

Temporary Instruction I_05_2007 On the Principles of Calculation of Tariffs and Prices in the District Heating Sector in Kosovo for the Heating Season 2007/2008

Annex 2

Details for Calculation of Tariff

A. Tariff for Non-metered Customers

A.1 In accordance to Article 14 of the Instruction, the criterion for division of non-metered customers in tariff groups is the different heat demand (consumption) per square meter. Main parameters determining the heat demand of each customer group are:

- Specific heat capacity demand, which represents the estimated heat capacity demand per square meter (defined as maximum load demand per square meter for designed out-door temperature) for every customer group;
- The nominal full load hours for heating, is based on the specific requirements regarding continuity of supply, and it is calculated as the ratio between annual heat supplied to customers and contracted heat capacity for every customer group; and
- Total heating space, which represents the total heated area actually supplied with heat for every customer group (from customer database).

A.2 Calculation of heat demand of each customer group for all heating season is performed according to the formula:

$$\mathbf{HDi = (CDspi \times Si \times LHi) : 10^6}$$

Where:

HDi	Season heat demand of particular customer group	MWh
CDspi	Specific capacity demand of particular customer group	W / m ²
Si	Total heating space of particular customer group (from customer database)	m ²
LHi	Nominal full load hours of particular customer group	h
i	Customer group	-

A.3 Total heat demand of all customers is calculated as the sum of heat demand of each customer group, according to the formula:

$$\mathbf{HD_T} = \sum_{i=1}^n \mathbf{HD_i}$$

A.4 For the purpose of calculation of the tariffs for each customer group, heat demand for each customer group is expressed as the ratio between heat demand of certain customer group and total heat demand according to the formula:

$$\mathbf{HDi_R} = \mathbf{HDi} : \mathbf{HD_T}$$

Where:

HDi_R	Ratio of heat demand of particular customer group	-
HD_T	Total heat demand of all customers	MWh

A.5 Allowed revenues for particular customer group are calculated according to the formula:

$$\mathbf{Ri} = \mathbf{R} \times \mathbf{HDi_R}$$

A.6 Consequently to the division of the allowed revenues in fixed and variable components according to Article 15.2, the participation of each customer group in total allowed revenues of the district heating enterprise is determined according to the formula:

$$\mathbf{Ri_F} = \mathbf{R_F} \times \mathbf{HDi_R}$$

and

$$\mathbf{Ri_V} = \mathbf{R_V} \times \mathbf{HDi_R}$$

A.7 Total season tariff of heat for non-metered customers consists of two components:

- 1) Tariff of heat capacity contracted (fixed component) - **Tyi_{HC}**
- 2) Tariff of heat delivered - supplied (variable component) - **Tyi_{HD}**

A.8 Season tariff of heat capacity contracted (fixed component) shall be calculated based on the formula:

$$\mathbf{Tyi_{HC}} = \mathbf{Ri_F} : \mathbf{Si}$$

Where:

Ty_{HC}	Season tariff of heat capacity contracted for particular customer group	€/ m ²
Ri_F	Fixed component of allowed revenues of particular customer group	€
Si	Total heating space of particular customer group (from customer database)	m ²

- A.9 Season tariff of heat delivered - supplied (variable component) shall be calculated based on the formula:

$$\mathbf{T y_{HD} = R i_V : S i}$$

Where:

Ty_{HD}	Season Tariff of heat delivered - supplied for particular customer group	€/ m ²
Ri_V	Variable component of allowed revenues of particular customer group	€
Si	Total heating space of particular customer group (from customer database)	m ²

- A.10 Monthly tariff represents the season tariff divided in six monthly rates (duration of heating season) and are calculated according to the following formulas:

- a) Monthly tariff of heat capacity contracted (fixed component) for particular customer group:

$$\mathbf{T m_{HC} = T y_{HC} : 6}$$

- b) Monthly tariff of heat delivered - supplied (variable component) for particular customer group:

$$\mathbf{T m_{HD} = T y_{HD} : 6}$$

B Tariff for Metered Customers

B.1 Total season tariff of heat for metered customers consists of two components:

- 1) Tariff of heat capacity contracted (fixed component) - $T_{y_{HC}}$
- 2) Tariff of heat delivered - supplied (variable component) - $T_{y_{HD}}$

B.2 Season tariff of heat capacity contracted (fixed component) shall be calculated based on the formula:

$$T_{y_{HC}} = R_F : N$$

Where:

$T_{y_{HC}}$	Season tariff of heat capacity contracted	€/ kW
R_F	Fixed component of allowed revenues	€
N	Total contracted heat capacity (from customer database)	kW

B.3 Season tariff of heat delivered - supplied (variable component) shall be calculated based on the formula:

$$T_{y_{HD}} = R_V : Q$$

Where:

$T_{y_{HD}}$	Season tariff of heat delivered - supplied	€/ kWh
R_V	Variable component of allowable revenues	€
Q	Total heat amount estimated to be delivered - supplied to customers in the whole heating season	kWh

B.4 Monthly tariff represents the season tariff divided in six monthly rates (duration of heating season) and are calculated according to the following formulas:

- a) Monthly tariff of heat capacity contracted (fixed component):

$$T_{m_{HC}} = T_{y_{HC}} : 6$$

- b) Monthly tariff of heat delivered - supplied (variable component) is the same as the season tariff $T_{y_{HD}}$ calculated under point B.3.