



Energy Regulatory Office
Zyra e Rregullatorit për Energji
Regulatorni Ured za Energiju

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MINUTES OF THE FIRST PUBLIC SESSION of the ERO BOARD

Present:

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Nick Frydas, the chairman of the ERO Board and the head of ERO, explained that the purpose of this PS (Public Session) was the adoption of the first four rules required by the Law on Energy Regulator 2004/9. He described the procedure how the rules were prepared, published on the ERO website, and presented in to the public hearing. "All the comments that were received during this procedures were included in to the rules, added Mr. Frydas. The rules under consideration establish how ERO will function and the methodology and process for determining the tariffs.

The rules promulgated at the public session are:

1. **ERO Statute,**
2. **Code of Conduct and Ethics**
3. **Rule on Principles of Calculation of Tariffs In the Electricity sector**
4. **Electricity Tariff Methodology**

Merita Kostari Head of Legal and Licensing Department and member of the ERO Board presented the comments which were received during the Public Hearing and during the time when the rule was published in the website: www.ero-ks.org. She explained that the Statute and Code of Ethics and Conduct are two of the rules issued by the Legal Department of ERO with assistance of consultants from law firm Pierce & Atwood, funded by USAID. She described the purpose of the rules saying that: **Code of Conduct and Ethics** establishes ethical principles and rules of conduct that govern the staff members (including the members of the Board) in ERO. It is providing guidance in upholding ethical and legal responsibilities and how to avoid the actual or apparent conflicts of interest and prescribes responsibilities regarding confidentiality of information, relations with customers, donors, investors, and media. While for the **Statute of ERO** she said that it determines the internal structure and decision-making process of ERO, it provides that all decision making sessions of the Board shall be open to the public except where confidential information is considered.

After the Presentation and other comments that were received by the Board she recommended to Board the adoption of this two rules

Comments received during the Session on the Code of Conduct and Ethics:

Nick Frydas asked if after all the comments, that Merita Kostari presented, have been received did the LLD go again to the draft Rule and if it was agreed with the consultants to revise the rule.

Merita Kostari answered that the rules have been reviewed and all the comments, which were very valuable, have been synchronised, and this is the final draft.

After no more comments were received by the Board and by the public, Board voted unanimously for the adoption of the Rule.

The Rule enters into force from the day of its approval and publishing in the website of ERO www.ero-ks.org

Comments received during the Session on the Statute of ERO

Naim Bejtullahu made a comment on the article 6.3 in the Albanian version where it is said that “the rights and responsibilities will be taken”, his comment was that like this the meaning of the provision is changed and it should be revised.

Merita Kostari answered that they are working all the time in improving the Albanian version and everybody is welcomed to help on this improvement

Comment by MEM according to article 10. Of the Statute the Board of ERO takes decision for licenses. He proposed to add to this article the sentence “the board will take decision according to the recommendation given by the Inspectorate of Ministry of Energy and Mines, And to be referred to the Law on Energy Regulator.

Coment by MEM on Article 10.C to be also added the sentence “Including Fines and Penalties in accordance with the Article 57. of the Law on Energy Regulator”

Nick Frydas explained the procedure on licensing

Merita Kostari explained that ERO is preparing the Licensing Rule, which will be public and public, can give comments on this.

This Comment was accepted and it was added to this article the sentence that the Licensing procedure will be done in accordance with the Low on Energy Regulator

Comment by Network Division Lutfie Gashi on the Article 10.E she proposed to give more specification for the term “energy facilities”, to mention which of energy facilities.

This comment was accepted and incorporated in to the Rule

Comment by Visar Morina Legal office of Pillar IV on article 5.2. to delete the sentence where it is said that ERO will have 25 employs till to the end of the year.

This comment was also accepted and incorporated in to the Rule

The comments were incorporated in to the rule during the brake and after the brake the rule was adopted with the unanimous vote of the Board.

The Rule enters into force from the day of its approval and publishing in the website of ERO www.ero-ks.org

Theranda Beqiri Head of Pricing and Tariff department, and also member of ERO Board made the presentation of the comments received for **Pricing Rule and Electricity Tariff Methodology** She also explained the purpose of this two rules, saying that **Tariff Methodology** describes the principles and approaches applied by ERO in determining allowed revenues to be recovered from regulated tariffs; and reviewing and approving the structure of regulated tariffs submitted by companies. While for the **Pricing Rule** she said that it determines the principles for calculating and approving



regulated tariffs in the electricity sector in Kosovo and the procedures for submission, review, modification, approval and supervision of regulated tariffs by energy enterprises.

Comments on the Pricing Rule:

Comment from Valon Stavileci Legal office of MEM he had a technical remark on the numbering of the paragraphs sometimes it is with brackets (a)) and sometimes with points (a.)

Comment from Valon Stavileci on Article 32 the header is “Referring to the Court” he proposed to make it “Appeal to the Court”.

Comment also from Valon Stavileci on Article 32.2 he said that it should be determined the period for appealing to the Court.

Answer by Nick Frydas was that the term of time for appeal in the court it is already in the Civil Legislation of Kosovo

Comment by the representative of the Network Division was on Albanian version of the rule, respectively how the word “electricity” was used, and also from the word “charged” and “removal” and he asked to be used as they are in the Law on Energy Regulator.

Answer by Naim Bejtullahu was that this terms in English version of the draft are very clear, and that they will try to find better words also in Albanian.

After no more comments were given, Nick Frydas called the members of the board to vote with a small correction that will be done in the Article 32.2. He asked to add on this Article the sentence that “the term for appeal will be according to the Civil Law”. The Board voted unanimously for the adoption of the Rule on Principles of Calculation of Tariffs in Electricity Sector The Rule enters into force from the day of its approval and publishing in the website of ERO www.ero-ks.org

Comments on the Tariff Methodology

No comments were received and Board voted unanimously for adoption of the Tariff Methodology with the revision of the Albanian and Serbian version

The Rule enters into force from the day of its approval and publishing in the website of ERO www.ero-ks.org

In the end of the session Nick Frydas thanked all the participants for attending the Public Session of the Board and asked from the public to make comments if they have any, not only on the rules but also in



general. He informed that the next session will be held on the third week of January and all the participants will be informed in time.

Approved by the Board

Nick Frydas.....

Merita Kostari.....

Theranda Beqiri.....

Naim Bejtullahu.....

Nysret Avdiu.....