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ENERGY SUPPLY CONTRACT IN THE REPUBLIC OF UZBEKISTAN: LEGAL REGULATION AND APPLICATION PRACTICE

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Abstract
This article examines the legal framework and practical application of energy supply contracts in the Republic of Uzbekistan. The research analyzes the hierarchical system of normative acts regulating energy supply relations, from the fundamental provisions in the Civil Code to specialized industry legislation and subordinate regulations. The paper identifies the essential characteristics and terms of energy supply contracts, explores liability mechanisms for both suppliers and consumers, and examines current judicial practice in energy supply disputes. Special attention is given to modern trends in the development of energy legislation, including market liberalization, implementation of advanced metering technologies, tariff policy improvement, and renewable energy integration. The study also highlights existing challenges in the legal regulation of energy supply contracts and proposes prospective directions for improving the regulatory framework. The findings demonstrate that Uzbekistan's energy contract regulation combines traditional approaches with innovative solutions aimed at enhancing the efficiency and competitiveness of the energy sector while maintaining a balance between the interests of energy suppliers and consumers.

Keywords: Energy supply contract; legal regulation; Civil Code; electricity market liberalization; energy legislation; consumer protection; liability of parties; energy disputes; renewable energy sources; automated metering systems; tariff policy; judicial practice; energy efficiency; regulatory framework.

Introduction

The energy sector is one of the key components of the economy of the Republic of Uzbekistan, and effective legal regulation of contractual relations in the field of energy supply has strategic importance for the country's sustainable development. In the context of ongoing reforms in the energy sector and liberalization of the electricity market, issues of contractual regulation of relations between suppliers and consumers of energy resources acquire particular relevance.

Legal Framework of the Energy Supply Contract. The legal regulation of contractual relations in the field of energy supply in the Republic of Uzbekistan represents a comprehensive hierarchical system of normative acts forming a unified legal mechanism. The foundation of this system is the **Civil Code of the Republic of Uzbekistan**, which contains fundamental provisions on the energy supply contract (Articles 468-477). It is in the Civil Code that the legal nature of this contract is defined as a special type of sales contract, its essential conditions and basic principles of liability of the parties are determined.

The development and specification of the Civil Code provisions is provided by the **Law of the Republic of Uzbekistan "On Electric Power Industry"**, which not only establishes the legal foundations for the organization and functioning of the electric power industry as a whole but also regulates in detail the relations between various subjects of the electricity market. This law creates the necessary industry-specific legal regulation that takes into account the technological features of production, transmission, and consumption of electricity.

At the subordinate legislation level, the **Resolution of the Cabinet of Ministers of the Republic of Uzbekistan "On Approval of the Rules for the Use of Electric and Thermal Energy"** has special significance. This normative act contains detailed procedural norms concerning the procedure for concluding and executing energy supply contracts, technical aspects of connection to networks, accounting for consumed energy, and other practical issues of implementing contractual relations.

The main regulatory framework is completed by the **Resolution of the Cabinet of Ministers "On Measures to Improve the Settlement System and Strengthen Payment Discipline for the Consumption of Electric Energy and Natural Gas"**, which regulates the financial component of energy supply – the procedure for payments for consumed energy resources, the application of tariffs, and measures to ensure payment discipline. This act has special significance for the economic stability of the entire energy supply system as it ensures a balance of interests between suppliers and consumers in the financial sphere.

Concept and Features of the Energy Supply Contract. The legal definition of the energy supply contract is enshrined in Article 468 of the Civil Code of the Republic of Uzbekistan, according to which this contract is an agreement whereby the energy supply organization undertakes the obligation to supply energy to the consumer (subscriber) through a connected network, and the consumer, in turn, is obligated not only to pay for the received energy but also to observe the consumption regime stipulated by the contract, ensure the safe operation of energy networks under its management, as well as maintain in good working order the devices and equipment used by it related to energy consumption.

Analysis of the regulatory framework and established law enforcement practice makes it possible to identify a number of essential characteristics of the energy supply contract, which collectively determine its unique place in the system of civil law contracts in Uzbekistan:

First, the energy supply contract has a public nature, which is expressed in the mandatory obligation of the energy supply organization to enter into a contract with any person who approaches it, provided that the appropriate technical capability exists. This feature is due to the social significance of energy supply and the need to ensure equal access to energy resources for all categories of consumers.

Second, the special nature of the contract is determined by the uniqueness of its object — energy as a special type of commodity that possesses unique physical properties: it is consumed in the process of its use, cannot be returned, and requires special technical means for its transmission and accounting. These physical properties of energy predetermine many legal features of the contractual structure of energy supply.

Third, the energy supply contract is characterized by continuity of execution, since the supply of energy is carried out continuously, without technological interruptions (except for cases of repair work or emergency situations). In this, it differs significantly from most other sales contracts, which involve discrete deliveries of goods.

Fourth, a specific feature of this contract is the mandatory presence of certain technical prerequisites for its conclusion and execution, namely: the connection of the consumer's energy receiving devices to the networks of the energy supply organization, the compliance of these devices with established technical requirements, as well as the equipment of delivery points with energy resource metering devices.

The legal validity of an energy supply contract in the Republic of Uzbekistan is contingent upon the presence in its content of a number of essential conditions, the absence of agreement on even one of which entails the recognition of the contract as not concluded. Such conditions include:

The quantity of supplied energy represents one of the key parameters of the contract, determined based on the balance between the energy needs of the subscriber and the technical capabilities of the energy supply organization. The legislation provides for various ways of fixing this parameter: by establishing a fixed volume, determining the minimum and maximum consumption values, or by agreeing on the procedure for determining the amount of energy during the execution of the contract based on meter readings.

The qualitative characteristics of energy are an equally important essential condition, since deviation of energy parameters from established values may lead to the failure of the consumer's energy receiving devices or create a threat to human life and health. The quality of the supplied energy must comply with the requirements established in state standards, technical regulations, and other normative technical documents of the Republic of Uzbekistan.

The energy consumption regime represents the procedure for energy use agreed upon by the parties, including such parameters as the maximum value of consumption power, uniformity of daily consumption, peak load hours, and permissibility of interruptions in energy supply. This condition is of particular importance for ensuring the stability of the functioning of the energy system as a whole, since uncontrolled load fluctuations can lead to disruptions in the energy supply of a wide range of consumers [1].

The price (tariff) is an essential condition of the energy supply contract, reflecting the value expression of the supplied energy. In the Republic of Uzbekistan, energy tariffs are established by authorized state bodies in accordance with pricing legislation, taking into account the category of consumer, volume of consumption, time of day, and a number of other factors. The parties to the contract are not entitled to independently establish tariffs different from those approved by the state, which reflects the public law element in the regulation of these relations.

The payment procedure determines the mechanism for the subscriber to make payments for consumed energy. The legislation of Uzbekistan provides for various payment models, the most common among which are: advance payments with subsequent recalculation based on actual consumption, payment based on meter readings for the billing period, as well as

combined schemes. The choice of a specific payment method depends on the category of consumer, volume of consumption, and other factors determined by the contract [2].

Liability of Parties under the Energy Supply Contract. One of the key elements of the legal regulation of contractual relations in the field of energy supply is a detailed system of liability measures for breach of obligations. The legislation of the Republic of Uzbekistan provides a differentiated approach to determining the grounds, forms, and measures of liability for various participants in these legal relationships.

Liability of the energy supply organization arises when it violates its obligations to provide an uninterrupted supply of energy of proper quality. Among the most common grounds for liability, the following should be highlighted:

First, **interruptions in energy supply** that are not caused by emergency situations or scheduled maintenance work carried out in compliance with the established procedure. Uzbekistan's legislation differentiates liability depending on the duration of the interruption, its causes, and the category of consumer affected by the violation. For particularly important categories of consumers (medical institutions, strategic facilities), enhanced liability measures are provided.

Second, **supply of energy of inadequate quality**, the parameters of which do not correspond to established technical standards and requirements. Deviation of the qualitative characteristics of energy from regulatory indicators can lead to the failure of the consumer's energy-receiving devices, which entails the obligation of the energy supply organization not only to reduce the payment for low-quality energy but also to compensate the consumer for actual damages [3].

Third, **unjustified limitation or termination of energy supply**, carried out in violation of the procedure established by law. This procedure includes mandatory prior notification of the consumer about the planned limitation, observance of the time periods between notification and actual limitation, as well as consideration of the social significance of the energy supply facility. Violation of this procedure entails full compensation to the consumer for losses incurred.

Liability of the consumer (subscriber) in the energy supply contract arises when they violate their obligations for proper use and timely payment for consumed energy. The grounds for holding a consumer liable include:

The first and most common ground is **late payment for consumed energy**. Depending on the category of consumer and the duration of the delay, Uzbekistan's legislation provides for various liability measures: from the accrual of penalties to complete restriction of energy supply in the established order. At the same time, with respect to socially significant categories of consumers (for example, individuals), the legislation establishes a special procedure for applying liability measures, including additional guarantees to protect their interests [4].

The second ground is **unauthorized connection and use of energy** without concluding an appropriate contract or bypassing metering devices. This act not only entails civil liability in the form of recovery of the cost of illegally consumed energy (calculated according to a special methodology) but can also be qualified as an administrative offense or even a criminal offense if qualifying features are present.

The third ground is **violation of the agreed energy consumption regime**, expressed in exceeding the contractual values of consumed power, non-compliance with the established load schedule, or unauthorized changes to the connection scheme. These violations can threaten the stability of the functioning of the entire energy system, which determines increased liability measures, including compensation for damages caused and the possibility of unilateral restriction of energy supply.

The fourth ground is **damage to energy equipment and metering devices** located in the operational responsibility zone of the consumer. In such cases, the consumer is obligated not only to compensate for the cost of the damaged equipment but also to reimburse the costs of restoring the energy supply, as well as losses incurred by the energy supply organization due to the forced restriction of energy supply to other subscribers.

Current trends in the development of legislation in the field of energy supply. The dynamic development of the energy sector of the Republic of Uzbekistan in recent years is characterized by large-scale structural reforms aimed at improving the efficiency, reliability, and economic sustainability of the energy system. These transformations are directly reflected in the evolution of the legal regulation of contractual relations in energy supply, where four key trends can be traced:

The first trend is the **liberalization of the electricity market**, which involves a radical change in the organizational and legal model of the industry: a transition from a vertically integrated monopoly structure to a competitive model with a functional separation of the processes of production, transmission, distribution, and sale of electricity. This transformation is accompanied by the formation of the legal foundations of wholesale and retail electricity markets, the creation of an institute of independent producers, the introduction of competitive pricing mechanisms, and the development of contractual structures that ensure freedom of choice of counterparties for participants in the energy market [5].

The second trend is the **introduction of modern technologies for energy resource accounting**, in particular, the active spread of automated systems for commercial electricity metering (ASCEM). These systems allow for remote collection, processing, and analysis of energy consumption data in real-time, which significantly increases the accuracy of accounting, minimizes opportunities for unauthorized consumption, and creates a technical basis for the introduction of differentiated tariffs. At the legislative level, there is a consolidation of requirements for modern metering devices, regulation of the procedure for their installation, operation, and verification, as well as the determination of the legal regime of information obtained with the help of ASCEM.

The third trend is the **improvement of tariff policy** toward more flexible and economically justified pricing. In Uzbekistan, a phased transition is being carried out from unified tariffs to multi-rate and differentiated tariff systems that take into account the time of day, volume of consumption, consumer category, and other factors. Special attention is paid to the development of incentive tariffs that encourage energy conservation and increased energy efficiency. These changes require appropriate adaptation of contractual structures, in particular,

more detailed regulation of the procedure for calculations and application of various tariff plans [6].

The fourth trend is the **development of legal regulation in the field of renewable energy sources**. In Uzbekistan, a comprehensive regulatory framework is being created to ensure the integration of alternative energy sources (solar, wind, geothermal, etc.) into the general energy system. Special contractual structures are being formed to mediate relations between owners of renewable energy facilities and traditional energy supply organizations, including agreements on technological connection, on the purchase of produced "green" energy at preferential tariffs (feed-in tariffs), and on the joint use of energy infrastructure.

Judicial Practice on Disputes Arising from Energy Supply Contracts Analysis of judicial practice materials in the Republic of Uzbekistan indicates a significant number of disputes arising from energy supply contracts, which is due to both the mass nature of these legal relationships and the complexity of their legal regulation. Based on the systematization of court decisions, several of the most common categories of disputes can be identified:

Disputes on the recovery of debt for consumed energy represent the most numerous category and make up more than half of all court cases in the field of energy supply. The specificity of these disputes lies in the peculiarities of proving the fact and volume of energy consumption, applying the rules of limitation periods, as well as determining the amount of penalty for late payment. Judicial practice in such cases is quite uniform and tends to protect the interests of energy supply organizations if there is appropriate evidence of energy consumption by the subscriber.

Disputes about recalculation of payment for energy arise in cases of detection of metering device malfunctions, discovery of errors in calculations, or application of incorrect tariffs. Of key importance in such disputes are issues of distributing the burden of proof between the parties, determining the methodology for recalculation in the absence of reliable meter readings, as well as establishing the period for which recalculation should be made. In these cases, courts strive to achieve a balance of interests of the parties, carefully analyzing all the circumstances of the case and involving experts for conducting technical examinations when necessary [7].

Disputes on compensation for damage caused by interruptions in energy supply or the supply of energy of inadequate quality are particularly complex due to the need to establish a causal relationship between the actions of the energy supply organization and the resulting negative consequences. Within this category of cases, courts decide on the amount of actual damage and lost profits, on exempting the energy supply organization from liability in case of force majeure circumstances, as well as on the distribution of liability between several persons who jointly caused harm.

Disputes about illegal termination or limitation of energy supply arise in situations where the energy supply organization suspends the execution of its obligations in violation of the established procedure. When considering such cases, courts evaluate compliance with the procedure for warning the consumer, the existence of grounds for limiting energy supply, as well as the validity of classifying the facility as a category not subject to disconnection. Judicial

practice in this area is aimed at protecting the interests of bona fide consumers, especially those belonging to socially significant categories [8].

Problems and Prospects for Improving the Legal Regulation of Energy Supply Contracts

Despite the rather detailed regulation of contractual relations in the field of energy supply, a number of problematic aspects are revealed in the law enforcement practice of the Republic of Uzbekistan, requiring further improvement of the regulatory framework:

The **problem of insufficient consumer protection** manifests itself primarily in the field of compensation for damage during interruptions in energy supply or supply of energy of inadequate quality. Existing mechanisms for compensation for harm are characterized by the complexity of the proof procedure, the length of court proceedings, and the inadequacy of awarded compensations. This problem is particularly acute for domestic consumers who, due to information asymmetry and limited resources, are in a knowingly weaker position compared to energy supply organizations. A promising direction for solving this problem could be the introduction of simplified procedures for considering consumer claims, establishing minimum amounts of compensation for typical violations, as well as creating specialized bodies for consumer protection in the field of energy supply.

The **problem of determining the volume of consumed energy** in the absence or malfunction of metering devices remains one of the most difficult in the practice of energy supply. Current methods of calculating consumption according to standards or based on the connected power of energy-receiving devices often lead to overstatement of charges and, as a consequence, to disputes. Improvement of legal regulation in this area should follow the path of developing more fair and economically justified calculation methods that take into account the real operating modes of energy-receiving devices, as well as creating effective incentives for timely installation and verification of metering devices.

The **problem of imperfection of dispute resolution mechanisms** in the field of energy supply is expressed in the length and high cost of court procedures, which creates significant obstacles to the effective protection of violated rights. A promising solution to this problem is the development of alternative methods of dispute resolution, including mediation, arbitration, as well as the creation of specialized administrative procedures for pre-trial settlement. Of particular importance is the formation of clear and understandable rules for the claim procedure, compliance with which should become a mandatory condition before going to court.

Promising directions for improving legal regulation are:

1. Development of a special law on energy supply contracts - for more detailed regulation of all aspects of these relations.
2. Implementation of alternative dispute resolution mechanisms - mediation, claim procedure, etc.
3. Harmonization of legislation with international standards - taking into account the best global practices.
4. Improvement of liability mechanisms - including for the quality of services provided.

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Conclusion

The energy supply contract in the Republic of Uzbekistan is a key legal instrument ensuring the functioning of the energy sector of the economy. The current state of legal regulation of this contract is characterized by a combination of traditional approaches and innovative solutions aimed at improving the efficiency and competitiveness of the energy sector.

Further improvement of the legal regulation of energy supply contracts should be carried out taking into account the balance of interests of energy suppliers and consumers, as well as the strategic objectives of developing the energy sector of the Republic of Uzbekistan.

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