

**276**  
**ACT**  
of 14 June, 2001  
**on Regulation in Network Industries and on Amendments and Additions to Some Acts**

The National Council of the Slovak Republic has ruled as follows:

Div.1  
Article 1  
Scope

This Act regulates

- a) establishment, status and activities of the Regulatory Office for Network Industries,
- b) scope and conditions of state regulation in network industries,
- c) conditions of the exercise of Regulated Activities and rights and responsibilities of Entities Subject to Regulation.

Article 2  
Definition of terms

For the purposes of this Act,

- a) „Network Industries“ shall mean
  1. generation, purchase, transmission and distribution of electricity,
  2. generation, purchase, transport and distribution of gas,
  3. generation, purchase and distribution of heat,
- b) „State Regulation in Network Industries“ shall mean creation of, and support to competitive-like environment, support to the actions of market forces in Network Industries, consumer protection, protection of interests of licence holders to achieve reasonable return rates on investments, and provision for reliable, economic and good quality supplies of goods and services,
- c) „Regulated Activities“ shall mean doing business in a Network Industry that requires approval pursuant to a separate piece of legislation,<sup>1</sup>
- d) „Entity Subject to Regulation“ shall mean any business entity that engages in Activity Subject to Regulation or whose rights and responsibilities are regulated by this Act or a separate piece of legislation,<sup>1</sup>
- e) „Network“ shall mean any interconnected system of technical means through which Entity Subject to Regulation supplies, upon performing Activity Subject to Regulation, goods or provides services.

Article 3  
Scope of Regulation

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<sup>1</sup> Act No. 70/1998 Coll.LL. on Energy Sector and on Amendment to Act No. 455/1991 Coll.LL. On Small Trade Business (Small Trade Act), as amended from time to time and as amended by Act No. 276/2001 Coll.LL.

- State Regulation in Network Industries (hereinafter „Regulation“) includes
- a) granting of permits to perform Regulated Activities,
  - b) regulation of prices according to this Act and according to a separate piece of legislation,<sup>2</sup>
  - c) decision making on business conditions upon performing Regulated Activities,
  - d) granting of preceding approvals for the construction, reconstruction or cancellation of structures and facilities serving to perform Regulated Activities, if provided so by a separate piece of legislation,<sup>1</sup>
  - e) decision making on access to networks, pursuant to a separate piece of legislation,<sup>1</sup>
  - f) exercise of state surveillance (hereinafter „Surveillance“) of business done by Entities Subject to Regulation.

#### Article 4 Regulatory Office for Network Industries

(1) Regulatory Office for Network Industries (hereinafter „the Office“) shall be established as a state administration Office.

(2) The Office shall be a budgetary organisation<sup>3</sup> with the registered address in Bratislava.

(3) The Office may establish detached workplaces also outside of its registered address.

#### Article 5 Office's jurisdiction

- (1) The Office shall be
- a) making decisions on granting, amendments to or withdrawal of permits to perform Regulated Activities,
  - b) keeping and publishing lists of holders of licences for the performance of Regulated Activities,
  - c) regulating prices pursuant to this Act and pursuant to a separate piece of legislation,<sup>2</sup>
  - d) making decisions on business conditions upon the performance of Regulated Activities,
  - e) granting preceding approvals for the construction, reconstruction or cancellation of structures and facilities serving the performance of Regulated Activities if provided so by a separate piece of legislation,<sup>1</sup>
  - f) making decisions on the liability to enable access to network pursuant to a separate piece of legislation,<sup>1</sup>

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<sup>2</sup> Act of National Council of the Slovak Republic No. 18/1996 Coll.LL. on Prices, as amended from time to time.

<sup>3</sup> Article 21, paragraphs 1 and 4.a of the Act of National Council of the Slovak Republic No. 303/1995 Coll.LL. on Budgetary Rules, as amended from time to time.

- g) exercising Surveillance of the compliance with this Act and with separate pieces of legislation,<sup>1</sup>
- h) imposing measures to remedy faults and shortcomings identified upon exercising Surveillance of the compliance with this Act and with separate pieces of legislation,<sup>4</sup>
- i) imposing sanctions for violations of liabilities under this Act and under separate pieces of legislation,
- j) issuing, based on the law, generally binding legal regulations to be promulgated by being published in the Collection of Laws of the Slovak Republic,<sup>5</sup>
- k) participating in the drafting of laws and regulations by the Government of the Slovak Republic that concern regulation in Network Industries.

(2) The Office shall be making decisions on excepting Entities Subject to Regulation or Groups of Entities Subject to Regulation or Regulated Activities or Groups of Regulated Activities from Regulation (Article 3) provided that reasons for Regulation have extinguished, in particular if market forces are sufficient to keep the purpose pursued by Regulation (Article 2(b)).

## Article 6 Bodies of the Office

The bodies of the Office shall include:

- a) Office Chairman,
- b) Regulatory Council.

## Article 7 Office Chairman and Vice-Chairman

(1) The Office shall be headed by Chairman. Office Chairman shall be the chairman of Regulatory Council.

(2) The Office Chairman shall

- a) direct the Office and be responsible for the activities of the latter,
- b) act as statutory body of the Office on behalf of the Office in all matters, while being bound by decisions of Regulatory Council,
- c) sign generally binding legal regulations issued by the Office,
- d) approve Rules of Organisation of the Office following its review by Regulatory Council,
- e) appoint and recall, upon having obtained comments by Regulatory Council, managing employees of the Office [Article 8(2.c)],
- f) set the wages and other terms of employees of the Office pursuant to a separate piece of legislation.<sup>6</sup>

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<sup>4</sup> Act No. 70/1998 Coll.LL., as amended by Act No. 276/2001 Coll.LL.

<sup>5</sup> Act of National Council of the Slovak Republic No. 1/1993 Coll.LL. on the Collection of Laws of the Slovak Republic, as amended by Act No. 44/1998 Coll.LL.

(3) Office Chairman shall be substituted during his/her absence by Vice-Chairman of the Office. Vice-Chairman of the Office shall be Vice-Chairman of Regulatory Council.

## Article 8 Regulatory Council

(1) Regulatory Council shall determine the regulatory policy and the tools to implement it.

- (2) Regulatory Council shall
- a) approve draft budget of the Office,
  - b) elect, from among members of Regulatory Council, and recall chairman of Regulatory Council and Vice-Chairman of Regulatory Council,
  - c) comment on suggestions of Office Chairman for appointments and recalls of managing employees of the Office,
  - d) approve Rules of Proceedings of Regulatory Council,
  - e) approve reports on Office activities,
  - f) make decisions on appeals against Office first-level decisions,
  - g) fulfill additional tasks connected with Office's regulatory activities.

(3) Regulatory Council shall comprise six members. The quorum shall require at least four members of the Council, with always chairman or vice-chairman of Regulatory Council being present. Regulatory Council shall make decisions by a simple majority of all its members.

(4) Activities of Regulatory Council shall be managed by chairman of Regulatory Council who also shall be conveying its meetings. Decisions and rulings of Regulatory Council shall be signed by Regulatory Council chairman along with Regulatory Council vice-chairman or another Regulatory Council member.

## Article 9 Regulatory Council members

(1) Members of Regulatory Council shall be appointed and recalled by president of the Slovak Republic. Membership in Regulatory Council shall be deemed public office.

(2) Regulatory Council members must be citizens of the Slovak Republic and must meet professional and moral criteria including:

- a) university education,
- b) 10 years of practical experience, thereof 5 years in a managing position,
- c) full legal capacity,
- d) good character; anybody who has not been enforceably sentenced for a criminal offence shall be deemed being of good character.

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<sup>6</sup> Act No. 143/1992 Coll. on Salaries and Remuneration for Work Alertness in Budgetary and Some Other Organisations and Bodies, as amended from time to time.

(3) President of the Slovak Republic shall appoint three members of Regulatory Council at the suggestion of the National Council of the Slovak Republic, and three additional members of Regulatory Council at the suggestion of the Government of the Slovak Republic (hereinafter „the Government“). There shall be at least two candidates suggested for every vacancy.

(4) The term of the Regulatory Council members shall be six years. One third of Regulatory Council members shall be replaced every two years so as to meet the conditions provided for by the foregoing paragraph 3.

(5) Membership in Regulatory Council shall be incompatible with the office of the Member of the National Council of the Slovak Republic, member of the Government, office or employment in a central or local state administration Office, office or membership in local self-government body or employment in local self-government body. Additionally, membership in Regulatory Council shall be incompatible with doing business and with membership in administrative, supervisory and control bodies of business entities.

(6) Members of Regulatory Council are not allowed to be employed by Entities Subject to Regulation, may not be members of managing, supervisory and control bodies of Entities Subject to Regulation, may not have property interest in the businesses of Entities Subject to Regulation, may not become involved in business in Regulated Activities on their own behalf or through associations of individual persons; this restriction shall survive one year the extinction of Regulatory Council membership.

(7) Members of Regulatory Council shall be entitled to receive monthly reimbursement for the exercise of the office, amounting to four times the average monthly wages of national economy employees for the preceding calendar year, rounded up to whole Sk 100.00. Regulatory Council chairman shall be entitled to receive a bonus on top of the above basic reimbursement, amounting to 30% thereof; Regulatory Council vice-chairman shall be entitled to receive a bonus on top of the basic reimbursement amounting to 15% thereof.

- (8) Membership in Regulatory Council shall extinguish
- a) upon the elapsing of the term,
  - b) by resigning the office,
  - c) by being recalled from the office,
  - d) upon the member having been presumed dead.

(9) Membership in Regulatory Council shall extinguish by resigning the office, as of the day of the delivery to president of the Slovak Republic of the notice to this effect.

(10) President of the Slovak Republic shall recall Regulatory Council member if such member of Regulatory Council has ceased to meet criteria mentioned in the foregoing paragraphs 2,5 and 6.

(11) President of the Slovak Republic can recall Regulatory Council member if, for a period exceeding six months, such member has not been executing his/her office. The period shall be counted from the first day of the calendar month following the member's first failure to attend Regulatory Council meeting.

(12) Suggestions for any vacancy in the Regulatory Council shall be made by the body that had made suggestions for the member whose membership has extinguished. Such body shall submit suggestion for the appointment of a new member of Regulatory Council to President of the Slovak Republic, within two months of the day on which membership of the preceding member has extinguished (see paragraphs 8 through 11). For any new member of Regulatory Council appointed prior to the elapsing of the term of a member whose membership has extinguished the term of the new member shall terminate on the day on which the term of the member whose membership has extinguished, would have terminated.

#### Article 10

##### Submission of reports to the National Council of the Slovak Republic

On an annual basis, always by 31 May of the subsequent year, the Office shall submit to the National Council of the Slovak Republic reports on the activities of the Office.

#### Article 11

##### Conditions for performance of Regulated Activities

(1) Regulated Activities may only be performed based on and within the extent of a licence granted by the Office pursuant to a separate piece of legislation.<sup>1</sup>

(2) On the licence granted, the Office shall determine conditions under which the Entity Subject to Regulation may perform Regulated Activities (Article 3).

#### Article 12

##### Price regulation in Network Industries

- (1) Price regulation in Network Industries includes
- a) determination of the method of calculation of maximum prices or tariffs for goods or services the delivery or provision of which is deemed performance of a Regulated Activity,
  - b) setting of maximum prices or tariffs for goods or services the delivery or provision of which is deemed performance of a Regulated Activity, as well as of tariff conditions connected with the delivery of such goods or provision of such services.

(2) The method of the calculation of maximum prices or tariffs according to the foregoing subparagraph (1.a) and maximum prices or tariffs according to the foregoing

subparagraph (1.b) must account for economically justified costs and reasonable profit<sup>7</sup> from the performance of Regulated Activity.

(3) The extent of price regulation shall be determined by the Office through a Price Regulation Ordinance. The Price Regulation Ordinance shall be published in the Collection of Laws of the Slovak Republic.

(4) Procedural details concerning price regulation in Network Industries and the determination of economically justified costs and reasonable profit according to the foregoing paragraph (2) shall be laid down by a generally binding legal regulation to be issued by the Office.

### Article 13

#### Rights and responsibilities of Entities Subject to Regulation

- (1) Entities subject to Regulation may
- a) submit suggestion for price and tariff setting and for determination of business conditions or changes thereof,
  - b) suspend or stop deliveries of goods or provision of services under conditions laid down in a separate piece of legislation,<sup>1</sup>
  - c) use property of another person for public purposes according to a separate piece of legislation,<sup>1</sup>
  - d) request exemption from regulation provided specific conditions are met (Article 5.2).

- (2) Entities subject to Regulation shall be liable to
- a) supply goods or provide services in accordance with the approved prices, tariffs, and business conditions, and to meet the conditions shown in the licence for the performance of Regulated Activities,
  - b) enable other entrepreneurs access to the network under a separate piece of legislation<sup>1</sup> and in accordance with Office decisions,
  - c) submit to the Office draft business conditions for review, at least one month prior to starting to use them; the Office may approve, reject or amend draft business conditions,
  - d) provide offtakers, using a suitable method, with information on procedures connected with the complaints proceedings,
  - e) provide the Office with cooperation necessary for the exercise of Office's jurisdiction under this Act and separate pieces of legislation,<sup>4</sup> in particular to provide it with necessary background documents and information and to enable authorized employees of the Office access to premises, facilities and grounds,
  - f) keep, within the accounting system, separate records on each Regulated Activity according to a separate piece of legislation<sup>1</sup> and according to Office's requirements.

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<sup>7</sup> Article 2(3) of Act of National Council of the Slovak Republic No.19/1996 Coll.LL., as amended by Act No. 276/2001 Coll.LL.

## Proceedings

### Article 14

(1) Unless provided differently by this Act or by a separate piece of legislation<sup>4</sup>, general regulation on administrative proceedings<sup>8</sup> shall apply to proceedings under this Act.

(2) Proceedings shall be opened at Office's initiative or at the suggestion of a proceeding participant.

(3) Oral proceedings shall be public, with the exception of cases when facts to be reviewed or submitted within the proceedings are of the nature of business, service or state secrecy.

(4) Enforceable rulings of the Office shall be published by the latter in its publishing means. Data and information protected under separate pieces of legislation<sup>9</sup> shall not be made public.

(5) The general regulation on administrative proceedings<sup>8</sup> shall not apply to price regulation ordinances. Such ordinances shall not be subject to review by courts.<sup>10</sup>

### Article 15

(1) First-level rulings may be appealed, with the exception of ordinances according to Article 14(5).

(2) Appeals shall be decided upon by Regulatory Council.

(3) Meetings of Regulatory Council in matters of appeal shall not be public.

(4) Protocols shall be drafted from Regulatory Council meetings showing any position of Regulatory Council members different from the decision adopted.

(5) No remedial action shall be allowed against Regulatory Council decisions on appeals. Regulatory Council decisions on appeals may be reviewed by courts.<sup>11</sup>

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<sup>8</sup> Act No. 71/1967 Coll. On Administrative Proceedings (Rules of Administrative Proceedings).

<sup>9</sup> E.g., Act of National Council of the Slovak Republic No. 100/1996 Coll.LL. On the Protection of State Secrecy, Service Secrecy and Encoding Protection and on Amendments and Additions to Penal Code, as amended from time to time; Article 38 of Act No. 21/1992 Coll. On Banks, as amended from time to time; Article 23 of Act of Slovak National Council No. 511/1992 Coll. On the Administration of Taxes and Charges and on Amendments to the System of Territorial Fiscal Bodies, as amended from time to time; Article 17 of Commercial Code; Act No. 52/1998 Coll.LL. On the Protection of Personal Data in Information Systems.

<sup>10</sup> Article 248(3) of the Rules of Civil Court Proceedings.

<sup>11</sup> Articles 244 through 250k of Rules of Civil Court Proceedings.



## Article 16

### Penalties

- (1) The Office may impose upon Entities Subject to Regulation penalties
- a) amounting up to Sk 100 million for violation of responsibilities mentioned in Article 11(1) and Article 13(2.a), (2.b), and (2.f),
  - b) amounting up to Sk 10 million for violation of responsibilities mentioned in Article 13(2.c),
  - c) amounting up to Sk 1 million for violation of responsibilities mentioned in Article 13(2.d) and (2.e).

(2) Upon repeated violation of responsibilities, penalties mentioned in the foregoing paragraph (1) may be doubled.

(3) In imposing penalties, account shall be taken of mainly seriousness, way, duration, extent of infliction and potential consequences of the violation.

(4) Penalties may be imposed within one year of the date when the Office obtained knowledge of the violation or within three years of the date when violation of responsibilities occurred, whichever comes first.

(5) Penalties imposed by the Office shall represent revenues of state budget. Administration of penalties imposed by the Office shall be the responsibility of the Office.

## Article 17

### Cooperation of other bodies

State administration bodies and local self-government bodies shall cooperate with the Office and shall be liable to provide it, at the request of the latter, with information and data available to them, needed for the exercise of Office's activities.

## Temporary provisions

### Article 18

(1) Proceedings opened prior to 1 August, 2001 in matters in which the Office will start its jurisdiction after 1 August, 2001 shall be completed by the Office according to regulations applicable at the time of the opening of such proceedings.

(2) In making decisions on price regulation of goods and services whose delivery or provision is deemed doing business in Network Industries, previously applicable regulations shall apply through 31 December, 2001. Proceedings opened prior to 1 January, 2003, in matters in which the Office will start to exercise its jurisdiction after 1 January, 2003, shall be completed by the Office according to regulations applicable at the time of the opening of such proceedings.

(3) By 31 December, 2001, the Office shall determine the method of calculation of maximum prices or tariffs for supplies of natural gas for the individual groups of offtakers, to be applicable between 1 January 2003 and 31 December, 2005.

## Article 19

(1) For the first term after the establishment of the Office, president of the Slovak Republic shall appoint Regulatory Council members as follows:

- a) one member at the suggestion of the National Council of the Slovak Republic and one member at the suggestion of the Government, for a period of six years,
  - b) one member at the suggestion of the National Council of the Slovak Republic and one member at the suggestion of the Government, for a period of four years,
  - c) one member at the suggestion of the National Council of the Slovak Republic and one member at the suggestion of the Government, for a period of two years,
- while complying with the conditions mentioned in Article 9(3).

(2) Suggestions for the appointment of Regulatory Council members for the first term shall be submitted to the president of the Slovak Republic by the proponents according to the foregoing paragraph (1), within 30 days of the effectivity date of this Act.

(3) The first meeting of Regulatory Council shall be convened by the member of the Regulatory Council appointed by the president of the Slovak Republic, within 30 days of the appointment of Regulatory Council members.

## Article 20 Repeals

Article 6(1.a) and (1.b) of Decree of the Ministry of Finances of the Slovak Republic No. 87/1996 Coll.LL. that executes the Act of the National Council of the Slovak Republic No. 18/1996 Coll.LL. On Prices, as amended by Decree No. 375/1996 Coll.LL. is repealed.

## Div.II.

Act No. 70/1998 Coll.LL. On Energy Sector and on Amendments to Act No. 455/1991 Coll. On Small Trade Business (Small Trade Business Act), as amended from time to time, shall be amended and supplemented as follows:

1. The words „Ministry of Economy of the Slovak Republic“ or the word „Ministry“ in all forms and throughout the text, with the exception of Article 9(19) and Article 21 and Article 39(1) and (5) and in all regulations issued based thereon shall be replaced by the words „Regulatory Office for Network Industries“ or by the word „the Office“ in the corresponding form.

2. Paragraphs (5) through (8) shall be added to Article 3 that shall read as follows:

- „(5) No licence shall be required for
- a) generation of electricity or heat from renewable sources in energy installations with an overall installed capacity of up to 5 MWe or 5 MWt, provided that such
    - 1. power generating installation is a small water power plant or wind power plant,
    - 2. power or heat generating installation is a solar facility or a facility utilizing geothermal energy,
    - 3. heat generating installation is a biogas-based facility,
  - b) generation of electricity or heat from other energy installations with an overall installed capacity of up to 0.5 MWe or 0.5 MWt,
  - c) generation of gas from biologically degradable substances.

(6) Operators of installations mentioned in the foregoing paragraph (5) shall be liable to notify the Office of the commencement and termination of generation or distribution of electricity or of generation or distribution of heat or of generation or distribution of gas in such a facility, within 15 days of the commencement or termination of generation or distribution at the latest. Operators of such installations shall show in the notification

- a) for operators being natural persons,
  - 1. first and family name, birth number, permanent residence,
  - 2. object, place and scope of business; if the business concerns power distribution, also defined territory,
  - 3. trade name and identification number of the organisation (IČO) if assigned,
  - 4. type and capacity of the energy facility to be used (or that is being used) to perform activities mentioned in paragraph (5),
- b) for operators being legal entities,
  - 1. trade name, legal form and registered address of the legal entity,
  - 2. first and family name, birth number and permanent residence of the statutory representative,
  - 3. object, place and scope of business; if the business concerns power distribution, also defined territory,
  - 4. identification number of the organisation (IČO),
  - 5. type and capacity of the energy facility to be used (or that is being used) to perform activities mentioned in paragraph (5).

(7) Operators of energy installations for the generation or distribution of electricity or generation or distribution of heat or generation or distribution of gas according to the foregoing paragraph (5) who meet conditions mentioned in Article 4(1.a) and (1.b) or paragraph 2(a) and (b) and who have complied with the obligation to notify according to the foregoing paragraph (6), shall be issued by the Office a certificate of registration of operator and his energy installation that shall represent authorization to do business in the energy sector within the scope shown on the registration certificate. Rights and responsibilities of licence holders according to Articles 9, 11 (3), (5) and (6), and Article 12 (10) and (11) shall apply also to operators of energy installations that have been issued registration certificates.

(8) Registration certificates according to the foregoing paragraph (7) shall be issued by the Office to applicants within 30 days of the receipt of the notification.“

3. Subparagraph (c) shall be omitted from Article 4(1).  
The previous subparagraphs (d) and (e) shall be marked (c) and (d).

4. Subparagraph (a) shall be omitted from Article 4(2).  
The previous subparagraphs (b) and (c) shall be marked subparagraphs (a) and (b).

5. A new paragraph (8) shall be inserted after paragraph (7) to Article 4, that shall read as follows:

„(8) The Office shall grant a licence provided that the applicant meets conditions for the granting of a licence. If a preceding approval for the construction or reconstruction of an energy installation or for a change in the fuel base of the energy installation (Article 10(3)) has been issued to the applicant and if the applicant has complied with the conditions shown in such a preceding approval, the Office shall grant a licence within the extent and under conditions shown in such the preceding approval; meeting of the conditions according to paragraph 1(d) and paragraph 2(b) shall not be required in such cases.“

The former paragraph (8) shall be marked paragraph (9).

6. The words „in the corresponding energy sector“ shall be inserted after the introductory sentence of Article 4(7) after the words „requirements connected with professional experience“, and a full stop shall be inserted after the words „practice“ in subparagraph (d), and the words „in the corresponding energy sector“ shall be omitted.

7. Subparagraph (h) of Article 9(1) shall read as follows:  
„h) if the offtaker is in delay with the payment of the contract-based downpayment or with the payment of any outstanding amounts based on final bill for energy supplies, and if the offtaker fails to pay such downpayment or outstanding amounts after an additional period of time has elapsed set by the licence holder in a notice (such additional period of time being no shorter than 15 days of the delivery of the notice); general regulation on administrative proceedings shall apply accordingly to the delivery of such notices.<sup>8ac</sup>“

The footnote to reference 8a shall read as follows:

„<sup>8a</sup> Article 24(2) and (3) of Act No. 71/1967 Coll. On Administrative Proceedings (Rules of Administrative Proceedings).“

8. The comma at the end of Article 9(6.a) shall be replaced by semicolon, and the following words shall be added:  
„general regulations on expropriation shall apply to expropriation of property and limitation of rights to immovables due to the establishment of operation of such distribution facilities.<sup>10ac</sup>“

The footnote to reference 10a shall read as follows:

„<sup>10a</sup> Article 128 of Civil Code, Articles 108 through 116 of Act No. 50/1976 Coll. On Physical Planning and Rules of Construction (Construction Act), as amended from time to time.“

9. The word „remonstrance“ in Article 9(11), second sentence, shall be replaced by the word „appeal“, and the words „remonstrance filed“ in the third sentence shall be replaced by the words “appeal filed“.

10. Paragraphs (19) through (21) shall be inserted to Article 9, that shall read as follows:

„(19) The least volume of annual electricity and gas consumption for offtakers eligible to make contracts on electricity or gas supplies with any licence holder for the generation or distribution of electricity or gas (hereinafter „Eligible Offtakers“) according to paragraph (20) shall be determined by a generally binding legal regulation to be issued by Ministry of Economy of the Slovak Republic (hereinafter „the Ministry“).

(20) Licence holders for distribution of electricity or gas shall be liable to transmit, based on a contract and for reimbursement, electricity or gas for Eligible Offtakers meeting technical requirements, via the system of energy facilities of the licence holder, provided that the technical conditions of the system of energy facilities allow it.

(21) Details of the rules of electricity transmission and gas transport for Eligible Offtakers shall be laid down by a generally binding legal regulation to be issued by the Ministry“.

11. Paragraphs (2) and (3) of Article 10 shall read as follows:

„(2) State regulation in energy sectors shall be exercised by the Office.

(3) The Office shall be issuing preceding approval of the construction, reconstruction or cancellation of energy installations or of changes in fuel base of energy installations, in accordance with the energy policy, provided that the energy installation concerned serves

- a) generation of electricity with an installed capacity exceeding 10 MWe,
- b) distribution and transmission of medium voltage and high voltage power,
- c) distribution and transport of gas, with the exception of gas pipeline hook-ups (Article 24(1)),
- d) generation of heat and domestic hot water with an installed capacity exceeding 5 MW<sub>t</sub>,
- e) hot-water-based heat distribution.“

12. Paragraphs (4) through (9) shall be omitted from Article 10.

13. The words „electricity supplies“ in Article 14(10) shall be replaced by the words „connection, supplies and metering of power, as well as classification of offtakers for such purposes“.

14. Paragraph (6) shall be inserted to Article 18, that shall read as follows:

„(6) Due to the security of supplies, the Office shall impose upon the purchaser to prefer, in purchasing power, sources firing domestic coal as the primary source, in a ratio that will not exceed 10% of the total volume of primary energy consumed for the generation of power in the Slovak Republic for the calendar year“.

Paragraph (5) in Article 19 shall read as follows:

„(5) Land owners shall be obligated to enable the operator of external electrical lines access and access by car to such lines, and to enable for such purpose to keep a free stripe of land, so-called forest-free land, 4 m wide on each side of the external electrical line. This distance shall be measured from a line touching the outer side of the electric line and perpendicular to the horizontal plane of the anchoring of the supporting point.“

16. The words „paragraphs (3) through (8)“ in Article 19 (12) shall be replaced by the words „paragraphs (3) through (9)“.

17. The words „establish and“ shall be omitted from Article 23(2).

18. A comma shall be inserted to Article 25(7) after the word „gas“, and the words „as well as classification of offtakers for these purposes“ shall be inserted.

19. Paragraph (1) shall be omitted from Article 40.

The previous paragraphs (2) through (6) shall be marked paragraphs (1) through (5).

20. Subparagraph (a) shall be omitted from Article 40(1).

The previous subparagraphs (b) through (d) shall be marked (a) through (c).

21. The words „13a“ shall be omitted from Article 40(1.b).

22. Paragraph (3) of Article 40 shall read as follows:

„(3) Penalty may be imposed within one year of the date on which State Energy Inspection has obtained knowledge of the violation of responsibilities or within three years of the date when such violation occurred, whichever comes first.“

23. The words „the body that has imposed the penalty“ in Article 40(4) and (5) shall be replaced by the words „State Energy Inspection“.

24. Article 41 shall read as follows:

„Article 41  
Relationship to rules of administration

Unless provided for differently by this Act, the general regulation on administrative proceedings<sup>19</sup> shall apply to proceedings under this Act.“

25. Article 41a shall be inserted after Article 41, that – including its heading - shall read as follows:

„Article 41a  
Authorization of the constructor of energy distribution facility

In establishing an energy distribution facility on land that is property of other persons, any constructor of an energy distribution facility who is not holder of a licence or holder of a certificate (Article 3(7)) shall have the same rights and responsibilities as does licence holder, as mentioned in Article 9(6.a), (6.b) and (6.c) and paragraphs (7) through (9).“

26. The heading „Temporary provisions“ shall be inserted above Article 42, with the previous heading of Article 42 being omitted.

27. Article 42a shall be inserted after Article 42, that shall read as follows:

„Article 42a

Operators of installations mentioned in Article 3(5) that have been commissioned prior to 31 July, 2001 and that are still being operated, regardless of whether a licence or any other authorization has been granted to them to do business in the energy sector under previously applicable regulations, shall be liable to notify, by 30 June, 2002, the Office of generation or distribution of electricity, generation or distribution of heat and generation or distribution of gas in such installations.“

Div.III

Act of National Council of the Slovak Republic No. 18/1996 Coll.LL. On Prices, as amended by Act No. 196/2000 Coll.LL., shall be amended and supplemented as follows:

1. Paragraph (4) shall be added to Article 1, that shall read as follows:

„(4) The provisions of Article 2(4), Article 3(3), Articles 5 through 12, Articles 17 through 19, Articles 21 and 22 shall not apply to prices of goods the delivery or provision of which is deemed doing business in Network Industries according to a separate piece of legislation.<sup>1a</sup>“.

The footnote to reference 1a shall read as follows:

„<sup>1a</sup> Act No. 276/2001 Coll.LL. On Regulation in Network Industries and on Amendments and Additions to Some Acts.“

2. The last sentence of Article 2(3.b) shall be omitted.

3. Paragraph (4) shall be added to Article 2, that shall read as follows:

„(4) Ministry of Finances of the Slovak Republic (hereinafter „the Ministry“) may in justified cases establish by generally binding legal regulation the highest measure of reasonable profit.“

4. The words „in cases mentioned in paragraph 3(d)“ shall be omitted from Article 4(1).

The footnote to reference 6a shall read as follows:

„<sup>6a</sup> E.g., Act No. 195/2000 Coll.LL. On Telecommunications, Act No. 276/2001 Coll.LL.“

5. Subparagraph (d) of Article 4(3) shall read as follows:

„d) there are technological, organisatory, and economic links between seller and purchaser, with the exception mentioned in subparagraph (e),“.

6. Subparagraph (e) shall be added to Article 4(3), that shall read as follows:

„e) it concerns goods whose delivery or provision is deemed doing business in Network Industries according to a separate piece of legislation.<sup>1a</sup>“.

7. The introductory sentence of Article 5(3) shall read as follows:

„(3) In cases mentioned in Article 4(3.d), regulation of prices of goods, in particular with respect to telecommunication services, water management and Regulated Activities according to separate pieces of legislation,<sup>8</sup> includes“.

8. The words „according to Article 3(3)“ shall be omitted from Article 13.

9. The words „apart from natural monopolies“ in Article 16(2) shall be replaced by the words „in cases mentioned in Article 4(3.d) and (3.e)“.

10. Paragraph (4) of Article 20 shall read as follows:

„(4) Another state administration authority shall exercise the jurisdiction in the area of prices according to paragraph 2(b) through (h) in cases mentioned in Article 4(3.d) and (3.e).“.

11. The words „(2) through (4)“ in Article 20(5) shall be replaced by the words „(2) and (3)“.

#### Div. IV

Act of National Council of the Slovak Republic No. 1/1993 Coll.LL. On Collection of Laws of the Slovak Republic, as amended by Act No. 44/1998 Coll.LL. shall be supplemented as follows:

1. The words „other bodies of state administration if provided so by a separate law“ shall be added to Article 1(1) after the words „central authorities of state administration of the Slovak Republic“.



2. The words „and other state administration bodies“ shall be added to Article 4(1) and (2) after the words „central authorities of state administration of the Slovak Republic“.

3. The words „and other state administration bodies“ shall be inserted to Article 5(1) and (3) after the words „central authorities of state administration of the Slovak Republic“.

4. The word „or“ in Article 5(2), introductory sentence, shall be replaced by a comma, and the words „or of other state administration body“ shall be inserted after the words „of other central authority of state administration“.

Div.V

Except of Div.I, Article 3(b), Article 5(1.c), Article 12, Article 14, Article 20 and Div.III that shall be effective as of 1 January, 2003, the effective date of this Act shall be 1 August 2001.

**Rudolf Schuster, s.m.**

**Jozef Migaš, s.m.**

**Mikuláš Dzurinda, s.m.**