

Penalties imposed by/to distributors

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Penalties imposed by distributor



1. *Violation the payment term*

Electricity

- In case of violation the payment term for the supplied electricity by the consumer, except for the population, the distributor (Guaranteed Supplier) has the right to calculate a penalty **in the amount defined by the Contract for each day of delay.**
- Penalty is calculated not earlier than 7 days after informing the consumer about the payment for consumed electricity.

Gas

- In case of violation of the payment term for the supplied gas by the consumer (organization), the supplier has the right to demand an advance payment or provide another payment guarantee acceptable to him in case of repeated violation within the 12 months following the violation.
- The penalty shall not exceed **50% of the average monthly cost of natural gas consumed in the previous year.**

Penalties imposed by distributor



2. Violation of the commercial metering device

Electricity

- In case of violation of the commercial metering device, when the distributor has reasonable arguments that the violation is due to the actions of the consumer (including the seals of the commercial metering device are torn, falsified or damaged), the distributor has the right to demand a penalty from the consumer **in amount of five times of recalculated electricity cost.**
- In case of disagreement with the demand to pay the penalty, the consumer resolves the dispute in court.
- The distributor has no right to terminate the consumer's electricity supply for non-payment of the penalty until the final settlement of the dispute.

Penalties imposed by distributor/supplier



2. Violation of the commercial metering device

Gas

2.1 In case of a violation of the commercial metering device, when the violation has been assessed by the supplier as a result of intentional actions of the consumer and this is the first case of violation of the commercial metering device during the last two years, the supplier has the right to demand a penalty from the consumer **in the amount of recalculated gas**.

- In case of disagreement with the demand to pay the penalty, the supplier resolves the dispute in court.
- The supplier has no right to terminate the consumer's gas supply for non-payment of the penalty until the final settlement of the dispute.

2.2 If it is not the first case of violation of the commercial metering device during the last two years, the supplier has the right to calculate a penalty **in the amount of twice the recalculated gas**.

- The supplier has the right to terminate the consumer's gas supply for non-payment of the calculated penalty in the manner prescribed by the Rules.
- In case of disagreement with the penalty calculated by the supplier, the consumer resolves the dispute in court.



Penalties imposed by distributor

3. Violation of the term of returning the commercial metering device

Electricity and gas

- The consumer has right to order the inspection or expertise of the commercial metering device with his own means to other organizations. In that case, if the consumer does not return commercial metering device to distributor within 20 working days, the distributor has right to impose a penalty to the consumer **in amount of twice of the monthly consumed electricity/gas highest cost during the last year.**
- At the same time, the distributor has the right to demand compensation for the damage caused by the consumer.



Penalties imposed to the distributor

Electricity

➤ *The distributor pays a penalty to the consumer: (The trade rules of the electricity retail market approved by Resolution of PSRC N517-N of December 25, 2019)*

1. in case of confirmation of the fact that in the settlement document distributor indicated more than the amount of electricity actually consumed by the consumer,
2. in case of any violation of the error correction procedure in the settlement document,
3. in case of any violation of the procedure or term for recalculation of consumed electricity,
4. in case of any violation of the procedure or term of a contract signing, amending, terminating,
5. in case of any violation of the procedure or deadline for responding to the consumer's complaint.

➤ In the mentioned cases, the distributor pays a penalty **in amount of 50% of the average monthly cost of consumed electricity, but not more than 2500 AMD.**

➤ The calculated penalty is taken into account by the distributor in the settlement document submitted to the consumer and is deducted from the value of the supplied electricity.

➤ The distributor **does not pay a penalty for the mentioned violations if they are in case of force majeure.**



Penalties imposed to the distributor

Electricity

➤ *The distributor pays a penalty to the consumer: (the network rules of electricity market distribution approved by the Resolution of PSRC RA N523-N of December 25, 2019)*

1. in case of any violation of the procedure or terms of the power supply planned, emergency interruption and restoration.
2. in case of any violation of the procedure or deadlines of power outage and restoration.
3. in case of any violation of the procedure or terms of installation and replacement of commercial metering device,
4. In case of any violation of the procedure or terms of inspection of the commercial metering device,
5. In case of any violation of the established procedure and terms of connecting the consumer consumption system to the distribution network.

➤ In the mentioned cases, the distributor pays a **penalty in amount of 50% of the average monthly cost of consumed electricity, but not more than 2500 AMD.**

➤ The distributor **does not pay a penalty for the mentioned violations if they are in case of force majeure.**



Penalties imposed to the distributor

Gas

The distributor pays a penalty to the consumer:

1. in case of any violation of the procedure or terms of the gas supply interruption and restoration.
 2. in case of any violation of the procedure or deadlines of gas supply outage and restoration.
 3. in case of any violation of the terms of recalculation of consumed gas.
 4. In case of any violation of the procedure or terms of extraordinary inspection of the commercial metering device,
 5. in case of any violation of the procedure or deadline for responding to the consumer's complaint.
- In the mentioned cases, the distributor pays a **penalty in amount of 30% of the average monthly cost of consumed gas, but not more than 2500 AMD.**
 - The calculated penalty is taken into account by the supplier in the settlement document submitted to the consumer and is deducted from the value of the consumed gas.
 - The distributor **does not pay a penalty for the mentioned violations if they are in case of force majeure.**

Penalties imposed to the distributor



3. Violation of the commercial metering device

Electricity

- In case of violation of the commercial metering device, when the consumer has reasonable arguments that the violation is due to the actions of the Distributor (including the seals of the commercial metering device are torn, falsified or damaged), the consumer has the right to demand a penalty from the consumer **in amount of five times of recalculated electricity cost.**
- In case of distributor's disagreement with the demand to pay a penalty, the consumer resolves the dispute in court.

Gas

- In case of violation of the commercial metering device, when the consumer has reasonable arguments that the violation is due to the actions of the supplier, the supplier pays a penalty to the consumer **in amount of twice of recalculated gas value.**



THANK YOU FOR YOUR ATTENTION!