Appendix
Resolution No71, 2005
Regulatory Board, ERA

RULE FOR RESOLUTION OF COMPLAINTS & DISPUTES ADDRESSED TO THE ENERGY REGULATORY AUTHORITY OF MONGOLIA

The purpose of this rule is to resolve by the Energy regulatory authority (hereinafter referred to as ERA) within its full authorization, complaints and disputes arisen between licensees, as well as complaints and disputes between licensees and consumers.

One. General Provisions

1.1 The ERA shall act in accordance with laws and regulation and make its decision independent. Any interferences in the ERA's activities by the parties engaged in disputes to influence the ERA staff or Regulatory Board decision is prohibited.

1.2 Following terms stated in this rule are read as follows:

1.2.1 **Parties** mean the Licensees and Consumers, engaging in dispute.

1.2.2 **Dispute** means the issue to be verified and solved arisen from or due to not reaching common decision by one side or both of parties for issues arisen between Licensees and Consumers

1.2.3 **Complaint** means the request submitted for restoring its right that either of the Licensee or the Consumer had considered its legally protected right violated due to the activity of the other party.

1.2.4 **Application** means a letter written by Party having dispute or complaint in order to resolve it by ERA

1.2.5 **Applicant** means a person or an entity who submits an application in written form

1.2.6 **Direct resolution** means the resolution of disputes and complaints by ERA staff or mutual agreement of the Parties

Two. Receiving complaint and dispute application

2.1 The Parties shall submit their application letter writing in simple and understandable manner with supporting materials to the secretariat of the ERA.

2.2 The related subject (a person or an entity) of the complaint and dispute shall be clearly defined in the application letter. All supporting materials showing what measurements have been undertaken by the parties to handle the problem between

themselves and what issues have not been resolved, have to be attached to the application letter.

2.3 The parties are obliged to file with the ERA all supporting materials such as statements of witnesses, recommendations and result of investigation and analyses attached to the application letter regarding to the complaint and dispute.

2.4 The ERA shall ensure that the filed documents are complete. The ERA shall advice the applicant how to collect supporting materials if the documents are incomplete.

2.5 By becoming a Party to a case an individual or legal entity are obliged to comply with all decisions and procedures related to the case

2.6 The Parties shall have the right to become acquainted with the dispute case according to the rules and acts of the ERA as well as to have a copy of the documents related to the case.

2.7 The ERA shall issue and return explanation on impossibility of solving the issues if complaint and dispute case is not within its authority

Three. Complaint and dispute handling

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3.1 The secretariat of the ERA shall give an application letter to the pertinent department after registration and introducing to the Chairman of the Board of Regulators.

3.2 The ERA shall resolve complaint and dispute by following two ways:

A/ Direct resolution
An appointed department of the ERA should handle the dispute and complaint case according to the article 3.3 of this rule. All of other Departments should co-operate and contribute in resolving the case.

B/ Resolving complaint and dispute case at the meeting of the Board of Regulators.
Complaint and dispute will be resolved by the meeting of the Board of Regulators in case ERA staff determine difficulties during the investigation of the case and requirements to be resolved by the Board of Regulators.

3.3 The ERA staff shall comply with following procedure in resolving the complaint and dispute cases:
a/ To take a conclusion made by legal and related department's specialist
b/ To collect supporting additional information about suggested complaint and dispute cases from affected parties.

c/ To determine opportunities of complaint and dispute cases to be resolved by Licensees. And try to have Licensees resolve complaint and disputes on the site.
d/ To organize meeting and discussion and prepare the minutes of meeting (MOM), by observing the principle of resolving complaint and disputes by the way of mutual agreement.
e/ The MOM includes: Location, date, list of participated persons, activity sequence, note of introduced person and signatures of affected parties and the MOM protocol.
f/The ERA staff shall prepare proposal for resolving complaint and dispute cases, introduce to Regulators and give reply to the Parties in writing form, signed by one of Regulators.

3.4 Complaint and dispute case shall be handled within 30 days, depending on case situation.

3.5 Discussion in the meeting of the Board of Regulators shall observe the rule of the meeting of Regulators Board and Regulators

3.6 The Secretary of the Board of Regulators shall inform the parties about date, time and location of the meeting on 5 days prior to the meeting.

3.7 Information can be sent to the parties by facsimile, mail, cable or telex.

3.8 Parties can appoint their representatives or their proxy person to participate in the meeting. The proxy person shall have power of attorney with the signature, stamp of the party to participate in the meeting.

3.9 Meeting shall be held in Mongolian language. Any of the Parties who don't speak the official language shall attend in the meeting with their own interpreter.

3.10 Meeting can be postponed once in case of absence of one of Parties. If that Party is absent for the second time in the next meeting the dispute case shall be discussed without representatives of that Party.

3.11 The Regulators shall be introduced to all participants of the meeting and full authority of the representatives of a legal entity shall be checked.

Four. To hire expert for resolving complaint and dispute.

4.1 In case of involving necessary technical special knowledge and professional skills in the dispute case, the ERA can appoint a professional inspector or expert to take an evaluation and have this expert participate in the Board of Regulators meeting

4.2 The cost for individual experts will be borne by the Party, who is decided guilty after complete settlement of disputes.

4.3 Cost of expert include the payment for professional expertise and additional cost.
a/ The payment for professional expertise shall be set up according to law and regulations and may be mutually agreed unless it's not regulated by law.
b/ Additional cost shall be set up by the document of performance including transport, apartment rent and traveling allowance.

4.4 If required, the expert and also one or two specialist from another department shall observe at the site.

Five. Decision

5.1 A decision made shall be in accordance with the rule of the meeting of Regulatory Board and the transparent principles.

5.2 The decision of the Regulatory Board as well as decision made by direct resolution shall be final and the Licensees and Consumers shall follow it's decision.

5.3 Parties can appeal to the court, when Parties don't accept the decision.