Based on the open tender procedure, the Government of the Republic of Serbia has issued the Decision on 25 of December 2013 and designated the company „EPS Snabdevanje“ d.o.o. Beograd as the supplier of last resort to supply the electricity on free energy market, starting from 1 of January 2014. This is the first direct influence of opening of the electricity market starting from 1 of January 2014, as the project of the Ministry of energy, development and environmental protection, grid operator EMS and Energy Agency.

The procedure for election of supplier of last resort was conducted in accordance with the Article 146 of the Energy Law („Official Gazette of the RS“, no.75/2011,...124/2012, „Law“).

The buyer (consumer of electricity) who failed to select supplier of electricity from which he will purchase under the market conditions, has the obligation to use the supplier of last resort at the moment of opening of the energy market (on 1 January 2014), as well as the buyer who fulfils at least one of the following conditions:

- has at least one mid-voltage connection with voltage level higher than 1 kV;
- has more than 10 million EUR annual income in RSD equivalent, or
- has more than 50 employees.

All consumers fulfilling the respective conditions cumulatively are obliged to file a request for

the consumer is obliged to pay the expenses for connection to the grid, the compensation for the privileged power producers and the value added tax (VAT).
The Article 145 paragraph 1 of the Law sets out that the consumers may use their right to last resort supply of electricity and natural gas, in the alternative cases:

- bankruptcy or liquidation of the main supplier;
- cessation or cancellation of the license of the main supplier;
- if the consumer failed to select the new supplier upon termination of contract with the previous supplier, and
- in case of a new consumer that failed to select a supplier.

In accordance with the Article 145 paragraph 5 of the Law, the supplier of last resort may provide electricity maximum of 60 days. In case that end-user fails to conclude the agreement with the supplier, the system operator shall terminate energy or natural gas supply.

In that way, the end-users are given a deadline until 1 of March 2014 to conduct the procedure and choose their supplier, and at the same time supply of electricity continuous by the chosen supplier of last resort has been procured.

Bearing in mind that many consumers meet the set criteria and on other hand are no familiar with the electricity exchange market and market prices, the logical presumption which follows is that the consumers shall conclude the supply contract with the company „EPS Snabdevanje“ d.o.o. Beograd until 1 of March 2014.

The price for last resort supply, accepted by the Government of the Republic of Serbia, amounts to 59.99 EUR/MWh, and presents the unique amount in EUR/MWh for the named period and includes the electricity price and the system balancing expenses.

In accordance with the contract on last resort supply,

The documentation to be filed to the company „EPS Snabdevanje“ d.o.o. Beograd includes:

- the request for last resort supply;
- contract on last resort supply, and
- open item statement (IOS) on 31 of December 2013, certified by the distribution system operator (ODS).