



Prishtina, 11 November 2014
ERO Code: V_662_2014

Board of the Energy Regulatory Office,

Based on:

- Powers of the Energy Regulatory Office (ERO) provided by Article 14 paragraph 2.6 and Article 43 of the Law on Energy Regulator No. 03/L-185;
- Provisions of Article 17 of Law on Energy No. 03/L-184; and
- Letter/Notification of the District Heating (DH) Gjakova JSC., dated 27 October 2014 on their decision to not apply for increase of tariffs.

in the session held on 11 November 2014, issued the following:

DECISION

- I. APPROVING** the tariffs of the district heating for the District Heating (DH) Gjakova J.S.C. for the heating season 2014/2015, as presented in tables "A" and "B".

Reasoning

1. On 27 October 2014, the Energy Regulatory Office (ERO) received a letter from the District Heating Gjakova JSC, whereby the ERO was informed that the Management of the DH Gjakova, in coordination with the Board of Directors, has decided to not apply for the tariffs of 2014/2015 heating season. In the decision are mentioned also the reasons for such a decision:
 - DH Gjakova is currently facing big financial difficulties putting into question the ability of the enterprise to secure the fuel - havey fuel oil. This situation, amongst others, was caused by debts owed to various suppliers and contractors, occurred in the past, which, based on final judgments, had to be paid this year, and this has resulted into paying the entire remaining part of the subsidies of this year for previous debts.
 - Insecurity about subsidies from the Kosovo budget, where due to the non-revision of the budget, it is not sure whether there will be any, or how much will it be, the amount of subsidy for the calendar year 2014 and in total for the 2014/2015 season. This is crucial, when it is known that a significant part of the cost for fuels is covered by the subsidies. As a result, any planning made is not sufficiently accurate to be included in the tariff application.
 - Lack of subsidy and extremely limited financial ability to secure fuels put into question as to what extend may the DH Gjakova provide heating supply in the 2014/2015 season. These conditions made proper planning for a complete tariff application, based on real projections extremely difficult.



2. In order to determine the district heating tariffs, ERO has taken into account the reasons presented in the letter of the DH Gjakova, which are considered as fair and justified
 3. Taking into account the legal provisions mentioned in the introductory part and based on the review of the letter of DH Gjakova, dated 27 October 2014, the Board of ERO has decided as in the enacting clause of this decision
- II. The structure of tariffs of the District Heating Gjakova J.S.C. for the heating season 2014/2015 is given in the following table:

TARIFFS FOR THE DISTRICT HEATING GJAKOVA J.S.C. FOR THE HEATING SEASON 2014/2015

Table A. TARIFF FOR UNMETERED CUSTOMERS
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DISTRICT HEATING GJAKOVA J.S.C.		
Tariff Components	Household customers	Commercial and institutional Customers
Contracted heating capacity tariff (fixed component)	0.09 [€/m ² per month]	0.12 [€/m ² per month]
Supplied heating tariff (variable component)	0.88 [€/m ² per month]	1.27 [€/m ² per month]

Table B. TARIFF FOR METERED CUSTOMERS
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DISTRICT HEATING GJAKOVA J.S.C.	
Monthly heating capacity tariff (fixed component)	0.91 [€/kW per month]
Supplied heating tariff (variable component)	58.76 [€/MWh]

- III. DH Gjakova J.S.C. must publish the decision, within five (5) business days after receiving the decision and its publication in the ERO website, in at least one daily newspaper of wide circulation in Kosovo.
- IV. Energy Regulatory Office (ERO) has the right to audit the accounting records and invoices of the DH Gjakova JSC to verify the implementation of Revenues and Costs in the 2014 / 2015 season.
- V. The Decision shall be issued in Albanian language and translated into Serbian and English. In case of any discrepancy between the versions, the Albanian version shall prevail.
- VI. This Decision shall enter into force on the date of approval by the Board and published in the ERO's official website.



Legal advice: The party dissatisfied with this Decision may initiate an administrative dispute at the Competent Court, within fourteen (14) days from the date of receipt of this Decision or the date of its publication in the ERO website, whichever occurs last.

ERO Board

Enver Halimi, Chairperson

Merita Kostari, Member

Krenar Bujupi, Member.