

13.06.2006

PRESS RELEASE

The Board of Energy Regulatory Office announces to the public opinion that the electricity price and tariffs review has initiated in the beginning of March 2006. It is worth mentioning that this is the first price review in the electricity sector that is being conducted by ERO, in accordance to the Rule on Pricing and Tariff Methodology.

The price review is a process of verification of energy enterprises expenses, calculation and setting of tariffs based on covering current and reasonable expenses caused by an energy enterprise during the provision of electricity supply services. A special attention is being given to the customer protection taking into consideration the Index Price of Consumption and the Inflation. These two approaches represent a balance in the protection of customers' interests and those of the energy enterprises.

The implementation plan and the schedule for the tariffs review in the electricity sector introduce a process where the obligations and duties of energy enterprises and those of ERO are included. Among other, during September, the Board of ERO shall make a decision on the allowed expenses and the tariff structure, including tariffs per each customer category. The regulated tariffs for these customer categories shall be equable all over Kosovo.

It is expected that according to this schedule the new tariffs will be approved by the end of December and shall enter into effect on January 1st 2007.

Another responsibility of ERO is the establishment and approval of district heating tariffs. The calculation and establishment of district heating tariffs, as it is set out in the respective secondary legislation and in the tariff methodology, is based on the capping of current and reasonable expenses incurred by the district heating companies and on the customer protection.

This is the third year of price review for these tariffs, as it is the case of Termokos, where for the two heating seasons 2004/2005 and 2005/2006, the approved tariffs for customer categories, have an average reduction of approximately 20%.

The forthcoming season price review for 2006/2007 is in process and it is expected that the approval of new tariffs will be made till the beginning of the respective season– 15 October 2006.