

**Date 2 November 2006**  
**ERO D\_21\_2006**

## **The Board of Energy Regulatory Office**

Taking into account:

1. Article 15.1 of the Law on Energy Regulator regarding the responsibility of Energy Regulatory Office (ERO) for the establishment and execution of a regulative framework in the energy sector in Kosovo that will ensure the nondiscrimination, effective competition and the function of the energy market.
2. Responsibility of ERO to monitor the division of organization, decision-making and accountabilities forms for energy enterprises;
3. Article 26 of the Law on Energy Regulator regarding the compeneces of ERO to issue the general and individual acts and decisions.
4. Application for amendment of the Decision No.D\_10\_2006 „Guideline on Establishment of the Ownership and Commercial Boundaries between Joint Stock Companies”, submitted to ERO by KOSTT (Transmission Systme and Market Operator J.S.C) issued on 3.02.2006;

**On the meeting held on 2 November 2006 has decided to amend the Decision No. D\_10\_2006 in order to:**

- a) Approve the point 1 of application submitted by KOSTT;
- b) Refuse the point 2 of application submitted by KOSTT.

### **Part 1: Legal Basis**

- 1.1. Based on its legal mandate in accordance to the Law on Energy Regulator, ERO issued Decision No. D\_10\_2006 „Guideline on Establishment of the Ownership and Commercial Boundaries between Joint Stock Companies”, dated 3.02.2006.
- 1.2. KOSTT applied for amendment of the Decision mentioned above in Article 5 and 6 as it follows:
  - a) Article 5 of the Decision shall also apply to the KEK Distribution Network in order to set clear boundary between KOSTT and KEK Distribution Network;
  - b) Article 6 a) should be modified to include the TS Podujeva based on the model of separation of assets attached to the Decision No. D\_10\_2006;

### **Part 2: Explanation**

- 1.1. The Board of ERO reveiwed the application and attached documents.
- 1.2. Article 5.1 of the Decision No. D\_10\_2006 shall be amended by the word “distribution“. The amanded Article 5.1 now reads: „ The division of ownership between generation, distributiton

and transmission network, is defined by the POINT OF CONNECTION, which by this Guideline ... ; The rest of the Article remains unchanged.

- 1.3. Point 2 of the application is not approved since the model of separation of assets enclosed with decision D\_10\_2006 is incorrect and shall be replaced by the one attached to this Decision.

**Part 3. Applicability**

- 3.1. This Decision shall be published by KOSTT on its web site, within five (5) working days after ERO's announcement and publication of the decision.
- 3.2. This Decision is applicable from the day of its issuance and publication on the official ERO web-site.

Chairman of the Board of ERO  
Dr Nick Frydas

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