



PUBLIC SERVICES REGULATORY COMMISSION

REPUBLIC OF ARMENIA

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The sectors, regulated by the PSRC Armenia



The energy sector, including the electric energy, heat supply and gas supply systems



The water sector, including the potable water, irrigation water and technical water supply, drainage and wastewater treatment



The telecommunication (electronic communication) sector



The postal communication sector



The rail transport sector, with respect of improvement of infrastructure usage fee calculation and payment terms methodology



The sector of technical inspection of transports, regarding only the tariffs





The Development and Monitoring Department of the PSRC, Armenia monitors a number of activities performed by the regulated entities, especially:

1

- Investments

2

- Procurement

3

- Quality indicators (SAIDI, SAIFI, CAIDI, etc.)

4

- New connections

MONITORING OF INVESTMENT ACTIVITY



Phase 1

- Approvement of investment programs

Phase 2

- Review of quarterly reports on investment activity

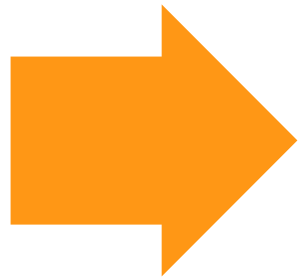
Phase 3

- Analysis of annual investment activity

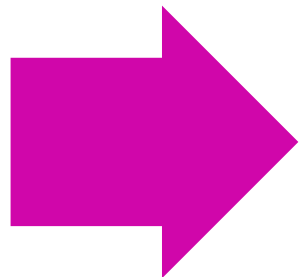
Phase 4

- Definition of investment share in the tariffs

LEGAL INSTRUMENTS ON MONITORING OF INVESTMENT ACTIVITY



Approval procedures of the
investment programs,
PSRC resolution №365, 2010



Reporting procedures,
PSRC resolution №166, 2012



MONITORING OF INVESTMENT ACTIVITY



The reports cover:

- Investment profile and sub-profiles,
- Balance at the start of the reporting year,
- The increase in the volume of the IP during the reporting year,
- Data about employed fixed assets,
- Name, region, property serial and other data on the contractor.



MONITORING OF INVESTMENT ACTIVITY

The following directions are studied during the analysis:



INVESTMENTS NOT ENVISAGED BY THE IP



THE WORKS CARRIED OUT BY CONTRACTOR COMPANIES



INVESTMENTS THAT DO NOT CONSTITUTE A PART OF THE LICENSED ACTIVITY



NON-EFFICIENT INVESTMENTS



INVESTMENTS ON PURCHASE OF FIXED ASSETS WITH PRICES EXCEEDING THE MARKET PRICE



INVESTMENTS EXCEEDING THE VOLUMES OF THE APPROVED IP


$$T_v = AI = DI_1$$

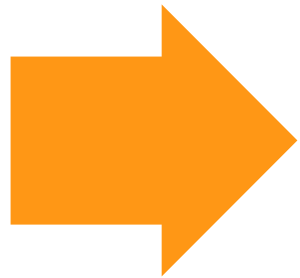
Where:

T_v is the volume of investments in the tariff structure

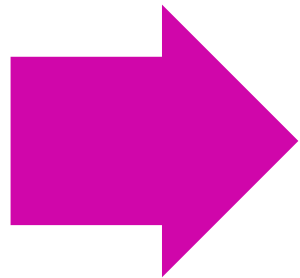
AI is the actual volume of investments, reported annually

DI_1 is the volume of investments, deductible from the AI, which equals the sum of deductibles, presented in Phase 3

LEGAL INSTRUMENTS ON MONITORING OF PROCUREMENT PROCESSES



List of the companies, that are subject to additional requirements of procurement procedures,
PSRC resolution №61, 2014




Procedures on monitoring of procurement activity and reporting ,
PSRC resolution №207, 2014



MONITORING OF PROCUREMENT PROCESSES

The monitoring of procurement processes is implemented in the following phases

- 
- Monitoring of the procurement plan
 - Review of quarterly reports on actual procurement
 - Monitoring of separate transactions

Public companies subject to additional requirements of procurement procedures



“Armenian Electrical Networks” CJSC



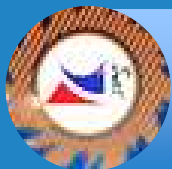
“International Energy Corporation” CJSC



“GAZPROM ARMENIA” CJSC



“TransGas” LLC



”HrazJEK” OJSC



”Armentel” CJSC *

Beeline®

The reports cover:



- items procured,
- number of participants in the procedure,
- number of participants refusing to apply,
- number of rejected applications,
- presence of any connection with the selected (winning) participant,
- the winning place of the participant, etc.

The analysis covers:

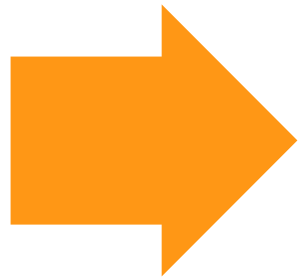


**DETERMINATION OF THE FACT
THAT RIGHT PROCEDURES
HAD BEEN SELECTED**

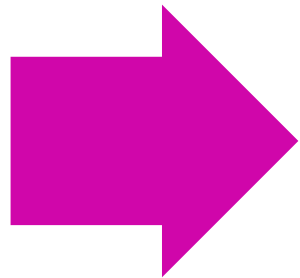
**IDENTIFICATION OF RISKY
OPERATIONS**

**IDENTIFICATION OF
COMPLIANCE OF
PROCUREMENT PROCESSES**

LEGAL INSTRUMENTS ON MONITORING OF QUALITY INDICATORS



Reporting procedures on quality indicators for “Armenian Electrical Networks” CJSC,
PSRC resolution №293, 2012



Reporting procedures on quality indicators for “Gazprom Armenia” CJSC,
PSRC resolution №292, 2012



Quality indicators :

SAIDI

SAIFI

CAIDI



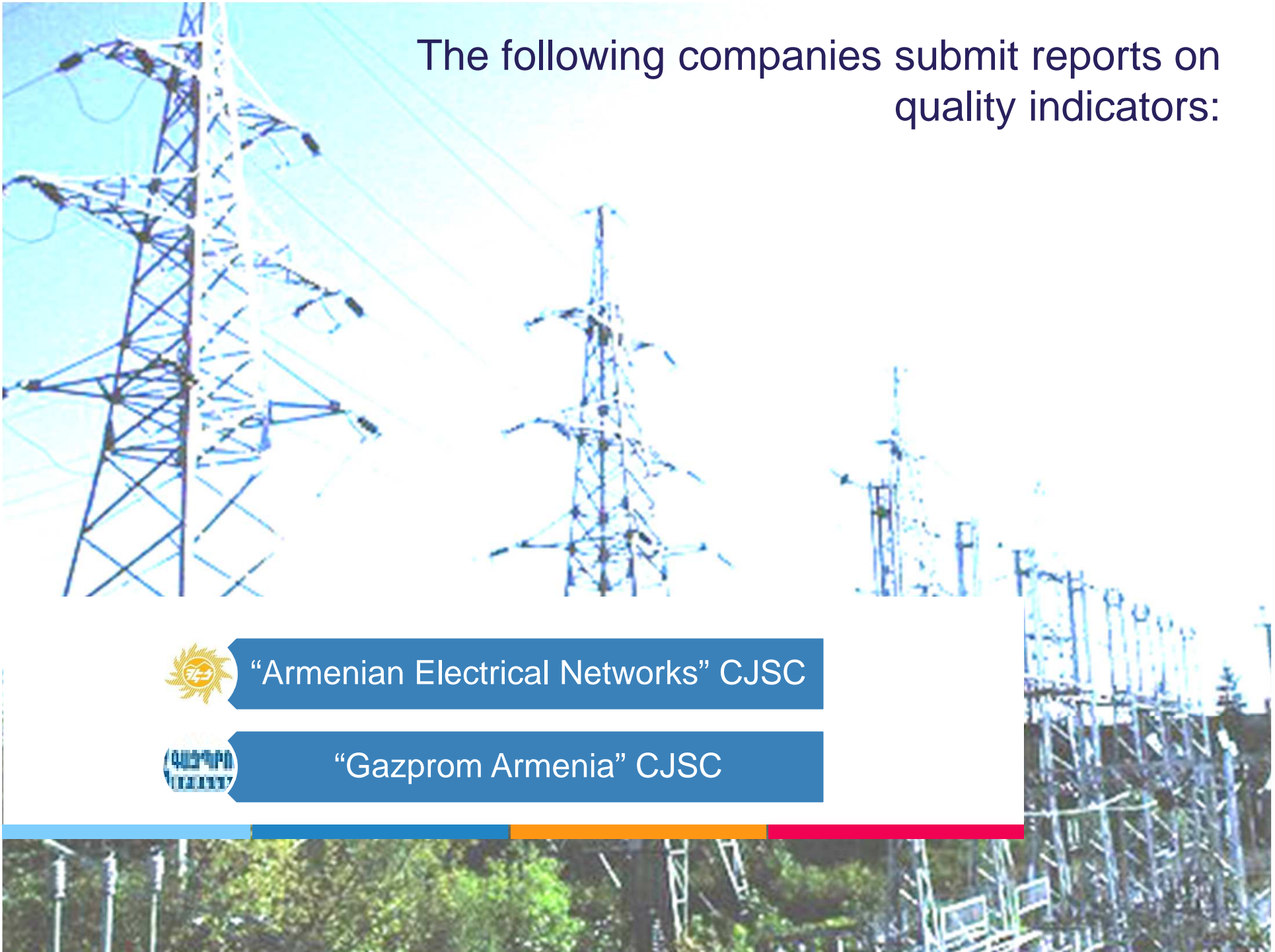
The following companies submit reports on quality indicators:



“Armenian Electrical Networks” CJSC



“Gazprom Armenia” CJSC











- Interruptions in customer power supply,
- Number of customers,
- Cases of fluctuations in power voltage and indicators of duration calculation,
- Information on actual indicators on safety of power stations of the distribution networks and other data.



- Interruptions in customer gas supply,
- Number of customers,
- Average indicators of heat output of supplied gas and other data.

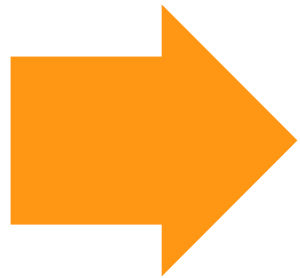
Calculation of SAIDI, SAIFI and CAIDI indicators

Annual information on quality of customer services serves as the basis for calculation of SAIDI, SAIFI, CAIDI indicators, per RA regions and reasons, in particular related to:

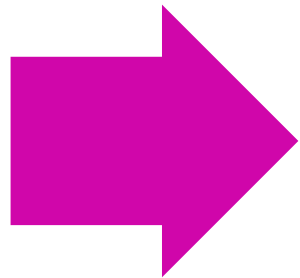
-  Scheduled repairs,
-  Off-schedule repairs,
-  Rejection of power distribution station (Only AEN),
-  Other companies,
-  Customers,
-  Force-majeures.



LEGAL INSTRUMENTS ON NEW CONNECTIONS



**Rules of electric power supply and use,
PSRC resolution №358, 2006**



**Methodology on determination of
charges on new connections,
PSRC resolution №659, 2007**





PUBLIC SERVICES REGULATORY COMMISSION

THANK YOU FOR ATTENTION!