

Parochial Views Make the Partners Blind

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Usually, relations between producers/suppliers of goods and consumers (of these goods) leave much to be desired. It is questionable, and sometimes even impossible for the two parties to reach harmonious relations. It is not just about interests, but also about the fact that under certain conditions either suppliers do not observe their obligations and do not supply goods in due time and in envisaged quantities, or poverty-beaten consumers can not fully pay for the services. This is how divergences and misunderstandings emerge, and how people finally find themselves in the court.

Within the Moldovan energy complex that is entirely based on imported energy resources, the state of things is not very simple. When conversation regarding thermal power supply to the population emerges, the issues of meter installation on the premises and of closing contracts between heat suppliers and consumers arise. Certainly, business partners (suppliers & consumers) look at things from their respective restricted positions and thus neither party is able to compromise. But if the whole world is a prospect of compromises, it is hard to understand why it is so difficult for partners to find common language on such a small segment as energy, and, particularly, in such a small country.

It is no doubt that laws and regulatory acts for the energy sector are not yet ready to function as a Swiss watch, but it does not signify that nothing is being done in this sphere. For example, a Government Decision of June 2000 envisages that suppliers have to install meters, but unfortunately it does not mention anything regarding financing of such installation. During 2002, with funding from the Government of Denmark, "Termocom" installed about 300 meters by its own forces. Yet, 40 million lei are needed to pay for all meters previously installed by the housing fund managers. To obtain this amount, it is necessary to add about 16 lei to each consumed Gcal. But expenses for installation of meters are not included in the actual tariff for thermal power. Therefore, one can clearly see motives for misunderstandings and violations on behalf of each party.

Discrepancies should be minimized or, if possible, eliminated. In this situation, contracts between supplier and consumers can be very useful. This is because they create obligations and outline rights for the partners. The Ministry of Energy has constantly fought for supply of thermal power to be based fully and solely on contracts. In fact, the experience of developed European countries shows that regulation of relations between consumers and suppliers is done only based on contracts. It is also used in Poland, Romania, Russia, Ukraine, among other countries where contracts are established between suppliers of thermal power and housing fund managers. This allows for attainment of many goals: ensuring continuous and qualitative supply of thermal agent to the population; efficiently operating the thermal energy sector; protecting mutual interests of citizens and supplying thermal energy to them at accessible prices.

It is worth underlining that production costs within the collective heat generation systems are much lower than the costs born by suppliers within the autonomous heating systems. Also, collective systems have a series of advantages: high level of protection to population against incidents or accidents during generation, delivery, or consumption; emission of less quantity of polluting gases to the atmosphere; ensuring ecological protection of the population.

With that said, there is an urgent necessity to maintain and renew the collective systems of thermal power supply, including that in apartment blocks. However, this will be impossible without direct and active participation of owners' associations in privatized apartments, housing cooperatives, municipal enterprises managing the housing fund, and other managers of this fund. Participation of those mentioned to solution of issues with regard to heat supply is a perspective task. International consultants, interested in overcoming the crisis in the thermal energy sector of Moldova, familiarized with this task.

Owners' associations, which are authorized representatives of owners or renters of apartments in apartment blocks, have the right to underwrite contracts on supply of thermal power. Denial of this right can entail disastrous consequences to the entire thermal energy network. First, these collective systems will continue to degrade. Second, a majority of citizen-consumers does not have the means to install autonomous systems and will be left without heating. Finally, the thermal energy sector will not have any investments and will run the risk of dilapidation. Therefore, the solution to thermal energy issues requires large investments. Certainly, would-be investors in the thermal energy sectors will need economic and legal guarantees.

It is also important that the current legislation already has mechanisms to raise the authority of the housing fund manager, empowering the latter to represent the residents' interests on the basis of the contract between the association and service providers, and on the basis of contract between owners (renters, tenants) and the corresponding association. If they count only on direct contracts between supplier and final consumer (owner, tenant), and eliminate the housing fund manager from the process of thermal power supply to the collective system, the thermal energy sector problems will not be solved.

Signing contracts with the manager of a housing fund also depends on the particularities of property rights and assets in apartment blocks. It is known that interior engineering systems fall within direct administration of such manager and are deemed personal property of apartment owners. Thus, apartment owners cannot separately decide upon the fate of engineering installations, and this has to be taken into account, resorting to reasonable decisions.