



INDEP's Comments ERO's Consultation Reports on Annual Adjustments of MAR for KOSTT (TSO), KEDS (DSO), KESCO (USS)

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Introduction

The Institute for Development Policy is an independent research institute based in Pristina, engaged for more than a decade in the analysis and advancement of public policies in Kosovo, with a particular focus on the energy sector, sustainable development and customer protection. Through our research work, engagement in consultation processes and cooperation with local institutions and international partners, INDEP has continuously contributed to strengthening regulatory governance and promoting a just and evidence-based energy transition.

We welcome the opportunity to contribute to the public consultation on the annual adjustments of the Maximum Allowed Revenues (MAR) for the Tariff Year 2026 for the three regulated energy operators in Kosovo: the Transmission System and Market Operator (KOSTT/TSO), the Distribution System Operator (KEDS/DSO) and the Universal Service Supplier (KESCO/USS). Given the importance of these decisions for the cost structure in the sector, for the financial stability of

operators and for the burden borne by customers, this process constitutes a key moment to strengthen standards of transparency, accountability and protection of the public interest.

INDEP's contribution is structured as follows: Section 1 raises general procedural concerns applicable to all three procedures; Sections 2, 3 and 4 provide specific analysis for each operator; while Section 5 addresses customer protection issues, which INDEP considers to be a structural gap in the current regulatory framework of the energy sector in Kosovo.

From the beginning, we evaluate that ERO's analytical work, through the significant reduction of aggregate requirements of companies and the application of a more in-depth regulatory review, reflects an implementation of its institutional mandate. In this sense, our comments are more oriented towards further advancing regulatory standards and strengthening the integrity of the process, aiming at concrete improvements where structural deficiencies are identified.

Section 1 – Procedural issues: timeliness of the regulatory process

1.1 Systematic regulatory delays

The three consultation reports for Tariff Year 2026 are dated 10 April 2026, with a comment deadline of 24 April 2026. The new tariff year is understood to start on 1 April 2026, meaning that the regulatory process, including public consultation and the final board decision, has not been concluded before the start of the tariff year. This is not an isolated case.

ERO formally opened the annual adjustment process on 12–15 December 2025. Regulated operators submitted their applications by the end of January 2026. ERO then took approximately ten weeks to prepare the consultation reports, publishing them after the tariff year had already begun. Even in Tariff Year 2025, the board decision (Decision V_2696_2025) was issued on 11 April 2025, while this year's KEDS application itself documents that the approved tariffs were implemented only from May 2025 and not from April, as foreseen, creating an acknowledged financial gap in Q1 2025.

CONCERN

ERO's consultation reports for Tariff Year 2026 were published after the tariff year had begun. The pattern of delayed decisions, confirmed by KEDS documentation showing that the 2025 tariffs were implemented only from May 2025, constitutes a systemic regulatory failure with direct financial consequences for both operators and customers.

1.2 Impact on operators and customers

The KEDS/DSO application explicitly identifies the delayed implementation of the 2025 tariffs as a source of financial imbalance: revenues for Q1 2025 were collected at 2024 tariffs, while costs were carried over to 2025 levels. This gap is directly reflected in the Revenue Adjustment Factor (KREV), which is then recovered from customers in subsequent tariff years. Therefore, the regulatory delay imposes a deferred cost on final customers without any corresponding benefit in service.

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INDEP

INDEP calls on ERO to publicly commit to a legally binding process calendar: consultation reports to be published by 1 February and the Board decision to be issued no later than 15 March of each year, ensuring that tariffs enter into force from 1 April. This calendar should be codified in the relevant MAR Rules and its compliance should be subject to legal audit.

INDEP has also in the past requested a complete review of the tariff calendar so that tariffs are not increased in the month when consumption naturally falls (for INDEP this is on the verge of a fraudulent practice according to Article 9 of Law No. 06/L-034 on Customer Protection). However, as long as we have April as the starting month, the tariff calendar must be respected without delay!

1.3 Quality of the consultation process

The effective 14-day consultation period (10–24 April) is insufficient for substantial engagement by civil society organizations, customer associations or independent researchers. ERO’s consultation reports themselves acknowledge the considerable complexity in the relevant evaluations. A consultation period shorter than two weeks does not meet the principle of meaningful public participation.

→ INDEP
RECOMMENDS

INDEP recommends a minimum 30-day comment period on the MAR consultations. ERO should also consider publishing a non-technical summary, accessible to ordinary customers, explaining the main cost drivers and their expected impact on energy bills.

Section 2 – KOSTT/TSO: Transmission System and Market Operator

2.1 Summary of ERO's evaluation

ERO proposes Maximum Allowable Revenues (MAR) for KOSTT of EUR 75.86 million for 2026, compared to KOSTT's request of EUR 99.38 million and the EUR 88.20 million allowed in 2025. The main reductions relate to the costs of ancillary services, the RES Fund and the costs of procurement of losses. INDEP generally supports this result, but raises concerns on some specific points.

Component	Company request	The proposal of ERO	INDEP Evaluation
OPEX	€9.16m	€8.11m	The reduction is justified; exceeding the previous year's allowance requires monitoring
Ancillary services	€45.00m	€39.64m	Decrease supported; transparency needed in procurement
Procurement of losses	€15.76m	€12.11m	The lowest forecast of the price of energy from ERO (93.14 € versus 122.72 €/MWh) is well-grounded
RES Fund	€18.68m	€6.85m	The decrease strongly supported; KOSTT did not update the reference price
OPEX (KREV adjustment)	—	-€2.53m	More limited recognition of costs by ERO is appropriate
MAR total	€99.38m	€75.86m	INDEP supports it in general

2.2 Ancillary service costs, transparency and procurement

KOSTT requested EUR 45.00 million for ancillary services (aFRR and mFRR reserves) for 2026, against a realized cost of EUR 39.64 million in 2025. ERO proposes to allow the realized cost of 2025 as a benchmark for 2026. INDEP supports this approach as consistent with the principle of prudent and cost-based regulation.

However, INDEP notes that KOSTT procures aFRR reserves exclusively from the Albanian system operator (TSO Albania) through weekly fixed-price capacity auctions, while mFRR from KESH under contract. The aggregate cost of these two contracts (respectively EUR 25.43 million and EUR 14.21 million in 2025) is considerable and falls entirely on electricity customers. ERO should require KOSTT to demonstrate that the procurement was conducted competitively and that lower-cost alternatives were not overlooked in the relevant contractual periods.

→ INDEP
RECOMMENDS

ERO should require KOSTT publish annual procurement reports for ancillary services, including evidence of competitive evaluation, as a condition for recovering these costs through tariffs.

2.3 RES Fund, non-adjustment of the reference price

In the initial application, KOSTT used the 2025 reference price of €65.12/ MWh for the calculation of the RES support fund, instead of updating it with the 2026 value. ERO had to instruct KOSTT to implement its own methodology, resulting in an updated reference price of €88.58/ MWh. This higher reference price significantly reduces the premium paid to RES generators, reducing the fund from the initially proposed €18.68 million to €6.85 million.

CONCERN

KOSTT's failure to implement its regulatory methodology in the initial application, whether due to negligence or commercial interest, required ERO's intervention. This raises questions about the quality of KOSTT's internal regulatory compliance processes and, had the error not been caught, would have resulted in an overpayment of approximately €11.83 million by customers to subsidize generators that did not need that additional support.

→ INDEP

INDEP recommends that ERO introduce a formal application validation checklist, requiring operators to certify compliance with all current methodological parameters prior to submission. Errors that materially inflate revenue requirements should be recorded and reported in ERO's annual regulatory performance report.

2.4 Capital investments: underspending and requirements for new projects

ERO found that KOSTT's capital expenditures during 2023–2024 were significantly below approved levels. Despite this, KOSTT requested the addition of seven new capital projects (with a total estimated value: approximately 19.6 million euros) in its MAR application for 2026. ERO rightly refused to recognize projects that were not included in the approved development plans, reserving the possibility for them to be incorporated into future regulatory periods once they are included in the Ten-Year Development Plan.

INDEP supports this decision. The combination of systematic underspending against the approved investment plan and unplanned additional capital expenditure requirements is a concern for regulatory governance. KOSTT also maintains a significant cash balance, while drawing on EBRD credit lines, which ERO should take into account in its evaluation of the Weighted Average Cost of Capital (WACC) in the next periodic review.

CONCERN

The ongoing leak of SF₆ gas at the Palaj Substation (identified in July 2024) poses an unresolved environmental and occupational health risk. SF₆ is a very potent greenhouse gas with a global warming potential 23,500 times higher than CO₂. The KOSTT application treats this as a small capital project (150,000 euro project) with no stated completion date. This is insufficient!

→ INDEP RECOMMENDS

ERO should condition the approval of the Palaj SS project on KOSTT submitting a binding deadline for remediation, with monthly progress reporting, and should require KOSTT to quantify the cumulative SF₆ emissions from the leak as part of its environmental obligations. This is crucial so that the tariff process also contributes to environmental protection and remediation of damages according to the 'polluter pays' principle.

2.5 Procurement costs of losses

INDEP supports ERO's decision to apply a lower projected power purchase price (€93.14/ MWh versus KOSTT's €122.72/ MWh) for the procurement of transmission losses. ERO's methodology, based on updated ALPEX market data and real prices for January–February 2026, produces a more reliable estimate.

The difference results in savings of 3.65 million euros, which ultimately protects customers from inflated costs that are passed on in the tariff.

POSITIVE

ERO's correction of the forecast of KOSTT's procurement cost of losses is methodologically sound and a protective approach for the customer. INDEP appreciates this approach and recommends that it be standardized across all operators.

Section 3 – KEDS/DSO: Distribution System Operator

3.1 Summary of ERO's evaluation

ERO proposes MAR for KEDS in the amount of 184.75 million euros for 2026, against KEDS' request of 235.38 million euros. The main reductions relate to the costs of purchasing energy to cover losses, operating expenses and the KREV revenue adjustment factor. This represents the largest absolute adjustment between the three operators and deserves detailed consideration.

Component	Company's request	ERO's Proposal	INDEP's Evaluation
OPEX	€39.39m	€32.75m	Partially allowing wage increases is supported; we demand transparency in distribution
Energy losses	€107.41m	€80.75m	The lower import price from ERO (€129.76 versus €151.31/ MWh) is justified.
Allowed rate of losses (2026)	13.85%	12.79%	INDEP supports the continued downward trajectory
KREV (correction for 2025)	€41.86m	€30.11m	More limited recognition of costs by ERO is appropriate
Losses in the north of Kosovo	N/A	18.5%	Higher allowance accepted; transparency needed for progress
MAR total	€235.38m	€184.75m	INDEP supports it in general

3.2 OPEX and personnel costs

KEDS' operating expenses for 2025, amounting to 36.48 million euros, exceeded the allowed amount of 29.25 million euros by 7.23 million euros. KEDS attributes this mainly to wage pressure resulting from the increase in the minimum wage (from 170€/month in 2022 to 425€/month from January 2026 and 500€/ month from July 2026), as well as the operational requirements of market liberalization.

ERO proposes 32.75 million euros for 2026, including increased personnel costs

of 2.574 million euros and 0.31 million euros for contracted services affected by the minimum wage increase.

INDEP's position on this issue is this: we acknowledge that the documented wage gap between KEDS engineers and technicians and their counterparts in KOSTT and KEK (engineers: €845 versus €980–971; technicians: €650 versus €699–747) constitutes a legitimate staff retention risk, which is partly beyond KEDS' control. Minimum wage increases are government decisions that KEDS cannot ignore.

However, INDEP is concerned that wage adjustments approved through tariffs may disproportionately favor managerial staff over operational staff.

The ERO report itself recommends that the allowance allowed should “prioritize the retention of professional and technical staff” and avoid disproportionate increases at managerial levels.

This recommendation should be mandatory.

**INDEP
RECOMMENDS**

ERO should require KEDS to submit an annual report on salary distribution, broken down by job category (management / senior engineers / operational engineers / technicians / field staff), as a condition for increasing OPEX allowance. Any future OPEX review should evaluate whether the approved salary adjustment has reached the intended beneficiaries. Salaries in KEDS should reflect those of the market (e.g. KOSTT) but reflecting their level across all positions.

3.3 Decrease of losses

For the first time since privatization, KEDS achieved the allowed loss rate: actual losses in 2025 were 14.06% against the allowed 14.28%. INDEP recognizes this as a significant operational achievement and encourages ERO to formally recognize this in the final decision. The downward loss trajectory set for 2026 (12.79%) is ambitious, but plausible given this baseline improvement.

POSITIVE

KEDS achieving the regulatory loss target for the first time is a truly historic moment for operational efficiency and customer welfare. INDEP calls on ERO to formally recognize this in the final decision and to evaluate whether the incentive mechanisms in the current regulatory framework have been effective in driving this improvement.

3.4 North of Kosovo: allowing losses and transparency

ERO applies a significantly higher loss allowance for the four northern municipalities (18.5% for 2026, down from 21.5% in 2025) compared to the rest of the country (~12.10%). This reflects historical underinvestment and specific contractual structure involving Elektroserver. KEDS is investing 1.76 million euros in this region for 2026.

Although INDEP understands the rationale, the continued differential treatment of customers in the north, which in practice subsidize higher loss allowances through tariffs, requires a clearer regulatory roadmap. The ERO report provides limited information on when and how the network in the north will be brought up to national loss standards.

→ INDEP
RECOMMENDS

INDEP recommends that ERO publish a specific multi-year plan for reducing losses in northern municipalities, setting annual targets and making the higher loss allowance conditional on proven investment performance. INDEP also requests that ERO clarify how the reduction of losses in the north is monitored and verified, given that billing and metering services are operated by Elektrosever and not by KEDS.

3.5 Import cost overruns and generation forecast risk

KEDS spent 16 million euros more than allowed on energy imports in 2025, mainly because domestic generation from the Kosovo A and B power plants remained below forecasts, imposing emergency purchases at market prices. This excess is passed on to customers in 2026 through the KREV mechanism (contributing to the correction factor of 30.11 million euros).

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CONCERN

The systematic transfer of costs from KEK's generation shortfalls to customers through KEDS' import bill is a structural inequality. Customers are paying for a performance failure that is entirely outside the control of the distribution operator.

→ INDEP

INDEP recommends that ERO initiate a review of cost sharing along the value chain, specifically considering whether KEK generation shortfalls, which cause excessive import costs for KEDS and KESCO, should be subject to regulatory liability mechanisms, including compensation to be paid by KEK for the affected licenses. This is among the only points where ERO should communicate with the Government as the exerciser of shareholder rights in KEK.

3.6 Operational disruptions and quality of service

The KEDS application documents systematic ad-hoc requests for load management by KOSTT in the regions of Gjilan, Prizren and Gjakova due to network congestion. KEDS describes staff working extended hours and outside normal hours to manage these situations. This, and cases such as outages due to nomination failure, indicate ongoing supply disruptions in certain regions, which are not reflected in any regulatory reporting framework currently seen in ERO's consultation documents.

Neither the ERO consultation report nor the KEDS application contain data on SAIDI (System average interruption duration index), SAIFI (System average interruption frequency index), or other supply reliability metrics. No compensation mechanism is provided for customers. This is a fundamental gap in the regulatory framework.

CONCERN

Customers in Gjilan, Prizren and Gjakova are experiencing above-average supply disruptions. The regulatory process does not provide for measuring this, reporting on it, or compensating affected customers. This is in breach of Kosovo's obligations under the Energy Community acquis and regulatory best practice.

Section 4 – KESCO/USS: Universal Service Supplier

4.1 Summary of ERO's evaluation

ERO proposes a MAR for KESCO of EUR 442.26 million for 2026, against KESCO's request of EUR 528.78 million. The main reductions relate to the costs of purchasing wholesale energy (forecasting the import price) and the KREV revenue adjustment factor. This is the largest MAR among the three operators and determines the majority of electricity tariff levels for households.

Component	Company's request	ERO's Proposal	INDEP's Evaluation
Wholesale power cost	€229.04m	€177.81m	The lower import price from ERO is justified; the profiling mechanism protects customers
Of which: Purchases from KEK	€110.15m	€78.04m	€34 million postponed to 2027, INDEP expresses concern over transparency
Import price (average)	€157.84/MWh	€129.76/MWh	ERO's harmonized forecast is better argued
OPEX	€10.29m	€8.19m	The decrease is appropriate
KREV (corrections for year 2025)	€49.69m	€48.30m	Repeated large pass-through, structural problem
MAR total	€528.78m	€442.26m	INDEP supports this with reservations.

4.2 Cost profiling mechanism, benefit for the customer with demand for transparency

ERO proposes to postpone approximately EUR 34 million of KEK's power purchase costs from 2026 to future tariff years. The stated justification is to protect customers from an immediate tariff increase caused by the eight-month rehabilitation of the B1 unit of the Kosovo B power plant (reducing domestic generation) at high import prices. KESCO and KEK have agreed in principle to this approach.

INDEP supports the aim of this mechanism: protecting vulnerable customers from a large tariff increase within a single year is in line with our customer protection mandate. However, the mechanism is only described at a general level in the consultation report, without specifying the recovery period or the financial cost of the deferral (interest is calculated on the unpaid amount at EURIBOR + S%).

CONCERN

Beyond the lack of financial details, INDEP assesses that the cost profiling mechanism raises serious concerns in relation to the principles of regulatory independence and transparency of decision-making. Given that the year 2026 coincides with a period with a high probability of electoral developments in Kosovo, the postponement of a significant tariff cost to subsequent years creates the perception of a decision with a potential political impact, to avoid increasing tariffs in the short term.

In this context, it remains unclear why such a mechanism has not been applied in previous years, despite similar fluctuations in import prices and in the availability of domestic generation. There is also a lack of clear clarification on the precise timing and conditions under which this cost will be recovered from customers in future tariff years.

Furthermore, no information has been made public as to whether there was formal or informal communication between ERO and the Government regarding this approach, which is essential to ensure that the decision was taken exclusively on regulatory grounds and not as a result of external considerations.

→ INDEP
RECOMMENDS

INDEP recommends that ERO publish a full multi-year financial profile of the deferred cost, showing: (a) the amount deferred; (b) the expected interest cost during the deferral; (c) the tariff year(s) in which the amount will be recovered; and (d) the estimated impact on households in the recovery year. Customers and stakeholders have the right to know the full cost of this tariff mitigation decision.

Furthermore, INDEP requests that ERO clarify the regulatory basis and specific justification for the application of this mechanism in 2026, including why such an approach has not been used in previous periods with similar market conditions. ERO should also make public whether there has been any formal or informal communication with the Government regarding this decision, in order to guarantee full transparency and independence of the regulatory process.

4.3 Forecast of wholesale energy price

KESCO applied average import prices of €157.84/MWh in its initial application. The actual prices in January and February 2026 were €140.52/MWh and €100.54/MWh respectively, significantly lower than the forecast. ERO adjusted the forecast downwards to €129.76/MWh, producing a saving of approximately €14 million in the import cost component.

This illustrates a recurring problem: regulated operators apply conservative (high) import price forecasts, which, if accepted, would result in over-recovery of costs to the detriment of customers. The corrective mechanism (KREV) returns the over-recovered amounts in subsequent years, but at a financing cost that is ultimately also borne by customers.

→ INDEP
RECOMMENDS

INDEP recommends that ERO develop and publish a standardized methodology for forecasting import prices, based on observable market data from HUPX, ALPEX and other regional exchanges, which all regulated operators would be required to use. This would prevent operators from applying special (and systematically high) estimates, reduce the size of KREV adjustments and improve tariff predictability for customers.

4.4 Structural concern: large and repeated adjustments to the KREV

The KREV (Revenue Correction Factor) for KESCO amounts to 48.30 million euros for 2026 alone, reflecting the gap between the allowed revenues for 2025 and the real costs. KESCO's application itself expressly acknowledges that "the KREV has carried over significant values from year to year", calling this a signal that tariffs have not fully reflected the real costs of supply.

The KREV mechanism is designed to prevent permanent over- or under-recovery, but its annual rate, EUR 48.30 million in 2026, compared to EUR 37.38 million a year earlier, indicates a fundamental mismatch between the parameters used to set tariffs (notably assumptions about generation availability and import price forecasts) and the actual results. This mismatch is structural: it stems from systematic over-optimism for domestic generation and underestimation of import risk.

CONCERN

A KREV of EUR 48.30 million in a single year represents approximately 11% of KESCO's total allowed revenues. This is not a trivial mathematical error but a structural failure of pricing. Customers are in practice financing a correction process year after year, rather than paying a tariff that reflects real costs from the outset. The situation is aggravated by the fact that KREV corrections accrue financing costs (EURIBOR + S%), which are paid by customers on top of the basic cost difference.

**→
INDEP
RECOMMENDS**

INDEP calls on ERO to commission an independent review of the USS tariff methodology, examining in particular whether the current approach to modelling domestic generation availability and import cost risk is fit for purpose and whether a risk-adjusted reserve margin in the tariff calculation would reduce the size of the annual KREV adjustments.

4.5 Market liberalization and the universal service portfolio

According to the latest data, 9,535 metering points, with a consumption of 1,119 GWh in 2025, have transitioned to the competitive market. The universal service portfolio now serves mainly household customers and small businesses. The deadline for the mandatory exit of non-eligible customers from universal service has been postponed until 1 May 2026.

INDEP supports the liberalization process, but notes that the rapid implementation in 2025 created operational disruptions and associated costs, which are now included in KESCO's OPEX and KREV. Critically, some customers were initially incorrectly classified as non-eligible, then this classification was reversed, and they experienced periods without a designated supplier, being supplied through the Supplier of Last Resort. This type of administrative error in a process mandated by ERO should not be repeated, and its financial consequences should not be borne by customers who had no role in the process.

Section 5 – Customer protection: a structural gap in Kosovo’s energy regulation

5.1 No tariff increase in 2026, a welcome but insufficient basis

INDEP notes that ERO's proposed MAR levels for 2026 do not require any tariff increases for consumers, a direct consequence of the regulator's downward revisions to operators' requests in all three entities. This is a positive result and we appreciate ERO's approach. However, the absence of a price increase does not constitute customer protection in a comprehensive sense. Customers have legitimate interests in quality of service, reliability of supply, transparency of billing and the right to compensation when service obligations are not met. None of these interests are addressed in the current annual adjustment process of the MAR.

5.2 Service quality standards: missing from the regulatory framework

INDEP has reviewed in detail the three consultation reports and the respective applications of the operators. None of these documents contain data on the reliability of supply, neither SAIDI, nor SAIFI, nor statistics on interruptions by region, nor the volume of customer complaints, nor the rates of their resolution. The regulatory process deals exclusively with financial parameters.

This is not simply a lack of reporting. It signals that Kosovo’s current energy regulatory framework does not hold operators formally accountable for the quality of service provided to customers. Operators can fail to meet continuity of supply standards without any regulatory consequences within the tariff process.

CONCERN

The Kosovo Law on Customer Protection grants customers the right to compensation when service obligations are not met. ERO, as the competent authority for service standards in the energy sector, has the mandate and legal obligation to establish binding minimum service quality standards and customer compensation mechanisms. The lack of such standards is in contradiction with the legal framework of Kosovo and with the obligations under the Energy Community Directive 2019/944.

5.3 Specific concerns about quality of service documented in 2026 applications

The operators' own applications document ongoing service failures:

- KEDS reports that the overloaded networks in Gjilan, Prizren and Gjakova require daily manual load management at the request of KOSTT, implying routine interruptions of supply in these regions. The costs of this emergency operation are included in OPEX, but there is no reporting on how many customers are affected, for how long, or with what financial impact.

- KESCO documents that customers were left without a designated supplier during the market transition period (August 2025), being forced to rely on the Supplier of Last Resort, likely at higher costs. No compensation mechanism has been applied to customers.
- KOSTT's application documents an SF6 gas leak at the Palaj substation, active since July 2024, a substation supplying the Bardh i Madh mine and critical to the Kosovo A and B power plants. A prolonged outage at this substation would have consequences for the entire system. No notification to customers or contingency planning is mentioned.

5.4 INDEP recommendations for customer protection

→ INDEP RECOMMENDS

1. MANDATORY SERVICE QUALITY STANDARDS

ERO should, by 2026, adopt binding minimum quality of service standards for KEDS (as distribution operator), covering:
 the maximum annual duration of interruptions (SAIDI) per customer;
 the maximum annual frequency of interruptions (SAIFI);
 response times for restoring supply after interruptions;
 and deadlines for resolving complaints.
 Violations should trigger automatic compensation for customers without requiring individual claims.

INDEP RECOMMENDS

2. ANNUAL REPORT ON SERVICE QUALITY

ERO should require all three licensees to publish annual quality of service reports along with their MAR applications, broken down by region and customer category. These reports should be incorporated into the public consultation.

INDEP RECOMMENDS

3. CUSTOMER COMPENSATION MECHANISM

ERO should establish a standardized and automatic compensation mechanism, modeled after comparable European frameworks, through which consumers receive a fixed compensation payment for any outage exceeding defined thresholds, credited directly to their energy bill.

→ INDEP
RECOMMENDS

4. PROTECTION OF VULNERABLE CUSTOMERS

ERO should require KESCO and KEDS to publish a register of vulnerable customers and demonstrate that planned load management actions, such as those described in the Gjilan/Prizren/Gjakova situation, exclude critical social infrastructure and vulnerable household customers (e.g. users of medical equipment) from planned outages.

Summary of INDEP's main recommendationsNr.

	Section	Recommendation	Responsible institution
1	Section 1 – Procedural	Establishing a legally binding calendar for the tariff process (reports by February 1; decision by March 15) and auditing its compliance	ERO
2	Section 1 – Procedural	Minimum 30-day period for MAR consultations and publication of a non-technical summary for customers	ERO
3	Section 2 – KOSTT / TSO	Publication of annual procurement reports for ancillary services with evidence of competition as a condition for tariff recovery	ERO/ KOSTT
4	Section 2 – KOSTT / TSO	Establish a formal validation list for MAR applications and report errors that inflate requirements	ERO
5	Section 2 – KOSTT / TSO	Conditionality of the Palaj Substation project with mandatory deadline for remediation, monthly reporting and quantification of SF6 emissions	ERO / KOSTT
6	Section 3 – KEDS / DSO	Annual report on salary distribution by staff categories as a condition for increasing OPEX	ERO / KEDS
7	Section 3 – KEDS / DSO	Publication of a multi-year plan for reducing losses in the north with targets and monitoring/verification mechanisms	ERO
8	Section 3 – KEDS / DSO	Review of cost sharing in the chain (including KEK's responsibility for generation shortages)	ERO
9	Section 4 – KESCO / USS	Publication of the full multi-year financial profile of the deferred cost (amount, interest, years of recovery, impact on the family)	ERO / KESCO
10	Section 4 – KESCO / USS	Clarification of the regulatory basis for the deferral mechanism and publication of any communication with the Government	ERO
11	Section 4 – KESCO / USS	Development of a standardized methodology for forecasting import prices	ERO
12	Section 4 – KESCO / USS	Independent review of the USS tariff methodology to address the structural problem of the KREV	ERO
13	Section 5 – Customer protection	Setting binding service quality standards (SAIDI, SAIFI, supply restoration, complaints) with automatic compensation	ERO

14	Section 5 – Customer protection	Publication of annual reports on the quality of service by all operators	ERO / Operators
15	Section 5 – Customer protection	Establishing a standardized automatic compensation mechanism for customers	ERO
16	Section 5 – Customer protection	Creation of a register of vulnerable customers and their exclusion from non-essential interruptions	ERO / KEDS / KESCO