

Prishtina, 31/05/2007
 ERO Code: D_51_2007

The Board of Energy Regulatory Office

Taking into account:

1. Its legal mandate as provided in Articles 45 to 48 of the Law No. 2004/9 “On Energy Regulator”;
2. Provisions of the Rule on “Principle of Calculation of Tariffs in Electricity Sector (Pricing Rule)” issued by ERO Board on 15/12/2005 and in particular items 30.2 a) & b) of above-mentioned Rule;
3. Provisions of the Tariff Methodology issued by ERO Board on 15/12/2005;
4. New information provided KOSTT JSC concerning reductions in actual costs in 2007 below those allowed in its Decision D_29_2006 of 21/12/2006 “On Allowed Revenues for KEK JSC and KOSTT JSC for the Pricing Review Period 2007-2009”;
5. Its Decision D_47_2007 of 07/05/2007 to, in the light of this new information, reconsider the allowed revenues for KEK JSC and KOSTT JSC approved in Decision D_29_2006;
6. The consequent need to also reconsider its Decision D_41_2007 of 15/03/2007 “On Approval of Proposed Transmission Tariffs for KOSTT JSC”;
7. Submissions received during the reconsideration, including proposal by KOSTT JSC for amendments to the proposed transmission tariffs, as well as ERO’s own review of these proposal;

In the Board Session of 31st May 2007, has decided to:

1. Amend Decision D_29_2006 of 21/12/2006 “On Allowed Revenues for KEK JSC and KOSTT JSC for the Pricing Review Period 2007-2009” as below, to adjust allowed revenues for KOSTT JSC to take account of the new information on reduced actual costs provided by these company:

Table 1: Amended allowed revenues for KOSTT JSC, 2007

| <i>EUR 000s</i> | Approved (21 st December 2006) | Amended |
|---|---|---------|
| Allowed revenues to be recovered from regulated transmission tariffs for 2007 | 13 678 | 13 190 |

2. To accordingly amend Decision D_41_2007 of 15/03/2007 “On Approval of Proposed Transmission Tariffs for KOSTT JSC” to approve the following transmission tariffs:

Table 2: Amended transmission tariffs for KOSTT JSC (effective from 1st April 2007)

| Tariff | Unit | Approved (15 March 2007) | Amended |
|------------------------|-------------------------------|--------------------------|---------|
| Infrastructure charge | | | |
| - 400/220kV | EUR / kW /year ^a | 3.119 | 3.025 |
| - 110kV | EUR / kW /year ^{a b} | 7.001 | 6.792 |
| System Operator charge | EUR / MWh | 0.872 | 0.849 |
| Market Operator charge | EUR /MWh | 0.013 | 0.014 |

a Applied to average of demand at time of five highest maximum system demands in year. Only suppliers are liable for this charge.

b Includes 400/220kV charge

3. To require the new tariffs to come into effect by 1st May 2007, and for KOSTT JSC to make provision, following 31st December 2007, for reconciliation between the amounts actually received from customers of KOSTT JSC, KEK JSC and other customers, and those that would have been received if the new tariffs had been in effect from 1st April 2007, with the difference to be collected from or rebated to customers of KOSTT JSC, during 2008 in a manner to be proposed by KOSTT JSC and approved by ERO.
4. This decisions shall be published by KOSTT JSC in at last one local daily newspaper of wide circulation in Kosovo within 5 working days after ERO’s announcement and publication of the decision on the official ERO web – site.
5. This Decision is issued in Albanian, Serbian and English language. In case of dispute between the different languages the Albanian version shall prevail.
6. Against this Decision the unsatisfied party may submit its complaint in the Court of relevant jurisdiction within 14 days upon its adoption and publication on official website of ERO.
7. This Decision comes into effect from 1st of May 2007.

The basis for these amendments is set out in an accompanying note (Reconsideration of Decisions D_29_2006, D_39_2007 and D_41_2007)



Board of ERO:

Ali Hamiti, Chairman,

Merita Kostari, member,

Theranda Beqiri, member

Nysret Avdiu, member

Naim Bejtullahu, member

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