



Prishtina, 14 October 2016
ERO Code: V_849_2016

The Board of Energy Regulatory Office,

Based on:

- Provisions of Article 26 paragraph 1, Article 47 and Article 48 of the Law on Energy Regulator no. 05/L-084;
- Provisions of Article 19 of the Law on Energy No.05/L-081;
- Provisions of Articles 18 and 19 of the Law on Thermal Energy No.05/L-052;
- Thermal Energy Pricing Rule; and
- Notification Letter from the Public Enterprise – District Heating (DH) Gjakova JSC. dated on 3 October 2016,

Following the review of Notification Letter and based on the above-mentioned legal provisions, **in its session held on 14 October 2016, issued the following:**

DECISION

- I. Thermal Energy Tariffs for Final Customers of District Heating (DH) Gjakova JSC., are hereby **APPROVED**, same as last season tariffs, for heating season 2016/2017, as presented in table 'II.1' which shall be implemented from 15 October 2016.

Reasoning

1. On 3 October 2016, Energy Regulatory Office (ERO) received a Notification Letter from District Heating (DH) Gjakova JSC. notifying ERO of the reasons that preclude a completed application based on real forecasts, for thermal energy tariffs review for this season. The reasons mentioned in the Notification Letter are summarized as follows:
 - DH Gjakova, in this season as well, shall rely on heavy fuel oil for thermal energy production, which represents an unaffordable financial cost for the enterprise;
 - Considering this and also the current difficult financial situation, the operation of DH Termokos shall to a huge extent be dependent on the subsidies from Kosovo Budget- the subsidies are ensured for calendar year 2016 and therefore they are looking forward to ensure a sufficient amount for 2017.
 - DH Gjakova is a beneficiary of the project in an amount of 12 million EUR, financed by EU, for construction of new biomass heating plant, which is under preparatory phase; the execution of this project shall enable the provision of a continuous quality supply in the future. However, until the execution of this project DH Gjakova shall make efforts to continue the operation and provide supply within its limited financial potential, so that it can gradually regain customers trust.
 - The above-mentioned reasons hinder any possible real and sufficiently accurate planning (forecast) for an authentic tariff review.



2. ERO Board reviewed the justifications presented in the Notification Letter submitted by DH Gjakova, and considered them as fair and justified.
 3. Taking into consideration legal provisions mentioned in the introductory section of this Decision and based on review of Notification Letter submitted by DH Gjakova, dated on 3 October 2016, ERO Board has decided as in the enacting clause of this Decision.
- II. The structure of thermal energy tariffs for DH Gjakova JSC. for heating season 2016/2017 is provided in table II.1 below.

Table II.1: The structure of thermal energy tariffs for DH Gjakova JSC. – season 2016/2017

THERMAL ENERGY TARIFFS FOR DH GJAKOVA - season 2016/2017			
A: THERMAL ENERGY TARIFFS- METERED			
Tariff Components	Unit	Value	
Thermal Capacity Monthly Tariff (fixed comp.)	[€/kW/month]	0.91	
Tariff for Ther. Ene. Supply/Consumption (variable comp.)	[€/MWh]	58.76	
B: THERMAL ENERGY TARIFFS- NON-METERED			
Tariff Components	Unit	Household customers	Com&Ins customers
Thermal Capacity Monthly Tariff (fixed comp.)	[€/m ² for month]	0.09	0.12
Tariff for Ther. Ene. Supply/Consumption (variable comp.)	[€/m ² for month]	0.88	1.27

- III. DH Gjakova shall publish the thermal energy tariff structure, as presented in table II.1 of this Decision, on at least one daily newspaper with wide circulation in Kosovo, within five (5) business days following the announcement and publication of this Decision on ERO's official website.
- IV. Energy Regulatory Office (ERO) holds the right to audit accounting registers and bills of DH Gjakova to verify the realization of the revenues and costs executed in season 2016/2017.
- V. The Decision shall be issued in Albanian language and translated into Serbian and English language. In case of any discrepancy between the versions, the Albanian version shall prevail.
- VI. The Decision shall enter into force on the data of approval by ERO Board and shall be applied by DH Gjakova from 15 October 2016 until the next tariff review.
- VII. This Decision shall be published on ERO's official website.



Legal Advice: The party dissatisfied with this Decision may initiate an administrative dispute at the competent court, within thirty (30) days, from the date of receipt of this Decision or the date of its publication on ERO's website, whichever occurs last.

ERO Board:

Krenar Bujupi, acting-Chairman

Arsim Janova, Member

Qemajl Mustafa, Member

Besim Sejfiqaj, Member

This Decision is sent to:

- The party; and
- ERO Archive