



Pristina, 31.03.2017
ERO Code: V_905_2017

The Board of Energy Regulatory Office

Based on:

- Provisions of Article 9, Article 16, paragraph 1, subparagraphs 1.4 and 1.10, Article 25, Article 55, paragraph 1, subparagraphs 1.2 and 1.5, Article 56, paragraph 1, subparagraph 1.2 and Article 57 of the Law on Energy Regulator, Law no. 05/L-084;
- Provisions of Article 2, paragraph 1, subparagraph 1.3, Article 4, paragraph 5, Article 6, paragraph 1 and Article 9 of Rule on Administrative Measures and Fines;
- Provisions of Article 27 of the Distribution System Operator License, issued by KEDS JSC;
- Notice no. 081/17, dated on 06 March 2017, on the violations ascertained with respect to planned outages, carried out during October and November 2016, by KEDS JSC.;
- KEDS response, dated on 20.03.2017 related to the conducted violations,
in its session held on 31 March 2017 issued the following:

DECISION

- I. **A FINE IS IMPOSED TO** Kosovo Electricity Distribution Company (KEDS JSC.) on the violations conducted during the outages carried out in October and November 2016, in an amount of **€45.000** (forty five thousand Euros)
- II. KEDS JSC. is **OBLIGED** to pay the fine in the account of the Budget of the Republic of Kosovo, within 30 (thirty) days from the day of the receipt or publication of this Decision, as stipulated in item I. of the enacting clause of this decision, under the threat of enforcement.

REASONING

The Regulator, pursuant to legal competences given with Article 55 and 56 of the Law on Energy Regulator, following the receipt of information by customers and concerns presented in media related to electricity outages, initiated an inspection with the purpose of monitoring the planned outages carried out during October-November 2016, by KEDS JSC. by requiring information and detailed report by KEDS on the: electricity outages for maintenance purposes, electricity outages as a result of failure and electricity outages as a result of overload.

On 15 November 2016, the Regulator received from KEDS JSC the required reports which were evaluated and analyzed, and taking into account that the submitted clarifications were not satisfactory, required extra clarifications on: detailed maintenance plan, the reasons for the duration



of outages especially outages taking place from 16:00-20:00, and discrepancy of data with the published and submitted plans.

The Regulator evaluated and analyzed the received reports, and following the inspections in the field, with the Requisition dated on 18.11.2016, requested from KEDS JSC, to stop all electricity outages after 16:00 with the purpose of network maintenance. KEDS was also required to plan the outages in an appropriate manner in order to eliminate any negative effects on the customers as well as submit a day ahead the maintenance daily plan by clearly specifying the locations and work to be carried out.

With the purpose of deeper inspection of planned outages, on 22.11.2016, the Regulator required from KEDS JSC additional documentation on: a) revision of energy transformers; b) revision of overhead lines; conductors 35 and 10 kV in cities, conductors 35 and 10 kV outside the cities , conductors 0.4 kV (networks of cities and villages); c) revision of cable conductors; d) revision of protection and metering equipment; e) revision of hyper voltage; f) revision of grounding.

In its session held on 25.11.2016, the Board of the Regulator reviewed the initial findings ascertained during this inspection, and evaluated that there is sufficient ground for doubts that irregularities took place during the process of planned outages, and at the same time decided to investigate thoroughly the identified irregularities.

In its formal letter, dated on 25.11.2016, due to the complexity of the issue being inspected, the Regulator requested the following from KEDS JSC: to stop immediately all planned outages, excluding necessary outages which may harm the safety of energy supply; by 08.12.2016 at the latest submit to the Regulator the detailed revised plan of maintenance, including the duration of outages; and c) provide to the staff of the Regulator a full cooperation during the investigation, and allow access to information and facilities administered by KEDS.

The Regulator analyzed carefully all the data from the submitted reports on outages, and compared the data with the information that KEDS had published on its official website, therefore ascertained that there is a discrepancy between the plan of outages submitted to the Regulator and the one published by KEDS, where according to data submitted by KEDS JSC is clearly seen that there is a high number of planned outages, and these outages are often in the same exits and the duration is four (4) hours, regardless of the work to be carried out.

The Regulator also ascertained that electricity outages were not required for the purpose of network revision, after 16:00 (when there is no natural light), when it is clearly known that the revision of conductors has to be carried out mainly during the day time and is conducted with the purpose of visual inspection of poles, consoles, isolators, bridges, dischargers, protection rope, risk signs, number of poles and the condition of the track etc.

The Regulator carried out inspections in the exit 10 kV, Matiçani J 41, the District of Pristina and concluded that on 16.11.2016 the outage in this exit starting from 16:00-20:00 was not due to maintenance as KEDS had claimed, but was simply an electricity reduction. This conclusion is supported by: a) KEDS JSC. plan on planned outages in November, b) publication in the official



website, c) the diary of the operator- the book of KOSTT telegrams (daily records), d) KEDS Work Order, e) photos from the field; and f) the non-presence of any team in the field or at SS Pristina 7, according to the Work Order.

The Regulator also carried out inspections in the exit 10kV, Banullë, the District of Ferizaj, where it concluded that on 16.11.2016, the outage in this exit, from 16:00-20:00, was not due to maintenance as was claimed by KEDS JSC but was a simple reduction of electricity. This conclusion is supported by: a) KEDS JSC plan on planned outages in November, b) publication in the official website, c) the diary of operator- the book of KOSTT telegrams (daily records), d) KEDS Work Order, e) photos from the field.

On 01.12.2016, KEDS notified the Regulator and the broad public that on 02.12.2016, due to the safety of the system, maintenance works will be carried out from 11:00-14:30 in the exit 10 kV, therefore the following villages will remain without electricity (during the maintenance works): Dumincë, Shtedim, Mirovc, Livadicë and Digana. Following the inspection by the Regulator in the Exit 10 kV, Livadica, Podujevë, District of Pristina, it was ascertained that on 02.12.2016 there was no electricity outage in this exit.

Following the review and evaluation of responses/comments by KEDS JSC on inspection of planned outages, the Board of the Regulator concluded that KEDS JSC. could not in any case or with any fact oppose/argue the findings from the inspection, therefore in its session held on 27 February 2017 issued **Notice on violations ascertained for planned outages carried out during October-November 2016, by KEDS JSC.**

The ascertained violations are the following: discrepancy between the outages plan submitted by the Regulator and the one published by KEDS; electricity reduction in certain exits with the purpose of planned maintenance; non-execution of planned maintenances plan.

Pursuant to provisions of Article 57, paragraph 7 of the Law on Energy Regulator, the above-mentioned Notice was sent to KEDS JSC. in order to enable them to provide to the Regulator a written response on the conducted violations.

On 20 March 2017, the Regulator received from KEDS JSC. the response on the ascertained violations, mentioned in the above-mentioned Notice, whereby KEDS justified the violations ascertained by the Regulator, claiming that they occurred mainly due to non organization or poor organization within KEDS JSC. as well as due to other reasons, mainly organizational ones.

The Board of the Regulator, in its session held on 31.03.2017, analyzed and evaluated the response submitted by KEDS JSC. and concluded that the reasons stated in the KEDS JSC Report do not challenge the violations ascertained by the Regulator. These violations are justified by KEDS JSC with the negligence of the employees; allegedly they were not in line of duty. These reasons are unacceptable for the Regulator due to the fact that organization and supervision of employees is an exclusive responsibility of the management of KEDS JSC., therefore it is unreasonable to harm customers due to poor management and poor organization of employees.



Upon imposing the fine, the Board of the Regulator also considered the mitigating circumstances, taking into account the fact that the licensee immediately stopped the above-mentioned actions, which prevented further harm to customers. The Regulator also evaluated as a mitigating circumstance the behaviour and cooperation of KEDS JSC. with the Regulator during the entire process.

The Decision on imposing a fine was taken in conformity with legal provisions of Article 57, paragraph 2, sub-paragraph 2.8 and 2.14 of the Law on Energy Regulator and provisions of Article 11, paragraph 1.10 and 1.12 of the Rule on Administrative Measures and Fines, issued by the Regulator.

The Decision on payment of the fine was taken in accordance with legal provisions of Article 57, paragraph 9 of the Law on Energy Regulator.

- III. The Decision is issued and published in official languages of the Republic of Kosovo.
- IV. The Decision shall enter into force on the date of approval by the Board and will be published on the Regulator's official website.
- V. KEDS JSC. has to inform the Regulator on the payment of the fine.

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.

Board of the Regulator:

Krenar Bujupi, Acting Chairman

Arsim Janova, Member

Besim Sejfijaj, Member

This Decision is sent to:

- KEDS JSC,
- ERO Archive.