**Pristina, 16 April 2025**
**ERO Code: V_2703_2025**

**The Board of Energy Regulatory Office,**

Based on Article 9, paragraph 1, subparagraph 1.7; Article 15, paragraph 1, subparagraph 1.5; Article 25, Article 26, paragraph 1, subparagraph 1.2; Article 46, paragraph 1, subparagraph 1.2; Article 47, Article 48, and Article 49 of the Law on the Energy Regulator (Law No. 05/L-084), the provisions of Article 37 and Article 38 of the Law on Electricity (Law No. 05/L-085), ERO Rule/no.15/2017 on the Determination of Maximum Allowed Revenues for the Universal Service Supplier (Rule on USS Revenues), the Methodology for the Tariff Structure according to Article 20 of ERO Rule/no. 15/2017 on the Revenues of the Universal Service Supplier (USS), Decision V_2698_2025 of 11 April 2025, on the approval of the Maximum Allowed Revenues for the Universal Service Supplier (USS), Decision V_2701_2025, dated on 16 April 2025; Decision V_2701_2025, dated on 16 April 2025 and the Proposal of the Universal Service Supplier (USS) on the Tariffs of the Universal Service Supplier, sent to ERO on 14 April 2025,

**in the session held on 16 April 2025 issued the following:**

# D E C I S I O N

I. **APPROVAL-** of retail electricity tariffs for customers entitled to the Universal Service of Supply, to be collected from 01 May 2025 until the next tariff review.

II. The retail electricity tariffs for customers entitled to the Universal Service of Supply, that will be implemented by the Universal Service Supplier (USS) are presented in the following table of this decision:

*Table: Retail electricity tariffs for customers entitled to the Universal Service of Supply for 2025:*

| Tariff Group | Voltage level of supply | Tariff element | Unit | Time of day | Proposal |
|---|---|---|---|---|---|
| 1 | 35 kV | Customer's fixed tariff | €/customer/month | | 14.54 |
| | | Engaged power | €/kW/month | | 7.61 |
| | | Active energy (P), of which | €c/kWh | High tariff | 6.40 |
| | | | €c/kWh | Low tariff | 4.11 |
| | | Reactive energy (Q) | €c/kVArh | | 0.87 |
| 2 | 10 kV | Customer's fixed tariff | €/customer/month | | 6.00 |
| | | Engaged power | €/kW | | 6.56 |
| | | Active energy (P), of which | €c/kWh | High tariff | 7.44 |
| | | | €c/kWh | Low tariff | 4.80 |
| | | Reactive energy (Q) | €c/kVArh | | 0.87 |
| 3 | 0.4 kV Category I (reactive energy customers) | Customer's fixed tariff | €/customer/month | | 3.34 |
| | | Engaged power | €/kW | | 3.87 |
| | | Active energy (P), of which | €c/kWh | High tariff | 8.70 |
| | | | €c/kWh | Low tariff | 6.46 |
| | | Reactive energy (Q) | €c/kVArh | | 0.87 |
| 4 | 0.4kV Category II | Customer's fixed tariff | €/customer/month | | 3.87 |
| | | Active energy (P), of which | €c/kWh | Single tariff | 11.47 |
| | | Active energy (P), of which | €c/kWh | High tariff | 13.92 |
| | | | €c/kWh | Low tariff | 6.90 |
| 5 | 0.4kV 2-rate meter (household) | Customer's fixed tariff | €/customer/month | | 2.32 |
| | | 0-800kWh (First block) | €c/kWh | High tariff | 9.05 |
| | | | €c/kWh | Low tariff | 3.88 |
| | | >800kWh (Second block) | €c/kWh | High tariff | 15.43 |
| | | | €c/kWh | Low tariff | 7.28 |
| 6 | 0.4kV 1 rate meter (household) | Customer's fixed tariff | €/customer/month | | 2.32 |
| | | 0-800 (First block) | €c/kWh | Single tariff | 7.12 |
| | | >800 (Second block) | €c/kWh | Single tariff | 12.39 |
| 7 | 0.4kV (unmetered household) | Evaluated consumption | | | |
| | | Customer's fixed tariff | €/customer/month | | 2.32 |
| | | Active energy (P), of which | €c/kWh | Average tariff | 9.05 |
| 8 | Public lighting | Customer's fixed tariff | €/customer/month | | 4.17 |
| | | Active energy (P), of which | €c/kWh | Single tariff | 12.01 |
| *High tariff (day) is applied from 07:00 - 22:00 during the period 1 October to 31 March* | | | | | |
| *High tariff (day) is applied from 08:00 - 23:00 during the period 1 April to 31 September* | | | | | |
| *The customer is charged with reactive energy above the allowed one which corresponds to cos( ?)<0.95* | | | | | |

**III.** This decision will be implemented by the Universal Service Supplier (USS), starting from 01 May 2025 until the next tariff review.

## A R S Y E T I M

- The Energy Regulatory Office (ERO) on 20 December 2025, initiated the process: Annual Adjustments of Revenues and Tariffs for regulated operators, including the Universal Service Supplier (USS).
- ERO, according to its notice, has evaluated that this process annual adjustment of tariffs and revenues for the relevant tariff year 2025, aims to ensure that the Maximum Allowed Revenues

(MAR) for regulated licensees are in line with and in compliance with real costs and forecasts for the tariff period.

- ERO has notified that in accordance with the respective rules on licensees' revenues, the forecasts must be updated to take into account the differences between the forecast values and the realized ones. Therefore, the adjustments are passed-through to the following year, or the differences of year t-1 are passed-through to year "t" within the framework of the relevant tariff process. It has also emphasized that after collecting the relevant data from licensees, ERO will analyse and evaluate the applications of licensees to determine the real costs reflected therein.

- ERO has notified that the determination of the revenues of the supplier with obligation of the universal service is conducted on an annual basis, respectively, the tariffs for the relevant year 2025 take into account the cost adjustments of 2024.

- ERO, through the notice, has emphasized that it will make the applications public to the extent allowed by the relevant legislation, once they are deemed complete and will assure all stakeholders that ERO's analyses of this data and its proposals will be made public and will be published for public consultation, so that final decisions take into account relevant data and comments from stakeholders.

- ERO, on 29 January 2025, has received the application from the Universal Service Supplier for the Maximum Allowed Revenues for the year 2025.

- During the process of reviewing the application for Maximum Allowed Revenues, within the framework of the application review process and further clarifications, ERO, through continuous correspondence, has requested from USS to provide information, update data, arguments and supporting documentation regarding all identified issues in order to have transparency for making a fair and cost-reflective decision on tariffs.

- ERO, on 14 February 2025, published the Consultation Report - Annual Adjustments of Maximum Allowed Revenues for the USS, for the relevant tariff year 2025. Following the publication of the Consultation Report - Annual Adjustments of Maximum Allowed Revenues for the USS, in which the actual and forecast data of technical, economic and financial indicators are presented, ERO has invited all stakeholders to submit their comments through the public consultation for a two-week period.

- The Consultation Report has presented ERO's proposals for MAR to be covered by the USS during the relevant tariff year 2025. The approved Maximum Allowed Revenues will determine the retail electricity tariffs for customers entitled to Universal Supply, which will be applied by the Universal Service Supplier to tariff-regulated customers.

- The Consultation Report has addressed retail allowed costs, pass-through costs, working capital and bad debt. As for retail allowed costs, they include costs related to the supply of regulated customers, including allowed operating and maintenance costs, corporate costs, depreciation costs and other costs that are outside the control of the USS. Retail allowed costs are calculated as the sum of allowed operating and maintenance costs for the year 2025 and are set based on the input values for the USS set by ERO decision V_2637_2925. Controllable OPEX costs are indexed to

an efficiency factor of 0.75%, therefore the allowed OPEX for the year 2025 is €6,712 million. Also, the proposed depreciation costs for 2025 have used as a starting point the costs allowed in 2024 and indexed for the inflation rate of 2.36%.

- It is worth emphasizing that the depreciation costs for 2025 are €0.134 million, which does not include depreciation for the additional USS request for investments, which ERO has not approved due to the lack of analysis of the impact that the deregulation process may have on these investments. Other components of retail costs that have been addressed are the retail margin calculated on “purchases of energy from local generation, imports, imbalances”, bad debt and working capital are calculated based on the formulas set out in the Rule on USS Revenues.

- Regarding the pass-through costs of USS, they depend on the evaluations for MAR, for other regulated companies, and are then passed-through/included in the calculation of the Maximum Allowed Revenues only for the regulated part of the tariff customers. These are the pass-through costs from KOSTT, KEDS, the costs of the renewable resources fund and any other costs that are outside the control of USS. The pass-through costs are based on the amounts of energy supply to the regulated customers by USS, which also considers the evaluation of the impact of deregulation on the customers. The pass-through costs of the TSO/MO including the fund for renewable resources which are 48.951 million € and the pass-through costs for the DSO which are 141.554 million €.

- The Consultation Report also addressed the wholesale power purchase costs (WHPC) for 2025, where in order to evaluate the costs related to the purchase of wholesale power for USS customers, ERO has analysed the data reported by USS for the forecast consumption for 2025, the evaluation of the effect of customer deregulation, and the data for the forecast of the balance for 2025. ERO understands that there may be changes in the profile and amounts of purchases by USS as a result of the deregulation process, because a share of customers may move from the category of customers with regulated prices to that of customers with unregulated prices.

- ERO, when evaluating the wholesale energy purchase costs, has compiled a forecast of the profile of energy purchases by the USS for 2025 based on the draft energy balance and the USS demand, which is a key part of understanding the demand for energy and the way to supply the required energy. This profile is also divided into two main categories: "peak" (maximum consumption) and "base load" (base consumption), which helps in determining the amounts of energy that should be purchased during different months of the year. Based on ERO's analysis, the profile of energy purchases by the USS is also presented in graphical form in the Consultation Report (Figure 2). Therefore, the import price estimate is based on the monthly import profile (peak, base load), energy purchase prices on HUDEX (as of 6 March 2025) and the costs of payments for cross-border capacities, based on historical costs during 2023 and 2024.

- ERO has evaluated that due to seasonal demands and the possibility of price fluctuations, the forecast will enable the USS to have a clear plan for the purchase of energy and to foresee the costs to be covered for the year 2025. After determining the necessary amounts for supply in order to cover the demands of USS customers, the calculation of the costs for the purchase of wholesale energy should also be made. In accordance with the Rule on USS Revenues, the Universal Service Supplier is obliged to provide electricity in a transparent, competitive and efficient manner,

demonstrating that the forecast prices of the electricity to be procured are reasonable. Therefore, the energy purchase costs for USS for the year 2025, which indicate the amount of energy to be purchased from different sources and the respective costs of those purchases, respectively for each category of supply, and wholesale purchases for the year 2025 are forecast to total €193,064 million.

- It is also important to emphasize that the USS is obliged under the Rule on USS Revenues, namely Article 17 and Annex 3, to provide electricity in a transparent, competitive and efficient manner. As a result, the USS must demonstrate that the energy purchase prices must be reasonable and comply with the requirements of Article 17 of the Rule on USS Revenues.

- The Consultation Report also addressed the cost adjustments of concessionary HPPs for 2025, where after evaluation and analysis it was emphasized that the origin of the price adjustment of concessionary HPPs dates back to December 2015, when KESCO requested a price review for one of the concessionary HPPs by correctly applying the principles set out in the Power Purchase Agreement (PPA). However, the parties applied a different approach to updating the price, consequently concluding a different price than the initial proposal. Given that KESCO and the concessionary HPPs have applied a different approach to the price review compared to the one foreseen in the PPA, ERO has made the cost adjustment for HPPs, based on the data resulting from the difference between the price applied by KESCO and the one resulting from the application of the composite inflation rate for a 5-year period, and the price review for the remaining years of the third period (2020-2024). The cost adjustment is made by taking into account the difference between the applied (current) price and the one resulting from the composite inflation rate, by multiplying it by the monthly amount of energy billed. In conclusion, ERO has requested from the parties, in the interest of implementing the provisions foreseen in the Energy Purchase Agreement, regarding the escalation of the price for inflation and general interest, to be made for the local inflation index, and the adjustment to be made at the request of ERO. The corrected value applied in the MAR calculation is -0.45 million €, but ERO evaluates that this value should be adjusted for three years by -0.15 million € per year.

- The consultation report also addressed the adjustments to the allowed revenues in 2024, where according to the Rule on Maximum Allowed Revenues, the correction of the revenues for 2024 has been made. The principle applied is based on the overall evaluation of the allowed costs and actual revenues realized for those categories of expenses that directly depend on the level of supply. These calculations have been made using the formula set out in the Rule on Maximum Revenues. As for the interest rate for the relevant year t, which is calculated based on EURIBOR plus S%, where S represents the value determined by ERO during periodic reviews that reflects the premium payable by the licensee for short-term loans, where the EURIBOR rate of 3.31% for 2024 is the interest rate that reflects the cost of short-term loans that banks apply for a one-year period. This EURIBOR rate plus the S factor which represents the value determined by ERO during annual adjustments reflecting the premium payable by the licensee for loans which serves as a basis for calculating the “It-interest rate” that they pay for loans taken to finance their investments or operations. Therefore, the values of the actual allowed costs for 2024 are higher than those allowed in some categories, especially for the purchase of energy for supply, where the actual costs were around €39.78 million higher than the allowed costs, and the Revenue Adjustment

Factor KREV will be used to update the values of the Maximum Allowed Revenues for 2025, reflecting the changes in the actual allowed costs compared to the revenues realized for 2024, therefore the Revenue Adjustment Factor (KREV) has resulted to be €34.173 million.

- The Consultation Report also addressed the adjustments to the costs of purchasing energy for 2024, where the main adjustments for 2024 relate to adjustments to the allowed costs of purchasing energy. The increase in the cost of purchasing energy is a result of two main causes: increased consumption and import levels from the USS and low production from RES, due to increased consumption and non-realization of the forecast production from RES; the USS has been forced to import more electricity than predicted in 2024, and as a result of the increase in the price of electricity compared to forecasts, and the increase in the costs of cross-border capacities, where during 2024 there was an increase in prices on the European energy exchanges, compared to forecasts for price stabilization. Moreover, because most countries in the region are net importers, cross-border networks have often been overloaded, leading to increased prices for using cross-border lines for imports.

- It is worth emphasizing that the difference between the forecast import prices and the prices realized during 2024 is a consequence of the increase in the costs of ancillary services, this is due to the fact that among the other causes of the increase in the cost of the electricity supply service for 2025 are also the costs associated with the provision of ancillary services. For 2025, the Transmission System Operator (TSO) predicts that the cost of ancillary services will increase significantly due to the greater demand for the provision of secondary reserves and the increase in fixed availability prices. The need to provide these capacities stems from the Balancing Code, which is harmonized with the regulations derived from ENTSO-E. It should be noted that this forecast cost increase is expected to burden customers and network users until the development of ancillary services within the regional market is achieved. Therefore, this year, these factors are already one of the main contributors to the increase in TSO service costs, which, in turn, leads to higher tariffs for end users.

- ERO has evaluated that it will not recognize as allowed costs the USS imbalance costs during the period December 2024 and January 2025. The Transmission System and Market Operator (KOSTT) has referred to the Energy Regulatory Office (ERO) the issue of the continuous inconsistency of the form of negative imbalances, which has resulted in a shortage of electricity. In this context, ERO will conduct a monitoring on this issue and will have a detailed report regarding the issue referred by KOSTT. Therefore, until the completion of the report, the costs of imbalances for the months of December 2024 and January 2025 will not be recognized as regular or acceptable by ERO, and will be treated in accordance with the conclusions of the reporting process and subsequent decision.

- The Consultation Report also addressed the proposals for the Maximum Allowed Revenues for the USS for 2025 with a lot of information and detailed calculations related to the costs and various parameters that affect the determination of these revenues. It is worth emphasizing that the application of the USS for the allowed costs in the amount of €117,667 million for the DSO, presents the revenues that can be collected with the current tariffs, while the request of KEDS as pass-through costs to the USS for regulated customers is significantly higher. Also in the tables in the column “ERO Proposal 2025”, the revenues are based only on customers who will remain at

regulated prices, excluding those who will enter the open market. If these customers were to remain at regulated prices, the USS would have more revenues to supply this part of the customers. Therefore, the proposed Maximum Allowed Revenue for the USS for 2025 is €434,735 million, which represents the amount that will be recovered from regulated retail tariffs.

- The Consultation Report also addressed the process of customer deregulation, presenting the legal obligations of ERO, the international obligations of the Republic of Kosovo as a signatory to the Energy Community Treaty, the process of market deregulation and liberalization, as well as the expected effect on customers.

- Regarding the legal obligations related to the organized energy market and market liberalization, the obligations are defined in Articles 5, 7, 26, 37 and 40 of the Law on Electricity. While regarding Kosovo's obligations as a party to the Energy Community Treaty, there was an obligation to transpose the "Acquis Communautaire" on energy into domestic legislation, in accordance with the decisions of the Energy Community Council of Ministers. This transposition includes eight EU legal acts, including Directive (EU) 2019/944 on the rules of the internal market in electricity and Regulation (EU) 2019/941 on risk-preparedness in the electricity sector. One of the main obligations of Kosovo is the implementation of the principles set out in Directive (EU) 2019/944. Article 27 of this Directive provides that Member States shall ensure that all household customers and, where Member States deem it appropriate, small enterprises, enjoy universal service, namely the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices. In order to ensure the provision of universal service, Member States may designate a Supplier of Last Resort. Directive 2019/944 defines small enterprises as enterprises which employ fewer than 50 employees and whose annual turnover and/or total annual turnover does not exceed EUR 10 million. After the transposition of these acts, Kosovo is obliged to inform the Energy Community Secretariat of any measures taken and, every two years, to report on possible changes to these measures. Through this process, the aim is to make the electricity market more flexible, more customer-oriented and more decentralised, contributing to security of supply and a sustainable energy transition. It should be noted that Directive 2009/72, namely Article 3, paragraph 3, has stated that Member States shall ensure that all household customers and, where Member States deem it appropriate, small enterprises, enjoy universal service, namely the right to be supplied with electricity of a specified quality within their territory at competitive, easily and clearly comparable, transparent and non-discriminatory prices. Directive 2009/72 also defines small enterprises as enterprises which employ fewer than 50 persons and whose annual turnover and/or total annual turnover does not exceed EUR 10 million.

- ERO, in relation to the retail market deregulation process in Kosovo, on 18 January 2017, published the Guideline on Market Liberalization, setting out the manner, criteria and deadlines for this process, which envisaged a gradual approach based on the reality of the functioning of the energy sector in Kosovo and the region. The Guideline identified several preconditions for liberalization, including the notice of the Regulator on handling the electricity production, the amendment and approval of new rules and methodologies, as well as the handling of issues outside the competence of ERO. Also, this Guideline stipulated that the regulation of production prices would end on 31 March 2017. As for the deadlines for the transition of customers to the deregulated market, they

were as follows: industrial customers connected at the 220 kV transmission level to switch immediately, those connected at the 110 kV voltage level to switch by 31 March 2017, those at the 35 kV and 10 kV levels by 31 March 2018, and following the identification for commercial customers at 0.4 kV. The Guideline emphasized that all end customers had the right to be supplied in the free market. However, due to the lack of competition in the electricity market, many planned customers failed to switch to the deregulated market. As a result, ERO made several additions and changes to the liberalization guidelines, extending the deadlines: on 13 June 2018, the deadline for 35 kV and 10 kV customers was extended until 31 March 2019; on 30 October 2018, the deadline for 10 kV customers was extended until 31 March 2019; and on 28 March 2018, the deadline for 35 kV customers was extended until 31 March 2020, and for 10 kV customers until 31 March 2021. Meanwhile, by decision V_1419_2021, ERO obliged KESCO, as a public supplier, to continue supplying customers connected to 35 kV and 10 kV under universal service criteria until the conditions for an open market are established.

- It is worth clarifying that since the entry into force of the primary laws of the energy sector in July 2016, ERO has taken actions as mandated by these laws and has issued sub-legal acts - rules, decisions, procedures and guidelines for the liberalization of the electricity market in Kosovo, which were published on its official website. ERO has licensed 19 electricity suppliers, and the list is accessible its website.

- The USS, on 05 March 2025, at the request of the Regulator, announced that as of 1 June 2025, all commercial customers with an annual turnover greater than 10 million euros, or more than 50 employees will be supplied to the open market. Commercial customers who do not meet these criteria must submit to KESCO/USS the evidence that they qualify to be supplied at regulated prices (i.e. customers who do not have an annual turnover greater than 10 million euros, and more than 50 employees). The recognized evidence is the documentation issued by the institutions of the Republic of Kosovo, namely the Kosovo Tax Administration (ATK), which presents the annual turnover and the number of employees. ERO has also clarified that according to primary and secondary legislation, all customers without distinction (household and non-household), who wish to be supplied on the market (i.e. at unregulated prices), have the right to do so. ERO has also clarified that, if the customer fails to select or find a new supplier after terminating the contract with the previous supplier, they are entitled to the right to be supplied from the Supplier of Last Resort, for a period not exceeding sixty (60) days, according to Article 39 of the Law on Electricity, and Article 9 of the Rule on Supplier of Last Resort.

- The Consultation Report was published for public discussion by ERO with the aim of obtaining comments from stakeholders on ERO's proposals.

- ERO, during the public consultation received comments from citizens and various stakeholders, including: INDEP, civil society organizations, Green Energy Kosovo, Institutions of the Republic of Kosovo, and energy enterprises.

- KESCO submitted comments, on 28 March 2025, regarding the Consultation Report on Annual Adjustments of Maximum Allowed Revenues for USS.

- ERO has analysed in detail all the received comments and considers them to be an important part of the public consultation process. ERO has received several similar or identical comments from different citizens, while in the Final Report (Responses to Comments) published by ERO on 11 April 2025, the comments and responses to each of the issues raised by citizens and stakeholders were presented, and after analysis and professional evaluation, it has presented written responses which were included in the Final Report.

- The Final Report of the Review of Maximum Allowed Revenues for USS, also includes the updated data from the DSO, which after analysis by ERO were taken into consideration in the final evaluation and responses to comments from stakeholders on the issues raised and the final evaluations.

- ERO, in the Final Report, has addressed the final proposal for the Maximum Allowed Revenues (MAR) of the USS to be collected from regulated retail tariffs. The MAR reflected in this chapter takes into account the responses to the comments (See Annex 1 for all responses to the comments). ERO during the consultation process has reviewed the estimated costs for energy purchases by reviewing prices in the HUDEX advance contract market, as well as by reviewing the forecast costs of cross-border capacities. The forecast purchase amounts and the profile of energy purchases from KEK, RES with concession, RES with reference price and from imports remain unchanged. For the initial price forecast for purchases of USS from imports in 2025, ERO relied on the results of the auction on HUDEX, dated on 06 March 2025. ERO has updated these forecasts with the results of the auction for long-term contracts (monthly and quarterly), dated on 04 April 2025, on HUDEX.

- ERO, in the final report on the forecast of cross-border capacity costs, was based on the average data realized for cross-border capacities during 2024 and 2023. After the consultation process, ERO evaluated that the costs of cross-border capacities in September 2024 were outside the nominal market values, and were reviewed based on linear interpolation between August and October 2024. ERO compared this average with those realized in 2022, and evaluated that the average of 2024 and 2023 represents expected values of cross-border costs during 2025.

- ERO, after reviewing the forecast prices, has emphasized that the average forecast price of energy purchases from imports for the USS has decreased from €161.41/MWh to €161.28/MWh. The average forecast price of total energy purchases has decreased from €40,608/MWh to €40,601/MWh. Consequently, the total forecast costs for energy purchases by the USS have been reviewed from €193,064 million to €193,030 million.

- ERO, in the final report has also addressed the revisions in the forecast of the pass-through costs for the TSO and the DSO, where the calculation of the obligations for 2025 towards the TSO and the DSO is made based on the forecast tariffs of the TSO and the DSO for supply, and the volumes of energy sales to various customers. ERO, during the consultation process, has reviewed the MAR for the TSO (Chapter 3) and the MAR for the DSO (Chapter 4), based on which the forecast tariffs of the TSO and the DSO have also changed. As a result, the obligations of the USS towards the TSO and the DSO have also been reviewed. The forecast of the pass-through costs of the TSO in the final proposal is 33,435 million €, while for the DSO in the amount of 141,204 million €.

- In the final report, ERO also addressed the revisions to the realized costs of imbalances during 2024, where during the initial proposal, ERO, in the analysis of the realized costs for the purchase of energy in 2024, took as the realized value of imbalances the value of €0.292 million for 2024. As a result of the consultation process, the actual realized value of imbalances is €2.92 million, where the KREV factor and the Maximum Allowed Revenues for 2024 have been updated to take into account the changed value of imbalances, from €34.173 million to €37.532 million.

- Therefore, the Maximum Allowed Revenues of the Universal Service Supplier, covered by retail electricity tariffs for the relevant tariff period of 2025 are in the amount of €435,926,299, as determined by decision V_2698_2025 of 11 April 2025.

- USS, based on point III. of the enacting clause of Decision V_2698_2025, dated on 11 April 2025, is obliged to prepare and submit to ERO the proposal for approval of regulated retail electricity tariffs for customers entitled to Universal Service Supply.

- ERO, on 14 April 2025, received from the USS, the proposal for Retail Electricity Tariffs for customers entitled to Universal Service Supply.

- ERO has evaluated the tariffs proposed by the USS and has found that they were calculated in accordance with the Methodology for the Tariff Structure, under Article 20 of the ERO Rule/No.15/2017 on USS Revenues. The proposal of USS for USS tariffs is based on the ERO decision on the Maximum Allowed Revenues for USS, V_2698_2025, dated on 11 April 2025.

- ERO has evaluated that the tariffs proposed by the USS reflect the costs of electricity supply services for customers entitled to universal supply.

- ERO has evaluated that the retail tariffs for customers entitled to Universal Service of Supply, as determined by ERO, reflect the overall costs of supplying customers entitled to Universal Service of Supply, which include wholesale electricity costs, transmission and distribution network costs and direct costs of the USS.

- The ERO Board, following the evaluation and analysis of the proposal for the Universal Service Supplier Tariffs, has evaluated that the request is based on Decision V_2698_2025, of 11 April 2025, on the Maximum Allowed Revenues for the Universal Service Supplier, therefore based on the legal provisions mentioned in the introductory section of this decision, has decided as in the enacting clause to this decision.

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

**V.** The decision shall enter into force on the date of approval by ERO and the same 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

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Arta Isufi, Member

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Adnan Preniqi, Member

**This decision is sent to:**

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