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Global Energy Regulation

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EUROPEAN NEWS

United Kingdom: Transco Proposes Business Transfers
British gas network operator Transco has proposed to transfer its technical training, pipeline maintenance, and engineering businesses to BG Technology. While currently a monopoly supplier, Transco has said that in future it intends to procure these services on a competitive basis. Energy regulator OFGEM has initiated a consultation on the proposal, focusing on the implications for Transco's price control, on Transco's ability to fulfil its duties, and on future competition for these services. In December 1999, OFGEM gave consent for the re-organisation of the BG group into two distinct businesses. Transco's regulated network business would form part of BG Transco Holdings, while so-called non-ancillary businesses, such as BG Technology, would form part of BG Energy Holdings.
OFGEM Press Release, 27/1/00

United Kingdom: Utilities Bill Begins Parliamentary Passage The UK Government has introduced the Utilities Bill in Parliament. The new bill proposes, among other things:

- a single primary duty on sectoral regulators to "protect consumers' interests";
- the establishment of a corporate regulatory body, the Gas and Electricity Markets Authority, to take over the roles held by the individual Directors General of Electricity Supply and Gas Supply (Callum McCarthy currently holds both jobs);
- the separation of electricity licences for distribution (network) and supply (retail sales) businesses;
- new powers for the regulator to impose standard licence modifications, provided that a sufficiently low proportion of licence-holders object; and
- temporary powers for the Secretary of State to impose licence modifications to implement the New Electricity Trading Arrangements (NETA).

Utilities Bill, 20/1/00

Graham Shuttleworth, General Editor
Kristina Sepetys, US Editor
Greg Houston and Rachel Goodyer, Australian and New Zealand Editors

United Kingdom: Regulator Requires New Services for Disadvantaged Customers Energy regulator OFGEM is proposing to introduce new licence conditions, requiring electricity and gas suppliers to provide frequent payment services to poor and disadvantaged customers. Provisions for gas and electricity suppliers will be harmonised.
OFGEM Press release, 20/1/00

United Kingdom: Regulator Extends Doorstep Selling Rules OFGEM is proposing to extend for two years the rules governing the doorstep marketing of gas and electricity supplies. The rules were established in January 1998, following complaints from consumers.
OFGEM Press Release, 20/1/00

Ireland: Virtual Electricity Market in Ireland The Commissioner for Electricity Regulation in Ireland has announced plans to create a virtual market, auctioning the right to supply 400 MW of power to independent suppliers, who will sell it on to industrial users. The capacity will be sold in 5-MW tranches, most likely in time for competition to start on 19 February 2000. However, the CER has not yet determined how independent suppliers will use and trade the electricity, which will be generated by Ireland's existing Electricity Supply Board (ESB).

In addition, the Cabinet meeting due on 8 February is likely to be asked by the Minister for Public Enterprise for approval of a proposal to establish the ESB's management of the national grid as a separate entity from ESB.
The Irish Times, 28/1/00

Ireland: Grid Code The Commission for Electricity Regulation, CER, has published for consultation draft framework documents on (i) demand forecasting, (ii) system services, (iii) demand control, (iv) emergency control, (v) monitoring, and (vi) safety co-ordination. These documents will form part of the Grid Code.
http://www.cer.ie , 12/1/00

Ireland: Draft Metering Code The Electricity Supply Board has submitted a draft metering code for consultation. The document specifies the minimum technical, design and operational criteria for the measurement and recording of metered quantities of electricity.
http://www.cer.ie, 6/1/00

Germany: BEWAG Withdraws Complaint The German Federal Cartel Office (Bundeskartellamt) ordered BEWAG to offer its competitors access to its own network. Following the ruling, the Berlin utility filed complaints against the ruling coming into effect immediately and against the basic decision. BEWAG has now withdrawn its complaint but still insists that it will suffer economically from the decision.
Power in Europe, 28/1/00

Germany: Bundeskartellamt and the Planned Mega-Mergers

The head of the German Federal Cartel Office, Dr Ulf Boege, announced that the Bundeskartellamt will only approve the planned mergers of RWE with VEW and Veba with VIAG, if they will not create a duopoly at the German market. Mr. Boege strictly opposed the concept of a regulatory authority. He added that it is not necessary to have a regulatory authority as the UK has because the German system did not create statutory monopolies.
International Gas Report, 21/1/00

European Commission Wants German Power Industry to Rethink Association Agreement The European Commission has asked German power suppliers to rethink the Association Agreement on access to electricity networks. The Commission argues that the Agreement could affect the proposed merger between Veba and Viag. The association agreement divides Germany in two zones, a north and a south zone. Companies who plan to transmit between the two zones will have to pay a net charge.
Financial Times, 13/1/00

Liberalisation of French Gas Market Likely to be Delayed

Christian Pierret, the French Secretary of State for Industry, has suggested that France is unlikely to be able to adopt the 1998 European Gas Directive by the stipulated deadline. The Directive commits Member States to ending gas monopolies by 10 August 2000. However, according to M. Pierret, the most optimistic scenario would see a draft text adopted by the Conseil des Ministres within two months and a first reading in the Assemblée Nationale at the start of the summer, allowing a definitive text to be adopted by the end of the year.

The EU has already begun proceedings against France for failing to transpose the 1996 European Electricity Directive into national law by the stipulated deadline of February 1999.
Les Echos, 28/1/00

Spain: Iberdrola Disputes CNSE's Jurisdiction Over Power Contracts Iberdrola presented an appeal to the Minister of Industry against a decision by the CNSE supporting Hidrocantábrico in a dispute over a client, Ferroli España. Iberdrola also appealed to the local court on the basis that the CNSE has no power to decide disputes over the validity of contracts. The CNSE had ruled that no verbal contract existed between Ferroli and Iberdrola and that therefore Ferroli was not in breach of contract when it switched its supply to Hidrocantábrico. Iberdrola argues that only the ordinary courts have the power to make decisions over the existence of verbal contracts.
Expansión, 28/01/00

Spain: Repsol-YPF Takes Control of Gas Natural Repsol-YPF and Catalan savings bank La Caixa reached an agreement whereby La Caixa will hand over control of Gas Natural to Repsol-YPF in exchange for Repsol-YPF maintaining a stance of "neutrality and independence" towards Spanish electric utilities. In spite of earlier statements to the contrary, La Caixa admitted that the agreement did not preclude Repsol-YPF from taking over a Spanish electric utility as long as the neutrality and independence conditions were met.
ABC, 26/01/00; Expansión, 21/01/00; Expansión, 12/01/00

Spain: US$2.15bn of CTCs Have Already Been Paid by Consumers The National Energy Commission (CNE) estimates that US$2.15bn of stranded costs compensation has been paid by consumers through tariffs charged between 1 January 1998 and the end of August 1999. If the EC were to rule that the amount approved as CTCs (Charges for the Transition to Competition) was too high, some of those monies may have to be returned to the state.

The CNE also estimates that 1999 wholesale electricity prices exceeded the annual cap of 6 ptas/kWh (0.0355 US$/kWh). The difference between the companies' actual market revenues and what they would have earned at 6 ptas/kWh will be deducted from the outstanding amount due as CTCs. The difference is expected to amount to approximately US$0.25bn.
El País, 26/01/00

Spain: Endesa, Iberdrola and Unión Fenosa Accuse Hidrocantábrico of Selling Electricity at Prices below Cost
In the face of competition from its three bigger rivals, Hidrocantábrico has won contracts to supply 52 of the 106 consumption points put out to tender by the state railway company, Renfe. Renfe is Spain's second largest electricity consumer.

Endesa, Iberdrola and Unión Fenosa, who all have lost sales to Renfe, accused Hidrocantábrico of selling electricity below cost in an attempt to gain market share. Hidrocantábrico denies the allegations.
Power in Europe, 20/1/00

Spain: UNESA Predicts Rapid Decline in Sales at the Regulated Tariff About 25% of total consumption in Spain is currently served outside the regulated tariff. According to UNESA (the association of the main Spanish electricity utilities), more than 50% of the demand will be served outside the regulated tariff by the end of 2000.
ABC, 17/1/00

Italian Government Signs Decree on Extra Costs to Be Reimbursed to Enel Italian ministers, Enrico Letta and Giuliano Amato, have signed a decree on the extra costs that will be paid to Enel after liberalisation of the Italian electricity market. Some ITL 8,000 billion (US$ 4.1 billion) will be requested, within the next seven years, from electricity producers. Moreover, ITL 7,000 billion (US$ 3.6 billion) will end up in households' bills. The decree has accepted, to a large extent, the Italian energy authority's proposal to charge electricity producers a substantial part of the extra costs.
Il Sole 24 Ore, 27/1/00

Netherlands: Energy Distributors in Court Eneco and Remu, two energy distribution companies, have taken several competitors to court in a dispute about the Protocol Agreement. Under this Agreement, which determines the revenues of Dutch power generators from 1997 to 2000, distribution companies have pledged to cover producers' annual costs of 3.4 billion Dutch guilders (US$ 1.5 billion). Having been allocated less import capacity than expected, Eneco and Remu had to submit late orders for electricity supplied under the Protocol Agreement, at the higher rate of 1.25 Dutch guilders per kWh (US$0.56/kWh). Under the Agreement, the standard rate of 0.10 Dutch guilders per kWh (US$0.04/kWh) can only be used for late orders if the other parties of the Agreement do not object. However, Essent, Nuon and five other parties decided not to allow Eneco and Remu to make up their shortfall in supply at the standard rate.
Het Financieele Dagblad, 25/1/00, 14/1/00, 13/1/00; Power in Europe, 20/1/00

Netherlands: Temporary State Ownership of TenneT Proposed In a letter to Parliament, the Dutch Minister of Economic Affairs has indicated that she is willing to let the Dutch State have majority ownership (50 per cent plus one share) in TenneT, the high voltage transmission company, if only temporarily. Under the Minister's proposals, the State would acquire the shares at "market value" and hold them for two to three years. Currently, TenneT is owned by the four Dutch generator companies (through SEP). The Minister argues that temporary State ownership of TenneT could enhance the independence of the network company. The Minister has also proposed to sharpen the independence provisions in the Electricity Law 1998, for example by not allowing electricity producers, suppliers or traders to become shareholders in TenneT and by making amendments to the corporate statutes of TenneT subject to ministerial approval.
Het Financieele Dagblad, 22/1/00; http://info.minez.nl, 21/1/00

Netherlands: APX in Turmoil The Amsterdam Power Exchange (APX) has experienced record trade volumes and some exceptionally high prices since the beginning of this year. APX says the rise in trading volumes is due partly to the increase in import capacity allocated to the APX (from 250 MW to 900 MW) and partly to intensified trade between market parties. According to recent claims in the press, prices have been volatile due to the unexpected power shortfalls faced by distributors Eneco and Remu. [See other news item.] Electrabel of Belgium has accused APX of price manipulation. Nord Pool, the Scandinavian power exchange, has decided to cancel plans for joint development with APX of an electricity futures market.

In the meantime, APX introduced checks on import capacity contracts between traders and system operators, in compliance with a request from DTe (the Dutch electricity sector regulator), to stop traders with foreign portfolios from selling more power over the exchange than they can realistically import. A number of smaller APX participants have reacted furiously to these moves, claiming that the new checks work to the advantage of large foreign traders on the APX. Some are considering legal action against APX.
Het Financieele Dagblad, 21/1/00, 20/1/00; Power in Europe, 20/1/00

Finland: Settlement of Dispute Over Wholesale Price Contract Finnish utility, Fortum Power and Heat, and electricity marketing group, Kymppivoima, have settled a dispute over a ten-year contract agreed in 1995, fixing a price for wholesale electricity sales. Kymppivoima sells electricity to its owners, a group of eastern Finnish boroughs, which in turn retail the electricity to local customers. Kymppivoima had complained that, following liberalisation of the electricity market and the subsequent fall in general price levels, it had over-paid for wholesale supplies from Fortum Power and Heat. According to the parties, the settlement was in line with a Trade and Industry Ministry suggestion made in 1999, recommending that the quantity sold in such contracts should be reduced by one quarter, the shortall to be acquired on the open market.
Power In Europe, 20/1/00

NORTH AMERICAN NEWS

Direct Access Passes 1999 Milestones With more than 15,000 new customers signed up by competitive energy service providers during December, California's direct-access marketplace finally breezed past significant milestones. By December 31, 1999, nearly 156,400 households and over 209,750 total accounts were taking non-utility power supplies, according to the latest figures from the California Public Utilities Commission. Overall, 2.1 percent of regulated

distribution company accounts are now taking direct-access service, representing 13.8 percent of electricity delivered by the three large investor-owned utilities. With 14 fewer manufacturers listed, the percentage of industrials edged below 20 percent of customers and 31.7 percent of load for the class. The CPUC reports reveal that total direct-access load on an annualized basis is now 23.5 billion KWh out of the 170 billion KWh delivered through the utilities' systems each year. Based on an estimated average California Power Exchange energy price of 25 mills/KWh, the value of direct-access power sales is about $587 million annually.
California Energy Markets, 21/1/00

Four US Midwest NERC Regions Mull Merger to Match ISO Boundaries Four regional reliability councils are talking about merging into a single one that some members hope would match the boundaries of the developing Midwest Independent System Operator. Steps toward such a large regional council could be taken some time this year. The executive boards of two councils – the Mid-America Interconnected Network (MAIN) and Mid-Continent Area Power Pool (MAPP) – have passed resolutions to study a merger. Two other councils – the East Central Area Reliability Coordination Agreement (ECAR) and Southwest Power Pool (SPP) have agreed to discuss a possible consolidation.
Electric Utility Week, 17/1/00

US Electric Power Grid Reliability Erodes Power demands imposed by a booming economy and a loss of coordination capabilities due to utility deregulation have "considerably eroded" the reliability of North America's electricity-supply system during peak usage periods. A US Energy Department study of eight "power reliability events" last summer, which included power outages and voltage fluctuations, suggests that the problem may be even worse this summer. Utilities and the government have not made the system upgrades needed to prevent regional power grids from breaking down. The study notes that deregulation efforts under way in 25 states have made it harder for system operators to respond to periods of peak demands. While much of the deregulation debate has centered on ways to trade electricity, the study notes that little attention has been paid to fixing aging distribution systems that are not large enough to bear the new interregional traffic.
The Wall Street Journal, 13/1/00

New Jersey: NJ Natural Gas Company Opens Market to Competition On January 10, 2000, the New Jersey Natural Gas Company (NJNG), the principal subsidiary of New Jersey Resources Corporation, was granted the approval of the New Jersey Board of Public Utilities for its filing to open its market to competition. NJNG will offer a "price to compare", $.40 per therm, for basic gas service,

and customers will be able to choose other suppliers. NJNG was also granted permission by the New Jersey BPU to recover its stranded costs. These costs will be recovered over a 7-year period, and the recovery will be monitored by the BPU.
Business Wire, 11/1/00

FERC Rejects First "For-Profit" Transmission Plan; Utilities Plan to Refile The Federal Energy Regulatory Commission has voted down a preliminary proposal to create the first regulated for-profit independent transmission company. The proposal by Transmission Alliance LLC, a consortium made up of American Electric Power, CMS Energy, Detroit Edison, FirstEnergy and Virginia Electric Power, was scuppered by objections to tariff and ownership plans, but the group is working on submitting a new plan. FERC has mandated that integrated utilities must submit plans to divest transmission, or to associate with an independent system operator (ISO) or regional transmission operator (RTO), or to present an acceptable alternative by 31 October this year.

The commission had concerns about "pancaking" and ownership. Consumers in Michigan would face significantly higher transmission rates, because electricity would travel through transmission lines owned by CMS Energy and Detroit Edison. (Pancaking refers to the accumulation of transmission fees paid to each utility through whose territory power passes.). FERC is trying to alleviate this practice by creating ISOs and possibly regional or national transmission companies.

The alliance proposed retaining ownership of 25 percent of the transmission assets, while the remaining portion would be sold to an independent buyer, which has not yet been selected. FERC is seeking to prevent monopolistic ownership that would block competitors' access to transmission lines and wants to see the utility figure cut to 15 percent.
Power Finance & Risk, 10/1/00

Texas-Based CSW Starts Transition to Competition On 10 January 2000, Dallas, Texas-based Central and Southwest Corporation (CSW), a public utility holding company with four US electric utility subsidiaries and 1.7 million US customers, filed with the Public Utility Commission of Texas (PUCT) a business separation plan required by the Texas Senate Bill 7 on Electric Restructuring. This plan describes the company's strategy to divide the integrated operations of its electric operating companies into three separate entities, so as to promote competition. By 1 January, 2002, all of the Texas utilities will be required to have disintegrated their businesses into three separate units: a retail service provider, a power generation company, which handles production, and an energy delivery company,

which handles transmission and distribution. The cost of this restructuring could range from $100 to $200 million.
PRNewswire, 10/1/00

Utah PSC Grants Rate Relief to Questar Gas Effective on January 1, 2000, the Utah PSC approved Questar Gas's $7.06 million request for interim rate relief. This request was filed along with a request for a $2.22 million general rate increase; Questar has been experiencing losses on account of the new procedures that they must undergo to purify their natural gas. The Utah PSC is still considering their general request, only having approved the interim request.
PRNewswire, 07/1/00

Maryland and Washington Gas Reach Regulatory Agreement On January 6, 2000, Washington Gas filed a new sort of rate agreement with the Maryland Public Service Commission (PSC). This agreement is structured to take into account both shareholders' and customers' interests; rates will remain stable for five years, rate ceilings will be established, and excess earnings will be shared between the company and its customers.
PRNewswire, 07/1/00

Unitil/FG&E Files Electric Rate Increase With effect from 1 January 2000, Unitil/FG&E (Fitchburg Gas & Electric Light Company) received approval from the Massachusetts Department of Telecommunications and Energy (MDTE) for an electric rate increase of 2.53% over September 1999 rates. This rate increase, which resulted from an inflation adjustment, will raise the average residential customer's bill $1.23 per month.
Business Wire, 07/1/00

Canada-U.S. Sable Pipeline Finally Complete In the last week of 1999, natural gas finally began to flow from the C$3 billion Sable Offshore Energy Project near the coast of Nova Scotia. The opening of this venture was stalled in the final stage for nearly two months on account of a regulatory disagreement. A Canadian court ruled that regulators had not adequately dealt with the concerns of the Mi'kmaq Indians when they initially approved the pipeline in 1997. The Canadian energy regulator, the National Energy Board, delayed the start of the line until the partners of the pipeline and the natives negotiated a new agreement on 20 December 1999.
Reuters, 4/1/00

Southwest Power Pool Seeks FERC Okay for Regional Transmission Plan The Southwest Power Pool (SPP) filed with the Federal Energy Regulatory Commission (FERC) seeking formal recognition as an Independent System Operator (ISO) and as a regional transmission organisation (RTO). In 1996, FERC issued

guidelines for setting up ISOs to operate regional power grids, giving open access to anyone seeking to move power over transmission lines. To speed up competition and better meet changes in the electric power industry since the 1996 ruling, FERC issued Order No. 2000 in mid-December 1999.
Reuters, 4/1/00

Mexico to Auction Guadalajara Gas Concession On 17 January 2000, the Mexican government released a timetable for the auction of a 12-year exclusive concession to distribute natural gas in Guadalajara, the country's second largest metropolitan area. The winner of the auction will be required to build and run a natural gas distribution network that will serve at least 150,000 customers within the first five years of the concession. Construction of the gas network will cost roughly $100 million.
Bridge News, 17/1/00

CENTRAL AND SOUTH AMERICAN NEWS

Brazil's Electricity Regulator Sets New Rules for Co-Generation Brazil's National Electricity Agency (ANEEL) has announced new rules for electricity co-generation, the simultaneous generation of electricity and heat. The new rules should simplify the procedures for the authorization of co-generation in Brazil. Brazil faces the possibility of an electricity shortage in 2000, and ANEEL hopes to offset this possibility by stimulating investments in generation. By 2002, ANEEL sees an increase in total capacity from co-generators of about 600 megawatts, from the present capacity of about 2,500 megawatts.
Bridge News, 25/1/00

Brazil: Privatization of Cemar to Take Place in March Cemar, the Maranhao power company, will undergo privatization by mid-March of this year, in an auction that will take place at the Rio de Janeiro stock exchange. Cemar's stock price will be defined in early February. Currently, the Maranhao government holds 50.1% of Cemar's voting stocks, while BNDESPar holds 33.84%, Eletrobras holds 7.29% and other shareholders hold 8.76%.
Bridge New, 24/1/00

Brazilian Regulator Approves Rate Increase Due to an increase in the cost of energy, Brazil's electric industry regulator, the National Electric Energy Agency (Aneel), has allowed Cerj, a power distributor that serves 66 cities in the state of Rio de Janeiro, to raise its rates by 8.58 percent. Aneel turned down the similar request from another power distributor, Celesc, that wished to increase its rates by 4.73 percent, but did not explain its decision.
Reuters, 4/1/00

Brazil Will Sell Power Plant Concession Brazil's electric industry regulator, the National Electric Energy Agency (Aneel), has announced Brazil's intent to sell, on 12 April of this year, a concession for the expansion of hydroelectric energy generation in the southern region of the country. Interested companies may build a hydroelectric plant with a maximum installed capacity of 690 megawatts, in Barra Grande, along the river Petolas, in the southern-most area of Brazil.
Reuters, 3/1/00

Chilean Regulator Fines Electric Companies for Power Outages Chile's Electricity and Fuels Superintendent (SEC) has fined twelve electricity companies for failing to provide power during a blackout in May 1999. Chilean electricity laws allow for fines to power companies if they fail to provide service for any reason. All of the fined companies operate on the Central Interconnected System power grid, which serves more than 90 percent of the Chilean population. Endesa and Gener, the two largest power producers, were fined US$51,000, each.
Bridge News, 24/1/00

ASIA-PACIFIC NEWS

Western Australia: Asset Valuation Methodology Central to Epic's Access Arrangements Epic Energy has submitted an access arrangement to the Western Australian State Office of Gas Regulation, setting out proposed gas transmission tariffs for the next 5 years on the Dampier-Bunbury gas pipeline. The proposal has generated controversy because it uses an initial capital base valuation of A$2.57bn (US$1.63bn) for its pipeline assets. This value is based on the purchase price paid by Epic for the assets. It is reported to be considerably higher than they would be valued using either the depreciated optimised replacement cost (DORC) or the depreciated actual cost (DAC) methodologies. The submission proposes that the initial capital base may not be revisited in future access arrangement periods. Epic paid A$2.4bn (US$1.52bn) for the pipeline when it was privatised in 1998. The submission proposes that the initial reference tariff will increase by 67 per cent of increases in the CPI over the access arrangement period.
The Australian Financial Review, 25/1/00; The Australian Financial Review, 24/1/00; Proposed Access Arrangements Under the National Gas Access Code; Dampier to Bunbury Natural Gas Pipeline Submission Version, 15/12/99

Australia: Regulators Join Forces on Gas Australia's two national competition bodies – the Australian Competition and Consumer Commission (ACCC) and the National Competition Council (NCC) - have announced that they will work together on how to regulate access to the services of the A$450 million (US$286 million) Eastern Gas

Pipeline. The pipeline, presently under construction, will run from Longford, Victoria to Horsley Park, Sydney.

The owners of the pipeline have submitted access undertakings to the ACCC under Part IIIA of the Trade Practices Act 1974. Another party has submitted a request for the pipeline to be covered by the National Gas Access Code (Code). If the pipeline is subject to the Code then the owners would be required to submit an access arrangement to the ACCC that met the requirements of the Code. It has not yet been determined whether the pipeline will be subject to the Code or falls within the general provisions of Part IIIA.
The Australian Financial Review, 24/1/00; ACCC Media Release, 21/1/00

China: World Bank Support for China's Electricity Restructuring The World Bank has approved a US$320 million loan for the Chinese power sector. The loan will help increase peaking capacity in the Zheijang and East China Grid, and will assist the ongoing process of restructuring of the country's power system. The reform programmes involves separation of the governmental from the enterprise functions of the power companies, and the unbundling of enterprise activities. Generating plants are being separated from transmission and distribution assets, and will compete among themselves.
FT Global Private Power, 14/1/00

India: Power Act to be Amended to Hasten SEB Unbundling
Proposed amendments to the Power Act will help state governments to corporatise and privatise state electricity boards. According to the Power Ministry, these amendments will help establish a wholesale market for power, launch mega-power projects, encourage investment and plug transmission and distribution losses. The Ministry is considering the involvement of the private sector in metering power consumption, in order to curb wide-spread power thefts.
Power in Asia, 24/1/00

India: New Tariff Scheme From 1 April, a new system of electricity tariffs will apply to the power stations of the central power enterprises and the large embryonic mega-power projects. The availability based tariff (ABT) marks a shift from tariffs calculated solely on plant load factor and fuel consumption.

The recently established regulatory body wants the ABT to achieve stricter grid discipline and a more equitable distribution of the tariff burden between the state sector and central sector power stations. As an incentive to the sale of surplus power, the commission will allow the SEBs to sell it at any price.
Power in Asia, 24/1/00

Japan: Impending Liberalisation Spurs Activity The impending liberalisation of the Japanese market has stirred activity by the incumbent regional electricity companies and potential new entrants. Tokyo Electric Power (Tepco), one of the more active regional electricity companies, will reorganise its thermal generation activities into three companies that will have to compete with IPPs and other producers to sell power to Tepco. Tepco has also submitted proposed charges for third party access to the transmission system. Although Tepco's charges are based on guidelines proposed by the government, they are the highest of any of the 10 regional electricity companies and have provoked opposition from potential new entrants and consumer groups.
FT Global Private Power, 14/1/00

Pakistan: Gas Regulator Set Up The Natural Gas Regulatory Authority, described as independent and autonomous, has been set up to enhance the availability and efficiency of natural gas transportation and distribution through increased private ownership, and to protect the rights of consumers against monopolist gas prices. The authority's key functions will include prescribing, renewing and regulating tariffs pertaining to regulated activities. It will also determine wellhead prices of gas in accordance with relevant contracts and notify them through the official gazette. Experts believe that this last aspect may make the authority an effective instrument to prevent and resolve tariff rows such as those that have occurred between the Pakistani government and independent power producers.
FT International Gas Report, 21/1/00

Philipines: Restructuring and Privatisation of Napocor The Senate committees on energy and government corporations have approved the restructuring and privatisation of Napocor. The exact form of the sale of the state electricity utility will be established in the Plenary debate on the Power Industry Rationalisation Bill to be resumed when Congress reconvenes on 17 January.
Global Private Power, 14/1/00

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