

Pristina, 31 October 2006

PRESS RELEASE

Energy Regulatory Office (ERO)

The Board of Energy Regulatory Office (ERO) on a Public Session held on the 30th October 2006 has held a Public Session where has discussed voted and decided on 4 important energy issues.

On the first item of Agenda the ERO Board, according to the proposal of Department of District Heating and Gas in ERO and the presentation made by the head of this Department, Astrit Saraqini, has voted and approved the Allowed Revenue of District Heating Company "Termokos" for the heating season 2006 – 2007, and the Allowed Revenue of District Heating Company Gjakova for heating season 2006 – 2007. Base on allowed revenue the district heating companies will submit tariff proposal that has to be approved by ERO

The ERO Board, After the presentation and the proposal done by Merita Kostari, Head of Legal and Licensing Department, with the majority of votes today, also decided to issue licences to this companies: CEZ a.s Joint stock Company, with registered office in Prague, Holding Slovenske Elektrane d.o.o, Enterprise with registered office in Ljubljana, Slovenia, and OstElektra GmbH, private company with registered office in Oberhaching /Munich, Germany. ERO till now has licensed 7 Trading Companies, with which action has given a good base for competition in electricity trading.

Another important decision was taken on the proposal of KEK regarding the Adoption of Temporary procedure for Meter Reading and Billing of costumers with measuring groups (with maxi graph). The presentation was done by Azem Kastrati, Head of Costumer Protection Department, who described the transparency of process on reviewing and finalisation of this procedure between ERO and KEK. Finalised Procedures were approved unanimously by the Board of ERO.

The final decision of the Board was regarding KEK J.S.C Proposal for the Interest Rate on Outstanding Debt of Costumers, who has proposed annual interest rate of 18,25 %. After the presentation and justification of Theranda Beqiri, Head of Pricing and Tariffs Department, the Board decided for the interest rate of 14.65%; this will apply for costumers who are late on their payment (after 35 days from the day of the delivered bill).