



PRESS RELEASE

Third Session of ERO Board

On 7 October 2021, the Board of the Energy Regulatory Office (ERO) held its third (3rd) session for this year.

In this session, it was decided to extend to KESCO the Obligation for provision of Universal Service of Supply to customers, until 31 March 2022.

The decision to impose this obligation was taken based on the legal obligations of Article 51 of the Law on Energy Regulator, the provisions of Articles 5, 33 and 37 of the Law on Electricity, the legal provisions of Articles 5 and 6 of the Rule on Determination of Revenues for the Universal Service Supplier, as well as the obligations deriving from the criteria for evaluation of competition in electricity supply, which includes the results of the index for measuring the competition "Herfindahl Hirschman".

Also, the Board approved the Maximum Allowed Revenues for regulated operators (Transmission System and Market Operator/KOSTT; Distribution System Operator/KEDS and Universal Service of Supply Operator USS/KESCO). Maximum Allowed Revenues for the Universal Service Supplier USS/KESCO are approved in the amount of € 290.1 million, for the Transmission System and Market Operator/KOSTT are approved in the amount of € 38.94 million, for the Distribution System Operator/KEDS are approved in the amount of € 90.51 million. These revenues will enable operators to perform operating functions in optimal conditions.

With the approval of these revenues, ERO, among others, has taken into consideration the increase of import prices which are beyond the control of operators. However, the increase in revenues, as a result of the increase in electricity consumption, has neutralized the overall costs of electricity supply, therefore the allowed revenues will not reflect the increase in electricity prices for final customers in the tariff year 2021.

During this session, the Board also reviewed the requests for extension of the term of Final Authorization for construction of new capacities of the companies "AFA ENERGY" LLC and "2KORRIKU" LLC., which were rejected due to the fact that all the deadlines provided by the Rule on Authorization Procedure for Construction of New Energy Capacities have expired.

The Board also reviewed the monitoring report on electricity sales from the Hydropower Plant "Ujman", regarding which it decided that the findings from this report shall be sent as a notice to this operator and in the next session they shall be processed in accordance with the laws and Rule on Administrative Measures and Fines.

Some customer complaints as well as other issues related to the management of the Energy Regulatory Office were also reviewed.

All decisions of ERO Board will be published on the official website of ERO www.ero-ks.org.