



DECISION

No. 27, of date 09.03.2016

ON

**APPROVING THE AGREEMENT FOR ELECTRICITY SUPPLY
BETWEEN THE GENERATION COMPANY (KESH /FPSH) AND
THE DISTRIBUTION COMPANY (OSHEE/FPP)**

Based on article 16, 20 letter “h”, 108, and 110 of Law no. 43/2015, “On Power Sector”; points 4; 14 letter “A” point 2 and point 7, letter “F” of the Electricity Market Model, approved with Council of Ministers Decision no.338, of date 19.03.2008, Chapter V of the Albanian Market Rules approved with ERE Board decision no. 68, of date 23.06.2008, as amended and article 25 of ERE Practice and Procedure Rules, approved with ERE Board Decision, no. 21, of date 18.03.2009, as amended, ERE Board on their 09.03.2016 meeting, after being informed with the request of the Generation company (KESH) to approve “Electricity Supply Agreement between KESH company/FPSH and OSHEE company/FPP for January.1.2016 – June.30.2016 period, and the report prepared by ERE Technical Directories,

Observed that:

- The generation company (KESH) is licensed in Electricity Wholesale Public Supplier Activity with ERE Board Decision no.10 of date 06.02.2014.
- The distribution company (OSHEE) is licensed in Electricity Retail Public Supplier Activity with ERE Board Decision no. 97 of date 27.10.2014.
- KESH and OSHEE companies has connected on 31.12.2014, the Agreement “For Electricity Supply by Wholesale Public Supplier/Generation Company (KESH) and Retail Public Supplier/Distribution Company (OSHEE), for a 1(one) year period, approved with ERE Board decision No.11 of date 04.02.2015,
- The Parties has together signed this agreement which extends its effects from January.01.2016 until on June.30.2016.

- With the entry into force of Law No. 43/2015 "On Power Sector", are raised the basis for the establishment of a new electricity market model and the relations that will be set between the participants in this market and in the power sector. This law provides a series of bylaws and regulatory acts that shall be approved (definition of article 108) within 12 months from the entry into force, to ensure its full implementation; Also within the meaning of article 109 point 5, the existing obligations of the market participants shall continue to be fulfilled by them to the approval of the secondary legislation, according to the provisions of this law.
- The legal basis used by the parties to sign this agreement is inaccurate:
 - a. ERE Board Decision no. 68, of date 23.06.2008 "On approving Albanian Market Rules", with all its changes is the accurate legal basis that shall be used. As consequence decision no. 10, of date 27.01.2016 "For the amendment in decision no. 157, of date 28.12.2015 "On approving an amendment in the Albanian Electricity Market Rules" shall not be mentioned in particular.
 - b. The reflected ERE Board decision no. 58, of date 03.06.2008 shall be decision no. 97 of date 27.10.2014, "On licensing electricity distribution operator company in electricity retail public supply activity".

For all of the above mentioned, ERE Board,

Decided:

1. To approve the Agreement "For Electricity Supply of Wholesale Public Supplier/Generation Company (KESH) and Retail Public Supplier/Distribution Company (OSHEE) for 01.01.2016/30.06.2016 period with the respective amendments in the legal basis with the content of the agreement as follows:
 - a. decision no. 10, of date 27.01.2016 "For an amendment in decision no. 157, of date 28.12.2015 "On approving an amendment in the Albanian Electricity Market Rules" shall be substituted with ERE Board Decision no. 68, of date 23.06.2008 "On approving Albanian Market Rules", as amended
 - b. ERE Board decision no.58, of date 03.06.2008 shall be substituted with ERE Board decision no.97 of date 27.10.2014, "On licensing electricity distribution Operator company in electricity retail public supply activity".

2. Legal and Customer Protection Directory shall inform the stakeholders for ERE Board decision.

This decision enters immediately into force and extends its effects from January 1 2016 –June 30 2016

This decision is published in the Official Gazette.