

# Presidential Decree No. 339 of the Year 2000

## Reorganizing Electric Utility and Consumer Protection Regulatory Agency

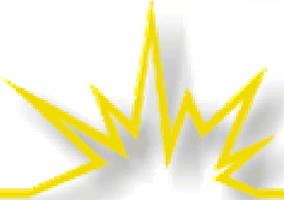


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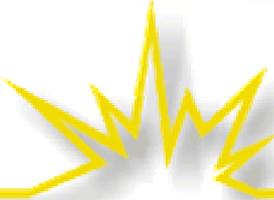
Website:  
<http://www.raonline.org>



# Stated Objectives Scope

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- Regulating, monitoring, and control over all matters relating to electric
  - ❖ Generation
  - ❖ Transmission
  - ❖ Distribution and
  - ❖ Consumption



# Stated Objectives Purpose

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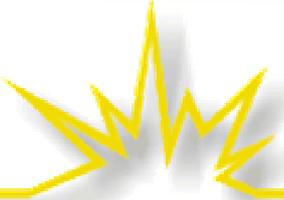
- To ensure
  - ❖ Availability and continuity of supply to satisfy the demand
  - ❖ Suitable prices,
  - ❖ Environmental protection
- The Agency aims also at providing for lawful competition in the field of electricity generation, transmission, and distribution, and
- Avoiding monopolization within the Electric Utility.



# Stated Objectives Context

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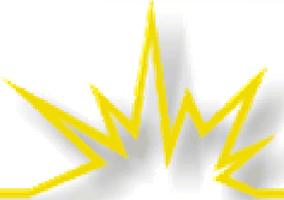
- Taking into consideration the interests
  - ❖ Electric power consumers
  - ❖ Producers, transmitters and distributors (the “Electric Utility”)



# Agency Powers

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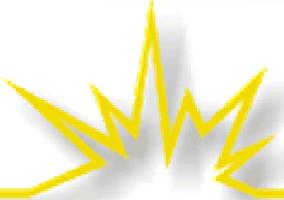
- Compliance with the laws and regulations in effect in the Arab Republic of Egypt, especially those relating to environmental protection;
- .Reviewing plans
  - ❖ Investments necessary for such plans
  - ❖ To ensure availability of power
- Regulations that ensure lawful competition in
  - ❖ Production and distribution
  - ❖ In the best interests of the consumer



# Agency Powers

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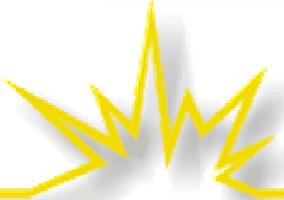
- Making sure that the cost (price?) of power production, transmission and distribution guarantees the interests of all parties involved in these activities
- Ensuring
  - ❖ Realization of fair return to Electric Utilities to ensure
    - ❖ Continuity of activities
    - ❖ Sound financial position



# Agency Powers

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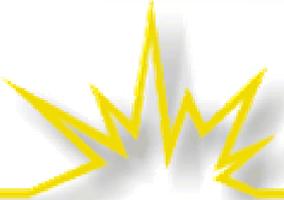
- Reviewing the policy and procedures of the National Energy Control Center to ensure compliance with the optimum operation standards and technical performance levels in coordination with the Egyptian Electricity Holding Company framework and in the best interest of all parties within the Electric Utility
- Following up the availability of technical, financial and economic capabilities for the Electric Utility
- Ensuring the quality of the technical and administrative services provided by the Electric Utility to the consumers



# Agency Resources

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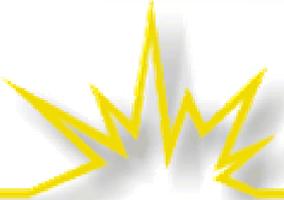
- Funds allocated to it in the State's Budget
- Proceeds of sums paid by the parties of the Electric Utility for obtaining and renewing licenses
- Proceeds of sums paid by the parties of the Electric Utility for services rendered to them by the Agency
- Donations, allowances, and grants that do not contradict with its objectives
- Proceeds of investing its monies
- Any other resources



# Agency Budget

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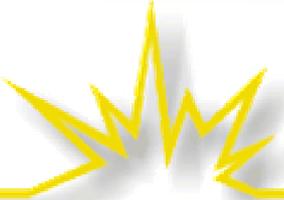
- Agency has own budget
- In accordance with the rules applicable to commercial enterprises
- Fiscal year ending June 30
- A special account shall be opened for the agency financial resources where it shall be deposited.
- The balance of this account shall be carried forward from one year to the other.



# Agency Board

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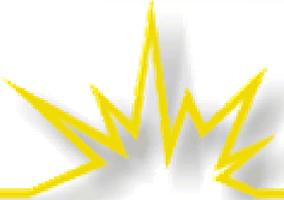
- Chairman--Minister of Electricity and Energy
- Three members represent the Electric Utility
- Three other experienced personnel who are not employees in any Public Authority, Organization, Public Sector Company, or Public Business Sector Company
- Four members representing the consumers
- The appointment and remuneration of the members of the Agency's Board of Directors shall be determined by a Prime Minister Decree, which is based on recommended proposal by the Minister of Electricity and Energy.
- The term of their appointment shall be three years.



# Board Functions

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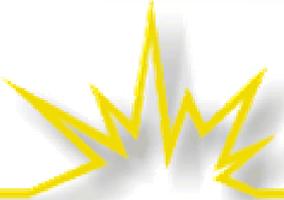
- Setting organizational structure
- Setting procedures for
  - ❖ Granting licenses for construction, management, operation, and maintenance necessary for carrying out power production, transmission, and distribution activities,
  - ❖ Withdrawing licenses previously granted
  - ❖ Bringing complaints against such decisions
  - ❖ All without prejudice to the activities governed by special agreements



# Board Functions

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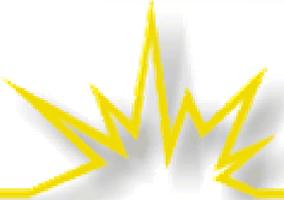
- Issuing decisions for granting, renewing, and monitoring licenses under Article III, Section 3
- Reviewing the conditions required to be provided in agreements relating to the use by any Electric Utility
- Approving the performance criteria of departments concerned with consumer service in order to protect the consumer's interests and to measure and evaluate the Electric Utility compliance with the approved performance criteria in relating to consumer complaints



# Board Functions

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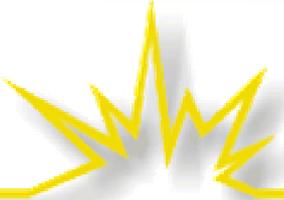
- Approving the decisions related to settlement of disputes that may arise among the electric sector entities or between the electric sector entities and the consumers
- Settlement of complaints pertaining to the activities contradicting with recognized rules of lawful competition among the Electric Utility Parties and taking the necessary actions to avoid causes of complaints



# Board Functions

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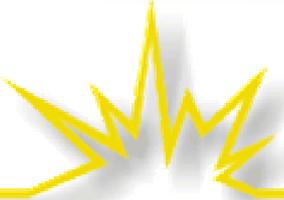
- Ratification of internal regulations of the Financial, Technical, and Administrative affairs of the Agency, without being restricted by any government rules or regulations
- Ratification of By-laws for the Agency, provided that such regulations include all provisions organizing their affairs, particularly, their appointment, promotion, penalties and determining their salaries, remuneration, incentives and allowances



# Board Functions

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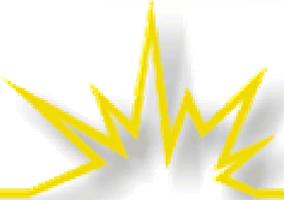
- Determining the fees of licenses generated and services rendered by the Agency to the electricity sector entities
- Receiving donations, allowances and grants given to the Agency provided that these do not contradict with its objectives
- Approval of the yearly Budget, the Balance Sheet Statement and the Closing Accounts of the Agency
- Any other issues that may be submitted by the Chairman to the Board



# Licenses

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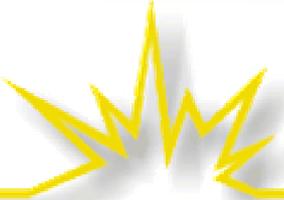
- License term
- Approved tariff
  - ❖ Cost elements considered when determining such tariff including the
    - cost of power, transmission, fuel factor, and the inflation rate
    - all without prejudice to the tariff agreed upon in the particular contracts and agreements made with the Electric Power Producers.
  - ❖ Such bases and elements shall not be modified during the first five years from the date of generating the license



# Licenses

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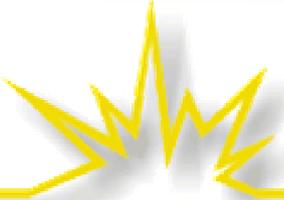
- Wholesale prices of energy
- Cost (price?) of using
  - ❖ Extra high voltage networks (transmission prices) and
  - ❖ National Energy Control Center as determined by the Agency in agreement with the Egyptian Electricity Holding Company



# Licenses

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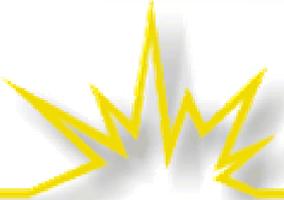
- Requiring separate accounts for each activity provided to each licensee whether power production, transmission, distribution, or sale, as the case may be
- Defining the limits of debits allowed for the licensee so as to ensure that the licensee's financial position is not threatened



# Licenses

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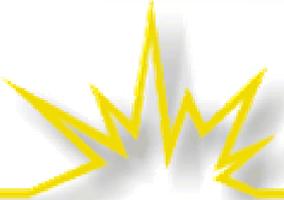
- Requiring the submission by the licensee of regular reports on its activities including publications and information to consumers on its activities
- Any other provisions that may be added by the Agency 's Board of Directors to the licensing conditions



# Modifications

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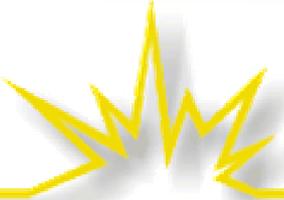
- The Agency shall not modify such conditions during the first five years from the date of granting the license.
- Licensee may apply to the Agency requesting modification.
- Such modification shall only be effective as of the date of approval by the Agency.
- After said period, the Agency may modify the licensing provisions in agreement with the licensee if there is a necessity.



# Executive Director

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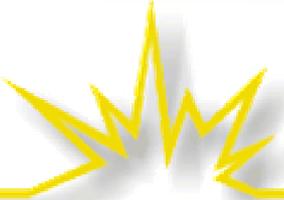
- Appointed for a term of five years
- Responsible for
  - ❖ Managing the Agency
  - ❖ Directing its affairs
  - ❖ Rendering overall supervision over its various departments in the light of functions of the Agency stated in Article III
- Represents the Agency before the courts and in its dealings with third parties.
- Attends the Board meetings without having a vote in its decisions



# Reporting and Records

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- All parties working in the field of electricity whether in production, transmission, or distribution, shall provide the Agency with all reports, data, statistics or information pertaining to its activities as requested by the Agency



# Role of Cabinet of Ministers

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- The Minister of Electricity and Energy shall submit to Cabinet of Ministers the recommendations and proposals of the Agency that require the issuance of decisions from a higher authority, in order that the Cabinet may take the action deemed appropriate in this regard.