drawing up construction blueprints showing the water and sewage connections; providing and receiving Technical Specifications, which includes establishing the order or methodology for formulating the value of specification issuing services; establishing the procedure for paying for a hook-up that includes the value of works and services at various stages of this process, including works and services related to hooking up to water supply and sewage networks; determining the equity contribution, with the intention of preventing cases where customers are pressured under the guise of an equity contribution to buy materials and/or to carry out certain works on behalf of the provider that are not directly related to the procedure of hooking up ordered by the customer; covering temporary connections; launching networks for further transporting of water resources; changing ownership to prevent abuse and setting excessive installation requirements. National Energy and Utilities Regulatory Commission Ministry of Regional Development, Construction and Residential Services</p>	<p>In process — comments: According to the information provided by the NEURC and the Ministry of Regional Development, Construction and Residential Services, the latter is currently working on amendments to the Rules for the use of centralized municipal water supply and sewage systems in settlements of Ukraine, in particular, to regulate the issue of specifications for hooking-up to centralized water supply and sewage systems. The relevant task is included in the Plan of applied scientific and technical developments in the priority areas of activity in the spheres of construction, housing and communal services and regional development of the Ministry of Regional Development, Construction and Residential Services in 2017. To date, the relevant changes have not been developed and approved.</p>

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Systemic report "Getting access to electricity"	<p>To develop a plan for the switch from cost-plus rate setting to RAB methodology for power and gas companies and implement all the necessary measures to ensure incentive-based rate setting in centralized heating, water and sewage services. National Energy and Utilities Regulatory Commission Ministry of Regional Development, Construction and Residential Services</p>	<p>In process — comments: During 2015-2017, the NEURC has developed a regulatory framework for implementation of incentive management in the fields of energy and utilities, namely power transmission, power distribution field, heat- water supply and sewage. Thus, the Council is currently attempting to identify areas in which the concept of switching from "cost plus" rate setting methodology to RAB has not been yet developed and needs further regulatory settlement.</p>
	<p>To draft amendments to the respective asset valuation methodology to improve the base for assessing and verifying results. National Energy and Utilities Regulatory Commission Ministry of Energy and Coal Industry Ministry of Regional Development, Construction and Residential Services State Property Fund of Ukraine</p>	<p>In process — comments: The representatives of the NEURC, together with the SPFU representatives, participated in the working group on development of amendments to the Methodology for valuation of assets of natural monopolies entities, business entities on adjacent markets in the field of combined production of power and heat energy, approved by the SPFU Order No.293, dated 12 March 2013. Based on Working Group joint work results and cooperation with the USAID Project consultants, the changes were prepared for consideration and proposals, as well as sent for the SPFU's consideration by the letter No.1510/18/7-17 dated 13 February 2017. Preparatory work for introduction of incentive management in the field of heat supply with respect to development of aggregate cost of reproduction value, which shall be attached to the Methodology, is carried out directly by the participants of the pilot project, namely PJSC "Kyivenergo" and PJSC "Oblteplocomunenergo" in Chernihiv with the participation of the State Enterprise "Scientific - Research institute of Building Production".</p>
	<p>To set up a single information system for the sector and a benchmarking system. National Energy and Utilities Regulatory Commission</p>	<p>In process — comments: As reported by the NEURC to the Council, the development and creation of an information system for collection of information from licensees is provided by the District Heating Regulatory Reform Support Program at the expense of the Swedish for International Cooperation and Development Agency (SIDA) Grant. However, the Council is not aware of the actions taken by the NEURC to create such a system.</p>
	<p>To establish the requirement on service providers to present information about key indicators of their operations on their websites. National Energy and Utilities Regulatory Commission Regional State Administrations Municipal Executive Authorities</p>	<p>In process — comments: The requirements for the service providers to disclose main indicators of their activity on web pages are determined by the Law of Ukraine "On the specifics of access to information in power and natural gas supply, centralized hot water, centralized drinking water and sewage services", which was adopted by the Parliament on 10 December 2015. However, service providers mostly did not ensure implementation of the Law.</p>
	<p>To streamline tender procedures conducted by natural monopolies through wider use of framework contracts. National Energy and Utilities Regulatory Commission</p>	<p>In process — comments: According to the information, received from the Ministry of Economy on 22 January 2019, in pursuance of Article 13 of the Law "On Public Procurement" - according to which the peculiarities of the conclusion and implementation of framework agreements are determined by the Authorized Agency, - the Ministry of Economy approved Order No.1372 of 15 September 2017 "On Approval of the Procedure for Concluding and Implementing Framework Agreements". The Council also received assurances that the administrator of the electronic procurement system carried out a technical implementation of the functional, which allows customers to procure procurement under framework agreements in accordance with the above Procedure.</p>