



Republika e Kosovës
Republika Kosova - Republic of Kosovo

ZYRA E RREGULATORIT PËR ENERGJI
REGULATORNI URED ZA ENERGIJU
ENERGY REGULATORY OFFICE



RULE ON LICENSING OF ENERGY ACTIVITIES IN KOSOVO

Pristina, ... 2017



The Energy Regulatory Office Board, pursuant to the authority given under Article 26, paragraph 1, sub-paragraph 1.1, and 38 of Law No 05/L-084 on the Energy Regulator, at the session held on _____[date] approved the following:

RULE ON LICENSING OF ENERGY ACTIVITIES IN KOSOVO

CHAPTER I GENERAL PROVISIONS

Article 1 Purpose

1. The general objective of this Rule is to create a public, transparent and non-discriminatory licensing procedure that promotes the establishment of a competitive energy sector, stimulates investment while ensuring the stability and security of the energy supply in Kosovo.
2. The purpose of this Rule is to promote development in the energy sector through:
 - 1.1. transparent, open and non-discriminatory performance of energy activities;
 - 1.2. regulation of the energy market in such a manner as to ensure transparent and fair relations between all participants;
 - 1.3. determination and provision of the prompt, efficient and economical proceeding on all issues related to license grant;
 - 1.4. the creation and maintenance of competitive markets and the prevention and punishment of any predatory or anti-competitive conduct;
 - 1.5. the transparent and non-discriminatory performance of energy activities which are subject to public service obligations, as well as ensuring the non-discriminatory access to transmission and distribution systems and interconnection;
 - 1.6. creation of conditions for efficient, cost-effective and safe use of electricity, thermal energy and natural gas;
 - 1.7. adequately balancing the interests of customers and energy enterprises;
 - 1.8. protection of human health, safety and the environment.
2. Energy Regulatory Office (ERO) by developing the rights, obligations and conditions of the License, obliges and incentivises Licensees to operate in the manner to achieve all objectives as prescribed in their License.



3. To meet its obligations as set forth in the paragraph 1 of this Article, ERO has the authority and powers to:
 - 3.1. grant, amend, suspend, transfer, and terminate licenses;
 - 3.2. supervise and control compliance with license conditions
 - 3.3. monitor the unbundling of the legal form, organizational, decision and the account unbundling of energy enterprises, and certify transmission system operators;
 - 3.4. revise, approve, and control compliance with all codes including the grid code, the distribution code, the consumer protection code, the electrical equipment code, electricity standards code and the metering code, market rules and other technical and commercial codes;
 - 3.5. grant its consent for the separation, termination, or reduction in initial capital of energy enterprises that hold licenses.

Article 2 Definitions

1. Terms used in this Rule shall have the following meaning:
 - 1.1. **“Applicant”** – natural or legal person applying for a license of energy activity in accordance with the conditions of this Rule and, where the licence will be granted to a newly established business organisation, shall include the parent company or companies who own and control the new business organisation;
 - 1.1. **“Contracting Party”** is a State signatory to the Treaty Establishing the Energy Community;
 - 1.2. **“ERO”**- Energy Regulatory Office;
 - 1.3. **“Energy Activities”** – has the meaning as defined in the Law on Energy;
 - 1.4. **“Energy”**– any form of energy generation (electricity, thermal energy or natural gas) for the purpose of supply or sale;
 - 1.5. **“License”** - a document issued by Energy Regulatory Office, enabling the holder of a license to perform activities in the energy sector which need a license in accordance with provisions of Laws in relation to energy sector; and
 - 1.6. **“District heating”** means – thermal energy which is transported through a thermal energy transfer fluid from the generator to the consumer, through the distribution network, for the purpose of heating/cooling of residential and business spaces in the required level, and heating of sanitary and industrial water;.
 - 1.7. **“Thermal energy”** – has the meaning as defined in the Law on Thermal Energy;
 - 1.8. **“Natural gas”** - has the meaning as defined in the Law on Natural Gas;
 - 1.9. **“Storage System Operator”**- has the meaning as defined in the Law on Natural Gas;



- 1.10 **“Storage facility”**- has the meaning as defined in the Law on Natural Gas.
- 1.11 **“Supply”** – in respect of electricity, means the sale, including resale, of electricity to **wholesale and final customers** in line with Article 3.1.17 of the Law on Electricity and Article 3.1.15 of the Law on the Energy; and, in respect of natural gas, means the sale, including resale of natural gas to **final customers** as defined in Article 3.1.3 of the Law on Natural Gas
2. Terms used in this Rule shall have the same meanings as the terms used in the Law on Energy Regulator, Law on Energy, Law on Electricity, Law on Thermal Energy and Law on Natural Gas.

Article 3 **Licensed activities**

1. Pursuant to Article 28, paragraph 2 of the Law on the Energy Regulator, a license issued by ERO may cover more than one of the following energy activities:
- 1.1 the generation of electricity or thermal energy (heat);
 - 1.2 the co-generation of electricity and thermal energy;
 - 1.3 the transmission of electricity or natural gas, including transmission system operation;
 - 1.4 the distribution of electricity or natural gas, including distribution system operation;
 - 1.5 the distribution of thermal energy;
 - 1.6 the guaranteed supply of electricity
 - 1.7 the storage of natural gas including storage system operator;
 - 1.8 subject of the provision of paragraph 4 below, the supply of electricity, thermal energy, or natural gas; including transit, import or export of electricity or natural gas;
 - 1.9 the wholesale supply (trade) of electricity or natural gas
 - 1.10 the operation of market for electricity or natural gas;
2. Energy activities that require no License:
- 2.1 the generation of electricity at an electricity site with total capacity not exceeding 5 MW;
 - 2.2 energy generation by thermal energy plants for self-consumption or with capacity not exceeding 1 MW;
 - 2.3 the generation of electricity for self-consumption, where neither the generation facility nor the consumers of the electricity are connected to the transmission system or the distribution system;
 - 2.4 storage of natural gas where the total storage capacity is less than ten thousand (10,000) cubic meters.
3. For avoidance of any doubt, the activity of transit of electricity or natural gas as per Article 3, subparagraph 1.55 of the Law on Energy, does not require the grant of a license by ERO.
4. Where, and only to the extent that, ERO has agreed reciprocal arrangements in terms of Article 32.3 of the Law on Electricity with the national regulatory authority of another



contracting party, the activity of supply and trade of electricity and natural gas as described in article 1, subparagraph 1.8 above, does not require the grant of a license by ERO.

CHAPTER II PROCEDURES FOR GRANT OF LICENSES

Article 4

Application for a license

1. An application for a license, amendment, transfer, and extension of a license shall be submitted in writing and in the form specified by ERO including the additional general requirements, and the specific requirements appropriate to each type of licence as laid out in Chapter III of this Rule.
2. The applicant shall submit an application in hard and soft copy to ERO, in one of the official languages in Kosovo.
3. In case a document/evidence has been issued in another language, the applicant has to submit the translated document in one of the official languages of the Republic of Kosovo and verified by a notary.
4. All applicants for a license including application for amendment, transfer or withdrawal of a license, shall pay the administrative fee for the review of the application pursuant to Rule on Fees.
5. The fee paid by the applicant for the review of application shall not be reimbursed, even in such cases when an application is refused.

Article 5

Procedures for reviewing applications

1. The procedures established under this Rule shall be valid for all applicants applying for a license, including the applications by an existing licensee for amendment, transfer and termination of a current license.
2. ERO shall review the applications together with the attached evidences, and shall inform the applicant in relation to a decision made by it, within a period of time set forth under Article 7 of this Rule.
3. If the application submitted is considered incomplete, ERO shall require from the applicant to provide necessary additional information for the completion of application, which are required pursuant to applicable rules within a period of time specified.
4. In case the application and additional documents are not in accordance with the criteria set forth in this Rule, ERO shall require from the applicant to correct his/her application within a period of time specified by it. The period for reviewing of the application shall start as of the date when ERO has deemed the application complete.



5. In case the applicant has not corrected his/her application, or has not submitted the evidences missing within a period of time specified, ERO shall reject the application and shall inform the applicant in writing accordingly.

Article 6
Publication of a notice for application

1. Upon ERO's determination that the application for a license is complete, ERO shall instruct the applicant applying for a license to publish a notice in two (2) daily newspapers of wide circulation in Kosovo, which will describe:
 - 1.1 A brief summary of the license application; and
 - 1.2 Details of the official within ERO to whom any objection to the grant of such license should be submitted. The deadline for such objection shall be eight (8) working days, from the date when the announcement was published. The objection may be submitted in electronic or other form.
2. If ERO receives an objection for an application, it shall send a copy of it to the applicant and shall post it on the website of ERO.
3. ERO shall determine the merit of any objection at its sole discretion noting the statutory grounds for the grant, amendment, termination, transfer or refusal of an application set out in the Law on Energy Regulator.
4. The Applicant and/or ERO shall not reveal any information, which is deemed confidential, in accordance with the Rule on Confidential Information.

Article 7
Form of Application and timeline for the review of applications

1. The form of application for licensing energy activities in Kosovo shall be issued and published by ERO.
2. ERO shall take a formal decision for each application within ninety (90) calendar days, upon the submission of a completed application. ERO shall inform the applicant on the date when his application is deemed as complete.
3. ERO may refuse to grant a license in accordance with Article 35 of the Law on Energy Regulator. In case a license is refused, an applicant cannot file a new request before ninety (90) calendar days from the date when such an application has been refused.
4. Provision of any false or fraudulent information by the applicant shall be the basis for the refusal of an application, or, if it is revealed after the license has been granted, it shall be the basis for the withdrawal of a license, or there will be some other sanctions imposed by ERO.



CHAPTER III GENERAL AND SPECIFIC APPLICATION REQUIREMENTS

Article 8

General application requirements

1. When applying for a license, each applicant shall submit the following documents to ERO:
 - 1.1 a copy of the certificate granted by the agency authorized to register business organizations in Kosovo, where an applicant is required by the law on business organisation to register a business in Kosovo;
 - 1.2 applicant's business plan, related to the energy activities to be covered by the license, that covers at least three (3) years;

applicant's annual financial statements for the last three (3) years. These annual financial statement of the applicant are subject to independent financial auditing. The applicant shall submit the auditor's report separated from financial statement, whilst the newly established enterprise shall submit the financial statement and information in relation to the experience of partners and his/her stakeholders, if any, for the performance of energy related activities;
 - 1.4 a certificate from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee of applicant or a parent company in a case of subsidiary, or similar evidence of the availability of funds sufficient to finance the activity for which a license is being requested);
 - 1.5 a verified copy of the registration of the shares or real equity participation of any shareholders or partners of the applicant with supporting documentation;
 - 1.6 where the applicant or its shareholders or partners have been licensed to conduct energy activities in any other State, such license has not been terminated, withdrawn or suspended in any country where it operates within five (5) years prior to the date that the application is submitted. ERO reserves the right to contact the national regulatory office of any other State where the applicant conducts or has conducted licensed activities;
 - 1.7 a certificate issued by the competent body certifying that the applicant is not subject to a procedure for insolvency or liquidation in any country in which the applicant conducts its business, that his/her business is not administered by the court and his/her commercial activities are not suspended;
 - 1.8 details of the applicant's experience in performing such energy activities in the form of Curriculum Vitae ("CV") of the enterprise;
 - 1.9 information regarding the management and the organizational structure (management and professional personnel) of the applicant;
 - 1.10. CVs of the applicant's senior management together with their qualifications; and confirmation that managers of the applicant have not been convicted or are not prosecuted for criminal acts in Kosovo or any other State;



- 1.11. receipt of the payment of the relevant application fee for licensing (in accordance with Article 4.4 of this Rule).
2. The applicant shall submit a signed statement certifying that it complies with legal requirements set forth under laws applicable in Kosovo and, where the applicant requests a licence on behalf of a newly established business organisation, in the State in which the shareholders or partners of the new business organisation conduct their principal business, and any record of prior violations in Kosovo or elsewhere regarding:
 - 2.1 safe and secure working conditions; and
 - 2.2 environmental protection.

Article 9

Specific requirements for application for a generation license

1. An applicant applying for a license for the generation of electricity, generation of thermal energy or co-generation of electricity and thermal energy, in addition to the requirements under Article 8 of this Rule, shall also submit to ERO the following documents/evidences:
 - 1.1. data on the type and technical specifications of energy facility and site including a list of the main and ancillary facilities of the energy facility whereabouts;
 - 1.2. evidence on availability of fuel and/ or preliminary or final contract for fuel supply, when applicable ;
 - 1.3. network connection agreement;
 - 1.4. environmental permit issued by a competent institution (where applicable); During the application stage the environmental consent should suffice;
 - 1.5 a plan for rehabilitation of facility (where applicable);
 - 1.6 evidence of the property rights accompanied by sketches and maps of the relevant property and facility;
 - 1.7. thermal efficiency declaration (where applicable);
 - 1.8. permit for water utilization (where applicable);
 - 1.9. a plan of decommissioning of the generating units.



Article 10

Specific requirements for application for a Transmission System Operator licence

1. An applicant applying for a license for transmission system operator in addition to requirements under Article 8 of this Rule shall also submit to ERO the following documents/evidences:
 - 1.1. description of all relevant transmission systems owned and/or operated by the applicant together with information on ownership rights to use elements of system, both within Kosovo or in another State;
 - 1.2. system development plan as set forth in Article 10 of the Law on Energy or Article 18, subparagraph 6.1 of the Law on Natural Gas;
 - 1.3. information about current or planned the cross border capacities;
 - 1.4. demonstration of capability and availability of necessary hardware and software systems, together with all other resources financial, human and technical necessary for the applicant to perform the tasks set down by Article 18 of the Law on Natural Gas and Article 16 of the Law on Electricity, as appropriate;
 - 1.5. specification and technical characteristics of metering devices at energy delivery points; and
 - 1.6. statement that applicant will meet all of his obligation under a license and will implement and develop all technical codes as set forth under Law on Electricity and Law on Natural Gas.

Article 11

Specific requirements for application for the Market Operator License

1. An applicant applying for a license as Market Operator of electricity or natural gas, in addition to the applicable requirements under Article 8 of this Rule shall also submit to ERO the following documents/evidences:
 - 1.1. demonstration of capability and availability of necessary hardware and software systems for communication with all metering points, with all market participants; and
 - 1.2. statement of the applicant's awareness of his obligations to develop and implement Market Rules.

Article 12

Specific requirements for application for a distribution system operator licence

1. An applicant applying for a license for the distribution of electricity, natural gas and thermal energy, in addition to the requirements under Article 8 of this Rule, an applicant shall also submit to ERO the following documents/evidences:



- 1.1. description of relevant distribution system or systems, together with their technical characteristics and the territory for distribution of electricity, natural gas and thermal energy;
- 1.2. information on ownership or legal right to use the elements of the system;
- 1.3. system development plan as set forth in Article 10 of the Law on Energy, Article 22 of the Law on Natural Gas or Article 15, paragraph 3, sub-paragraph 3.2 of the Law on Thermal Energy , as appropriate;
- 1.4. information on the expected numbers and structure of connected customers and of potential customers;
- 1.5. demonstration of capability and availability of necessary hardware and software systems, together with all other resources financial, human and technical necessary for the applicant to perform the tasks set down by Article 18 of the Law on Natural Gas and Article 16 of the Law on Electricity, as appropriate;
- 1.6. indicators measuring the quality of supply with energy (duration, frequency, number of interruptions, minutes lost expressed per customer, etc) and system operation services (general information, meter reading agreements, time of connection, failure, restoration of energy system after failures, etc);
- 1.7. specification and technical characteristics of metering devices of distribution system; and
- 1.8. transmission system connection agreement.

Article 13

Specific requirements for application for a supply license

1. An applicant applying for a license to supply final customer with electricity, natural gas or thermal energy, in addition to the applicable requirements under Article 8 of this Rule, shall also submit to ERO the following documents/evidences:
 - 1.1. data on the material resources owned by the applicant, including billing and information systems and the available software for performing the activity;
 - 1.2. information regarding the handling capability of the applicant's billing system;
 - 1.3. the form(s) of contract that the applicant intends to use for supplying customers with electricity, natural gas or thermal energy;
 - 1.4. a statement as to whether the applicant is willing in principle to act as a supplier of last resort in terms of Article 39 of the Law of Electricity or Article 19 of the Law on Thermal Energy as applicable and, if so, for what numbers or classes of customer the applicant's billing and administrative systems are capable of handling.



Article 14

Specific requirements for application for a licence for the storage of natural gas

1. The requirements for a licence for the storage of natural gas shall be set by separate decision of the Board of ERO.

CHAPTER IV TERMS AND CONDITIONS OF THE LICENSES GRANTED

Article 15

General terms and conditions

1. Each license granted by ERO under the terms of this Rule shall include the indispensable terms and conditions for performing the licensed activity, setting forth the rights and obligations imposed on all licensees notwithstanding the type of energy activity.
2. Each license shall, inter alia, contain the following provisions:
 - 2.1 the legal grounds for issuing the license;
 - 2.2 the type of energy activity that is licensed;
 - 2.3 definitions;
 - 2.4 conduct of licensed activities;
 - 2.5 the territories covered by the license, where applicable;
 - 2.6 ownership or legal right to use territory, facility and integral parts of system;
 - 2.7 the main facilities used to perform the licensed activity, if applicable;
 - 2.8 the terms, conditions, rights and obligations of the licensees;
 - 2.9 requirement to comply with all relevant technical and commercial codes including the Market Rule;
 - 2.10 requirement to comply with conditions set forth in the licenses, laws and regulations applicable in Kosovo and rules issued by ERO;
 - 2.11 accounting standards provisions;
 - 2.12 prohibition of cross-subsidies (inter-subsidies), if applicable;
 - 2.13 prohibition of anti-competitive behaviour, if applicable;
 - 2.14 prohibition on discrimination;
 - 2.15 public service obligation and supply of last resort provisions, if applicable



- 2.16 integrity and financial sustainability of the licensee;
 - 2.17 requirements to comply to the safety, security and environmental standards protection;
 - 2.18 conditions regarding the renewal, amendment, transfer, suspension, termination, and withdrawal of a license;
 - 2.19 provisions as to change in control of the licensee
 - 2.20 prohibition on disposal of assets without regulatory approval
 - 2.21 obligation to maintain data in relation to the licensed activity as required;
 - 2.22 the insurance obligations for certain categories of the licensees, as applicable.
 - 2.23 provision in relation to reporting to ERO;
 - 2.24 provision for payment of fees;
 - 2.24 provision in relation to dispute resolution and appeal procedure;
 - 2.25 legal consequences of violation of license requirements; etc.
3. In addition to the provisions set forth in paragraph 2 of this Article, ERO may include in the license other conditions in order to assure compliance with the objectives or requirements of the applicable legislation.

Article 16

Specific terms and conditions in different kind of licenses

1. ERO may include in a licence for generation terms and conditions concerning:
 - 1.1. requirement to provide necessary measurements of impact on environment in accordance with applicable laws, rules and codes in the energy sector;
 - 1.2. fuel stocks, as applicable;
 - 1.3. efficiency measures, as applicable;
 - 1.4. ancillary and balancing services
 - 1.5. provisions relating to the decommissioning and/or removal of all facilities and structures, and to return the land to its original condition, as applicable;
2. ERO may include in the licence for a **transmission system operator** terms and conditions concerning:



- 2.1. the requirement to provide connection to and use of the transmission system to third parties requiring to arrange for the conveyance of electricity, natural gas or thermal energy in an objective and nondiscriminatory manner, with appropriate provisions governing the submission of requests for access, the procedure for denial of access, and appeal procedure by the parties to whom the access is denied;
- 2.2. requirements in respect of TSO certification that must be satisfied by the applicant to demonstrate that it is eligible to be certified as a TSO under the applicable provisions of the Law on Electricity or the Law on Natural Gas.
- 2.3. in the case of electricity, priority of dispatch and connection of energy generated from renewable energy sources as set forth in Article 14, paragraph 1 of the Law on Energy, Article 16, sub-paragraph 1.44 of the Law on Electricity, Article 14.2 of the Law on Thermal Energy and other applicable rules and codes in the energy sector;
- 2.4. an obligation to make information publicly available about interconnection and transmission system maintenance plan and possible congestions, in accordance with applicable laws, rules and codes in the energy sector;
- 2.5. an obligation to prepare and update a development and investment plan for the transmission system in accordance with applicable laws, rules and codes in the energy sector;
- 2.3. an obligation to maintain a database of information received by users of the transmission system, holding data available to the public on an aggregated basis, while preserving the information considered confidential and commercially sensitive;
- 2.4. where applicable, the establishment of a compliance program relating to unbundling requirements, which sets out measures taken to ensure that discriminatory conduct of the market players is excluded, and ensure that observance of it is adequately monitored;
- 2.5. an obligation to develop technical codes as set forth under Law on Electricity and the Law on Natural Gas and to modify them in consultation with users; and
- 2.6. the reduction of technical losses on the transmission system;
- 2.7. the installation of sufficient and appropriate metering on the system to allow the operator to provide accurate information to ERO, users of the system or other interested persons regarding units received onto, and delivered from, his system;
- 2.8. responsibilities in relation to Interconnections and Inter-TSO Compensation mechanism
- 2.9. other responsibilities of a transmission system operator as prescribed under applicable laws, rules and codes in the energy sector.
3. ERO may include in the licence for a **distribution system operator** terms and conditions concerning:
 - 3.1. the requirement to provide connection to and use of the distribution system to third parties requiring to arrange for the conveyance of electricity, natural gas or thermal energy in an objective and nondiscriminatory manner, with appropriate provisions governing the



- submission of requests for access, the procedure for denial of access, and appeal procedure by the parties to whom the access is denied;
- 3.2 in the case of electricity and thermal energy, priority of dispatch and connection of energy generated from renewable energy sources as set forth in Article 14, paragraph 1 of the Law on Energy, Article 16, sub-paragraph 1.44 of the Law on Electricity , Article 16.6 of the Law on Thermal Energy and other applicable rules and codes in the energy sector;
 - 3.3. an obligation to prepare and update a development and investment plan of the distribution system in consultation with the transmission system operator in accordance with applicable laws, rules and codes in the energy sector;
 - 3.4. an obligation to maintain a database of information received by users of the distribution system, holding data available to the public on an aggregated basis, while preserving the information considered confidential and commercially sensitive;
 - 3.5. establishment of a compliance program relating to unbundling requirements in line with applicable laws, rules and codes in the energy sector which sets out measures taken to ensure that discriminatory conduct of the market players is excluded, and ensure that observance of it is adequately monitored;
 - 3.6. an obligation to develop technical codes as set forth under Law on Electricity and the Law on Natural Gas and to modify them in consultation with users; and
 - 3.7. all metering and invoicing requirements are designed and performed in a safe and economical manner to assure that both users of the system and customers connected to the system are able to receive up-to-date and appropriate consumption and, where appropriate, demand data;
 - 3.8. the reduction of losses on the distribution system;
 - 3.9. the installation of sufficient and appropriate metering on the system to allow the operator to provide accurate information to ERO, users of the system or other interested persons regarding units received onto, and deliered from, his system;
 - 3.10. other responsibilities of a distribution system operator as prescribed under applicable laws, rules and codes in the energy sector.
4. ERO may include in a **licence for the public supply of thermal energy**, terms and conditions concerning:
- 4.1. requirements set forth under the Law on Thermal Energy pertaining to the public supply of heating to the customers;
 - 4.2. provisions pertaining a Supplier of Last Resort in order to ensure the continuity of thermal energy supply to customers;
 - 4.3. requirements for purchasing plant and equipment in a manner that is economic and efficient;



- 4.4. requirement to assure that the license holder informs all customers of the procedure for making a claim for damages and establishes adequate appeal procedures to address such claims and compensation; and
 - 4.5. the prevention of discrimination in provision of the services to the customers.
 - 4.6. other responsibilities as prescribed under applicable laws, rules and codes in the energy sector.
5. ERO may include in the licence for **supply of electricity and natural gas** terms and conditions concerning:
- 5.1. requirements set forth under applicable laws, rules and codes in the energy sector
 - 5.2. an obligation to purchase energy in the most economically efficient manner, if it is universal services supplier or supplier of last respond;
 - 5.3. an obligation to inform all customers of the procedure for making a claim for damages and establishes adequate appeal procedures to address such claims and compensation;
 - 5.4. a prohibition on discrimination in provision of the services to customers;
 - 5.5. a prohibition on anti-competitive practices;
 - 5.6. any public service obligation, as applicable;
6. ERO may include in the licence for a **Market Operator** terms and conditions concerning:
- 6.1. any requirements set forth under the Law on Electricity or Natural Gas;
 - 6.2. an obligation to develop the Market Rules as set forth under Law on Electricity and the Law on Natural Gas and to modify them in consultation with users;
 - 6.3. the provision of correct and reliable information regarding prices, number of market participants, percentage of market share, forecasted prices and statistics to the market participants.



CHAPTER V MONITORING

Article 17

Monitoring of licensed activities

1. ERO shall monitor the performance of licensed activities based on the data submitted by the licensee and information from the market in accordance with applicable Laws and regulations.
2. The licensee shall cooperate with ERO in providing all data requested during the license validity period.
3. ERO may perform physical inspections of the facilities and license-related documents on the premises of the licensee (periodically announced and unannounced visits) or pursuant to Article 33, paragraph 3 of the Law on Energy request from Inspectorate of respective Ministry of Energy to perform such inspections on the premises of licensed enterprises, and shall provide to ERO a written report on the inspection.

Article 18

Requirement for the Licensee to Keep and Collect Information

1. ERO may require the licensee to collect and to keep information, data and documents concerning the customers, metering devices, data regarding the supply quality measurement, and number of complaints, including the following data:
 - 1.1. names and addresses of customers;
 - 1.2. location of the metering devices;
 - 1.3. amounts of compensation paid to customers in case of poor performance, if any;
 - 1.4. number of contracts signed by different categories of final customers;
 - 1.5. numbers and types of complaints registered; and
 - 1.6. other additional information as ERO deems appropriate.



CHAPTER VI

EXTENSION, AMENDMENT, SUSPENSION, TRANSFER AND TERMINATION OF LICENSE

Article 19

Extension of the license

1. ERO may extend the duration of a license for another period, in accordance with Article 32 of the Law on Energy Regulator, provided that the licensee meets all obligations and requirements in its license, and has submitted a written application for extension.
2. Application for the extension of the license for the activities set forth in the license shall be done no later than six (6) months before the expiration of the license, as stipulated in Article 20, paragraph 3 of the Law on the Energy Regulator.
3. Every request for extension of the license shall be treated by ERO in accordance with the license application procedures as stipulated in this Rule.
4. The extension shall commence from the date of expiration of the period of validity of the license.
5. The form of application for the extension of the license shall be issued and published by ERO.

Article 20

Modification of the license

1. Licenses may be modified upon the initiative of ERO at its discretion, but taking due account of the comments received from the Licensee and other interested parties following open consultation.
2. For every license modification, ERO shall inform the licensee in writing. This notice shall specify the basis on the proposed modification and the effects expected from it.
3. Within a period of fourteen (14) days from the date of receiving the notice pursuant to paragraph 2 of this Article, the licensee may file a statement in writing presenting his point of views in relation to ERO's announcement for the modification of the license, and shall attach every other supporting document.
4. ERO shall consult upon the proposed modification with all licensees and with other interested parties.

Article 21

Modification of the License upon the request of the Licensee

1. The licensee may request a modification of its license at any time.
2. The licensee shall submit all information and documents necessary to support the request for modification.



3. Modification of the license, upon the request of the licensee, shall be subject to the discretion of ERO and subject to the responses received following consultation with other licensees and interested parties.
4. The form of application for the modification of the license shall be issued and published by ERO.

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Article 22 **Suspension of the license**

ERO may temporarily suspend the license in cases when such a suspension is justified. In this case, the licensee is given reasonable time to correct his actions or failure of actions, as well as when the licensee proves his willingness and ability to conduct such corrections.

Article 23 **Termination of a license**

1. Pursuant to Article 37 of the Law on Energy Regulator, any issued license may be terminated or withdrawn by ERO in the following cases:
 - 1.1 expiration of the period of validity, including the possible extensions of its terms;
 - 1.2 upon the request of the licensee, provided that the licensee obligations are taken over by another licensee, or that the customers shall not suffer from this discontinuation of license;
 - 1.3 its revocation by ERO;
 - 1.4 dissolution of the legal person holding the license;
 - 1.5. destruction of the energy facility beyond repair ;
 - 1.6. where the licensed energy activity has not been conducted for more than six (6) months, except where this activity is approved by ERO;
 - 1.7. where provisions of Article 25 of this Rule are met;
 - 1.8 if the licensee fails to meet or violates conditions and material obligations set forth by the license, and if he does not correct such failures within a reasonable period of time stipulated by the Energy Regulatory Office;
 - 1.9 if the licensee's activities are discontinued as a result of stating his insolvency to pay or due to liquidation, however, this sub-paragraph is not applied to a process of reorganization which is supervised by the court if the licensee continues his activity during this process, and
 - 1.10 if the licensee has submitted incorrect information taken as the basis for granting the license, as well as that those information are of great importance for proper performance of the licensed activities:



2. In reference to paragraph 1, the license can be terminated only if ERO has established that the licensee' obligations, including the public service obligations, can be carried out in a satisfactory way by another licensee or when customers do not suffer from the termination of such a license.
3. Every request for termination or withdrawal of the license shall be treated by ERO in accordance with license application procedures set forth under this Rule.

Article 24

Transfer of a terminated license

1. Where a license granted by ERO to a licensee has been terminated, ERO at its sole discretion may transfer such licence to another person in line with Article 37.4 of the Law on the Energy Regulator.
2. The licence shall only be transferred by ERO in the case when the reasons for such transfer are justified by the applicant and:
 - 2.1. if the proposed transferee will accept and discharge all remaining obligations of the current Licensee, whether arising under the License of the licensee, this Rule, or any other applicable legislation; and
 - 2.2. if the proposed transferee fulfils all conditions set forth in this Rule on Licensing and other applicable legislation; and
 - 2.3. the licensee meets all the eligibility criteria that would be met if he were applying for the grant of the license in his own right.
3. The transfer proceeding is performed by ERO in the same manner as that used in granting a license. ERO shall determine whether the proposed transferee is capable of satisfying the license conditions. The duration of license validity and conditions of license shall remain the same.
4. The form of application for modification of the License shall be issued and published by ERO.

Article 25

License suspension or termination in connection with retirement of licensed generation facility

1. Prior to termination of the license pursuant to Article 23 of this Rule, ERO shall approve on its own initiative or upon request by the licensee, in conjunction with the Ministry of Environment and other relevant authorities, the:
 - 1.1. suspension of the license for the generation of electricity and thermal energy for a short period of time;
 - 1.2. retirement of the energy facility, subject to requirements that a financial guarantee is deposited in the bank sufficient to cover expenses;



- 1.3 discontinuation and decommissioning of power generation and close down of the power plant.
2. Pursuant to Article 19 of this Rule, the license may be extended if this extension is required to facilitate the retirement of the licensed activity or in the interest of security of supply.
4. The license can be terminated only if ERO has established that the licensee' obligations, including the public service obligations, can be carried out in a satisfactory way by another licensee or when customers do not suffer from the termination of such a license.
5. ERO can transfer the license, which has been terminated, to another licensee, provided that the new licensee shall apply for the license and shall be approved of.
6. Every request for termination or withdrawal of the license shall be treated by ERO in accordance with license application procedures set forth under this Rule.

CHAPTER VII FINAL AND TRANSITIONAL PROVISIONS

Article 26

Official language

This Rule is issued in Albanian and shall be translated in Serbian and English language. In the event of a discrepancy among the versions, the Albanian version shall prevail.

Article 27

Modification

1. ERO is entitled to change or modify this Rule at any time.
2. Procedures for the changing or modification of this Rule shall be the same as were for its approval.
3. The modification of this Rule does not affect the validity of any licence issued by ERO under any previous version of this Rule.

Article 28

Interpretation

In case there are uncertainties concerning the provisions of this Rule, the Board shall issue explanatory information.

Article 29

Repeal

This rule shall repeal the Rule for licensing energy activities in Kosovo issued pursuant to the Law No 05/L-084 on the Energy Regulator and approved by the Board of Energy Regulatory Office on 29.08.2011.



Article 3
Entry into force

This Rule shall enter into force upon the day of its approval by the Board of ERO and shall be published on the official website of ERO.

Board of Energy Regulatory Office:

, Chairman

, Member

, Member