



Prishtina, 10 April 2015

ERO Code: V\_732\_2015

**Board of the Energy Regulatory Office,**

Based on:

- Provisions of Article 8, paragraph 1, sub-paragraph 1.6, Article 14 paragraph 2, subparagraph 2.16, Article 18, Article 22 and Article 23 of the Law on Energy Regulator (Law No. 03/L-185);
- Provisions of Article 64 of the Law on Public Financial Management and Accountability (Law No. 03/L-048)
- Provisions of the Law on Budget of Kosovo for Year 2015 (Law No. 05/L-01);
- Provisions of Article 4 and 6 of the Rule on Taxes, and
- ERO's Proposal to exempt the licensees from paying the annual tax, dated 07 April 2015.

**in its session held on 10 April 2015, issued the following:**

## DECISION

- I. The following licensees are **EXEMPTED** from paying the annual licensing tax for the time period from 01 March 2015 to 31 October 2015:
  - KEK JSC TPP Kosova A - for generation of electricity;
  - KEK JSC TPP Kosova B - for generation of electricity and thermal energy (Co-generation);
  - KELKOS ENERGY LLC - for generation of electricity;
  - N.P "IBËR-LEPENC" - for generation of electricity;
  - KES|CO - for import of electricity, and
  - All other licensees entitled to import electricity.
- II. The following licensees are **EXEMPTED** from paying the annual licensing tax for the time period from 15 October 2015 to 15 April 2016:
  - District Heating GJAKOVA JSC - for production of thermal energy,
  - Publicly Owned Enterprise "TERMOKOS" JSC - for production of thermal energy in those cases producing from its heating plant.
- III. The licensees of thermal energy are **OBLIGED** to pay the debt of previous periods, in the contrary the exempt from paying the annual tax under item II of the enacting clause is not applicable.

## Reasoning

1. The Energy Regulatory Office revenues taxes collected from licensed enterprises and other activities, taxes which are dedicated to ERO. Annual licensing tax and other taxes are set forth in accordance with the Law on Energy Regulator and Rule on Taxes.
2. The Annual licensing tax is collected in order to enable financial sustainability of ERO to act cost effectively.
3. Due to specifics of the thermal energy sector, which operates only during the winter season (from October of the previous year to April of the following year), and as a result the companies are billed for the Annual Licensing Tax for these months only; therefore, the licensees for production of thermal energy, namely Publicly Owned Enterprise "TERMOKOS" JSC and District Heating GJAKOVA JSC are exempted from the Annual Licensing Tax for the period October 2015 - April 2016.
4. The Energy Regulatory Office, following the achievement of financial self-sustainability and in order to harmonize the "Revenues with the Budget of the Energy Regulatory Office for 2015", exempts the licensees from paying the Annual Licensing Tax in accordance with the Law on Energy Regulator, as in the enacting clause of the decision, because:
  - 4.1 The Revenues collected for the period for which the licensees are not exempted from payment, and in compliance with Article 7 and 8 of the Rule on Taxes, will be sufficient to fill the planned Budget of ERO for 2015.
  - 4.2 Exemption from payment of this tax for the set period, in relation to the enterprises generating electricity and thermal energy will be reflected in determining the Allowed Revenues for the next tariff review period (year 2016), by coordinating the Allowed Revenues.
- IV. The Decision shall be issued in Albanian language and will be translated into Serbian and English. In case of any discrepancy between the versions, the Albanian version shall prevail.
- V. This Decision shall enter into force on the date of approval by the Board and will be published in the ERO's official website.

**Legal advice:** The party dissatisfied with this Decision may initiate an administrative dispute with the Competent Court, within thirty (30) days from the date of receipt of this Decision or the date of its publication in the ERO website, whichever occurs last.

To be delivered to:

- Licensees (KEK JSC TPP Kosova A and TPP Kosova B; N.P "IBËR-LEPENC", Kelkos Energy LLC; KES|CO; Publicly Owned Enterprise "TERMOKOS" JSC.; District Heating GJAKOVA JSC)
- Financial employees of ERO, and

- Archive of ERO.

**ERO Board**

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Enver Halimi, Chairperson

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Merita Kostari, Member

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Krenar Bujupi, Member.