

Prishtina, 15/11/2006
ERO Code: D_23_2006

Board of Energy Regulatory Office

Taking into account:

1. The provisions of the Law No. 2004/8 “On Energy”;
2. The provisions of the Law No.2004/9 “On the Energy Regulator”;
3. The provisions of the Temporary Instruction I_03_2006 “On the Principles of Calculation of Tariffs and Prices in the District Heating Sector in Kosovo for the Heating Season 2006/2007”;
4. Tariff application for heat tariffs for the season 2006/2007 submitted by District Heating (DH) Termokos JSC to Energy Regulatory Office (ERO) on 8th September, 2006;
5. Comments to the tariff application provided by ERO on 26th of September 2006;
6. Revised tariff application of DH Termokos JSC submitted on 6th of October, 2006;
7. Decision D_17_2006 on Determination of Allowed Revenues for DH Termokos JSC for Heating Season 2006/2007, issued by ERO on 30th of October 2006, accompanied by ANNEX “REGULATORY REPORT – Determination of Allowed Revenues for DH Termokos JSC, for Heating Season 2006/2007”;
8. Tariff proposal – details for calculation of tariffs for heating season 2006/2007 No. 869 dd. 14 November 2006 – submitted by DH Termokos JSC to ERO on 14th of November 2006;

Has decided to:

1. Approve the tariff rates for DH Termokos JSC for the whole of the six months of the Heating Season 2006/2007 as presented in the Table “A” and “B” and detailed calculation presented in ANNEX to this decision “REGULATORY REPORT – Tariff setting for DH Termokos JSC for Heating Season 2006/2007”.
2. The approved tariff rates, shall be published by DH Termokos JSC, in one national and one local daily newspapers circulated in Kosovo, within five (5) working days after the Energy Regulatory Office’s announcement and publication of the decision on the official ERO’s website.
3. Energy Regulatory Office (ERO) will make use of the rights given by the law, to verify presented data and audit accounts and invoices of DH Termokos JSC on which the calculation of the tariff rates during the coming heating period is based.
4. During the heating season 2006/2007 DH Termokos JSC may present to the Energy Regulatory Office proposal for justified changes in its approved tariff, according to Temporary Instruction I_03_2006 “On the Principles of Calculation of Tariffs and Prices in the District Heating Sector in Kosovo for the Heating Season 2006/2007”.

5. DH Termokos JSC has the right to appeal to ERO by submitting a fully substantiated report, within ten (10) calendar days after the announcement and publication of the decision on the official ERO's website.

**TARIFF RATES FOR DISTRICT HEATING TERMOKOS JSC
FOR HEATING SEASON 2006/2007**

Table A. TARIFF FOR NON-METERED CUSTOMERS

| DISTRICT HEATING TERMOKOS JSC | | |
|--|----------------------|----------------------------|
| Components of Tariffs | Residential | Commercial & Institutional |
| Heat capacity contracted (fixed component) | €0.09 / m2 per month | €0.11 / m2 per month |
| Heat delivered (variable component) | €0.70 / m2 per month | €0.84 / m2 per month |

Table B. TARIFF FOR METERED CUSTOMERS

| DISTRICT HEATING TERMOKOS JSC | |
|---|--------------|
| Monthly tariff of heat capacity (fixed component) | €0.86 / kW |
| Tariff of heat delivered (variable component) | €44.70 / MWh |

We encourage the District Heating Companies to measure heat consumption in substations as much as possible through calibrated heat meters, especially for Commercial and Institutional Customers.

Board of ERO:

Nick Frydas, Chairman,

Nysret Avdiu, member

Merita Kostari, member,

Naim Bejtullahu, member

Theranda Beqiri, member