

Prishtina, 31/05/2007  
 ERO Code: D\_50\_2007

## The Board of Energy Regulatory Office

Taking into account:

1. Its legal mandate as provided in Articles 45 to 48 of the Law No. 2004/9 “On Energy Regulator”;
2. Provisions of the Rule on “Principle of Calculation of Tariffs in Electricity Sector (Pricing Rule)” issued by ERO Board on 15/12/2005 and in particular items 30.2 a) & b) of above-mentioned Rule;
3. Provisions of the Tariff Methodology issued by ERO Board on 15/12/2005;
4. New information provided by KEK JSC concerning reductions in actual costs in 2007 below those allowed in its Decision D\_29\_2006 of 21/12/2006 “On Allowed Revenues for KEK JSC and KOSTT JSC for the Pricing Review Period 2007-2009”;
5. Its Decision D\_47\_2007 of 07/05/2007 to, in the light of this new information, reconsider the allowed revenues for KEK JSC approved in Decision D\_29\_2006;
6. The consequent need to also reconsider its Decisions D\_39\_2007 of 15/03/2007 “On Approval of Proposed New Retail Tariffs of KEK JSC” ;
7. Submissions received during the reconsideration, including proposals submitted by KEK JSC for amendments to the approved retail tariffs, as well as ERO’s own review of these proposals;

**In the Board Session of 31<sup>st</sup> May 2007, has decided to:**

1. Amend Decision D\_29\_2006 of 21/12/2006 “On Allowed Revenues for KEK JSC and KOSTT JSC for the Pricing Review Period 2007-2009” as below, to adjust allowed revenues for KEK JSC to take account of the new information on reduced actual costs provided by these companies:

**Table 1: Amended allowed revenues for KEK JSC, 2007**

<i>EUR 000s</i>	Approved (21 <sup>st</sup> December 2006)	Amended
Allowed revenues to be recovered from regulated retail tariffs for 2007	141 899	134 982

2. To accordingly amend Decision D\_39\_2007 of 15/03/2007 “On Approval of Proposed New Retail Tariffs of KEK JSC” to approve the following retail tariffs:

**Table 2: Amended retail tariffs for KEK JSC (effective from 1<sup>st</sup> April 2007)**

Tariff Group	Voltage level of supply	Tariff elements	Unit	Time-of-day (a)	ERO Proposed	
					High season 1 October - 31 March	Low season 1 April - 30 September
0	110kV	Standing (customer) charge	€/customer/year		34.00	
		Standing (demand) charge	€/kW		519.00	519.00
		Active energy (P), of which:	€/kWh	High tariff	6.03	1.78
			€/kWh	Low tariff	2.50	1.47
	Reactive energy (Q);c)	€/kVAh				
1	35kV	Standing (customer) charge	€/customer/year		30.00	
		Standing (demand) charge	€/kW		540.00	540.00
		Active energy (P), of which:	€/kWh	High tariff	6.30	2.73
			€/kWh	Low tariff	3.33	2.47
	Reactive energy (Q); c)	€/kVAh		0.04	0.04	
2	10kV	Standing (customer) charge	€/customer/year		34.00	
		Standing (demand) charge	€/kW		466.00	466.00
		Active energy (P), of which:	€/kWh	High tariff	7.07	3.15
			€/kWh	Low tariff	3.81	2.87
	Reactive energy (Q); c)	€/kVAh		0.32	0.32	
3	0.4kV Category I (large reactive power consumers)	Standing (customer) charge	€/customer/year		29.00	
		Standing (demand) charge	€/kW		270.00	270.00
		Active energy (P), of which:	€/kWh	High tariff	7.85	4.36
			€/kWh	Low tariff	4.95	4.11
	Reactive energy (Q); c)	€/kVAh		1.53	1.53	
4	0.4kV Category II	Standing (customer) charge	€/customer/year		34.00	
		Active energy (P)	€/kWh	Single tariff	9.68	6.26
		Active energy (P), of which:	€/kWh	High tariff	11.64	7.63
			€/kWh	Low tariff	5.82	3.81
5	0.4kV (domestic 2-rate meter) (b)	Standing (customer) charge	€/customer/year		24.00	
		<200 kWh/month (First Block)	€/kW		0.00	0.00
		200-600 kWh/month (Second Block)	€/kW		0.00	0.00
		>600 kWh/month (Third Block)	€/kW		0.00	0.00
		<200kWh/month (First Block) of which:	€/kWh	High tariff	4.42	3.17
			€/kWh	Low tariff	2.21	1.58
		200-600 kWh/month (Second Block) of which:	€/kWh	High tariff	5.97	4.28
			€/kWh	Low tariff	2.99	2.14
>600 kWh/month (Third Block) of which:	€/kWh	High tariff	8.67	6.21		
	€/kWh	Low tariff	4.33	3.11		
6	0.4kV (domestic, 1-rate meter) (b)	Standing (customer) charge	€/customer/year		24.00	
		<200 kWh/month (First Block)	€/kW		0.00	0.00
		200-600 kWh/month (Second Block)	€/kW		0.00	0.00
		>600 kWh/month (Third Block)	€/kW		0.00	0.00
		<200kWh/month (First Block)	€/kWh	Single tariff	3.94	2.82
		200-600 kWh/month (Second Block)	€/kWh	Single tariff	5.32	3.81
>600 kWh/month (Third Block)	€/kWh	Single tariff	7.72	5.53		
7	0.4kV (domestic unmetered)	Estimated consumption <400kWh/month	€/customer/month		20.00	
		Estimated consumption 400-800kWh/month	€/customer/month		36.00	
		Estimated consumption >800kWh/month	€/customer/month		61.00	
8	Public lighting	Standing (customer) charge	€/customer/year		34.00	
		>600 kWh/month (Third Block)	€/kW	Single tariff	7.82	7.82

a High Tariff applies 07:00-22:00 during the High Season and 08:00-23:00 during the Low Season

b Customers registered as social cases are charged at a zero rate up to level allowed by government

c Customer will be charged with reactive energy above allowed,  $\cos \phi = 0.95$

3. To require the new tariffs to come into effect by 1<sup>st</sup> May 2007, and for KEK JSC to make provision, following 31<sup>st</sup> December 2007, for reconciliation between the amounts actually received from customers and those that would have been received if the new tariffs had been in effect from 1<sup>st</sup> April 2007, with the difference to be collected from or rebated to customers during 2008 in a manner to be proposed by KEK JSC and approved by ERO.
4. This decisions shall be published by KEK J.S.C in at last one local daily newspaper of wide circulation in Kosovo within 5 working days after ERO's announcement and publication of the decision on its official web – site.
5. This Decision is issued in Albanian, Serbian and English language. In case of dispute between the different languages the Albanian version shall prevail.
6. Against this Decision the unsatisfied party may submit its complaint in the Court of relevant jurisdiction within 14 days upon its adoption and publication on official website of ERO.
7. This Decision comes into effect from 1st of May 2007.

The basis for these amendments is set out in an accompanying note (Reconsideration of Decisions D\_29\_2006, D\_39\_2007 and D\_41\_2007)

Board of ERO:

\_\_\_\_\_  
Ali Hamiti, Chairman,

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Merita Kostari, member,

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Theranda Beqiri, member

\_\_\_\_\_  
Nysret Avdiu, member

\_\_\_\_\_  
Naim Bejtullahu, member

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