



Pristina, 23 March 2023  
ERO Code: V\_1706\_2023

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 1.1, Article 47, paragraph 3 3, sub-paragraph 3.3 and Article 48 of the Law on Energy Regulator (Law No. 05/L-084);
- Provisions of Article 27 of the Law on Electricity (Law no. 05/L-085);
- Provisions of the Rule no. 05/2017 on Determination of Maximum Allowed Revenues of the Distribution System Operator (Rule on DSO Revenues);
- Notice of ERO no. 274/22, dated on 26.05.2022 on Third Tariff Review Process;
- Application of the Distribution System Operator – DSO (KEDS JSC) on Maximum Allowed Revenues for the Distribution System Operator for the Third Regulatory Period (PRR3), submitted on 22 November 2022;
- Decision on Maximum Allowed Revenues for Transmission System and Market Operator TSO/MO, No. V\_1705\_2023;

in the session held on 23 March 2023 issued the following:

## DECISION

- I. **APPROVAL OF MAXIMUM ALLOWED REVENUES (hereinafter: MAR)** to be collected from the Distribution System Operator (DSO) KEDS JSC, for the Third Regulatory Period PRR3 (2023-2027).
- II. The Maximum Allowed Revenues to be collected by DSO for the Third Regulatory Period PRR3 (2023-2027) are presented in the following table:

<i>Maximum Allowed Revenues PRR3</i>	2023 €000	2024 €000	2025 €000	2026 €000	2027 €000
MAR for DSO	133,807	136,772	133,075	128,589	125,349

- III. The Distribution System (DSO) is **OBLIGED**, in line with the Distribution Use of System Tariffs Methodology and DSO Connection Charges Methodology, to prepare and submit for approval at ERO the distribution use of system tariffs, based on the MAR of TSO/MO, according to this Decision.
- IV. This decision will be implemented by the Distribution System Operator (DSO/KEDS) starting from 01 April 2023.

## REASONING

- Energy Regulatory Office (ERO), on 26 May 2022, initiated the Third Periodic Review Process for the regulated operators, including the Distribution System Operator (DSO).
- ERO, according to its notice has evaluated that this Third Periodic Review Process for multi-year tariffs (PRR3) aims to determine the Maximum Allowed Revenues (MAR) of the licensees TSO/MO and DSO, for the period 1 April 2023 until 31 March 2027.
- ERO, on 22 November 2022, received from the Distribution System Operator (DSO), the application for Maximum Allowed Revenues for PRR3 2023-2027.
- ERO, following the initial evaluation of applications on Maximum Allowed Revenues (MAR) for the licensee Distribution System Operator (DSO-KEDS JSC.), provided to the licensee and other stakeholders the opportunity to submit their comments through public consultation for a two-weeks period.
- ERO, on 16 February 2023, published the Consultation Report on Maximum Allowed Revenues for DSO for PRR3.
- The Consultation Report presented the proposals of ERO for MAR, to be recovered by DSO during the Third Regulatory Period PRR3. The approved Maximum Allowed Revenues will determine the distribution use of system tariffs which will be charged to distribution system users. The report was published for public consultation with the purpose of receiving the comments from the stakeholders on ERO proposals.
- ERO, during public consultation, has received comments from different stakeholders on the Consultation Report regarding MAR of PRR3, respectively from Kosovo Energy Corporation (KEK), Independent Union Elektrokosova KEDS, Government of the Republic of Kosovo and Distribution System Operator.
- The Distribution System Operator, on 02 March 2023, submitted the comments on the Consultation Report on Maximum Allowed Revenues of electricity, within PRR3.
- ERO has handled the comments of the DSO and following the professional analysis and evaluation, presented the written responses which were included in the Final Report.
- ERO has also analysed the comments of Kosovo Energy Corporation (KEK), Independent Union Elektrokosova KEDS and the Government of the Republic of Kosovo. Following the professional

analysis and evaluation, it presented the written responses which were included in the Final Report.

- The Final Report of the Review of Maximum Allowed Revenues for DSO, includes final evaluations and responses to the comments of stakeholders on the raised issues as well as final evaluations.
- It is worth emphasizing that DSO Maximum Allowed Revenues will be subject to Regular Annual Adjustment Process, according to Rule No. 05/2017 on DSO Revenues, issued by ERO.
- ERO Board, following the evaluation and analysis of relevant reports as well as the review of comments received by parties, and based on the legal provisions mentioned in the introductory section of this decision, has decided as in the enacting clause to this decision.

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

VI. The decision shall enter into force on the date of approval by ERO Board and will be published on the official website of ERO.

**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 the decision or the date of its publication on ERO's website, whichever occurs last.

**ERO Board:**

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Ymer Fejzullahu, Chairman

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Lutfije Dervishi, Member

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Gani Buçaj, Member

**This decision is sent to:**

- KEDS,
- KESCO,
- KOSTT and  
ERO Archive.