



Hamdi Mramori Street, No 1  
Prishtina 10000– Kosovo  
Tel: +381 (0) 38 247 615 ext 103  
Fax: +381 (0) 38 247 620  
e-mail: [info@ero-ks.org](mailto:info@ero-ks.org)  
[www.ero-ks.org](http://www.ero-ks.org)

## Rule on Principles of Calculation of Tariffs in the Electricity Sector (Pricing Rule)

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# **CHAPTER 1**

## **General Provisions**

### **Article 1**

#### **Introduction**

- 1.1 Pursuant to the authority given under Chapter 9 of the Law on the Energy Regulator No. 2004/9, the Board of the Energy Regulatory Office on a public session held on 15<sup>th</sup> of December 2005 adopted the Rule on the Principles of Calculation of Tariffs in the Electricity Sector in Kosovo (“the Rule”).

### **Article 2**

#### **Scope and Purposes**

- 2.1 This Rule 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.
- 2.2. The purposes of this Rule are to establish the terms, conditions, and procedures relating to tariffs in order to ensure:
- a) the transparent and non-discriminatory functioning of an energy market based on free market principles;
  - b) the transparent and non-discriminatory performance of energy activities which are subject to public service obligations;
  - c) that prices for energy activities which are regulated are reasonable and fixed on the basis of a tariff methodology;
  - d) that the interests between customers and energy enterprises are adequately balanced;
  - e) the implementation of appropriate measures to strengthen the social and economic cohesion throughout Kosovo;
  - f) security of supply of electricity through the maintenance and construction of necessary generation and transmission capacity and network infrastructure including interconnection capacity;
  - g) protection of customers through promoting transparent and open access to information regarding pricing and tariffs.

### **Article 3**

#### **Principles**

- 3.1 Tariffs approved in accordance to this Rule shall reflect the principles set forth in Article 46 of the Law on the Energy Regulator and confirm the purposes of the Law on Electricity and the Law on Energy that:
- a) prices shall be reasonable, non-discriminatory, based on objective criteria, and determined in a transparent manner;
  - b) prices shall be primarily dependent upon the justified costs, including non-recoverable stranded costs related to the transition to a competitive energy market, and including a reasonable return of investment;

- c) the Energy Regulatory Office shall be permitted to establish performance-based rates;
- d) prices shall take into consideration environmental and consumer protection concerns;
- e) prices for the individual groups of customers shall conform to the costs of delivery of electricity to those customers;
- f) cross-subsidies of customer classes shall not be permitted;
- g) cross-subsidies of activities of integrated enterprises shall not be permitted;
- h) interruptible rates, load balancing rates and other mechanisms to improve energy efficiency and demand side management shall be encouraged, including consideration of the development of renewable energy sources;
- i) seasonal and time-of-use rates are permitted, with prices adjustable according to the cost of peak and off-peak service;
- j) connection fees may be included for connection to the network or substantially increasing load.

#### **Article 4**

##### **Definitions**

- 4.1 The following terms used in this Rule shall have the following meanings:
- a) **“cost of capital”** means the value determined for this purpose by the Energy Regulatory Office as part of a price review or a review of proposed regulated tariffs and representing the cost to the energy enterprise concerned of raising new equity and/or debt finance for investment purposes;
  - b) **“expert review”** has the meaning defined in 30.1 of this Rule;
  - c) **“present value”** means the discounted value of net cashflows with the discount rate, for the purposes of subsection 13.2 being set equal to the cost of capital of the energy enterprise concerned;
  - d) **“price control period”** means the period between price reviews;
  - e) **“price reviews”** means the review and resetting of the initial value for the maximum price or allowed revenues and/or review and the determination of within-period adjustments for energy enterprises whose tariffs are regulated under performance-based rates;
  - f) **“public producer”** means a producer as defined in Article 8 of the Law on Electricity and whose offer to supply electricity [and/or capacity] to the Public Supplier made in accordance with this article has been accepted;
  - g) **“Regulatory Accounting Guidelines”** means the guidelines separately issued by the Energy Regulatory Office, with which enterprises are required to comply when submitting accounts used for the purposes of price reviews and the review of proposed tariffs;
  - h) **“stranded costs”** has the meaning defined in Article 18.6 of the Law on Energy;
  - i) **“tariff category”** means the category of customers charged using common tariff components;
  - j) **“tariff component”** means an individual part of a tariff, such as the charge per unit of electricity consumed;

- k) **“use of system charges”** means those tariffs that apply for access to or use of the the transmission or distribution networks or an inter-connector for the purposes of transporting electricity;
  - l) **“within-period adjustments”** means the calculation of permitted increases in the maximum price or revenue to be charged by energy enterprises whose tariffs are regulated under performance-based rates.
- 4.2 The other terms in this rule shall have the meanings specified in the Law on the Energy Regulator, in the Law on Energy or in the Law on Electricity.
- 4.3 For the purposes of this Rule, “customer” shall be interpreted as existing and future customers.

## **CHAPTER 2**

### **Submission and Approval of Regulated Tariffs**

#### **Article 5**

##### **Regulated Tariffs**

- 5.1 Regulated tariffs are those tariffs charged by:
- a) a public producer selling electricity to the Public Supplier;
  - b) the Public Supplier for the sale of electricity to non-eligible customers;
  - c) energy enterprises engaged in the transmission or distribution of electricity for the use of the transmission network and the distribution network.
- 5.2 In accordance with Article 47 of the Law on the Energy Regulator, the Energy Regulatory Office may release an energy enterprise from the requirement to obtain approval of regulated tariffs, if it finds that the enterprise operates in a competitive market.

#### **Article 6**

##### **Performance Based Rates**

- 6.1 Where performance-based rates are used, price reviews to determine maximum allowed revenues or prices shall take place at intervals to be determined by the Energy Regulatory Office. During the price control period, regulated tariffs that conform with these maximums shall be submitted for approval in accordance with the provisions for within-period adjustments.

#### **Article 7**

##### **Price reviews**

- 7.1 A price review shall be carried out at intervals determined by the Energy Regulatory Office and specified in the decision relating to the most recent preceding price review for the energy enterprise concerned. For those energy enterprises for which no previous price review has been undertaken, the Energy Regulatory Office may choose to initiate a price review at any time.
- 7.2 The Energy Regulatory Office shall publish a notification of the commencement of a price review and of the energy enterprises to be included in the price review on its official website and in such other manner as it considers appropriate to ensure awareness of the notification.

- 7.3 The purpose of the price review is to determine the maximum allowed revenues or prices that may be recovered from regulated tariffs by the energy enterprise concerned over the next price control period.
- 7.4 A price review comprises the assessment of reasonable costs and productivity factors, including where appropriate the use of national and international comparators, and definition of performance standards to be included in performance-based rates for the energy enterprise concerned.
- 7.5 Adequate time shall be allowed for the submission of information by energy enterprises to the Energy Regulatory Office for the purposes of undertaking a price review. At a minimum, at least [30] days shall be allowed. At its discretion, the Energy Regulatory Office may extend this period where the information required is particularly complex, unusual or otherwise difficult to provide.
- 7.6 The Energy Regulatory Office shall issue a decision following the conclusion of the price review setting out the costs to be recovered by the energy enterprise during the next price control period, and including the productivity factors and any performance standards to apply.
- 7.7 The decision shall be issued no later than [70] days before the proposed date for the new price control period to commence.
- 7.8 Where the Energy Regulatory Office fails to issue a decision, then the provisions of the decision following the most recent preceding price review for the energy enterprise shall continue to apply. Where there has been no preceding price review, then the energy enterprise will be entitled to apply for approval of its proposed tariffs in the same manner as if it was not subject to performance-based rates.

## **Article 8**

### **Submission of proposed tariffs**

- 8.1 Energy enterprises shall submit proposed tariffs to the Energy Regulatory Office annually.
- 8.2 The Energy Regulatory Office shall publish a notification of the receipt of a submission on its official website and in such other manner as it considers appropriate to ensure awareness of the notification. A copy of the submission, including supporting materials, shall be published on the official website of the Energy Regulatory Office, excluding any material identified as being commercially confidential by the submitting entity and accepted as such by the Energy Regulatory Office.
- 8.3 Proposed tariffs must be submitted at least [60] days before the proposed date of effectiveness for energy enterprises not regulated under performance-based rates and at least [40] days before the proposed date of effectiveness for energy enterprises regulated under performance-based rates.
- 8.4 The proposed date of effectiveness shall not be less than 12 months subsequent to the date of effectiveness of the most recent approved tariffs.
- 8.5 Energy enterprises regulated under performance-based rates shall submit a new proposal for tariffs with a proposed date of effectiveness of the first day of the new price control period following a price review of that energy enterprise undertaken by the Energy Regulatory Office.
- 8.6 For energy enterprises engaged in the sale of electricity to the Public Supplier or the public supply of electricity, the Energy Regulatory Office may determine such other frequencies of submission, replacing that in subsection 8.3, above, as it considers appropriate. Such determinations shall be specified in the most recent decision of the

- Energy Regulatory Office regarding the regulated tariffs for the energy enterprise concerned.
- 8.7 When submitting proposal of the tariffs, each energy enterprise shall submit justification for the proposed tariffs including, at a minimum:
- a) a schedule of the proposed tariffs together with the proposed date of effectiveness;
  - b) the actual quantities supplied or transported, as appropriate, for each customer category in the preceding 12 months;
  - c) the actual tariffs applying to each customer category;
  - d) such other information as the energy enterprise considers may support its application for approval of the proposed tariffs.
- 8.8 Where an energy enterprise is regulated under performance-based tariffs, it must submit evidence demonstrating compliance of its proposed tariffs with the most recent decision relating to the price control for the enterprise concerned, taking into account within-period adjustments.
- 8.9 Where an energy enterprise is not regulated under performance-based tariffs, it must submit evidence of its costs for the preceding 12 months and forecast costs for the coming 12 months in the format specified by the Energy Regulatory Office in the Regulatory Accounting Guidelines. The energy enterprise should submit such additional information justifying any change between actual and forecast costs as it considers reasonable.
- 8.10 The Energy Regulatory Office may request additional information in writing, including reasons for the request. Such information must be submitted by the energy enterprise to the Energy Regulatory Office within the period of time set forth in such request
- 8.11 Any such requests must be made within [15] days of the receipt of the initial submission for approval of the proposed regulated tariffs or the receipt of additional information in response to the most recent request, whichever is later.

## **Article 9**

### **Within-period adjustments**

- 9.1 Where the Energy Regulatory Office has required the use of performance-based rates, energy enterprises shall apply for approval of proposed regulated tariffs, after the first application of each price control period, in accordance with a within-period adjustment calculation methodology.
- 9.2 The within-period adjustment calculation methodology for an energy enterprise shall be included in the decision relating to the price review of the enterprise concerned.
- 9.3 The Energy Regulatory Office may include provisions as part of the within-period adjustment calculation methodology for a review of all or part of the price control in the event that actual values for identified parameters move outside a defined range.

## **Article 10**

### **Modification of tariffs**

- 10.1 Where an energy enterprise is requesting modification of a tariff category or tariff component as part of a tariff submission in accordance with 0, then it must also submit:
- a) estimates of the number of customers and quantities supplied or transported that would have been charged under each tariff category and tariff component, if the

proposed change in tariff categories or tariff components had been in effect over the most recent 12 months;

- b) estimates of the revenues that would have been earned under each tariff category and tariff component, if the proposed change in tariff categories or modification of tariff components had been in effect over the most recent 12 months;
- c) estimates of the number of customers and quantities supplied or transported that will be charged under each tariff category and tariff component in the coming 12 months, if the proposed change in tariff categories or modification of tariff components is approved;
- d) estimates of the revenues that will be earned under each tariff category and tariff component in the coming 12 months, if the proposed change in tariff categories or modification of tariff components is approved;
- e) details of and the basis for such estimates.

#### **Article 11**

##### **Tariff Methodology**

- 11.1 The Energy Regulatory Office shall issue the methodology for the calculation of regulated tariffs by energy enterprises in accordance with the principles contained in this Rule in the form of a Tariff Methodology.
- 11.2 The Tariff Methodology shall be updated by the Energy Regulatory Office as required.

### **CHAPTER 3**

#### **Tariffs for the Sale of Electricity To The Public Supplier**

##### **Article 12**

##### **Public producer tariffs**

- 12.1 Tariffs for the sale of electricity [and/or capacity] to the Public Supplier by public producers shall be specified in annual contracts between the Public Supplier and each public producer.
- 12.2 These tariffs shall allow recovery of all reasonable costs of public producers associated with the supply of electricity [and/or capacity] to the Public Supplier.
- 12.3 In determining the tariffs in accordance with this Article, no regard shall be had to the revenues that may be earned by the public producer from the sale of electricity [and/or capacity] other than under the annual contract with the Public Supplier.

##### **Article 13**

##### **Regulated quantities**

- 13.1 The Public Supplier shall only be permitted to purchase electricity [and/or capacity] from public producers at regulated tariffs up to an amount equal to that required to serve demand from non-eligible customers in each year.
- 13.2 Any purchases exceeding this amount shall be at unregulated tariffs, regardless of whether they are from public producers or other producers.

## **CHAPTER 4**

### **Tariffs for the Sale of Electricity By The Public Supplier**

#### **Article 14**

##### **Non-eligible customers**

- 14.1 Tariffs charged to non-eligible customers by the Public Supplier for the supply of electricity and/or capacity shall be reflective of the regulated tariffs at which the Public Supplier purchases from public producers.
- 14.2 This requirement shall not prevent these tariffs including incentives for the Public Supplier to reduce the costs of purchase of electricity and/or capacity to serve non-eligible customers.

#### **Article 15**

##### **Eligible customers**

- 15.1 Tariffs charged to eligible customers by the Public Supplier for the supply of electricity and/or capacity shall be reflective of the unregulated tariffs at which the Public Supplier purchases from producers for quantities in excess of those needed to serve demand from non-eligible customers.

#### **Article 16**

##### **Costs of the Public Supplier**

- 16.1 The tariffs charged by the Public Supplier shall allow recovery of all reasonable costs of the Public Supplier associated with the retail supply of electricity to customers, including meter-reading, billing, collection and provision of information on tariffs and services, whether provided directly by the Public Supplier or by another enterprise on behalf of the Public Supplier.
- 16.2 The tariffs charged shall also allow recovery of the costs of any working capital requirements of the Public Supplier and provide for a reasonable return to the Public Supplier to compensate for the commercial risk that it assumes.

#### **Article 17**

##### **Social tariff**

- 17.1 Energy Regulatory Office may require the public supplier to introduce or maintain a tariff category for the sale of electricity to domestic customers with low incomes or consuming small quantities of electricity. Tariffs charged to this tariff category may be set below the costs of delivery to these customers, with the difference being compensated by tariffs to domestic customers with higher incomes or consuming larger quantities of electricity being set above the costs of delivery to these customers.

## **CHAPTER 5**

### **Transmission Tariffs**

#### **Article 18**

##### **Transmission use of system charges**

- 18.1 Transmission use of system charges shall recover the costs of:

- a) the provision of transmission network services;
- b) the provision of auxiliary networks necessary for the effective functioning of the transmission network; and
- c) the costs of the Transmission System Operator which are not related to the purchase or sale of electricity, capacity or ancillary services;

which are not recovered from other sources.

- 18.2 Transmission use of system charges shall not recover those costs related to the purchase or sale of electricity, capacity or ancillary services by the Transmission System Operator incurred under its responsibility for the safe and secure operation of the transmission system.

#### **Article 19**

##### **Transmission connection charges**

- 19.1 Transmission connection charges shall recover the costs of:
- a) the carrying out of works and provision and installation of electrical plant, lines, meters and other equipment for the purposes of constructing or modifying a connection of an electricity site or customer to the transmission network in so far as these costs are not otherwise recovered from transmission use of system charges; and
  - b) the removal of electrical plant, lines, meters and other equipment for the purposes of disconnecting an electricity site or customer from the transmission network.

### **CHAPTER 6**

#### **Distribution Tariffs**

##### **Article 20**

##### **Distribution use of system charges**

- 20.1 Distribution use of system charges shall recover the costs of:
- a) the provision of distribution network services;
  - b) the provision of auxiliary networks necessary for the effective functioning of the distribution network; and
  - c) the costs of the Distribution System Operator;
- which are not recovered from other sources.

##### **Article 21**

##### **Distribution connection charges**

- 21.1 Distribution connection charges shall recover the costs of:
- a) the carrying out of works and provision and installation of electrical plant, lines, meters and other equipment for the purposes of constructing or modifying a connection of an electricity site or customer to the distribution network in so far as these costs are not otherwise recovered from distribution use of system charges; and
  - b) the removal of electrical plant, lines, meters and other equipment for the purposes of disconnecting an electricity site or customer from the distribution network.

## **CHAPTER 7**

### **Public Service Obligations**

#### **Article 22**

##### **Definition of Public Service Obligations**

- 22.1 The Board of the Energy Regulatory Office shall issue, from time to time, decisions determining:
- a) the existence of a Public Service Obligation;
  - b) the nature, scope and duration of the Public Service Obligation; and
  - c) the energy enterprises to which the Public Service Obligation applies.

#### **Article 23**

##### **Recovery of Costs of Public Service Obligations**

- 23.1 Any decision relating to the provision of a Public Service Obligation shall define how the costs of that obligation are to be determined.
- 23.2 Energy enterprises shall be entitled to recover the costs of a Public Service Obligation determined in accordance with the respective decision and which are not recovered or expected to be recovered from other sources through a Public Service Obligation Charge.
- 23.3 The Public Service Obligation Charge may either be a charge applied to some or all customers within the same category as those benefiting from the provision of the Obligation, or a levy or similar charge applied to all electricity customers.
- 23.4 The Public Service Obligation Charge shall be separately identified on all bills and invoices.

## **CHAPTER 8**

### **Stranded Costs**

#### **Article 24**

##### **Determination of stranded costs**

- 24.1 The Board of the Energy Regulatory Office shall issue a decision stating the total amount of maximum potential stranded costs for each qualifying energy enterprise.
- 24.2 Once the amount of maximum potential stranded costs has been determined, this shall not be changed.
- 24.3 The actual stranded costs to be recovered shall consist of the maximum potential stranded costs less revenue earned from the sale of energy and/or capacity.

#### **Article 25**

##### **Competition Transition Charge**

- 25.1 Energy enterprises shall be entitled to recover stranded costs through a Competition Transition Charge.
- 25.2 The Competition Transition Charge may either be a charge applied to some or all customers within the same category as those benefiting from the provision of the Obligation, or a levy or similar charge applied to all electricity customers.

- 25.3 The Competition Transition Charge shall be separately identified on all bills and invoices.

## **CHAPTER 9**

### **Decisions**

#### **Article 26**

#### **Public participation**

- 26.1 Prior to issuing a decision on either a price review or following the review of proposed tariffs, the Board of the Energy Regulatory Office shall ensure that adequate provision is made for public participation in the review.
- 26.2 Public participation shall include the following:
- a) an opportunity for parties to register with the Energy Regulatory Office their interest in participating in the review process;
  - b) a reasonable period for parties to request additional information from the Energy Regulatory Office or the energy enterprise concerned;
  - c) a reasonable period for written submissions by parties on the price review or the proposed tariffs or on papers, submissions and other documentation issued by the Energy Regulatory Office, the energy enterprise concerned or other respondents; and
  - d) a public hearing, in a format determined by the Energy Regulatory Office, where this is required under subsection 26.7.
- 26.3 Public participation may also include:
- a) public hearings other than those required under subsection 26.7, in a format and on such topics related to the price review or the proposed tariffs as shall be determined by the Energy Regulatory Office;
  - b) meetings between representatives of the Energy Regulatory Office and the energy enterprise, customers or other interested parties; and
  - c) such other forms of participation as the Energy Regulatory Office considers appropriate.
- 26.4 Requests for information under Article 0 shall be submitted according to procedures separately issued by the Energy Regulatory Office for this purpose. These procedures shall include appropriate provisions to ensure that requests are reasonable, do not impose an undue burden on the Energy Regulatory Office or energy enterprise concerned and do not require the release of commercially confidential information.
- 26.5 Where written submissions are requested, the Energy Regulatory Office shall publish a notification to this effect on its official website and in such other manner as it considers appropriate to ensure awareness of the notification.

- 26.6 At least [15] days shall be allowed from the date of notification for the receipt of written submissions. The Energy Regulatory Office may, at its own discretion, choose to receive submissions at later dates.
- 26.7 In the case of a price review relating to public supplier tariffs, at least one public hearing shall be held. If feasible, the Energy Regulatory Office shall conduct hearings in more than one geographical area. In all other instances, the need for and location of public hearings shall be at the discretion of the Energy Regulatory Office.
- 26.8 Where a public hearing is to be held, at least [10] days notice shall be given in the form of a notification published on the official website of the Energy Regulatory Office and in such other manner as it considers appropriate to ensure awareness of the notification.

## **Article 27**

### **Decisions**

- 27.1 Following the review of proposed tariffs, the Board of the Energy Regulatory Office shall issue a decision either:
- a) approving the proposed tariffs; or
  - b) approving the proposed tariffs with amendments; or
  - c) rejecting the proposed tariffs and requiring the energy enterprise to submit revised proposed tariffs.
- 27.2 Where a revised application is submitted, the provisions of subsection 29.2 below, shall be calculated using the date of submission of the original application.
- 27.3 All decisions issued under this rule shall include a justification.
- 27.4 The Board of the Energy Regulatory Office shall issue its decision by the later of:
- a) for energy enterprises regulated using performance-based tariffs, [15] days of the receipt of the original submission;
  - b) for energy enterprises not regulated using performance-based tariffs, [45] days of the receipt of the original submission;
  - c) for all regulated energy enterprises, [15] days of the receipt of additional information in response to the last request issued in accordance with subsection 8.10, above.
- 27.5 A decision of the Board of the Energy Regulatory Office shall be considered to be issued on the date of its publication on the official website of the Energy Regulator Office, except if the decision stipulates differently.

## **Article 28**

### **Publication**

- 28.1 Copies of decisions and proposed tariffs shall be published in the bulletin of the Energy Regulatory Office and on the official website of the Energy Regulatory Office.
- 28.2 Evidence, comments, submissions and other documentation received in relation to a price review or review of proposed tariffs may be published on the official website of the Energy Regulatory Office, excluding any material identified as being commercially confidential by the submitting entity and accepted as such by the Energy Regulatory Office.

## **Article 29**

## **Effectiveness**

- 29.1 Approved regulated tariffs shall take effect on the proposed date of effectiveness or [15] days after the issuing of the decision, whichever is later.
- 29.2 Where approval of the regulated tariffs is delayed from the proposed date of effectiveness, due to requests for additional information in accordance with subsection 8.10, above, or expert review or appeals against a decision of the Energy Regulatory Office in accordance with subsection 31.1 and 0, below, then:
- a) the approved regulated tariffs shall be adjusted to account for the difference in actual revenues earned and those that would have been earned if the regulated tariffs had become effective on the proposed date;
  - b) the adjustment shall be based on the present value of the difference in revenues as at the original proposed date of effectiveness.
- 29.3 Subsection 29.2, above, shall not apply where the delay is due to delays by the energy enterprise in submitting additional information requested by the Energy Regulatory Office in accordance with subsection 8.10, above, and where the present value calculated in accordance with subsection 29.2, above, is positive.
- 29.4 Energy enterprises shall publish the approved regulated tariffs in at least two daily newspapers circulated within Kosovo at least 7 days before the date of effectiveness. Energy enterprises shall also publish the approved regulated tariffs on their website and include information on the approved regulated tariffs with the next bill submitted to customers 7 days or subsequently before the date of effectiveness. The information provided in notices issued under this subsection should be sufficient to allow customers to compare the previous and new approved regulated tariffs and their impacts on the customer concerned.

## **Article 30**

### **Reconsideration**

- 30.1 An energy enterprise or customer may request from the Board of the Energy Regulatory Office a reconsideration of a decision relating to either the approval of regulated tariffs or a price review within [15] days of the decision being issued.
- 30.2 Any request for reconsideration must identify to which part or parts of the decision it refers and provide justification for the request. Reconsideration can be justified on the following grounds:
- a) there is new evidence which is essential to the decision and which could not have reasonably been known before issuance of the decision;
  - b) there has been a change in law on a matter essential to the decision;
  - c) there has been an error of law or fact which is essential to the decision; or
  - d) there is good cause for further examination of a matter essential to the decision.
- 30.3 Upon receipt of the request for reconsideration, ERO will publish the request on its official website and provide a period of time within which other parties may file comments explaining their position on the request
- 30.4 If the Board of the Energy Regulatory Office considers that reconsideration is merited, it shall publish a notification to this effect on its official website and in such other manner as it considers appropriate to ensure awareness of the reconsideration. The notification shall identify the matters under reconsideration and the schedule for reconsideration.

- 30.5 If a notification is not issued within [15] days of the receipt of the request for reconsideration, then the request shall be considered to be refused.
- 30.6 Opportunity shall be provided for all parties to provide written submissions on the matters under reconsideration. The Board may also adopt such additional forms of public participation, as identified in subsections 26.2 and 26.3, as it considers appropriate.
- 30.7 Reconsideration shall not delay the coming into effectiveness of regulated tariffs as approved by the original decision.
- 30.8 The Board of the Energy Regulatory Office shall issue a decision following reconsideration within 30 days of the date of notification in accordance with subsection 30.4.

## **Article 31**

### **Expert reviews**

- 31.1 An energy enterprise or customer may request from ERO an Expert Review of a decision relating to either the approval of regulated tariffs or a price review within [15] days of the decision being issued.
- 31.2 Energy enterprises or customers shall be entitled to appeal decisions relating to price reviews in the same manner as for appeals against decisions relating to the approval of proposed regulated tariffs.
- 31.3 The expert or experts who will undertake the Expert Review are proposed by the energy enterprise or customer and approved by the Energy Regulatory Office. The expert or experts must comply with the following conditions:
- a) have professional qualifications and/or practical experience in the fields of economics, finance and engineering in the electricity sector;
  - b) have experience in the regulation of tariffs and service quality for utilities;
  - c) have no ownership interest in, employment relation with, either directly or through other employees of the same business as the expert concerned, or family connections with any of the energy enterprise concerned, other energy enterprises in the electricity sector in Kosovo, the Energy Regulatory Office and the Provisional Self-Government in Kosovo, and to have not had such interests or relations for a minimum period of at least two years prior to appointment.
- 31.4 The expert or experts will be given access to all information and submissions received as part of the original decision. They will be required to sign a suitable confidentiality agreement. Both the energy enterprise or customer concerned and the Energy Regulatory Office may provide additional information to the expert or experts.
- 31.5 Within [30] days of being appointed, the expert or experts will issue a report setting out their opinion as to whether:
- a) the decision issued by the Energy Regulatory Office regarding the proposed regulated tariffs or the price review, as appropriate, should remain in effect; or
  - b) the decision issued by the Energy Regulatory Office should be amended in part; or
  - c) the proposed regulated tariffs originally submitted by the energy enterprise concerned or the amendments to these originally proposed by the customer requesting the review, as appropriate, should be approved and replace the decision issued by the Energy Regulatory Office.

- The report shall contain full written reasons for the opinion. A copy of the report shall be published on the official website of the Energy Regulatory Office.
- 31.6 Within [7] days of receiving the report containing the opinion of the expert or experts, the Board of the Energy Regulatory Office shall issue its decision as to whether to:
- a) accept the opinion of the independent expert or experts and replace its original decision; or
  - b) reject the opinion of the independent expert or experts and retain its original decision.
- 31.7 Any costs, consultants' fees or otherwise incurred by the Expert review shall be exclusively borne by the energy enterprise or customer requesting the Expert review.

#### **Article 32**

##### **Referral to the Court**

- 32.1 Energy enterprises or customers, within the time limits in accordance to Civil Legislation applicable in Kosovo, may appeal to the competent courts for the annulment of any decision made by the Board of the Energy Regulatory Office, following the completion of any Expert Review.

## **CHAPTER 10**

### **Final Provisions**

#### **Article 33**

##### **Language**

- 33.1 This rule is issued in the Albanian, Serbian and English languages. In case of any discrepancy, the English version shall prevail.
- 33.2 Decisions together with reasons shall be issued in the Albanian, Serbian or English language. Copies of the decision must be made available, on request, in all three languages. In the case of any discrepancy, the language of the original decision shall prevail.
- 33.3 Documents provided or issued under this rule, excepting decisions of the Energy Regulatory Office may be in any of the Albanian, Serbian or English languages.

#### **Article 34**

##### **Implementation and amendment**

- 34.1 The Energy Regulatory Office may, from time to time, issue guidance regarding the implementation of this rule.
- 34.2 Amendments of this rule may be initiated by the Energy Regulatory Office at its own initiative or following a request of energy enterprises or customers.

#### **Article 35**

##### **Entry into force**

- 35.1 This rule, with the exception of subsections 23.4 and 25.3, shall enter into force on the date of publication on the official website of the Energy Regulatory Office.
- 35.2 Subsections 23.4 and 25.3 shall enter into force on such later date as may be separately notified by the Energy Regulatory Office.

**Article 36**

**Transitional provisions**

- 36.1 At the time of adoption of this rule, the Energy Regulatory Office shall determine:
  - a) the initial date of effectiveness for the first regulated tariffs proposed by energy enterprises in accordance with Article 7, above. This date may be different for different energy enterprises;
  - b) those regulated tariffs that are exempted from the requirement for approval by the Energy Regulatory Office, in accordance with subsection 0, above.
- 36.2 Energy enterprises shall be required to submit applications for approval of proposed regulated tariffs with a proposed date of effectiveness equivalent to the initial date of effectiveness as set by the Energy Regulatory Office in accordance with subsection 36.1, above.
- 36.3 Until such time as new regulated tariffs have taken effect, in accordance with 0, above, the existing regulated tariffs charged by energy enterprises shall remain in effect.

Chairman of the Board of ERO

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Members of the Board:

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