

Machicura hydroelectric plant which is still under public sector control.

Distribution

The distribution of energy to final consumers is separated from its generation, except in the southern part of the country. Because electricity distribution companies are natural monopolies, their pricing system is also regulated. The maximum tariffs that can be charged are computed every four years taking as a basis a model company, with typical consumer density and a representative cost structure.

17.4 Coal

As with petroleum, the state is legally the sole owner of all coal fields. The possibility for exploration and exploitation of coal by private investors is available only under concession. Concessions are, by law, a real and immovable right. Thus, the concession holder has exclusive rights to freely explore and exploit his claim.

Ownership in the coal sector is mixed. Coal exploitation is concentrated in one state company (ENACAR) and three private firms (SCHWAGER, CARVILLE, and COCAR). Of these, ENACAR has suffered deep financial problems over the last couple of years, and has avoided bankruptcy only through heavy subsidies from the state. The reason for this decision is the dependence of some 150,000 people -- located in a highly concentrated geographical area-- on these