

# Water Supply and Sewerage Services Regulation Act

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Text in Bulgarian: Закон за регулиране на водоснабдителните и канализационните услуги

## Chapter One GENERAL DISPOSITIONS

**Article 1.** (1) This Act establishes the legal framework for the regulation of prices, accessibility and quality of water-supply and sewerage services as provided by the water-supply and sewerage service utility enterprises, hereinafter referred to as "water and sewerage utilities".

(2) The water-supply and sewerage services referred to in Paragraph (1) shall comprehend the services of treatment and delivery of water intended for drinking and household uses, industrial uses and other uses, of removal and treatment of waste water and run-off rain water from the corporeal immovables of consumers within urbanized areas (the nucleated and dispersed settlements), as well as the activities of construction, maintenance and operation of the water-supply and sewer systems, including the treatment plants and the other facilities.

**Article 2.** (1) Water and sewerage utilities shall be all enterprises whereof the objects are provision of water-supply and sewerage services.

(2) Water and sewerage utilities shall implement the activities thereof according to the requirements of this Act.

(3) Other enterprises, which provide services of delivery, removal and treatment of waste water and drinking water, shall implement the said activities according to the requirements of this Act.

**Article 3.** (1) Water intended for drinking and household uses shall be a basic necessity of life within the meaning given by the Social Assistance Act.

(2) The water-supply and sewerage services referred to in Article 1 (2) herein shall be activities in the public interest.

**Article 4.** (1) This Act is intended to create conditions:

1. for satisfaction of consumers' needs of water possessing a quality suitable for drinking, assigning priority to public supply of drinking and household water;

2. for ensuring accessibility, reliability and safety of water-supply and sewerage services;

3. for improvement of the quality and efficiency of the water-supply and sewerage services as provided;

4. for prevention of the outflow of waste water from the sewer network, as well as the inflow of drainage water into the said network, except as envisaged in the technological process;

5. for reduction of the total operational losses of water in the water-supply systems;

6. for balancing the interests of water and sewerage utilities and of consumers;

7. for placing the various groups of consumers on an equal footing in respect of the quality and price of water-supply and sewerage services.

(2) The Council of Ministers shall adopt a sectoral strategy on management and development of water supply and sewerage in the Republic of Bulgaria for a period that may not be shorter than ten years, determining thereby the objects, stages and means for improvement of the quality of water-supply and sewerage services.

## **Chapter Two**

# **REGULATION OF WATER-SUPPLY AND SEWERAGE SERVICES**

**Article 5.** (1) (Amended, SG No. 17/2015, effective 6.03.2015) Water-supply and sewerage services shall be regulated by the Energy and Water Regulatory Commission, which is established according to the procedure of the Energy Act, hereinafter referred to as "the Commission."

(2) The structure and the powers of the Commission shall be determined by this Act and by the Energy Act.

(3) The Commission shall regulate the prices and quality of water-supply and sewerage services provided by the water and sewerage utilities, including such services provided by the enterprises referred to in Article 2 (3) herein, regardless of the forms of ownership and management of the water-supply and sewer systems.

(4) Local units subordinated to the Commission shall be established for exercise of the powers of the said Commission under this Act. The terms and procedure for the establishment of the said units shall be regulated by the Rules of Organization of the Commission.

**Article 6.** (1) The Commission shall exercise the following powers:

1. regulate the quality of water-supply and sewerage services;
2. regulate the prices of water-supply and sewerage services;
3. elaborate, coordinate and move to the Council of Ministers draft statutory instruments provided for in this Act;
4. issue written directions regarding the application of the statutory instruments of secondary legislation referred to in Item 3;
5. approve the general conditions of the contracts for provision of water-supply and sewerage services to consumers;
6. exercise control and impose sanctions in the cases provided for in this Act;
7. exercise the powers vested therein by this Act in connection with contracts of concession and other contracts;
8. keep a register of the contracts commissioning the provision of water-supply and sewerage services;
9. register the experts who participate in the exercise of control under this Act.

(2) Upon preparation of the instruments referred to in Item 3 of Paragraph (1), the Commission shall conduct a procedure for public discussions according to the procedure established by Article 14 of the Energy Act.

**Article 7.** In the implementation of the activities thereof, the Commission shall be guided by the following principles:

1. ensuring conditions for provision of universal access and social affordability of water-supply and sewerage services;

2. prevention of abuse of dominant position;
3. protection of consumer interests;
4. economic justification of the prices of water-supply and sewerage services;
5. taking into consideration the needs of consumers placed at a disadvantage for geographic, ground or other reasons;
6. creation of conditions for water and sewerage utilities operating and maintaining the system and making investments upon reduction of operating costs;
7. encouragement of expedient and effective planning of investments in time;
8. speed and procedural economy of proceedings before the Commission;
9. encouragement of reduction of water losses, efficient and economic use by consumers of the water quantities delivered;
10. environmental protection;
11. creation of conditions for attraction of resources for investment and participation of the private sector in the provision of water-supply and sewerage services;
12. encouragement of introduction of modern technical methods and advances in the provision of water-supply and sewerage services.

**Article 8.** (1) The revenues on the budget of the Commission, whereby the activities under this Act are financed, shall be raised from:

1. a water-supply and sewerage regulation fee;
2. fines and sanctions under this Act;
3. an experts registration fee.

(2) The resources on the budget of the Commission shall be expended according to the procedure established by Article 27 (3) of the Energy Act, as well as on payment of services rendered by experts registered under this Act.

(3) The amount of the fees covered under Paragraph (1), the procedure and time limits for payment of the said fees shall be determined by a rate schedule approved by the Council of Ministers on a motion by the Commission.

## **Chapter Three**

# **REGULATION OF WATER-SUPPLY AND SEWERAGE SERVICE QUALITY**

**Article 9.** (1) The Commission shall measure and assess the quality of the water-supply and sewerage services as provided by means of quality indicators.

(2) The principal quality indicators of water-supply and sewerage services shall be:

1. penetration of water-supply services;
2. drinking water quality;
3. non-interruption of water supply (uninterrupted water delivery and duration of disruptions);
4. total water losses in the water-supply systems and time limits for the reduction thereof;
5. breakdowns of the water-supply system;
6. pressure in the water-supply system;
7. penetration of sewerage services;
8. quality of raw waste water and of treated waste water;
9. breakdowns of the sewer system;
10. flooding of corporeal immovables of third parties caused by the sewer system;

11. operational indicators of efficiency;
12. financial indicators of efficiency;
13. time limit for reaction to written complaints by consumers;
14. time limit for connecting new consumers with the water-supply and sewer systems;
15. staff size in proportion to the number of consumers serviced.

(3) The long-term levels of the quality indicators of water-supply and sewerage services, the terms and procedure for arrival at annual target levels of the quality indicators of water-supply and sewerage services for each water and sewerage utility depending on the specific circumstances of the activities thereof shall be established by an ordinance adopted by the Council of Ministers on a motion by the Commission.

(4) (Amended, SG No. 66/2013, effective 26.07.2013, SG No. 98/2014, effective 28.11.2014) The total water losses in the water-supply systems under Item 4 of Paragraph (1) shall be determined according to a methodology for determination of permissible water losses in water-supply systems, endorsed by the Minister of Regional Development and Public Works.

(5) The Commission shall determine the maximum amount of the permissible total water losses and the annual target levels referred to in Paragraph (3) for the annual reduction of the said losses upon observance of the methodology referred to in Paragraph (4) and for the purpose of maximum conservation of water resources and maintenance of the social affordability of the price of water-supply and sewerage services, and the date shall be published.

**Article 10.** (1) Water and sewerage utilities shall elaborate business plans for five-year periods, which shall contain a manufacturing, repair, investment and social programme, with a technical and economic part.

(2) The technical part of the business plan shall contain a programme for attainment of the annual target levels of the quality indicators of the water-supply and sewerage services as provided, including the target levels for reduction of water losses.

(3) The economic part of the business plan shall contain:

1. an analysis of the existing and projected level of consumption of water-supply and sewerage services for the period;
2. an investment programme bound to the parameters of the technical part of the business plan;
3. sources and conditions of financing of the investment programme;
4. an analysis of the existing operating and maintenance costs of the water-supply and sewer systems and an estimate of the projected costs;
5. an analysis of the existing management costs of the water-supply and sewer systems and an estimate of the projected costs;
6. a depreciation schedule bound to the investment programme and with the timeframe for commissioning of assets;
7. price and revenues from water-supply and sewerage services conforming to the requirements established in the ordinance referred to in Article 13 (5) herein and the methodology referred to in Article 9 (4) herein;
8. an analysis of the social affordability of the price of water-supply and sewerage services as proposed;
9. other elements determined in the ordinance referred to in Article 9 (3) herein.

(4) In the business plans, the water and sewerage utilities shall project service activities, measures to improve the efficiency of the existing networks and facilities, as well as remodelling, rehabilitation and construction of new networks and facilities with a view to attaining the long-term levels of the quality indicators of the water-supply and sewerage services as provided.

The said business plans shall be presented to the relevant municipalities with opinions.

(5) The business plans shall contain a technical and economic analysis of the status quo and a proposal for specific quality indicators of water-supply and sewerage services according to the requirements of Article 9 herein.

(6) Where the business plans include construction of new or remodelling and rehabilitation of existing networks and facilities of the sewer system of nucleated settlements, the said activities shall conform with the priorities of the National Programme for Construction of Urban Waste-Water Treatment Plants and to the time limits of the Programme for Application of EU Council Directive 91/271, adopted by the Council of Ministers, as well as with the opinions of the relevant municipalities.

(7) (Amended, SG No. 103/2013) The business plans shall be made available not later than 6 months prior to the lapse of the last year according to the effective business plan.

(8) The ordinance referred to in Article 9 (3) herein shall determine the elements and the parameters as the business plans must contain, the procedure for verification of compliance, and the manner of reporting attainment of the annual target levels of quality indicators.

**Article 11.** (1) The Commission shall approve the business plan as proposed by the water and sewerage utility within three months after the submission of the said plan if the said plan is responsive to the following requirements:

1. the annual target levels of the quality indicators of water-supply and sewerage services have been elaborated considering future attainment of the long-term levels of the indicators referred to in Article 9 (2) herein, as well as of the methodology referred to in Article 9 (4) herein;

2. the investment programme and the operating, maintenance, repair and management costs of the water-supply and sewer systems correspond to the technical part of the business plan;

3. the proposed prices correspond to the remaining parameters of the economic part of the business plan and the pricing methodology, determined in the ordinance referred to in Article 13 (5) herein;

4. they conform to the principles and mandatory provisions of this Act.

(2) In case the contents of the proposed business plan in the technical or economic part thereof is not responsive to the requirements covered under Paragraph (1), the Commission shall direct appropriate modifications, and the water and sewerage utility shall revise the business plans accordingly.

(3) The revised business plans shall be submitted to the Commission for approval within the time limit established by the directions referred to in Paragraph (2).

(4) The business plans as approved shall become mandatory for implementation by the relevant water and sewerage utility.

(5) The water and sewerage utilities shall be obligated to observe the quality indicators determined conforming to the requirements referred to in Item 1 of Paragraph (1).

(6) (Supplemented, SG No. 77/2018, effective 1.01.2019) Any decisions of the Commission, including a tacit refusal, shall be appealable by the Sofia Administrative Court according to the procedure established by the Administrative Procedure Code.

(7) Water and sewerage utilities shall publish the general conditions of the contracts for provision of water-supply and sewerage services as approved by the Commission in at least one national and one local daily newspaper. Such general conditions shall take effect within one month after the publication thereof.

(8) Within 30 days after the effective date of the general conditions, the consumers who disagree with the said conditions shall have the right to submit a statement to the relevant water

and sewerage utility, proposing thereby special conditions. Any special conditions proposed by the consumers and accepted by the water and sewerage utilities shall be entered in supplemental written agreements.

## **Chapter Four**

# **WATER-SUPPLY AND SEWERAGE SERVICE PRICE REGULATION**

**Article 12.** (1) (Previous Article 12, SG No. 47/2009, effective 23.06.2009) The Commission shall regulate the prices at which the water and sewerage utilities:

1. deliver water to consumers;
2. remove waste water;
3. treat waste water;
4. connect consumers to the water-supply systems;
5. connect consumers to the sewer systems.

(2) (New, SG No. 47/2009, effective 23.06.2009) The Commission shall also regulate the prices at which the water and sewerage utilities, or other enterprises, supply water from water intake facilities or systems, owned or granted for operation, to water supply systems of other water and sewerage utilities. In such cases, no water supply and sewerage regulation tax shall be paid.

**Article 13.** (1) In exercising the powers therefor to regulate the prices of water-supply and sewerage services, the Commission shall be guided by the principles covered under Article 7 herein and by:

1. a correspondence between the economic part of the business plan and the proposed prices;
2. recoverability of the economically justified costs, such as:
  - (a) the costs of operation, maintenance, repair and management of water-supply and sewer systems;
  - (b) depreciation of fixed assets;
  - (c) (amended, SG No. 65/2006) fees due for water intake and pollutant discharge in conformity with the provision of Article 192 (2), item 2, Article 192 (b), Article 192 (c), and § 139 of the Transitional and Final Provisions of the Water Act;
  - (d) the regulation fees due within the meaning given by this Act;
  - (e) environmental protection;
  - (f) additional obligations imposed by the competent state bodies;
3. application of an economically justified rate of capital return;
4. correspondence between the prices for nucleated settlements and the actual costs of provision of water-supply and sewerage services;
5. social affordability of the price of water-supply and sewerage services;
6. avoidance of cross subsidization between consumers.

(2) The Commission shall regulate prices by:

1. setting an upper limit for prices or for revenues;
2. a rate of return.

(3) The Commission shall determine uniform efficiency indicators, which the water and sewerage utilities shall apply upon pricing.

(4) The Commission shall determine a target rate of return, taking account of the specific

conditions at each water and sewerage utility, the social affordability of the price of water-supply and sewerage services, the requirements for future capital expenditure, and the indicators of financial stability.

(5) The price regulation methods, the pricing rules reflecting the structure of costs, the procedure for submission of price proposals and for the endorsement thereof, as well as the procedure for disclosure of information, shall be determined by an ordinance adopted by the Council of Ministers on a motion by the Commission.

**Article 14.** (1) (Amended, SG No. 58/2015) Water and sewerage utilities shall submit the prices formed according to the ordinance referred to in Article 13 (5) herein to the Commission for endorsement. Approval of the technical and economic part of the business plans shall be a precondition for approval of the prices part of the said plans.

(2) (New, SG No. 58/2015) The water and sewerage utilities shall apply the principle of single price for water and sewerage services within the differentiated territory. The principle shall be certainly complied with for the "water supply to consumers and/or other water and sewerage utilities" and "removal of waste water" services. The price for the "removal and treatment of waste water" service may be determined in a differentiated manner for groups of consumers, depending on the degree of pollution, under the procedure of this Act and the acts on its implementation.

(3) (Renumbered from Paragraph 2, SG No. 58/2015) Should the prices proposed be not responsive to the principles and provisions of this Act and to the ordinance referred to in Article 13 (5) herein, the Commission shall issue directions in accordance wherewith the water and sewerage utilities shall propose new prices for approval within a time limit as the Commission shall set.

(4) (Renumbered from Paragraph 3, SG No. 58/2015) The prices proposed by the water and sewerage utilities may not be higher than the prices endorsed by the Commission.

**Article 15.** Water and sewerage utilities shall keep separate accounts of:

1. each activity subject to price regulation under this Act;
2. each unit of the organizational structure of the water and sewerage utilities.

**Article 16.** The directions issued by the Commission regarding price formation, the rules for keeping separate accounts, as well as the form and content of the financial statements for regulatory purposes, shall be mandatory for water and sewerage utilities and for the enterprises referred to in Article 2 (3) herein.

**Article 17.** (1) Water and sewerage utilities shall submit the following to the Commission on an annual basis:

1. their annual financial statements, including the notes thereto, according to the Accountancy Act, and the annual audit reports;
2. reports by types of activity and units.

(2) Water and sewerage utilities shall be obligated, when so requested by the Commission for the purposes of price regulation, to submit the entire accounting documentation and technical and economic information, including contracts concluded.

(3) The enterprises referred to in Article 2 (3) herein shall submit to the Commission the documents and information covered under Paragraphs (1) and (2) in respect of the activities they carry out in accordance with this Act.

**Article 18.** (1) (Amended, SG No. 66/2013, effective 26.07.2013, SG No. 98/2014, effective 28.11.2014) The Minister of Regional Development and Public Works may impose additional public service obligations on water and sewerage facilities where the said obligations are related to:

1. non-interruption of deliveries of water possessing a quality suitable for drinking, and removal and treatment of waste water;
2. environmental protection: in consultation with the Minister of Environment and Water;
3. (amended, SG No. 102/2006, SG No. 102/2008, SG No. 93/2009, effective 25.12.2009) measures to protect the public against disasters and accidents: in consultation with the Minister of Interior;
4. measures related to national security and national defence: in consultation with the Minister of Defence.

(2) The additional obligations referred to in Paragraph (1) shall be imposed by an order stating:

1. the water and sewerage utility whereon the obligation is imposed;
2. the reasons dictating the additional obligations;
3. the content of the obligations;
4. the time limit and terms under which the obligations must be performed;
5. other terms and conditions.

(3) Any supplementary costs incurred by the water and sewerage utilities on the additional obligations covered under Paragraph (1) shall be allowed as economically justified costs within the meaning given by Item 2 of Article 13 (1) herein.

**Article 19.** A price revision procedure shall be initiated by the Commission proprio motu or on a motion by water and sewerage utilities, should an unforeseen or unavoidable event of an extraordinary nature occur that materially changes the revenues and the economically justified costs of the water and sewerage utilities.

**Article 20.** Water and sewerage utilities shall publish the prices proposed thereby in one national and one local daily newspaper and on the Internet sites thereof.

## **Chapter Five**

### **CONTROL**

**Article 21.** (1) The Commission shall conduct control as to:

1. conformity of the business plan with the requirements of this Act;
2. observance of the quality indicators of water-supply and sewerage services as fixed in the business plan;
3. (amended, SG No. 58/2015) application of the prices according to the requirements of Article 14 (4) and Article 19 herein;
4. costs incurred to attain the indicators as set in the business plan.

(2) The Commission shall exercise preventive, current and follow-up control.

(3) The Commission shall exercise preventive control by giving an opinion on the conformity of the contracts of concession and the other types of contracts for management of water-supply and sewer systems with this Act and with the statutory instruments of secondary legislation on the application of the said Act in the process of preparation of the said contracts.

(4) The Commission shall exercise current control over the activity of provision of water-supply and sewerage services by water and sewerage utilities through inspections of the reports on implementation of the business plans of the water and sewerage utilities, as well as through conduct of on-site inspections.

(5) The Commission shall exercise follow-up control over compliance with the recommendations given to water and sewerage utilities.

(6) The Commission shall pronounce within 30 days after receipt of the documents referred



to in Paragraph (3).

(7) The structure of the reports on implementation of the business plans by water and sewerage utilities, referred to in Paragraph (4), shall be determined by a decision of the Commission.

**Article 22.** The Commission may require, within a time limit set thereby, current information and documents regarding the implementation of the business plans by the water and sewerage utilities, documentation in connection with the pricing and quality of the services, as well as information in connection with tip-offs, complaints, requests and suggestions.

**Article 23.** (1) The Commission shall conduct scheduled and unscheduled inspections for implementation of control under Article 21 (4) and (5) herein.

(2) Periodic scheduled inspections shall be conducted in accordance with a schedule adopted by a decision of the Commission at the beginning of the relevant calendar year.

(3) Unscheduled inspections shall be conducted in response to tip-offs received at the Commission from state bodies, bodies of local self-government, mass communication media, complaints, requests and suggestions, as well as for verification of the information disclosed by water and sewerage utilities.

**Article 24.** (1) Inspections shall be conducted by officials of the Commission, assisted by experts registered thereby that can be natural or resident legal persons.

(2) The officials who conduct inspections shall be designated by an order of the Chairperson of the Commission.

(3) The registration of the experts referred to in Paragraph (1) shall be effected under terms and according to a procedure established by an ordinance adopted by the Council of Ministers on a motion by the Commission.

(4) Eligibility for registered experts shall be limited to:

1. legally capable natural persons, who are Bulgarian citizens and higher education graduates holding the educational qualification degree of Master or Bachelor in specialties of professional areas of higher education specified in the ordinance referred to in Paragraph (3), who:

(a) who have not been sentenced to deprivation of liberty for premeditated offences at public law and who have not been disqualified from holding the relevant position;

(b) who possess the relevant technical means to perform the control activity;

(c) with length of employment or civil-service seniority of not less than five years, of which at least two years in the sphere of water supply and sewerage;

2. sole traders or resident legal persons, who or which:

(a) have as objects the conduct of audits and whose full-time specialist staff includes at least one person per each ten persons who satisfies the eligibility requirements covered under Item 1;

(b) do not have bankruptcy proceedings in progress thereagainst;

(c) possess the relevant technical means for performance of the control activity.

(5) The Commission shall issue a certificate to the registered experts.

(6) The persons shall pay a fee for the issuance of a certificate as shall be specified by the rate schedule referred to in Article 8 (3) herein.

(7) On an annual basis, the Committee shall cause the promulgation in the State Gazette of a list of registered experts.

(8) (Supplemented, SG No. 77/2018, effective 1.01.2019) Any refusals of registration shall be appealable by the Sofia Administrative Court according to the procedure established by the Administrative Procedure Code.

**Article 25.** (1) The persons referred to in Article 24 (2) herein shall have the right:

1. to unimpeded access to the facilities controlled thereby for conduct of inspections;
2. to demand from the competent officials to produce the required data, reports, explanations and information under Article 22 herein, data regarding the qualifications and licensed competence of the personnel;
3. to take measurements and conduct tests in order to clarify the technical status and the service conditions of the facilities;
4. to require documents related to the exercise of control.

(2) The officials and the registered experts shall be obligated to safeguard official and commercial secrecy and not to disclose in any manner whatsoever the information as has come to the knowledge thereof in the course of or in connection with the inspection.

(3) The Commission shall announce the results of the inspection as conducted on its Internet site within one month.

**Article 26.** The water and sewerage utilities shall ensure conditions for the normal conduct of the inspection and shall cooperate with the control authorities and, to this end:

1. shall provide a company working premise for conduct of the inspection and, where necessary, shall present themselves in the building of the Commission;
2. shall provide access to the company premises and to the facilities of the water-supply and sewer systems;
3. shall produce all accounting, business and other documents required for establishment of facts and circumstances relevant to the scope of the inspection;
4. when so requested, shall provide written explanations.

**Article 27.** Water and sewerage utilities shall exercise constant internal control over the implementation of the business plans and shall keep the documentation on the control as implemented for a period of ten years after the last year of the plan.

**Article 28.** Upon request, the regional governors and the municipality mayors shall render assistance to the persons referred to in Article 24 (2) herein upon performance of the activities thereof under this Act.

## **Chapter Six**

### **INFORMATION SYSTEM**

**Article 29.** (1) The Commission shall establish a National Information System on Water-Supply and Sewerage Services.

(2) The information system shall ensure:

1. public access of consumers to information regarding the development and regulation of water-supply and sewerage services in Bulgaria, as well as information on the endorsed and proposed prices of the services by the water and sewerage utilities, regarding the indicators of reduction of water losses and the other key indicators approved by the business plans;
2. information regarding the state bodies, the municipalities and the water and sewerage utilities in connection with the implementation of this Act and with the development of the water and sewerage sector.

**Article 30.** (1) The Commission shall prepare an annual report on the activities performed thereby, as well as on the state of the water and sewerage sector. The said report shall be posted on the Internet site of the Commission, which shall be announced at least in one national daily newspaper within seven days after the posting.

(2) The report referred to in Paragraph (1) shall contain a comparative analysis of the

activities of water and sewerage utilities according to the key parameters of the business plans, the prices of water-supply and sewerage services, the indicators determined by the Commission and the observance of the said indicators.

## **Chapter Seven**

### **ADMINISTRATIVE PENALTY PROVISIONS**

**Article 31.** (1) Any water and sewerage utility, which fails to fulfil the obligation thereof under Article 11 (5) herein, shall be liable to a pecuniary penalty to the amount of BGN 20,000 or exceeding this amount but not exceeding BGN 50,000.

(2) A repeated commission of the violation referred to in Paragraph (1) shall be punishable by a pecuniary penalty equivalent to treble the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

(3) Upon repeated commission of the violation referred to in Paragraph (1), the Commission shall make a reasoned proposal to the owner of the water-supply and sewer system for rescission of the contract with the relevant utility.

**Article 32.** (1) Upon failure to fulfil in due course the obligation referred to in Article 10 (7) herein, the relevant water and sewerage utility shall be liable to a pecuniary penalty to the amount of BGN 20,000 or exceeding this amount but not exceeding BGN 50,000.

(2) Any member of a governing body or any official at a water and sewerage utility, who has committed or has suffered the commission of a violation referred to in Paragraph (1), shall be liable to a fine to the amount of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000.

(3) A repeated commission of the violation referred to in Paragraph (1) by the water and sewerage utility shall be punishable by a pecuniary penalty equivalent to treble the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

(4) A repeated commission of the violation referred to in Paragraph (1) by a person referred to in Paragraph (2) shall be punishable by a fine equivalent to treble the maximum amount of the fine as fixed under Paragraph (2), and the said person shall be disqualified from holding the relevant position for a period of one to two years.

**Article 33.** (1) Any water and sewerage utility, which fails to submit a revised business plan conforming to the directions issued by the Commission within the time limit referred to in Article 11 (3) herein, shall be liable to a pecuniary penalty to the amount of BGN 20,000 or exceeding this amount but not exceeding BGN 50,000.

(2) Any member of a governing body or any official at a water and sewerage utility, who has committed or has suffered the commission of a violation referred to in Paragraph (1), shall be liable to a fine to the amount of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000.

(3) A repeated commission of the violation referred to in Paragraph (1) by the water and sewerage utility shall be punishable by a pecuniary penalty equivalent to treble the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

(4) A repeated commission of the violation referred to in Paragraph (1) by a person referred to in Paragraph (2) shall be punishable by a fine equivalent to treble the maximum amount of the fine as fixed under Paragraph (2), and the said person shall be disqualified from holding the relevant position for a period of one to two years.

**Article 34.** (1) (Amended, SG No. 58/2015) Upon failure to act in due course on the mandatory directions referred to in Article 14 (3), the relevant water and sewerage utility shall be

liable to a pecuniary penalty to the amount of BGN 50,000 or exceeding this amount but not exceeding BGN 150,000.

(2) Any member of a governing body or any official at a water and sewerage utility, who has committed or has suffered the commission of a violation referred to in Paragraph (1), shall be liable to a fine to the amount of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000.

(3) A repeated commission of the violation referred to in Paragraph (1) by the water and sewerage utility shall be punishable by a pecuniary penalty equivalent to treble the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

(4) A repeated commission of the violation referred to in Paragraph (1) by a person referred to in Paragraph (2) shall be punishable by a fine equivalent to treble the maximum amount of the fine as fixed under Paragraph (2), and the said person shall be disqualified from holding the relevant position for a period of one to two years.

**Article 35.** (1) Any water and sewerage utility, which fails to provide required information in the cases provided for in this Act, shall be liable to a pecuniary penalty to the amount of BGN 30,000 or exceeding this amount but not exceeding BGN 100,000.

(2) Any member of a governing body or any official at a water and sewerage utility, who has committed or has suffered the commission of a violation referred to in Paragraph (1), shall be liable to a fine to the amount of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000.

(3) A repeated commission of the violation referred to in Paragraph (1) by the water and sewerage utility shall be punishable by a pecuniary penalty equivalent to treble the maximum amount of the pecuniary penalty as fixed under Paragraph (1).

(4) A repeated commission of the violation referred to in Paragraph (1) by a person referred to in Paragraph (2) shall be punishable by a fine equivalent to treble the maximum amount of the fine as fixed under Paragraph (2), and the said person shall be disqualified from holding the relevant position for a period of one to two years.

**Article 36.** (1) Any water and sewerage utility, which provides services at prices higher than the prices endorsed by the Commission, shall be liable to a pecuniary penalty to the amount of BGN 200,000 or exceeding this amount but not exceeding BGN 500,000.

(2) Any member of a governing body or any official at a water and sewerage utility, who has committed or has suffered the commission of a violation referred to in Paragraph (1), shall be liable to a fine to the amount of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000.

(3) A repeated commission of the violation referred to in Paragraph (1) by the person shall be punishable by a fine equivalent to treble the maximum amount of the fine as fixed under Paragraph (2), and the person shall be disqualified from holding the relevant position for a period of one to two years.

(4) Upon ascertainment of violations under Paragraphs (1), (2) and (3), the water and sewerage utilities shall be obligated to return the overcharged amounts to consumers with legal interest.

**Article 37.** (1) Any member of a governing body or any official at a water and sewerage utility, which fails to fulfil the obligations thereof under this Act, shall be liable to a fine of BGN 2,000 or exceeding this amount but not exceeding BGN 5,000, unless subject to a severer sanction.

(2) A repeated commission of the violation referred to in Paragraph (1) shall be punishable by a fine in a treble amount.

**Article 38.** (1) The violations under this Act shall be ascertained by written statements drawn up by the officials referred to in Article 24 (2) herein.

(2) The penalty decrees under this Chapter shall be issued by the Chairperson of the Commission or by an official authorized thereby.

(3) Violations shall be ascertained, and penalty decrees shall be issued, appealed and executed, under the terms and according to the procedure established by the Administrative Violations and Sanctions Act.

## **SUPPLEMENTARY PROVISION**

**§ 1.** (1) Within the meaning given by this Act:

1. "Long-term levels of indicators" shall include the levels of the quality indicators of the service as provided for a period of ten years.

2. "Consumers" shall be:

(a) legal or natural persons which or who own or use the relevant corporeal immovables wherefor water-supply and sewerage services are provided;

(b) legal or natural persons which or who own corporeal immovables within a condominium project;

(c) enterprises using water from the water-supply networks of the nucleated settlements for technological needs or supplying such water to other consumers after relevant treatment through a self-contained plumbing system not intended for drinking water.

2a. (New, SG No. 47/2009, effective 23.06.2009) Entities which are water and sewerage utilities and purchase water from other water and sewerage utilities, or other enterprises, to supply it to consumers via the water and sewerage systems, as granted to such entities for management, maintenance and operation, shall not be consumers.

3. "Activities in the public interest" shall be activities within the meaning given by the Protection of Competition Act, the State Aids Act and the Employment Promotion Act.

4. (Amended, SG No. 58/2015) "Social affordability of the price of water-supply and sewerage services" shall exist in the cases where the value of the said services, determined on the basis of a minimum monthly consumption of water for drinking and household uses of 2.8 cubic metres per person, does not exceed 2.5 per cent of the average monthly household income in the relevant region.

5. "Unforeseen or unavoidable event of an extraordinary nature" shall be any event as has occurred after endorsement of the business plan, which the water and sewerage utility, despite the exercise of care according to the specifics of the case, has been unable to avoid and whose consequences the said utility has been unable to prevent.

6. "Official" shall be a civil servant within the meaning given by the Civil Servant Act or a person working under a contract of employment.

7. "Repeated violation" shall be any violation which is committed within one year after the entry into force of a penalty decree whereby the offender was penalized for a violation of the same kind.

(2) The persons referred to in Article 2 (3) of the Social Assistance Act shall be entitled to an allowance of an amount corresponding to the monthly water minimum as fixed under Item 4 of Paragraph (1).

## **TRANSITIONAL AND FINAL PROVISIONS**

**§ 2.** (1) The first business plans, including the prices of water-supply and sewerage services,

shall be elaborated and submitted by the water and sewerage utilities to the Commission within three months after the entry into force of the ordinances referred to in Article 9 (3) and Article 13 (5) herein.

(2) The first business plans shall be elaborated by the water and sewerage utilities and shall be approved by the Commission for a period of three years.

**§ 3.** The Council of Ministers shall adopt:

1. regulations to Amend and Supplement the Rules of Organization of the State Energy Regulatory Commission and of the Administration Thereof: within one month after the entry of this Act into force;

2. the ordinances referred to in Article 9 (3), Article 13 (5) and Article 24 (3) herein: within three months after the entry of this Act into force.

**§ 4.** The Council of Ministers shall elect the members of the commission with experience in the sphere of water supply and sewerage for a term of five years according to the procedure established by Article 11 (2) of the Energy Act within one month after the entry of this Act into force.

**§ 5.** The Energy Act (promulgated in the State Gazette No. 107/2003; amended in SG No. 18/2004) shall be amended and supplemented as follows:

1. In Item 2 of Article 9 (2), after the word "Energy" there shall be inserted "and Water".

2. The heading of Section I of Chapter Three shall be amended to read as follows: "State Energy and Water Regulatory Commission".

3. In Article 10, Paragraph (1) shall be amended to read as follows:

" (1) The State Energy and Water Regulatory Commission, hereinafter referred to as the "Commission", shall regulate energy-sector and water-supply and sewerage activities."

4. Article 11 shall be amended as follows:

(a) Paragraph (1) shall be amended to read as follows:

"(1) The Commission shall be a collegial authority and shall consist of thirteen members, including a Chairperson and two Deputy Chairpersons, of whom one shall have experience in the energy sector, and the other shall have experience in water-supply and sewerage."

(b) In Paragraph (2), the words "the Deputy Chairperson" shall be replaced by "the Deputy Chairpersons".

5. In Article 12:

(a) in Item 1 of Paragraph (1) at the end, there shall be added "applicable to five of the members, and in water supply and sewerage, applicable to the remaining five members";

(b) In Item 1 of Paragraph (2) at the end, there shall be added "or to regulation under the Water-Supply and Sewerage Services Regulation Act";

(c) In Items 1, 2 and 3 of Paragraph (5), the words "public sector" shall be replaced by "Electricity, Gas and Water Supply Sector".

6. In Article 13:

(a) Paragraph (1) shall be amended to read as follows:

" (1) The Commission shall be a standing body and shall meet if not fewer than seven of the members thereof are present, and shall exercise the powers thereof as follows:

1. under this Act: in the presence of not fewer than five of the members with experience in the sphere of the energy sector;

2. under the Water-Supply and Sewerage Services Regulation Act: in the presence of not fewer than five of the members with experience in the sphere of water supply and sewerage."

(b) Paragraph (2) shall be amended to read as follows:

" (2) The Commission shall rule by reasoned decisions, which shall be individual or general

administrative acts and shall be adopted by a majority of not fewer than seven votes, of which five shall belong to members of the Commission with experience in the relevant sphere in respect of which the decision is adopted.";

(c) In Paragraph (3), Item 2 shall be amended to read as follows:

"2. endorsement of prices proposed by the energy companies and by the water and sewerage utilities.";

(d) Paragraph (5) shall be amended to read as follows:

"(5) The decisions of the Commission under Paragraph (4) shall be made in a meeting behind closed doors and shall be announced according to a procedure established in the Rules referred to in Article 16 (2) herein."

7. In Article 14:

(a) in Paragraph (1), after the words "this Act" there shall be inserted "and in the Water-Supply and Sewerage Services Regulation Act", and at the end there shall be added "and of the water and sewerage sector";

(b) in Paragraph (2), after the words "energy companies" there shall be placed a comma and there shall be inserted "the water and sewerage utilities".

8. In Article 21:

(a) the existing text shall be redesignated to become Paragraph (1);

(b) there shall be added the following new Paragraph (2):

"(2) The powers of the Commission to regulate activities in the sphere of water supply and sewerage shall be determined in the Water-Supply and Sewerage Services Regulation Act."

9. In Article 22, Paragraph (1) shall be amended to read as follows:

"(1) The Commission shall consider complaints:

1. by consumers against licensees or by licensees against other licensees, related to performance of the licensed activity;

2. by consumers against water and sewerage utilities, or by water and sewerage utilities against water and sewerage utilities, related to the subject matter regulated under the Water-Supply and Sewerage Services Regulation Act."

10. In Article 26 (1) at the end, there shall be added "and in the Water-Supply and Sewerage Services Regulation Act".

11. In Article 27:

(a) in Paragraph (1):

(aa) Item 1 shall be amended to read as follows:

"1. the fees collected by the Commission under Article 28 herein and under Items 1 and 3 of Article 8 (1) of the Water-Supply and Sewerage Services Regulation Act, and any interest thereon";

(bb) in Item 2 at the end, there shall be added: "and in the Water-Supply and Sewerage Services Regulation Act";

(b) in Paragraph (2), after the words "this Act" there shall be inserted "or subject to regulation under the Water-Supply and Sewerage Services Regulation Act";

(c) in Item 1 of Paragraph (3), at the end there shall be added "and under the Water-Supply and Sewerage Services Regulation Act";

12. In Article 28, Paragraph (1) shall be amended to read as follows:

"(1) For exercise of the regulatory powers thereof under this Act and under the Water-Supply and Sewerage Services Regulation Act, the Commission shall charge fees for consideration of applications, for issuance of certificates, for sale of tender documents, licensing fees, and experts registration fees."

13. In § 1 of the Supplementary Provision:

(a) Item 54 shall be amended to read as follows:

"54. "Official secret" shall be the information which has come to the knowledge of the Minister of Energy and Energy Resources and of the Minister of Regional Development and Public Works, of the Chairperson and the members of the Commission, and of the employees of the relevant administrative services in connection with the performance of the functions thereof, with the exception of any information which has been publicly announced under terms and according to a procedure established by statute. The list of specific facts, reports and subjects constituting an official secret in respect of the energy sector shall be determined by an order of the Minister of Energy and Energy Resources, and the relevant list in respect of the water and sewerage sector shall be determined by an order of the Minister of Regional Development and Public Works.";

(b) there shall be inserted the following new Item 59a:

"59a. "Experience in the sphere of water supply and sewerage" shall be a length of civil-service or employment seniority acquired in a managerial or expert position at state or municipal bodies for management of water-supply and sewerage activities, at higher schools, at research institutions, or at commercial corporations whereof the objects are subject to regulation under the Water-Supply and Sewerage Services Regulation Act."

§ 6. The Water Act (promulgated in the State Gazette No. 67 of 1999; amended in No. 81 of 2000, Nos. 34, 41 and 108 of 2001, Nos. 47, 74 and 91 of 2002, Nos. 42, 69, 84 and 107 of 2003, Nos. 6 and 70 of 2004) shall be amended and supplemented as follows:

1. In Article 96a, there shall be added the following new Paragraph (12):

"(12) The contracts of concession for water-supply and sewerage services shall be prepared in accordance with the requirements of the Concessions Act, the Municipal Property Act and the Water-Supply and Sewerage Services Regulation Act and of the statutory instruments of secondary legislation on the application thereof."

2. In Article 151:

(a) there shall be inserted the following new Paragraph (1):

"(1) The National Assembly shall adopt a National Strategy for Management and Development of the Water Sector that shall state the basic objectives, stages, means and methods for the development of the water sector.";

(b) the existing text shall be redesignated as Paragraph (2), and in Item 1 thereof, there shall be added the following new Litterae (h) and (i):

"(h) lay a National Strategy for Management and Development of the Water Sector before the National Assembly for approval;

(i) adopt sectoral strategies in accordance with the basic objectives stated in the strategy referred to in Paragraph (1)."

3. (Effective 1.06.2005) In Article 193, Paragraph (3) shall be repealed.

§ 7. (1) This Act shall enter into force as from the 20th day of January 2005.

(2) Item 3 of § 6 (regarding the repeal of Article 193 (3) of the Water Act) shall enter into force as from the 1st day of June 2005.

This Act was passed by the 39th National Assembly on the thirteenth day of January in the year two thousand and five and on the seventeenth day of February in the year two thousand and five, and the Official Seal of the National Assembly has been affixed thereto.

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TRANSITIONAL AND FINAL PROVISIONS



of the Administrative Procedure Code  
(SG No. 30/2006, effective 12.07.2006)

.....  
§ 114. Everywhere in the Supply and Sewerage Services Regulation Act (promulgated, State Gazette No. 18/2005) the words "the Supreme Administrative Court Act" shall be replaced by "the Administrative Procedure Code".

ACT to Amend and Supplement the Ministry of Interior Act  
(State Gazette No. 93/2009, effective 25.12.2009)

.....  
Supplementary Provision

§ 59. (Effective 24.11.2009 - SG No. 93/2009) This Act introduces:

1. The Convention on the establishment of a European Police Office (Europol) adopted on 26 July 1995 (ratified by law, SG No. 105/2006, non-promulgated) and Council Decision 2002/187/JHA of 28 February 2002 setting up Eurojust with a view to reinforcing the fight against serious crime.

2. Council Framework Decision 2006/960/JHA of 18 December 2006 on simplifying the exchange of information and intelligence between law enforcement authorities of the Member States of the European Union.

Transitional and Final Provisions

§ 60. Upon entry into force of this Act, existing civil service relations of civil servants employed in the Ministry of Interior shall be retained as per Article 87a of the Civil Servants Act.

§ 61. Upon entry into force of this Act, existing employment relations of persons working in the Ministry of Interior under employment contracts shall not be terminated, in accordance with Article 123 of the Labour Code.

§ 62. (Effective 24.11.2009 - SG No. 93/2009) Incumbent investigating police officers who do not comply with the requirements set out in Article 217(1) shall perform the investigation functions assigned to them in the course of two years from the date of entry into force of this Act.

§ 63. (Effective 24.11.2009 - SG No. 93/2009) The Ministry of Interior shall be the legal successor of assets, liabilities, rights and obligations of the Ministry of Emergency Situations rendered defunct by the National Assembly's Decision adopting the structure of the Council of Ministers of the Republic of Bulgaria (SG No. 60/2009), as well as of any documents which are not subject to archiving under the procedure of the National Archives Stock Act.

§ 64. (Effective 24.11.2009 - SG No. 93/2009) The following persons shall be appointed to the Ministry of Interior without a competition held to this effect and without the special requirements of Article 179, Paragraphs 1(4) and 3 being met: civil servants employed under civil service relations and officials employed under employment relations with the Minister of Emergency Situations who perform functions relating to protection in cases of disasters and enabling citizens' access to the emergency services via the National Emergency Call System Employing the Single European Number "112" prior to the date of entry into force of the National Assembly's Decision adopting the structure of the Council of Ministers of the Republic of Bulgaria (SG No. 60/2009), which rendered the Ministry of Emergency Situations defunct.

§ 65. (Effective 24.11.2009 - SG No. 93/2009) Prior to 31 December 2009, employees under § 64 shall be paid their relevant remunerations, benefits and clothing allowances, as set according to the existing statutory procedure.

§ 66. (Effective 24.11.2009 - SG No. 93/2009) Upon entry into force of this Act, existing civil service relations of civil servants, as well as employment relations of persons working in the Special Courier Service under employment contracts shall not be terminated. The aforementioned

relations shall be transformed, accordingly, into civil service or employment relations as employees of the Ministry of Interior, whereby the persons concerned shall be appointed to the same positions which they held prior to the employment relation transformation.

.....  
§ 100. The Act shall become effective one month after its promulgation in State Gazette, with exception of § 1, 2, 21, 36, 39, 41, 44, 45, 49, 50, 51, 53, 55, 56, 57, 59, 62, 63, 64, 65, 70 and 91, which shall become effective at the day of its promulgation.

**TRANSITIONAL AND FINAL PROVISIONS**  
to the Act on Amendment and Supplement of Spatial Development Act  
(SG No. 66/2013, effective 26.07.2013)

.....  
§ 92. In the Water Supply and Sewerage Services Regulation Act (promulgated, SG No. 18/2005, amended, SG No. 30, 65 and 102/2006, SG No. 102/2008, SG No. 47 and 93/2009) everywhere the words "the Minister of Regional Development and Public Works" and "Minister of Regional Development and Public Works" is replaced by "the Minister of Regional Development" and "Minister of Regional Development."

.....  
**TRANSITIONAL AND FINAL PROVISIONS**  
to the Act to Amend and Supplement the Water Act  
(Promulgated, SG No. 103/2013)

.....  
§ 14. (1) The present regulatory period within the meaning given by Article 10 (1) of the Water-Supply and Sewerage Services Regulation Act shall be extended until the 31st day of December 2015. The next regulatory period shall commence on the 1st day of January 2016.

(2) The business plans for the present regulatory period, which have been approved until the entry into force of this Act, shall remain in effect.

(3) Within three months after the entry into force of this Act, the water and sewerage utilities shall supplement the business plans thereof under Paragraph (2) with a view to extending the present regulatory period under Paragraph (1). The supplements to the business plans shall be approved according to the procedure established by Article 11 of the Water-Supply and Sewerage Services Regulation Act.

(4) Within the time limit referred to in Paragraph (3), the water and sewerage utilities may request a review of the prices endorsed in connection with the supplements to the business plans.

(5) In the cases referred to in Paragraphs (3) and (4), the water and sewerage utilities shall follow the directions of the commission referred to in Item 4 of Article 6 (1) and Article 16 of the Water-Supply and Sewerage Services Regulation Act, according to which the present business plans have been elaborated and approved.

**TRANSITIONAL AND CONCLUDING PROVISIONS**  
to the Act to Amend and Supplement the Spatial Development Act  
(SG No. 98/2014, effective 28.11.2014)

.....  
§ 91. In the Water Supply and Sewerage Services Regulation Act (promulgated, SG No. 18/2005, amended, SG No. 30, 65 and 102/2006, SG No. 102/2008, SG No. 47 and 93/2009, No. 66 and 103/2013) everywhere in the text the words "Minister of Regional Development" and "the Minister of Regional Development" shall be replaced by "Minister of Regional Development and Public Works" and "the Minister of Regional Development and Public Works", respectively.

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TRANSITIONAL AND CONCLUDING PROVISIONS  
to the Act to Amend and Supplement the Energy Act  
(SG No. 17/2015, effective 6.03.2015)

.....  
§ 44. All acts issued by the State Energy and Water Regulatory Commission in the process of implementation of the Energy Act, the Energy from Renewable Sources Act and the Regulation of Water Supply and Sewerage Services Act, shall remain in force.

.....  
TRANSITIONAL AND CONCLUDING PROVISIONS  
to the Act to Amend and Supplement the Water Act  
(SG No. 58/2015)

.....  
§ 69. The charge for pollution from non-point sources in agriculture shall be payable from 1 January 2017.

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