

# Valuing Water



FORMAT: HYBRID

BALKANS JOINT CONFERENCE AND EXHIBITION  
3-5 November 2021 Prishtina, Kosovo



## The role of the Regulator in the water and wastewater sector in Montenegro - challenges and activities

Milica Petrovic  
Energy and Water Regulatory Agency of  
Montenegro

Prishtina, November 2021

# CONTENTS



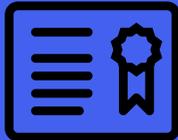
ABOUT THE AGENCY



BENCHMARKING



TARIFF METHODOLOGY



LICENSES



CONCLUSION

The goal of regulation is to provide:

work of operators based on principles of objectivity, transparency and non-discrimination

provision of utility services to users at fair prices

sustainable work of operators

balance of interests of users and operators



The Agency was established

2004

Started regulation of water services

2016

Water department was formed

2017

ABOUT THE AGENCY



According to the Law, the Agency:

issues, changes and revokes licenses for performing utility services

supervises the work and performance of operators within the conditions from licenses

implements benchmarking

gives consents to the tariff requests of operators

prepares and submits the annual report to the Parliament of Montenegro

issues by-laws

## ABOUT THE AGENCY



The Agency is an independent regulatory body

Financially independent - financed from the fees paid by the operators

Huge problem - there is no rule or directive on European level that says the water regulator needs to be independent

This leaves space for political influence. We face a lot of pressure from to be transformed into State Administration, a department within the Ministry

# BENCHMARKING

Benchmarking came into force in October 2018  
Three Benchmarking reports were published

Database that contains 320 data and 130 indicators  
for each operator for every year

We collect data from the operators, then calculate  
indicators and individual and local indexes



Almost none of the operators had good databases

Operators do not keep systematic records of failures,  
complaints, interruptions in water supply, etc

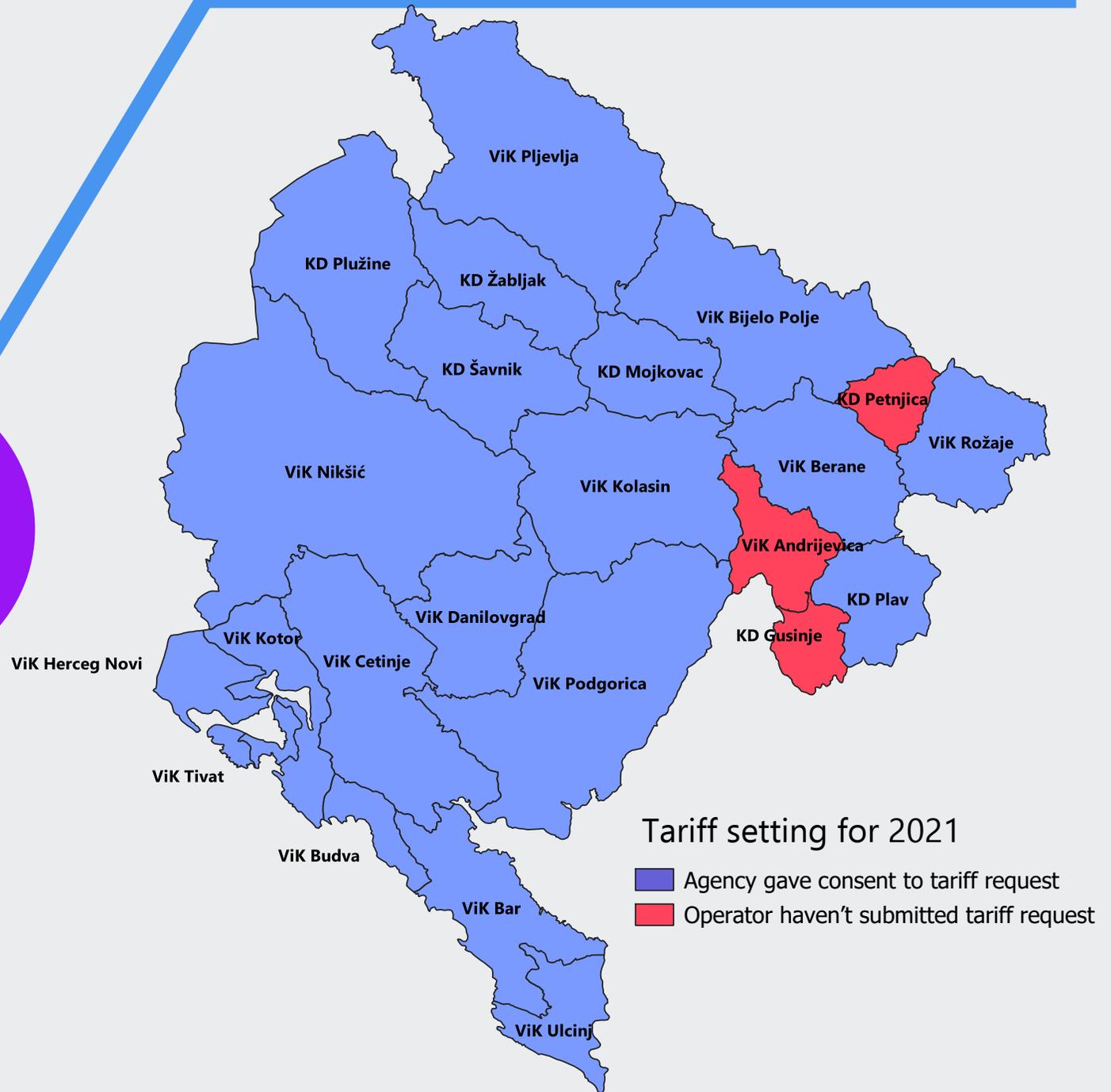
Quantity of extracted water is not measured, so we  
cannot even have precise data of NRW (67,94%)

# TARIFF METHODOLOGY

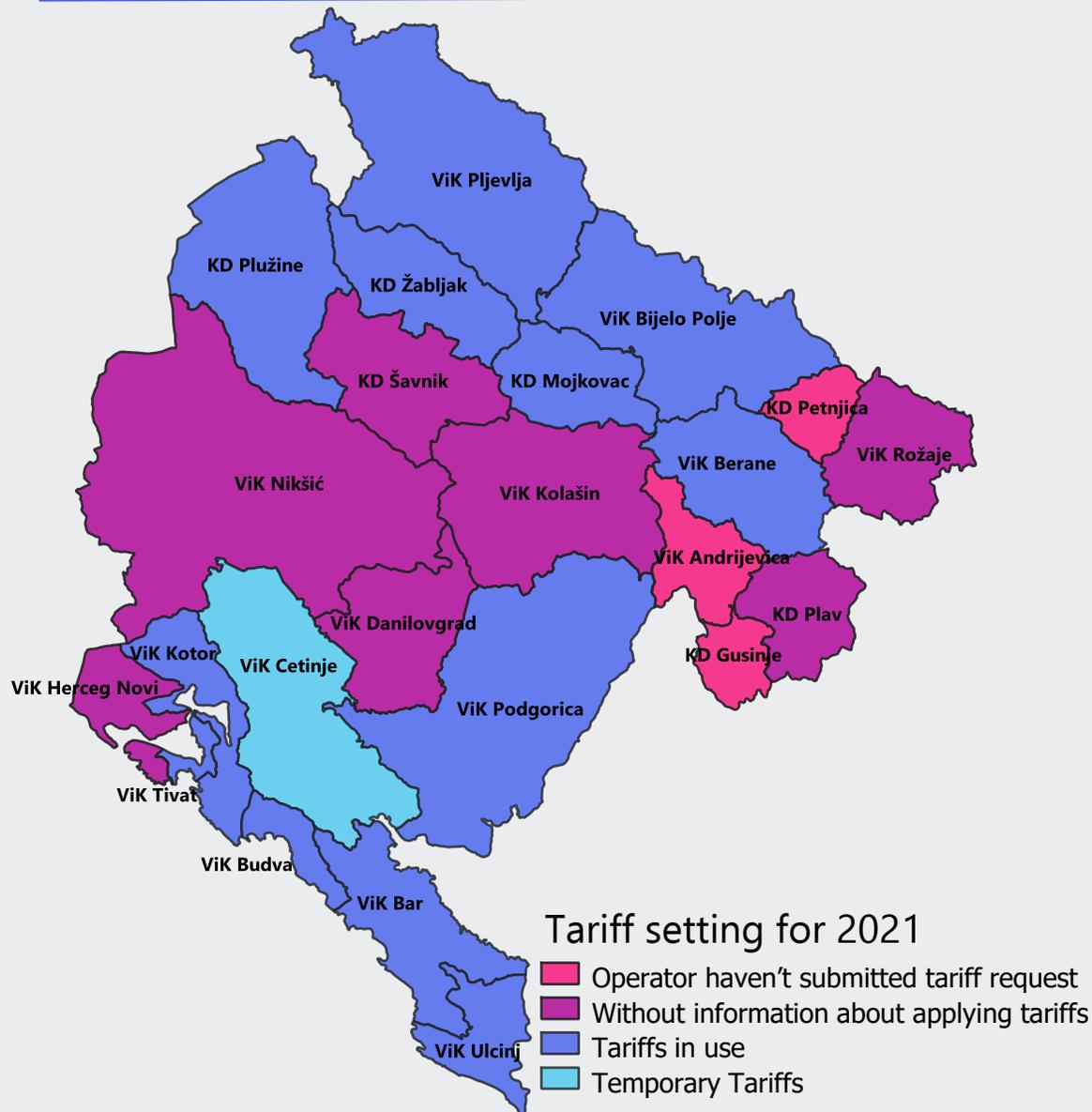
Issued in June 2020

Cost plus – 3 years average

Main problem: 1 year regulatory period



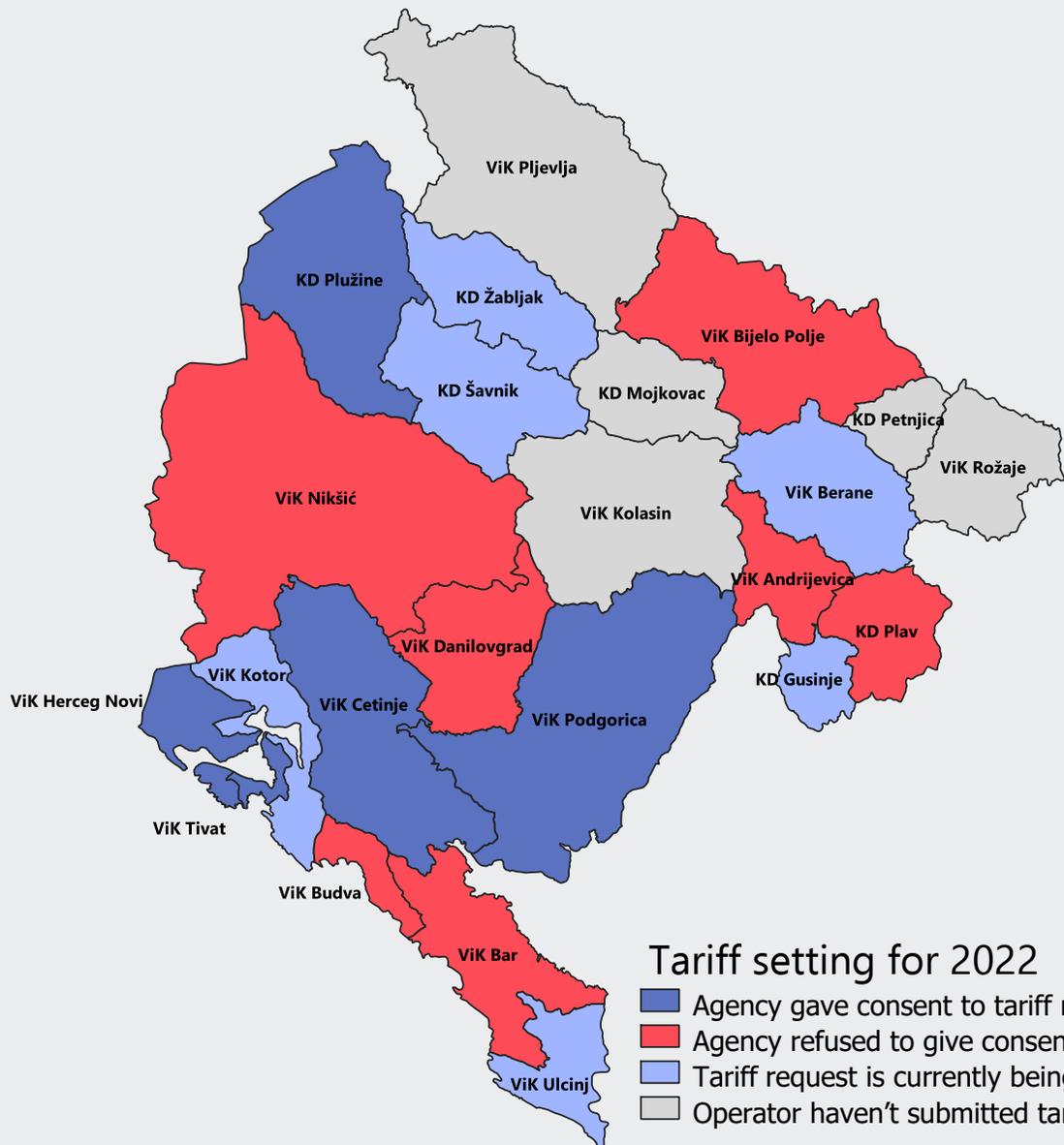
# TARIFF METHODOLOGY



From these 21 operators, 1 didn't get the consent form from its municipality and 3 don't apply regulated tariffs

These are first tariffs calculated on the same principles on Montenegrin level

# TARIFF METHODOLOGY

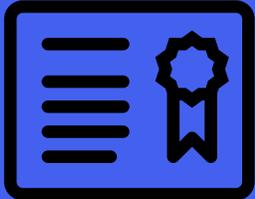


The tariff setting process is very transparent

Detailed reports are published on our website

The hugest problem: after Agency, the consent on tariff settings is needed also from the municipality. This dual approval leaves the place for political manipulations

LICENSES

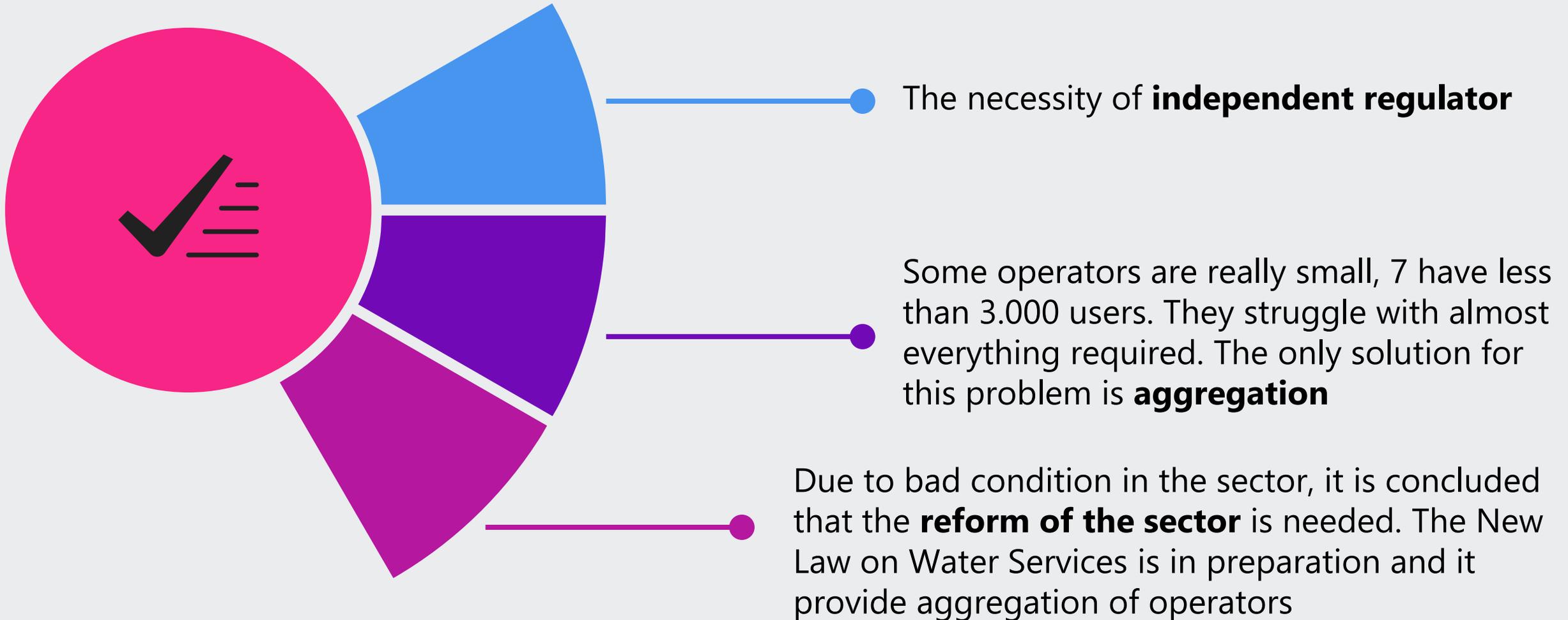


Issued Quality Standard and Rules on licensing the operators

Prescribed obligated minimum for staff and technical equipment for licenses

Already licensed 23 of 24 operators

## CONCLUSION



THANK YOU