

VEGAS LEX ATTENDS KOMMERSANT ROUNDTABLE ON PAYMENT DISCIPLINE IN UTILITIES SECTOR IN VOLGOGRAD

VEGAS LEX Partner, Head of Energy practice Evgeniy Rodin has moderated a roundtable discussion on the payment discipline and ways to resolve conflicts in the housing and utilities sector, organized by the Kommersant Publishing House.

On September 21, 2016, the Kommersant – Yug Rossii and Kommersant – Volga newspapers organized a roundtable on *Non-Payments: How to Change the Situation in the Housing and Utilities Sector in the Volgograd Region*. VEGAS LEX Partner, Head of Energy practice [Evgeniy Rodin](#) moderated the discussion.

Mr. Rodin began his presentation with listing the existing interaction problems between the market players – grid operators and distribution companies, resource suppliers and building management companies – in light of the new law tightening the payment discipline in this industry. “*The stick is not enough to enforce the payment discipline in the energy sector. What we need is to change the consumers’ attitude to their obligations to pay for the resources supplied in the first place,*” he said. “*The energy suppliers must have the authority to impose sanctions against mala fide consumers (penalties or supply limitations), on the one hand, and an incentive system for those who pay regularly and on time, on the other.*”

Representatives of resource suppliers, the regional legislature and the regional government discussed the rise in the arrears for energy, water and sewage, and ways to deal with it. According to the roundtable participants, the new federal law, effective from January 2016, which raised the penalty for not paying for energy resources, should effectively deal the non-payments problem.

However, it is the building management companies that cause the biggest problems in the difficult situation in the region’s housing and utilities sector. They seem to show a dangerous trend to shift the entire responsibility for non-payments to the residents. This year, the parliament is expected to adopt a law that will enable the suppliers to receive payments directly from consumers, bypassing their building management companies*.

Various stakeholders and policymakers shared their views on the issue, including Deputy Executive Director of the Russian Association of Water Supply and Sanitation, **Alexander Epshtein**, Chairman of the Housing Committee of the Volgograd Region **Oleg Nikolayev** and Chairman of the Commission on Housing and Housing Policy of the Volgograd Regional Duma **Nikolai Lukyanenko**.

Concluding the discussion, Mr. Rodin summarized the shared opinion that the situation can only be changed through improvement of the legislation, that resource suppliers should interact directly and that the media should cover the issuer in an informed and honest manner.

Other participants in the event included the relevant ministries of the Volgograd Region and the Republic of Kalmykia, municipal governments of the Volgograd Region, senior executives of large regional resource suppliers and building management companies, including Gazprom Gazoraspredeleniye Volgograd, Volzhsky Heating Networks, Municipal Management Company of Volgograd, Volgograd Utilities Services, Vodokanal of Volzhsky and others.

* Source: *Volgapromexpert industry news website*

<http://www.vlg.volpromex.ru/infrastructure/zkhk/veksperiy-smi-ne-sposobstvuyut-resheniyu.html>.

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