

**UNOFFICIAL TRANSLATION**  
**Current as of December 20, 1999**  
**THE REPUBLIC OF MOLDOVA**  
**Gas Act**

The Parliament adopts this organic act.

The present Act establishes the basic principles of the organization and regulation of the activities regarding the production, storage, transportation, distribution and supply of gas as well as the institutional system of the protection of consumers.

The goal of the Act is to set up the legal framework of an effective competition in the gas market in order to increase the efficiency of the gas industry.

**CHAPTER I**  
**GENERAL PROVISIONS**

**Article 1. The scope of the Act**

(1) The scope of the present Act shall cover the following:

- a) production and storage of combustible gases (hereinafter: gas);
- b) transportation and distribution of gas;
- c) gas supply activities, including gas import and export and gas transit;
- d) prices for gas and regulations for the gas industry;
- e) licensing
- f) protection of the interests of consumers;

(2) The present Act regulates the legal relationships between the partners in the gas market: gas entities, suppliers and consumers.

(3) The scope of the present Act shall not extend to the utilization of bottled gas. The utilization of bottled gas shall be regulated in accordance with a Government Decree.

**Article 2. General conditions**

Gas shall be produced, stored, transported, distributed and supplied in an efficient way from the economic point of view observing the legislation regarding the safety of property, environment and labor protection as well as other laws and regulations in force in the interests of the national economy and consumers.

**Article 3. Definition of terms**

For the purpose of the present Act there are utilized the following terms:

- |                                     |                                                                                                                                                                                                                                                                                                               |
|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Consumer                         | -natural (private) person or legal entity whose gas consuming installations are connected to the gas network through one or more connection points.                                                                                                                                                           |
| 2. Consumer equipment               | -the installations of the consumer and the consumer gas network situated downstream from the connection point.                                                                                                                                                                                                |
| 3. Connection point                 | -the place where the consumer equipment is connected to the gas network and that is the boundary of the property of the consumer and the gas entity or the supplier.                                                                                                                                          |
| 4. Cost of service<br>Minimum costs | -actual costs necessarily and reasonably incurred during the performing of an activity.                                                                                                                                                                                                                       |
| 5. Distribution entity              | -legal entity who has been given the license for the distribution of gas.                                                                                                                                                                                                                                     |
| 6. Distribution point               | -an object of the distribution network that serves the purpose of gas transfer from the pipelines of high or medium pressure to the pipelines of medium or low pressure.                                                                                                                                      |
| 7. Gas entity                       | - a legal person engaged in the production, storage, transportation and gas distribution.                                                                                                                                                                                                                     |
| 8. Gas distribution network         | -a system consisting of high, medium and low pressure gas pipelines and other equipment and distribution points situated downstream from the distribution station and upstream from the connection point that serve in the aggregate the purpose of distribution of a supply of gas to the connection points. |
| 9. Gas distribution station         | -the installations that belong to the gas transportation networks and serve the purpose of gas transfer from high pressure pipelines to distribution pipelines of high, medium or low pressure.                                                                                                               |
| 10. Gas meter                       | -apparatuses and the combination of devices that serve to measure the volumes of gas transported through the transportation and distribution networks as well as the volumes of gas utilized by the consumers.                                                                                                |
| 11. Gas network                     | -gas transportation and distribution networks.                                                                                                                                                                                                                                                                |
| 12. Gas producer                    | -legal entity who has been given the license to extract gas as a natural                                                                                                                                                                                                                                      |

resource from the territory of the Republic of Moldova or to produce it artificially.

- 13. Gas system -the totality of the elements of the chain of production, storage, transportation, distribution and utilization of gas.
- 14. Gas transportation network -a system consisting of high pressure gas pipelines, stations for compression, distribution and measurement that serve in the aggregate the purpose of gas transportation.
- 15. Natural monopoly -activity aimed at transportation and supply of gas in the course of the performance of which market rules are absent or do not operate adequately because the consumer has no other choice.
- 16. Pay for connection - payment for meter procurement, testing and installation, as well as for other equipment, apparatus and pipes to the consumer necessary to satisfy requirements for connections to the transportation and distribution grids.
- 17. Storage -the activity related to storing gas.
- 18. Supplier -a legal entity who has been given license for acquisition and for sale of a supply of gas at regulated and unregulated tariffs.
- 19. Supply -acquisition and selling the gas
- 20. Transportation entity -legal entity who has been given the license for the transportation of gas.

## CHAPTER II

### ADMINISTRATIVE COMPETENCE AND PROTECTION OF CONSUMERS

#### **Article 4. Responsibilities of the State.**

The policy of the operation and development of the gas system of the Republic of Moldova is implemented by Government as follows:

- a) Establishes the strategy (program) of the extraction and utilization of gas from gas fields find on the territory of the Republic of Moldova and the strategy for the development of the main gas pipelines including joint projects with other states. Assures energy security of the state.
- b) Establishes the conditions regarding the import, export and transit of gas;
- c) Approves the construction of the main gas pipelines;
- d) Approves the construction of artificial gas storage with the capacity that exceed 0.1 million cubic meters as well as of gas storage based on the utilization of natural (underground) reservoirs.

#### **Article 5. The National Agency for Energy Regulation**

- (1) The gas system shall be regulated by the National Agency for Energy Regulation, hereinafter: Agency.
- (2) The Agency is a permanent public body with the status of a legal entity that is not subordinated in any way in its activity to any other government or private agency or institution, except the stipulations of Art. 5 (3) and Art. 8 (p.3, 4, 5, 8) and art. 9(4).
- (3) The Government in accordance with the present act shall approve the Regulation of the Agency.

#### **Article 6. The tasks and main duties of the National Agency for Energy Regulation**

- (1) The Agency has the following obligations:
  - a) license the production of gas, gas storage operation, transportation, distribution and supply of gas as well as activities which assure the increase of efficiency and competition on the gas market,
  - b) control the meeting of requirements and the quality of services;
  - c) in cases stipulated in the present Act amends or withdraws the licenses mentioned in Art 6, 1,a;
  - d) elaborates and approves in accordance with the established process the methodology of calculation of regulated gas tariffs, and approves regulated gas tariffs;
  - e) supervise the correctness of calculation- of the regulated gas tariffs- performed by the license holders according to the provisions defined in the license;
  - f) monitors the business of the agents that act in the gas market;
  - g) defines the economic technique data and data that provide the functioning of gas system in the whole, that shall be made public by the license holders, taking in consideration their confidentiality;
  - h) promotes the competition in the gas market;
  - i) establishes the accounting model and information system to be used by the license holders to report to the Agency, in compliance with the National Standard Accounting System.

#### **Article 7. The rights of the Agency**

- (1) In the interest of the fulfillment of its duties stipulated in the present Act the Agency is entitled:
  - a) to control the observance of the conditions, stipulated in the license, by the license holders;
  - b) to control the correctness of application of regulated tariffs by the license holders;
  - c) to have access to the documents concerning the activities subject to license even in case they contain state or business secrets;
  - d) to obtain copies, abstracts of such documents and request additional information from the license holder in order to fulfill its duties;

- e) to enforce the principle of minimum costs regarding the production, transmission, distribution and supply of gas;
- f) to issue regulations in order to perform its duties in the most efficient way;
- g) to exact fines.

(2) The Agency may also have other rights stipulated in its regulations and legislation in force.

### **Article 8. Administration of the Agency**

(1) The Agency shall be managed by the Administration Council consisting of 3 Directors.

(2) The decision of the Administration Council shall be taken by a majority of votes. Each Director of the Administration Council has one vote.

(3) The Directors of the Administration Council shall be appointed by the Government of the Republic of Moldova for a term of 6 years, except the case of their initial appointment under this Act when: one Director shall be appointed for a term of 2 years, one Director for a term of 4 years and one Director for a term of 6 years. The Government of the Republic of Moldova shall appoint a Director of the Administration Council every 2 years or whenever a term, for any cause, becomes vacant, in which case the new Director shall serve the remaining time of the unexpired term. No person shall serve as a Director of the Administration Council for more than 12 years and no person shall be appointed Director after having served as a Director for more than 6 years, including any time remaining on the current term of the Director.

(4) A Director may be dismissed by the Government of the Republic of Moldova only if he/she resigns, loses the citizenship of the Republic of Moldova, is not able to fulfill his/her duties by reason of health, is elected in another function, is convicted by the court, violates systematically his/her obligations, violates the legislation in force.

(5) The Government of the Republic of Moldova shall designate one of the Directors as General Director of the Agency's Administration Council.

(6) The General Director shall engage and direct the staff of the Agency being supported by at least one member of the Administration Council.

(7) At enterprises regulated by the Agency, in accordance with this act, the Director of the Administration Council shall not:

- a) hold any office or position;
- b) be a shareholder, debtor or creditor;
- c) receive or expect to receive any compensation or other financial consideration;
- d) attempt to obtain employment for any person or himself.

(8) The General Director shall present a report regarding the activity of the Agency in the previous year to the Parliament and the Government of the Republic Moldova.

### **Article 9 The Agency's budget.**

(1) By November 15 of each year, the Agency will prepare its detailed budget for the next year on the basis of:

- a) annual regulatory fees applied by the Agency to license holders;
- b) fees for license issuance;
- c) other sources provided by the legislation.

(2) The Agency will establish the regulatory fees level in the basis of valuation of gas volumes for the next year, received from the license holders until November 1, and that will be sufficient to cover all the budgetary expenditures of the Agency during the next year. To determine the level of regulatory fees for the production, transportation, distribution, gas supply at regulated and non-regulated tariffs, there will be applied the following principles:

- in the case of gas production (accumulation) entities the fees will be imposed on the gas volume produced (stored);
- in the case of gas transportation entities, the fees will be imposed on the gas volume delivered to the distribution networks;
- in the case of distribution entities, the fees will be imposed on the gas volume delivered to the final customers;
- in the case of gas supply entities the fees will be imposed on the delivered volumes.

(3) The regulatory fees, paid by license holders, will be transferred on the current account of the Agency, which is the sole user of these funds. In the case where the Agency's funds are not fully utilized during the current year of regulation, then they should be transferred and included in the next year budget; in the case where it occurs a deficit of funds during the current year of regulation, the Agency is entitled to reimburse it from the next year budget, applying an appropriate regulatory fee. The Agency is entitled to contract loans at reasonable rates of interest to cover the current costs that can not be covered by the collected regulatory fees. The Agency will reimburse the funds received from the regulatory fees applied.

(4) The Agency's budget will be approved by the Minister of Finance at the level of 0.06-0.09% from the annual cost of the energy and natural gas supplied to customers. The Agency's budget will be published in the republican mass media.

### **Article 10. Financial report**

By March 1 of each year, the ANRE will prepare a financial report which will include both the accounting data of the regulatory fees transferred by the license holders on the current account of the Agency, and the Agency's expenditures during the previous year. The financial report will identify all the loans contracted by the Agency during the given regulation year as well as other funds utilized by the Agency. The financial report will be published in the republican mass

media.

### **Article 11. Protection of consumers**

(1) In the course of the performance of its activities the Agency shall:

- a) pay regular attention to matters affecting the interests of consumers;
- b) elaborate detailed rules regarding the protection of consumers;
- c) investigate the complaints of consumers;
- d) co-operate with the organizations that represent the interests of consumers;
- e) provide the organizations which protect the interests of consumers as well as the consumers with necessary data and relevant information regarding the activity of license holders excepting the confidential information;
- f) decide in disputed matters both between consumers and suppliers, and between consumers and transmission and distribution entities.

(2) The consumers may address a claim to the Agency concerning any matters within the authority of the Agency including the quality of services provided by a gas entity or a supplier. The Agency shall examine the mentioned complaints and will take respective measures within the limits of its authority.

### **Article 12. Transparency of the Agency's activity. Decisions of the Agency**

(1) The Administration Council shall perform its duties so in order to ensure the transparency of its activity. In this order:

- a) the Administration Council's sessions will be public;
- b) The interested Parties will be informed in advance about the agenda of the Administration Council's session. Both, the interested Parties and the public at large will have free access to the examination of problems in discussion. In case when the problems under discussion are confidential, they will be examined at closed-door meeting, the session's decisions being accessible to every interested party.

(2) In the event of a disagreement between a licensee and a consumer or another licensee, involving a matter within the jurisdiction of the ANRE which cannot be resolved through negotiation, the matter of disagreement shall be analyzed by the ANRE in order to make a decision within the scope of its authority.

(3) A decision of the Agency may be appealed to Court according to effective legislation.

(4) The licenses issued by the Agency as well as its decisions of public interest shall be published in the Monitorul Oficial of the Republic of Moldova.

## **CHAPTER III**

### **LICENSING**

### **Article 13. Activities subject to license**

(1) Production of gas, gas storage operation, transportation, distribution and supply of gas are activities subject to license. There can be licensed other activities of the gas industry if doing so it is stimulated the competition in the gas market.

(2) The activity connected to operation of gas storage of the capacity under 0.1 million cubic meters is not subject to license.

### **Article 14. The conditions for licensing**

(1) To perform the activities stipulated in the Article 13 there shall be issued licenses to economic entities that are legal entities and if they satisfy the following conditions:

- are registered in the Republic of Moldova;
- prove that they have financial and technical sources as well professional training to ensure a normal performance of the licensed activity;

(2) The manager of the enterprise, that is license holder, shall have to meet the following requirements:

- to be able to perform his/her duties,
- to have permanent residence in the Republic of Moldova,
- to have no previous convictions relevant to the activity regulated by the present Act,
- not to be punished earlier - according to the criminal code - for the deeds - intentionally done,
- higher education with a technical bias and at least 5 years experience in the field.

(3) There shall not be issued licenses to economic entities that undergo bankruptcy or liquidation procedures, as well as to economic organizations whose licenses were withdrawn earlier for reasons provided in Art.17 (2), b, c, d, e, and there has not yet passed 10 years from the moment of the withdrawal.

### **Article 15. Types of licenses**

(1) The Agency is entitled to issue the following types of licenses:

- a) license for production of gas;
- b) license for the operation of gas storage facilities;
- c) license for transportation of gas;
- d) license for distribution of gas;
- e) license for the gas supply at regulated tariffs;
- f) license for the gas supply at non-regulated tariffs;
- g) licenses necessary for the promotion of competition in the gas market to reduce the tariffs and protect the consumers.

(2) The licenses for each type of the activity and the Regulation on license issuance shall be approved by the Administration

Council of the Agency and shall include among other data and information the conditions concerning the calculation of tariffs and the requirements regarding the quality of services.

**Article 16. The rights and the obligations of a license holder**

(1) The license holder is obliged:

- a) to fulfill the conditions stipulated in the license;
- b) to observe the principle of minimum costs presenting the detailed calculations proving it to the Agency in the case where the Agency decides on the non-competitiveness of the gas market;
- c) to fulfill its obligations defined in the license without discriminating against any market participant or consumers;
- d) to provide continuous services except the cases stipulated in the license and in case of non-payment, technical and safety problems, and in accordance with the terms of contracts;
- e) to present to the Agency annual reports on their activity during the previous year according to a form and terms established by the Agency. At the Agency's request, the license holders will submit any other information necessary for the Agency's operation under the effective legislation;
- f) to pay on a regular basis the regulatory fees.

(2) In the case where the legal or physic person do not fulfill its obligations of payment in accordance with the concluded agreement or the conditions on service rendering, the license holder can not be obliged by any public or private authority to provide such kind of services.

(3) Licensee has free access to the natural gas meters located on the premises of customers with whom Licensee has a contract to provide a supply of natural gas.

(4) The license holder is prohibited from purchasing shares of another license holder without the Agency's written approval.

**Article 17. Amendment and withdrawal of the license**

(1) The license may be amended on the initiative of the ANRE or the license holder and with the agreement of the other party in the event of substantial changes in circumstances.

(2) The Agency may withdraw the license definitely or temporarily in case:

- a) the license holder requests the withdrawal of the license;
- b) the license holder is declared bankrupt and is unable to fulfill its responsibilities;
- c) the license holder obtained the license fraudulently;
- d) the license holder does not observe the conditions stipulated in the license;
- e) the license holder breaks the present Act and the legislation in force in the course of the performance of its activity.

(3) In the event of license's withdrawal the Agency is obliged to take measure in order to ensure reliable and efficient supply of gas to consumers.

(4) The Agency's decision on the amendment or withdrawal of the license can be argued in the Court.

**Article 18. Merger or separation of gas entities**

Merger of gas entities, merger of gas entities with other economic organizations and associations, and separation or division of the gas entities or gas suppliers shall be done only with the approval of the Agency if such a merger, separation or division could influence regulated tariffs. Upon the entities obtaining the appropriate approval, the Agency may amend the license conditions.

## CHAPTER IV RIGHTS TO OTHER PARTIES REAL ESTATE

**Article 19. General rights**

(1) A gas entity license holder is entitled to apply to the authorized bodies for:

- a) the right of preparatory work;
- b) right of cabling;
- c) expropriation;
- d) other necessary authorizations.

(2) The license holder is obliged to recompense the damages caused to the owner of the real estate or other property as a result of preparatory cabling works, construction, installation, repair and the elimination of the consequences of the faults.

(3) In order to prevent or eliminate a real or imminent accident the owner or the user of the real estate shall permit the gas entities to utilize its real estate as required.

(4) In the areas under nature protection the rights listed in point (1) shall not be exercised unless a preliminary permission from the competent nature protection authority is obtained.

**Article 20. Right of preparatory work.**

In connection with the construction of the gas networks the gas entity may apply for a permission for right of preparatory work.

**Article 21. Right of cabling**

(1) The right of cabling permits the license holder of the gas entity to perform the construction, installation, repair and replacement of the gas pipelines, compressor stations, distribution stations and distribution points and other equipment of the gas networks.

(2) The right of cabling ceases if the construction of the gas objects is not finalized in 5 years.

## **Article 22. Right of use**

- (1) Any object - of the gas entities - that are not stipulated in the Article 22, point (1) may be placed and operated on other parties real estate on the basis of the right of use.
- (2) The right of use is established on the basis of an agreement with the owner of the real estate.
- (3) In case there cannot be reached an agreement concerning the establishment of the right of use the license holder may request the support of competent authority to solve the problem.
- (4) The right of use ceases in case the construction of the objects defined in point (1) shall not been finalized within 5 years reckoned from the date the right of use was authorized.

## **Article 23. Expropriation**

- (1) In case the license holder has not been able to obtain the right of use in order to build the compressor station, distribution station and distribution points and other objects of public use it is entitled to initiate the procedure of the expropriation of the real estate of the other owner according to the legislation in force.
- (2) In order to construct and operate the gas pipelines, the procedure of expropriation may take place only if the license holder demonstrates that the right of cabling stipulated in Article 21 hinders substantially or even terminates the proper use of the real estate.
- (3) The real estate expropriated in accordance with points (1) and (2) shall be transferred to the ownership of the state and put at the disposal of the license holder with the right of use.

## **CHAPTER V**

### **PRODUCTION, STORAGE, TRANSPORTATION, DISTRIBUTION AND SUPPLY OF GAS**

## **Article 24. Co-ordination of the activities of the gas system**

- (1) The gas entities shall function in a co-operating gas system. In the interest of the operation of the co-operating gas system the transportation and distribution entities and suppliers shall co-operate on the basis of the market economy principles and unique operational control over the gas system.
- (2) Subject to conditions contained in licenses and to regulations of ANRE, the gas entities together with the suppliers shall elaborate the rules concerning:
  - a) the conditions of co-operation within the gas system,
  - b) the application of restrictions in relationships between parties.
- (3) The legal relationship between the participants to the gas market shall be established in contracts in accordance with the license conditions and the regulations issued by ANRE.

## **Article 25. Production of gas and operation of gas storage**

- (1) All gas producers as well as those that operate the gas storage have the right to participate in the gas market on condition that the technical requirements for connection to the gas network are satisfied, the quality of supplied gas corresponds to the standard in force.
- (2) The License for the gas production and storage is valid unless the Agency withdraws it due to the breach of the license. The license can be cancelled by the Agency after 25 years of the presentation of a written notice.

## **Article 26. Transportation and distribution of gas**

- (1) Every licensee or consumer has the right of access to the gas transportation and distribution networks without discrimination.
- (2) The gas transportation or distribution entity is obliged to transport gas to the place of destination in accordance with the conditions defined in the contract concluded between parties, license conditions and regulations issued by the Agency.
- (3) The gas transportation entity as well as the gas distribution entity may also be a supplier.
- (4) The gas transportation and distribution entities shall perform the duties of the dispatching activity in order to manage the volumes of gas defined in the contracts concluded between the participants of the gas market.
- (5) The gas transportation entity as well as the gas distribution entity shall answer any claim relevant to its activity during a period of 15 days reckoned from the moment when the claim was registered.
- (6) The License for gas transmission and distribution is valid unless the Agency withdraws it due to breach of the License. The license can be cancelled by the Agency after 25 years of the presentation of a written notice.
- (7) The license holder for the gas transmission and distribution will operate its transportation networks in accordance with the conditions stipulated in the license and effective technical rules.

## **Article 27. Supply of gas**

- (1) The supplier is obliged to deliver gas to consumers in accordance with the stipulations of the license and Chapter VI.
- (2) Except the markets considered by the Agency to be competitive the supplier shall purchase gas at the lowest level of tariffs that are consistent with reliable gas supply. The contracts regarding the purchasing of gas by the supplier in a market considered by the Agency to be non-competitive shall have to be approved by the Agency.
- (3) The supplier shall undertake responsibility for any damages related to a failure by the supplier to obey the gas quality standards in force.

## **Article 28. Extension of gas networks**

- (1) The transportation and distribution entities are responsible for the optimal extension of their gas networks in accordance with the increase of gas demand

(2) The transmission and distribution entities are responsible for connecting their networks to other licensees or consumers requesting a gas service connection from the transport or distribution networks, subject to paragraph (5) below.

(3) Expenditures for the extension of the transport network system will be covered by the transmission entity and they will be taken into consideration on tariff calculation, if the latter is done according to license conditions or regulations issued by the Agency.

(4) Expenditures for the extension of the distribution network system will be covered by the distribution entity and they will be taken into consideration on tariff calculation for distribution of gas, if the latter is done according to license conditions or regulations issued by the Agency.

(5) The transport and distribution entities may require from other licensees or consumers who require an extension of transport or distribution networks to meet their specific needs financial support for the design and construction of such networks, if the latter is done according to license conditions or regulations issued by the Agency.

(6) Any entity which obtains a transportation or distribution license from the Agency may conduct its licensed activity in any limited territory in Moldova where there is no other gas service licensee providing similar services. The Agency shall establish regulations to encourage maximum availability of gas service in Moldova and to avoid service area conflicts between licensees.

## **CHAPTER VI**

### **LEGAL RELATIONSHIPS BETWEEN SUPPLIERS AND CONSUMERS**

#### **Article 29. Legal relationships**

(1) For gas markets determined by the Agency to be non-competitive the Agency shall elaborate and adopt regulations that control the legal relationships between the participants in gas market.

(2) For the gas markets determined by the Agency to be competitive, the legal relationships between the gas suppliers and purchasers shall be established within the conditions of the contract signed between these parties.

#### **Article 30. Gas supply contract**

(1) The gas shall be supplied only on the basis of a contract concluded between the consumer and the supplier. The contract will include the effective date and terms of the contract, specify the cases of breach of contract, suspension and limitation of contract as well as other responsibilities of the suppliers and purchasers of gas.

(2) The provisions of the contracts may be further detailed and completed in appendixes and other additional documents.

(3) The consumers are entitled to conclude individual contracts of gas supply with any supplier including the suppliers from outside the borders of the Republic of Moldova.

(4) Consumer requirements concerning purchasing natural gas and revision of existing contracts will be considered and satisfied by the appropriate licensee taking into account technical feasibility.

#### **Article 31. The effects of the gas supply contract**

(1) The supplier is obliged to ensure the continuous supply of gas - of the parameters stipulated in the standards in force - according with the conditions contained in the contract.

(2) The operation of consumer equipment shall not endanger life, health and property and destabilize the proper operation of the gas entity as well as the receipt of gas by other consumers.

#### **Article 32. Suspension and restrictions**

(1) The gas entities are entitled to suspend the supply of gas for the shortest possible period when the life of people and property are endangered, there are not observed the established regimes of gas consumption, there are operational breakdowns in the operation of the gas networks as well as for carrying out connections and other maneuvers that cannot be performed otherwise.

(2) The gas entities shall inform the consumers in advance of the date and expected duration of suspension of gas supply caused by maintenance and elimination of the consequences of faults.

(3) The gas entities are entitled to restrict or suspend the supply of gas in case of gas crisis at the national scale or because of the interests relevant to foreign trade, national economy, environmental protection and national defense.

(4) The gas entities shall not compensate the damages caused as a result of suspensions and restrictions carried out because of circumstances listed in point (3) of the present Article if the actions of the supplier have complied with the points (1) and (2).

(5) Transportation and distribution entities may suspend or terminate gas supply to a customer or other licensee for failure to comply with applicable contracts.

#### **Article 33. Measurement of gas consumption and payment settlement**

(1) The license holders for gas transportation and distribution are responsible for the installation, operation, maintenance and periodic recalibration of the gas meters of consumers connected to their network.

(2) The license holders for gas transportation and distribution shall meter the quantity of supplied gas in accordance with the standards in force. The supplier is obliged to utilize only tested meters.

(3) The consumer shall:

(a) pay for connection; and

(b) pay for gas consumed based on meter readings and concluded contracts.

(4) The contracting parties may initiate an unplanned testing of the gas meter. In case the complaint has not been proved the

complainant shall incur the expenses related to this unplanned testing. If the complaint has been proved then there shall be performed a new payment settlement.

## **CHAPTER VII** **TARIFF REGULATION**

### **Article 34. Tariffs of gas**

- (1) Regulated gas tariffs shall be calculated and applied by the respective license holders according to a methodology established beforehand.
- (2) The methodology of calculation and application of tariffs shall be elaborated and approved by the Agency in accordance with established process for definite periods of time.
- (3) The methodology of regulated tariff calculation shall include the calculation of the expenditures:
  - a) related to the cost of service;
  - b) related to efficient development of the gas entities;
  - c) related to the fulfillment of the obligation regarding the environment protection;
  - d) the necessary profit in order to continue the activity of the license holders;
- (4) The methodology of regulated tariff calculation should contain the state policy concerning the development of the national gas system, as well as the transit, the import and the export of gas and to promote a reliable supply of gas at minimum costs as well as the efficient utilization of the production capacities;
- (5) The license holders shall provide the Agency with all information that is necessary for the activity of supervising the correctness of costs and calculations of regulated tariffs.

## **CHAPTER VIII** **FINAL AND TRANSITORY PROVISIONS**

### **Article 35. The settlement of disputes between the contracting parties**

Except Art. 12(2), the disputes between the parties shall be solved in the court of law.

### **Article 36. Final provisions**

- (1) The Agency may amend a license, without the agreement of the licensee, during the first year after publication of this Act provided such amendment is necessary to protect the interest of licensees and consumers.
- (2) The Government within two months shall:
  - a) submit the proposals to the Parliament in order to amend the legislation in force in concordance with the present Act; and
  - b) amend its legal rules according to the present Act.

Chairman of Parliament

Dumitru Diacov

Chisinau, September 17, 1998

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