



REPUBLIC OF ALBANIA
ENERGY REGULATORY AUTHORITY

Board

DECISION

No. 121, Dated 04.06.2018

ON

**OPENING THE PROCEDURE TO APPROVE THE 10 YEAR NETWORK
DEVELOPMENT PLAN OF ALBGAZ COMPANY**

Based on articles 16 point 12; 46 and 56 of Law no. 102/2015 “*On Natural Gas Sector*”; articles 8; 9 and 10, of the “*Regulation on the procedures of submitting and approving the investment plans from the natural gas transmission and distribution operators*” approved with ERE Board Decision no. 18, dated 10.01.2018; as well as article 15 of the “*Regulation on ERE Organization, Operation and Procedures*”, approved with decision no. 96, dated 17.06.2016; ERE Board, on their 04.06.2018 meeting, after reviewing the report prepared by the Working Group, to open the procedure of approving the 10 – year network development plan of ALBGAZ company,

Observed that:

- ALBGAZ company, as the natural gas Transmission and Distribution Operator, with the official letter protocol no. 43 dated 21.03.2018, has send at ERE “10 – year network development plan for (2018 – 2027) period”
- ERE Chairman with Order no.32, dated 28.03.2018, ordered the setting up of a working group to review and analyze the 10 year development Plan of ALBGAZ company.
- The working group analyzed the material submitted at ERE, “the Ten Year Development Plan” approved by ALBGAZ company Supervisory Board on the meeting of date 09.02.2018.
- As follows there were held joint meetings with ALBGAZ company specialists to improve the application and as result there were submitted at ERE additional materials.
- Implementing Law no. 102/2015, article 16, point 12, ERE has the responsibility to approve the investment plans of the licensee in natural gas sector and to perform their monitoring. According to the requirements of article 46 and 56 of this law, ERE reviews and approved the 10 year transmission/distribution network development plan of natural gas from ALBGAZ company.

- During the analyze of the materials there was observed:
 - a. The investments improve the operation and service level
 - b. In general the investments positively affect in lowering the losses in the network.
 - c. It is evidenced the attempt to minimize the costs in the study to foresee the investments.
 - d. In analyzing the explanatory reports it is judged that the data are sufficiently detailed for the opening the procedure stage.
 - e. For the main investments it is noticed the alternative analysis and assessment
 - f. The foreseen investments are on implementation of the long term development Strategy for the natural gas sector.
 - g. The plan submitted for the investments is mainly based on the agreement for financial coverage to increase the capacities by TAP AG and from the time point of view it seems feasible.

- During 2017 was highlighted the fact that the gas sector in Albania, with an infrastructure established since 1971 needs maintenance and continuous investments to minimize gas losses and perform the primary natural gas transmission and distribution activity. Primarily ALBGAZ company is utilizing the gas transmission lines. The distribution lines are on process yet, and currently there is no natural gas Distribution activity, until the renewal of gas pipeline. This is expected to be realized within the strategic investments with a national importance (Gas Master plan), where the TAP AG pipeline shall have a supporting role in drafting, planning and implementing the project.

- Albgaz company has drafted the 10 –year development Plan within increasing Albgaz company capacities as well as the establishment of a functional structure for gas transmission operation which is submitted as follows.

- Their financial coverage is mainly provided on the agreement to increase the capacities with TAP AG company.

For all of the above mentioned
ERE Board,

Decided:

1. To open the procedure of approving the “10 – year network development plan of ALBGAZ company”

2. “Albgaz” company shall submit at ERE not later than 30 days from taking the decision to open the procedure:
 - Approval from the Supervisory Board, of the network development Plan for 2018 – 2027 period, reflecting the amendments submitted after the official letter Protocol no. 43, dated 21.03.2018 and Protocol no. 43/1, dated 14.05.2015.
 - Detailed explanations regarding the projects.

3. Legal and Customer Protection Directory shall inform the applicant for ERE Board Decision.

This decision enters immediately into force.

This decision is published on the Official Gazette.

This decision may be complained on Tirana Administrative Court, within 30 calendar days from the publication in the Official Gazette.

CHAIRMAN
Petrit AHMETI

The 10 year network development plan:

GROUP OF INVESTMENTS SUBMITTED FROM ALBGAZ company DURING 2018-2027 PERIOD										
Name of the Investment	Investment Amount (ALL)			Investment Amount t (EURO)						
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Capital overhaul of the cars and vehicles	12,000,000									
Technical Capacity Increase	6,075,000									
Construction- Fitting – Pipes	17,000,000									
Rehabilitation of Fier Offices and the Warehouses	89,259,020									
Contemporary informatization	10,064,000									
Equipments and furnitures	14,850,000									
Others	1,380,000									
Prior project PIP01 (TPP Vlora-Fier) A- 39.9 km Option			14,000,000							
Prior Project PIP01 (TPP Mora-Fier) B- 46.1 km Option(22 000 000 ALL)										
Maintenance and renew of the existing pipes			30,000,000							
Draft of PIP2 (Fier-Ballsh) project							300,000			
Prior project PIP2 (Fier-Ballsh) A - 39km Option							11,500,000			
Prior Project PIP2 (Fier-Ballsh)B- 38km Option (11 800 000 ALL)										
Project Development PIP3 (Tirane-Durres)							200,000			
Prior Project PIP3 (Tirane-Durres) A- 14.5km Option							5,000,000			
Prior Project PIP3 (Tirane-Durres) B- 16.7km Option (5 200 000 ALL)										
PRMS Korca (Pression Reduction & Metering Station)							2,500,000			
	150,628,020		44,000,000				19,500,000			