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Governance Procedures for Technical /Operational Codes (OCGC)

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Legal Basis

Pursuant to Article 26.1 of the Law on Energy Regulator the Board of Energy Regulatory Office in the session held onhas adopted Governance Procedures for Technical and Operational codes that are stipulated in the Article 38.7 of Law on Electricity.

1. Applicability and Structure of Procedure

1.1 Applicability

This procedure develops the governance procedures for review and approval of Technical/ Operational Codes in the Electricity sector in Kosovo.

These governance procedures establishes the “Procedure and Rules of Committee” made up of different members or bodies in the Electricity/energy sector which will review the

- Grid, Distribution and Metering Codes;
- Electrical Equipment and Electrical Standards Codes;
- Customer Protection Code.

1.2 Structure of the governance procedure

The procedure is divided into 7 further sections, as follows:

- Section 2 stipulates out the establishment, definitions, interpretation and objectives of the Committee;
- Sections 3 and 4 describe the membership, appointment and removal of Members of the Committee;
- Sections 5 and 6 covers the responsibilities of the Members of the Committee, meetings, proposals and voting powers; and
- Sections 7 and 8 describe the allocation of costs and amendments to the Governance Procedure.

2. Establishment, Definitions, Interpretation and Objectives

2.1 Definitions and Interpretations

The following words and expressions shall have the following meanings in this procedure:

- "Alternate" means the individual appointed by the Appointor to represent him at the Committee meetings in his absence;
- "Appointor" means an appointing body of the parties referred to in the Rules which is entitled to appoint a Member or Members of the Committee;
- "Business Day" means any day other than (a) Saturday or Sunday or (b) any public holiday in Kosovo;
- "Chairman" means the person appointed to be Chairman his alternate or the person appointed to act as Chairman of the meeting appointed by Members in the absence of the Chairman or the Chairman's alternate;
- "OCGC" means the Operational Codes Governance Committee (OCGC) set up to review the Technical and Operational Codes in the Electricity Industry in Kosovo;
- "Constitution" means the constitution and rules of the Operational Codes Governance Committee (OCGC) as set out in this document;
- "Distribution System Operator" means the holder of a licence under Chapter 7, article 32 of the Law on the Energy Regulator;
- "ERO" means the Energy Regulatory Office as mandated under the Law on the Energy Regulator;
- "Generators" means a holder of a generation licence under Chapter 3, Art 5 of the Law on the Energy Regulator;
- "Independent Generators" means any generator other than KEK Generation;
- "Member" means a person duly appointed to be a Member of, or the Chairman of, the Committee and references to a "Member" in this Constitution shall, unless the context otherwise requires, include the Chairman;
- "Public Supplier" means the public electricity supply function of KEK as indicated in Chapter 6, Art 21 of the Law on Electricity;
- "Interconnector party"- means a licensed entity that may trade across **lines connecting to an adjacent TSO's with parties outside the domain of the SO**;
- "Secretary" means the person appointed by ITSMO as secretary to the Committee as under this Constitution;

- "Supplier" means a holder of a licence under Chapter 7 Art 28 of the Law on Energy Regulator, 2004;
- "Trader" means a holder of a licence under Chapter 6, Art 23 of Law on Electricity;
- "Transmission Network Operator", as term, is synonymous with the term
- "Transmission System Operator" which shall prevail in this Constitution;
- "Transmission System Operator" means the holder of a licence under the Chapter 7 Article 32 of the Law on the Energy Regulator.

In this procedure, unless the context otherwise requires:

- words and expressions used which are not expressly defined in this Constitution shall have the same meaning as defined in the Grid, Distribution, Metering Codes; Electrical Equipment and Electrical Standards Codes and Customer protection Code;
- words denoting the singular also include the plural and vice versa; words denoting the masculine also include the feminine and vice versa;
- headings and titles to sections shall not be taken into consideration in the interpretation or construct of the words and expressions used;
- a reference to a person includes licencees.

This procedure shall be subject to the approval of ERO.

2.2 Objectives of the OCGC

The objectives of the OCGC are to:

- generally review and discuss the Grid Code, Distribution Code and Metering Code and their workings;
- generally review and discuss Electrical Standards and Electrical Equipment Codes and its workings;
- generally review and discuss the Customer Protection Code and its workings;
- review and discuss all suggestions for amendments to the Grid Code, Distribution Code and Metering Code which ITSMO, DSO, ERO, any User or any potential User may wish to submit to ITSMO for consideration by the OCGC from time to time;

- review and discuss all suggestions for amendments to the Electrical Standards and Electrical Equipment Code which any User or any potential User may wish to submit to ITSMO for consideration by the OCGC from time to time;
- review and discuss all suggestions for amendments to the Customer Protection Code which the Public Supplier-KEK, any User or any potential User may wish to submit to ITSMO for consideration by the OCGC from time to time;
- discuss what changes/modifications are necessary to the Grid Code, Distribution Code and Metering Code arising out of any unforeseen circumstances referred to it by ITSMO or DSO under the Grid, Distribution or Metering Codes;
- discuss what changes/modifications are necessary to the Electrical Standards and Electrical Equipment Codes arising out of any unforeseen circumstances referred to it by ITSMO, any user or potential user;
- discuss what changes/modifications are necessary to the Customer Protection Code arising out of any unforeseen circumstances referred to it by the Public Supplier, any user or potential user;
- make and publish (in ITSMO web-site) recommendations and ensure that User consultation of such recommendations has occurred through the OCGC's Members.

3. **Membership of the Committee**

3.1 **Members**

The OCGC shall consist of:

- 1 Chairman;
- 1 non-voting Secretary;
- 1 person appointed by and representing ITSMO licencee;
- 1 person appointed by and representing DSO-KEK licencee;
- 1 person appointed by and representing Generation-KEK licencee;
- 1 person appointed by and representing the Public Supplier-KEK licencee;
- 1 person appointed by and representing ERO;
- 1 person appointed by and representing Independent Generators;
- 1 person appointed by and representing Independent Suppliers/Traders;
- 1 person appointed by and representing Eligible Customers.

Each Member shall be appointed pursuant to the Article 4.1 of this procedure.

Each Member shall be entitled to bring with him to each meeting a maximum of [one] technical expert (or professional adviser). These technical experts shall not constitute additional membership in the OCGC. The member intending to bring the technical expert is obliged to notify Committee in advance including the matter that may arise with help such expert.

OCGC shall establish and comply at all times with the rules and procedures relating to the conduct of its business.

The persons nominated to be members shall provide expertise in various areas (ie. technical operations, planning and market administration) and where specialist expertise is required the ITSMO shall provide such expertise as required and provision of such expertise shall not constitute additional membership in the OCGC.

The ITSMO shall provide the secretariat to the OCGC and provision of such shall not constitute additional membership in the OCGC.

A person may only be appointed as a representative of one Appointor.

3.2 **Sub-Committees**

The OCGC will establish Sub-Committees to undertake specialist work on the area of focus or responsibility accorded to the Sub-Committee.

In the first three (3) years of the life of the OCGC, the OCGC will establish, no less than, three (3) Sub-Committees.

These will comprise:

- Sub-Committee on the Grid, Distribution and Metering Codes;
- Sub-Committee on the Electrical Standards and Electrical Equipment Codes;
- Sub-Committee on the Customer Protection Code.

The three (3) Sub-Committees will consist of such persons as the OCGC considers desirable.

Each sub-committee shall be subject to such written terms of reference and shall be subject to such procedures as the OCGC may determine.

The meetings of sub-committees of the OCGC shall, as far as possible, be arranged so that the minutes of such meetings can if appropriate be presented to the Members in sufficient time for consideration before the next meeting of the OCGC.

3.3 Working Groups

The OCGC may further establish working groups to advise it on any matter from time to time. Such working groups may consist of Members and/or such other persons as the OCGC may determine for the purpose.

The views of sub-committees and working groups shall not be the view of the OCGC unless discussed and agreed by the OCGC.

4. Appointment, Removal and Resignation of Members other than Chairman

4.1 Appointment of Members

The OCGC shall consist of the persons to be appointed as Members as listed in section 4 each such Member representing their own respective Appointor.

Any Appointor may at any time remove its appointed Member from OCGC and appoint another person in that Member's place, but shall have no right to remove any Member appointed by another Appointor.

Whenever any new Member or Chairman is appointed, the Appointor of that Member or Chairman shall notify the Secretary in writing within five (5) Business Days of the appointment taking effect.

If at any time any Appointor shall not have made an appointment and/or shall be in disagreement as to whom to appoint and as a result no Member represents that Appointor:

- the Energy Regulatory Office (ERO) shall have the option, until the relevant Appointor has decided upon an appointment and notified the Energy Regulatory Office (ERO) accordingly, to appoint a Member or Members on behalf of that Appointor and to remove any person so appointed by the Appointor; and
- in the event that the right is not exercised, the OCGC shall be regarded as complete in the absence of that Member or those Members.

No person other than an individual shall be appointed as a Member or as the Member's alternate.

Each Member shall cease automatically membership following the OCGC meeting held on the first Business Day in the month of **February every second year starting from the year 2007** e.g. 2009, 2011, 2013, etc. (or if no meeting is held on such day, at the meeting which is held on the date falling closest after that day) but such Member shall be eligible for re-appointment.

In these circumstances each Appointor may, by notice in writing to the Chairman, indicate its wish to re-appoint the retiring Member or to appoint a new Member in that Member's place.

Notifications for appointment of the new member must be delivered to the Chairman at least fifteen (15) Business Days in advance of the Meeting by an Appointor represented by each Member.

In respect of an existing Member, notification for re-appointment will be deemed to be given if no notification as per previous paragraph is delivered to the Chairman at least five (5) Business Days in advance of the meeting.

If only one notification is received for the re-appointment or appointment of a Member or if all notifications received are unanimous, the person named in the notification(s) will become the Member with effect from the beginning of the meeting.

If more than one notification is received in respect of a Member or if all notifications received are not unanimous, the Chairman shall refer the matter to ERO. ERO will within five (5) Business Days of receipt of the last of the Chairman's referral contact (insofar as the ERO is reasonably able) the Appointor represented by that Member and seek to encourage unanimous agreement between those persons as to the re-appointment or appointment of the Member.

If agreement is reached on the Member, ERO shall inform ITSMO and the relevant persons of the result, then depending on the result of the agreement:

- the new person will replace the existing Member; or
- the existing Member will continue with effect from the beginning of that OCGC meeting.

Where agreement is not reached, ERO shall determine who shall be appointed and shall notify the relevant persons accordingly.

In these circumstances, depending on the result of the determination:

- the new person will replace the existing Member; or
- the existing member will continue with effect from the beginning of that OCGC meeting and shall be deemed to be appointed by the relevant Appointor.

4.2 The Chairman

The Chairman is a Member of the OCGC.

The first Chairman of the OCGC will be appointed by the ITSMO and will comprise the person appointed by and representing the ITSMO Licencee.

The Chairmanship of the OCGC will be rotating among the Members of the OCGC and will change at every third quarterly meeting (ie after 6 months).

The Chairman shall preside at every OCGC meeting. If the Chairman is unable to be present at a meeting but has appointed an alternate such alternate shall act as Chairman.

If neither the Chairman nor the Chairman's alternate is present within half an hour after the time appointed for holding the meeting, the Member present will elect one of those present to act as Chairman for that meeting.

The Chairman shall have the power, having consulted existing members, to appoint any additional Members of the OCGC on a permanent or temporary basis as the Chairman

considers appropriate from time to time. Such additional members may include the following:

- representative(s) of any consumer group;
- representative(s) of any interconnected party;
- representative(s) of the Generators;
- representative(s) of the Suppliers or Traders.

The Secretary shall notify the existing members of the OCGC of such additional appointments within ten (10) Business Days of such appointments.

4.3 The Secretary

ITSMO shall appoint and may remove the Secretary and shall notify each Member of the OCGC of the identity and address for correspondence of the Secretary as soon as reasonably practicable after his/her appointment.

The Secretary shall not be a Member of the OCGC.

The Secretary shall have the right to speak at any meeting but cannot vote in the meetings.

The Secretary's duties shall be to attend to the day-to-day business of the OCGC and in particular to:

- attend all meetings of the OCGC (if he/she is unable to attend the said meetings, he/she shall notify the Chairman who will appoint another individual, not being a Member to attend in place of the Secretary);
- maintain a register ("Register") of names and addresses of the Chairman, Members and alternates as appointed from time to time; and
- keep minutes of all meetings and circulate the minutes to all Members within 15 Business Days of the Meeting;
- record the attendance of those Members who are present at such meetings (by inviting Members present to sign and print their names on an attendance sheet);
- notify existing Members of any new Members appointed by the Chairman from time to time.
- attend to the requisition of meetings and to serve all requisite notices to each Member of the OCGC.

The Secretary shall make the Register available for inspection by any User and/or the Energy Regulatory Office (ERO).

4.4 Alternates

Each Member shall have the power to appoint any individual to be that Member's Alternate and may at the Member's discretion remove any alternate so appointed.

Any appointment or removal of an Alternate shall, unless the Chairman otherwise agrees, be effected by notice in writing executed by the Member and delivered to the Secretary or tendered at an OCGC meeting.

An Alternate shall be entitled to:

- receive notice of all OCGC meetings or of meetings of sub-committees or working groups to which the Member belongs;
- attend any such meeting at which the Member is not personally present; and
- exercise and discharge all the duties and responsibilities of the Appointor as a Member at the meeting.

For the purpose of the proceedings at the meeting the provisions of this procedure shall apply as if the Alternate were a Member.

An Alternate shall cease to be an Alternate if the Alternate's Appointor ceases for any reason to be a Member.

References in this procedure to a Member shall, unless the context otherwise requires include the Member's duly appointed Alternate.

4.5 Vacation of Membership

The position of a Member shall be vacated:

- if the Member resigns his office by notice delivered to the Secretary; or
- if the Member is adjudged bankrupt or compounds with his creditors generally or if the licensee he is representing enters into voluntary or involuntary liquidation;
- if the Member is found to be of unsound mind or is a patient for any purpose of any statute relating to mental health; or
- if the Member or the Member's Alternate fails to attend more than two consecutive OCGC meeting without submitting an explanation to the Chairman which is reasonably acceptable to the Chairman.
- if the Appointor which he represents notifies the Chairman that he is to be replaced in which event the Appointor shall appoint a replacement Member.

5. Members' Responsibilities

5.1 Responsibilities

In the performance of its duties and responsibilities, the OCGC shall have due regard for the need to promote the attainment of the principal objectives of the OCGC referred to Section 2.

Subject to a Member's overriding obligation, as a Member of the OCGC in the exercise of the Member's powers and the performance of the Member's duties and responsibilities as a Member, a Member shall represent the interests of the relevant Appointor.

The OCGC, each Member and the Secretary shall be entitled to rely upon any communication or document reasonably believed by it or that person to be genuine and correct and to have been communicated or signed by the person by whom it purports to be communicated or signed.

5.2 Provision of Addresses

Each new Member (and alternate) shall communicate the Member's (or alternate's) address to the Secretary (and thereafter shall communicate any changes to that address to the Secretary) and all notices sent to such address shall be considered as having been duly given.

6. Meetings, Proposals and Voting

6.1 Quarterly Meetings

The OCGC shall meet not less than four times in a year.

The quarterly meetings will be on

- 1st Business Day in August;
- 1st Business Day in November;
- 1st Business Day in February;
- 1st Business Day in May;

Such meetings shall be convened by the Secretary who shall give to the Members no less than ten (10) Business Days notice of such meetings.

The first Quarterly Meeting will be held in February 2007.

6.2 Venue of Meetings

The venue for meetings shall be at the ITSMO's premises in Pristina.

Details of the venue shall be circulated by the Secretary to all the Members prior to the meetings.

6.3 Additional Meetings

Additional Meetings may be called by the Chairman or any other Member at other times between the Quarterly Meetings.

Those calling of additional meetings shall request the Secretary to call a further meeting by giving no less than fifteen (15) Business Days notice to the Secretary of such meetings.

The notice shall be in writing and contain a summary of the business that it is proposed will be conducted, and the Secretary shall proceed to convene a OCGC meeting within five (5) Business Days of the date of expiry of such notice.

6.4 Notice and Agenda of Meetings

All meetings shall be called by the Secretary on at least ten (10) Business Days written notice (exclusive of the day on which it is served and of the day for which it is given), or by shorter notice if so agreed in writing by all Members.

In the absence of Secretary, the Chairman shall convene meetings.

The notice of each meeting shall be given to all Members and shall contain the time, date and venue of the meeting, an agenda and a summary of the business to be conducted.

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, a person entitled to receive notice shall not invalidate the proceedings at that meeting.

By notice to the Secretary, any Member can request additional matters to be considered at the meeting and provided such notice is given at least ten (10) Business Days (exclusive of the day on which it is served of the day for which it is given) before the date of the meeting, those matters will be included in a revised agenda for the meeting.

The Secretary shall circulate the revised agenda to each member as soon as practicable.

6.5 Proceedings of Meeting

The OCGC may meet for the transaction of business and adjourn and otherwise regulate its meetings, as it thinks fit.

The OCGC meeting can only proceed if there are, at least, no less than Five (5) Members present.

If there are less than 5 Members present, the meeting shall be adjourned to such day, time and place as the secretary may notify to Members within three (3) Business Days of the adjournment.

A meeting adjourned in this manner shall not be called to take place within one week of the adjournment but may be called on less than ten (10) Business Days notice.

If at such adjourned meeting five (5) members are not present, the meeting shall in any event take place.

Only matters identified in the agenda or a revised agenda submitted shall be discussed at a meeting but this shall not prevent matters raised under the heading "Any Other Business" being discussed.

All acts done by any meeting of the OCGC or of a sub-committee or working group shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a Member, be as valid as if such person had been duly appointed.

6.6 Representation

The Chairman and each other Member shall be entitled to attend and speak at every meeting to the OCGC.

Members may bring a Technical Expert (or Professional Advisor) to the OCGC meeting for particular topics on the Agenda.

The attendance and numbers of advisors shall be limited by agreement of the OCGC members so as not to interfere with the smooth and efficient working of the OCGC. In the event of agreement not being reached, the Chairman shall decide, having given due consideration to the opinions expressed by the OCGC Members.

6.7 Proposals

A Member may from time to time make a proposal ("Proposal") regarding the:

- Grid, Distribution and Metering Codes;
- Electrical Standards and Electrical Equipment Codes;
- Customer Protection Code.

Each Proposal shall:

- be in writing;
- set out in reasonable but not excessive detail the nature and purpose of the Proposal;
- be submitted to the Secretary of the OCGC not less than ten (10) Business Days
- be placed on the agenda for discussion by the Members at the next meeting.

At a duly convened meeting of the OCGC, the Proposal shall be presented to the Members by the proposing Member, who shall endeavour to answer any initial questions which the other Members may have in respect of the Proposal or the presentation.

The OCGC shall discuss the Proposal.

Having:

- heard the presentation of the proposing Member;
- discussed the Proposal; and
- had an opportunity to ask questions of the proposing Member in respect of the Proposal.

The Chairman taking into account the views of the OCGC may determine that the Proposal:

- does not merit any further consideration;
- shall be submitted by ITSMO to ERO as a change/modification/addition to the relevant Code for approval.

The change/modification/addition application shall include the original Proposal and the views and considerations of the OCGC or merits further consideration.

The Chairman may submit the Proposal to a relevant Sub-Committee in liaison with the OCGC.

Each Sub-Committee shall be chaired by a Member of the OCGC or such other nominees as designated by the OCGC who shall co-ordinate the further consideration of the Proposal.

The Sub-Committee shall report to the OCGC at each meeting of the OCGC as to the progress of the Sub-Committee.

When the work of the Sub-Committee is complete, and following final review by the OCGC, through the Chairman, may apply to ERO for a revision of the relevant Code and in doing so shall include the original Proposal and the views and considerations of the OCGC.

6.8 Voting

Each Member of the OCGC shall be entitled to one equal vote.

Once if or when a Proposal is put to a vote of the OCGC Members, the resulting decision will be term a resolution of the OCGC and will be recorded as such in the Minutes of the Meeting.

In the event of equality of votes, the Chairman may use a second or casting vote to approve or reject a Proposal.

6.9 Minutes

The Secretary shall circulate copies of the Minutes of each Meeting to the OCGC to each Member as soon as practicable (and in any event within ten (10) Business Days) after the relevant meeting has been held.

Each Member shall notify the Secretary of the Member's approval or disapproval of the minutes of each meeting within fifteen (15) Business Days of receipt of the minutes.

A Member who fails to reply to the Secretary will be deemed to have approved the minutes.

The approval or disapproval of the minutes will not affect the validity of the OCGC's proceedings at the meeting to which the minutes relate.

If the Secretary receives any comments on the minutes, the Secretary shall then include those aspects of the minutes upon which there is disagreement into the agenda for the next meeting of the OCGC as the first item for discussion.

6.10 Working Languages

The working languages of the OCGC will be Albanian and English.

Minutes of each of the Meetings will be provided in Albanian and an English translation.

The Albanian version of the Meetings will prevail if there is any conflict or discrepancy between the Albanian and English versions of the Minutes.

Written documentation (eg Proposals) submitted or supplied to the OCGC will be provided in Albanian or English.

7. General and Specialist Costs

7.1 General Costs of the OCGC

The expenses incurred by, and in relation to, the operation of the OCGC shall be responsibility of all Members of the OCGC and shall be shared out in an equitable manner, the precise details and form of which will be decided by and agreed among the Members of the OCGC.

7.2 Costs of Technical Experts (Professional advisers)

The costs (eg fees and expenses) of any Technical Expert (or Professional adviser) recruited and appointed by a specific Member to advise that Member will be the responsibility of and paid for by that Member.

8. Amendment of this Governance Procedure

Should any Member consider it appropriate to amend this Constitution, the Member shall advise the Secretary who will, unless the proposed amendment is of minor consequence, notify each Member accordingly and invite representation within ten (10) Business Days following the date of such invitation in respect of the proposed amendment.

The Secretary shall, within three (3) Business Days immediately following the expiry of such ten (10) Business Days, send to each Member and ERO copies of all representations received.

The ITSMO will decide, based on these representations, if the procedure should be amended and shall notify ERO accordingly.

If the amendment is considered by the Secretary to be of minor consequence, it shall be included on the agenda of a subsequent OCGC meeting and may be approved by agreement of all Members present.

New versions shall be formally adopted when signed by the Chairman and ERO representative on the OCGC.

This procedure was adopted on the date first mentioned above by the persons whose signatures appear below.

Signed.....

Date.....

Signed..... (by the Energy Regulatory Office (ERO))

Date:.....

Our advice in this document is limited to the conclusions specifically set forth herein and is based on the completeness and accuracy of the above-stated facts, assumptions and representations. If any of the foregoing facts, assumptions or representations is not entirely complete or accurate, it is imperative that we be informed immediately, as the inaccuracy or incompleteness could have a material effect on our conclusions. In rendering our advice, we are relying upon the relevant provisions of the current legislation in Kosovo, the regulations thereunder, and the judicial and administrative interpretations thereof. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of our conclusions.