



Prishtina, 29 August 2014
ERO Code: V_644_2014

Board of the Energy Regulatory Office,

Based on:

- Article 8 paragraph 1, sub-paragraph 1.6, Article 14 paragraph 2, sub-paragraph 2.6, Articles 25 and 43 of the Law on Energy Regulator, no. 03/L-185;
- Rule on public electricity supplier pricing (PES Pricing Rule);
- Rule on distribution system operator pricing (DSO Pricing Rule);
- Rule on Transmission System Operator and Market Operator Pricing (TSO/MO Pricing Rule)
- Rule on generation pricing (Generation Pricing Rule);
- Decision No. V_631_2014 on Maximum Allowed Revenues (MAR) to be covered by the licensed operator of the Thermal Power Plant Kosova A and licensed operator of the Thermal Power Plant Kosova B (Regulated Generators);
- Decision for KOSTT nr. V_633_2014 on Maximum Allowed Revenues to be covered by the Transmission System and Market Operator JSC (KOSTT);
- Decision for DSO nr.V_634_2014 on Maximum Allowed Revenues to be covered by the licensed Distribution System Operator (DSO);
- Decision of Public Electricity Supplier (KEDS) nr. 635_2014 on on Maximum Allowed Revenues to be covered by the licensed Public Electricity Supplier Operator (KEDS); and
- Application of KEDS for Extraordinary Review, submitted on 4 August 2014, following the explosion at TPP Kosovo A, accompanied with the relevant clarification documentation.

Following the review of relevant papers and documents, based on the abovementioned legal provisions, **in the session held on 29 August 2014 issued the following:**

DECISION

I. APPROVING THE MAXIMUM ALLOWED REVENUES (MAR) to be collected from retail electricity tariffs for regulated customers, that will be applied by the **Public Electricity Supplier (KEDS)** for



the regulatory tariff year 2014 (April 2014 – March 2015). This Decision shall apply from 1 September 2014, and shall continue until the other regular tariff review.

JUSTIFICATION

- + Energy Regulatory Office (ERO), on 4 August 2014, received from the KEDS – Supply Division, the application for Extraordinary Review of the Maximum Allowed Revenues, which the Public Electricity Supplier is allowed to collect from the retail electricity tariffs for regulated customers.
 - + In making its decision relating to the Maximum Allowed Revenues to be covered by the Public Electricity Supplier, ERO considered the following documents, issued and published on its website:
 - Final evaluation – Details on Distribution System and Public Electricity Supplier Operator, published on 22 February 2013;
 - Final evaluation - Overview, published on 22 February 2013;
 - Final Report – Wholesale Power Costs Calculation, published on 24 June 2014;
 - Final Report – PES MAR Calculations, published on 24 June 2014;
 - Consultation Paper – Extraordinary Electricity Tariff Review within the ETR8 – Assessment of impact on Maximum Allowed Revenues and Tariff Review, published on 13 August 2014.
 - Extraordinary Electricity Tariff Review within the ETR8 – Responses to comments, published on 28 August 2014.
 - During the period of 13 August – 26 August 2014, ERO held numerous meetings and consultations regarding the Extraordinary Electricity Tariff Review within the ETR8;
- II. Based on legal provisions stated in the introduction of this Decision and the review of all relevant papers and documents, the Board of ERO decided as in enacting clause of this decision.
- III. Maximum Allowed Revenues to be covered by the licensed Public Electricity Supplier for the relevant tariff year ETR8, following the Extraordinary Electricity Tariff Review, will be 252,389,459 Euros. Assessments on the Maximum Allowed Revenues are presented in the Consultation Paper – Extraordinary Electricity Tariff Review within the ETR8 – Assessment of impact on Maximum Allowed Revenues and Tariff Review and form an integral part of this decision.
- IV. This decision shall modify Decision V_635_2014 on Maximum Allowed Revenues (MAR), that will be implemented by the Public Electricity Supplier, decisions 631_2014, 633_2014 and 634_2014 shall remain in force.
- V. For purposes of regular tariff reviews, this decision will be assessed together with the decisions of MARs of all other licensees. Any change in revenues resulting from this Extraordinary Review compared to the maximum allowed revenues by the ERO for regulatory year 2014 for each license, in this case KEK, KOSST, DSO and PES will be analyzed and according to the assessments, they will be compensated in the next Annual Update and in the Regular Adjustments in the regulatory year 2015.



VI. The Decision shall be issued in Albanian language and will be translated into Serbian and English. In the event of any discrepancy between translated versions, the version in Albanian shall prevail.

VII. The Decision shall enter into force on the date of approval by the Board of ERO and will be implemented by the Public Electricity Supplier from 1 September 2014 until the regular review, and shall be published in the official website of ERO.

Legal Remedy: 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 the Decision or the date of its publication in the ERO website, whichever occurs last.

Board of ERO

Enver Halimi, Chairperson

Merita Kostari, Member

Krenar Bujupi, Member