



**Republika e Kosovës**  
**Republika Kosova - Republic of Kosovo**

**ZYRA E RREGULLATORIT PËR ENERGJI**  
**REGULATORNI URED ZA ENERGIJU**  
**ENERGY REGULATORY OFFICE**



**Rule ERO/No. 07/2017**

# **RULE ON LICENSING OF ENERGY ACTIVITIES IN KOSOVO**

**Prishtina, 31 March 2017**

Energy Regulatory Office Board, pursuant to the authority given under Article 9 paragraph 1, sub-paragraph 1.7, Article 26, paragraph 1, sub-paragraph 1.1 and Article 38 of the Law no. 05/L-084 on Regulatory Energy, at the session held on 31.03.2017 approved the following:

## **RULE ON LICENSING OF ENERGY ACTIVITIES IN KOSOVO**

### **CHAPTER I GENERAL PROVISIONS**

#### Article 1

#### **Purpose**

1. The purpose of this Rule is to establish a public, transparent and non-discriminatory licensing procedure that promotes the establishment of a competitive energy sector, to promote investments while ensuring the stability and security of the energy supply in Kosovo.
2. The aim of this Rule is to promote energy sector development through:
  - 2.1 performing transparent, open and non-discriminatory energy activities;
  - 2.2 regulating the energy market in such a way as to ensure impartial and transparent relations between all participants;
  - 2.3 determination and delivery of prompt, efficient and economic treatment of all issues related to the granting of licenses;
  - 2.4 establishment and monitoring of the competitive market, prevention and punishment of any abusive or anti-competitive behaviour;
  - 2.5 transparent and non-discriminatory performance of energy activities that are subject to public service obligations as well as ensuring non-discriminatory access to transmission and distribution systems and in interconnection;
  - 2.6 providing conditions for efficient, cost-effective, and safe use of electricity, thermal energy and natural gas;
  - 2.7 adequately balancing interests between customers and energy enterprises;
  - 2.8 protection of human health, safety and the environment.
3. The Energy Regulatory Office (ERO), during the process of determining the rights, obligations and terms of the license, intends to oblige and encourage licensees to operate in such a way to achieve all the objectives described in their licenses.
4. To meet its obligations as set forth in the paragraph 1 of this Article, ERO has the authority and powers to:
  - 4.1. to grant, modify, suspend, transfer, or terminate licenses;

- 4.2. supervise and control compliance with license terms;
- 4.3. monitor the unbundling of the legal form, organizational, decision and the account unbundling of energy enterprises and to certify transmission system operators;
- 4.4. revise, approve, and control compliance with all codes including the Grid Code, the Distribution Code, the Consumer Protection Code, the Electrical Equipment Code, Electricity Standards Code and the Metering Code, Market Rules and other Technical and Commercial Codes;
- 4.5. grant its consent for the separation, termination, or reduction in initial capital of energy enterprises that hold licenses.

## Article 2 Definitions

1. Terms used in this Rule shall have the following meaning:
    - 1.1. **Applicant** - the natural or legal person applying for the licensing of the energy activity in accordance with the terms of this Rule and when the license is issued to a newly established business organisation, it will include the parent company (if any) or the companies owning and controlling the new business organization.
    - 1.2. **Contracting party** - Energy Community Treaty signatory countries;
    - 1.3. **Energy Regulatory Office – ERO (hereinafter the Regulatory)** – is an independent energy sector agency, established by the Law on the Energy Regulator.
    - 1.4. **Energy activities** - has the meaning as defined in the Law on Energy;
    - 1.5. **Energy** - any form of energy generation (electricity, thermal energy or natural gas) for the purpose of supply or sale;
    - 1.6. **License** - a document issued by Energy Regulatory Office, enabling the holder of a license to perform activities in the energy sector, that require a license in accordance with provisions of Laws related to energy sector;
- Regulatory**
- 1.7. **Thermal energy** - has the meaning as defined in the Law on Thermal Energy;
  - 1.8. **Natural gas** - has the meaning as defined in the Law on Natural Gas;
  - 1.9. **Storage System Operator** - has the meaning as defined in the Law on Natural Gas;
  - 1.10. **Storage facility** - has the meaning as defined in the Law on Natural Gas;
  - 1.11. **Supply** – in respect of electric energy, means the sale, including resale, of electricity to **wholesale and final customers** in line with Article 3.1.17 of the Law on Electricity and Article 3.1.15 of the Law on the Energy; and, in respect of natural gas, means the sale, including resale of natural gas to final customers as defined in Article 3.1.3 of the Law on Natural Gas.

- 1.12 **Transit** – transfer of the energy with the origin from another state, designated to a third country, through the network in the territory of Kosovo, or transmission of the energy with the origin from another state, designated to that country through the network of Kosovo.
2. Terms used in this Rule shall have the same meanings as the terms used in the Law on Energy Regulator, Law on Energy, Law on Electricity, Law on Thermal Energy and Law on Natural Gas.

### Article 3 **Licensed activities**

1. Pursuant to Article 28, paragraph 2 of the Law on the Energy Regulatory, a license issued by the Regulatory may cover more than one of the following energy activities:
  - 1.1 the generation of electricity;
  - 1.2 the generation of heat;
  - 1.3 the co-generation of electricity and heat;
  - 1.4 the transmission of electricity, including transmission system operation;
  - 1.5 the transmission of natural gas;
  - 1.6 the distribution of electricity, including distribution system operation;
  - 1.7 the distribution of thermal energy and natural gas;
  - 1.8 the guaranteed supply of electricity according to the Law on Electricity;
  - 1.9 the storage of natural gas;
  - 1.10 the supply of electricity, thermal energy or natural gas including transit, import or export of electricity and natural gas;
  - 1.11 the wholesale supply (trading) of electricity or natural gas;
  - 1.12 the operation of electricity or natural gas market;
  - 1.13 the operation of natural gas transmission or distribution system.
2. Energy activities that require no license:
  - 2.1. the generation of electricity at an electricity site with total capacity not exceeding five (5) MW;
  - 2.2. generation of thermal energy by heating plants for self-consumption or with capacity not exceeding one (1) MW;
  - 2.3. the generation of electricity for self-consumption, where neither the generation facility nor the consumers of the electricity are connected to the transmission system or the distribution system.

3. The activity of transit of electricity or natural gas, as per Article 3, subparagraph 1.10 of this Rule, is not subject to licensing procedures.
4. Where, and only to the extent that, the Regulatory based on the principle of reciprocity referred to in Article 32, paragraph 3 of the Law on Electricity, concludes an agreement with the national regulatory authority of any other Contracting Party of the Energy Community for the Trading of Electricity as described in Article 3, sub-paragraph 1.11 above, no license is required for enterprises that hold a license issued by energy community contracting states.

## **CHAPTER II PROCEDURES FOR GRANTING OF LICENSES**

### Article 4

#### **Application for a license**

1. An application for a license, amendment, modification, transfer and extension of a license shall be submitted in writing and in the form specified by the Regulatory.
2. The applicant shall submit the application with original or notarized documents as well as soft copies to the Regulatory (if the Regulatory so requires), in one of the official languages in Kosovo.
3. In case a document/evidence has been issued in another language, the Regulatory may accept the document as such or request the applicant to submit the translated document in one of the official languages of the Republic of Kosovo and verified by a notary.
4. All applicants for a license, review (modification/amendment), transfer, extension of a license, shall pay the administrative fee pursuant to Rule on Fees.
5. The fee paid by the applicant for the review of application shall not be reimbursed, even in cases that the application is rejected.

### Article 5

#### **Procedures for reviewing applications**

1. The procedures established under this Rule shall be valid for all applicants applying for a license, including the applications by an existing licensee for amendment, extension, transfer of a current license.
2. The Regulatory shall review the applications together with the attached evidences, and shall inform the applicant in relation to a decision made by it, within a period of time set forth under Article 7 of this Rule.
3. If the application submitted is considered incomplete, the Regulatory shall require from the applicant to provide necessary additional information for the completion of application, which are required pursuant to applicable Rules. The applicant must submit the additional information within a period of thirty (30) calendar days from the date the Regulatory requested this information.

4. In case the application and additional documents are not in accordance with the criteria set forth in this Rule, the Regulatory shall require from the applicant to correct his/her application within a period of fifteen (15) calendar days. The period for reviewing of the application shall run from the date when the Regulatory has deemed the application complete.
5. In case the applicant has not corrected his/her application, or has not submitted the evidences missing within a period of time specified in paragraphs 3 and 4 of this Article, the Regulatory shall reject the application and shall inform the applicant in writing accordingly.
6. Applicants for a License for generation for the plant constructed through the Authorization procedure, led by the Regulatory, which for objective reasons cannot present the evidence specified in Article 9, paragraph 1.4 of this Rule, may obtain a Temporary License only once, for a period no longer than twelve (12) months.

#### Article 6

##### **Publication of a notice for application**

1. Upon the determination of the Regulatory that the application for a license is complete, the Regulatory shall instruct the applicant applying for a license to publish a notice in two (2) daily newspapers of wide circulation in Kosovo, which will describe:
  - 1.1. a brief summary of the license application, and
  - 1.2. details of the official within the Regulatory to whom any objection to the granting of such license should be submitted.
2. The deadline for such objection by the parties shall be eight (8) working days, from the date when the announcement was published. The objection may be submitted in electronic, written or other form.
3. If the Regulatory receives an objection for an application, it shall send a copy of it to the applicant and shall post it on the website of the Regulatory.
4. The Regulatory shall determine the merit of any objection at its sole discretion noting the statutory grounds for the granting, amendment, termination, transfer or rejection of an application, set out in the Law on Energy Regulatory.
5. The Applicant and/or the Regulatory shall not reveal any information, which is deemed confidential, in accordance with the Rule on Confidential Information.

#### Article 7

##### **Form of Application and timeline for the review of applications**

1. The form of application for licensing energy activities in Kosovo shall be issued and published by the Regulatory.
2. The Regulatory shall take a formal decision for each application within sixty (60) calendar days, upon the submission of a completed application. The Regulatory shall inform the applicant on the date when his/her application is deemed as complete.

3. The Regulatory may reject to grant a license in accordance with Article 35 of the Law on Energy Regulatory. In case a license is rejected, an applicant cannot file a new request before sixty (60) calendar days from the date when such an application has been rejected.
4. Provision of any false or fraudulent information by the applicant shall set the grounds for rejection of an application, or, if it is revealed after the license has been granted, it shall set the ground for imposing an administrative measure or fine, as well as the withdrawal of the license, as defined in the Rule on Administrative Measures and Fines and the Law on Energy Regulatory.
5. The Regulatory shall keep and publish on its official web site the Register for all licenses.

### **CHAPTER III**

#### **GENERAL AND SPECIFIC APPLICATION REQUIREMENTS**

##### Article 8

##### **General application requirements**

1. When applying for a license, each applicant shall submit to the Regulatory the application for licensing and enclose the following documents:
  - 1.1. a copy of the certificate granted by the Kosovo Business Registration Agency, where an applicant is required by the law on business organisation to register a business in Kosovo;
  - 1.2. the statute of the enterprise or the business organisation establishment agreement;
  - 1.3. applicant's business plan, related to the energy activities to be covered by the license, that covers at least the next three (3) years;
  - 1.4. applicant's annual financial statements for the last three (3) years. These financial statements should be audited by licensed and independent financial auditors. The applicant shall submit the auditor's report separated from financial statement, whilst the newly established enterprise shall submit the financial statement and information in relation to the experience of partners and his/her stakeholders, if any, for the performance of energy related activities;
  - 1.5. evidence from a financial institution or institutions confirming the availability of funds for the energy activity (e.g. bank guarantee of applicant or a parent company, or similar evidence of the availability of funds sufficient to finance the activity for which a license is being requested);
  - 1.6. a certificate issued by the competent body certifying that the applicant fulfils the legal obligations regarding the payment of taxes (Certificate of the Tax Administration of Kosovo);
  - 1.7. a certificate issued by the competent body certifying that the applicant is not subject to a procedure for insolvency or liquidation;
  - 1.8. description of the applicant's experience in performing such energy activities, from the establishment until the moment of application (Curriculum Vitae of the enterprise);

- 1.9. CVs of the applicant's senior management and other personnel together with their qualifications;
  - 1.10. information regarding the organizational structure (management and professional personnel) of the applicant;
  - 1.11. receipt of the payment of the relevant application fee for licensing (in accordance with Article 4 paragraph 5 of this Rule);
  - 1.12. evidence on the publication of the Notice in two (2) daily newspapers with wide circulation in Kosovo (in accordance with Article 6 of this Rule).
2. The Applicant shall complete and sign the Declaration (which is part of the Application for Licensing) certifying that:
- 2.1 managers of the applicant have not been convicted or indicted for criminal offenses;
  - 2.2 no withdrawal of the licence for the activity for which it applies, within five (5) years from the date that the application is submitted;
  - 2.3 the applicant has acted (in Kosovo or abroad) and will act in accordance with all provisions of the applicable legislation on environmental protection;
  - 2.4 the applicant will apply all legislation on the energy sector, Regulatory rules, technical and commercial codes and other applicable legislation; and
  - 2.5 has not committed any offense in Kosovo or abroad in terms of safety and security at work.

#### Article 9

##### **Specific requirements for application for a generation license**

1. An applicant applying for a license for the generation of electricity, generation of thermal energy or co-generation of electricity and thermal energy, in addition to the requirements under Article 8 of this Rule, shall also submit to the Regulatory the following documents/evidences:
  - 1.1. data on the type and technical specifications of energy facility and site including a list of the main and ancillary facilities of the energy facility whereabouts;
  - 1.2. evidence on availability of fuel and/ or preliminary or final contract for fuel supply (when applicable);
  - 1.3. environmental permit issued by a competent institution (where applicable);
  - 1.4. thermal efficiency declaration (where applicable).

#### Article 10

##### **Specific requirements for application for a Transmission System Operator licence**



1. An applicant applying for a license for transmission system operator in addition to requirements under Article 8 of this Rule shall also submit to the Regulatory the following documents/evidences:
  - 1.1. description of all relevant transmission systems owned and/or operated by the applicant together with information on ownership rights to use system elements, within Kosovo;
  - 1.2. system development plan as set forth in Article 10 of the Law on Energy or Article 18, subparagraph 6.1 of the Law on Natural Gas;
  - 1.3. information about current or planned cross border capacities;
  - 1.4. demonstration of capability and availability of necessary hardware and software systems, together with all other financial, human and technical resources necessary for the applicant to perform the tasks set forth by Article 16 of the Law on Electricity and Article 18 of the Law on Natural Gas, as appropriate.
  - 1.5. specification and technical characteristics of metering devices at energy delivery points; and
  - 1.6. statement that applicant will implement and develop all technical codes as set forth under Law on Electricity and Law on Natural Gas.

#### Article 11

##### **Specific requirements for application for the Market Operator License**

1. An applicant applying for a license as Market Operator of electricity or natural gas, in addition to the applicable requirements under Article 8 of this Rule shall also submit to the Regulatory the following documents/evidences:
  - 1.1. demonstration of capability and availability of necessary hardware and software systems for communication with all metering points, with all market participants; and
  - 1.2. statement of the applicant's awareness of his/her obligations to develop and implement Market Rules.

#### Article 12

##### **Specific requirements for application for a Distribution System Operator licence**

1. An applicant applying for a license for the distribution of electricity, thermal energy and natural gas, in addition to the requirements under Article 8 of this Rule, shall also submit to the Regulatory the following documents/evidences:
  - 1.1. description of relevant distribution system or systems, together with their technical characteristics and the territory for distribution of electricity, thermal energy and natural gas.
  - 1.2. information on ownership or legal right to use the elements of the system;

- 1.3. system development plan as set forth in Article 10 of the Law on Energy, Article 15, paragraph 3, sub-paragraph 3.2 of the Law on Thermal Energy and Article 22 of the Law on Natural Gas, as appropriate;
- 1.4. information on the expected numbers and structure of connected customers and of potential customers;
- 1.5. demonstration of capability and availability of necessary hardware and software systems, together with all other financial, human and technical resources necessary for the applicant to perform the tasks set forth by Article 16 of the Law on Electricity and Article 18 of the Law on Natural Gas, as appropriate.
- 1.6. indicators measuring the quality of supply with energy (duration, frequency, number of interruptions, minutes lost expressed per customer, etc.) and system operation services (general information, meter reading agreements, time of connection, failure, restoration of energy system after failures, etc.);
- 1.7. specification and technical characteristics of metering devices of distribution system; and
- 1.8. transmission system connection agreement.

#### Article 13

##### **Specific requirements for application for a supply license**

1. An applicant applying for a license to supply final customer with electricity, thermal energy or natural gas, in addition to the applicable requirements under Article 8 of this Rule, shall also submit to the Regulatory the following documents/evidences:
  - 1.1. data on the material resources owned by the applicant, including billing and information systems and the available software for performing the activity;
  - 1.2. information regarding the applicant's billing system;
  - 1.3. the form(s) of contract that the applicant intends to use for supplying customers with electricity, thermal energy or natural gas; and
  - 1.4. a statement as to whether the applicant is willing in principle to act as a Supplier of Last Resort, pursuant to Article 39 of the Law of Electricity, or Article 19 of the Law on Thermal Energy as applicable and, if so, for what numbers or classes of customer the applicant's billing and administrative systems are capable of handling.

#### Article 14

##### **Specific requirements for application for licence for natural gas storage**

The requirements for a licence for the natural gas storage shall be set by separate decision of the Board of the Regulatory, and accordingly design the Application form for License for this activity. The application shall be published on the official website of the Regulatory.

## **CHAPTER IV**

## **TERMS AND CONDITIONS OF THE LICENSES**

### Article 15

#### **General terms and conditions**

1. Each license, issued by the Regulatory under the terms of this Regulation, shall include indispensable terms and conditions for performing the licensed activity and for setting forth the rights and obligations imposed on all licensees notwithstanding the type of energy activity.
2. Each license, among other things, shall contain the following general provisions:
  - 2.1 the legal grounds for granting the license;
  - 2.2 the type of licensed energy activity;
  - 2.3 definitions;
  - 2.4 performance of licensed activities;
  - 2.5 the territory covered by the license, where applicable;
  - 2.6 the ownership or the legal right to use the facility and integral parts of the system;
  - 2.7 the main facilities used to perform the licensed activity, if applicable;
  - 2.8 the terms, conditions, rights and obligations of the licensees;
  - 2.9 requirement to comply with all relevant technical and commercial codes including the Market Rules;
  - 2.10 provisions related to accounting;
  - 2.11 provisions related to prohibition of cross-subsidies (inter-subsidies), if applicable;
  - 2.12 prohibition of non-compliant behaviour, if applicable;
  - 2.13 prohibition of discrimination;
  - 2.14 public service obligations and provisions for the last-resort supplier, if applicable;
  - 2.15 financial sustainability of the licensee;
  - 2.16 requirements to comply to the safety, security and environmental protection standards;
  - 2.17 conditions regarding the modification, transfer, suspension, termination, and withdrawal of a license;
  - 2.18 provisions regarding the change in controlling the licensee;
  - 2.19 prohibition of alienation of assets without the approval of the Regulatory;

- 2.20 obligation to maintain data in relation to the licensed activity as required;
  - 2.21 obligation to provide assets for certain licenses, if applicable;
  - 2.22 provision in relation to reporting to the Regulatory;
  - 2.23 provision on payment of fees;
  - 2.24 provision in relation to dispute resolution and appeal procedure;
  - 2.25 legal consequences of violation of license provisions, etc.
3. In addition to the provisions set forth in paragraph 2 of this Article, the Regulatory may include in the license other necessary conditions in order to assure compliance with the requirements of the applicable legislation.

#### Article 16

##### **Specific terms and conditions in different kind of licenses**

1. In the license for **production**, the Regulatory may include terms and conditions concerning:
  - 1.1. fuel stocks, as applicable;
  - 1.2. efficiency measures, as applicable;
  - 1.3. ancillary and balancing services.
2. In the license for **Transmission System Operator**, the Regulatory may include terms and conditions concerning:
  - 2.1. the requirement to provide connection to and use of the transmission system to third parties requiring to arrange for transmission of electricity, natural gas or thermal energy in an objective and non-discriminatory manner, with appropriate provisions governing the submission of requests for access, the procedure for denial of access, and appeal procedure by the parties to whom the access is denied;
  - 2.2. requirements in respect of TSO certification that must be satisfied by the applicant to demonstrate that it is eligible to be certified as a TSO under the applicable provisions of the Law on Electricity or the Law on Natural Gas;
  - 2.3. in the case of electricity, priority of dispatch and connection of energy generated from renewable energy sources as set forth in Article 14, paragraph 1 of the Law on Energy, Article 16, sub-paragraph 1.44 of the Law on Electricity , Article 14.2 of the Law on Thermal Energy and other energy sector applicable rules and codes;
  - 2.4. obligation to make information publicly available about interconnection and transmission system maintenance plan and possible congestions, in accordance with applicable energy sector laws, rules and codes.

- 2.5. obligation to prepare and update a development and investment plan for the transmission system in accordance with applicable energy sector laws, rules and codes;
  - 2.6. obligation to maintain a database of information received by users of the transmission system, containing data available to the public on an aggregated basis, while preserving the information considered confidential and commercially sensitive;
  - 2.7. obligation to develop technical codes as set forth under the Law on Electricity and the Law on Natural Gas and to modify them in consultation with users;
  - 2.8. the reduction of transmission system technical losses;
  - 2.9. the installation of sufficient and appropriate metering on the system to allow the operator to provide accurate information to the Regulatory, users of the system or other interested persons regarding units received onto, and delivered from, his/her system.
  - 2.10. responsibilities in relation to Interconnections and Inter-TSO Compensation mechanism.
3. In the license for **Distribution System Operator**, the Regulatory may include terms and conditions concerning:
- 3.1 the requirement to provide connection to and use of the distribution system to third parties requiring to arrange for the transmission of electricity, natural gas or thermal energy in an objective and non-discriminatory manner
  - 3.2 appropriate provisions governing the submission of requests for access, the procedure for denial of access, and appeal procedure by the parties to whom the access is denied.
  - 3.3 in the case of electricity and thermal energy, priority of dispatch and connection of energy generated from renewable energy sources as set forth in Article 14, paragraph 1 of the Law on Energy, Article 16, sub-paragraph 1.44 of the Law on Electricity , Article 16.6 of the Law on Thermal Energy and other energy sector applicable rules and codes;
  - 3.4 obligation to prepare and update a development and investment plan of the distribution system in consultation with the transmission system operator in accordance with energy sector applicable laws, rules and codes;
  - 3.5 obligation to maintain a database of information received by users of the distribution system, holding data available to the public on an aggregated basis, while preserving the information considered confidential and commercially sensitive;
  - 3.6 establishment of a compliance program relating to unbundling requirements in line with energy sector applicable laws, rules and codes which sets out measures taken to ensure that discriminatory conduct of the market players is excluded, and ensure that observance of it is adequately monitored;
  - 3.7 obligation to develop technical codes as set forth under Law on Electricity and the Law on Natural Gas and to modify them in consultation with users;

- 3.8 all metering and invoicing requirements are designed and performed in a safe and economical manner to ensure that both users of the system and customers connected to the system are able to receive up-to-date and appropriate consumption and demand data;
  - 3.9 the reduction of distribution system losses;
  - 3.10 the installation of sufficient and appropriate metering on the system to allow the operator to provide accurate information to the Regulatory, users of the system or other interested persons regarding units received onto, and delivered from, his/her system.
4. In the license for **Public supply of thermal energy**, the Regulatory may include terms and conditions concerning:
    - 4.1. requirements set forth under the Law on Thermal Energy pertaining to the public supply of heating to the customers;
    - 4.2. provisions pertaining a Supplier of Last Resort in order to ensure the continuity of thermal energy supply to customer;
    - 4.3. requirements for purchasing premises and equipment in a manner that is economic and efficient;
    - 4.4. requirement to ensure that the license holder informs all customers of the procedure for making a claim for damages and establishes adequate appeal procedures to address such claims and compensation;
    - 4.5. the prevention of discrimination in provision of the services to the customers; and
    - 4.6. other responsibilities as prescribed under energy sector applicable laws, rules and codes;
  5. In the license for **supply of electricity and natural gas**, the Regulatory may include terms and conditions concerning:
    - 5.1. obligation to purchase energy in the most economical and efficient manner, if it is universal services supplier or last resort supplier;
    - 5.2. obligation to inform all customers of the procedure for making a claim for damages and establishes adequate appeal procedures to address such claims and compensation;
    - 5.3. prohibition on discrimination in provision of the services to customers;
    - 5.4. any public service obligation, as applicable.
  6. In the license for **Market Operator**, the Regulatory may include terms and conditions concerning:
    - 6.1. obligation to develop the Market Rules as set forth under Law on Electricity and the Law on Natural Gas and to modify them in consultation with users;

- 6.2. the provision of correct and reliable information to the market participants regarding prices, number of market participants, percentage of market share, forecasted prices and statistics.

## **CHAPTER V MONITORING**

### Article 17

#### **Monitoring of licensed activities**

1. The Regulatory shall monitor the performance of licensed activities based on the data submitted by the licensee and information from the market in accordance with applicable laws and rules.
2. The licensee shall cooperate with the Regulatory in providing all data requested during the license validity period.
3. The Regulatory may perform physical inspections of the facilities and license-related documents on the premises of the licensee (periodically announced and unannounced visits) or pursuant to Article 33, paragraph 3 of the Law on Energy, Law on Electricity, and Law on Energy Regulatory Office.

### Article 18

#### **Obligation of the licensee to keep and collect information**

1. The Regulatory may require the licensee to collect and to keep information, data and documents concerning the customers, metering devices, data regarding the supply quality measurement, and number of complaints, including the following data:
  - 1.1 names and addresses of customers;
  - 1.2 location of the metering devices;
  - 1.3 amounts of compensation paid to customers in case of poor performance, if any;
  - 1.4 number of contracts signed by different categories of end customers;
  - 1.5 numbers and types of complaints registered; and
  - 1.6 other additional information as the Regulatory deems appropriate.

## **CHAPTER VI EXTENSION, AMENDMENT, SUSPENSION, TRANSFER AND TERMINATION OF LICENSE**

### Article 19

#### **Extension of the license**

1. The Regulatory may extend the duration of a license for another period, in accordance with Article 32 of the Law on Energy Regulatory, provided that the licensee meets all obligations and requirements in its license, and has submitted a written application for extension.
2. Application for the extension of the license for the activities set forth in the license shall be done no later than six (6) months before the expiration of the license, as stipulated in Article 32, paragraph 3 of the Law on the Energy Regulatory.
3. Any request for extension of the license shall be reviewed by the Regulatory in accordance with the license application procedures as stipulated in this Rule.
4. For a license extension, the Regulatory may require the Licensee to submit only documents that are different from those used during the earlier application for the license (of the active license).
5. The extension shall run from the current license expiration date.
6. The Application form for the license extension shall be designed and published by the Regulatory.

Article 20  
**Modification of the license**

1. License may be modified by the Regulatory:
  - 1.1. at the request of the licensee, if the justifiable reasons for modification have appeared after the issuance of the license and by attaching the necessary information and documents supporting his/her request; and
  - 1.2. on self-initiative by the Energy Regulatory Office from circumstances, such as; the need to increase competition, changes in other applicable laws, changes in public service obligations, energy supply security risk, state security risk, or the risk to citizens' lives and health, or the protection of the environment.
2. During the process of license modification, the Regulatory shall inform and consult the Licensee, and other interested parties, as applicable.

Article 21  
**Suspension of the license**

The Regulatory may temporarily suspend the license in cases when such a suspension is justified. In this case, the licensee is given reasonable time to correct his/her actions or failure to act, as well as when the licensee proves his/her willingness and ability to conduct such corrections.

Article 22  
**Termination of the license**

1. Pursuant to Article 37 of the Law on Energy Regulatory, any granted license may be terminated or withdrawn by the Regulatory in the following cases:
  - 1.1. upon expiration of the period of validity, including the possible extensions of its validity;



- 1.2. at the request of the licensee, provided that the licensee's obligations are taken over by another licensee, or that the customers shall not suffer from this discontinuation of license;
  - 1.3. its revocation by the Regulatory,
  - 1.4. if the licensee fails to meet or violates conditions/term and material obligations set forth by the license, and if he/she fails to correct such failures within a reasonable period of time stipulated by the Energy Regulatory Office;
  - 1.5. if the licensee activities are discontinued as a result of stating his/her insolvency to pay or due to liquidation, however, this sub-paragraph is not applied to a process of reorganization which is supervised by the court if the licensee continues his/her activity during this process; and
  - 1.6. if the licensee has submitted incorrect information taken as a ground for granting the license, as well as that those information are of great importance for proper performance of the licensed activities.
2. In reference to paragraph 1 of this Article, a license may be terminated only if the Regulatory established that the licensee' obligations, including the public service obligations, can be carried out in a satisfactory way by another licensee, or when customers do not suffer from the termination of such a license.
  3. Every request for termination or withdrawal of the license shall be reviewed by the Regulatory in accordance with license application procedures set forth under this Rule.

#### Article 23

#### **Transfer of terminated license**

1. Where a license granted by the Regulatory to a licensee has been terminated, the Regulatory at its sole discretion may transfer such licence to another person in line with Article 37 paragraph 4 of the Law on the Energy Regulatory.
2. The licence shall only be transferred by the Regulatory in the case when the reasons for such transfer are justified by the applicant, and:
  - 2.1. if the proposed transferee will accept to perform all remaining liabilities of the current Licensee, whether arising under the License of the licensee, this Rule, or any other applicable legislation; and
  - 2.2. if the proposed transferee meets all conditions set forth in this Rule on Licensing and other applicable legislation.
3. The transfer procedure is performed by the Regulatory in the same manner as that used for granting a license. The Regulatory shall determine whether the proposed transferee is capable of satisfying the license terms. The duration of license validity and license terms shall remain the same.

4. The application form for transfer of the License shall be designed and published by the Regulatory.

## **CHAPTER VII FINAL AND TRANSITIONAL PROVISIONS**

### Article 24 **Modification**

1. The Regulatory is entitled to change or modify any provision of this Rule.
2. Procedures for changing or modification of this Rule shall be the same as for its approval.

### Article 25 **Interpretation**

In case there are uncertainties concerning the provisions of this Rule, the Board shall issue explanatory information.

### Article 26 **Abrogation**

This rule shall abrogate the Rule for licensing energy activities in Kosovo, issued pursuant to the Law No 05/L-084 on the Energy Regulatory and approved by the Board of Energy Regulatory Office on 29.08.2011.

### Article 27 **Entry into force**

This Rule shall enter into force upon its approval by the Board of Energy Regulatory and shall be published on the official website of the Regulatory.

**Board of Energy Regulatory Office:**

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Krenar Bujupi, acting Chairperson

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Arsim Janova, Member

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Besim Sejfiqaj, Member