Pristina, 27 October 2021
ERO Code: V_1438_2021

The Board of Energy Regulatory Office,

Based on:

- Provisions of Article 9, paragraph 1, sub-paragraph 1.7, Article 15, paragraph 1, sub-paragraph 1.5, Article 25, Article 26, paragraph 1, sub-paragraph 1.2, Article 46, paragraph 1, sub-paragraph 1.2, Article 47 and Article 48 of the Law on Energy Regulator (Law No. 05/L-084);
- Provisions of Article 37 of the Law on Electricity (Law no. 05/L-085);
- Provisions of Rule on Determination of Revenues for Universal Service Supplier (Rule on USS Revenues);
- Chapter VII - Tariff Structure Methodology of the "Rule on USS Revenues" issued by ERO Board;
- Decision V_1424_2021, dated on 07 October 2021 on approval of Maximum Allowed Revenues for Universal Service Supplier (USS/KESCO JSC.);
- Request/proposal of KESCO JSC – Universal Service Supplier, on tariff structure, submitted on 14 October 2021 at ERO, within the Electricity Tariff Review,

in the session held on 27 October 2021 issued the following:

D E C I S I O N

I. **APPROVAL -** of electricity retail tariffs for customers entitled to Universal Service of Supply, to be implemented by the licensee KESCO JSC, applied from 1 October 2021 until the next tariff review.

II. The electricity retail tariff structure for customers entitled to the Universal Service, is in line with Chapter VII – Tariff Structure Methodology of the "Rule on USS Revenues", issued by ERO Board.

III. The electricity retail tariff structure for customers entitled to the Universal Service of Supply, which will be implemented by the Universal Service Supplier (KESCO JSC) is presented in the following table of this Decision:

Table: Electricity retail tariffs for customers entitled to the Universal Service of Supply:

Tariff Group	Voltage Level of Supply	Tariff Element	Unit	Time of the day	Tariff
1	35 kV	Customer Fixed Tariff	€/customer/month		11.19
		Engaged Power	€/kW/month		5.85
		Active Energy (P), of which	€c/kWh	High Tariff	4.92
			€c/kWh	Low Tariff	3.16
		Reactive Energy (Q)	€c/kVArh		0.67
2	10 kV	Customer Fixed Tariff	€/customer/month		4.62
		Engaged Power	€/kW		5.04
		Active Energy (P), of which	€c/kWh	High Tariff	5.73
			€c/kWh	Low Tariff	3.69
		Reactive Energy (Q)	€c/kVArh		0.67
3	0.4 kV Category I (reactive power customers)	Customer Fixed Tariff	€/customer/month		2.57
		Engaged Power	€/kW		2.97
		Active Energy (P), of which	€c/kWh	High Tariff	6.69
			€c/kWh	Low Tariff	4.96
		Reactive Energy (Q)	€c/kVArh		0.67
4	0.4kV Category II	Customer Fixed Tariff	€/customer/month		2.97
		Active Energy (P), of which	€c/kWh	Single Tariff	8.83
		Active Energy (P), of which	€c/kWh	High Tariff	10.71
			€c/kWh	Low Tariff	5.30
5	0.4kV 2-rate meter (household)	Customer Fixed Tariff	€/customer/month		1.74
		Active Energy (P), of which	€c/kWh	High Tariff	6.75
			€c/kWh	Low Tariff	2.89
6	0.4kV 1 rate meter (household)	Customer Fixed Tariff	€/customer/month		1.74
		Active Energy (P), of which	€c/kWh		5.32
7	0.4kV (household-unmetered)	Evaluated consumption:			
		Customer Fixed Tariff	€/customer/month		1.74
		Active Energy (P), of which	€c/kWh	Average Tariff	6.75
8	Public Lightning	Customer Fixed Tariff	€/customer/month		3.21
		Active Energy (P), of which	€c/kWh	Single Tariff	9.24
High Tariff (day) is applied from 07:00-22:00 during the period from 1 October until 31 March					
High Tariff (day) is applied from 08:00-23:00 during the period 1 April until 30 September					
The customer is charged with reactive energy above the allowed one which corresponds with cos(Φ)<0.95					

REASONING

- ERO, on 14 October 2021 received from KESCO JSC, the proposal for electricity retail tariffs for customers entitled to the Universal Service of Supply. The proposal of KESCO JSC for tariffs of the customers who are entitled the Universal Service is based on the Decision of ERO on Maximum Allowed Revenues for USS V_1424_2021. The tariffs proposed by KESCO are calculated in compliance with the Rule on USS Revenues, respectively Chapter VII- Tariff Structure Methodology, issued by ERO Board;
- The tariffs proposed by KESCO, reflect the overall costs of customer supply with universal service, including wholesale electricity costs, transmission and distribution network costs and direct costs of USS.
- The retail tariffs for customers entitled to the Universal Service are categorized according to tariff groups, in line with the Rule on USS Revenues, namely Chapter VII of the Tariff Structure Methodology. This enables each tariff group to bear the incurred costs.
- Decision V_1424_2021, dated on 7 October 2021 on approval of Maximum Allowed Revenues for Universal Service Supplier (USS/KESCO JSC);
- ERO, during the determination of electricity retail tariffs for customers entitled to the Universal Service of Supply, has taken into consideration the prepared and issued documents, published on ERO's official website, as follows:

  - Application of Universal Service Supplier KESCO JSC (USS) on the request of Maximum Allowed Revenues, submitted on 8 March 2021;
  - Application of Distribution System Operator – KEDS JSC (DSO) on Maximum Allowed Revenues, submitted on 8 March 2021 at ERO;
  - Application of Transmission System Operator and Market Operator – KOSTT JSC (TSO/MO) on Maximum Allowed Revenues, submitted on 27 January 2021 at ERO;
  - Consultation Report- Annual Adjustments of Maximum Allowed Revenues for USS (April 2021 – March 2022), published on 24 August 2021;
  - Consultation Report - Annual Adjustments of Maximum Allowed Revenues for KOSTT (relevant tariff year 2021), published on 24 August 2021;
  - Consultation Report- Annual Adjustments of Maximum Allowed Revenues for KEDS (relevant tariff year 2021), published on 24 August 2021;
  - Final Report on USS Maximum Allowed Revenues, Response to Comments (relevant tariff year 2021), published on 8 October 2021;
  - Final Report on TSO/MO Maximum Allowed Revenues, Responses to Comments (relevant tariff year 2021), published on 8 October 2021; and

- Final Report on DSO Maximum Allowed Revenues, Response to Comments (relevant tariff year 2021), published on 8 October 2021.
- ERO Board, following the evaluation and analysis of relevant reports as well as the review of the comments received by parties, and based on legal provisions mentioned in the introductory section of this decision, decided as in the enacting clause of this decision.

IV. The decision is issued and published in official languages of the Republic of Kosovo.

V. The decision enters into force on the date of approval by ERO Board and will be implemented by KESCO JSC- Universal Service Supplier (USS), starting from 1 October 2021 until the next tariff review.

Legal advice: The party dissatisfied with this Decision may initiate an administrative dispute at the Competent Court, within thirty (30) days from the date of receipt of this Decision or the date of its publication on ERO's website, whichever occurs last.

The Board of the Regulator:

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Ymer Fejzullahu, Chairman

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Selman Hoti, Member

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Izet Rushiti, Member

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Lutfije Dervishi, Member

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Gani Buçaj, Member

This decision is sent to:

- Universal Service Supplier (KESCO JSC), and
- ERO Archive.