



هيئة تنظيم الخدمات العامة
Authority for Public Services Regulation

2021 Forward Work Programme

November 2020



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Foreword

The Authority for Public Services Regulation (“the Authority”) is responsible for regulating the electricity, related water and gas sectors in the Sultanate of Oman.

In accordance with the principles of best regulatory practice and as required in accordance with the legislative framework under which the Authority operates the Authority publishes a Forward Work Programme before the commencement of each Financial Year (1 January to 31 December) setting out the principal areas of work for the coming year.

Further information about the Authority is available for review on the Authority’s website:

www.apsr.om



Objectives of the Authority

The Authority has a range of statutory functions and duties set out in various sections of the Sector Law (for Electricity) as well as related legislative instruments applicable to the gas transportation and water and wastewater sectors. In summary, although expressed slightly differently in each specific legislative instrument, these require the Authority, amongst other things to:

- to ensure efficiency of operation and of investments of licensees;
- to ensure the security and availability of the regulated services;
- to ensure the ability of licensees to finance their business (efficiently);
- to protect the public and staff in terms of safety;
- to promote (fair) competition where practicable and to ensure non-discrimination; and
- to protect the interests of certain customers, in accordance with stated public policy objectives relevant to each regulated sector.

The Authority is also subject to important governance duties in accordance with the principles of regulatory best practice including a duty to not discriminate against or unduly prefer any Person; to act consistently, treating like cases alike and, in particular, to ensure, so far as it is appropriate, that all Licenses and Exemptions for the same Regulated Activities are granted in substantially the same form; a duty to minimise, insofar as it is able to do so, the regulatory burden on licence holders and exemption holders; and to give written reasons for its decisions.

All of the Authority's work, including that envisaged in the 2021 Forward Work Plan, must be conducted in accordance with these statutory duties.

Consultation

The Authority consulted on the draft 2021 Forward Work Programme and invited interested Persons to submit comments and objections. The Authority responded to all comments and objections received in response to the consultation within 30 days of receipt.



Purpose of Forward Work Programme

The Authority's Forward Work Programme serves a number of purposes:

- (i) Publication of each Forward Work Programme provides notice to Persons who may be affected by the programme, thereby affording them the opportunity to comment on what is proposed;
- (ii) The Forward Work Programme is an important determinant of the Authority's costs (and licensees' fees) and as such is an important input in the development of the Authority's budget; and
- (iii) Publication of a Forward Work Programme reinforces transparency and accountability by allowing interested Persons, such as licensees, investors and customers and their representatives, to ensure work planned for each subsequent year is appropriate and aligned with the Authority's statutory functions and duties and with Government policy guidance.

The Forward Work Programme is not designed to comprehensively describe all of the activities the Authority expects to be involved with. Rather it describes the key areas of focus and themes for the coming year. During the course of a year the Authority may need to reprioritise work in response to events and changing circumstances and may therefore undertake work that was not included in a Forward Work Programme and be unable to undertake or complete items in a published programme.

Context & Content of 2021 Forward Work Programme

The 2021 Forward Work Programme is the sixteenth programme published by the Authority since the establishment of the Authority for Electricity Regulation in 2005. The work items identified in the 2021 Forward Work Programme are in addition to work undertaken by the Authority in the normal course of business.

The Programme is based on the following themes:

- the consolidation of existing activities, such as the distribution and supply price controls, reliability and customer service standards and liberalisation initiatives;
- the expansion of the Authority's scope to incorporate responsibility for the gas transmission network and the water and wastewater sectors; and
- essential new initiatives in relation to policy priorities related to the Government's Vision 2040 programme, such as digitisation.



2021 Work Priorities

The draft 2021 Forward Work Programme includes a number of 'high priority' areas of work:

General Policy

HP1 - Provide advice to Government in relation to policy matters including the development of a transparent energy policy

HP2 - Assist in implementing the Government's approved subsidy reform policy

HP3 - Monitor and assist in the implementation of the National Smart Metering Project in coordination with distribution companies

Water Sector

HP4 - Review the potential for the introduction of customer service KPIs in the water sector

HP5 - Support the Government with the finalisation of the new regulatory framework and legislation for the water and wastewater sectors which will include assessing the Health and Safety culture and practices of the Water and Waste Water companies

Price Control Review

HP6 - Carry out efficiency reviews of Distribution and Supply licensees in order to inform the new price control to be implemented from 2022

HP7 - Review the output and incentive based arrangements in the present distribution and supply price controls and consider inclusion of additional arrangements related to reliability of supply and further customer service indicators (including the accuracy of estimated bills). The Authority will also develop Regulatory Impact Assessment tool and ensure PCR process and proposals align with best practice and with precedent

HP8 – Carry out efficiency review and technical audit of OETC in order to inform the next OETC price control to be implemented from 2023

Market Liberalisation

HP9 - Finalise the arrangements for the Direct Sale (bilateral sales) initiative and discuss with stakeholders before submitting recommendations to policy makers

HP10 - Support spot market implementation, finalise APSR market monitoring arrangements, unbundling of OPWP market operator function and new market share limitations

Authority for Public Services Regulation, Oman

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