The National Council of the Slovak Republic has passed this Act as follows:

Section 1
Subject of regulation

This Act shall provide for

a) regulation in network industries,

b) the position and competence of the Office for the Regulation of Network Industries (hereinafter only the “office”),

c) the obligations of persons pursuing regulated activity based on a license,\(^1\) a confirmation of the fulfillment of notification duty\(^2\) or a confirmation of registration (hereinafter only the “regulated entity”),

d) rules for the operation of the internal electricity market and rules for the operation of the internal gas market (hereinafter only the “market rules”),

e) proceedings for matters pursuant to this Act.

Section 2
Fundamental provisions

For the purposes of this Act
a) the network industries shall mean
1. the electricity sector,
2. the gas sector,
3. the heat power sector,
4. the water management,

b) the goods shall mean electricity, gas, heat, drinking water, waste water, surface water, hydroenergetic potential of water flows and energy water,

c) the regulated activities shall mean
1. the generation, transmission, distribution and supply of electricity and the services related therewith,
2. the performance of activities of the short-term electricity market organizer,
3. the production, transmission, distribution, storage and supply of gas and the services related therewith,
4. the production, distribution and supply of heat,
5. the production, distribution and supply of drinking water by the public water conduit,\(^3\)
6. the draining and treatment of waste water by the public sewage conduit,\(^4\)

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\(^1\) Section 5 (1) of Act No. 657/2004 Coll. on heat power sector.
\(^2\) Section 6 (1) of Act No. 251/2012 Coll. on energy, and on amendment and supplement to certain laws.
\(^3\) Section 6 (5) of Act No. 251/2012 Coll.
\(^4\) Section 2 (a) of Act No. 442/2002 Coll. on public water distribution systems and public water sewerage systems, and on amendment and supplement to Act No. 276/2001 Coll. on regulation in network industries.
7. the offtake of surface water and energy water from water flows and the use of hydro-energetic potential of water flows,\(^5\)

d) the regulatory period shall mean a period determined by the regulatory policy, during which a determined extent of the price regulation and a manner of implementation of the price regulation shall apply,

e) economically eligible costs shall mean costs, expended to the necessary extent and in a manner which can be proven to pursue regulated activity, the extent and amount of which shall be determined by the office,

f) the fair profit shall mean a profit which follows from the development of a standard share of profit on economically eligible costs, reflecting quality, standard business risk, development of the market demand and the consumer protection and which also reflects the extent of necessary investments to ensure a long-term operability of the system and the network,

g) the maximum price shall mean the price which cannot be exceeded,

h) the fixed price shall mean the price which cannot be changed; the fixed price shall also be deemed a tariff which is connected to a technical unit,

i) the quality standards shall mean a set of indicators, which determine the quality of goods and of regulated activities related therewith,

j) the supply of electricity to household electricity consumers shall mean

1. the supply of electricity to offtake points of household electricity consumers,

2. the supply of electricity to offtake points, which are the offtake points of electricity to the common premises of a residential structure, the common premises of a residential structure and appurtenances of a residential structure,\(^6\) this shall not apply to the offtake point, which is an offtake point of electricity to an offtake facility operated for business purposes,

k) the small-sized undertaking shall mean an end electricity consumer with the annual electricity consumption no more than 30 000 kWh for a previous year or an end gas consumer with the annual gas consumption no more than 100 000 kWh for a previous year,

l) the vulnerable consumer shall mean

1. the household electricity consumer,

2. the household gas consumer,

3. the small-sized undertaking,

m) the wholesale energy product shall mean contracts and derivates pursuant to a special regulation\(^7\) independent from the fact where and how traded,

n) confidential information shall mean the information pursuant to a special regulation,\(^7\) which has not been published, directly or indirectly relates to the wholesale energy product and which would likely have a significant impact on the price of the wholesale energy product, if published,

o) the energy poverty shall mean any condition when average monthly household expenditures\(^8\) for the consumption of electricity, gas, heat for heating and the preparation of hot service water, form a significant share in an average monthly household income.\(^8\)

Section 3

Purpose and subject of regulation

(1) The purpose of regulation according to this Act is to ensure, in a transparent and non-discriminatory manner, the availability of goods and regulated activities related therewith at reasonable prices and in determined quality.

(2) The subject of regulation pursuant to this Act shall be

a) prices in network industries and the conditions of the application thereof,

b) conditions for the performance of regulated activities.

Section 4

Office

\(^5\) Section 78 (3 (a) through (c) of Act No. 364/2004 Coll. on waters and on amendment to Act of the Slovak National Council No. 372/1990 Coll. on Offences, as amended (Water Act) as amended.

\(^6\) Section 2 (4) through (6) of Act of the National Council of the Slovak Republic No. 182/1993 Coll. on ownership of dwelling and non-dwelling premises, as amended.


\(^8\) Section 115 of the Civil Code, as amended by Act No. 509/1991 Coll.
(1) The office is a public authority for the sector of regulation in network industries with a nation-wide jurisdiction.

(2) The office in the performance of its competence shall proceed impartially and independently. Neither public authorities, municipal authorities, other public bodies nor other persons may affect the office in the performance of its competence.

(3) Bodies of the office shall be the chairman of the office and the Council for Regulation (hereinafter only the "council").

(4) The seat of the office is Bratislava.

(5) The office may establish work places outside of its seat.

Section 5
Chairman of the office and vice-chairman of the office

(1) The office is headed by the chairman, appointed and recalled by the president of the Slovak Republic upon proposal of the government of the Slovak Republic (hereinafter only "government").

(2) The chairman of the office is a government employee pursuant to a special regulation.\(^9\)

(3) The chairman of the office is at the same the chairman of the council.

(4) The term of office of the chairman of the office is six years. The same person may be appointed as the chairman of the office not more than for two consecutive terms of office.

(5) The chairman of the office if absent, or if not appointed, shall be represented to the extent of its rights and obligations by the vice-chairman of the office, except for rights and obligations of the chairman of the council.

(6) The chairman of the office and the vice-chairman of the office must satisfy the presumptions under Section 7 (7) prescribed for a member of the council.

(7) The chairman of the office shall
a) govern the office and take actions on behalf of the office externally in all matters,
b) appoint and recall the vice-chairman of the office,
c) decide in the first instance in the proceedings under Section 13 (1) (e) and (g) and Section 14,
d) decide on the imposition of a penalty in an appellate proceeding,
e) decide on objections in proceedings for the issuance of a confirmation pursuant to a special regulation,\(^10\)
f) represent the office in the Agency for the Cooperation of Energy Regulators (hereinafter only the "agency"),
g) entrust other person for representation in the agency,
h) render rules of organization of the office,
i) decide on the objections of prejudice of office employees in the performance of competence of the office.

(8) The chairman of the office in the performance of its competence shall act independently from instructions of public authorities, municipal authorities, other public authorities and other persons.

(9) The performance of position of the chairman of the office shall terminate
a) upon expiration of the term of office,
b) upon resignation,
c) recall from the office,
d) by death or having been pronounced dead.

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9 ) Section 6 (3) (b) first point of Act No. 400/2009 Coll. on state service and on amendment and supplement to certain laws.

10 ) Section 13 of Act No. 309/2009 Coll. on support of renewable energy sources and a highly effective combined generation, and on amendment and supplement to certain laws.
(10) The chairman of the office may resign upon delivery of a written notice to the president of the Slovak Republic. The term of office shall expire upon delivery of a written notice from the chairman of the office of resignation to the president of the Slovak Republic, unless the notice specifies a later date of resignation.

(11) The president of the Slovak Republic shall recall the chairman of the office from his/her office, if the chairman
a) was condemned, by a valid and effective court ruling, for a willful criminal offence or for a negligent criminal offence directly related to the performance of its office,
b) was relinquished, by a valid and effective court ruling, of its capability of taking legal actions or its capability of taking legal actions was restricted by a valid and effective court ruling,
c) the chairman of the office
1. became a member of managing, supervisory or inspection bodies of regulated entities,
2. began to pursue business in network industries,
3. began to perform the office of a deputy of the National Council of the Slovak Republic, a member of the government, position or membership in the body of a municipal authority,
4. has a property interest in the business of regulated entities,
d) fails to perform its office for a period longer than two consecutive calendar months, this shall not apply if the chairman of the office is temporarily acknowledged as unable to work for illness or injury,
e) acted in the performance of its competence in conflict with subsection 8.

(12) The president of the Slovak Republic shall recall the chairman of the office also if the person close him/her under Section 116 of the Civil Code is an employee of regulated entities, has a property interest in the business of regulated entities, pursues business in regulated activities in its own name or in the name of another, or through an association of persons or is a member of managing, supervisory or supervisory bodies of regulated entities.

(13) The performance of position of the chairman of the council shall terminate simultaneously upon termination of the position of the chairman of the office.

Section 6
Council

(1) The council shall ensure the strategic management and concept of regulation in network industries.

(2) The council is composed of the chairman of the council and other six council members. The chairman of the council shall govern its activities, in particular shall convene and chair negotiations of the council. The chairman of the council shall be represented if absent, or if not appointed, by the vice-chairman of the council to the entire extent of his/her rights and obligations, except for the rights and obligations of the chairman of the office.

(3) The council shall
a) adopt the regulatory policy,
b) elect the vice-chairman of the council from among its members,
c) approve
1. draft agreements on mutual cooperation with regulatory bodies of member states of the European Union (hereinafter only a "member state"),
2. the rules of procedure of the council,
3. a report on activity of the office,
4. establishment of work places of the office outside of its seat,
5. the annual financial statements of the office,
d) decide in an appellate proceeding, except for decisions on the imposition of a penalty,
e) provide standpoints to proposals of generally binding legal regulations rendered by the office.

(4) The council shall meet as necessary, however, no less than twice a month. Sessions of the council are not public. The chairman of the council may invite to a session of the council an employee of the office or other persons. The chairman of the council shall not participate in a decision-making concerning an appeal against a decision of the office, in which it decided at the first instance.
(5) The council shall have a quorum, if the chairman of the council or the vice-chairman of the council are present and no less than another three council members. The council shall decide by the voting of a majority of votes of all its members. Only council members and the employee of the office preparing minutes under subsection 6 may be present in voting.

(6) Minutes shall be prepared on any voting of the council. If a council member requests so, his/her standpoint shall be attached to the minutes, different from an adopted decision. Minutes on voting shall not be public.

Section 7
Members of the council

(1) Council members, except for the chairman of the council, shall be appointed and recalled by the president of the Slovak Republic in the manner according to subsection 3. Membership in the council is a public office.

(2) The term of office of a council member is six years. If membership in the council ceased to exist in a manner other than expiration of the term of office, a new council member, except for the chairman of the council, shall be appointed for remaining part of the term of office.

(3) The president of the Slovak Republic shall appoint council members, except for the chairman of the council, upon proposal of the National Council of the Slovak Republic and the government in such a manner so that three council members be appointed upon proposal of the National Council of the Slovak Republic and three council members upon proposal of the government.

(4) The council shall be renewed from one third each two years so that subsection 3 be complied with. To fill a vacated post as member of the council, a new candidate shall be proposed by the body that proposed the appointment of the member whose membership has expired. To fill a vacated post as member of the council who was appointed as the chairman of the office, a new candidate shall be proposed by the body that proposed the appointment of the member council who was appointed as the chairman of the office and shall submit a proposal to the president of the Slovak Republic within 30 days upon expiration of the membership pursuant to subsection 16. Two candidates shall be proposed to each position of a council member.

(5) A council member may not
a) be an employee of the office; this shall not apply to the chairman of the council,
b) be an employee of regulated entities,
c) pursue business in network industries in one’s own name or in the name of another, or through an association of persons,
d) have a property interest in the business of regulated entities,
e) be a member of managing, supervisory or inspection bodies of regulated entities.

(6) A council member shall be obliged to comply with the restrictions pursuant to subsection 5 (b) through (e) for a period of 12 months upon expiration of the office as a council member.

(7) A council member may be a citizen of the Slovak Republic, who meets the following qualifications:
a) second degree university education in technical, economic or law specialization and no less than ten years of practice in network industries or pricing or in the creation of concepts in the power sector, of which five years in a managing position, or third degree university education in technical, economic or law specialization and no less than seven years of practice in network industries, in pricing or in the creation of concepts in the power sector, of which five years in a managing position,
b) having capacity to take legal acts in full,
c) integrity.

(8) A council member shall be deemed a person with integrity if has never been lawfully convicted of a willful criminal offence. The integrity shall be demonstrated by a statement from the criminal register, not more than three months old.

(9) Membership in the council is incompatible with
a) the office of a deputy of the National Council of the Slovak Republic,
b) the office of a member of the government,
c) the office or employment in a body of public authority; this shall not apply to the chairman of the
council,
d) the office or membership in the body of municipal authority.

(10) A council member may not be the person whose close person under Section 116 of the Civil Code
is an officer of the office, has a property interest in the business of regulated entities, pursues business
in regulated activities or is a member of managing, supervisory or inspection bodies of regulated
entities.

(11) A council member shall in the performance of its competence act independently from the
instructions of public authorities, municipal authorities, other public authorities and other persons.

(12) A council member shall be entitled monthly to remuneration amounting to four times the average
nominal monthly wage of an employee in the national economy of the Slovak Republic for a previous
calendar year rounded up to the whole euro. The chairman of the council shall be entitled monthly to
remuneration amounting to the remuneration of a council member and the vice-chairman of the council
amounting to 1.3 of the multiply of the remuneration of a council member.

(13) A council member shall participate, according to instructions of the chairman of the council, in
meetings with public authorities and regulated entities on a strategy of the management of regulation.

(14) If a council member participates, upon instructions of the council, in a business trip, the office shall
provide to it compensation for expenses pursuant to a special regulation.11

(15) A council member shall be deemed for the time of performance of its office, for purpose of health
insurance, to be an employee in a labor relationship.

(16) Membership in the council, except for the chairman of the council, shall expire
a) upon expiration of the term of office,
b) upon resignation,
c) by a recall from the office,
d) by death or having been pronounced dead.

(17) By resignation, a membership in the council shall terminate upon delivery of a written notice of a
council member of resignation to the president of the Slovak Republic, unless the notice specifies a later
date of resignation; this shall not apply to the chairman of the council.

(18) The president of the Slovak Republic shall recall a council member, except for the chairman of the
council, if
a) was condemned, by a valid and effective court ruling, for a willful criminal offence or for a negligent
criminal offence directly related to the performance of its office,
b) was relinquished, by a valid and effective court ruling, of its capability of taking legal actions or its
capability of taking legal actions was restricted by a valid and effective court ruling,
c) ceased to meet the conditions under subsections 5, 9 and 10,
d) fails to perform its office for a period longer than two consecutive calendar months, this shall not
apply if a member of the council is temporarily acknowledged as unable to work for illness or injury,
e) acted in the performance of its competence in conflict with subsection 11.

Section 8
Regulatory policy

(1) The regulatory policy is a strategy which provides for the implementation of regulation during a
determined regulatory period.

(2) The regulatory policy shall include mainly
a) determination of a length of the next regulatory period,
b) assessment for a need of other regulation for the next regulatory period, including justification of the
proposed extent of the price regulation and the manner of implementing the price regulation,

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11 ) Act No. 283/2002 Coll. on Travel Allowances, as amended.
c) extent of the price regulation and the manner of implementing the price regulation in the next regulatory period.

(3) The council shall submit a proposal of the regulatory policy by 28 February of the last calendar year of the regulatory period to the Ministry of Economy of the Slovak Republic (hereinafter only the “ministry”) and the Ministry of Environment of the Slovak Republic. The ministry shall review compliance of such proposal with intentions of the energy policy and shall forward its standpoint to the council by 15 March. The Ministry of Environment of the Slovak Republic shall review the compliance of this proposal to intentions of the water management policy and shall forward its standpoint to the council by 15 March. The council may adopt regulatory policy, even if the ministry or the Ministry of Environment of the Slovak Republic fails to forward its standpoint to the proposal of regulatory policy within a determined period.

(4) The council shall adopt the regulatory policy by 31 March of the last calendar year of the regulatory period.

(5) The office shall publish the regulatory policy on its web seat within 15 days upon its adoption.

(6) The regulatory policy shall be binding during the regulatory period on all market participants in network industries.

(7) The council shall prepare by 31 March of a calendar year upon the end of the regulatory period the assessment of a previous regulatory period from the aspect of achieved market transparency and the impact of price regulation on the market.

(8) If necessary to achieve the purpose of regulation under Section 3 (1), the council shall adopt by resolution any change of or supplement to the regulatory policy in the form of an amendment to the regulatory policy. Subsection 3 shall apply accordingly. The office shall publish an amendment to the regulatory policy on its web seat within 15 days upon its adoption by the council.

Competence of the office
Section 9

(1) The office shall
a) render generally binding legal regulations,

b) implement

1. the price regulation under Sections 11, 12 and 14,
2. the subject regulation under Sections 13, 15 and 23,
3. the extraordinary regulation under Section 16,
4. the regulation of quality under Section 22,
5. control over the compliance with this Act, generally binding legal regulations rendered for its implementation under Section 40, special regulations, generally binding legal regulations rendered for the implementation of special regulations and valid and effective court rulings, by persons which pursue the regulated activities under Sections 31 through 35,
6. supervision over the transmission system operator and the transmission network operator under Section 26 (11),
7. supervision over auctions for the sale of electricity under Section 30,

c) decide

1. in the matters under Sections 11 through 17,

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12 ) Sections 5 through 9 and 11 of Act No. 657/2004 Coll. as amended.
Section 26 (11), Section 27 (2) and (4), Section 4 (5) (c) and Section 4 (7) and (10), Section 5 (6) (a) and (b), Section 5 (13) and (14), Section 7 (8) and (9), Section 8 (9) and Section 11 (3) of Act No. 309/2009 Coll. as amended.
Act No. 251/2012 Coll.

13 ) For example Section 17 (6) and Section 18 (8) of Act No. 657/2004 Coll. as amended by Act No. 184/2011 Coll., Section 19 (2) of Act No. 309/2009 Coll. and Section 21 (10) of Act No. 251/2012 Coll.
2. on certification of the transmission system operator and the transmission network operator under Sections 25 through 28,
3. on the imposition of a penalty for administrative offenses committed by a breach of obligations stipulated in this Act and in special regulations,\(^\text{14}\)
4. on the application of income from the allocation of capacity of connection lines, if it cannot be efficiently applied to guarantee the actual availability of allocated capacity, maintenance or increase in the capacity of connection lines through investments to systems, in particular into new connection lines,

d) assess the independency of the transmission system operator and the transmission network operator under this Act a pursuant to a special regulation,\(^\text{15}\)
e) impose measures to remove and remedy deficiencies ascertained in the exercise of control,
f) cooperate with the regulatory bodies of member states through the exchange of information, with a view to
1. support regional cooperation and bilateral cooperation on the electricity market and the gas market pursuant to special regulations\(^\text{16}\) and shall notify the European Commission and other member states of such cooperation,
2. support the cooperation of transmission system operators and transmission network operators at a regional level including cross-border issues,
3. create conditions for transmission system operators and transmission network operators to have at a regional level one or several integrated systems, which cover two or more integrated systems for purposes of the allocation of capacity and control of the safety of the system and the network,
4. adopt measures which for transmission system operators and transmission network operators shall allow
4.1. a mutual exchange of gas,
4.2. the allocation of cross-border capacity,
4.3. cooperate in the development of overcharge management procedures of the system and the network,
5. monitor the wholesale electricity market and the wholesale gas market pursuant to a special regulation,\(^\text{7}\)
g) execute agreements with regulatory bodies of member states with a view to support regional cooperation,
h) cooperate with the agency, the European Commission, ministries and other central public authorities,
i) render the annual report on activities of the office,
j) organize a tender pursuant to a special regulation\(^\text{17}\) for a contractor of technology which will ensure an increase in the energetic efficiency of the system or a decrease in the consumption of electricity, and a contractor which will ensure the preparation of construction and the construction of new power facilities, to which economic incentives are provided,
k) resolve disputes under Sections 37 and 38.

(2) The office shall be entitled to request information about all actions related to a public tender organized by the regulated entity, which
a) pursues regulated activity in the power sector or the gas sector and is part of the vertically integrated undertaking,
b) performs the transmission of electricity or the transmission of gas and is not part of the vertically integrated undertaking.

(3) The office shall prepare
a) by 31 December 2013, and subsequently each two years as of 30 June, shall update in cooperation

\(^{14}\) Sections 5 through 9 and 11 of Act No. 657/2004 Coll. as amended.
\(^{15}\) Sections 30, 50 through 59, 61 through 63 of Act No. 251/2012 Coll.
\(^{17}\) Section 25 (4) of Act No. 251/2012 Coll.
with the ministry a methodical guidance for power undertakings and gas undertakings in respect to
the optimization of the use of electricity and gas including the provision of services to electricity
consumers and gas consumers, aimed at an increase in efficiency in the utilization of energy, the
application of prices and conditions for electricity supply and gas supply in the manner aimed at an
increase in efficiency in the utilization of energy, introduction of intelligent metering systems and the
refurbishment of systems and networks aimed at an increase in efficiency in the utilization of
energy,

b) by 31 December 2013, and subsequently each two years as of 30 June, shall update a methodical
guidance for electricity undertakings and gas undertakings in respect to measures to protect
vulnerable consumers,

c) by 31 December 2013 a methodical guidance for electricity suppliers in respect to the manner of
determination of a share of individual types of primary energetic sources in the electricity purchased
or generated by a supplier for the purpose of its supply to electricity consumers, including electricity
consumers outside of the defined territory and the impact of the generation of electricity purchased
or generated by an electricity supplier with a view of its supply to electricity consumers, including
electricity consumers outside of the defined territory, on the environment, including data on CO₂
emissions and radioactive waste originated in the generation of such electricity,

d) by 31 May 2013, and subsequently each two years, a report on measures necessary to improve
procedures related to the reimbursement and allocation of costs for technical adjustments in a
connection to the distribution system and its fortification, improvement of the operation of the system
and procedures of the non-discriminatory application of regulations, necessary to classify
generators of electricity from renewable energy sources and shall adopt by 30 June 2013, and
subsequently each two years, measures arising out of the report,

e) by 31 December 2013 a methodical guidance for transmission system operators, transmission
network operators, distribution system operators, distribution network operators, electricity suppliers
and gas suppliers in respect to the manner, extent and conditions of keeping the registration of
complaints of electricity consumers and gas consumers and in respect to the extent of data and the
manner of submission of data from the registration of complaints to the office,

f) by 31 December 2013, and subsequently for each regulatory period in cooperation with the ministry,
the Ministry of Finance of the Slovak Republic and the Ministry of Labor, Social Affairs and Family of
the Slovak Republic, a concept for the protection of consumers fulfilling conditions of the energy
poverty; the office shall submit such concept to the government.

(4) The office may in case of a repeated material breach of obligations of the transmission network
operator, which is part of the vertically integrated gas undertaking, under this Act or special
regulations, which the transmission network operator, which is part of the vertically integrated gas
undertaking, fails to remove within a reasonable period determined by the office, which period cannot be
shorter than three months, decide on the imposition of an obligation to entrust operation of the
transmission network to an independent network operator pursuant to a special regulation.

(5) The repeated material breach of obligations pursuant to subsection 4 shall mean any breach of
obligations, for which the office lawfully imposed two times on the transmission network operator, which
is part of the vertically integrated gas undertaking, in the course of five consecutive years, a penalty
exceeding EUR 5 000 000, if none of such penalties has been revoked or decreased below EUR 5 000 000.

(6) If the office decides on the imposition of an obligation to entrust operation of the transmission
network to an independent network operator pursuant to a special regulation, the office shall
a) approve conditions of a tender based on which the transmission network owner shall select an
independent network operator,

b) render prior consent to
1. the appointment, election or recall of a person obliged to ensure compliance pursuant to a special
regulation,

2. the execution of or amendment to a contract between an independent network operator and the
transmission network owner,

c) monitor contractual relationships and communication between an independent network operator and

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\begin{align*}
18 & ) \quad \text{Regulation of the European Parliament and Council (EC) No. 714/2009.}
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\begin{align*}
19 & ) \quad \text{Sections 61 through 63 of Act No. 251/2012 Coll.}
\end{align*}
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\[
\begin{align*}
20 & ) \quad \text{Section 62 (7) and (8) of Act No. 251/2012 Coll.}
\end{align*}
\]
the transmission network owner with a view to ensure compliance with their duties pursuant to a special regulation.  

d) decide upon proposal of an independent network operator or the transmission network owner on the imposition of duties on an independent network operator or the transmission network owner in disputes related to obligations of an independent network operator and the transmission network owner pursuant to a special regulation.  

e) approve the ten-year network development plan, submitted annually to the office by an independent network operator, and investments, on the implementation of which an independent network operator decided,  
f) approve contracts on the funding of investments to the transmission network by a third person pursuant to a special regulation,  
g) adopt measures to ensure that tariffs for access to the network collected by an independent network operator, include compensation for the transmission network owner, which forms reasonable compensation for the use of transmission network assets and new investments to the transmission network provided that they are economic and efficient,  
h) exercise inspections in the premises of an independent network operator and the transmission network owner, including dawn raids,  
i) provide to the Anti-Monopoly Office of the Slovak Republic promptly any information about possible violations of competition rules from the side of the transmission network owner.

Section 10

The office shall further  
a) determine  
1. criterions for the selection of a supplier of last resort,  
2. individual rates of tariffs related to system services and the reimbursement of special costs under Section 12 (6),  
b) assess  
1. records maintained by the regulated entity,  
2. quality standards,  
c) monitor  
1. technical cooperation among transmission system operators from the territory of the European Union and from the territory of third states,  
2. implementation of the ten-year system development plan or the ten-year network development plan,  
3. the electricity market and the gas market,  
4. application of measures aimed at prevention from the occurrence of the overcharge of the system and the network and to solve the overcharge of the system and the network, assess such measures and impose new measures to solve such situations,  
5. status and changes in the stock of gas stored in gas storage facilities,  
d) submit annually by 30 June to the National Council of the Slovak Republic, the European Commission and the agency a report on activities of the office,  
e) perform towards bodies of the European Union information and notification duty arising to it from legally binding actions of such bodies and provide to bodies of the European Union information about regulated activities,  
f) publish on its web seat  
1. regulatory policy,  
2. valid and effective decisions of the office on the merits of the case,  
3. a report on activity of the office,  
4. a list of license holders to pursue regulated activities,  
5. a list of rendered confirmations of the fulfillment of notification duty to pursue regulated activities,  
6. a list of holders of the confirmation of registration under Section 23,  
7. the results of monitoring under letter (c),  
8. the assessment of quality standards and the required level of compliance with quality standards,  
9. results of consultations related to the ten-year system development plan and the ten-year network development plan,  
10. criterions for the selection of a supplier of last resort,  
11. recommendations in the interest of the consumer protection.  

21) Section 16 of Act No. 251/2012 Coll.
12. quarterly a list of suppliers providing a universal service together with a reference to their web seats,
13. information for the household electricity consumer and the household gas consumer about their rights, applicable legal regulations and available means to settle disputes,
g) adopt measures to achieve the universal service and service in the public interest and contribute to the protection of vulnerable consumers and consumers meeting conditions of the energy poverty in accordance with the concept under Section 9 (3) (f),
h) assess in cooperation with the ministry an analysis on the introduction of intelligent metering systems,
i) inform the Slovak National Bank, the Anti-Monopoly Office of the Slovak Republic, the European Commission and the agency on the violation of a special regulation) in trading on the wholesale electricity market and the wholesale gas market,
j) maintain a register of electricity market participants and gas market participants for purposes to monitor the wholesale electricity market and the wholesale gas market pursuant to a special regulation,)
k) assess conditions for the application of agreed access to the storage facility or regulated access to the storage facility in the defined territory, taking into consideration 1. the actual availability of tools to achieve the flexibility of a gas supply to gas market participants which supply gas to gas consumers in the defined territory, and the need of tools to achieve the flexibility of gas supplies to ensure competition on the gas market,
2. forecasted development of the offer of storage capacity and available storage capacity in storage facilities with the availability of gas supplies to the network in the defined territory and other tools to ensure the flexibility of gas supplies,
3. a number of gas market participants, which supply gas to gas consumers in the defined territory and use storage capacity offered by storage facility operators and with the availability of gas supplies to the network in the defined territory.

Section 11
Price regulation

(1) The price regulation in the energy sector shall apply to
a) electricity generation from renewable energy sources and the generation of electricity generated by highly-efficient combined generation,
b) electricity generation from domestic coal based on a decision of the ministry on the imposition of obligations in the general economic interest,
c) connection to the system,
d) access to the transmission system and transmission of electricity,
e) access to the distribution system and distribution of electricity,
f) supply of electricity to vulnerable customers,
g) provision of auxiliary services,
h) provision of system services,
i) performance of the activity of the organizer of short-term electricity market,
j) electricity supply by supplier of last resort.

(2) The price regulation in the gas sector shall apply to
a) connection to the network,
b) provision of auxiliary services in the gas sector,
c) access to the transmission network and transmission of gas,
d) access to the distribution network and distribution of gas,
e) supply of gas to vulnerable customers,
f) gas supply by the last resort supplier,
g) purchase of gas facilities.

(3) The price regulation in the heating sector shall apply to
a) generation and supply of heat,
b) generation, distribution and supply of heat,
c) distribution and supply of heat.

(4) The price regulation in the water management shall apply to
a) production and supply of drinking water and supply of drinking water by the public water conduit,
b) production and distribution of drinking water by the public water conduit,
c) supply of drinking water by the public water conduit,
d) evacuation and treatment of waste waters by the public sewage,
e) evacuation of waste waters by the public sewage,
f) treatment of waste waters brought into a waste water treatment facility by the public sewage,
g) offtake of surface waters from water flows,
h) use of hydro-energy potential of water flows,
i) offtake of energy water from water flows.

Section 12
Manner of implementing the price regulation

(1) The manner of implementing the price regulation shall be
a) direct determination of the fixed price,
b) direct determination of the maximum price,
c) determination of the manner of calculation of the fixed price,
d) determination of the manner of calculation of the maximum price,
e) determination of the extent of economically eligible costs which may be included in the price and the amount of a fair profit,
f) determination of the price by the application of market measures, such as in particular auctions.

(2) The maximum price and the fixed price may be also determined by the comparison of
a) economically eligible costs for regulated activities with eligible costs for the same regulated activities in the Slovak Republic or member states, or
b) economically eligible costs for individual parts of regulated activities with eligible costs for individual parts of the same regulated activities in the Slovak Republic or member states, or
c) individual items forming a structure of the price for regulated activities with items forming a structure of the price of the same regulated activities in the Slovak Republic or member states, or
d) prices for regulated activity with the price for the same regulated activity in the Slovak Republic or member states.

(3) The manner of implementing the price regulation under subsections 1 and 2 reflects economically eligible costs, economic effectiveness and a fair profit, including the extent of investments, which may be included in the price or economically eligible costs and a fair profit which have been included in the price approved or determined by the office. The economic effectiveness shall mean a quantity expressing a relationship between inputs expressed in terms of values and their economic effects.

(4) The maximum price and the fixed price may be composed of several items.

(5) Individual manners of implementing the price regulation under subsection 1 may be combined.

(6) In determining the manner of implementing the price regulation under subsection 1 the office shall determine for electricity end consumers connected to the transmission system with a period of the annual use of the peak in a calendar year higher than 6800 hours and at the same time by a proportionate deviation of the entity for settlement lower than 0.025, individual rates of tariffs related to system services and the payment of special costs; the period of the annual use of the peak shall mean a proportion between the total annual transferred quantity of electricity in a calendar year and reserved capacity and the proportionate deviation of the entity for settlement shall mean a deviation determined as a proportion between the value of an average of absolute values of an hourly deviation of the entity for settlement and a higher value from an average of absolute values of agreed offtakes and an average of absolute values of agreed supplies from a registered daily diagram for a period of previous four months.

(7) Tariffs related to system services and the payment of special costs shall be the tariffs
a) for the provision of system services,
b) related to the payment of a proportionate part of costs for the performance of activities of the short-
term electricity market organizer,

c) related to the payment of costs for the provision of support under a special regulation,22

d) related to the payment of a proportionate part of costs for the performance of obligations in the
general economic interest.

(8) The price regulation of the regulated activities under Section 11 (4)(g) through (i) shall be made by
determining the manner of calculation of the fixed price.

(9) If effective competition of parallel gas pipelines exists, the office shall determine for gas transit the
price under subsection 2 (d).

Section 13
Subject regulation

(1) The subject regulation shall be any decision-making on

a) the issuance, change and revocation of a license to pursue regulated activities pursuant to special
regulations,23

b) consent to the construction of a direct line or a direct gas pipeline,

c) the exemption of a regulated entity, a group of regulated entities, regulated activity or a group of
regulated activities from the regulation, if reasons for the regulation ceased to exist, in particular if
operation on the market is sufficient to preserve the purpose of the regulation under Section 3 (1),

d) reservation of capacity of the storage facility and gas accumulation for the network operator,

e) granting of an exemption from the obligation of access to the system for new connection lines or for
existing connection lines,

f) granting of a temporary exemption from the obligation to ensure the access of third parties to the
network and the storage facility and on determination of rules and procedures for the management
and allocation of the capacity of new significant gas facilities,

g) granting of an exemption from the obligation to ensure the access of third parties to new
interconnection lines, on exemption from the regulation under this Act for new interconnection lines
and on exemption from the application of income from the allocation of new interconnection lines,

h) adoption of the measures under Section 10 (g),

i) rendering of prior consent to

1. the appointment or designation and recall of a person obliged to ensure compliance of the
distribution system operator,

2. the appointment or election and recall of a statutory body or a member of a statutory body of the
transmission network operator,

3. the termination of a labor relationship of an employee of the transmission network operator, who
is in direct managing competence of a statutory body of the transmission network operator in
matters related to the operation, maintenance or development of the network of the
transmission network operator by a notice of termination or by the immediate termination of a
labor relationship,

4. the election and recall of a member of the supervisory commission of the transmission network
operator,

5. conditions for the provision of services by the transmission network operator to other person
which is part of the same vertically integrated gas undertaking as the transmission network
operator or which exercises directly or indirectly control over a person which is part of the same
vertically integrated gas undertaking as the transmission network operator,

6. the appointment or designation and recall of a person obliged to ensure compliance of the
transmission network operator or the transmission network owner and the distribution network
operator,

j) rendering of prior consent to

22 ) Section 3 (1) (b), (c) and (d) of Act No. 309/2009 Coll.

23 ) Sections 5, 8 and 9 of Act No. 657/2004 Coll. as amended.
Section 6 (3) and Section 10 of Act No. 251/2012 Coll.
1. the execution of or amendment to a contract on the performance of office of a statutory body or a member of a statutory body of the transmission network operator,
2. the execution of or amendment to a contract on the performance of office of a member of the supervisory commission of the transmission network operator,
3. the execution of or amendment to a contract between the transmission network operator and a person obliged to ensure compliance,
k) the imposition of obligations on the transmission system operator and the transmission network operator pursuant to a special regulation,\(^{24}\)
l) the appointment of a valuator for the qualified assessment of facts decisive for the performance of activities of the office,
m) proposal of the transmission network operator on a proposal of the capacity of a reverse flow and on request for exemption from the duty to allow a reverse flow pursuant to a special regulation,\(^{25}\)
n) the cancellation of a connection point of the electricity consumer, electricity producer and distribution system operator to the transmission system,
o) the extinction of authorization of a license holder to the land of another and the obligations corresponding to such authorization pursuant to a special regulation,\(^{26}\)

(2) The subject regulation shall be also any decision-making on the approval of
a) the rules of operation of the system operator, the short-term electricity market organizer, the network operator or the storage facility operator,
b) dispatching rules of the transmission system operator,
c) rules for a sale of electricity in the form of auctions,
d) rules for the allocation of assets and liabilities, costs and revenues,
e) a supplier of last resort and any decision on its selection,
f) conditions for the transmission of electricity by the distribution system in the regime of electricity transmission, and the office shall forward approved conditions to the transmission system operator and the distribution system operator, conditions for the provision of services of the transmission system operator and the transmission network operator to other parts of the vertically integrated undertaking, part of which is the transmission system operator and the transmission network operator,
g) commercial contracts and financial contracts of the transmission network operator with the vertically integrated undertaking, including proposal for the amendments thereof pursuant to a special regulation,\(^{27}\)
h) a compliance program of the transmission network operator,
i) contracts for the provision of services under Section 29 (2),
j) contracts related to the implementation of investments to the transmission system and the transmission network operator pursuant to a special regulation,\(^{28}\)
k) rules for testing market demand for an individual investment pursuant to a special regulation,\(^{29}\)
l) rules for the allocation of income from available interruptible capacity from the transmission of gas and reasonable prices for the available interruptible capacity,\(^{30}\)
m) business conditions of the electricity supplier and the gas supplier providing universal service.

(3) The subject regulation shall be also the issuance of
a) a confirmation of the origin of electricity from renewable energy sources, a confirmation of the origin of electricity generated by a highly efficient combined generation, a confirmation of the origin of

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\(^{24}\) Section 29 (3) and 11 and Section 59 (3) and (11) of Act No. 251/2012 Coll.
\(^{26}\) Section 11 (13) of Act No. 251/2012 Coll.
\(^{27}\) Section 57 (2) (c) of Act No. 251/2012 Coll.
\(^{28}\) Section 29 (12) and Section 59 (14) a Section 63 (5) of Act No. 251/2012 Coll.
\(^{29}\) Section 59 (9) of Act No. 251/2012 Coll.
\(^{30}\) Part 2 (2) and (3) of Annex I to the Regulation of the European Parliament and Council (EC) No. 715/2009.
biomethan and a guarantee for the origin of electricity from renewable energy sources pursuant to a special regulation.\(^{31}\))

b) a confirmation of the fulfillment of notification duty to persons which pursue activities, in respect of which no license is required,

c) a confirmation of the registration under Section 23,

d) a standpoint to the issuance of a certificate for the construction of a power facility for electricity generation with the total installed power capacity from 1 MW.

(4) By the office rendered decisions under subsection 2 (a) through (c), (e) and (m) shall be binding on all electricity market participants and gas market participants.

Section 14

**Proceeding for price regulation**

(1) A price regulation proceeding (the “price proceeding”) shall commence upon delivery of a proposal of the price for goods and related regulated activities and conditions of the application thereof (the “price proposal”) by a regulated entity to the office or upon initiative of the office.

(2) The price proceeding for the regulated activities under Section 11 (1)(g) and (h) shall commence upon initiative of the office.

(3) A party to the price proceeding shall be a regulated entity which has submitted the price proposal. If the price proceeding commended upon initiative of the office, a party to the price proceeding shall be a regulated entity which the office intends to regulate in terms of price.

(4) The price proposal shall contain

a) designation of the regulated entity,

b) proposed process, conditions of the application of prices and underlying documents pursuant to Section 40 (1),

c) a document on approval of the price proposal by the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership of the regulated entity under a special regulation.\(^{32}\)

(5) The regulated entity shall be obliged to submit the price proposal for the first year of a regulatory period to the office by

a) 31 July of the last calendar year of a regulatory period for the regulated activities under Section 11 (2)(a) through (d),

b) 31 August of the last calendar year of a regulatory period for regulated activities under Section 11 (1)(a) through (d) and (i) and Section 11 (4)(g) through (i),

c) 30 September of the last calendar year of a regulatory period for regulated activities under Section 11 (1)(e) for regional distribution systems, Section 11 (2) (e) through (g), Section 11 (3) (a) through (c) and Section 11 (4)(a), (b), (d) through (f),

d) 31 October of the last calendar year of a regulatory period for regulated activities under Section 11 (1)(e) for the local distribution systems and Section 11 (1)(f) and (j),

e) 30 November of the last calendar year of a regulatory period for a supply of drinking water by the public water conduit which the regulated entity shall purchase from other regulated entity under Section 11 (4)(c).

(6) The duty to submit the price proposal within the terms under subsection 5 (b) shall not apply to the regulated entity which shall pursue the regulated activity under Section 11 (1)(a) and shall not exercise the right to surcharge.

(7) The regulated entity shall be obliged to submit for the first time the price proposal for a balance of the regulatory period, prepared under Section 40 (1), for approval within 15 days upon delivery of a license, a certificate of the performance of the notification duty or a certificate on registration.

\(^{31}\) Sections 7, 7a, 8 and 12 of Act No. 309/2009 Coll. as amended.

\(^{32}\) Section 756a of the Commercial Code.
(8) If the regulated entity is a municipality which owns a public water conduit or public sewage of the III. category under a special regulation\(^{33}\) and is a holder of the certificate on registration under Section 23, it shall be obliged to notify the office in writing of the price calculated in the manner and to the extent under Section 40 (1) in the period under subsection 5 (c) or (e) and no less than 30 days prior to each change in the price during the regulatory period. The office shall issue to the regulated entity a confirmation of the price based on notification.

(9) If a delivered price proposal is incomplete or has been prepared in conflict with Section 40 (1), the office shall invite a party to the price proceeding to remove, within a period determined by it, which may not be shorter than five days, any defects; at the same time shall notify it of a possibility to terminate the proceeding. If a party to the price proceeding fails to remove defects of the price proposal, the office shall terminate the proceeding or shall determine the price as part of the same proceeding pursuant to underlying documents it has available. The office shall terminate the proceeding if the price proposal has not been approved by the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership of the regulated entity under a special regulation\(^{32}\) prior to its filing.

(10) The office in the price proceeding shall decide within 30 days upon the commencement of a proceeding for the activities under Section 11 (1)(b), (c), (d), (f), (g), (h), (i) and (j), subsection 2 and 4 (g) through (l) and within 60 days upon the commencement of a proceeding for the activities under Section 11 (1)(a) and (e) and subsection 3 (a) through (c) and Section 11 (4) (a) through (l).

(11) In price proceeding, the office shall approve or determine the price for the regulated entity by rendering a price decision. The office may in the price decision approve or determine also conditions for the application of the price.

(12) The price decision for the first year of the regulatory period shall apply to the entire regulatory period, unless the office approves a change of the price decision.

(13) The office may render a preliminary injunction by which it shall determine prices and conditions for the application of prices, if the approval or determination of prices is delayed. A difference between a preliminary price and the final price shall be reflected in the final price.

(14) The office may render a price decision for the regulated entity which pursues the regulated activity under Section 11 (1)(a) for a period of the entire length of support by surcharge under a special regulation\(^{34}\) If the office renders the price decision under the first sentence, the regulated entity shall not be subject to the obligation to submit the price proposal under subsection 5 (b). If during a period of the acceptance of support by surcharge there is a change in the price of electricity for the determination of an addition payment or technology of electricity generation, the regulated entity shall be obliged to file a proposal to change the price decision, specifically within 30 days, upon the occurrence of such a change.

(15) The regulated entity which is a company or a cooperative society, shall submit to the Office the price proposal and a supplement to the price proposal upon its own initiative, if such supplement affects modification of the price, only upon approval of the same by the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership of the regulated entity under a special regulation\(^{32}\).\(^{33}\)

(16) If the regulated entity supplements, upon its own initiative, the proposal in a price proceeding which affects modification of the price without prior consent of the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership of the regulated entity under a special regulation\(^{32}\), the office shall not take such supplement into account.

(17) The provisions of subsection 15 shall be fulfilled also if the regulated entity has submitted the price proposal and a supplement to the price proposal upon its own initiative, if such supplements affects modification of the price, approved by the statutory body of a company or a cooperative society under a special regulation\(^{32}\) specifically, prior to the submission thereof. The regulated entity shall be obliged

\(^{33}\) ) Section 6 (4)(a) and (5)(a) of Act No. 442/2002 Coll.

\(^{34}\) ) Act No. 309/2009 Coll. as amended.
to demonstrate to the office the fulfillment of conditions for the delegation of powers to approve the price proposal and a supplement to the price proposal to the statutory body of a company or a cooperative society.

Section 15
Proceeding for subject regulation

(1) A proceeding for subject regulation is a proceeding for the matters under Section 13.

(2) A proceeding for subject regulation shall commence upon the proposal of a party to the proceeding or upon initiative of the office.

(3) A party to the proceeding for subject regulation shall be a proponent. If the proceeding for subject regulation commenced upon initiative of the office, a party to the proceeding shall be a person which the office intends to objectively regulate.

(4) A decision in the first instance proceeding shall be made by an organizational department of the office with subject-matter powers, except for the proceedings under Section 13 (1)(e) and (g), in which a decision shall be made by the chairman of the office.

(5) The office in the proceeding under Section 13 (1)(i) and (j) shall decide within 21 days upon commencement of the proceeding.

(6) The system operator, the organizer of short-term electricity market, the network operator or the storage facility operator shall be obliged to submit to the office for the first time a draft rules of operation, prepared in accordance with form rules of operation in the distribution of electricity and the distribution of gas, and with incorporated market rules, for approval within 15 days upon delivery of a license. The system operator, the organizer of short-term electricity market, the network operator or the storage facility operator shall be obliged to submit to the office for approval a proposal to change the rules of operation within 60 days upon the day on which conditions have changed, based on which the rules of operation have been approved, including changes arising out of generally binding legal regulations.

(7) The proceeding for issuance, change and revocation of a license to pursue regulated activities, the proceeding for issuance of the prior consent pursuant to Section 13 (1)(i) and (j) and the proceeding for certification shall not be subject to Section 17.

Section 16
Extraordinary regulation

(1) If necessary with a view to achieve the purpose of regulation under Section 3 (1), and if an extraordinary market situation occurs or the market is endangered due to insufficiently developed competitive environment or if the protection of the consumer requires so, the office may regulate also other activity, goods or price in network industries, except for those specified in Sections 11 and 13 (the “extraordinary regulation”). The office may pursue the extraordinary regulation only upon prior negotiation with the European Commission.

(2) The office may also pursue extraordinary regulation, if it follows from the general economic interest.

(3) A proceeding for extraordinary regulation begins upon initiative of the office.

(4) The office may decide in a proceeding for the extraordinary regulation on the regulation of other activity, goods or price in network industries, except for those specified in Sections 11 and 13, and

a) adopt a measure consisting of the imposition of an obligation and its conditions,

b) determine the extent and manner of pursuing regulation of other activity, goods or price,

c) determine the price.

(5) In case of the extraordinary regulation Sections 12 through 15 shall apply accordingly.

Section 17
Change in decision, revocation of decision and termination of proceeding
(1) If necessary with a view to achieve the purpose of regulation under Section 3 (1), the office shall, upon proposal of a party to the proceeding or upon its own initiative, change or revoke a decision.

(2) The office upon proposal of a party to the proceeding or upon its own initiative shall change or revoke a decision also in the event that
   a) it has been rendered based on untrue or incorrect data submitted by a party to the proceeding,
   b) this relates to emergency in the electricity sector or emergency in the gas sector,
   c) the extent of price regulation or the manner of implementing the price regulation have changed,
   d) the economic parameters applied in determination of the price have been significantly changed,
   e) the regulated entity was dissolved,
   f) the regulated entity was exempted from regulation or it has ceased to pursue the regulated activity,
   g) the conditions, on the basis of which the decision under Section 13 has been rendered, have changed or the facts that justify such change occurred,
   h) the European Commission requests so.

(3) The office shall terminate the proceeding by a decision if
   a) it already takes actions on a change of the same decision,
   b) it ascertains that no reasons exist to change or revoke the decision,
   c) in a proceeding for a preliminary question upon initiative of the office a breach was ascertained of a generally binding legal regulation, affecting a decision of the office in the case at issue,
   d) the regulated entity was dissolved during the proceeding.

(4) The proceeding for change or revocation of a decision shall be subject to the provisions of Section 14 through 16 accordingly.

(5) In addition to the reasons pursuant to a general regulation on administrative proceeding the office shall terminate the proceeding also in case that the reason of a proceeding commenced upon proposal of a party to the proceeding has ceased to exist.

(6) The decision on the revocation of decision pursuant to subsection 2 (e) and the decision on the termination of proceeding pursuant to subsection 3 (d) shall be marked in a file.

(7) The regulated entity may file a proposal to change the same price decision only upon the price decision in a previous price proceeding became valid and effective.

(8) The regulated entity, which is a company or a cooperative society, shall submit to the office a proposal to change the price decision and a supplement to the proposal upon its own initiative, if such supplement affects modification of the price only upon the approval of the same by the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership of the regulated entity under a special regulation.

(9) If the regulated entity upon its own initiative supplements the proposal to change the price decision in a price proceeding which affects modification of the price without prior consent of the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership under a special regulation the office shall not take such supplement into account.

(10) The provisions of subsection 8 shall be fulfilled also in the regulated entity has submitted a proposal to change the price decision and a supplement to the proposal upon its own initiative, if such supplement affects modification of the price, approved by the statutory body of a company or a cooperative society under a special regulation specifically, prior to the submission thereof. The regulated entity shall be obliged to demonstrate to the office the fulfillment of conditions for the delegation of powers to approve a proposal to change the price decision and a supplement to the price decision to the statutory body of a company or a cooperative society.

Section 18
Appeal

(1) The period for submission of an appeal against decisions of the office shall be 15 days upon the notification thereof, except for decisions rendered in a price proceeding. The period for submission of an appeal against decisions rendered in a price proceeding shall be 40 days upon the notification thereof.

(2) No appeal may be filed against a decision on the revocation of decision under Section 17 (2)(e) and against a decision on the termination of proceeding under Section 17 (3)(d).

(3) Any decision on an appeal against a decision of the office, save for a decision on the imposition of a penalty and a decision on dispute, shall be made by the council.

(4) An appeal in the price proceeding and in a proceeding for extraordinary regulation shall have no suspensive effect.

(5) The regulated entity, which is a company or a cooperative society, shall submit to the office an appeal in a price proceeding and a supplement to the appeal upon its own initiative, if such supplement affects modification of the price, only upon the approval of the same by the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership of the regulated entity under a special regulation.25)

(6) if the regulated entity supplements, upon its own initiative, an appeal in a price proceeding, if such supplement affects modification of the price, without prior consent of the supreme body of a company or a cooperative society or by partners of a general commercial partnership or by partners of a limited partnership under a special regulation,25) the council shall not take such supplement into account.

(7) The provisions of subsection 5 shall be fulfilled if the regulated entity has submitted an appeal in a price proceeding and a supplement to the appeal upon its own initiative, if such supplement affects modification of the price, approved by the statutory body of a company or a cooperative society under a special regulation,25) specifically, prior to the submission thereof. The regulated entity shall be obliged to demonstrate to the council the fulfillment of conditions for the delegation of powers to approve an appeal in a price proceeding and a supplement to the appeal to the statutory body of a company or a cooperative society.

Section 19
Verbal hearing

(1) If part of the proceeding is a verbal hearing, the office shall not be obliged to take into consideration any facts not asserted by a party to the proceeding at the latest at the verbal hearing, if

a) summons for the verbal hearing was delivered to a party to the proceeding no less than three days prior to its beginning, and

b) a party to the proceeding was notified in the summons of the fact that the office shall not be obliged to take into consideration any facts not asserted by a party to the proceeding at the latest at the verbal hearing.

(2) A party to the proceeding shall be entitled to assert a supplement to underlying documents of a decision only at the first verbal hearing.

Section 20
Joining matters and exclusion of matters for separate proceeding

(1) In the interest of efficiency of a proceeding the office may joint for joint proceedings any matters related in terms of facts or which relate to the same parties to the proceeding.

(2) If a proposal to commence a proceeding specifies matters more suitable to be decided in separate proceedings, or if the reasons for joining matters cease to exist, the office may exclude the matter for a separate proceeding.

(3) The office shall render a decision on joining matters and on the exclusion of matters for separate proceedings within a period, which shall apply to that proceeding which commenced earlier.
(4) No appeal may be filed against a decision on joining matters and against a decision on the exclusion of matters for separate proceeding.

Section 21
Compliance of decisions with guidelines of the European Commission

(1) The office may request the agency for a standpoint to the compliance of a decision of the office with guidelines of the European Commission.

(2) The office may submit to the European Commission an incentive to review the compliance of a decision of other regulatory body of a member state, which relates to a cross-border trade, with guidelines of the European Commission within two months upon the issuance of a decision of the other regulatory body.

(3) If the European Commission decides that a decision of the office is in conflict with its guidelines, the office shall revoke or amend such decision within a period of two months upon delivery of a decision of the European Commission and shall inform the European Commission to that extent.

Section 22
Regulation of quality

(1) The regulation of quality shall apply to
a) transmission of electricity, distribution of electricity, supply of electricity,
b) transmission of gas, distribution of gas, supply of gas and storage of gas,
c) supply of heat,
d) supply of drinking water by the public water conduit,
e) evacuation of waste waters by the public sewage conduit.

(2) The regulation of quality shall be implemented by the determination of
a) quality standards,
b) a required level of the compliance with quality standards,
c) the level of a compensatory payment,
d) the manner of calculation of a compensatory payment,
e) the manner and conditions for the disbursement of a compensatory payment.

(3) The electricity market participant, the gas market participant, the consumer,36) the water consumer37) and the waste water producer38) (hereinafter only the “consumer”) shall be entitled to the supply of goods and regulated activities related therewith in the quality determined by quality standards.

(4) The regulated entity shall be obliged to
a) comply with quality standards,
b) register, assess and publish data on quality standards and submit them to the office upon request,
c) publish on its web seat complete and true information about the rights and obligations of its consumers,
d) register any filings related to a failure to comply with quality standards,
e) archive data on quality standards for a period of five years,
f) annually by the end of February to forward to the office an overview of disbursed compensatory payments for a previous calendar year,
g) meet the required level of quality standards,
h) by the end of February of a calendar year to forward to the office an assessment of quality standards for a previous year and publish such assessment on its web seat or in other customary manner, if the regulated entity has no web seat established.

36) Section 2 (a) of Act No. 657/2004 Coll.
37) Section 4 (3) of Act No. 442/2002 Coll.
38) Section 4 (4) of Act No. 442/2002 Coll.
(5) If the regulated entity fails to comply with quality standards and such failure occurred in a manner which can be proven, the regulated entity shall be obliged to reimburse to its consumer a compensatory payment in the amount and manner determined under Section 40 (2).

(6) Subsection 5 shall not apply if quality standards have not been complied with for a reason of the occurrence of an extraordinary event, emergency in the power sector or emergency in the gas sector, accident caused by a third person and a decision of the consumer not to take or evacuate the agreed or determined quantity of water.

(7) The consumer shall not be obliged to demonstrate any failure to comply with quality standards.

(8) The claim for compensation of damage shall not be affected by the reimbursement of a compensatory payment.

Section 23
Confirmation of registration

(1) A person having a title relationship or a lease relationship to the property used for the performance of the regulated activity under Section 2 (c) of the fifth and sixth point shall be obliged to ask the office for registration upon written request within 30 days from the classification of the property to the book keeping or from the day of the execution of a lease contract. The owner of the public water conduit or the public sewage conduit may transfer such duty based on a contract on the operation of the public water conduit or the public sewage conduit to the operator of the public water conduit or the public sewage conduit, if such operator of the public water conduit or the public sewage conduit has executed a contract on the supply of drinking water with consumers and on the evacuation of waste water with producers and at the same time maintains a separate book keeping of regulated activities.

(2) The request pursuant to subsection 1 shall contain
a) the name and surname, date of birth, permanent address of a physical person and the identification number, if allocated or the trade name, seat and identification number of a legal person,
b) the regulated activity which the applicant pursues under Section 11 (4) (a) through (f),
c) the place of performance of the regulated activity; the place of performance of the regulated activity shall mean in particular a region, district, municipality, part of municipality or street,
d) a description of a water facility used for the performance of the regulated activity, in particular
   1. the category of the public water conduit or the public sewage conduit,
   2. the total length of a water network or a sewage network,
   3. the total number of water connections and sewage connections,
   4. the total number of consumers of drinking water from the public water conduit or the number of producers of waste water evacuated by the public sewage conduit,
   5. the total quantity of supplied drinking water by the public water conduit to all consumers of drinking water per year or the total quantity of evacuated waste water by the public sewage conduit from all producers of waste water per year,
   6. projected and actually used capacity of a water treatment facility,
   7. date of the commencement of performance of the regulated activity from the classification of the property to the book keeping or from the date of execution of a lease contract.

(3) The person pursuant to subsection 1 shall attach to the request
a) documents demonstrating a title relationship or a lease relationship to the property it uses for the performance of the regulated activity,
b) information about ensuring the operation of the public water conduit or the public sewage conduit pursuant to a special regulation.

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39 ) Section 3 (1) and (2) of Act of the National Council of the Slovak Republic No. 42/1994 Coll. on Civil Protection of Citizens, as amended.
40 ) Section 5 (3) of Act No. 442/2002 Coll.
41 ) Section 6 (4) of Act No. 442/2002 Coll.
42 ) Section 6 (5) of Act No. 442/2002 Coll.
43 ) Section 5 of Act No. 442/2002 Coll. as amended.
(4) If the request contains the prerequisites pursuant to subsection 2 and the person pursuant to subsection 1 submits the documents pursuant to subsection 3, the office shall render a confirmation of registration within 30 days upon delivery of the request.

(5) The regulated entity shall be obliged to notify the office in writing of any change in data specified in the confirmation of registration within 15 days upon the occurrence of such change and the extinguishment of a title relationship or a lease relationship to the property used for the performance of the regulated activity 15 days prior to its extinguishment.

Section 24
Market rules

(1) The market rules shall provide in a transparent and non-discriminatory manner for the conditions of operation of the electricity market, the conditions of operation of the gas market and the conditions of implementation of regulated activities in the electricity sector and the gas sector including commercial conditions.

(2) The market rules shall provide in particular for the conditions of
a) access to the system and the network and the accumulation of gas,
b) cross-border exchange of electricity,
c) connection to the system and the network,
d) transmission of electricity and transmission of gas,
e) distribution of electricity and gas,
f) storage of gas,
g) supply of electricity including a supply of regulatory electricity and a supply of electricity by a supplier of last resort and a supply of gas including a supply of gas by a supplier of last resort,
h) the provision of auxiliary services in the power sector,
i) the provision of system services in the power sector,
j) the generation, transmission, distribution and supply of electricity generated from renewable energy sources, by a highly efficient combined generation of electricity and heat and electricity generated from domestic coal,
k) balancing of the system and the network,
l) acceptance of responsibility for a deviation of electricity market participants and gas market participants and for deviations of the system and the network, the manner of assessment, billing and settlement of deviations and regulatory electricity market participants and gas market participants and deviations of the system and the network,
m) avoidance of the occurrence of any overcharge of the system and the network and solution of any overcharge of the system and the network,
n) allocation and principles of the use of type diagrams of the offtake of electricity and the offtake of gas,
o) access to the organized short-term cross-border electricity market,
p) organizing and assessing of the short-term cross-border electricity market,
q) provision of information about the operation and measurement in the power system by market participants to the transmission system operator,
r) the extent, manner and procedure in the publication of information by the operator of the system and the network and by the short-term electricity market organizer,
s) central billing of fees related to the operation of the system and related activities for entities for settlement,
t) reports, collection and disclosure of measured data in the power sector,
u) a procedure in any change of the electricity supplier and in any change of the gas supplier,
v) the protection of vulnerable consumers,
w) the provision of data to the short-term electricity market organizer by all market participants to a sufficient extent, quality and time.

(3) The market rules shall also provide for the manner of application of the conditions set out in subsection 2 on the market in electricity and gas, including periods for access to the system and the network, periods for a connection to the system and the network, period for a supply of electricity and gas and periods for the provision of service, as well as the prerequisites of contracts executed on the electricity market and on the gas market.
Section 25
Certification and Determination of the Transmission System Operator or the Transmission Network Operator

(1) Certification of the transmission system operator or the transmission network operator is a proceeding in which the Office shall ascertain whether
   a) the transmission system operator fulfills conditions of ownership unbundling of the transmission system operator under a special regulation.44
   b) transmission network operator fulfills
      1. conditions of unbundling of the transmission network operator under a special regulation,45 or
      2. conditions of ownership unbundling of the transmission network operator under a special regulation,46
   c) the transmission network owner and a person which is to pursue activities of the independent network operator under a special regulation 19 fulfill conditions of operation of the transmission network by the independent system operator.19

(2) The Office shall issue a decision, in proceedings for certification, on granting a certification, a decision on non-granting a certification, a decision on withdrawal of a certification and a decision on termination of proceeding for certification (hereinafter only the “decision on certification”).

(3) The Office shall issue a decision on granting a certification, if the transmission system operator or transmission network operator demonstrate that it meets conditions under a special regulation.47 The Office shall promptly notify the ministry of a decision on granting a certification upon the decision becomes valid and effective.

(4) The Office shall issue a decision on non-granting a certification, if the transmission system operator or the transmission network operator fails to demonstrate the fulfillment of conditions under a special regulation.48

(5) The Office shall issue a decision on withdrawal of a certification, if the transmission system operator or the transmission network operator determined by the ministry pursuant to subsection 6 in a proceeding for certification upon initiative of the Office fails to demonstrate that it meets conditions under a special regulation,49 and fails to remove the violation of conditions under a special regulation50 within a reasonable period fixed by the Office, which may not be shorter than three months. The Office shall promptly notify the ministry of a decision on withdrawal of a certification upon the decision becomes valid and effective.

(6) The ministry shall determine, based on a decision of the Office on granting a certification, based on a decision, the transmission system operator or the transmission network operator to be the transmission system operator or the transmission network operator, which meets conditions under a special regulation.47 The ministry shall promptly notify the European Commission of determination of the transmission system operator or the transmission network operator and shall ensure publication of information about determination of the transmission system operator or the transmission network operator in the Official Bulletin of the European Union.

(7) The ministry shall revoke, based on a decision of the Office on withdrawal of a certification, a decision on determination of the transmission system operator or the transmission network operator pursuant to subsection 6; and shall promptly notify the European Commission of any revocation of the decision upon the decision becomes valid and effective.

Section 26

(1) Proceeding for certification shall commence
   a) upon a written proposal of the transmission system operator or the transmission network operator to grant a certification,
   b) upon initiative of the Office

44 ) Section 30 of Act No. 251/2012 Coll.
45 ) Section 51 through 59 of Act No. 251/2012 Coll.
46 ) Section 50 of Act No. 251/2012 Coll.
47 ) Section 30, 50 and 51 through 60 or 61 through 63 of Act No. 251/2012 Coll.
1. if the transmission system operator or the transmission network operator notifies it of the facts pursuant to subsection 9,
2. if the Office reasonably believes that the transmission system operator or the transmission network operator ceased to meet conditions under a special regulation\(^{47}\) or it could cease to meet them,
3. upon a justified request of the European Commission.

(2) A party to the proceeding for certification shall be the transmission system operator or the transmission network operator.

(3) The transmission system operator or the transmission network operator shall be obliged to promptly submit to the Office documents to the extent prescribed by the generally binding legal regulation rendered pursuant to Section 40 (6) also in case of a proceeding for certification, commenced upon initiative of the Office.

(4) The Office shall prepare a draft decision on certification within four months upon delivery of a proposal for granting a decision of certification or within four months upon commencement of the proceeding upon initiative of the Office in case of the proceeding pursuant to subsection 1 (b) first and second points, or within four months upon delivery of a justified request of the European Commission to the Office in case of the proceeding pursuant to subsection 1 (b) third point, and shall forward it for standpoint to the European Commission together with all underlying documents related to a draft decision on certification.

(5) The Office shall allow a party to the proceeding to give positions to a draft decision on certification prior to its forwarding to the European Commission. The Office shall invite a party to the proceeding, no later than in the period pursuant to subsection 4, to remove deficiencies related to a failure to meet conditions under a special regulation\(^{47}\) ascertained in a proceeding for certification in a period which may not be shorter than 30 days.

(6) If the Office fails to prepare a draft decision on certification within four months upon delivery of a proposal to grant a confirmation of certification, from the day of commencement of a proceeding upon initiative of the Office in case of the proceeding pursuant to subsection 1 (b) first and second point, or from the day delivery of a justified request of the European Commission to the Office in case of the proceeding pursuant to subsection 1 (b) third point, the office shall notify the European Commission of such fact and shall forward to it all documents related to the proceeding for certification.

(7) The Office shall deliver, promptly upon receipt of a standpoint of the European Commission under a special regulation\(^{48}\), the standpoint of the European Commission to a party to the proceeding and shall invite it to remove deficiencies related to the observance of conditions under a special regulation\(^{47}\) specified in the standpoint of the European Commission in a period which may not be shorter than 30 days. The Office shall issue a decision on certification within two months upon delivery of a standpoint of the European Commission or upon expiration of a period for delivery of a standpoint of the European Commission under a special regulation\(^{48}\).

(8) The Office shall take into account in issuance of a decision on certification a standpoint of the European Commission under a special regulation\(^{48}\) as much as possible; a standpoint of the European Commission is not binding on the Office. The Office shall publish a standpoint of the European Commission together with a decision on certification on the web site of the Office. The Office shall take into account in issuance of a decision on certification also the removal of deficiencies related to the observance of conditions under a special regulation\(^{48}\) by a party to the proceeding in accordance with the request of the Office pursuant to subsection 5 or subsection 7.

(9) The transmission system operator and the transmission network operator shall be obliged to notify the Office of each change in facts, including planned transactions, as a result of which it has ceased to meet conditions under a special regulation\(^{47}\) or it could cease to meet them, promptly upon becoming aware of a change in facts, including planned transactions; shall at the same time submit to the Office all underlying documents which relate to such change in facts.

(10) The transmission system operator, transmission network operator, electricity producer, gas

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producer, electricity supplier and gas supplier shall be obliged to provide to the Office and the European Commission data and underlying documents necessary for the certification and for exercise of supervision over the transmission system operator or the transmission network operator pursuant to subsection 11. The Office shall keep confidential all data and underlying documents, which are subject to a business secret, other commercial data of a confidential nature and data, the provision of which to a third person could cause detriment to the person which provided such data.

(11) The Office shall exercise supervision over the transmission system operator and the transmission network operator; the supervision over the transmission system operator and the transmission network operator is a permanent monitoring of the fulfillment of conditions of granting a decision of certification and observance of obligations under a special regulation.

Section 27

(1) The provisions of Sections 25, 26 and Section 28 shall apply accordingly also in case of filing a proposal for issuance of a decision of certification by a person intending to operate the transmission system or the transmission network; in such a case the ministry decides on its determination for the transmission system operator or the transmission network operator pursuant to Section 25 (6) only upon it is delivered a permit from the Office to transit electricity or transit gas.

(2) The provisions of Sections 25, 26 and Section 28 shall apply accordingly also in case of filing a joint proposal for issuance of a decision of certification by the transmission network owner and a person which is to pursue activity of the independent network operator under a special regulation; in case of such joint proposal for issuance of a decision of certification of the independent network operator

a) the Office shall issue a decision on granting a certification of the independent network operator, if the transmission network owner and a person which is to pursue activity of the independent network operator under a special regulation demonstrate in a proceeding for certification that they are able to meet obligations under a special regulation; otherwise the Office shall issue a decision on non-granting a certification,

b) the transmission network owner shall be obliged to provide to the Office in a proceeding for certification all draft contracts necessary to demonstrate the facts under letter (a),

c) the transmission network owner shall be obliged to provide to the Office and the European Commission data and underlying documents necessary for a proceeding for certification and for the exercise of supervision over the independent network operator pursuant to Section 26 (10),

d) the Office may not decide on certification in conflict with a standpoint of the European Commission under a special regulation.

Section 28

Certification and Determination of the Transmission System Operator or the Transmission Network Operator, over which Control is Exercised by a Person or Persons from a Third State

(1) The transmission system operator or the transmission network operator, over which control is exercised, directly or indirectly, by a person or persons from a third state, shall be subject to the provisions of Section 25 (1), (2), (6) and (7), Section 26 (1) through (7) and Sections 9 through 11 accordingly.

(2) In respect to certification of the transmission system operator or the transmission network operator, over which control is exercised, directly or indirectly, by a person or persons from a third state, the Office shall review, in addition to the fulfillment of conditions under a special regulation, also the observance of safety of a supply of electricity or gas in the defined territory and in the territory of the European Union, taking into account rights and obligations of the European Union in respect to a third state, which follow from international law, including an international treaty executed with a third state or third states, a contracting party of which is the European Union, and which relate to the issue of safety

49) Section 17 of the Commercial Code.
50) Section 2 (a) (16) of Act No. 251/2012 Coll.
of a supply of electricity or gas, rights and obligations of the Slovak Republic in respect to a third state, which follow from an international treaty executed between the Slovak Republic and a third state and are in accordance with laws of the European Union, as well as other facts or circumstance to which special regard should be paid.

(3) The Office shall issue a decision on granting a certification, if the transmission system operator or the transmission network operator demonstrates that it meets conditions under a special regulation and at the same time demonstrates that the acquisition or exercise of control by a person or persons from a third state over the transmission system operator or the transmission network operator or the transmission system or the transmission network shall not put the safety of supplies of electricity or gas in the defined territory or in the European Union at risk.

(4) The Office shall issue a decision on non-granting a certification, if the transmission system operator or the transmission network operator, over which control is exercised, directly or indirectly, by a person or persons from a third state, fails to demonstrate the fulfillment of conditions under a special regulation or if it fails to demonstrate that the acquisition or exercise of control by a person or persons from a third state over the transmission system operator or the transmission network operator or the transmission system or the transmission network shall not put the safety of supplies of electricity or gas in the defined territory or in the territory of the European Union at risk.

(5) The Office shall issue a decision on withdrawal of a certification, if the determined transmission system operator or the transmission network operator, over which control is to be acquired or control is exercised directly or indirectly by a person or persons from a third state, fails to demonstrate in a proceeding for certification, that it meets conditions under a special regulation and fails to remove the violation of conditions under a special regulation within a reasonable period determined by the Office, which may not be shorter than three months, or if it fails to demonstrate that the acquisition or exercise of control over the transmission system operator or the transmission network operator or the transmission system or the transmission network by a person or persons from a third state shall not put the safety of supplies of electricity or gas in the defined territory or in the territory of the European Union at risk.

(6) If a proceeding for certification begins upon proposal of the transmission system operator or the transmission network operator or the transmission system owner or the transmission network owner, over which control is exercised directly or indirectly by a person or persons from a third state, the Office shall notify the European Commission of such fact.

(7) In respect to certification of the transmission system operator or the transmission network operator, over which control is exercised directly or indirectly by a person or persons from a third state, the Office shall request the ministry for issuance of a standpoint regarding the observance of safety of supplies of electricity or gas in the defined territory and in the territory of the European Union. The ministry shall issue a standpoint within 30 days upon delivery of a request for issuance of the standpoint.

(8) The Office shall take into account in issuance of a decision on certification a standpoint of the European Commission under a special regulation as much as possible; a standpoint of the European Commission is not binding on the Office. The Office shall be entitled to decide not to grant a decision of certification, mainly if the safety of supplies of electricity or gas in the defined territory or in the territory of other member state would be put at risk by its granting. If a decision of the Office on certification is different than a standpoint of the European Commission, the Office shall publish, together with a decision on certification and a standpoint of the European Commission, on the web site of the Office, also a justification of a difference of the decision on certification.

(9) The transmission system operator and the transmission network operator shall be obliged to notify the Office of any fact, as a result of which a person or persons from a third state acquire, directly or indirectly, control over the transmission system or the transmission network or the transmission system operator or the transmission network operator or they could acquire it, promptly becoming aware of such fact; shall at the same time submit to the Office all underlying documents which relate to such fact.

(10) The Office shall promptly notify the European Commission of any fact, as a result of which a person or persons from a third state acquire control over the transmission system or the transmission
network or the transmission system operator or the transmission network operator or they could acquire it; it shall at the same time commence a proceeding for certification upon its own initiative.

Section 29
Obligations of the regulated entity

(1) The regulated entity shall be, in addition to other obligations prescribed by this Act, obliged to
a) pursue regulated activity on the basis and to the extent of a license, the confirmation of the fulfillment of notification duty or the confirmation of registration,
b) pursue regulated activity in accordance with a valid and effective decision or confirmation of the office and comply with the price regulation pursuant to a generally binding legal regulation rendered by the office,
c) settle any costs in the production, distribution and supply of heat, which are not deemed economically eligible costs, in a period and manner prescribed by the office,
d) comply in the performance of regulated activity with the adequacy of expended costs,
e) provide to the office upon request any documents necessary to calculate benefit obtained by a failure to comply with a determined manner of the price regulation or the price decision of the office and via electronic mail any documents from the closing of end statuses of analytic accounts,
f) submit to the office an overview of mutual financial and other transactions between affiliated undertakings, if this relates to an affiliated undertaking, within 15 July of a calendar year for a previous year,
g) keep, maintain during five years upon termination of a supply of goods and upon termination of the performance of regulated activity and upon request, to submit to the office records on the price of goods and regulated activities related therewith, including a calculation of costs and profit,
h) publish on its web seat or in other suitable manner, which guarantees access for the public, the price for regulated activity which is subject to the price regulation, including conditions of its application within three business days upon delivery of a price decision,
i) provide to the office necessary assistance in the performance of its competence under this Act in periods stipulated by the office,
j) annually by the end of February of a calendar year to notify the office of the fact that it did not pursue in a previous year the regulated activity for which it has a license or the confirmation of the fulfillment of notification duty,
k) provide to the office free of charge complete and true data, underlying documents, documents and any information necessary for the purposes under this Act and for the performance of competence of the office to the extent, in the manner and periods stipulated by the office,
l) comply within a prescribed period measures imposed by the office under Section 9 (1) (e),
m) comply with conditions based on which a decision on certification has been rendered,

(2) The regulated entity which pursues regulated activity in the electricity sector or the gas sector and is part of the vertically integrated undertaking, shall be obliged to submit to the office for approval a contract for the provision of services or its change, through which it ensures the performance of regulated activity, if it enters into such contract with a person which is part of this vertically integrated undertaking and if the forecasted value of the subject-matter of the contract for the provision of services is higher than EUR 100 000; the contract or its change shall not be valid without prior approval by the office. The office shall approve the contract for the provision of services if the regulated entity demonstrates that terms and conditions of the contract or its change correspond to terms and conditions standard in the ordinary course of business, otherwise the office shall not approve the contract for the provision of services.
(3) The regulated entity which pursues regulated activity in the power sector or the gas sector and is part of the vertically integrated undertaking, shall be obliged to declare in respect of an order, the forecasted value of which is higher than EUR 100,000, a public tender, unless it procures the order pursuant to a special regulation.\(^{51}\)

(4) The regulated entity which was rendered the price decision and which is not part of the vertically integrated undertaking shall be obliged to notify the office in writing or via electronic mail of any order the forecasted value of which is higher than EUR 300,000, no later than 30 days upon its implementation.

(5) The regulated entity under subsection 3 shall be obliged to

a) notify the office in writing or via electronic mail of the object of a public tender and conditions of a public tender, without undue delay upon announcement of a public tender; the term and manner of such notification must allow the office to exercise the rights under this subsection,

b) notify the office in writing or via electronic mail of a list of all bidders which submitted bids to a public tender, no later than within two business days upon expiration of the period for the submission of bids to a public tender,

c) notify the office in writing or via electronic mail of the term and place of the assessment of bids submitted to a public tender no later than three days prior to the assessment of the same,

d) notify the office of results of the assessment of public tender within 30 days upon termination of a public tender.

(6) The forecasted value of an order shall be subject to the provisions of a special regulation.\(^{52}\)

(7) The electricity market participant or the gas market participant which trades on the wholesale electricity market or the wholesale gas market in wholesale energy products, shall be, under the conditions pursuant to a special regulation\(^{7}\) and Section 40 (6), obliged to

a) be registered in the registry maintained by the office for the purpose to monitor the wholesale electricity market and the wholesale gas market; this shall not apply if the electricity market participant or the gas market participant has already been registered for that purpose in other member state,

b) maintain the registry on trading on the wholesale electricity market and the wholesale gas market,

c) notify the agency and the office in writing of any information about trading on the wholesale electricity market and the wholesale gas market,

d) publish confidential information about trading on the wholesale electricity market and the wholesale gas market.

(8) The electricity market participant and the gas market participant shall be obliged to notify the office in writing of any justified suspicion of the breach of a special regulation\(^{7}\) in trading on the wholesale electricity market and the wholesale gas market.

(9) An entity pursuing regulated activity or a person which by a power of attorney or a contract executed with the entity pursuing regulated activity pursue activities connected to the rights and obligations of the regulated entity, shall be obliged to allow the office to exercise inspection. In case of the exercise of inspection on site they shall be further obliged to provide to the office, or to a person authorized by the office, necessary assistance, in particular to promptly allow to enter its premises upon request.

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Section 30

Supervision over auctions for the sale of electricity

(1) Supervision over auctions for the sale of electricity of the electricity producer and the electricity supplier shall be carried out by the office.

(2) The performance of supervision pursuant to subsection 1 shall be subject to the provisions on inspection accordingly.

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\(^{51}\) Act No. 25/2006 Coll. on public procurement, and on amendment and supplement to certain laws, as amended.

\(^{52}\) Section 5 of Act No. 25/2006 Coll. as amended.
(3) An employee of the office authorized to perform supervision shall prepare minutes from the performance of supervision.

Section 31
Inspection in network industries

(1) Any inspection under this Act shall be made by the office.

(2) The office may in justified cases invite to the performance of inspection persons which are not employees of the office. An invited person shall be an expert or a qualified person in the sector belonging to the subject-matter of inspection.

(3) The subject-matter of inspection in an inspected entity shall be the verification of
   a) compliance with this Act, generally binding legal regulations rendered for implementation of this Act under Section 40, special regulations, generally binding legal regulations rendered for the implementation of special regulations and valid and effective decisions of the office,
   b) the correctness and veracity of data, documents, underlying documents and information being submitted to the office,
   c) the fulfillment of imposed measures for the removal and remedy of deficiencies ascertained in the performance of inspection,
   d) the adequacy of costs related to regulated activities,
   e) other facts necessary to perform competence of the office.

(4) Inspection shall begin on the day of the submission of authorization of the office to perform inspection (hereinafter only the “authorization”) by an employee of the office to a statutory representative of the inspected entity. The authorization is a document empowering an employee of the office to carry out inspection in the inspected entity. The authorization shall be rendered by the office in one counterpart.

(5) The authorization shall contain in particular
   a) the name and seat or the name and residence or the place of business of the inspected entity,
   b) the name and seat of the office,
   c) the names and surnames of employees of the office and of invited persons,
   d) the subject-matter of inspection,
   e) the inspected period,
   f) the date and place of preparation of the authorization.

(6) On the authorization shall be specified by
   a) the office
      1. the name, surname, position and signature of an employee of the office empowered to grant the authorization,
      2. the imprint of a seal of the office,
   b) the inspected entity
      1. the date of submission of the authorization to a statutory representative of the inspected entity,
      2. the signature of a statutory representative of the inspected entity and the imprint of a seal of the inspected entity.

(7) If the office ascertains during inspection any facts which justify extending the subject-matter of the inspection, the inspected period or has reasons to empower another employee of the office or an invited person to carry out the inspection, it shall render an amendment to the authorization. Any amendment to the authorization shall be subject to subsections 5 and 6.

Section 32
Prejudice in inspection activity

(1) Employees of the office and invited persons, being aware of facts justifying doubts as to their impartiality, shall be obliged to notify in writing the chairman of the office of such facts without undue delay.

53 Act No. 382/2004 Coll. on valuators, interpreters and translators, and on amendment and supplement to certain laws, as amended.
(2) If the inspected entity has any doubts as to the impartiality of employees of the office or invited persons with regard to their relationship to the subject-matter of inspection, to the inspected entity or its employees, the inspected entity may file written objections against their participation in the inspection, to the chairman of the office with the specification of reasons. The filing of objections establishing doubts as to the impartiality of employees of the office and invited persons shall not have a postponing effect.

(3) Employees of the office and invited persons, which notified the chairman of the office of doubts as to their impartiality pursuant to subsection 1 or against which the inspected entity filed objections pursuant to subsection 2, shall be entitled to take during inspection only such actions, which cannot be postponed.

(4) The chairman of the office shall be obliged to decide on the notice pursuant to subsection 1 or on the objections pursuant to subsection 2 no later than within five business days upon the assertion thereof and notify in writing of the decision that person which has asserted the objection.

Section 33
Rights and obligations of employees of the office

(1) Employees of the office shall be in the performance of inspection entitled to necessary extent
a) enter objects, facilities and operations, plots of land and other premises of the inspected entity or an entity or person, which by a power of attorney or a contract executed with the entity pursuing regulated activity, pursues activities connected to rights and obligations of the regulated entity, if immediately relate to the subject-matter of inspection; the immunity of a residence may not be affected by the exercise of such authorization,
b) demand from the inspected entity as well as from statutory bodies of the inspected entity or members of statutory bodies of the inspected entity, from inspection bodies of the inspected entity or from members of inspection bodies of the inspected entity, or from employees of the inspected entity, from an entity or a person, which by a power of attorney or a contract executed with an entity pursuing regulated activity, pursues activity connected to rights and obligations of the regulated entity, to provide them within a determine period, which must be reasonable, documents, originals of documents, other writings, standpoints and information including any records of data on electronic carriers of information necessary to carry out inspection, and make the copies or extracts thereof or demand officially verified translations thereof to the Slovak language,
c) take also outside of the premises of the inspected entity, in order to ensure proof of the original of documents, other documents and records on electronic carriers of information.

(2) Employees of the office shall be obliged to
a) notify the inspected entity, no later than at the beginning of inspection, of the subject-matter of inspection and the term of beginning of inspection,
b) demonstrate the authorization and an amendment to the authorization together with a service card, or other document proving their identity,
c) in taking of the originals of documents to provide to the inspected entity a confirmation of the taking thereof and to ensure the due protection thereof against loss, damage, shredding and abuse; if the originals of documents are not necessary for further performance of inspection, they shall be obliged to return them to the person from which they have been taken,
d) notify the inspected entity of a protocol on the result of performed inspection (hereinafter only the “protocol”) prior to discussing the same and demand, within a determined reasonable period from it a written standpoint to inspection findings; a written standpoint questioning inspection findings shall be deemed an objection,
e) verify the substantiality of objections against inspection findings and reflect any justified and demonstrated objections to inspection findings in an amendment to the protocol, notify the inspected entity thereof; any objections to inspection findings submitted upon a period determined by employees of the office shall not be taken into consideration,
f) justify in writing any unsubstantiality of objections against inspection findings and notify the inspected entity thereof no later than on the date of discussing the protocol,
g) invite the inspected entity for discussions in a determined period and discuss with the inspected entity the protocol including its parts and an amendment to the protocol,
h) deliver to the inspected entity the protocol, or an amendment to the protocol and minutes on discussing the protocol or records on the results of performed inspection,
(1) The inspected entity shall be entitled
a) during the performance of inspection to give written standpoints to inspection findings,
b) at the time of becoming aware of the protocol to give standpoints to inspection findings and file objections against inspection findings in a period determined by employees of the office.

(2) The inspected entity shall be obliged to
a) specify on the authorization submitted by an employee of the office at the beginning of inspection the data under Section 31 (6) (b),
b) provide to the office in the performance of inspection required assistance corresponding to the authorizations of employees of the office under Section 33 (1) (a) and (b),
c) create suitable material conditions and technical conditions for the performance of inspection,
d) lend to employees of the office and invited persons documents and originals of documents outside of the seat or operational premises of the inspected entity and confirm to employees of the office the return thereof,
e) participate in a process of notification of records or the protocol and discussing the protocol in a period determined by the office; if the inspected entity cannot participate, for serious reasons, in the process of notification of records or the protocol and discussing the protocol, it shall be obliged to notify, no later than two days prior to a determined date, the office in writing of such fact,
f) submit to the office upon its request the results of inspections performed by other bodies having a relationship to the subject-matter of inspection being performed by the office.

Section 35

Resulting documents from performed inspection

(1) Employees of the office shall prepare on the result of performed inspection, by which deficiencies have been found, the protocol, which shall contain in particular
a) designation of the inspected entity, its seat or the place of business and an identification number, if assigned,
b) the names and surnames of employees of the office and invited person which have performed inspection,
c) the name and seat of the office,
d) the time of performance of inspection,
e) the subject-matter of inspection,
f) the inspected period,
g) a description of documented inspection findings, standpoints of the inspected entity in respect to inspection findings; an annex to the protocol shall be writings and documents proving inspection findings,
h) the date of preparation of the protocol,
i) the manual signature of employees of the office and invited persons which have performed inspection,
j) the signature of a representative of the inspected entity, which has been notified of the protocol,
k) the date of becoming aware of the protocol and a period for standpoint of the inspected entity to the protocol,
l) a written confirmation of the acceptance of one print of the protocol by the inspected entity.

(2) If justified objections have been filed against inspection findings, an employee of the office shall prepare an amendment to the protocol which shall form its part. Subsection 1 shall apply to the preparation of an amendment to the protocol accordingly.
(3) An employee of the office shall prepare minutes on discussing the protocol, which minutes shall in particular contain
a) the date on which the inspected entity became aware of the protocol,
b) the date of discussing the protocol,
c) the names and surnames of persons present during discussing the protocol and their manual signatures,
d) measures imposed by the office to remove and remedy deficiencies found in the performance of inspection, including a period determined for the removal and remedy of deficiencies found in the performance of inspection,
e) a confirmation of the inspected entity on the return of the originals of documents and writings provided for the performance of inspection.

(4) Records on the results of performed inspection shall be prepared by an employee of the office, unless deficiencies have been found in the performance of inspection, in particular any violation of generally binding legal regulations and decisions of the office. Subsection 1 shall apply to the preparation of the record accordingly.

(5) Inspection shall be terminated upon discussing the protocol and signing minutes on discussing the protocol or signing records by the inspected entity. The protocol shall be deemed discussed also if the inspected entity rejects to become aware of the protocol, fails to appear to discuss the protocol without prior written notice to the office or avoids discussing the protocol, rejects to give its written standpoint thereto or sign minutes on discussing the protocol. An employee of the office shall specify such fact in the minutes on discussing the protocol.

(6) If the office ascertains any deficiencies during inspection, in particular any violation of generally binding legal regulations, the solution of which belongs to the competence of other bodies, it shall notify the relevant bodies of such facts.

Section 36
Administrative offenses

(1) The regulated entity shall commit an administrative offense under this Act, if it fails to
a) take within a determined period the measures imposed by the office under Section 9 (1) (e),
b) submit a price proposal within the period under Section 14 (5), (7) or (14),
c) submit a price proposal for approval under Section 44 (2),
d) notify the office of the price under Section 14 (8),
e) submit draft rules of operation for approval under Section 15 (6),
f) keep records, assess or publish data on quality standards or fails to provide them to the office upon request,
g) publish on its web seat complete and true information about the rights and obligations of its consumer,
h) keep records on filings related to a failure to comply with quality standards,
i) keep in archive data on quality standards for a period of five years,
j) forward by the end of February to the office an overview of disbursed compensatory payments for a previous calendar year,
k) meet the required level of quality standards under Section 22 (4) (g),
l) submit to the office the assessment of quality standards under Section 22 (4) (h),
m) pay to its consumer the compensatory payment under Section 22 (5),
n) notify of any change in data in the confirmation of registration or the termination of a title relationship to the property which is used for the performance of the regulated activity under Section 23 (5),
o) notify the office of the changes under Section 26 (9) and the facts under Section 28 (9),
p) pursue the regulated activity in accordance with a valid and effective decision or confirmation of the office under Sections 14 through 17 and Section 29 (1) (a) or fails to comply with the price regulation under a generally binding legal regulation rendered by the office,
q) in the production, distribution and supply of heat, settle any costs which are not deemed economically eligible costs, in the period and manner stipulated by the office,
r) comply in pursuing the regulated activity with the adequacy of expended costs,
s) provide to the office upon request documents necessary to calculate benefit obtained by a failure to comply with a determined manner of the price regulation or the price decision of the office or via electronic mail documents from the closing of end statuses of analytic accounts,
t) submit to the office an overview of mutual financial and other transactions between affiliated undertakings, if this relates to an affiliated undertaking, by 15 July of a calendar year for a previous year,

u) keep, maintain for the term of five years upon the end of a supply of goods and upon the end of pursuing the regulated activity or upon request fails to provide to the office records on the price of goods and regulated activities related therewith, including the calculation of costs and profit,

v) publish on its web seat or in other suitable manner which guarantees access to the public, the price for regulated activity, which is subject to the price regulation, including the conditions of its application within three business days upon delivery of the price decision,

w) provide to the office required assistance in the performance of its competence under this Act in periods specified by the office,

x) provide to the office and the European Commission free of charge true data, underlying documents, documents or any information necessary for purposes under this Act and for the performance of competence of the office to the extent, manner and periods stipulated by the office,

y) inform by the end of February of a calendar year the office of the fact that it did not pursue in a previous year the regulated activity for which it has a license or the confirmation of the fulfillment of notification duty,

z) comply with conditions, based which a decision on certification has been rendered,

aa) allow the office to exercise supervision under Section 26 (11), supervision over auctions for a sale of electricity under Section 30,

ab) declare upon an order, the forecasted value of which is higher than EUR 100 000 and which it fails to procure pursuant to a special regulation,\textsuperscript{54} the public tender under Section 29 (3) or fails to meet the obligations under Section 29 (2) (4) or (5),

ac) violates duties connected to the performance of inspection under Sections 31 through 35,

ad) violates duties pursuant to special regulations,\textsuperscript{54}

ae) incorporate the market rules to the rules of operation or fails to submit the rules of operation to the office for approval under Section 15 (6) or Section 45 (4) and (5),

af) comply with the market rules,

ag) submit to the office to the extent, manner and terms determined by the office any data on
1. the price for an electricity supply and for a gas supply and on a delivery term of electricity and gas to the end electricity consumer and the end gas consumer,
2. the applied manner of the pricing of goods and service and on the manner of calculation of such price,
3. quantity of the consumption of electricity and gas according to individual categories of consumers,
4. an overview of individual categories of consumers of electricity and gas, or fails to allow the office and the Statistics Office of the European Union inspection of such data;

ah) comply with the rules of operation approved by the office,

ai) incorporate special conditions of an electricity supply or a gas supply into form commercial conditions of the supply or fails to submit commercial conditions of the supply to the office for approval under Section 45 (6),

aj) harmonize the contract for the provision of services with this Act according to Section 45 (7).

(2) The administrative offense under this Act shall also be committed by a person which

a) pursues regulated activity in the power sector and the gas sector without a license or the confirmation of the fulfillment of notification duty,

b) pursues regulated activity in the heat power sector without a license,\textsuperscript{55}

c) pursues regulated activity under Section 2 (c) of the fifth and sixth point without the confirmation of registration under Section 23,

d) is subject to the inspection under Section 31 and has breached duties connected to the performance of inspection,

e) fails to comply with the rules of operation approved by the office.

(3) The office shall impose on the regulated entity a penalty

a) from EUR 500 to EUR 10 000 000 for the administrative offense pursuant to subsection 1 (o), (t), (z), (ab), (ad) and (aj),

b) from EUR 500 to EUR 100 000 for the administrative offense pursuant to subsection 1 (a), (b), (c), (e) (f) through (m), (p), (q), (s) through (x), (y), (aa), (ac), (ae) through (ai),

\textsuperscript{54} Regulation of the European Parliament and Council (EC) No. 713/2009.

\textsuperscript{55} Regulation of the European Parliament and Council (EC) No. 714/2009.


\textsuperscript{55} Regulation of the European Parliament and Council (EC) No. 1227/2011.

\textsuperscript{55} Section 5 (1) of Act No. 657/2004 Coll.
c) from EUR 100 to EUR 1,000 for the administrative offense pursuant to subsection 1 (d) and (n).

(4) The office shall impose a penalty for an administrative offense to the person pursuant to subsection 2 from EUR 100 to EUR 100,000.

(5) If a vertically integrated undertaking commits an administrative offense, the office shall impose a penalty on it from EUR 500 to 10% from the turnover per the year preceding a year, in which the vertically integrated undertaking breached the duty.

(6) If the office enumerates a positive balance between the applied price and the price which includes eligible costs and a fair profit or the extent of benefit obtained from a failure to comply with the manner of price regulation determined by the office or from a failure to comply with a decision of the office, it shall impose a penalty up to the amount of a discovered difference or extent.

(7) The office shall take into consideration in the determination of the amount of a penalty in particular the manner, duration and consequences of any unlawful status; the office shall take also into consideration whether the regulated entity or a person on which the penalty is imposed, has committed an administrative offense repeatedly, within 3 years upon the effectiveness and validity of a decision on the imposition of a penalty.

(8) A proceeding for the imposition of a penalty may commence within one year from the day on which the office ascertained that an administrative offense has occurred; however, no later than within five years from the day on which an administrative offense has occurred.

(9) Any matters in a first-instance proceeding shall be resolved by an organizational body of the office having subject-matter jurisdiction.

(10) Revenues from penalties imposed by the office shall be income of the state budget.

Section 37
Extra judicial settlement

(1) The end electricity consumer and the end gas consumer shall be entitled to submit to the office for extra judicial settlement any dispute with the regulated entity, which is the electricity supplier, gas supplier, distribution system operator or distribution network operator, if a complaint procedure has been held in respect to the subject-matter of a dispute and the end electricity consumer and the end gas consumer disagrees to the result of a complaint or to the manner of its settlement; the option to submit the matter to the court shall not be affected thereby.

(2) A motion to commence extra judicial settlement of a dispute shall contain
a) the name, surname and electronic or mail address of the end electricity consumer or the end gas consumer,
b) the name and seat of the regulated entity,
c) the subject-matter of a dispute,
d) justification of disapproval with the result of a complaint or the manner of settlement of a complaint,
e) proposal to resolve a dispute.

(3) A motion to commence extra judicial settlement of a dispute shall be submitted by the electricity end customer and the gas end customer promptly, no later than 45 days upon delivery of the settlement of the complaint.

(4) The regulated entity pursuant to subsection 1 and the end electricity consumer or the end gas consumer as parties to a dispute solution shall be obliged and entitled to produce proofs and the supplement thereof, submit underlying documents necessary for the subject assessment of a dispute. The office shall solve any submitted dispute impartially with a view of the settlement thereof. A period for the termination of extra judicial settlement of a dispute shall be 60 days upon filing a complete motion, in complicated cases 90 days upon filing a complete motion.

(5) Extra judicial settlement of a dispute shall be terminated by the execution of a written agreement binding on both parties to the dispute or expiration in vain of the period pursuant to subsection 4, if no agreement has been executed. The office shall notify parties to the litigation of the termination of extra judicial settlement of a dispute for the reason of expiration in vain of the period.

Section 38
Dispute solution

(1) The office shall resolve disputes among
   a) the independent transmission network operator and the transmission network owner, if they violated their duty under this Act or a special regulation,
   b) the system operator which violated its duty under this Act or a special regulation and the electricity market participant,
   c) the network operator which violated its duty under this Act or a special regulation and the gas market participant,
   d) the vertically integrated undertaking and the transmission system operator, if it is part of such vertically integrated undertaking, and if they violated their duty under this Act or a special regulation,
   e) the vertically integrated undertaking and the transmission network operator, if it is part of such vertically integrated undertaking, and if they violated their duty under this Act or a special regulation.

(2) The office shall resolve the disputes pursuant to subsection 1, if parties to a litigation failed to reach agreement on dispute solution, if both parties to the litigation agree to it, and if no more than one year expired from the violation of a duty of a party to the litigation, otherwise the matter shall be resolved by court.

(3) The litigation shall commence upon a motion of the proponent.

(4) Parties to the litigation shall be the persons pursuant to subsection 1.

(5) A motion of the proponent, in addition to prerequisites pursuant to a special regulation, shall contain
   a) a designation of parties to the litigation,
   b) a description of all decisive facts including produced proofs,
   c) a motion of the case at issue,
   d) a document proving a failure to reach agreement on dispute solution,
   e) consent of parties to the litigation to dispute solution.

(6) The office shall review the motion together with proofs produced by parties to the litigation for the support of their claims.

(7) The office shall resolve a dispute within 60 days upon delivery of the motion. The office may extend such period by 60 days, if further proofs and information are necessary to resolve a dispute. The office may further extend such extended period only upon consent of the proponent.

(8) The office shall terminate the proceeding if upon reviewing the motion it ascertain that the motion is unfounded, or if a motion has been filed with court in the same matter.

(9) An appeal against a decision of the office is allowed. Any decision on the appeal shall be made by court.

(10) The litigation shall not be subject to Section 17.

Section 39
Cooperation with the office

57 Act No. 251/2012 Coll.
Public authorities, municipal authorities, special interest bodies, other public bodies and other persons shall cooperate with the office and upon its request shall submit to it information and data necessary for the performance of its activity, of which such bodies dispose.

Section 40
Empowering provisions

(1) The office shall render a generally binding legal regulation providing for
a) the extent of the price regulation,
b) the manner of implementation of the price regulation,
c) procedure and conditions for the application of prices,
d) conditions for the implementation of regulated activities,
e) the extent, structure and amount of economically eligible costs and a manner of the payment thereof,
f) the term and manner of the settlement of planned and actual economically eligible costs included in the price of provided regulated goods and regulated activities related therewith,
g) the extent of investments related to the regulated activity,
h) the manner of determination of the amount of a fair profit; the office may, in the interest to avoid emergency and remove emergency and in general economic interest, prescribe also the highest level of a fair profit,
i) underlying documents of the price proposal and the manner of submission of the price proposal,
j) the manner of monitoring of economically eligible costs for the regulated activity under Section 11 (4) (a) through (f),
k) the manner of determination of the price and the contents of a notice of a municipality of the price, where the municipality is the owner of the public water conduit or the public sewage conduit of the IIIrd category,
l) the extent, manner and terms for the submission of actual data on goods and regulated activities related therewith,
m) the manner and term of the settlement of costs, which are not deemed economically eligible costs,
n) details on individual rates related to system service and the payment of special costs.

(2) The office shall render a generally binding legal regulation providing for
a) the quality standards and their indicators under Section 22 and periods related to the compliance thereof,
b) the manner of monitoring, registration and assessment of quality standards by the regulated entity,
c) the manner of publication of the data on quality standards by the regulated entity,
d) the manner of archiving data on quality standards by the regulated entity,
e) a required level of quality standards,
f) the amount of a compensatory payment and the manner of calculation of a compensatory payment for a failure to comply with quality standards,
g) the manner and conditions for the disbursement of a compensatory payment.

(3) The office shall render a generally binding legal regulation providing for a sale of electricity in the form of auctions for the electricity generator, which is also an electricity supplier, and for the electricity supplier, specifically
a) the manner of declaration of an auction,
b) the contents of a notice of an auction,
c) conditions of participation in an auction,
d) the rule of determination of the lowest amount,
e) the contents of a bid and underlying documents to the bid,
f) the course of an auction,
g) the establishment of a commission,
h) criterions for the assessment of bids,
i) assessment of bids,
j) notification of the result of an auction.

(4) The office shall render the generally binding legal regulations under Section 24, providing for the market rules, specifically the conditions of
a) access to the system and the network and to the accumulation of gas and to the organized short-term electricity market,
b) cross-border exchange of electricity,
c) a connection to the system and the network,
d) the transmission of electricity and the transmission of gas,
e) the distribution of electricity and gas,
f) gas storage and the provision of any unused storage capacity,
g) electricity supplies including a supply of regulatory electricity and a supply of gas,
h) the provision of auxiliary services in the power sector,
i) the provision of system services in the power system,
j) electricity generation from domestic coal,
k) responsibility for deviations of electricity market participants and gas market participants,
l) assessment, billing and settlement of deviations and the regulatory electricity of individual market participants and deviations of the system and the network,
m) and details on the publication of information by the operator of the system and the network and the short-term electricity market organizer,

n) avoidance of the occurrence of any overcharge of the national system or the network and solutions of the overcharge of the national system or the network,
o) the application of type diagrams of the offtake of electricity or gas,
p) activities and tasks of the gas dispatching center,
q) settlement for a supply of electricity to electricity consumers and a supply of gas to gas consumers,
r) settlement for provided auxiliary services and system services,
s) settlement of electricity generated from domestic coal,
t) procedure in the registration of market participants, any change in the supplier of electricity, entity for settlement or balance group,
u) procedure in any change in the supplier of electricity and any change in the supplier of gas,
v) the extent of provision of information by electricity market participants to the transmission system operator for the purpose to maintain central registration of data on the operation and measurements of electricity in the power system,
w) organizing and assessing the short-term electricity market,
x) central billing of fees related to the operation of the system and related activities for entities for settlement,
y) the administration, collection and disclosure of measured data by the short-term electricity market organizer,
z) and the manner of determination of financial security of the entity for settlement,

aa) supplies of electricity and supplies of gas by the supplier of last resort,

ab) and prerequisites of contracts being executed on the market in electricity and the market in gas,

ac) provision of data to the short-term electricity market organizer by all market participants in a sufficient scope, quality and time.

(5) The office shall render a generally binding legal regulation providing for rules for the wholesale electricity market and the wholesale gas market, specifically
a) conditions of the registration of data to electricity market participants and gas market participants in trading on the wholesale electricity market and the wholesale gas market,
b) the manner, extent and periods of notification and publication of confidential information,
c) conditions of the registration in the registry maintained by the office for the purpose of monitoring the wholesale electricity market and the wholesale gas market.

(6) The office shall render a generally binding legal regulation providing for a motion for the issuance of a decision on certification and a list of documents which the proponent shall be obliged to attach to the motion.

Section 41
Relationship to administrative procedure

(1) General regulation on administrative procedure shall apply to the proceeding under this Act, except for
a) Section 33 (2), if in the proceeding only underlying documents submitted by a party to the proceeding have been taken into consideration and at the same time a party to the proceeding has been accommodated in full,
b) Sections 62 through 68 and 71 through 80, if this relates to a price proceeding, unless this Act provides for otherwise.

(2) The general regulation on administrative procedure shall not apply to
a) issuance of the confirmation under Section 13 (3) and Section 14 (8),
b) issuance of the confirmation of registration under Section 23,
c) performance of inspection,
d) decision-making on notifications of employees of the office and invited persons of facts raising doubts as to their impartiality and objections of a statutory representative of the inspected entity in the performance of inspection,
e) decision-making of the ministry on determination of the transmission system operator and the transmission network operator under Section 25 (6) and (7).

Transitional provisions
Section 42

(1) The Office for the Regulation of Network Industries under the current regulation is the office under this Act.

(2) The government shall submit for the first time a proposal to appoint the chairman of the office to the president of the Slovak Republic by 31 October 2012. Until appointment of the chairman of the office by the president of the Slovak Republic, the chairman of the Council for Regulation, exercising powers of the chairman of the office under the current regulation, shall be deemed the chairman of the office. Upon appointment of the chairman of the office, a member of the council shall be elected upon proposal of the government by the procedure under Section 7 (4) until the occupation of functions of all members of the council. On the day of appointment of the chairman of the office under this Act, the function of the chairman of the Council for Regulation under the current regulation shall expire.

(3) The chairman of the office shall appoint the vice-chairman of the office within two months upon its appointment to the function of the chairman of the office under this Act.

(4) The Council for Regulation is under the current regulations the council under this Act. The term of office of members of the Council for Regulation appointed under the current regulation shall expire upon termination of the term of office for which they have been appointed under the current regulations.

(5) The report on activity of the office under this Act shall be for the first time submitted to the National Council of the Slovak Republic, the European Commission and the agency in 2013.

(6) The regulatory policy under the current regulation shall be deemed the regulatory policy under this Act. The council shall harmonize the regulatory policy under the current regulation with this Act no later than 31 October 2012.

(7) The transmission system operator and the transmission network operator shall be obliged to file a proposal to commence a proceeding for certification no later than 28 February 2013.

Section 43

(1) Decisions and confirmations of the office rendered under the current regulation shall remain valid until expiration of the period for which they have been rendered.

(2) Until the effectiveness of generally binding legal regulations rendered under this Act, the following regulations shall remain valid and effective:

(4) The office shall render the generally binding legal regulation under Section 40 (4) by 30 June 2013.

Section 44

(1) This Act shall apply for the first time to the price regulation for the year 2014. The regulated entity shall be obliged to submit a price proposal for 2014 in the period under Section 14 (5). The price decision for 2014 shall also apply to the years 2015 and 2016, unless the office approves a change in the price decision. The price regulation for 2013 shall be subject to the current regulation, unless provided for otherwise.

(2) The price regulation of vulnerable consumers under Section 2 (l) of the third point shall be implemented for the first time for the year 2013. The regulated entity shall be obliged to submit the price proposal according to the first sentence by 31 October 2012.

(3) The regulated entity which under the current regulation pursues the regulated activity according to a special regulation, 58 shall pursue such activity under the current regulation by 31 December 2013.

(4) The regulated entity which pursues the regulated activity under Section 2 (c) of the fifth and sixth point, must have for the first time the confirmation of registration under Section 23 in filing the price proposal under Section 14 (5) (c) and (e) for the year 2014.

(5) The price regulation of a gas supply for the generation of heat determined for a household and the gas storing under the current regulation shall be implemented by 31 December 2012.

Section 45

(1) Any proceedings commenced and lawfully not terminated under the current regulation shall be terminated under the current regulation, unless provided for otherwise. An appellate body for the proceedings under the first sentence, except for a proceeding for the imposition of a penalty, shall be the council. The price proceedings commenced from 1 September 2012 shall not be subject to provisions of the current regulation on a standpoint of the ministry and the Ministry of Environment of the Slovak Republic to a price proposal of the regulated entity. The ministry in price proceedings commenced from 1 September 2012 shall not be a party to the price proceeding.

(2) Any inspection commenced and not terminated prior to the effectiveness of this Act shall be terminated under the current regulations.

(3) The imposition of penalties for a breach of provisions of the current regulations, which occurred prior to the effectiveness of this Act, shall be subject to provisions of the current regulations.

(4) The system operator, the short-term electricity market organizer, the network operator and the gas storage facility operator shall be obliged to incorporate the market rules into the rules of operation and submit the same to the office for approval within 60 days from the effectiveness of the generally binding legal regulation rendered under Section 40 (4).

(5) The office shall prepare by 31 March 2013, model rules of operation of the regional distribution system operator, form rules of operation of the local distribution system operator, and form rules of operation of the distribution network operator. The distribution system operator and the distribution network operator shall incorporate special conditions of the operation of its distribution system or distribution network into form rules of operation and shall submit it to the office for approval no later than 31 May 2013.

(6) The office shall prepare by 31 May 2013, model commercial conditions of a supply of electricity and form commercial conditions of a supply of gas, if the universal service is provided in the supply. The supplier of electricity and the supplier of gas electricity, which provide the universal service, shall incorporate special conditions of its supply of electricity or supply of gas into form commercial conditions of the supply and shall submit it to the office for approval no later than 31 August 2013.

(7) The provisions of this Act shall apply to the contracts for the provision of services under Section 29 (2) executed after 1 September 2012. Parties to the contracts for the provision of services executed under current regulations which are in conflict with this Act shall be obliged to harmonize such contracts with this Act by 31 December 2013.

Final Provisions
Section 46

This Act transposes legally binding acts of the European Union specified in an annex.

Section 47
Repealing Provision

To be repealed:
2. decree of the Office for the Regulation of Network Industries No. 315/2008 Coll., which provides for quality standards of supplied electricity and provided services, as amended by decree No. 96/2011 Coll.,
3. decree of the Office for the Regulation of Network Industries No. 317/2008 Coll., which provides for quality standards of drinking water supplies by a public water distribution system and mass evacuation and treatment of waste waters through a public sewerage system and related services, as amended by decree No. 93/2011 Coll.,
4. decree of the Office for the Regulation of Network Industries No. 328/2008 Coll., which provides for quality standards of supplied gas and provided services in the gas sector, as amended by decree No. 94/2011 Coll.,
5. decree of the Office for the Regulation of Network Industries No. 349/2008 Coll. on procedures for the sale of electricity in the form of auctions,
6. decree of the Office for the Regulation of Network Industries No. 92/2011 Coll., which provides for quality standards of supplied heat and provided services in the heat supply.

Section 48
Effectiveness

This Act becomes effective on 1 September 2012.

President of the Slovak Republic
President of the Slovak National Council

Prime Minister of the Slovak Republic
Annex No.
to Act No. 250/2012 Coll.

List of transposed legally binding actions of the European Union

