

Pursuant to the authority given under Article 58.7 of the Law on Energy Regulator, the Board of the Energy Regulatory Office on a session held on **28 June 2006** has adopted the:

RULE ON GENERAL CONDITIONS OF ENERGY SUPPLY

CHAPTER 1 GENERAL PROVISIONS

Article 1 Scope

- 1.1 The dispositions of this Rule are applicable to the energy enterprises providing energy services and supplying energy (hereinafter “energy enterprises”) and to final customers using such services and energy (hereinafter “customers”).
- 1.2 This Rule defines the terms and conditions of the following:
 - a) principles and elements of Connection Agreements;
 - b) connection to the system;
 - c) use of system;
 - d) terms and conditions for Supply Contract;
 - e) access to the customer properties;
 - f) reading of meters and billing;
 - g) payment of bill and illegal use of energy;
 - h) obligations of the supplier to compensate customers for non-supplied energy or supplied at low quality energy or service in accordance to the quality of service standards as stipulated in the Technical Code and relevant license and Market Rules approved by ERO.
- 1.3 Natural gas and all issues related to the supply and services of natural gas are not covered by this Rule.

Article 2 Structure

- 2.1 This Rule includes the dispositions and the Annexes that are integral part of the Rule.

- 2.2 The forms of applications for connection and supply, connection offer and supply contract included in the attachments of this Rule provide only the basic elements that the relevant documents should contain; the supplier may add to such forms any other information necessary, as long as such information complies with and in no way contravenes the principles set forth in this Rule.
- 2.3 Standardized forms prepared by the supplier in accordance to Article 2.2. shall be submitted to Energy Regulatory Office (“ERO”) for approval and then published on the supplier’s web-site.

Article 3 Definitions

- 3.1 In this Rule, unless the context otherwise requires:
- a) **“Accession Agreement”** means the document signed by all parties who agree to be bound by the Market Rules.
 - b) **“Application fee”** means the fee covering the system operator’s administrative costs for processing an application for connection, published by the supplier after approval by ERO;
 - c) **“Billing period”** means the period, specified in a number of days from the issue of the last account, after the end of which a bill will be sent at the billing address of the customer, as specified in the supply contract.;
 - d) **“Connection agreement”** means agreement between the system operators and system users that describes procedures of connection, commencement, maintenance and termination of the connection to the system;
 - e) **“Connection charging methodology”** means methodology developed by the system operators in accordance with Article 5 of this Rule;
 - f) **“Connection charges”** means charges that shall be paid by system users for connection to the network as it is determined by provisions of the Rule of Pricing and Tariff Methodology issued by Energy Regulatory Office and connection charging methodology;
 - g) **“Energy”** means any form of produced or obtained energy (electricity, heat) intended for supply or sale;
 - h) **“Energy enterprise”** means a energy undertaking which performs one or more of the following energy activities: generation, transformation, transmission, distribution, supply, trade, or storage of electricity, heat, or natural gas on the basis of a license issued pursuant to the Law on the Energy Regulator, or without a license if no such license is required;

- i) **“Market Rules Framework Agreement”** means agreement between the system operators and system users, by which the Market Rules is made binding between parties (hereinafter Framework Agreement);
 - j) **“Network”** means the infrastructure necessary for the transmission or the distribution of energy (electricity and heat);
 - k) **“Party Applicant”** means a party wishing to sign an Accession Agreement.
 - l) **“Supplier”** means the licensed energy enterprise that is supplying customers including the public supplier and supplier / trader;
 - m) **“System”** means a system of connected equipment intended for the transmission and distribution of electricity, heat or natural gas to customers;
 - n) **“System operator”** means the transmission or distribution system operator of electricity and/ or distribution system operator for heat, owning and responsible for operating the system, ensuring the maintenance of, and developing a network in a given area and, where applicable, its interconnections with other networks and for ensuring the long-term ability of the network to meet demand for energy;
 - o) **“System users”** means any natural or legal persons injecting or withdrawing electricity to and from the transmission and/or distribution system transporting electricity over the transmission or distribution system for the purposes of supplying, importing or exporting electricity;
 - p) **“Tariff Methodology”** means decision that will taken by ERO to cover both the determination of the total allowed revenues that can be earned from regulated tariffs and the principles governing the structure of tariffs used to recover these revenues.
- 3.2. Any other terms used in this Rule shall have the same meaning as the terms used in the Law on Energy, the Law on the Energy Regulator, the Law on Electricity, the Law on District Heating and any other applicable laws and regulations in Kosovo.

Article 4

General Principles, Rights and Obligations

- 4.1 In accordance with the provisions of this Rule, all customers have the right and obligation to:
- a) fair and non-discriminatory treatment in the supply of energy by suppliers; and open access to information by the supplier;
 - b) require connection of their energy facilities and equipment to the networks of the system operators, when such connection is technically and economically feasible, according to the provisions of the Grid or the Distribution Code or any other applicable technical code or regulation;
 - c) have transparent contractual relations with the supplier;

- d) submit complaints according to the provisions of the Rule on Dispute Settlement Procedures against any unlawful acts or omissions of the supplier;
- e) pay for the energy consumed and for the use of system, according to their contract with the Energy Supplier and the regulated tariff and/or network charges approved by ERO;
- f) receive compensation from supplier for energy not supplied, or supplied at low quality energy or service, in accordance with the supply agreements and standards of performance offered to the customers including the quality of services and security and reliability of supplies foreseen in such agreement.

4.2 The Supplier shall:

- a) sign connection and framework agreement with system operators on its own behalf and behalf of customers;
- b) comply with the provisions of this Rule and of any applicable rules, technical and commercial codes;
- c) bill and collect payments from the customers;
- d) draft the offers, contracts, bills, statements and notices addressed to the customers;
- e) establish a department responsible for protecting and providing information, support and advice to the customers (including customer service, low energy lighting, geyser electric blanket, bill enquiries, switch off lights, etc);
- f) keep and update records regarding metering, billing and payment of bills or any other records necessary, as provided for in this Rule and relevant codes;
- g) handle the complaints of its customers according to the provisions of the Rule on the Dispute Settlement Procedures;
- h) provide customers with services according to the standard performance and technical standards set by norms in force and rules of ERO;
- i) provide customers, at least once a year, with a written summary of their rights and responsibilities at time of signing of Supply Contract and when changes are promulgated related to provision of energy in the Supply Contract. Summary of the customer rights has to be approved by ERO;
- j) submit to ERO for review and approval in advance the form of the Supply Contracts offered to customers;
- k) provide information to the customer on behalf of the system operator.

4.3 The system operator shall:

- a) comply with the provisions of this Rule and of any applicable rules, technical codes and commercial codes;
- b) respond within thirty (30) days to any application for connection submitted by system users or eligible customer;
- c) connect any system user in general and each particular customer, if such connection is technically and economically feasible under the conditions set forth in this Rule, applicable technical codes, Market Rules, and relevant connection agreement;
- d) maintain the connections and network according to the provisions of the technical codes and relevant connection agreement;
- e) collect from system users the system charges;

- f) provide correct and regular reading of the meters;
- g) keep and update records regarding connection, connection agreements, applications for connection, applications for modification; billing, planned and accidental interruptions in supply and compliance with quality requirements, any other relevant data according to the provisions of other applicable Rules;
- h) review written complaints regarding metering issues;
- i) test and repair the connections and the meters;
- j) provide to suppliers information regarding the connection and use of system;
- k) avoid any discrimination when offering its services;
- l) develop and submit to ERO for review and approval Connection Charging Methodology including the forms necessary for connection and use of systems in accordance to the dispositions set forth in this Rule and other rules issued by ERO;
- m) publish on the official web site and make available in written form on request the most recent statement of Connection Charging Methodology approved by ERO and publish a notice to this effect in daily newspapers.

4.4 Each Supplier and system operator is obliged to develop policies regarding the conditions of energy supply and connection to the system in accordance to this Rule within a time period not exceeding ninety (90) calendar days after obtaining a license. All such policies shall ensure transparent and nondiscriminatory procedures and be submitted to ERO for review and approval prior to issuance. These policies shall be made publicly available by release on the official website and in daily newspapers, notifications, public reports or any other means deemed appropriate.

CHAPTER 2 HEAT SUPPLY

Article 5 General Principles of Heat Supply

- 5.1 All final customers shall have the right, where is technically and economically feasible, to enjoy a universal service of heat supplies from the networks of energy enterprises carrying out public services in accordance with this Rule.
- 5.2 Supply of heat presently is used for the space heating, and eventually shall be used for providing hot domestic water.
- 5.3 Supply of heat for space heating purposes will be performed during the heating season which lasts ordinarily from 15th October until 15th April; depending on whether conditions the heating season can be shortened or prolonged (extraordinary heat supply)
- 5.4 Heating season shall be prolonged maximally from 1st of October until 30th of April, by applying extraordinary heat supply according to the following:

- a) extraordinary heat supply shall be applied in the case when, according to the data from meteorological services or according to the data from the heat plant, the outside temperature measured at 21:00 in the area covered by district heating enterprise, for three days in a row is recorded below 12 °C;
 - b) extraordinary heat supply shall stop when, according to the data from meteorological services or from heat plant, the outside temperature measured at 21:00 in the area covered by district heating enterprise, for three days in a row is recorded 12 °C or higher.
- 5.5 Heating season shall be shortened by stopping the heat supply only in the case when, according to the data from meteorological services or according to the data from heat plant, the outside temperature measured at 21:00 in the area covered by district heating enterprise, for two days in the row is recorded 12 °C or higher, and the weather forecast from meteorological services foresees that the temperature, for next three days, will be 12 °C or higher.

CHAPTER 3 CONNECTION TO THE SYSTEM

Article 6 General Principles of Connection Charging Methodology

- 6.1 System operators shall develop the connection charging methodology and procedures in full compliance with the adopted rule by ERO “Tariff Methodology for the Electricity Sector” that includes charges for:
- a) prior to the activities necessary in order to design, build and maintain the connection in response to an application by a system user and eligible customers;
 - b) installation of: electrical lines or heat pipes, energy plants or meters for the purposes of connection at entry or exit points to the networks;
 - c) activities for the purpose of connection or modification of the system;
 - d) circumstances where the electrical lines, heat pipes, or energy plants to be installed are of greater size than that required for use of network;
 - e) maintenance and repair (including any capitalized charge) required for connection and meters provided or installed for making a connection to the network, if applicable;
 - f) boundary between the networks of transmission and distribution in relation to the new applicants;
 - g) disconnection from the network and the removal of equipment (lines, meters, pipes) following disconnection;
 - h) rendering a connection inactive in case of mothballing of an energy station.
- 6.2 The Connection Charging Methodology shall make provision for appeals by applicants to ERO against connection offers issued by system operators.

- 6.3 The Connection charging Methodology shall be designed in such manner as not to discriminate between similar parties connecting to the network when charging for new connections or the replacement or alteration of existing connection.

Article 7
Application for Connection

Based on the Connection charging methodology and procedures, the applicant submits his application to the supplier that has to be submitted to the system operators as per Annex A of this Rule.

Article 8
Connection Offer

- 8.1 After registering the application for connection/or modification of connection, the system operator shall make necessary arrangements to study technical requirements of the connection, if necessary visit the premises subject to the application and draft and deliver a written connection offer as per Annex B of this Rule.
- 8.2 The connection offer shall contain elements in relation to the:
- a) for those applicants as defined in the Tariff Methodology and Connection Charging Methodology, works required to connect a system user to existing transmission or distribution networks and for the obtaining of any consents necessary for such purpose; hereby termed as the “shallow connection”;
 - b) for those applicants as defined in the Tariff Methodology and Connection Charging Methodology, works required for the extension or reinforcement of the transmission or distribution network to accommodate the expected demand or capacity requirements of the applicant; hereby termed as the “deep connection”;
 - c) for those applicants receiving supply at a voltage level and falling within a maximum demand and distance from the existing distribution network, as defined in the Tariff Methodology and Connection Charging Methodology, a standard connection charge;
 - d) the installation of appropriate meters required to enable the system operator to measure electricity or heat at the entry point or exit point;
 - e) the installation of such switchgear or other equipment as may be required;
 - f) the installation of special metering, telemetry or data processing equipment for the purpose of enabling applicants who are required to do so to comply with the Market Rules.
- 8.3 In addition to the requirements set forth in Article 8.2, in case of connection to the heat distribution network, the connection offer shall contain also the technical conditions of connection as attachment to the offer, which shall specify:
- a) technical parameters of district heating system;
 - b) location of the sub-station within the customer’s premises, specifying point of connection and the mode of the connection to the supply pipeline;
 - c) ownership limits of the installation inside the substation;

- d) design flow of heat carrier and regulating tables;
 - e) requirements concerning the substation in terms of specific construction requirements for the substation, and specifying the equipment of the substation and locations for flow control valve, heat meter, and meter for make-up water supplying secondary system;
 - f) requirements concerning inside heating installation.
- 8.4 In making an offer for connection agreement or in replying to an application for connection, the system operator shall set out:
- a) the date by which any works required to permit access to the network shall be completed;
 - b) the charges to be paid in respect of the services required shall be presented in such a way to comply with connection charging methodology and
 - c) such other detailed terms in respect of each of the services required as are or may be appropriate for the purpose of the agreement.
- 8.5 For the purpose of determining and charging an appropriate proportion of the costs to an applicant directly or indirectly incurred in carrying out works under an agreement for providing a connection or modification of an existing connection, the system operator shall take into consideration to the extent to which:
- a) benefit from the connection will be available to other, present and/or future system users / third parties, served by the system operator;
 - b) a system operator can levy a proportion of such costs from present and/or future system users or third parties, based on the benefit in paragraph a);
 - c) that the connection charges will be levied on a one-time basis and must be paid prior to the commencement of the connection works.
- 8.6 No charge will be made for reinforcement of the existing network if the new or increased load requirement does not exceed (3) % per cent of the existing effective capacity at the relevant points on the network; and reinforcement carried out at more than one voltage level above the voltage of connection.
- 8.7 Connection offers have to be issued and delivered to the customer through supplier within a time period not exceeding:
- a) thirty (30) calendar days from the date of delivery of the application for connection to the low voltage network;
 - b) ninety (90) calendar days from the date of delivery of the application for connection to the medium or high voltage network;
 - c) thirty (30) calendar days from the day of delivery of the application for connection to the heat distribution network.
- 8.8 In the case of establishment of the connection for an eligible customer, the offer and connection agreement might be issued and delivered without involving the supplier. The eligible customer

in that case has to sign the Accession Agreement, which is binding for compliance with Market Rules. Prior to sign the Accession Agreement eligible customer has obligation to provide Supply/Trade License by ERO.

- 8.9 The deadline for the submission of connection offers may be extended in the event of a difficult connection, implying a prior technical study of a network extension or any similar reason according to the provisions of the grid or distribution code or other applicable codes. In such cases, the study must be completed within ninety (90) calendar days from the date of delivery of the application for connection and the connection offer must be delivered within thirty (30) days of the completion of the relevant study.
- 8.10 The Connection Charging Methodology shall, in the event of a dispute over the terms of a connection offer, provide for the applicant to conduct their own technical study at their own cost, and for the system operator to facilitate any such study through the provision of the necessary information for which an appropriate charge may be made.

Article 9 Refusal to Connect

- 9.1 The system operator may refuse to connect an applicant temporarily or permanently only if such connection is technically or economically non-feasible according to the provisions of the grid or distribution code or other applicable codes.
- 9.2 In such case a written statement identifying the reasons of refusal has to be issued and delivered to the applicant within a time period not exceeding thirty (30) calendar days from the date of delivery of the application respectively within deadline set in Article 8.9.
- 9.3 In its statement the system operator shall make reference to the possibility of a future connection according to the network development plan, if applicable.

Article 10 Connection Agreement

- 10.1 Within the period specified in the connection offer the applicant accepts the offer by submitting a signed draft connection agreement to the supplier as per Article 32.8 and 32.9 and pays of the relevant connection charges to the benefit of applicable system operators.
- 10.2 The connection agreement shall be concluded on the day of delivery of the signed draft connection agreement to the system operator.
- 10.3 The connection agreement shall:
- a) include general principles set forth in Article 6;
 - b) contain elements as per Article 8 and;
 - c) terms related to the commencement, charges and conditions of payment, termination and disputes;

- e) include minimum safety standards;
- f) contain minimum security requirements including requirements with regard to sealing of metering equipment and locking of enclosures in which switchgear and metering equipment and instrument transformers and metering circuits are installed;
- g) dispositions described under e) and f) will be applied up to date when technical codes foreseen in the Law on Electricity come into force.

Article 11 Connection

- 11.1 Upon conclusion of a connection agreement, the system operator shall establish the connection as specified in such agreement.
- 11.2 Upon establishment of a connection the system operator shall issue a report, confirming that the connection has been made according to the terms and conditions of the connection agreement, and submit it to the system users.
- 11.3. Connection of the end users established by following the above-mentioned procedure will remain valid in the case of any change of status of supplier if connection agreement is not terminated.
- 11.4 The connection of a customer will only be activated (switched on) on written instruction of the supplier to the System Operator that a Supply Agreement has been entered into and all supply requirements have been met.
- 11.5 The maintenance of deep connection elements shall be responsibility of Transmission and Distribution System Operators and shall be performed without any additional charge to customers. The system operator shall be entitled to make an appropriate initial charge for the capitalized costs of the maintenance of shallow connections applied in a non-discriminatory manner to all users of such connections.
- 11.6 The Article 11.5 shall not be applied to the existing connections owned by customers. For maintenance of these connection system operators will charge the customers on an ongoing basis under the price list approved by ERO, and tariffs charged to such customers may be adjusted appropriately. A maintenance of the connection by means of this Article, includes cables/wires connected to the operator network, metering devices and entering fuses (if applicable) of metering boxes that will be carried out only by Transmission or Distribution System Operators.
- 11.7 The customers that own connection points including the metering devices may transfer their assets to the system operators without compensation upon bringing in good standing as required in the technical codes issued by system operators and approved by ERO. From the date that such assets will be transferred by the customers, the provisions of Article 11.5 will be applicable. Transferred assets shall be included in the asset base of the system operator used for the purposes of approving regulated tariffs by ERO in accordance with the principles set out in the Tariff Methodology.

- 11.8 The system operator in case of any intention of customers to make use of the provision in Article 11.6 may significantly require tariff adjustment in accordance to the Rule on Principles of Calculation of Tariffs in the Electricity Sector (Pricing Rule). The eventual transferred assets provided in the Article 11.7 will be considered in accordance to the Tariff Methodology for the Electricity Sector approved by ERO.

CHAPTER 4 USE OF SYSTEM

Article 12 General Principles of Cost of Use of the System

Use of network charges are foreseen in the Chapter 22 of the Market Rules and determined by the principles of calculation in the Rule on Principles of Calculation of Tariffs in the Electricity Sector (Pricing Rule) and Tariff Methodology for the Electricity Sector and charging for balancing and use of ancillary services as well.

Article 13 Entrance for Use of System

- 13.1 In order to enter in the use of system, the Party Applicant shall either be a signatory to the Framework Agreement or sign an Accession Agreement with the Market Operator in its role as Authorized Party under the Framework Agreement (hereinafter “Authorized Party”).

Article 14 Framework Agreement

- 14.1 The Authorized Party shall sign the Framework Agreement, by which the Market Rules is made binding between the parties to that agreement.

CHAPTER 5 SUPPLY CONTRACTS

Article 15 Application for Supply

- 15.1 An application for supply shall be submitted by the customer to the supplier in order to conclude a supply contract.
- 15.2 An application for supply is required by the customers when they change the supplier. In the case where customers do not require any extension in capacity of connection they do not need to comply with provisions set forth in the Articles 7 and 8 of this Rule. In the case where a customer does not comply with minimum commercial, safety and security requirement as described in Articles 7, 8, 10 and 11 of this Rule, the existing connection will be disconnected at an agreed date that will enable the customer to conduct a new alternative connection that will

comply with requirements. The application form to change supplier will be attached latter on to this rule.

- 15.3 Applications for supply shall be made in the standard prescribed form in accordance with Annex A, together with the required documents. The supplier is obliged to register any application for supply.
- 15.4 The supplier reviews the application within 30 days from the date of acceptance and gives notice in writing of its intention to accept or reject the application. This deadline may be extended by fifteen (15) calendar days in case when additional information is required. The applicant shall be informed about such extension in writing.
- 15.5 The supplier shall develop and submit for approval to ERO the policy regarding criteria for the applicant or customer to demonstrate satisfactory credit for new or continuing service, including any requirements or arrangements for payment of a guarantee deposit under Article 23. An application for service may be denied if the applicant is unable to establish acceptable credit under these rules and the policy approved by the Board of ERO.
- 15.6 If an applicant is denied service, the applicant may initiate dispute settlement in accordance to the Rule on Dispute Settlement. If the denial comes from the system operator, the supplier may initiate the dispute settlement on behalf of customer in accordance with Article 6.2.

Article 16 Supply Contract

- 16.1 The supply contract shall be similar to Annex C subject to such modifications or additions as may be proposed by the supplier and agreed by the customer.
- 16.2 The supply contract comes into effect and the connection is switched on by the system operator within a period of time not exceeding five (5) calendar days from the date of signature by both supplier and customer which will follow the notification of acceptance of connection by system operator who will certify compliance to connection requirements.
- 16.3 The commencement date of the supply contract shall be communicated to the customer and the system operator in writing. An authorized representative of the system operator shall switch on a new or upgrade connection upon written instruction from the supplier. The positions of meters are agreed between the representative of the supplier, system operator and customer.
- 16.4 For the modification of existing supply contracts the procedure set forth in Article 15, in relation to Article 8, shall apply.

Article 17 Contractual Relation in Case of District Heating Supply

- 17.1 In district heating, the customer – contracting party is considered the owner or authorized user of facility equipped with the substation and secondary internal heat network.
- 17.2 In case of multi-flat buildings consisting of several (numerous) individually owned apartments, which are the end-users of the heat, the customer – contracting party to the supplier – shall be considered any legal entity performing duties of the housing administration (e.g. administrator, housing association etc.) that will be established in the future.
- 17.3 Until the establishment of housing administration in multi flat buildings, each owner of the apartment shall be considered as the customer – contacting party to the supplier.

Article 18 Obligation to Supply

- 18.1 Each public supplier is obliged to supply energy to any non-eligible customer situated in the area covered by their supply license that is duly connected to the network in accordance with the connection agreement and on the basis of the provisions of the supply contract and subject to the requirements of Articles 7, 8, 10 and 11 except as is provided in Article 15.2.
- 18.2 The same obligation is valid for the supply of eligible customers that, for whatever reason, are no longer supplied by the selected supplier and wish to be supplied by the public supplier in accordance to the Rule on Licensing of Energy Activities in Kosovo. Eligibility is required when complying with Articles 7, 8, 10 and 11.

CHAPTER 6 ACCESS TO PROPERTY

Article 19 Access to Property

- 19.1 The customer is obliged to grant to the representatives of the network operator/supplier access to its property or premises for the purpose of reading, testing, inspecting, installing, maintaining and repairing the meters, the connections and the related equipment as provided for in Articles 27 and 28 of the Law on Energy.
- 19.2 If the customer does not allow access to the metering equipment for reading even upon the receipt of a written notice, the supplied energy will be billed according to the consumption in the previous comparable period stipulated by Article 19.5 in the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo or according to the quantities agreed to be supplied in relevant periods that cannot be less than it is foreseen in respective Article.
- 19.3 Unreasonable and repeated refusal of the customer to allow access to the property may be penalized according to the provisions of the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.

CHAPTER 7
METERING, BILLING AND PAYMENTS

Article 20
Reading of Meters

- 20.1 System operators may outsource meter reading to suppliers or another contractor. In the case of outsourcing, an entity contracted to perform meter reading, is obliged to ensure correct and regular reading of the meters, in accordance with the Metering Code.
- 20.2 Upon the customer's request the person referred to in Article 20.1, is obliged to provide him with any information regarding the results of meter reading.

Article 21
Testing of Meters

- 21.1 Upon request of the supplier or the customer, as the case may be, and whenever deemed necessary, the system operator is obliged to test the meter. Testing and procedure for testing of meters are stipulated in the metering code.
- 21.2 In the case when the supplier and network operator function is performed by the same entity, then the entity performing supply and network operator function is obliged to test the meter upon request of the customer.
- 21.3 The system operator will be obliged to provide any finding with regard to accuracy of tested meters to Suppliers to reclaim commercial losses where applicable, in accordance with principles of this Rule and Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo and Tariff Methodology for the Electricity Sector submitted by System Operator and approved by ERO.

Article 22
Billing

- 22.1 The supplier is obliged to ensure that customers are billed for the consumed energy and other charges in accordance with the appropriate tariff type agreed with customer (if applicable).
- 22.2 The billing of consumed energy should be carried out base on ERO approval of tariffs in accordance with the Rule on Principles of Calculation of Tariffs in the Electricity Sector (Pricing Rule) and base on the metering data read and collected by the supplier or system operator for every billing period as agreed in the supply contract.

- 22.3 In the case of any errors that result in inaccurate meter reading data causing incorrect billing, the supplier shall make all necessary adjustments in the following bill." It can be much more than 'inaccurate fixing of meters' that cause incorrect billing.
- 22.4 Bills are sent to the customer's address specified in the supply contract. If no address or an inaccurate or incomplete address has been specified, or if the customer is no longer present on the address that has been specified, the supplier shall perform the delivery to the physical location where the concerned energy consumption occurred. If the customer continues not to pay in terms of Supply Contract, the system operator upon the supplier's instruction shall disconnect the place of consumption from the network according to the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo, approved by ERO.
- 22.5 Whenever reasonable, the supplier may accomplish delivery of a bill or notice by posting such item in a visible location at or in the immediate vicinity of the physical location where the concerned consumption occurred.
- 22.6 Bills may separate the charges for the consumed energy from all other charges, including charges for the use of the network. The supplier shall submit the standardized form and standardized content of its bills to the Board of ERO for review and approval prior to use with any customer.

Article 23 Guarantee Deposit

- 23.1 In the case of commercial customers and household customers, who were not regular in payment, the supplier is entitled to ask for a guarantee deposit.
- 23.2 A guarantee deposit consists on adequate guarantee covering estimated future charges for the supply of energy of one-sixth of the amount of an estimated billing for twelve (12) months at the tariffs in effect at the time. A guarantee deposit should cover estimated future charges for period of two (2) months.
- 23.3 The guarantee deposit shall be paid in cash or through the bank account.
- 23.4 The guarantee deposit shall be returned to the customer after the termination of the supply contract and after adjustment of outstanding dues, if any, within a period of one month from the date of termination.

Article 24 Payment of Bills

- 24.1 Payment of bills and guarantee deposits shall be made in cash at the specified local collection centre of the supplier on any working day during prescribed hours, or by any other means specified in the supply contract.

- 24.2 In case of any payment to the system operator, a receipt will be issued to the customer by the supplier. The receiver of payment will maintain a record of the payment, payment information and with regard to what and from whom payment was received for a period of at least three (3) years.
- 24.3 Suppliers shall establish and submit the procedures for billing customers to ERO for review and approval.
- 24.4 The procedures shall contain the period from the date of submission of the bill to the payment due date and the period after the due date allowed before the application of interest for non-payment under Article 25.
- 24.5 The period from the submission of the bills to the customers for all current charges to the due date shall not be less than fifteen (15) days.
- 24.6 The period allowed beyond the due date before application of any interest charges shall be no less than twenty (20) days from the due date.
- 24.7 Non-receipt of the bill shall not release the customer of his obligation of payment.
- 24.8 The submission of any complaint regarding the accuracy of a bill shall not suspend the customer's obligation to pay the bill, in which case the customer will be required to do a payment in accordance to Article 19.5 of the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.

Article 25

Consequences of Non-payment

- 25.1 In case of non-payment the supplier is entitled to adjust the arrears payable by the customer from out of the guarantee deposit at any time. In such case, the supplier may require the customer to make an additional guarantee deposit.
- 25.2 In case of non-payment within the allowed period as stipulated in Article 24.6 the customer is obliged to pay interest on the due amount at the certain rate per month, without prejudice of the supplier's right to impose penalties for non-payment according to any penalty clauses included in the supply contract. The rate of interest shall be adopted by ERO for each fiscal year base on submitted request by suppliers.
- 25.3 At the discretion of the supplier monthly installments for the purpose of recovery of arrears may be agreed with the customer, without prejudice to the liability of the customer to pay interest till full clearance of the arrears.
- 25.4 For the avoidance of doubt, the supplier shall also have at its disposal all other remedies available under applicable Law, including but not limited to the right to recover execution and other costs for any proceedings, the right to impose a lien on any property in the ownership of

the customer and to seize any assets and to attach the bank accounts of the customer or salary or other payments to the customer.

- 25.5 The supplier may pass data to other institutions in order to improve payment rate or by the request to provide to the authorized institutions in accordance with applicable law. In the case of passing or providing the customers data the supplier has to follow the customer right on confidentiality envisaged by applicable legislation.

Article 26 **Disconnection for Non-payment**

Disconnection for non-payment may only be imposed as a last resort measure according to the provisions of the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.

Article 27 **Records regarding Supply Contracts**

Suppliers are obliged to keep duly informed records of:

- a) signed connection agreements for customers whenever it is required to have agreements additional to supply contract;
- b) applications for supply submitted;
- c) applications for modification (upgrades of capacity or tariff group change) of supply contracts;
- d) supply contracts concluded, modified and terminated;
- e) billing, programmed and accidental interruptions in supply and compliance with quality requirements;
- f) any other relevant data according to the provisions of other applicable Rules.

CHAPTER 8 **UNLAWFUL ENERGY CONSUMPTION**

Article 28 **Unauthorized Consumption, Theft or Interference with Connections and Meters**

- 28.1 A customer shall be deemed to have engaged in unauthorized consumption of energy where the customer uses energy as set forth in Article 5.1 of the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.
- 28.2 A customer shall be deemed to have tampered with a meter as set forth in Article 5.2 of the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.
- 28.3 A customer shall be deemed to have consumed energy by theft if that customer draws electricity in accordance to the Article 5.3 of the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.

- 28.4 Customers shall not alter or affect the connections and the metering equipment and devices and are obliged to report to the supplier without delay any damage occurred to the connections and the metering devices and equipment they become aware of.
- 28.5 If the period of the unauthorized consumption, tampering or theft cannot be determined, it will be assumed that the unauthorized consumption has lasted twelve (12) months from the day that the customer has signed the supply contract for household customers, while twenty-four (24) months for the non-household customers, or the date of last inspection, during which the installation was found in good order.
- 28.6 Without prejudice to ERO's competence to impose fines according to Article 57 of the Law on the Energy Regulator and to any civil or penal liability, any damage caused by the abovementioned activity may be penalized according to the provisions of the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.
- 28.7 The supplier shall submit for review and approval to ERO its procedures for the identification and response to theft by unregistered customers. The procedures must at least include the reporting of the theft, identification of the unauthorized consumer, anticipated efforts to calculate and collect payments for consumption, and potential legal options.

Article 29
Compensation to the Customer in Good Standing

- 29.1 In the event that a supplier fails to follow the disconnection procedure established in the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo, a negatively affected customer who is regular in payment of his bills is entitled to compensation from the supplier for direct and provable damages sustained as a result thereof.
- 29.2 The supplier shall submit for review to ERO its procedures for such compensation.

CHAPTER 9
FINAL PROVISIONS

Article 30
Official Language of the Rule

This Rule is issued in Albanian, Serbian and English language. In case of any dispute, the English version shall prevail.

Article 31
Amendments –Energy Supply Panel

- 31.1 ERO may amend this Rule as it considers necessary. The energy enterprises are obliged to inform the customers about amendments of this Rule in a proper manner and by all appropriate means.

- 31.2 ERO may establish an Energy Supply Panel, as a standing body constituted to review and discuss suggestions for the amendment of this Rule. It is in ERO discretion to decide upon the suggestions made by such Energy Supply Panel.
- 31.3 The Energy Supply Panel shall include customers or their representatives as well as representatives of the suppliers and any other members as determined by ERO.

Article 32 Transitional Provisions

- 32.1 Within a time period of three (3) months upon the adoption of this Rule, the public supplier on behalf of customers shall submit to the transmission and distribution system operators an application for connection of all existing customers.
- 32.2 Within a time period of the next three (3) months upon the submission of a connection application, the public supplier shall implement provisions of Article 10 and sign with the system operator a single connection agreement for all existing customers. Prior to the coming into force of such an agreement, the system operators shall continue to provide services to existing customers under the same terms and conditions as were in force prior to the adoption of this Rule.
- 32.3 Within a time period of six (6) months upon the adoption of this Rule, a supplier of heat will sign with all customers a supply contract.
- 32.4 The supplier may provide temporary service to a customer and may require the customer to bear all the costs of installing and removing the service in excess of any salvage value. The duration of the temporary service shall be specified in the applicable tariffs approved by ERO.
- 32.5 Within a period of time set forth in Article 32.1 the supplier shall submit a report to ERO on its compliance with Article 38.3 on the Law on Electricity.
- 32.6 In case of non-compliance, ERO is entitled to impose penalties in accordance with Article 57 of the Law on Energy Regulator on the supplier or system operator for failure to fulfill obligations set forth in this Rule, the Law on Electricity and other applicable rule and legislations.
- 32.7 The system operators shall as soon as practicable but not later than one hundred twenty (120) calendar days after the date this Rule comes into effect, prepare a Connection Charging Methodology and submit it to ERO for approval.
- 32.8 The Transmission system operator shall, within one hundred twenty (120) calendar days upon adoption of this Rule submit to ERO standard forms for the following agreements:
- a) **Transmission connection agreement**
 - b) **Market Rules Framework Agreement** for use of transmission and distribution system.

32.9 The Distribution system operator shall, within one hundred twenty (120) calendar days of adoption of this Rule submit to the ERO standard forms of the:

a) **Distribution Connection Agreement.**

**Article 33
Penalties**

33.1 In the case when a supplier does not fulfill his obligation to sign a connection agreement with the system operator on behalf of a customer, or does not supply a customer in accordance with the supply contract, ERO is entitled to impose to such supplier penalties prescribed in Article 57 of the Law on Energy Regulator.

33.2 Derogation from certain provisions of the supply contract might be allowed in the cases when the supplier submits to ERO justifications that may prove his inability of fulfilling such requirement and propose measures and actions that may remove such constraints.

**Article 34
Entry into Force**

34.1 This Rule comes into effect on the date of its adoption by the Board of ERO and its publication on ERO web-site.

34.2 Dispositions and provisions of any regulations, orders or rules issued prior to this Rule and inconsistent with the dispositions of this Rule shall be superseded with immediate effect.

34.3 Upon request of the energy enterprises operating at the time of issuance of this Rule, ERO may grant exemption of the obligation to comply with specific provisions of this Rule for a defined period of time. ERO shall publish any such decision on the official web-site.

Reference documents

1. Grid or Reference Codes
2. Technical and Operational Codes
3. Market rules
4. Rule on Dispute Settlement Procedures in the Energy Sector
5. Connection Charging Methodology
6. Tariff Methodology for the Electricity Sector
7. Metering Code

Additional documents needed

1. Law on Energy Regulator
2. Law on Electricity
3. Rule of Disconnection and Reconnection of Customers in Energy Sector in Kosovo

Future actions

1. Tariff review, Article 30.4 – temporary service

Chairman of the Board of ERO:

Members of the Board:

This application is subject to the requirements of the:

1. Law on Electricity
2. Rule on General Conditions of Electricity Supply

ANNEX A: APPLICATION FOR CONNECTION AND SUPPLY

1. Household

New Connection/ Modification of an existing connection agreement

(Please strike-off the purpose that is not applicable)

To (supplier) Registration Number: _____

I request you to connect the premises described therein to the electricity/ heat system. *(Please strike-off the case that is not applicable)*

1. Applicant:

- a) Name: _____
- b) ID-Card No: _____
- c) Legal representative (if applicable): _____
- d) Address: _____
- e) Telephone No: _____
- f) E-mail: _____
- g) Owner/ authorized user of the premises
(Please strike-off the case that is not applicable)

2. Representative of the applicant:

- a) Name: _____
- b) Legal representative (if applicable): _____
- c) Address: _____
- d) Telephone No: _____
- e) E-mail: _____

3. Description of the premises to which connection is required:

- a) Street: _____
- b) No: _____
- c) Town /Village: _____
- d) Postal Code: _____
- e) Owner: _____
- f) Authorized user of the premises (if applicable): _____

- g) Built-up area of the premises/ plot area: _____

4. Technical data:

Land use of premises to be connected: Agricultural, Household, and Commercial

- a) Existing approved capacity of premises (if applicable). New capacity required with this application. Installed capacity _____ kWatts
- b) Meter squares of premises _____ m²:
- c) Description of premises:
- Basement _____ m²
 - Leaving _____ m²
 - Kitchen _____ m²
 - Bedrooms _____ m²
 - Other _____ m²
(to calculate the flat rate if required)
 - Location of the substation _____ m² (for district heating)
- d) Data on the capacities and consume of the energy equipments that will be connected:
-
- e) Type and parameters of customer's secondary system / inside heating installation (for district heating).

5. Chosen tariff category _____

6. Outstanding dues:

- a) Any electricity / heat dues outstanding in licensee's area of operation in applicant's name:
Yes/ No (If the answer is 'Yes' please provide details)

- b) Any electricity / heat dues outstanding for the premises for which connection applied for:
Yes/ No (If the answer is 'Yes' please provide details)

7. I hereby declare that the information provided in this application is true to my knowledge.

8. Attached I submit:

- a) documentary evidence of ownership / authorization for the use of the premises, Include examples of what document will be acceptable
- b) documentary evidence of legal representation
- c) documentary evidence of authorization to submit the present application
- d) sketch map of the premises, indicating the point of supply
- e) design plans of the substation and the inside heating installation (for district heating)
- f) official receipt of payment of application fee.

9. Signature of the applicant/ Authorized Signatory:

Name:

Date:

Place:

10. Signature of the owner of the premises where it was indicated in 1. g that the applicant is new owner:

Name:

Signature:

Date:

Place:

2. Non-household

New Connection/ Modification of an existing connection agreement and supply
(Please strike-off the purpose that is not applicable)

To supplier's registration number: _____

I request you to connect the premises described therein to the electricity/ heat system. *(Please strike-off the case that is not applicable)*

1. Applicant:

a) Name: _____

b) Legal representative (if applicable): _____

c) Business register number _____

d) type of business _____

e) Address: _____

f) Telephone No: _____

g) E-mail: _____

h) Owner/ authorized user of the premises _____

(Please strike-off the case that is not applicable)

2. Representative of the applicant:

a) Name: _____

b) Legal representative (if applicable): _____

c) Address: _____

d) Telephone No: _____

e) E-mail: _____

3. Description of the premises to which connection is required:

a) Street: _____

b) No: _____

c) Town /Village: _____

d) Postal Code: _____

e) Owner: _____

f) Authorized user of the premises: _____

h) Built-up area of the premises/ plot area: _____

4. Technical data:

Capacity Required:

a) _____ kVA

b) Description of land use and surface area of floor space that will be supplied from this connection

c) Installed capacity _____ kWatts (district heating)

d) Type and parameters of customer's secondary system / inside heating installation (for district heating)

e) Data on capacities and consume of the energy equipments that will be connected:

f) Description of premises and meter squares

5. Chosen tariff category

6. Outstanding dues:

a) Any electricity / heat dues outstanding in licensee's area of operation in customer's name: Yes/ No (*If the answer is 'Yes' please provide details*)

b) Any electricity / heat dues outstanding for the premises for which connection applied for: Yes/ No (*If the answer is 'Yes' please provide details*)

7. Purposed use of the connection
(Categories)

8. Please include in the Connection offer the mode and type of metering devices

9. I hereby declare that the information provided in this application is true to my knowledge.

10. I hereby request/ do not request the conclusion of a supplementary agreement providing for site specific terms regarding the maintenance of the connection. (Date by which connection / upgrading of capacity of connection is required. Maximum time allowed i.e. RoGC Articles 4.3 and 8.7 to reach an agreement including a date of connection is ninety (90) calendar days – three (3) month).

11. Attached I submit:

a) Documentary evidence of ownership / authorization for the use of the premises

b) Documentary evidence of the Articles of Association/ Decision of the Court/ Copy of the book of Shareholders

- c) Documentary evidence of legal representation
- d) Documentary evidence of authorization to submit the present application
- e) Sketch map of the premises, indicating the point of supply
- f) Official receipt for the payment of application fee.
- g) design plans of the substation and inside heating installations (for district heating)

12. Signature of the applicant/ Authorized Signatory:

Name:

Date:

Place:

ANNEX B: CONNECTION OFFER (SUBMITTED TO SUPPLIER)

System Operator: _____
Registration Number of the application: _____
Customer Name: _____
Customer Address: _____
Supplier: _____

1. The present connection offer is an integral part of the proposed connection agreement.

2. Proposed technical solution:

- i. Point of connection: _____
- ii. Description of the necessary technical arrangements and devices to be used for the connection:

iii. Planned date of connection: _____

iv. Permitted voltage, maximum capacity and energy :

3. Connection costs: _____

4. Description of the metering and protection devices and equipment that shall be installed:

5. Issues related to the use of the system:

- i. Tariff recommended: _____
- ii. Method and deadlines for the payment of costs and charges for the use of the system (credits granted for cost to be incurred by the customer):

6. Deadline for acceptance of the connection offer and for the proposal of alternative technical solutions
(such deadlines may not be shorter than fifteen (15) working days after the delivery of the connection offer):

ANNEX C: SUPPLY CONTRACT-

Supplier: _____
Customer Name and Address: _____
Point of supply and delimitation point: _____
Capacity level and guaranteed capacity: _____
Group of customer: _____
Date of commencement of energy supply: _____
<i>(Not later than six days after the conclusion of the supply contract)</i>
Tariff type: _____
Billing period: _____
System of calculating and issuing the bills <i>(pre-calculated values, telemetering, local reading of energy meters)</i>
Guarantee deposit <i>covering estimated future charges for the supply of energy of a two (2) months period of time (if applicable):</i> _____

Article 1 Rights and Obligations of Customers

Without prejudice to any provisions of any applicable Rule, customers have the following rights and obligations:

- a) to receive energy as specified in the supply contract and the connection agreement (if applicable);
- b) to use such energy in accordance to the supply contract and to avoid causing any distortions to the energy flow;
- c) to pay the bills for the energy consumed as measured by the installed metering devices and for the use of the network, according to the applicable tariffs;
- d) to promptly inform the supplier in the event of any change of relevant details including address, VAT, authorized person etc;
- e) not to infringe any of the provisions of Article 5 of Rule on Disconnection and Reconnection of Customer in Energy Sector in Kosovo (Unauthorized consumption, Theft or Tampering with the Meter).

Article 2 Rights and Obligations of Suppliers

The supplier has the following rights and obligations:

- a) to supply the customer with energy at the agreed quantity, date and time and continuously, according to the provisions of the supply contract or any other rules and regulations applicable;
- b) to ensure correct billing of the consumed energy;
- c) to be paid for the billed energy;
- d) to notify the customer for any reasons of interruption in supply;
- e) to restore the energy flow after the termination of the reasons causing interruption in supply;
- f) to meet the quality requirements for energy supply;
- g) to collect and monitor data relevant to the energy consumption of the customer;
- h) to be compensated for any damage, losses, claims or expenses that the customer causes as a result of infringement of Article 5 of the Rule on Disconnection and Reconnection of Customer in Energy Sector in Kosovo (Unauthorized consumption, Theft or Tampering with the Meter). The amount of such compensation shall be set in accordance with a schedule of estimated damages which shall be set by the supplier and approved by ERO within period of time that is compliant with Applicable Law on Obligation.

Article 3 Data Retention

- 3.1 The customer acknowledges that the supplier may retain personal detail on it for the purposes of administering the customer's account and providing the supplier's services under this contract and carrying out any other duties required by law and for the supplier to exercise its legal rights.
- 3.2 This retention may continue after the customer's account has been closed. In particular, the customer acknowledges that the Article 25 Rule on General Conditions of Energy Supply permits the supplier to provide information to authorized institutions.

Article 4 Guarantee Deposit (if applicable)

- 4.1 The guarantee deposit shall be paid in cash or by bank deposit.
- 4.2 No interest shall be payable on the guarantee deposit during the subsistence of the supply contract.
- 4.3 The guarantee deposit shall be returned to the customer after the termination of the supply contract and after adjustment of outstanding dues, if any, within a period of one month from the date of termination.
- 4.4 In case of non-refund of the guarantee deposit during the aforementioned period, it shall bear interest at the rate of (____) % per year payable to the customer. {Remark: it is more usual to have a rate per year}

Article 5

Continuity Obligation

The supplier is responsible of ensuring continuous energy flow through the connection point without prejudice to any contractual terms on time limitations.

Article 6 Interruptions in Supply

- 6.1 In cases of interruptions in supply the supplier is obliged to restore the energy flow as soon as possible and take all the appropriate measures thereupon, including the establishment of permanent emergency services.
- 6.2 Upon the customer's request the supplier has to provide him with any information available regarding the duration of accidental interruptions and the anticipated period required for the re-establishment of the energy flow. The obligation to inform the customers is waived, if it is not reasonably practicable to provide the relevant information and the supplier is not responsible for this or if the re-establishment of the supply has started.

Article 7 Accidental Interruptions

- 7.1 In case of accidental interruptions (by devices that are not monitored) of energy supply the customers shall promptly notify the supplier.
- 7.2 The supplier shall provide emergency services with his contractual parties within a time period starting from the notification of the accidental interruption as it is established in the Quality Standard Performance issued by ERO.

Article 8 Planned Interruptions

The supplier shall inform the customers about any interruption with estimated duration exceeding the minimum period stipulated for the planned repairs in the supply contract, at least twenty four (24) hours in advance upon receiving by system operator, unless there is an emergency. Information shall be provided by any means deemed appropriate in order to ensure maximum publicity.

Article 9 Supply limitations due to the Network

- 9.1 In case of supply limitations due to the conditions of the network, the supplier has the right to provide the customers with limited quantity of energy. In such case the supplier will try its best to inform customer at least twenty four (24) hours in advance.
- 9.2 The application of previous paragraph might be considered only for cases described in the Article 33 of the Rule on General Conditions of Energy Supply

Article 10

Quality Requirements regarding Supply of Energy

The supplier shall supply energy in accordance to the quality requirements set out in the technical codes applicable and applicable quality of service standards as set by its license.

Article 11 Billing and Payments

In accordance to Articles 22 and 24 the Rule on General Conditions of Energy Supply.

Article 12 Penalty Clauses

As referred in Articles 25, 26 and 32.6 of the Rule on General Conditions of Energy Supply.

Article 13 Complaint Settlement

- 13.1 The customer shall report any complaint in a timely manner regarding the services provided or billing issues to the supplier.
- 13.2 Complaints are subject to the Rule on Dispute Settlement Procedures in the Energy Sector.

Article 14 Termination of Supply Contracts

- 14.1 Customers may terminate the supply contract without reason after having fulfilled all obligations arising out of such contract and notified in written the supplier to that effect at least three (3) days in advance.
- 14.2 The supplier carrying out services may terminate the supply contract only for the reasons and according to the procedures provided for in the Rule on Disconnection and Reconnection of Customers in Energy Sector in Kosovo.
- 14.3 The supplier shall not be liable for events beyond its reasonable control, including but not limited to natural disasters, floods, fire, earthquake or similar acts of authorities strikes, protests, conflicts or similar events..