

# Bulletin 16

January – June 2020



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

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



## Introduction of the Bulletin – Regulatory activities during the pandemic period



*Arsim Janova*  
*Acting-Chairman of ERO Board*

During the six-month period, January - June 2020, the Energy Regulator tried to carry out its activities in accordance with the legal obligations and the work plan for this year, despite the challenges and difficulties caused by the pandemic situation due to COVID 19 virus.

Part of the time ERO staff had to work from home, while at the office work was organized with essential staff organized in rotation in order to cover the presence of all departments.

The ERO Board held four sessions during this period where it reviewed and made decisions on 44 issues related to the regulation of the energy sector.

The Regulator carried out the tariff review process in accordance with pricing rules and the Board has taken decisions first on Maximum Allowed Revenue (MAR) and then on Transmission and Distribution as well as Universal Service of Supply electricity tariffs.

Monitoring the operation of enterprises and the provision of licensed services has been intensified in particular during the pandemic, in order to ensure the smooth functioning of the sector in general. ERO has required operators to ensure proper planning and accurate information on the reorganizations that operators have carried out in managing their operations during the pandemic.

During this period ERO has carried out three public consultations, which due to the circumstances have been made available to the public only through online platforms. In addition to the tariff review process, ERO has taken decisions, after public discussions, on electricity balances and the Rule on Market Integrity and Transparency.

Among other activities important to the public, ERO has also worked on redesigning the website and preparing and submitting the Annual Report to the Assembly of Kosovo. The report has so far been approved by the Committee on Economy and remains to be reviewed in the plenary session.

### CONTENTS

- ORGANIZATION OF THE REGULATOR AND MEASURES UNDERTAKEN DURING THE PANDEMIC
- ELECTRICITY TARIFF REVIEW PROCESS
- CUSTOMER CARE DURING THE PANDEMIC
- REMIT APPROVAL
- APPROVAL OF ERO'S ANNUAL REPORT BY THE PARLIMENTARY COMMITTEE
- COOPERATION AND INTERNATIONAL REPRESENTATION
- ERO'S NEW WEBSITE
- DECISIONS OF THE BOARD

## Organization of the Regulator's activities and measures undertaken by the licensees during the pandemic

In order to ensure the smooth functioning of the sector in general, ERO has intensified the monitoring of the enterprises operation and the provision of licensed services, especially during the pandemic. The Regulator has required operators to ensure proper planning and accurate information on the reorganizations they have carried out in managing their operations during the pandemic.

In line with the measures undertaken by the Government, after the appearance of the first cases of those infected with the virus COVID 19, ERO organized the work with a minimum number of staff who should be in the office on a rotating schedule, while the rest of the staff worked from home.

Internal meetings were organized with the participation of only the necessary staff ensuring the distance in accordance with the instructions given by the relevant health institutions.

Three of the five Board sessions were held without the presence of the public and almost all meetings that create a large gathering of participants (public discussions, debates, preparatory sessions, etc.) were avoided.

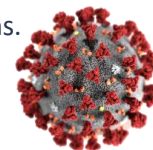
ERO has continuously informed the public and the media through its website, e-mail and social media.

Although customers were asked to submit their complaints by e-mail, at ERO's offices there was always available staff engaged on customer care, in order to ensure that their concerns are addressed with priority at all times.

The electricity sector during the period January - June 2020 functioned normally at its full capacity. During the period January - June 2020, which includes the period of the COVID 19 pandemic and especially during the period when our country was under the measures of restriction of movement, the electricity supply was stable. It is worth mentioning that during the pandemic, all licensees, starting from the Kosovo Energy Corporation, the Transmission System and Market Operator, the Distribution System Operator, and the Supplier KESCO, have undertaken all measures for the safety of their employees, in accordance with the recommendations of the country's health institutions.

Some of the key measures taken by licensees during the pandemic were:

- postponing the planned maintenance of generating units;
- non-disconnection of customers due to unpaid electricity bill;
- customer billing has continued in accordance with the procedure of reading the metering points, only in cases when there was no possibility to read them, billing was carried out with evaluation, in accordance with the procedure of reading the metering points;
- KESCO's customer call centre worked 24 hours a day, 7 days a week;
- the offices of the KESCO supplier where the payments are made were open;
- customers have had other options available for the payment of electricity bills through e-banking, other mobile applications, mail, etc .;
- the planned outages were postponed and only the necessary maintenance was carried out, in order to provide stable electricity supply.



## Electricity Tariff Review Process

In the second session, held on 6 April 2020, the ERO Board approved the Maximum Allowed Revenues (MAR) of Transmission/Market Operators (KOSTT), Distribution (KEDS) and Universal Electricity Supply (KESCO). The total approved value of MAR for the regulatory period April 2020 - March 2021 is set at 268.9 million euros. The decision on the operators' MARs was preceded by a long consultation process which started at the end of 2019 with the submission of applications/requests for annual adjustments of Maximum Allowed Revenues, by the licensed operators for activities of transmission, distribution and public electricity supply.

Based on the approved value of MAR of operators with regulated prices, on 8 April 2020 KESCO submitted to ERO the request for tariffs for final customers, who are supplied by the Universal Service Supplier (USS-KESCO). The Board of ERO in its third session, held on 17 April 2020, decided that the supply tariffs from the universal service shall remain in force as in the previous tariff structure. While the tariffs for the use of the Transmission network and Distribution network differ from those of previous years, in accordance with the Maximum Allowed Revenues (MAR), but these differences are not reflected in the final tariffs of regulated customers for the regulatory period 1 April 2020 – 31 March 2021. All materials related to the tariff review processes are published on the official website of ERO [www.ero-ks.org](http://www.ero-ks.org).

Tariff group	Voltage level of supply	Tariff element	Unit	Time of day	approved 201
1	35kV	Standing (customer) charge	€/customer/month		11.19
		Standing (demand) charge	€/kW/month		5.85
		Active energy (P), of which	€/kWh	High Tariff	4.92
			€/kWh	Low Tariff	3.16
		Reactive energy (Q)	€/kVArh		0.67
2	10kV	Standing (customer) charge	€/customer/month		4.62
		Standing (demand) charge	€/kW		5.04
		Active energy (P), of which	€/kWh	High Tariff	5.73
			€/kWh	Low Tariff	3.69
		Reactive energy (Q)	€/kVArh		0.67
3	0.4 kV Category I (reactive energy customers)	Standing (customer) charge	€/customer/month		2.57
		Standing (demand) charge	€/kW		2.97
		Active energy (P), of which	€/kWh	High Tariff	6.69
			€/kWh	Low Tariff	4.96
		Reactive energy (Q)	€/kVArh		0.67
4	0.4kV Category II	Standing (customer) charge	€/customer/month		2.97
		Active energy (P), of which	€/kWh	Single Tariff	8.83
			€/kWh	High Tariff	10.71
			€/kWh	Low Tariff	5.3
5	0.4kV (domestic) 2-rate meter	Standing (customer) charge	€/customer/month		1.74
		Active energy (P), of which	€/kWh	High Tariff	6.75
			€/kWh	Low Tariff	2.89
6	0.4kV (domestic) 1-rate meter	Standing (customer) charge	€/customer/month		1.74
		Active energy (P), of which	€/kWh		5.32
7	0.4kV (domestic unmetered)	Assessed consumption:			
		Standing (customer) charge	€/customer/month		1.74
		Active energy (P), of which	€/kWh	Average Tar	6.75
8	Public lightning	Standing (customer) charge	€/customer/month		3.21
		Active energy (P), of which	€/kWh	Single Tariff	9.24
High Tariff (day time) applies from 07:00 -to 22:00 during the period 1 October to 31 March					
High Tariff (day time) applies from 08:00 - 23:00 during the period 1 April to 30 September					
Customer will be charged with reactive energy above allowed $\cos(\Phi)>0.95$					

## Customer care

Having as one of its top priorities the provision of satisfactory services to customers, the Regulator has intensified its activities in this regard in order to ensure that customers are receiving the necessary energy services despite the pandemic circumstances caused by the COVID 19 virus.

The Customer Protection Department (CPD) during the period January - June 2020 has registered 33 complaints of customers who have exercised their right against responses issued by the Supplier, and has returned for reconsideration 85 complaints to the Supplier and the Distribution System Operator. In addition to registered and resolved customer complaints, ERO has also provided support in providing information, explanations, verbal consultations, e-mail, and via telephone to all energy customers.

During the period January - June 2020, ERO has resolved 100 customer complaints, including complaints which have been returned for review to the supplier and distribution system operator. All complaints reviewed by the operators, which have been proceeded to the Regulator, were reviewed once again by the Regulator in order to verify the full resolution of complaints according to customer requests, and customers were notified as well. In all reviewed cases the customers agreed with the solutions offered.

During the period January - June 2020, ERO has received 6 more customer complaints by mail which, despite the fact that they had to be addressed to the licensees or the courts, they insisted to address the Regulator for resolving their complaints. The nature of these complaints was mainly for unauthorized use of electricity, as well as damage compensation. ERO, within its competencies, responded in writing to the customers, instructing them on further procedures regarding their complaints.



*In addition to the complaints registered during the period January - June 2020, ERO also held 777 meetings and 362 telephone conversations with the parties, including electronic communication, which addressed the office for various contractual issues between the customer and the energy enterprise. During the communication with customers, ERO informed and instructed them on the rules, procedures as well as their rights and obligations regarding the energy*

## Decisions of the Regulator's Board in the area of customer protection

In line with the Rule on Resolution of Complaints and Disputes in the Energy Sector, customers and licensees have the right to appeal the decision of the CPD as a first instance to the Regulator's Board as a second instance.

During the period January - June 2020 customers have filed 4 complaints to the Regulator's Board against the decisions of the Customer Protection Department. The supplier KESCO during the period January - June 2020 has submitted 8 complaints to the Regulator's Board against the decisions of the CPD.

During this period, the Regulator's Board reviewed 3 recommendations issued by the CPD on complaints of commercial and industrial customers, in which case the Board approved all these recommendations.

## Approval of REMIT Rule

On 23 June 2020, at its fourth meeting, the Regulator's Board approved the Rule on Wholesale Energy Market Integrity and Transparency (REMIT). This rule, which will be implemented by the Energy Regulator, sets out the criteria that prohibit abusive practices that affect wholesale energy markets, and also provides for the monitoring of wholesale energy markets in the country. Approval of this rule proves the importance that the Regulator dedicates to the competitive market, and the need to ensure the integrity of this market, based on the *Acquit* of the European Union, especially knowing that Kosovo's Regulator is the first among the contracting parties of the Energy Community to approve this rule.

REMIT is a regulation of the European Union (EU) on the integrity and transparency of the energy market (No. 1227/2011). This regulation has entered into force on 28 December 2011 and Kosovo as a contracting party to the Energy Community has an obligation to transpose it, as it is also obliged to implement other EU energy legislation. REMIT ensures a consistent regulatory framework across the EU, specific to wholesale energy markets.

REMIT establishes a very important regulatory framework for identifying and penalizing market abuse in Kosovo and the rest of Europe. It also helps the customers, industry and other stakeholders to build confidence that wholesale energy prices are open, fair and competitive – which is the foundation for the effective functioning of the energy market.





## Approval of ERO's Annual Report by the Parliamentary Committee

Following the submission of ERO's Annual Report to the Assembly of Kosovo, the Board and management of ERO, on 26 May 2020, submitted the Report to the Parliamentary Committee on Economy, Employment, Trade, Industry, Entrepreneurship and Strategic Investments. Apropos, they reported on activities related to the scope of the Regulator, as well as the functioning of the energy sector, analysing the data of licensees, including the development of the energy market in Kosovo.

During the next meeting of the Committee, held on 28 May 2020, the members of the Committee approved the Report which is expected to be reviewed in the plenary session.

All ERO's annual reports are published at the following link: <https://www.ero-ks.org/zrre/sq/publikimet/raportet-vjetore>.



*Reporting of the ERO's Board and management to the Parliamentary Committee*

## International activities and regional cooperation

The Regulator represented by its staff attended all international activities that were organized online, especially events organized by the Energy Community, Regulators Associations (ERRA, NARUC, CEER) as well as other activities that ERO is involved in.

### Participation in Energy Community

Representatives of ERO, on 23 January 2020, participated in the regular meeting of the working group for customers and retail markets of the ECRB (Energy Community Regulatory Board). During the meeting, in addition to discussions regarding the activities of the working group, ERO participants presented the latest developments in the energy sector and the activities of the Regulator.

Also, ERO representatives, on 27.05.2020 participated in the regular meeting for customers and retail markets of ECRB (ECRB CRM). During the meeting, in addition to discussions regarding the group activities, the representative of CPD-ERO held a presentation on the latest developments in the energy sector and the activities of the Regulator since the last meeting.

In the working group for customers and retail markets of ECRB (ECRB CRM) the representative of ERO is also the leader of one of the "Task Forces" related to the topic "New generation of customers and digital communication". It should be noted that the purpose of this Report is to collect information on the level of digitalization of services, and digital communication channels provided by energy companies and regulators to customers in Energy Community Contracting Parties.

### Cooperation with NARUC

ERO representatives are also involved in some of the programs organized by NARUC in order to support the development of free markets in the region. They have also participated regularly in web-seminars organized related to the following topics:

- Consideration of regulated tariffs due to Pandemic;
- Improving investment planning through the implementation of service quality standards;
- Regulatory role in supporting cyber security investments;
- Transition plans and cost recovery after the COVID-19 Pandemic.



*ERO's representative, Mr. Ymer Rudari, participates as a panelist in the web seminar organized by NARUC on Cyber Security*

### Participation on ERRAs activities

Being an associate member of ERRAs, ERO has its regular members appointed to the working groups and the group of chairmen, who have held their meetings during this period as well, but through the Internet.

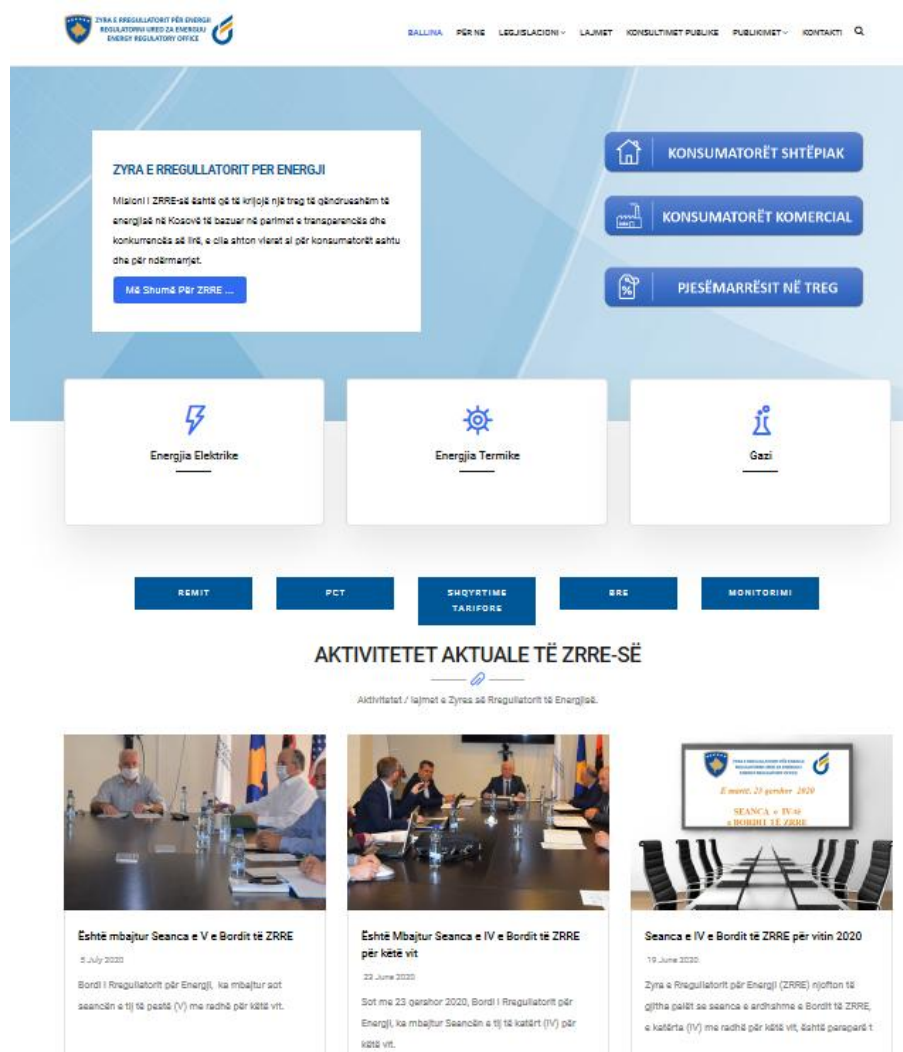
Some of the webinars have been organized in cooperation with NARUC and CEER, especially those that addressed the problems created in the energy sector due to the pandemic caused by COVID 19 virus.

## ERO closer to customers through the redesigned website

Following the efforts for greater transparency and involvement of the public in the regulatory processes, on 5 July 2020, ERO launched a redesigned website: [www.ero-ks.org](http://www.ero-ks.org)

The purpose of the redesign was, in addition to greater transparency and adjustment to mobile devices, to provide information in an easier manner to customers and other parties which are interested on energy sector regulatory activities. The new website also publishes the necessary information for operators interested in licensing their activities as well as for investors who are interested in investing in the energy sector.

For more information, ERO invites you to visit [www.ero-ks.org](http://www.ero-ks.org)



*New ERO webpage designe*



## Decisions of ERO Board (January-June 2020)

**V\_1266\_2020** – Decision on the request of KOSTT JSC on Derogations of the provisions of the Grid Code, Market Rules and TSO License;

**V\_1265\_2020** - Decision on the request of Distribution System Operator on amendment of the coefficients of DSO Losses;

**V\_1264\_2020** - Decision on the request of KOSTT JSC on amendment of the document “Market Rules Procedure for Correction of Metering;

**V\_1263\_2020** – Decision on approval of the Reviewed Annual Balance of Electricity 2020;

**V\_1262\_2020** - Decision on amendment of the Rule and Methodology on Preparation of Electricity and Thermal Energy Balances;

**V\_1261\_2020** - Decision on approval of the document Rule on Wholesale Energy Market Integrity and Transparency;

**V\_1260\_2020** - Decision on refusal of KESCO’s complaint regarding CDP’s Decision for the customer A.Th;

**V\_1259\_2020** – Decision on partial approval of KESCO’s complaint regarding CPD’s Decision for the customer joint consumption – I.M;

**V\_1258\_2020** - Decision on partial refusal of the complaint of the customer M.D;

**V\_1257\_2020** - Decision on refusal of the complaint of the customer S.R;

**V\_1256\_2020** – Decision on approval of the appointment of the Compliance Officer of Distribution System Operator , appointed from the Executive Board of DSO (KEDS JSC);

**V\_1255\_2020** – Decision on approval of the request of the applicant “BALLKAN PETROL” LLC for construction of new generation capacities for self-consumption from solar panels/photovoltaic, in Municipality of Ferizaj;

**V\_1254\_2020** - Decision on approval of the request of the applicant “Municipality of Obiliq” for construction of new generation capacities for self-consumption from solar panels/photovoltaic, in Municipality of Obiliq;

**V\_1253\_2020** - Decision on approval of the request of the applicant/natural person Hashim Januzaj for construction of new generation capacities for self-consumption from solar panels/photovoltaic, in Municipality of Prizren;

**V\_1252\_2020** - Decision on approval of the request of the applicant “GELI” LLC for construction of new generation capacities for self-consumption from solar panels/photovoltaic, in Municipality of Gjakova;

**V\_1251\_2020** – Decision on issuance of the electricity wholesale supply (trade) license to “Balkan Energy” LLC, with license number ZRRE/Li\_67/20 for the period 23 June 2020-22 June 2025;

**V\_1250\_2020** - Decision on approval of transmission system, system operator and market operator (KOSTT) use of system tariffs for the period 1 April 2020- 31 March 2021;

**V\_1249\_2020** - Decision on approval of electricity retail tariffs for Universal Service of Supply customers, to be implemented by the licensee KESCO JSC, starting from 1 April 2020 until the regular tariff review;

**V\_1248\_2020** - Decision on approval of Distribution Use of System Tariffs (DSO/KEDS) for the period 1 April 2020- 31 March 2021;

**V\_1247\_2020** –Decision on refusal of the complaint of the customer Y.Sh;

**V\_1246\_2020** - Decision on refusal of the complaint of the customer R. LI;

**V\_1245\_2020** - Decision on refusal of the complaint of the customer SH.K;

**V\_1244\_2020** - Decision on approval of the request of the applicant “Saimiri-I-H&A” LLC for construction of new generation capacities for self-consumption from solar/photovoltaic panels, in the facility constructed in line with the Ruling no.12 No.40, dated on 24.02.2020, issued by Directorate on Urbanization, Planning and Environmental Protection, in Municipality of Rahovec;

**V\_1243\_2020** -Decision on approval of the request of the company “Eurokos JH” LLC on extension of the validity term of the FINAL Authorization V\_882\_2017, dated on 09 February 2017, modified by Decision V\_1055\_2018 and Decision V\_1115\_2019, dated on 28 February 2019 for continuing the construction of generation capacities for electricity generation from the hydro power plant HPP Restelica 3, in Restelica River, CA Krushevë and Gllloboqicë;

**V\_1242\_2020** -Decision on approval of the request of the company “Eurokos JS” LLC and EXTENSION of validity term of the FINAL Authorization V\_881\_2017, dated on 09 February 2017, modified by Decision V\_1054\_2018, dated on 15 October 2018 and Decision V\_1114\_2019, dated on 28 February 2019, for continuing the construction of the generation capacities for electricity generation from the hydro power plant HPP Brodi 1, in Brod River, CA Brod;

**V\_1241\_2020** -Decision on approval of the request of the company NPN “Renelual Tahiri” LLC and EXTENSION of validity term of the FINAL Authorization V\_923\_2018, dated on 29 March 2018, for continuing the construction of generation capacities for electricity generation from the hydro power plant HPP Dragash, CA Radhesh, Plavë and Rapçe;

**V\_1240\_2020** - Decision on approval of Maximum Allowed Revenues of the Universal Service Supplier (USS/KESCO);

**V\_1239\_2020** –Decision on approval of Maximum Allowed Revenues to be recovered by the licensed Distribution System Operator (DSO) KEDS JSC;

**V\_1238\_2020** –Decision on approval of Maximum Allowed Revenues to be recovered by the Transmission System Operator and Market Operator KOSTT JSC;

**V\_1237\_2020** – Decision on refusal of KESCO’s complaint regarding CPD’s decision for the customer E.S from Pristina, with customer code DPR-9004344, evaluated as ungrounded.

**V\_1236\_2020** - Decision on refusal of KESCO's complaint regarding CPD's decision for the customer N.H, from Raskovë village, Kastriot, with customer code DPR-56321, evaluated as ungrounded.

**V\_1235\_2020** - Decision on refusal of KESCO's complaint regarding CPD's decision for the customer M.R from Municipality of Shtime, with customer code DFE-9044417, evaluated as ungrounded.

**V\_1234\_2020** - Decision on refusal of KESCO's complaint regarding CPD's decision for the customer L.B from Pristina, with customer code DPR-90111950 as ungrounded.

**V\_1233\_2020** - Decision on refusal of KESCO's complaint regarding CPD's decision for the customer A.M from Mitrovica, with customer code DMI-9052315, evaluated as ungrounded.

**V\_1232\_2020** - Decision on refusal of KESCO's complaint regarding CPD's decision for the customer R.J from Pristina, with customer code DPR-90111259, evaluated as ungrounded.

**V\_1231\_2020** - Decision on refusal of the complaint of the customer I.K from Municipality of Fushë Kosovë, due to the reasons presented in the reasoning section of this Decision;

**V\_1230\_2020** - Decision on refusal of the complaint of the customer E.F.K.G from Municipality of Ferizaj, due to the reasons presented in the reasoning section of this Decision;

**V\_1229\_2020** –Decision on the request of the company “Hydro Line” LLC on extension of the validity term of the Authorization for construction of new generation capacities for electricity generation from water, HPP “Albaniku 4”, located at CA Selac and Vidishiq, Municipality of Mitrovica;

**V\_1228\_2020** - Decision on the request of the company “Hydro Line” LLC on extension of the validity term of the Authorization for construction of generation capacities for electricity generation from water, HPP “Albaniku 1”, located at CA Vllahi, Municipality of Mitrovica;

**V\_1227\_2020** –Decision on approval of the request of the company “DINO ENERGY” LLC on extension of the validity term of the Decision on Preliminary Authorization for development of the project for construction f new generation capacities for electricity generation from the hydro power plant “Lepenci 2”, CA Kaçanik, Municipality of Kaçanik;

**V\_1226\_2020** - Decision on approval of the request of the company “Matkos Group” LLC for extension of the validity term of the Final Authorization for construction of the hydro power plant HPP “Shtërpce”, Municipality of Shtërpca;

**V\_1225\_2020** - Decision on approval of the request of the company “Matkos Group” LLC on extension of the validity term of the Final Authorization for construction of the hydro power plant “Sharri” CA Shtërpce, Municipality of Shtërpca;

**V\_1224\_2020** - Decision on approval of the request of the company “2 Korriku” LLC on extension of the validity term of the Final Authorization for construction of generation capacities for electricity generation from the hydro power plant “Soponica”, CA Doganaj, Municipality of Kaçanik;

**V\_1223\_2020** –Decision on approval of Distribution System Operator (DSO) Compliance Programme.

**Address:** St. Dervish Rozhaja no. 12, 10000 Pristina, Kosovo  
Tel: 038 247 615 loc. 101, Fax: 038 247 620,  
E-mail: [info@ero-ks.org](mailto:info@ero-ks.org), web:  
[www.ero-ks.org](http://www.ero-ks.org)

For customers:  
Tel: +381 (38) 247 615 loc. 116  
Email: [ankesa.dmk@ero-ks.org](mailto:ankesa.dmk@ero-ks.org)

For legal, licensing issues, RES/authorization  
Tel: +381 (38) 247 615 loc. 114, 117, 118  
Email: [legal-licensing@ero-ks.org](mailto:legal-licensing@ero-ks.org)