



REPUBLIC OF ALBANIA  
ENERGY REGULATOR AUTHORITY

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# ANNUAL REPORT

## Power Sector Situation And ERE Activity for 2013

The energy sector has the major role in the safe and sustainable development of a country. It directly affects the basic indicators of economic level and welfare . Energy potential as one of the greatest assets of a country should be used in the most efficient way possible to get the optimum product from them. This sector in our country is represented by power and natural gas sector . Trading and consumption of these products based on clear transparent rules represents the work objectives of the Energy Regulator Authority .

The report we are presenting is a detailed information on the situation of the power sector, the level of services provided by public and private operators in the electricity market based on data that ERE administers within its authority, for regulating and monitoring the activities performed by licensed companies in the power sector.

The activity of Energy Regulator activity during 2013 was mainly connected to the legal status of “CEZ Shperndarje” company. Also during this year was intensified more the regulator commitment in preparing and updating the regulatory legislating base of the natural gas market in our country.

These have been two basic areas of regulator work related to the development of the electricity and gas market within the country and participation in their regional market.

The developments in the electricity sector are followed by important steps and processes from its organization, management and administration view.

ERE pursuant to the legal authority has done monitoring to the licensees and especially has monitored CEZ Shperndarje work for the activity that this company performs in electricity distribution sector as well as basic services for household and not household consumers.

From these monitorings resulted many and different problems regarding the company performance and the quantity and quality services that it should have performed to the electricity consumers. There was noticed a deterioration of financial results of the company, significant reduction of the investment for strengthening the electricity distribution grid. In particular, was noticed a significant deterioration of one of the most important indicators of the company’s activity that is the indicator of electricity losses as it is the significant increase of non technical losses.

The results of the company began to conflict with the predetermined requirements and conditions during the privatization process, and expressed the relevant documents on the basis of which was formalized this privatization.

In these conditions performing its legal authority ERE after analyzing the situation in which CEZ Shperndarje ( Distribution System Operator and the Retail Public Supplier) was on January 21 2013 decided to remove the CEZ Shperndarje license from its distribution and retail public supplier activity.

Based on this fact CEZ Shperndarje pursuant to Law No.9072, on 22.05.2003 "On Power Sector" as amended was set in temporary administration, a status that the company continues to have even today.

In accordance with this status pursuant to Law No. 9072, on 22.05.2003 "On Power Sector" as amended, Article 18, ERE developed selection procedures for the Administrator of the company CEZ Shperndarje .

Following this process ERE performed continuous monitoring of this company's services focusing on the control of the solution for the key problems that led above all to the decision for removing the the licenses of the distribution and retail public supplier activity.

Collective interruptions, high level of grid losses, low collections, lack of payments to public operators KESH, TSO and to traders , as well as the unjustified increase of the expenses to the detriment financial situation of CEZ Shperndarje company marked the main problems that ERE noticed in the monitorings performed at the company.

During 2013 , as presented in details in this report, part of the problems found solutions concluding at the end of the year firstly avoiding the collective interruptions of electricity supply, brake the deterioration of the losses level, increasing the collections, elimination of third party services (where most disturbing was the collection of electricity purchased invoices through other companies) and above all during 2013 significantly improved the level of payments by CEZ Shpërndarje for services offered by KESH, TSO companies and electricity traders. It should be noticed that failure to fulfil the financial obligations from CEZ Shperndarje sh.a, the obligations related to Wholesale Public Supply (KESH sh.a) and the Traders made that during 2012 the negative effects of CEZ Shperndarje company financial situation also effected even the small producers of electricity. On the other hand in relation to electricity Traders, the significant improvement of the payment level led to the reset of electricity from Traders that needed to cover the losses in the grid from CEZ Shperndarje company

Also during 2013 the Energy Regulatory Authority continued its work towards the regulation of activities in the sector, consumer protection, further improvement of laws, handling new applications for licensing in the power sector activities etc.

In the natural gas sector, during 2013 ERE realized procedures related to further development of the TAP pipeline based on cooperation and harmonization of procedures with regulatory authorities in the power sector in Italy and Greece.

Attitudes and appropriate decision-making have reflected in any case the main purpose of \ ERE that is the implementation of the legislation as:

Law No. 9072 dated 22.05.2003 "On Power Sector" as amended,

Law no. 9946, dated 30.06.2008 "On the Natural Gas Sector"

Law no..138/2013 Law "On Renewable Energy Sources"

Model of Electricity Market approved by the Council of Ministers decision No. 338, dated 19.03.2008, as amended.

Analysing the characteristics, developments and problems that the power and natural gas sector has showed in our country , strengthening ERE's professional capacities is a major challenge of this institution in order to fulfill the obligations under the legislation in force and in particularly in the context of the Third Energy Package implementation adopted by the European Commission. This last mentioned becomes mandatory for implementation from January 1- 2015. Third Energy Package implementation requires a commitment of all policy making institutions in the country and of course a very strong commitment by the Electricity Regulator Authority which in this framework is required to implement this package through the adoption or improvement of a series of regulatory acts such as Market Rules, capacity Allocation Rules, Transmission Code, Distribution Code and tariff and electricity prices defining methodologies. In its reconstruction and developing process energy, gas and electricity sectors are before big and responsible challenges for the future of the country.

Integrating political and economic processes, in which our country is passing can not be understood without a significant and sustainable development of the electricity infrastructure of the country.

**ERE Chairman**

**Petrit Ahmeti**

## Contents

INTRODUCTION.....	12
PART I.....	16
Chapter I.....	16
Electricity Market Regulation.....	16
1. Electricity Market.....	17
2. Electricity Generation .....	20
2.1 Capacity and Electricity Generation.....	20
2.2 Criteria to Use the Hydropower reserve on the Drini River Cascade.....	25
2.3 The situation in Vlora TPP.....	27
2.4 Generation from Private/Electricity Concession HPP-s .....	27
2.5 Electricity Generation Efficiency .....	32
3. Electricity Transmission.....	34
3.1 Transmission System Operator .....	34
3.1.1 Assets and Development of Transmission System .....	34
3.1.2 TSO company activity.....	36
4. Distribution System Operator .....	43
4.1 Structure of Distribution System .....	43
4.2 Electricity Consumption .....	46
4.2.1 Electricity Consumption Structure .....	49
4.2.2 Profile of Electricity Consumption .....	50
4.3 Import of Electricity .....	50
4.4 Electricity Trading Efficiency .....	52
PART II.....	57
Chapter I.....	57
Regulation of Natural Gas Sector.....	57
1. ERE priorities “On Natural Gas Sector” during 2013.....	58
1.1 TAP Project, (Trans Adriatic Pipeline) .....	58

1.1.1 Some of the most important developments regarding TAP Project during 2013. ....	59
1.2 Approval of Gas Methodology .....	60
PART III .....	62
Chapter I.....	62
The Activity of Energy Regulatory Authority .....	62
1. Electricity Prices & Tariffs .....	63
1.1 Letting in force the existing tariffs until December 31 2013. ....	63
1.2 PVE and their impact in Wholesale Public Supplier Tariff .....	67
1.3 Electricity Prices and Tariffs in the Region countries, for 2013 .....	69
Chapter II.....	71
Licensing and Monitoring the Activities in the Electricity Market.....	71
1. Licensing and Plant Qualification Requests Handled during 2013.....	72
2. Monitoring the Electricity Market Activities.....	74
2.1 Monitoring the Electricity Market .....	74
2.1.1 Electricity Market Monitoring Principles .....	74
2.1.2 Monitoring KESH company .....	77
2.1.3 Monitoring TSO company .....	79
2.1.4 CEZ Shpërndarje sh.a monitoring .....	88
2.1.5 Monitoring other Operators of Electricity .....	91
Chapter III.....	94
ERE Activity in Developing the Secondary Legislation and other Legal Changes during 2013 .....	94
1.Regulatory acts approved by ERE .....	95
1.1 Approval of the Regulation “For the Procedures of Appointing the Administrator and his Powers” .....	95
1.2 Approving some changes in the Albanian Electricity Market Rules .....	95
1.3 Approving the Payment Schedule of CEZ Shpërndarje sh.a (in Temporary Administration) .....	96
1.4 Changing the Regulations and Procedures for Electricity Generation Certification from Energy Renewable Resources	97
1.5 Approving Tariff Methodology (Tap Tariff Code), proposed by TAP AG, according to the Obligations Defined in “Final Joint Opinion” .....	97

1.Approving the Regulation on Allocation of Interconnection Capacities.....	98
2. Developments in the Primary Legislation of the Power Sector .....	98
2.1 Law No. 138/2013, “On Energy Renewable Resources” .....	98
3. Handling the Court Cases.....	100
Chapter IV .....	102
ERE’s Activity toward Customer Protection.....	102
1.Handling and Solving the Customer Complains.....	103
2. Information in the Official Webpage .....	110
3. Relations with Written and Audio Visual Media.....	110
4. Communications with the Market Participants .....	111
5. Hearing Sessions .....	111
6. Indicators of Service, Distribution and Selling Electricity Quality.....	113
Chapter V .....	115
ERE’s Inter-Institutional and International Relations .....	115
1. ERE’s Inter-institutional and International Activity.....	116
1.1 ERE’s Relations with the Albanian Parliament.....	116
1.2 ERE’s Relations with the Ministry of Energy and Industry (MEI) .....	116
1.3 ERE’s Relations with the Ministry for Integration.....	117
1.4 ERE Relations with the Competition Authority.....	117
1.5 ERE Relations with the Ombudsman Office .....	117
2. International Relations.....	118
2.1 Active Participation as a Member .....	118
2.2 ECRB Presidency in 2013.....	119
2.3 ERE Bilateral Relations .....	119
2.4 Participation in Conferences and International Activities .....	120
Chapter VI .....	121
Administration of ERE’s Financial and Human Resources .....	121
1. Administration of ERE Financial Resources.....	122

PART IV..... 124

Chapter I..... 124

Audit Report from the Accounting Expert for 2013..... 124

Annex 1 Registration of ERE Decisions for 2013 ..... 133



## Table Of Figures

Figure 1 The structure of the Albanian Market Model .....	18
Figure 2 Electricity System Scheme .....	19
Figure 3 Electricity Generation in 2013.....	22
Figure 4 Comparison of Net Domestic Generation for 2007-2013 period.....	23
Figure 5 Generation of Electricity in Albania from 1985 to 2013. ....	23
Figure 6 History of Electricity Generation from -Drin Cascade HPP.....	24
Figure 7 Level of Fierza Lake HPP during 2013 (m) .....	25
Figure 8 Comparison of Fierza Level with the historical average .....	26
Figure 9 month flows in Fierza Lake HPP during 2013 .....	26
Figure 10 Energy Reserve of the Drini Cascade by the end of the months in 2011 and 2012 .....	27
Figure 11 Generation performance from private and small HPPs given with concession .....	30
Figure 12 KESH company obligations to Private companies for Electricity.....	31
Figure 13 Prices of purchasing buying electricity by FPSH from the Private,with Concession, and New Concession HPP-s.....	32
Figure 14 Water discharges from Drini Cascade HPP-s (2002-2013) .....	33
Figure 15 Total consumption in years.....	46
Figure 16 Hourly Peaks 2013.....	48
Figure 17 Peak load during the months of 2013 .....	48
Figure 18 Invoicing Reports by Category .....	49
Figure 19 The Specific Weight that electricity consumer occupy .....	49
Figure 20 The import/export electricity Balance in Years (OST) .....	51
Figure 21 The progress of the Electricity Import Value 2002-2013 .....	51
Figure 22 Annual Losses in Distribution System 2007-2013 .....	52
Figure 23 Month Collection Level 2012-2013 .....	53
Figure 24 Progress of the Debit Status.....	54
Figure 25 Monthly Sales Effectiveness.....	55
Figure 26 Total losses compared to Energy Introduced in the Grid.....	55
Figure 27 Billing / Collecting 2002-2012 .....	56
Figure 28 Collection, Loss and Average Non-Collecting in % of Electricity in the System .....	56
Figure 30 Generation Progress from PVE and Ashta.....	67
Figure 29 The structure of the Retail Sale Electricity Price approved by ERE .....	67
Figure 31 The Incomes Structure Realized in 2013 from PVE and Ashta HPP .....	68
Figure 32 Prices Approved by ERE for 2008-2014 period .....	69
Figure 33 Electricity prices for non household customers in the region according to ERRA latest report .....	70
Figure 34 Electricity prices of household consumers in the region according to ERRA latest report.....	70
Figure 35 Total investment, realized by KESH company for January – October 2013 period.....	78

Figure 36 Imbalances inside  $\pm 4\%$  limit ..... 80

Figure 37 Imbalances outside  $\pm 4\%$  limit ..... 81

Figure 38 The Incomes chart from the auctions for 2013..... 84

Figure 39 The chart in percentage according to Auction Direction for 2013..... 84

Figure 40 MonthConsumption of the Qualified Clients for 2012 until September 2013..... 86

Figure 41 Complaint Status handled by ERE ..... 105

Figure 42 The Complaint Handling Chart at CEZ Shpërndarje during 2013 ..... 108

## Table Index

Table 1 Electric Plants of Public Generation Structure .....	20
Table 2 General Information by OST ( Transmission System Operator ) .....	21
Table 3 Flows from Drini Cascade HPP .....	25
Table 4 Generation from HPP-s that have started generation during 2013 .....	28
Table 5 Electricity generation from Private/Concession Companies for 2013 .....	28
Table 6 Electricity market Indicators .....	32
Table 7 Electricity Balance of TSO company for 2013 (GWh) and the expectations for 2014 .....	36
Table 8 The Incomes, Expenses and Financial Result .....	37
Table 9 Consumption for Transmission Invoices for 2013 .....	38
Table 10 Table of Revenues from the Qualified Supplier (Transmission Tariff).....	39
Table 11 Administrative Division of the Distribution Grid and the Specific Weight in the Electricity Consumption .....	43
Table 12 Data on the Distribution System Operator .....	44
Table 13 Indicators synthesized by three main operators in Albanian Power System .....	47
Table 14 Imports of Energy by KESH and CEZ in 2013 .....	50
Table 15 Invoices /collections and changing the debtors Status in 2013 .....	53
Table 16 Service and Electricity Retail Tariff for 2012-2014 (according to decision no. 148 December. 7.2011) .....	66
Table 17 Licenses Approved by the Board of Commissioners according to Several Activities during 2013 .....	73
Table 18 Monitoring during 2013 .....	74
Table 19 Realizing the investment January-October 2013 period .....	77
Table 20 TSO company Investments .....	79
Table 21 Positive and Negative Imbalances of the Market Participants for 2013 .....	80
Table 22 The penalties of Positive and Negative Imbalances of the Market Participants for 2013 .....	81
Table 23 Annual auction data June – December 2013.....	82
Table 24 Monthly and Annual auction data for January 1 - December 31 2013 Period .....	83
Table 25 Qualified Client Consumption in Report with the General Consumption .....	86
Table 26 Total number of the complaints presented at ERE for 2013.....	104
Table 27 Data regarding the Complains Handled by CEZ Shpërndarje Company .....	108
Table 28 Information Regarding Complaint Source Generation.....	108
Table 29 The Requests and Complaints in details at CEZ Shpërndarje for 2013 .....	109
Table 30 Indicators of Continuity Quality of Electricity Supply during 2013 .....	113
Table 31 Reflected and Synthesized Quality Indicators.....	114

# INTRODUCTION

The power and natural gas sector in our country are regulated according to Law No. 9072, on 22.05.2003 "On Power Sector", as amended, and Law No. 9946, dated 30.06.2008 "On Natural Gas Sector". Under these laws and other regulatory acts it is defined ERE's authority for handling licensing applications, monitoring of licensees, consumer protection, determination of tariffs in the regulated market of electricity, approval of secondary acts related with the regulation of the power sector. According to Law No. 9072 on 22.05.2003, "On Power Sector", as amended, and Law No. 9946, dated 30.06.2008 "On Natural Gas Sector", as amended, ERE is obliged that not later than March 31 to report in the Parliament on the situation of power and natural gas sector and also ERE's activities for the previous year.

## **I. Organizational Chart of ERE**

ERE exercises its responsibilities pursuant to Law No. 9072, on 22.05.2003 "On Power Sector", as amended, and Law No. 9946, 30.06.2008 "On Natural Gas Sector", through the decision-making body, the Board of Commissioners who is assisted in his work by a technical staff, supporting staff and external specialist, whose structure and organizational chart is approved by the Parliament decision no. 181 of 05.05.2008.

## **II. Board of Commissioners**

ERE's Board of Commissioners according to Law No. 9072, of 22.05.2003 "On Power Sector", as amended, and Law No. 9946, of 30.06.2008 "On Natural Gas Sector", as amended, is decision making body for all issues under ERE jurisdiction and competence. The Board of Commissioners consist of the Chairman and four members who are appointed by the Albanian Parliament with a 5-year term.

During 2013 have performed their job as members of the Board of Commissioners:

Z. Sokol Ramadani	Chairman
Zj. Entela Shehaj	Member
Z. Adriatik Bego	Member
Z. Shkelqim Bozgo	Member
Z. Abaz Aliko	Member

After the resignation of Mr. Sokol Ramadani and Mr. Shkelqim Bozgo as Chairman of the Board was elected Mr. Petrit Ahmeti and as Board member for gas issues was elected Z.Maksim Shuli.

For decision-making purposes in accordance with the authority given by the legislation in force the Board of Commissioners held formal meetings, consultative ones and public hearings sessions.

During 2013, the Board of Commissioners held 53 formal meetings in which were taken 150 decisions. In the annexes of this report are presented the decisions taken during 2013 except the decisions relating to the internal functioning of the ERE.

As defined in the legislation into force in this report the Board of Commissioners for 2013 is supported on its work by the counselor, and a technical personnel organized into four departments as follows:

- Department of Finance Administration and Human Resources with 8 employees.

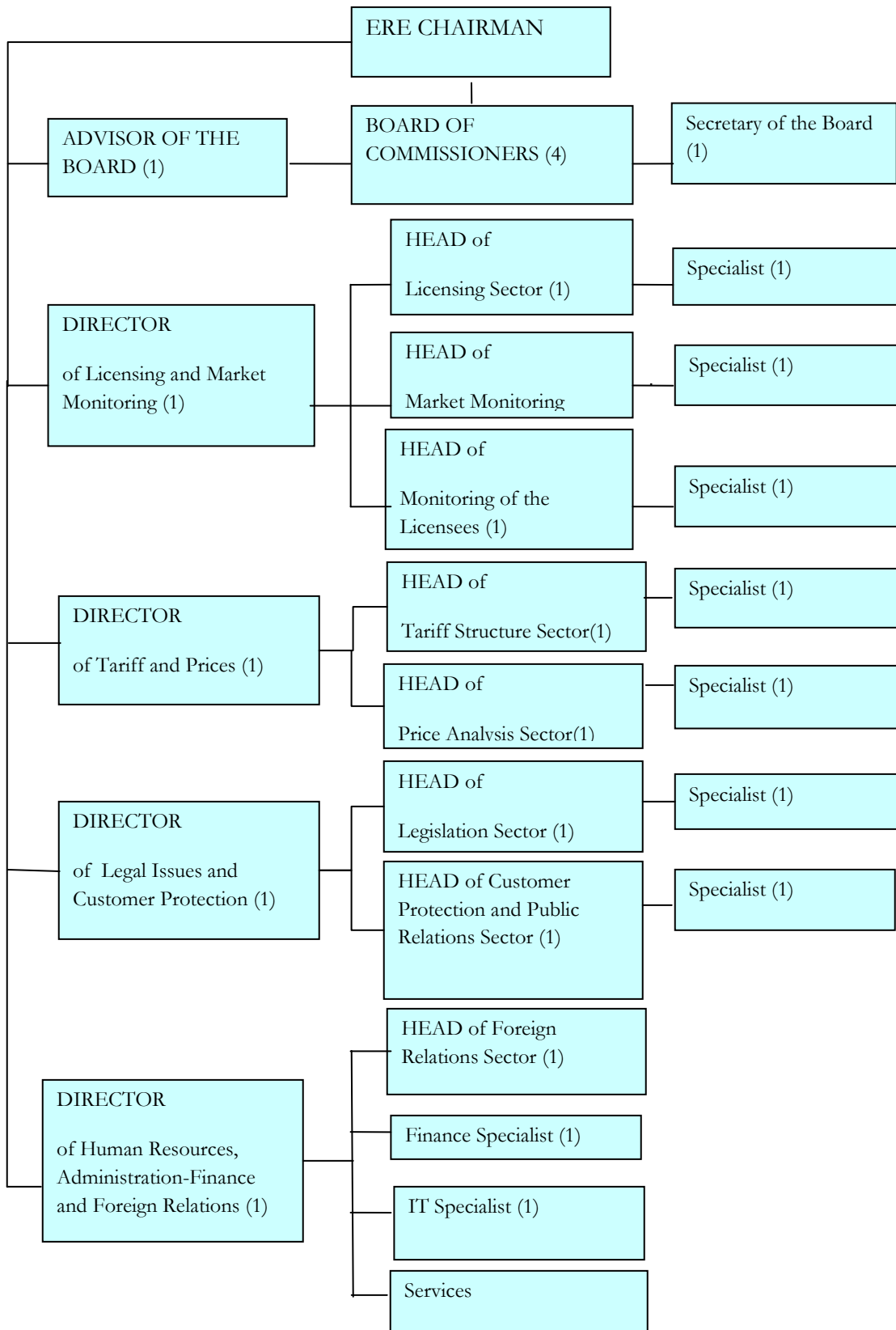
- Department of Electricity Pricing and Tariffs, 5 employees.
- Department of Licensing and Monitoring, with 7 employees.
- Department of Legal Issues and Consumer Protection, with 5 employees.

During 2013 is intended to strengthen the administrative capacity of ERE through various qualifications supported by the regulator and international organizations such as:

- ERRA - Energy Regulators Regional Association
- Energy Community Secretariat
- NARUC - National Association of Regulatory Utilities
- MEDREG - Mediterranean Energy Regulators
- E-Control - Energy Control Austria
- AEEG – Autorita per Energia Elettrica, il Gas ed i Servizi idrici in Italia

Cooperation, experience exchange relations of ERE with these institutions date back to the beginnings of the regulator's work ..

# Organisation chart of ERE



# **PART I**

## **Chapter I**

### **Electricity Market Regulation**



# 1. Electricity Market

With the Ministerial Council decision No.338 on 19.03.2008 was approved the Albanian Electricity Market Model (MSHTEE). This model among others, has defined the participants in the electricity market (TEE), as well as the role and responsibilities of each participant in the market.

To address and resolve the problems encountered during the implementation of this decision and within the harmonization of the domestic legislation with the EU acts, the market model over the years has undergone several additions and amendments.

In the most important legal amendments regarding electricity market model (TEE) were the additions to Law 9072 "On Power Sector", as amended, in which was decided to be given the status as "qualified client" to every consumer of electricity, connected to the electricity grid with voltage 110 kV and above, as well as any other consumer of electricity, that regardless the grid voltage level with which it is connected, has an annual electricity consumption of more than 50 million kWh "as well as the changes in the Market Model regarding the allowed level of imbalances by market participants.

On the other hand these amendments and additions have not changed the basic structure of this market functioning for the electricity flows effects, grid connection agreements and transmission service including ancillary services electricity supply agreements and Funds Flow .

Structure of Electricity Market and Power System scheme schematically are given in the following figures.

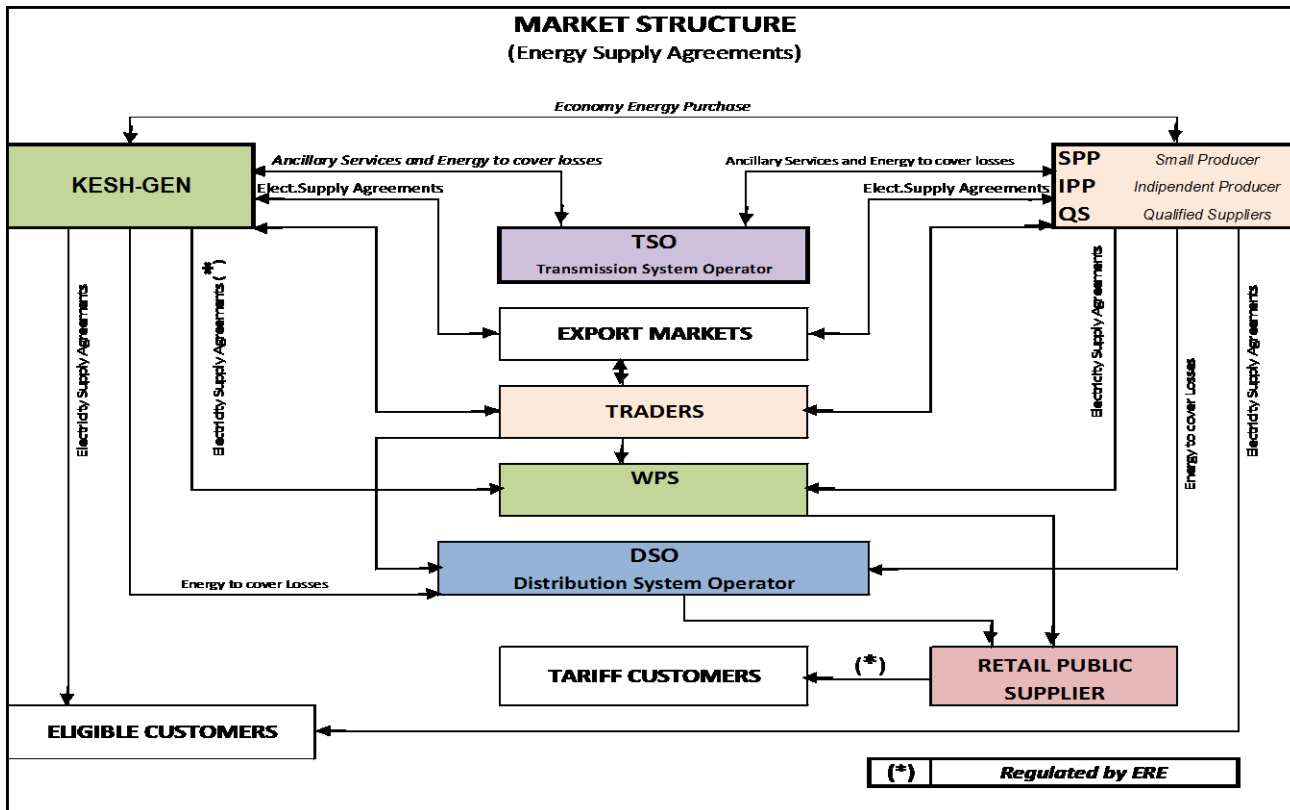


Figure 1 The structure of the Albanian Market Model

(Source ERE Council of Ministers Decision no.338 on 19.03.2008 Annex C )

# POWER SYSTEM SCHEME

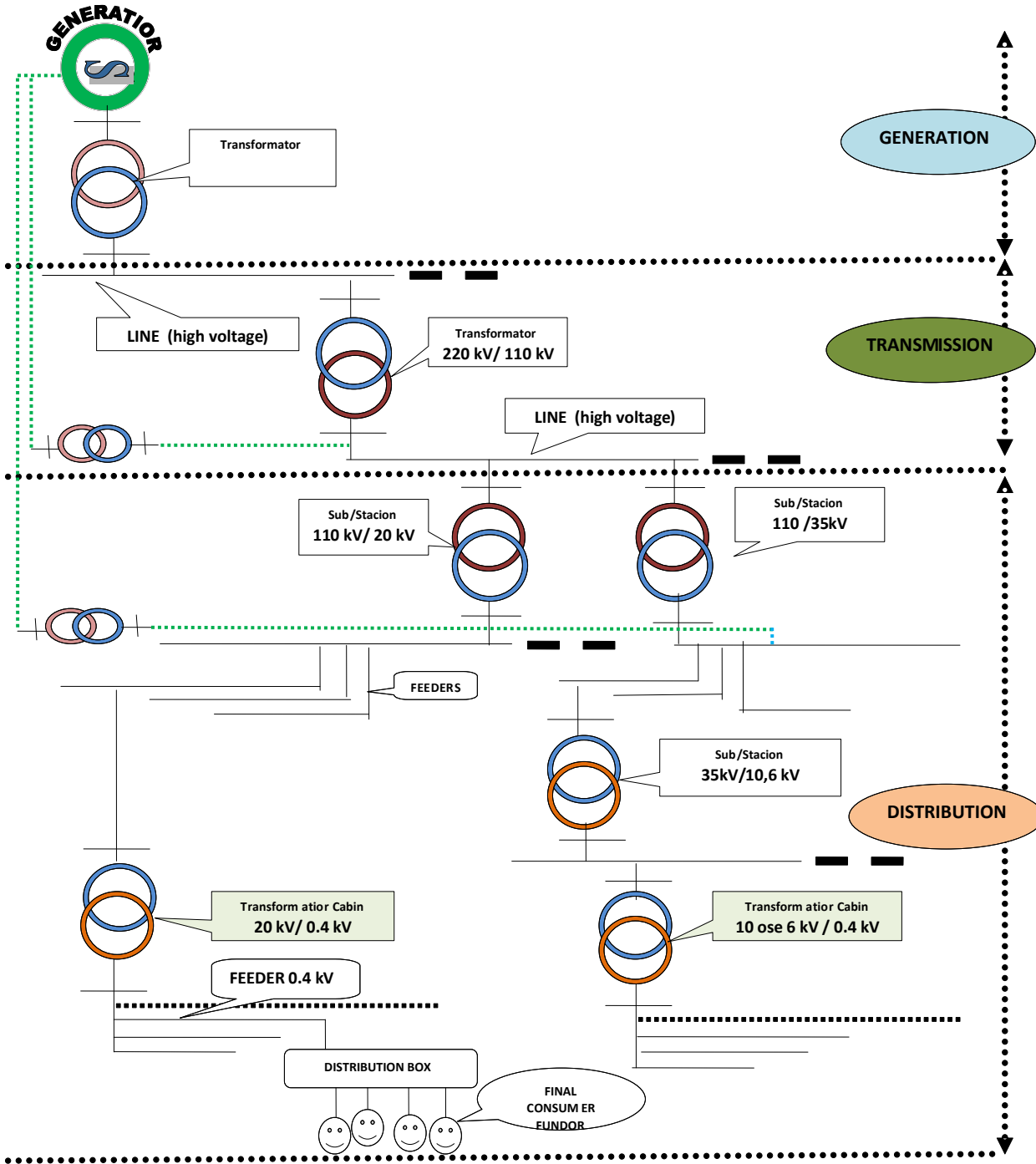


Figure 2 Electricity System Scheme

(Source ERE)

## 2. Electricity Generation

According to Law No.9072 on 22.05.2003 "On Power Sector", as amended, electricity generation from generating companies is realized as a licensed activity by ERE. The main generation company is KESH, the only manufacturing company fully state owned. The largest number of generation companies is connected to the distribution grid, and generation companies with greater production capacity are connected to the transmission system. These companies licensed throughout years from ERE use the existing plants or the new ones mainly through concession agreements signed with the Albanian government and a small part use plants up to 2 MW privatized within Law no.8527 on 23.09.1999 . KESH company uses existing plants.

### 2.1 Capacity and Electricity Generation

Public electricity generation is performed by the Joint Stock KESH company with 100% of the shares from the state and "Vlora TPP" also with 100% of the shares from the state, which is part of KESH.

Composition of park plants owned by KESH company and the installed capacity of each of them which realize the public generation is presented in Table -1-. The total installed capacity reaches 1,531 MW, of which the installed capacity of HPP's is 1,433 MW and that of TPP's 98 MW .

Table 1 Electric Plants of Public Generation Structure

Plant Character	Plant								
	Fierz HPP	Koman HPP	V.Dejes HPP	Ulez HPP	Shkopet HPP	Bistr1 HPP	Bistr2 HPP	Lana-breg HPP	Vlore TPP
.Agregat. No	4	4	5	4	2	3	1	2	2
Ag. Capacity MW	125	150	50	6.3	12	7.7	5	2.5	70+28
Installed capacity plant MW	500	600	250	25	24	24	5	5	98
Total Capacity MW	<b>1,531</b>								

(Source KESH sh.a.)

Taking into consideration the total installed capacity of the private electricity generators of 347 MW, the total installed capacity in our country results 1,878 MW. In this estimation is not taken into consideration Fier TPP, because it he was taken out of service in 2008. Public generation of electricity in 2013 was realized 100% by hydroelectric power plants (HPPs)

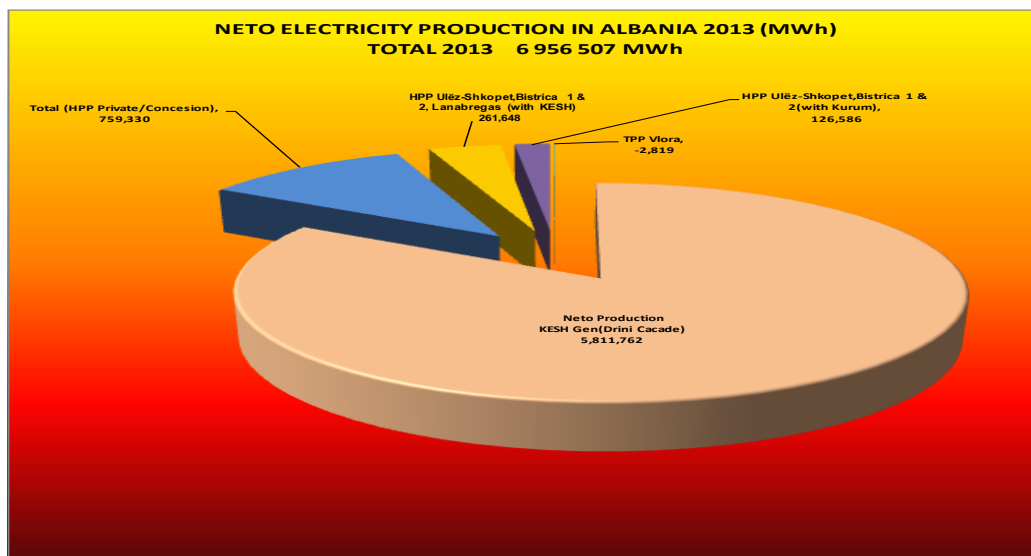
In Table -2 – are provided the general information for electricity generation, exchange purchased for the country needs measured by the Transmission System Operator.  
Also are provided some key parameters of Drini Cascade HPPs .

Table 2 General Information by OST ( Transmission System Operator )

DATA FROM OST sha 2013													
	January	February	March	Aprile	May	June	July	August	September	October	November	December	2013
<b>Total Production</b>	672,348	555,249	693,302	845,430	886,840	700,026	461,964	412,410	327,430	359,492	385,365	519,558	6,819,414
Production from HPP	672,348	555,249	693,302	845,430	886,840	700,026	461,964	412,410	327,430	359,492	385,365	519,558	6,819,414
Production from TPP	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Exchange (MWh)</b>	-107,928	-144,734	-15,698	266,868	330,752	132,177	147,907	199,254	-220,571	223,012	-255,020	-297,978	-882,305
<b>Dayly exchange program</b>	-107,195	-145,076	-21,964	258,783	333,219	131,533	147,898	200,637	-222,761	217,378	-253,893	-295,027	-888,294
gsa+atel+gen+rdn+ezpd+ret	-73,604	-24,480	-90,779	48,846	93,742	-16,875	-90,798	-32,400	-50,640	-75,000	-57,580	-51,620	-421,188
with EFT	-9,004	-60,984	11,274	167,760	182,928	106,700	-36,096	148,801	-130,560	106,473	-142,080	-166,060	-331,396
with KEK	-15,556	-17,565	57,792	0	0	0	-20,951	-5,117	-19,730	-5,556	-5,231	-5,550	-37,464
EGL+ylliad	-9,031	-42,047	-251	42,177	56,549	28,337	80	145	6,512	0	-20,871	-2,976	58,624
htso+gen+mn+ex	0	0	0	0	0	13,371	-133	-14,464	-28,343	-30,349	-28,131	-68,821	-156,870
<b>Country need (prod+exchange)</b>	780,276	699,983	709,000	578,562	556,088	567,849	609,871	611,664	548,001	582,504	640,385	817,536	7,701,719
<b>Peak (MWh)</b>	1,385	1,389	1,293	1,116	1,001	1,028	1,038	1,079	1,034	1,090	1,204	1,455	1,455

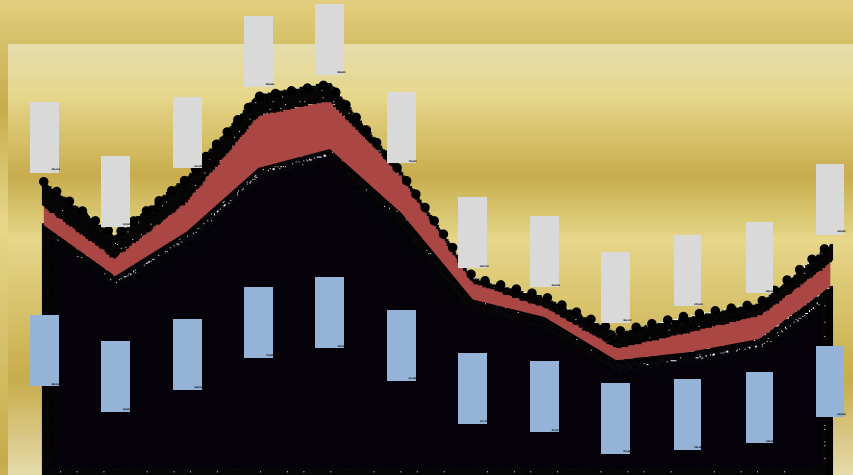
During 2013, total net electricity generation is as follows.

Total in 2013= 6,956 GWh in 2013



### NET ELECTRICITY GENERATION IN ALBANIA DURING 2013 (MWh)

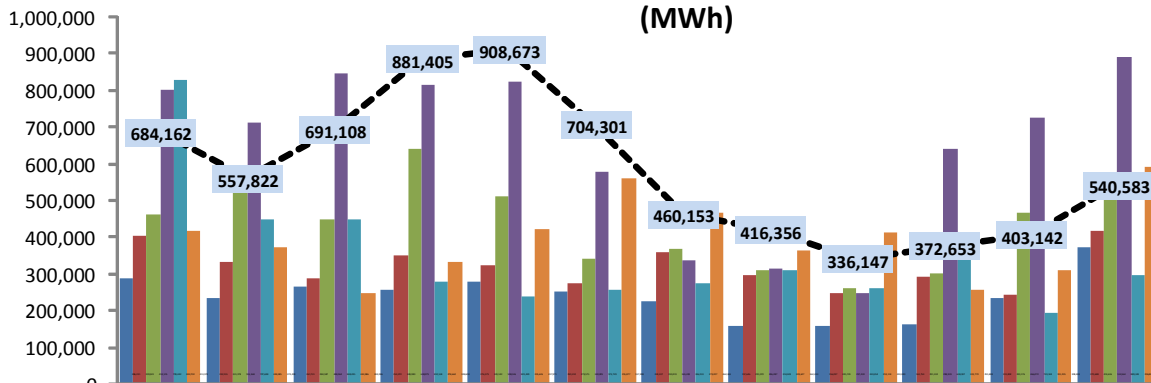
TOTAL 2013 6 956 507 MWh



	Janar	Shkurt	Mars	Prill	Maj	Qershorr	Korrik	Gusht	Shtator	Tetor	Nëntor	Dhjetor
TEC Vlora	-261	-269	-240	-241	-238	-223	-233	-230	-206	-226	-222	-229
HPP Ulëz-Shkopet, Bistrica 1 & 2 (with Kurum)	0	0	0	0	0	0	0	15,104	29,270	28,993	20,231	32,988
HPP Ulëz-Shkopet, Bistrica 1 & 2, Lanabregas (with KESH)	52,748	47,640	52,114	44,927	37,496	6,979	6,301	3,165	2,343	2,776	2,428	2,729
Total (HPP Private/Concession)	48,139	44,619	70,475	120,913	111,741	86,085	42,287	27,245	33,053	51,629	60,297	62,847
Neto Production KESH Gen.	583,537	465,832	568,760	715,806	759,674	611,460	411,798	371,072	271,687	289,480	320,408	442,248
NETO ELECTRICITY PRODUCTION IN ALBANIA 2013	684,162	557,822	691,108	881,405	908,673	704,301	460,153	416,356	336,147	372,653	403,142	540,583

Figure 3 Electricity Generation in 2013

### NET GENERATION DURING 2013 (COMPARED WITH THE 2007 - 2012 period) (MWh)



	1	2	3	4	5	6	7	8	9	10	11	12
2007	286,231	232,155	261,731	254,372	276,575	250,310	224,337	157,646	156,297	161,754	231,892	370,688
2008	399,941	331,178	284,587	348,989	323,142	273,575	359,219	295,570	245,741	291,332	239,176	413,636
2009	459,515	555,368	448,062	638,975	508,146	340,005	365,439	306,287	257,230	298,939	466,072	514,564
2010 (neto)	799,442	707,698	844,495	810,534	821,420	573,729	336,033	314,349	243,354	638,937	723,144	889,343
2011 (neto)	824,702	448,385	444,986	278,660	235,626	255,877	273,207	309,627	259,114	339,770	191,295	296,828
2012 (neto)	413,973	372,499	244,086	328,604	417,971	557,298	462,365	362,413	410,049	255,883	308,483	588,502
2013 (neto)	684,162	557,822	691,108	881,405	908,673	704,301	460,153	416,356	336,147	372,653	403,142	540,583

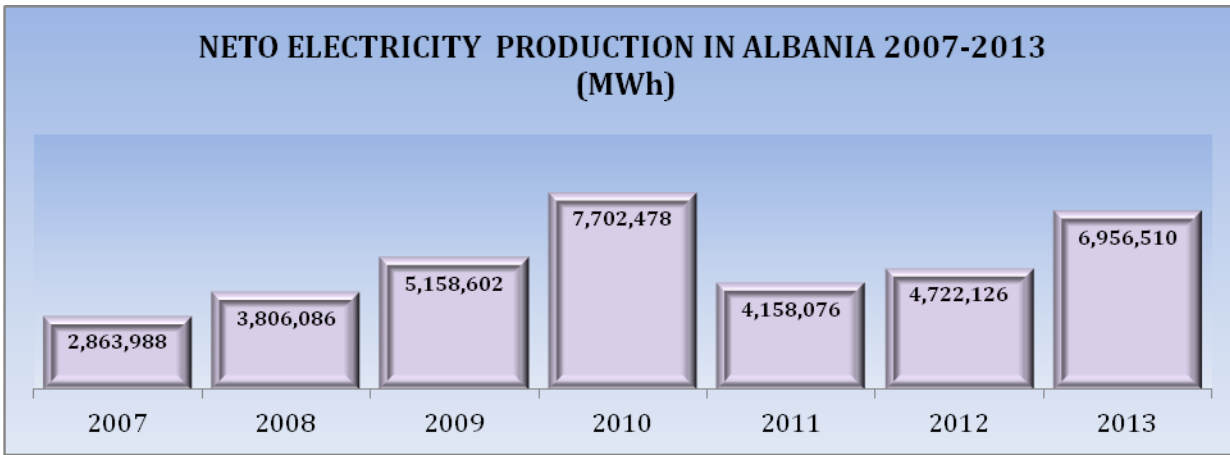


Figure 4 Comparison of Net Domestic Generation for 2007-2013 period

(Source TSO company)

As it can be seen from the graphs above, in analysing the history of electricity generation registered in the country, in 2013 it is recorded an electricity generation from domestic sources over the average level. Also, the security is estimated from the hydrological viewpoint.

Peak monthly generation for 2013 is registered on April with 881,405 MWh. This high generation is realized by hydropower plants in KESH company administration

Minimal month generation for 2013 is registered on September with 306.877 MWh

In the Picture -5 - is presented the electricity generation in the country during 1985 to 2013 period. As seen from the comparison with the results of the net domestic product shown above, the generation production for 2013 is 6,956 GWh, so a generation above the years average.

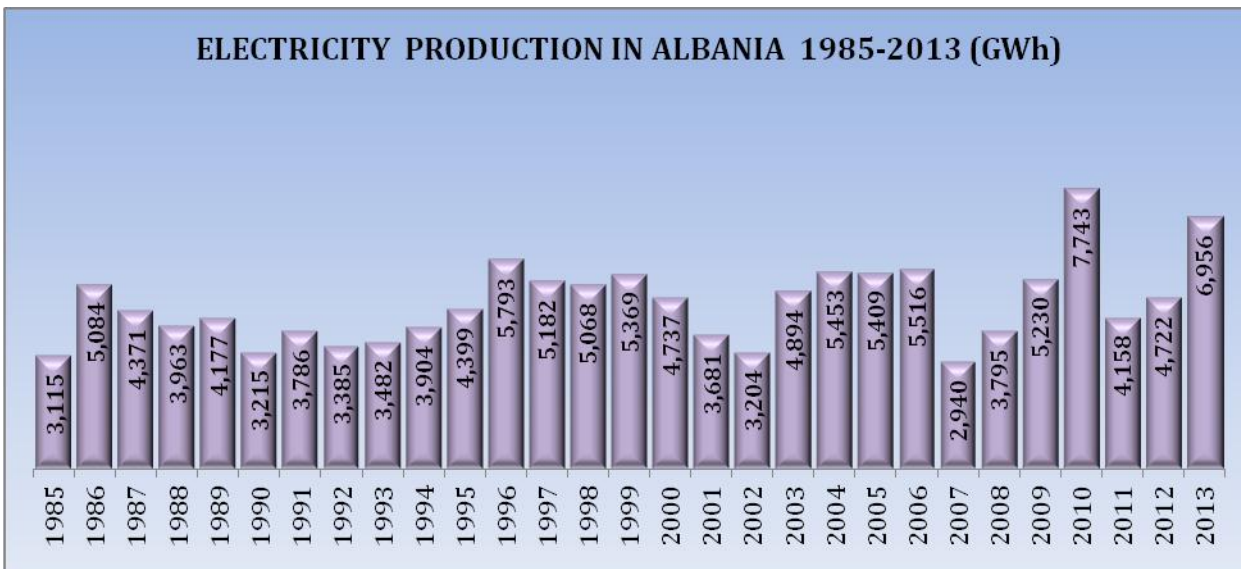


Figure 5 Generation of Electricity in Albania from 1985 to 2013.

(Source KESH, TSO company)

For 2007-2013 period, from the data management by public Operators ERE has identified in detail the data of electricity generation for every day of each year. From the comparison of

electricity generation during the period 2007 - 2013 are observed enormous differences. The lower annual generation during this period was that of 2007 to 2,918 million kWh or a daily average generation of 7.9 million kWh. While the largest annual generation is that of 2010 with 7,743.295 million kWh or an average daily generation of 21.2 million kWh.

As noticed the difference between these two extreme generations reaches 2.7 times. Such an indicator significantly expresses the high hydrological risk to the stability of electricity generation by the power systems supported only in the HPP-s

On table -3 - are shown the quantities produced by each hydro power plant, while in figure -6 - these parameters are presented graphically for Drin Cascade HPP-s.

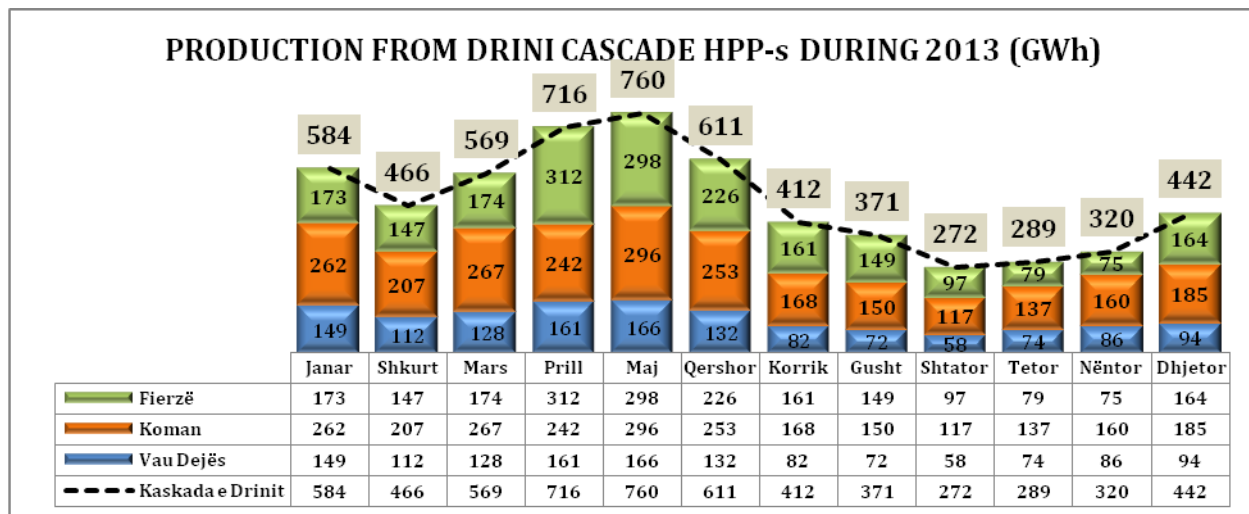
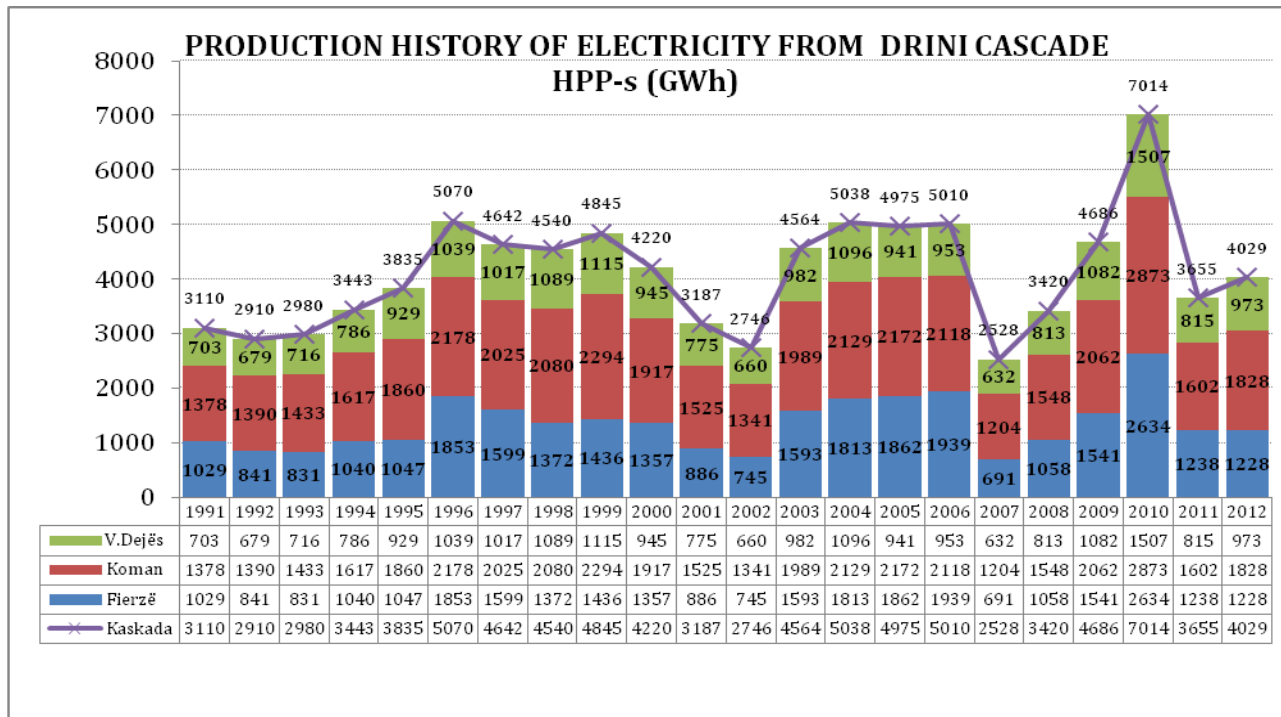


Figure 6 History of Electricity Generation from -Drin Cascade HPP



In the work of hydro-power-plant it is evidenced a high availability of all plants aggregates. There should be underlined that due to this availability it is made possible that only small amounts of water can flow without being first used for electricity. These flows result to have been inevitable and are done to maintain the dam safety parameters

Table 3 Flows from Drini Cascade HPP

	January	February	March	Aprile	May	June	July	August	September	October	November	December	2013
Flows from Fierza (milion m3)	0	0	0	118	17	6	0	0	0	0	0	0	141
Flows from Koman (milion m3)	0	0	281	778	369	74	0	0	0	0	0	0	1,502
Flows from Vau Dejes (milion m3)	0	0	553	559	232	67	0	0	0	0	0	0	1,411
Flows from Ulez (milion m3)	90	21	250	133	32	13	0	0	0	0	0	0	538

## 2.2 Criteria to Use the Hydropower reserve on the Drini River Cascade

As it is known Fierza HPP basin operates as an annual regulator of the hydro flows, which influences directly even in the utilization of Koman and Vau Deja HPP-s which are mainly supplied with water from the regulated flows of Fierza HPP.

Figures -7 - and -8 – it is presented graphically for each month the level of the water in meters, for Fierza reservoir compared with monthly historical average levels of water for the 1991-2013 period.

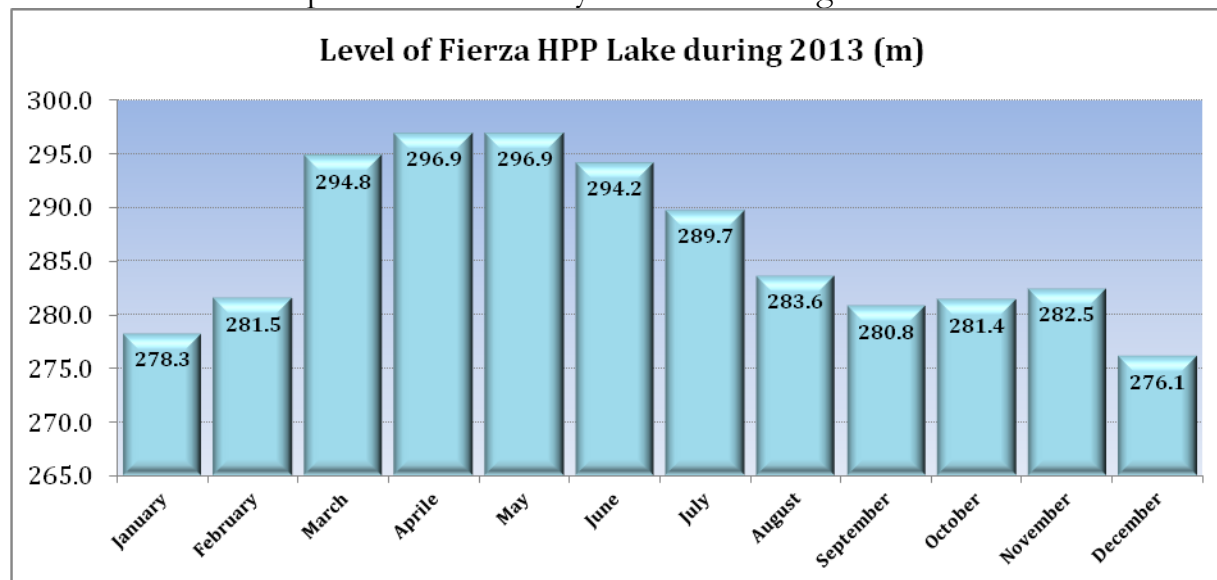


Figure 7 Level of Fierza Lake HPP during 2013 (m)

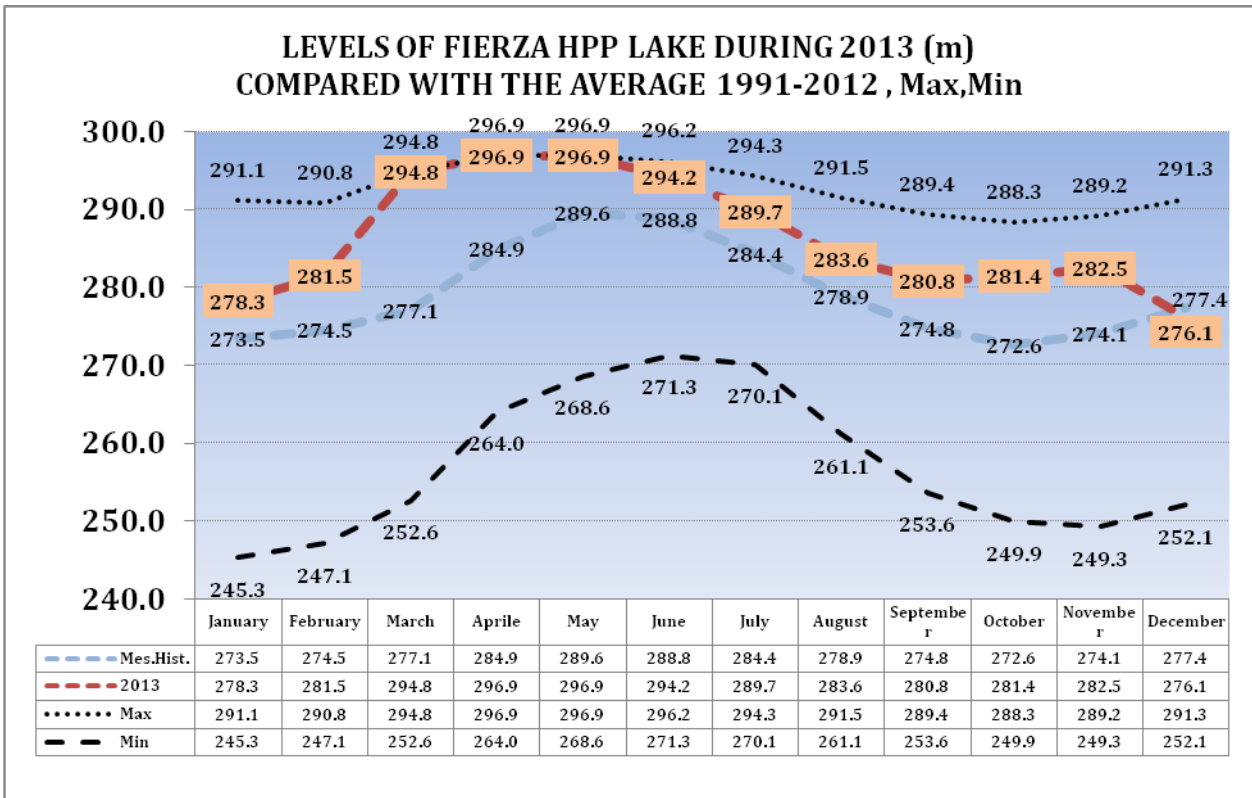


Figure 8 Comparison of Fierza Level with the historical average

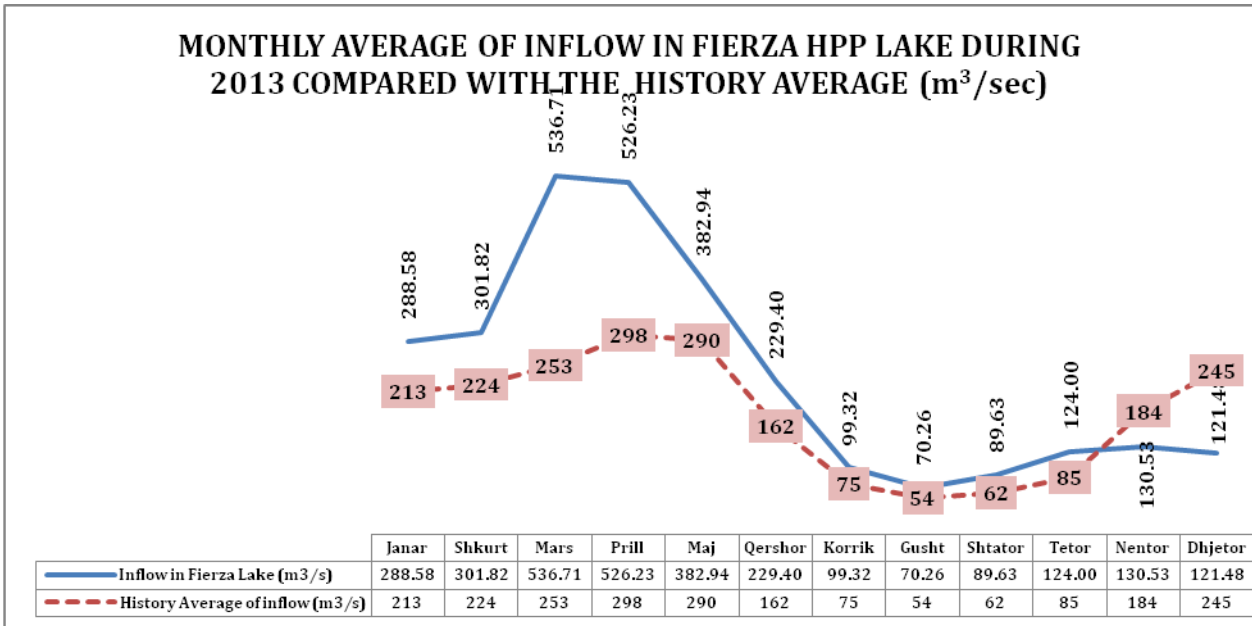


Figure 9 month flows in Fierza Lake HPP during 2013

(Source OST sb.a)

In the Picture -10 – graph it is presented the usage of hydropower reserves during 2013.

The criterias of hydropower reserves processing are almost analogous even with those of previous years, they are based on three fundamental principles of the Dam Utilisation Regulation, which consist in:

- Respecting the dams safety conditions.
- Optimal utilization of the hydropower reserve.

- Minimizing the floods effects

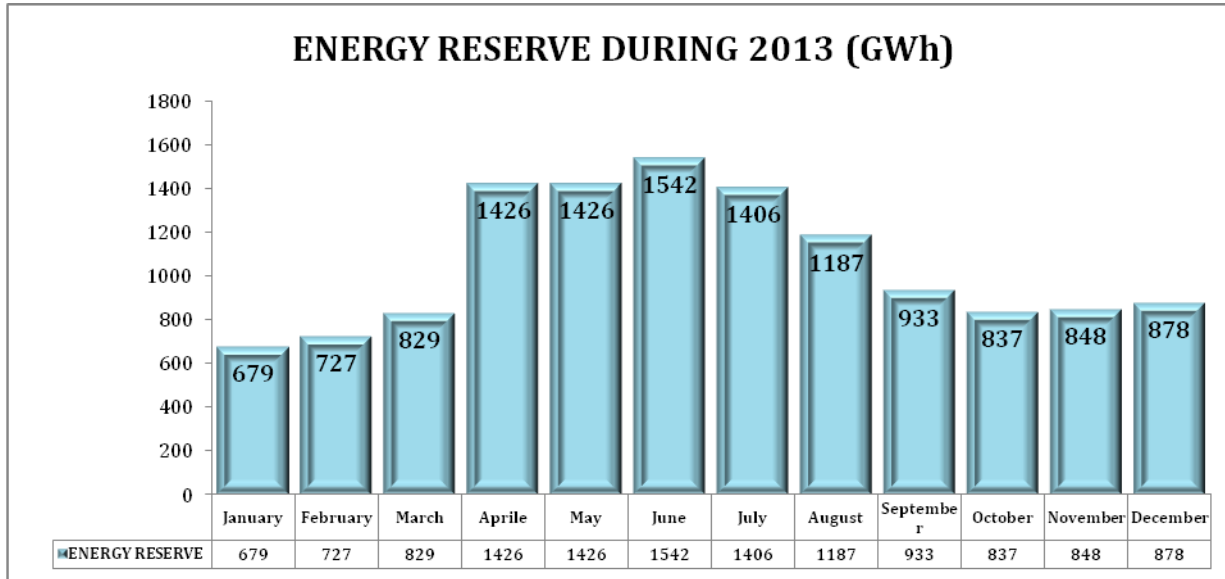


Figure 10 Energy Reserve of the Drini Cascade by the end of the months in 2011 and 2012

(Source OST sh.a)

### 2.3 The situation in Vlora TPP

During 2013 there was no electricity generated from Vlora TPP . This TPP was expected to be set into work during 2011, but due to technical problems encountered during the testings it was delayed the setting into work of this source.

### 2.4 Generation from Private/Electricity Concession HPP-s

The generation and capacities of Private and concession HPP-s are summarized on Table - 5 -. During 2013, 80 hydro plants have generated electricity, with total installed capacity of about 240 MW from which 44 MW represent the HPP-s that have started generation in 2013. The overall generation for 2013 from private /concession generators was 759 GWh or 11.1% of the total net domestic generation in 2013.

In the second half of 2013 we have the separation of Ulez, Shkopet and Bistrice 1, 2 HPP-s from public generator KESH company. During the second half of 2013 these HPPs are administered by Kurum International company and have realized a generation of about 126 GWh under the administration of Kurum International company.

In table -4 – it is presented annual electricity generation of the HPP-s that are set in generation in 2013.

Table 4 Generation from HPP-s that have started generation during 2013

PRIVATE/CONCESION HPP BEGINNING TO PRODUCE DURING 2013															
	KAPACITETI (MW)	Tensioni (kV)	January	February	March	April	May	June	July	August	September	October	November	December	2013
HPP Pobreg	2.00	35kV						4,601	1,525	259	976	2,332	1,891	2,104	13,687
HPP Koka 1	2.10	35kV						3,556	135	121	214	195	259	243	4,723
HPP Bele 1, 2 (Kukës)	30.70	110kV			8	1,458	5,622	6,852	3,986	341	1,599	4,834	5,063	5,574	35,336
HPP Kaskada Cerruje	12.60	110kV				284	1,712	561	(4)	(3)	313	341	218	223	3,645
HPP Rrapuni	4.00	110kV						56	580	471	1,343	2,912	2,782	2,394	10,538
HPP Lurë (Dibër)	0.75	10kV					130	283	93	0	149	0	47	84	785
HPP Mollaj (Korçë)	0.32	10kV				338	67	0	0	0	49	0	34	160	648
HPP Kryezi	1.20	10kV				565	256	250	0	0	0	246	236	166	1,720
HPP Mguil	0.40	10kV						55	0	0	0	156	0	152	364
HPP Gjanci (Korçë)	2.96	35 kV		600	1,210	1,840	1,043	744	951	1,696	1,159	0	0	1,348	10,591
HPP Tucep (Bulqizë)	0.40	10kV						57	41	0	73	89	97	97	454

Table 5 Electricity generation from Private/Concession Companies for 2013

PRIVATE/CONCESION HPP-s 2013				
	Hydro Power Plant	Capacity Kw	Production MWh 2013	Company
	<i>Are set into operation until December 2011</i>			
1	Lenie HPP 400 kW	400	2,832	EMIKEL 2003 company
2	Çorovode HPP 200 kW	200	842	
3	Smokthine HPP 9,2 MW	9,200	36,295	
4	Bulqize, Bulqize HPP 600 Kw	600	1,666	Albania Green Energy company
5	Homesh, Bulqize HPP 330kw	330	723	
6	Zerqan, Bulqize HPP 630kw	630	1,443	
7	Arras, Diber HPP 4800	4,800	14,640	
8	Orgjost, Kukes HPP 1200 kw	1,200	4,251	
9	Lekbibaj, Tropoje HPP 1400kw	1,400	5,953	
10	Dukagjin, Shkoder HPP 640kw	640	1,820	
11	Marjan, Korce HPP 200kw	200	433	
12	Lozhan, Korce HPP 100kw	100	321	
13	Barmash, Kolonje HPP 630kw	630	1,523	
14	Treske 2, Korce HPP 250kw	250	708	
15	Nikolice, Korce HPP 700 kw	700	1,827	
16	Funarras, Librazhd HPP 1920kw	1,920	6,726	
17	Lunik, Librazhd, HPP 200kw	200	1,225	
18	Kerpice, Gramsh HPP 420kw	420	1,012	
19	Ujanik, Skrapar HPP 630kw	630	1,612	
20	Borsh, Sarande HPP 250kw	250	1,063	
21	Leshnice, Sarande HPP 380kw	380	243	
22	Velcan, Korce HPP 1200kw	1,200	2,804	
23	Muhur, Diber HPP 250kw	250	1,041	
24	Rajan, Kolonje HPP 1020kw	1,020	2,775	
25	Bogove HPP 2500 kW	2,500	9,904	Wonder power company
26	Xhyre HPP 250 kW	250	2,315	Amal company
27	Stranik HPP 1.6 MW	1,600	13,678	Hidroinvest 1 company
28	Zall Tore HPP 2.6 MW	2,600		
29	Cernaleve HPP 2.95 MW	2,950	15,272	Hidro Albania Energy company
30	Bishnica II HPP 2.5 MW	2,500	11,336	Bishnica II HPP 2.5 MW
31	Dishnice HPP 0.2 MW	200	607	"Dishnica Energy" company
32	Lubonje HPP 0.3 Mw	300	503	Elektro Lubonje" company
33	Labinot –Mal –Elbasan HPP 0.25 MW	250	311	"Ansara Koncesion" company
34	FAQE KUQ 1 and 2 HPP-s, capacities 3 and 3.4 MW	6,400	19,376	OSTROVICA HPP

35	Gizavesh HPP	500	2,135	Dosku-Energy company
36	"Carshove" HPP 1.5 Mw	1,500	3,226	ERMA MP
37	"Picar 1" HPP 0,2 MW	200	740	Peshku Picar 1
38	"Qafezeze" HPP 0,4 MW	400	1,460	Caushi Energji
39	"TUCEP 2" HPP 1,7 MW	1,700	0	DUKA T2
40	Shpelle HPP 117 kW	117	1,183	sarolli company
41	Rehove HPP 100 kW	100	0	Projeksion Energji company
42	Treska 1 HPP 130 kW	130	0	
43	Bicaj HPP 3,1 MW	3,100	107	EN-KU
44	Leskovik 1 HPP 1072 kW	1,072	1,128	maksi Elektrik company

### Set into work during 2012

1	Ashta HPP capacity 45 MW	45,000	211,190	Energji Ashta company
2	Sllabinje HPP capacity 13,8 MW	13,800	37,654	Power Elektrik Sllabinje company
3	Dardhe HPP 5,8 MW	5,800	15,764	"Wenerg "company
4	Peshke HPP capacity 3.43 MW	3,430	11,980	"Koka & Ergi Energy Peshk" company
5	-Klos HPP capacity 2.6 Mw	2,600	4,457	Malido Energy
6	- Belesova HPP capacity 1 0.150 MW	150	249	"Korkis 2009" company
7	- Selisht HPP capacity 2 MW	2,000	2,886	Selisht
8	"Martanesh" HPP capacity 10,5 MW	10,500	12,479	Albanian Power
9	"Verba 1" HPP capacity 2 MW	2,000	5,404	Hydro power Plant Of Korca
10	"Fterra" HPP capacity 1,08 MW	1,080	13,842	Hidro Borshi
11	"Fterra 2" HPP capacity 2 MW	2,000		
12	"Llapaj" HPP capacity 13,62 MW	13,620	43,179	Gjo.Spa.POWER
13	"Lura 1" HPP capacity 6,54 MW	6,540	53,296	Erdat Lura
14	Lura 2" HPP capacity 4,02 MW	4,020		
15	Lura 3" HPP capacity 5,66 MW	5,660		
16	" Kumbull- Merkurth" HPP capacity 0.83 MW	830	1,822	DN& NAT Energy
<b>TOTAL</b>		<b>119,030</b>	<b>414,201</b>	

### Set into work during 2013

1	Lure, Diber HPP capacity 750kw	750	785	Balkan Green Energy
2	Gjanç HPP capacity 3700 kW	3,700	10,591	Spahiu Gjanç company
3	Rapuni I HPP capacity 4 MW	4,000	10,538	C & S Construction Energy company
4	Pobreg HPP capacity 9 MW	12,300	13,687	"Energy Plus" company
5	-Cerunje1 HPP capacity 2.3 MW;	2,300	3,645	
6	-Bele 1 HPP capacity 5Mw	5,000	35,336	
7	- Bele 2 HPP capacity 11 MW	11,000		
8	-Mgulle HPP capacity 0.28 MW	280	364	Erald Energjitik
9	- Kryezi 1 HPP capacity 0.6 Mw	600	1,720	Bekim Energjitik
10	"Koka 1" HPP capacity 3,2 MW	3,200	4,723	Snow Energy
11	"Mollaj" HPP capacity 0,6 MW	600	648	Energji Xhaci
12	"Tucep" HPP capacity 0,4 MW	400	454	Tucep
<b>TOTAL</b>		<b>44,130</b>	<b>82,492</b>	

**TOTAL HPP Priv/Conc 2013 240,644 759,330**

### HPP-s that have generated for KESH sh.a during 2013

"Ulez" HPP capacity 24 MW	24,000	81,232	Ulez-Shkopet HPP
"Shkopet" HPP capacity 24 MW	24,000	63,344	
"Lanabregas" HPP 5 MW	5,000	33,943	Lanabregas HPP
"Bistrica 1" HPP capacity 22,5 MW	22,500	60,162	Bstrica 1,2 HPP
"Bistrica 2" HPP capacity 5 MW	5,000	22,968	
<b>TOTAL</b>	<b>80,500</b>	<b>261,649</b>	

### HPP-s that have generated for during 2013 (August-December)

"Ulez 24 capacity MW	24,000	126,586
"Shkopet" HPP capacity 24 MW	24,000	
"Bistrica 1" HPP capacity 22,5 MW	22,500	

"Bistrica 2" HPP capacity 5 MW	5,000	
<b>TOTAL</b>	75,500	126,586

(Source ERE)

In the chart below picture -11- it is presented the generation performance from small private or given with concession HPP-s (up to 15 MW) and Ashta HPP during 2004-2013 period. Taking into consideration that the maximum generation for 2010 except the increasing of the installed capacities was largely influenced by favorable hydro conditions, from the chart we noticed high generation increasing temps from HPP-s given with concession especially over 2008-2013 period. A significant increase was observed during 2013 were the generation from these HPPs was 2.5 times higher compared with the previous year. Significant contribution in this increased generation has Ashta HPP, which in 2013 generated 211 GWh or 28% of the total generation by these HPP-s.

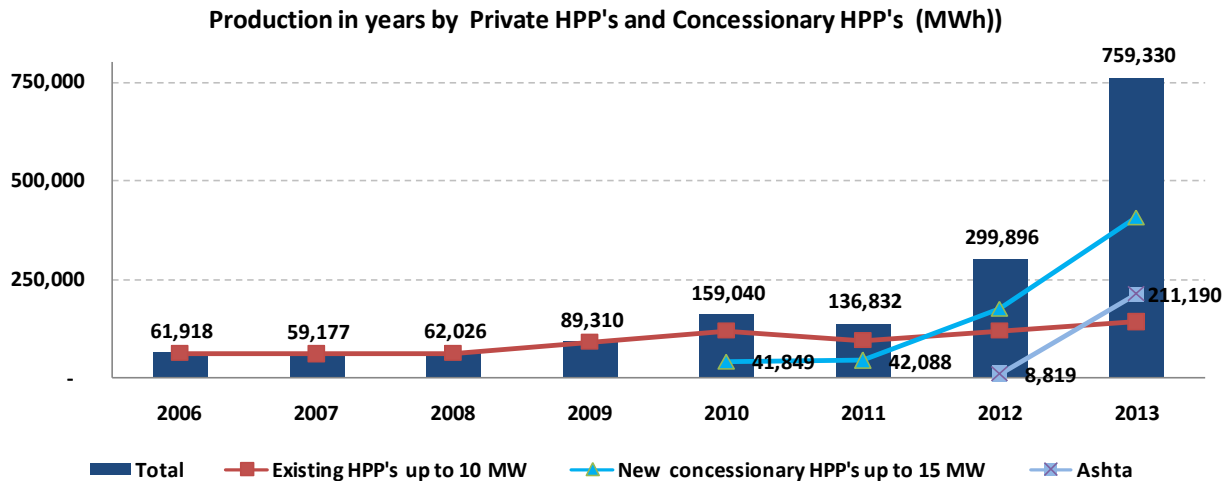


Figure 11 Generation performance from private and small HPPs given with concession

(Source ERE)

In chart below picture -12 - are presented the obligations of the Wholesale Public Supplier to private companies for electricity sold to KESH company which since 2012 is increased to over 2.5 billion ALL and for 2013 has reached 6.6 billion ALL.

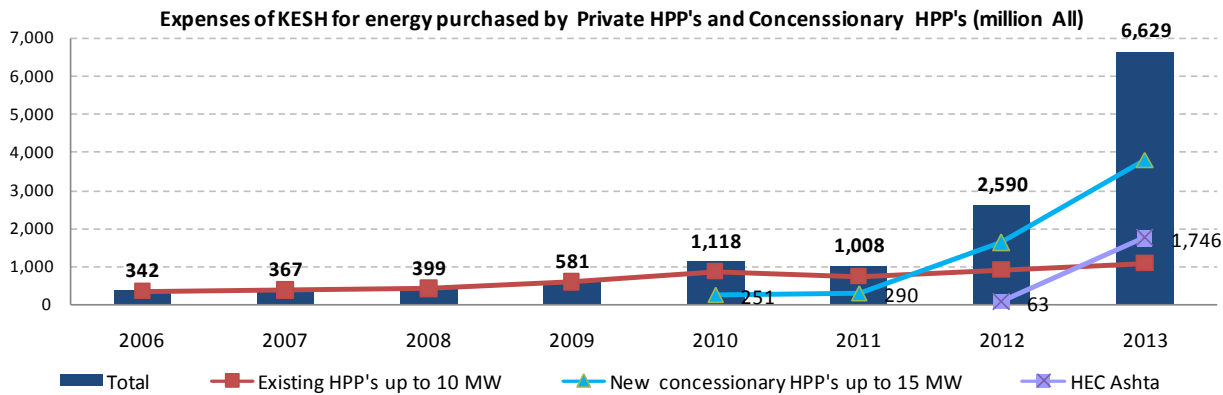


Figure 12 KESH company obligations to Private companies for Electricity

(Source KESH company)

The prices for electricity generation purchase from WPS by new concession constructed HPP, based on the methodology for defining them in this category, are based on import prices realized from KESH company a year ago. Starting from 2010, due to an increase price of electricity import realized by KESH and CEZ Shperndarje companies, these prices have been increasing. According to ERE-s Decision no. 161, on 07.12.2012, the prices for new HPP-s with concession for 2013 were the same as those of 2012, 9.3 ALL/ kWh level.

For the existing privatized or given with concession HPP-s, based on price valuation according to these HPP-s methodology the prices for electricity generation purchase by the WPS for 2010-2013 period, did not present significant fluctuations. In 2013, in implementation of Decision 161, on 07.12.2012, the price was the same as in 2012 7.77 ALL/ kWh. The price difference between these two groups is a result of two different methodologies application: for the private HPP with old concession, calculation base is the average price of the tariff customers for the respective year, while for new concessions HPP-s the basis of the calculation is the price of imports and the exchange rate for the previous year as determined in Council of Ministers Decision No.27 of 19.01.2007 "on the rules for granting concessions" as amended.

Figure -13 – is presented the progression of HPP prices with capacity up to 15MW, during 2004-2013 period.

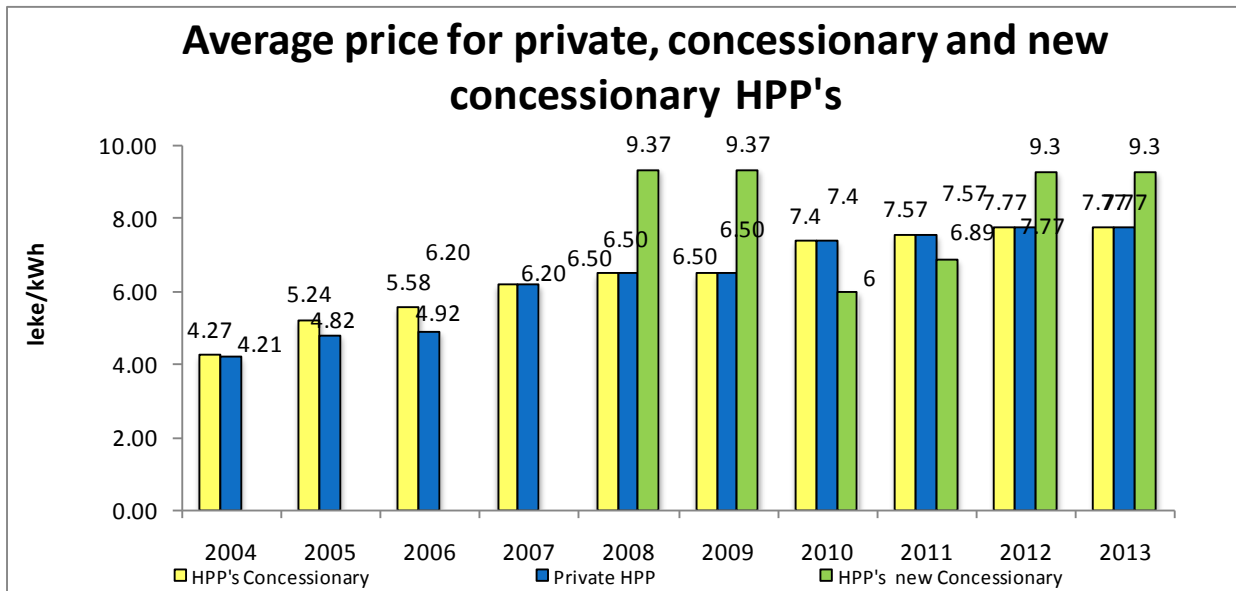


Figure 13 Prices of purchasing buying electricity by FPSH from the Private, with Concession, and New Concession HPP-s

(Source ERE)

## 2.5 Electricity Generation Efficiency

As evidenced even in other years electricity generation of our power system is estimated by analysis of the main indicators presented below:

1. Ability of electricity accumulation in the form of potential hydroenergetic reserves,
2. Ability to regulate flows annually,
3. Optimization of electricity generation combination with the import.
4. Higher flexibility to load, that allows to easily cover the peak load,
5. Highlighted dependence of electricity generation from hydrological weather conditions.
6. Water discharges from reservoirs.
7. Relatively larger investments for their construction and longer time for completion and introduction of the object for utilisation in comparison with TPP-s
8. Smaller expenses for utilisation and maintenance.

Table 6 Electricity market Indicators

NAME	YEAR											
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERATION (GWh)	3,204	4,974	5,467	5,409	5,516	2,933	3,770	5,201	7,702	4,158	4,725	6,959
IMPORT FROM KESH & CEZ (GWh)	2,072	937	567	365	633	2,828	2,417	1,884	1,911	3,262	2,538	1,424
AVERAGE PRICE FOR IMPORT (Euro/MWh)	30.18	30.15	35.57	40.04	47.81	69.00	79.00	48.69	45.50	60.49	63.63	51.51
IMPORT VALUE BY KESH & CEZ (million Euro)	62.53	28.26	20.17	14.63	30.25	195.13	190.94	91.74	86.95	197.34	161.52	73.36
SUPPLY (GWh)	5,430	5,900	5,945	5,933	6,121	5,719	6,300	6,593	6,970	7,342	7,617	7,961



In the electricity supply figure is presented a summary of all the electricity amounts used, or the total consumption in the country.

Regarding point 6, discharges of water without passing to the turbines from the Drini Cascade basins for several years are as follows:

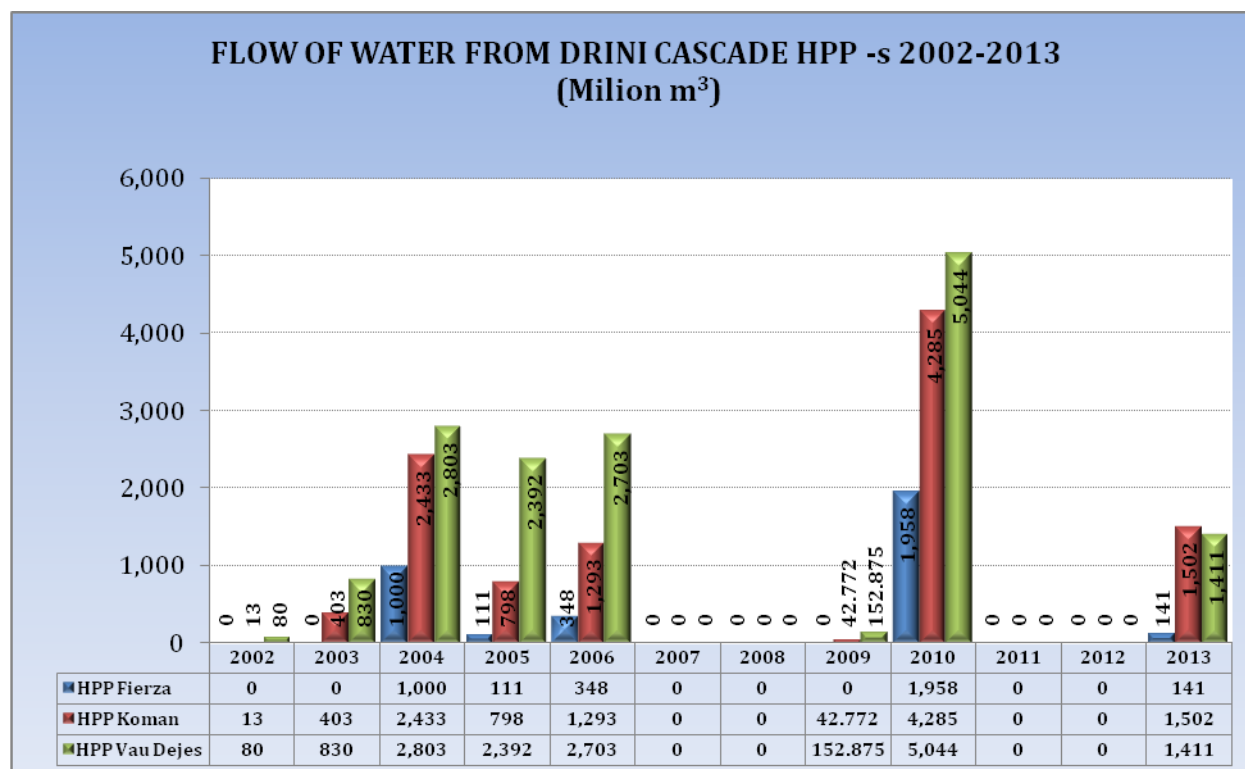


Figure 14 Water discharges from Drini Cascade HPP-s (2002-2013)

(Source OST company)

During 2013 are noticed not too big water discharges realized for dam safety in terms of increasing the lakes level.

On Figure -14 - are graphically presented the water discharges from Drin River Cascade HPP-s, for each year of the period 2002-2013.

Exports or sales with market prices from KESH sh.a are realized from March to June 2013 with the total amount 952,899 MWh based on the regulation of Drini River Cascade utilization in the respective months.

## 3. Electricity Transmission

### 3.1 Transmission System Operator

The activity of electricity transmission performed by the Transmission System Operator (TSO), a public company with 100% state-owned shares. TSO company was created in 2004, as a result of the reform and the separation of the Albanian Power Corporation, a vertically organized corporation to perform the electricity generation, transmission and distribution operations, in three separate companies.

Pursuant to the Law No.9072 "On Power Sector", as amended, TSO company performs the functions of Transmission System Operator, Dispatcher System Operator and Market Operator

TSO company provides transmission capacity necessary to: (i) uninterrupted electricity supply to the distribution system substations (CEZ Shperndarje) and electricity customers that are directly connected to the transmission network, (ii) the transmission of electricity generated from country's resources, (iii) and for transit and necessary exchanges with other countries in the region.

In this context it develops the transmission system in accordance with the long-term requirements for electricity supply, with the plans of developing new sources of energy and coordinating the development of the interconnection grid with neighboring countries.

TSO company dispatches the power system by managing the electricity flows in the system taking into account the realization of all ancillary services related to sustainability of the system as well as exchanges with other systems.

An important role is that of electricity market Operator, whose functions are expanded gradually with the steps taken for the creation and consolidation of a free and competitive electricity market in the region.

#### 3.1.1 Assets and Development of Transmission System

The electricity transmission system includes the set of electric lines, substations and other installations (compensation tools, etc.), from 110 kV to 400 kV voltage, used for electricity transmission and international interconnection.

The main electricity grid consists of transmission lines with 220 kV voltage connecting the main sources of electricity generation (Drin cascade in the North of the country) with the major centers of consumption (mainly in the central part). The grid lines with 110 kV voltage, also has an extension in all urban areas of the country and supplies 110/TM kV (TM Medium Voltage) substations, belonging to the distribution system. The grid with 400 kV voltage is recently developed, especially through interconnection lines with neighboring countries.

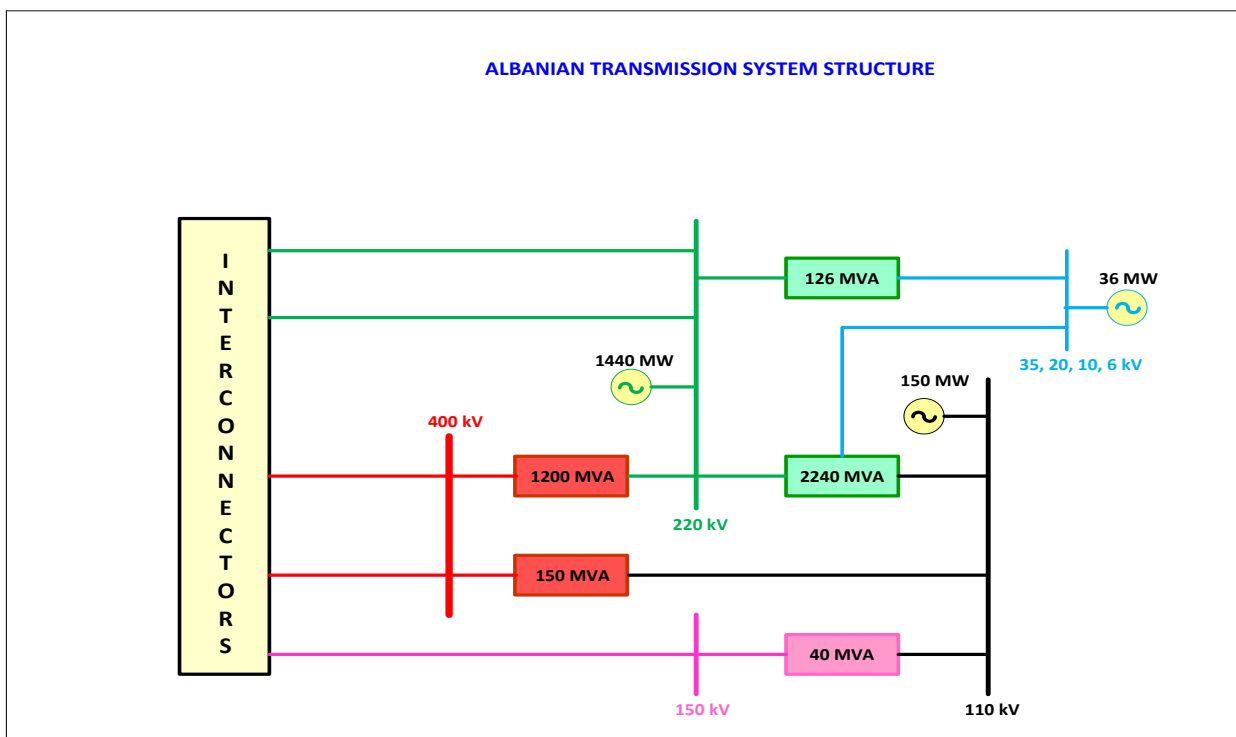
The lengths of the lines of the transmission system according to the voltage level are as follows:

- Transmission lines 400 kV 293.6 km
- Transmission lines 220 kV 1145.5 km
- Transmission lines 150 kV 34.4 km
- Transmission lines 110 kV 1349.5 km

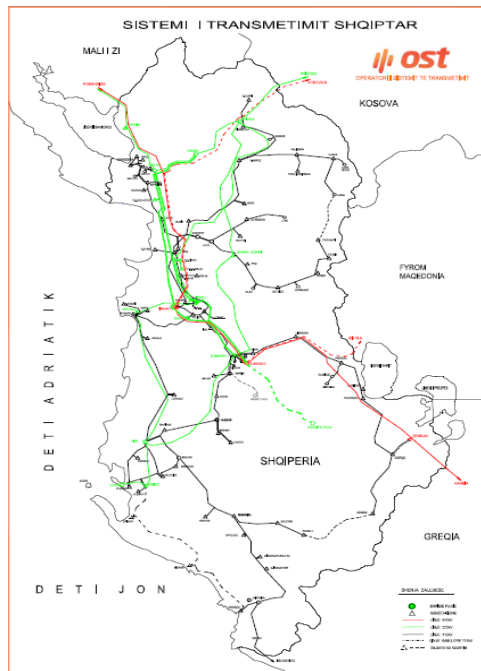
Within the above lines are included interconnection lines with neighboring countries:

- The interconnection line 220 kV Fierze (Albania – Prizren (Kosovo))
- The interconnection line 220 kV Koplik (Albania) – Podgorice (Montenegro)
- The interconnection line 400 kV Zemblak (Albania) – Kardia (Greece)
- The interconnection line 400 kV Tirane (Albania) – Podgoricë (Montenegro)
- Also functions a line with voltage 150 kV between Albania and Greece

Exchange capacity with neighboring countries is sufficient to realize the necessary exchanges and transit required at any time.



TSO company has in administration 14 transforming substations with a total capacity of 3756 MVA. The Main substations are those with 220/110 kV capacity near major cities with installed capacity 2,240 MW and transformation substations of 400/220 kV that connect the internal grid 220 kV with the interconnection grid 400 kV with installed capacity of 1200 MVA. There are two substations 400/220 kV: substation Tirana 2 and substation Elbasan 2, each of them with an installed capacity of 2x300 MVA.



Construction of 220 and 110 kV lines that make up the main part of electricity transmission system started 30-60 years before . As consequence of the long time in service, the difficult terrain were these lines cross and the work in aggravated conditions, are observed the piles, conductors, etc amortisations.

A negative phenomenon, shown during the last 20 years is damaging of the lines with firearms and particularly illegal constructions down and in the supporting area of the track lines.

Track lines near residential areas are being occupied more and more by illegal constructions that threaten the life of people who live under and prevents the ability for overhauls and repairs

### 3.1.2 TSO company activity

Electricity balance transmitted from TSO company

In the table it is given the electricity balance of TSO company for 2013 (GWh) and the expectations for 2014.

Table 7 Electricity Balance of TSO company for 2013 (GWh) and the expectations for 2014

No.	Electricity Balance of OST sh.a (GWh)	FACT 2013	EXPECTED FOR 2014
<b>I</b>	<b>TOTAL ELECTRICITY IN THE TRANSMISSION SYSTEM</b>	<b>9,035</b>	<b>7,849</b>
1	- Domestic generation	6,712	4,638
2	- Obtained Energy (gross imports)	2,323	3,211
<b>II</b>	<b>TOTAL TRANSMITTED ELECTRICITY</b>	<b>8,825</b>	<b>7,654</b>
1	- Energy Award (gross exports )	1,425	

2	- Electricity transmitted for CEZ Shperndarje sh.a .	6,797	6,969
3	- Electricity transmitted for qualified customers	603	685
<b>III</b>	<b>LOSSES IN THE TRANSMISSION SYSTEM</b>	<b>210</b>	<b>196</b>
		2.3 %	2.5%

In total, it is expected that gross consumption for 2014 to be 7.85 TWh .

The way to cover the expected request of 7.85 TWh, was made based on many years experience, considering the cascade flows with a certainty of 75%, Fierza lake level (as expected) at the beginning of the year , generation number and volume of possible modest increase of the PPE-s and small plants connected with the distribution grid , and of course the biggest part of the increased request is 'charged ' to electricity import spread throughout the year. It is also taken attention to optimize Drin cascade, maintaining the quota in Fierza therefore generating efficiency, and to begin the next year with a price and optimal energy reserve to meet electricity request.

In the process of determining the domestic generation and imports, TSO company has given to KESH the appropriate suggestions and has precisely performed the electricity transmission according to the defined programmes, operating with a large number of market operators, from which KESH and TSO company purchase the necessary electricity from the imports.

## Financial evaluations

In detail on Table No.8 is provided the information about the incomes and expenses

Table 8 The Incomes, Expenses and Financial Result

<b>INCOMES, EXPENSES AND FINANCIAL RESULTS (in million ALL)</b>			
<b>I n d i c a t o r s</b>	<b>The Programme for 2013</b>	<b>The expected for 2013</b>	<b>The Programme for 2014</b>
<b>Total incomes</b>	<b>5,154</b>	<b>5,418</b>	<b>5,560</b>
<b>By electricity transmission</b>	<b>4,684</b>	<b>4,883</b>	<b>4,975</b>
<b>By the allocation of transmission capacity</b>	<b>440</b>	<b>510</b>	<b>560</b>
<b>Others</b>	<b>30</b>	<b>25</b>	<b>25</b>
<b>Total expenses</b>	<b>3,192</b>	<b>3,355</b>	<b>3,963</b>
<b>Staff</b>	<b>878</b>	<b>744</b>	<b>976</b>
<b>Raw materials</b>	<b>110</b>	<b>81</b>	<b>110</b>
<b>Suppliers and Services</b>	<b>346</b>	<b>300</b>	<b>470</b>
<b>CBT Payment</b>	<b>350</b>	<b>212</b>	<b>350</b>
<b>Damage expropriation compensation</b>			
<b>Amortization</b>	<b>1,100</b>	<b>1,611</b>	<b>1,620</b>
<b>Interest payment</b>	<b>200</b>	<b>200</b>	<b>241</b>
<b>Purchasing the losses</b>	<b>208</b>	<b>208</b>	<b>196</b>
<b>Gross financial result</b>	<b>1,963</b>	<b>2,063</b>	<b>1,597</b>

<b>Net financial result</b>	<b>1,766</b>	<b>1,856</b>	<b>1,437</b>
<b>Investments with its own funds</b>	<b>2,163</b>	<b>848</b>	<b>2,306</b>
<b>by the procurement</b>	<b>1,626</b>	<b>621</b>	<b>2,040</b>
<b>Local payments</b>	<b>370</b>	<b>71</b>	<b>266</b>
<b>Loan financing</b>	<b>167</b>	<b>156</b>	<b>-</b>
<b>Foreign funds investments</b>	<b>4,500</b>	<b>2,812</b>	<b>3,336</b>

## Transmission Tariff

TSO company applies the transmission tariff according to the price approved by ERE, for the use of the transmission system by the Market Participants.

Relations between TSO company and the market participants are made based on the Market Rules and the standard contract between TSO company and the Traders or Suppliers. Transmitted electricity invoicing is made on monthly invoices, based on data obtained from the measuring system of TSO company.

On table no. 9 it is presented a summary of Market Participants consumption for 2013, while in Table no. 10 there is a summary of all invoices for the transmission service issued by TSO company for the January - December 2013 period.

Table 9 Consumption for Transmission Invoices for 2013

	CEZ Spherndarje	Qualified Customer	Total
Year 2013	MWh	MWh	MWh
<b>January</b>	<b>708,496</b>	<b>38,435</b>	<b>746,931</b>
<b>Fabruary</b>	<b>632,726</b>	<b>38,307</b>	<b>671,032</b>
<b>March</b>	<b>632,792</b>	<b>43,477</b>	<b>676,269</b>
<b>April</b>	<b>500,466</b>	<b>47,364</b>	<b>647,830</b>
<b>May</b>	<b>464,702</b>	<b>60,751</b>	<b>525,433</b>
<b>June</b>	<b>474,966</b>	<b>67,689</b>	<b>542,656</b>
<b>July</b>	<b>526,006</b>	<b>60,874</b>	<b>586,880</b>
<b>August</b>	<b>551,711</b>	<b>38,227</b>	<b>589,939</b>
<b>September</b>	<b>479,861</b>	<b>53,186</b>	<b>533,047</b>
<b>October</b>	<b>513,688</b>	<b>51,869</b>	<b>565,556</b>
<b>November</b>	<b>565,654</b>	<b>55,785</b>	<b>621,438</b>

<b>December</b>	<b>746,429</b>	<b>47,009</b>	<b>793,438</b>
<b>Total</b>	<b>6,797,497</b>	<b>602,973</b>	<b>7,400,470</b>

Table 10 Table of Revenues from the Qualified Supplier (Transmission Tariff)

	CEZ Shperndarje	Qualified Client	Total
Year 2013	<b>Mlek</b>	<b>Mlek</b>	<b>Mlek</b>
<b>January</b>	<b>460.522</b>	<b>24.983</b>	<b>485.505</b>
<b>Fabruary</b>	<b>411.272</b>	<b>24.899</b>	<b>436.171</b>
<b>March</b>	<b>411.315</b>	<b>28.260</b>	<b>439.575</b>
<b>April</b>	<b>325.303</b>	<b>30.786</b>	<b>356.090</b>
<b>May</b>	<b>302.056</b>	<b>39.488</b>	<b>341.545</b>
<b>June</b>	<b>308.728</b>	<b>43.998</b>	<b>352.726</b>
<b>July</b>	<b>341.904</b>	<b>39.568</b>	<b>381.472</b>
<b>August</b>	<b>358.612</b>	<b>24.848</b>	<b>383.460</b>
<b>September</b>	<b>311.910</b>	<b>34.571</b>	<b>346.480</b>
<b>October</b>	<b>333.897</b>	<b>33.715</b>	<b>367.612</b>
<b>Novemeber</b>	<b>367.675</b>	<b>36.260</b>	<b>403.935</b>
<b>December</b>	<b>485.179</b>	<b>30.556</b>	<b>515.735</b>
<b>Total</b>	<b>4,418.3728</b>	<b>391.9324</b>	<b>4,810.3052</b>

### Primary Investments for Transmission System Development

Development of the transmission grid in accordance with long-term expectations and development plans of the power sector as a whole is one of the basic functions of TSO company and is a necessity for performing its functions. On the recent years are set into operation main projects that have increased the stability of the power system operation, exchange capacity with neighboring countries and the quality of service to transmission system customers. While other important projects are in a implementation phase. TSO company has a clear medium-term plan to develop the transmission system.

### Projects in implementation stage

**Construction of the new National Dispatch Center**

New control system SCADA/EMS of the National Dispatch Centre" is one of the most important projects of the Transmission System Operator. The Central unit of the new SCADA/EMS and the facilities for its usage, temporarily set in the control room of Tirana 2, 400 kV substation. This project is extremely complex and involves:

### **Telecommunications System**

where it is included the extension of about 450 km Optical fiber (OPGW) and other telecommunications equipments such as RTU, PLC, MUX, PABX, which realize the data receive for SCADA and EMS systems from Transmission System Substations, Kesh company Plants and main substations of CEZ Shperndarje .

### **SCADA System**

with the functions of data Collection, events processing, data calculation, monitoring the limited parameters, reporting, distance control, etc.

### **Energy Management System (EMS)**

with the functions of providing the load, hydro reserve management, generator engagement, transactions evaluation, evaluating the situation, calculating the capacity flows, uncertainty analysis, etc.

### **Automatic generator control (AGC)**

Drini cascade, for power-frequency control and maintaing the exchange balance with the neighbors.

### **New Dispatch Center building and TSO**

#### **Strengthening the 110 kV Transmission Grid of Southern Albania**

Includes the construction of:

110 kV double line Vlora - Saranda, about 105 km long

110 kV line Ersekë - Përmet, about 55 km long

Reconstruction of 110 kV line Korca - Ersekë, 36 km long

Reconstruction of 110 kV line Përmet - Këlcyrë - Memaliaj-Ballesh-Fier.

Second Circuit of 110 kV line Zemblak – Korce

Strengthening the substation 400/110 kV Zemblak, 150 MVA

The project is under implementation and is expected to be in full operation by the end of 2015. The project is financed by a loan of the German government through KfW bank.

#### **Construction of 400 kV Interconnection Line Tirana2 - Kosovo B**

The 400 kV line will have a length of 242 km (162.5 km new line and 80.5 km completion of the second circuit in the first part of the completed line Tirana - Podgorica), 155.5 km in the territory of Albania. The project is at the initial stage of implementation and is thought to have a duration of 24 months. The project financing is made by the German government through KfW bank



## **Planned and uncovered with investments projects.**

- Construction of 220 kV line with two circuits Tirana2 - Rrashbull and the substation 220/110 kV Rrogozhine.

*Includes construction of a 220 kV line with two circuits Tirana - Rrashbull, about 20 km along with respective 220 kV exits in Tirana and Rrashbull substation.*

- Strengthening the annular ring 110 kV of Tirana and the construction of 220/110 kV (option 400/110 kV) Tirana3 substation .

*The project expectations*

*Demounting of existing lines 110 kV Tirana - U.Traktora and U.Traktora - Selite and their construction in new partly cable tracks , about 23 km (airline with 300 mm<sup>2</sup> ACSR conductors and cable lines with XLPE AL 1000 MM<sup>2</sup>conductors) .*

*Building of the 220/110 kV substation, 2x120 MVA (option 400/110 kV, 2x150 MVA) Tirana3.*

*Connection of the new substation with the existing transmission grid .*

- Construction of 400 kV interconnection line Elbasan - Bitola (Macedonia) and the new substation 400/220 kV Elbasan 3.

*This project includes the construction of 400 kV Elbasan – Bitola line, 151 km long, of which 56 km in the territory of Albania. Construction of a 400 kV commutation point in Elbasan*

## **On TSO membership in ENTSO-E (European Network of Transmission System Operatos for Electricite)**

As known TSO company has applied for membership in the ENTSO-E (European Network of Transmission System Operatos for Electricite). Within the application for membership in the ENTSO-E from TSO company, it is set up a joint working group with TSO representatives and regional transmission operators. It has been worked for a long time to complete the technical conditions required for membership in this organization, and specifically:

- The trade measuring system is set into operation in all dividing borders of TSO company with the generators and the consumers.
- It has been set into operation a reduced Mini SCADA system for Power system operation and power-frequency regulation (LFC).
- It was built and set into operation 400 kV interconnection line Elbasan-Tirana - Podgorica.
- It was built and set into operation Tirana2 substation 400/220/110 kV.
- It is in concluding stage the set into operation of the new system full SCADA/ EMS and ACG.

- It is realized the telecommunication system with Montenegro for data exchange and it is in concluding stage the telecommunications with Greece.
- There are signed the bilateral agreements with neighboring TSO and is expected the signing of the agreement with KOSTT Kosove.

These additions have brought TSO company on the same stage with the other operator members of ENTSO E and are sufficient for TSO membership in the ENTSO-E organization. Practically our Power System operates in parallel synchronous with the European grid by completing all technical and legal requirements.

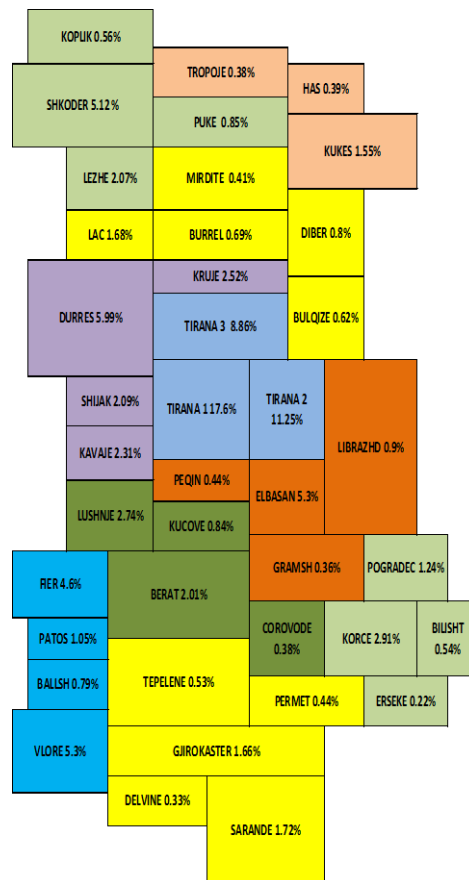
# 4. Distribution System Operator

## 4.1 Structure of Distribution System

On table -11 – it is submitted the map of the Republic of Albania and the geographical spread of each distribution area. CEZ Shpërndarje is organized on 10 Distribution Area and 40 Agencies under the following names

Table 11 Administrative Division of the Distribution Grid and the Specific Weight in the Electricity Consumption

MANAGEMENT STRUCTURE OF CEZ SHPERNDARJE sha 2013																																								
ZONE	Berat	Burrel	Durrës	Elbasan	Fier	Gjirokaster	Korçë	Kukës	Shkodër	Tiranë																														
AGENCY	Berat	Kurçove	Lushnjë	Skrapar	Bullqizë	Burrel	Lac	Mirditë	Peleshkopit	Durrës	Kavajë	Krujë	Shijak	ELBASAN	GRAMSH	LIBRAZHID	PEQIN	Ballsh	Fier	Patos	Vlora	Delvine	Gjirokaster	Permet	Sarandë	Tepelene	BILISHT	ERSEKE	KORÇE	POGRADEC	HASI	KUKESI	TROPOJA	Koplik	Lezhe	Puke	Shkoder	Tirane 1	Tirane 2	Tirane 3



(Source CEZ Shpërndarje)

On Table -12 – are shown contains the data on the assets and number of customers of the Distribution System Operator.

Table 12 Data on the Distribution System Operator

<i>Data on DSO for 2013</i>	
<b>NUMBER OF AREAS</b>	<b>10</b>
<b>NUMBER OF AGENCIES</b>	<b>40</b>
<b>CONSUMER (nr)</b>	<b>1 194 705</b>
<b>Line 35 kv (km)</b>	<b>1 122</b>
<b>Transformer TL (nr)</b>	<b>312</b>
<b>Substations (nr)</b>	<b>172</b>
<b>TM Cabin</b>	<b>23 714</b>
<b>Grid length TM (km)</b>	<b>15 300</b>
<b>Grid length TU (km)</b>	<b>29 695</b>

(Source CEZ Shpërndarje)

<b>TABLE WITH CEZ SHPERNDARJE DATA FOR 2013</b>		<b>2013</b>
<b>Total Energy in CEZ Shperndarje (MWh)</b>		<b>7,145,061</b>
Transmitted Energy by TSO in account of DSO		6,743,241
	From KESH -Gen by TSO	3,602,490
	From TSO as losses import (including energy from ASHTA)	3,140,751
	From TSO in account of CEZ Shperndarje clients in TL	-
	From VLORA TPP by TSO	n/a
	From Bistrica 1,2 by TSO	n/a
Directly transmitted Energy in DSO network		401,820
	Ulez, Shkopet, Lanabregas HPP	64,427
	Private/with Concession plants	337,393
<b>Total Energy in the Distribution Network (MWh)</b>		<b>7,145,061</b>
<b>Total Losses in CEZ Shperndarje (MWh)</b>		<b>3,217,967</b>
	Technical Losses TL Units (MWh)	201,689
	Technical Losses in Areas (MWh)	884,360
	Non Technical Losses in Areas (MWh)	2,131,918
<b>Total Losses in CEZ Shperndarje (%)</b>		<b>45.04%</b>
	Technical Losses in TL Unit (%)	2.82%
	Technical Losses in Areas (%)	12.74%
	Non Technical Losses in Areas (%)	30.72%
<b>Sold energy for all CEZ Shperndarje customers</b>		<b>3,927,094</b>
Sold to Private Customers		

		1,211,887
	Sold be the Transmission grid in account of CEZ Shperndarje	-
	Sold for its own needs to CEZ Shperndarje	3,872
	Sold to Private Clients (without that for its own needs and in TL)	1,208,016
Sold to Non Budgetory Customers (MWh)		262,175
Sold to Budgetory Customers (MWh)		191,719
Sold to Household Customers (MWh)		2,261,313
	Sold to Household Customers to 300 kwh/in month (MWh)	1,725,152
	Sold to Household Customers over 300 kwh/in month (MWh)	479,660
	Sold to Household Customers for the Similar Environments	56,501
<b>Invoiced previous month (000/leke)</b>		<b>48,156,068</b>
<b>Collections of the actual month (000 leke)</b>		<b>38,378,301</b>
	Collected for current invoices for the actual year	19,912,711
	Collected for other invoices of the actual year	11,375,208
	Collected for other invoices of previous years	7,090,381
<b>The collections of actual month (%)</b>		<b>79.7%</b>
	Collected for current invoices of the actual year (%)	41.4%
	Collected for the other invoices of the actual year (%)	23.6%
	Collected for the other invoices of the previous years (%)	14.7%
<b>Invoiced Reporting month (000/lek)</b>		<b>48,399,742</b>
Un billed electricity for the previous months (MWh) (UBE-1)		-
Unbilled energy for the actual month (MWh) (UBE)		-
Number of Customers in Total (No.)		1,194,705
Issued invoices with consumption reading (No.)		10,291,652
The quantity of the invoiced energy with consumption reading (MWh)		3,890,427
Issued invoices with "0" reading (No.)		3,322,785
Number of invoices issued without reading (unmeasured energy) (No.)		7,138

The quantity of energy invoiced as unmeasured energy (MWh)	49,706
Number of the invoices issued without reading (economical damage) (No.)	2,156
The sum invoiced as economical damage (000/lek)	529,686
Number of Invoices for which it is collected the default interest (No.)	5,220,825
Value of the default interests collected (000/lek)	273,688

## 4.2 Electricity Consumption

Structuring the request for electricity is also characterized even during this year from the difference expectations /fact, and difficulties in reconciliations between operators which has led to difficulties in defining the electricity consumption. In Figure -16 – it is presented graphically the total annual consumption of electricity (including qualified customer consumption) in Albania for 2002 – 2013 period.



Figure 15 Total consumption in years

The following tables shows the synthesized indicators by the three main electricity system operators in Albania.



The peak on 2013 marks 1,540 MW in December 2013.

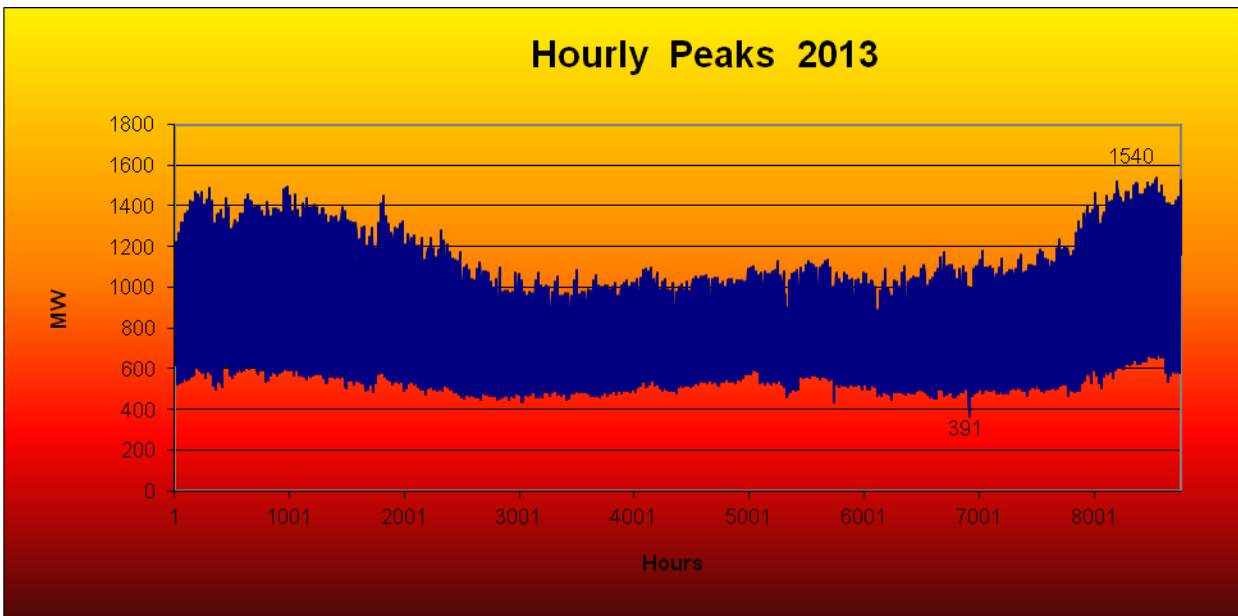


Figure 16 Hourly Peaks 2013

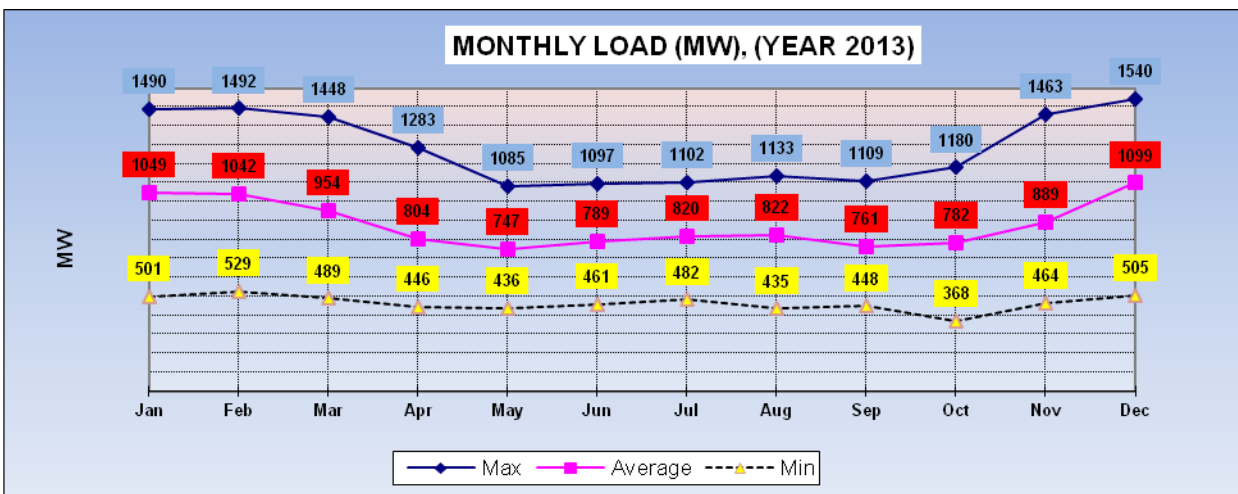


Figure 17 Peak load during the months of 2013

(Source ERE)



## 4.2.1 Electricity Consumption Structure

Household consumption in our country in report with total consumption invoiced for tariff customers for 2013 represents about 57.6%. showing the same trend as in other years.

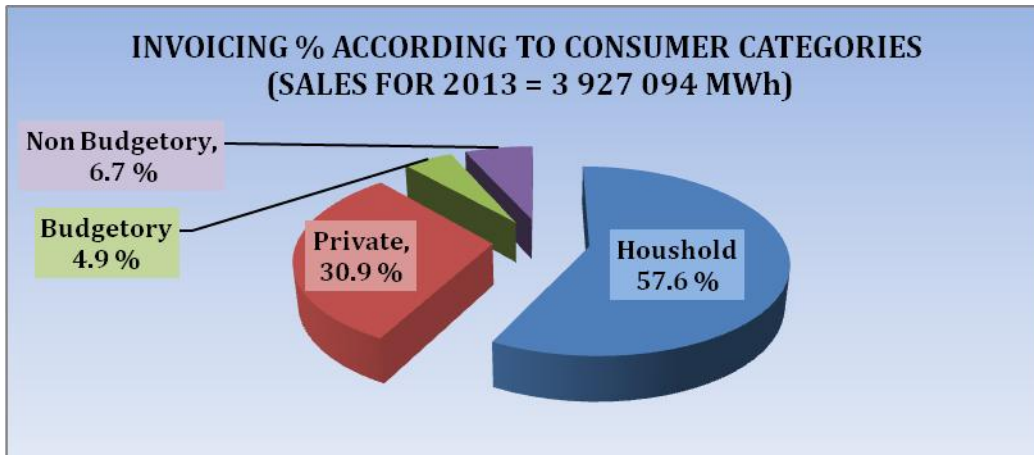


Figure 18 Invoicing Reports by Category

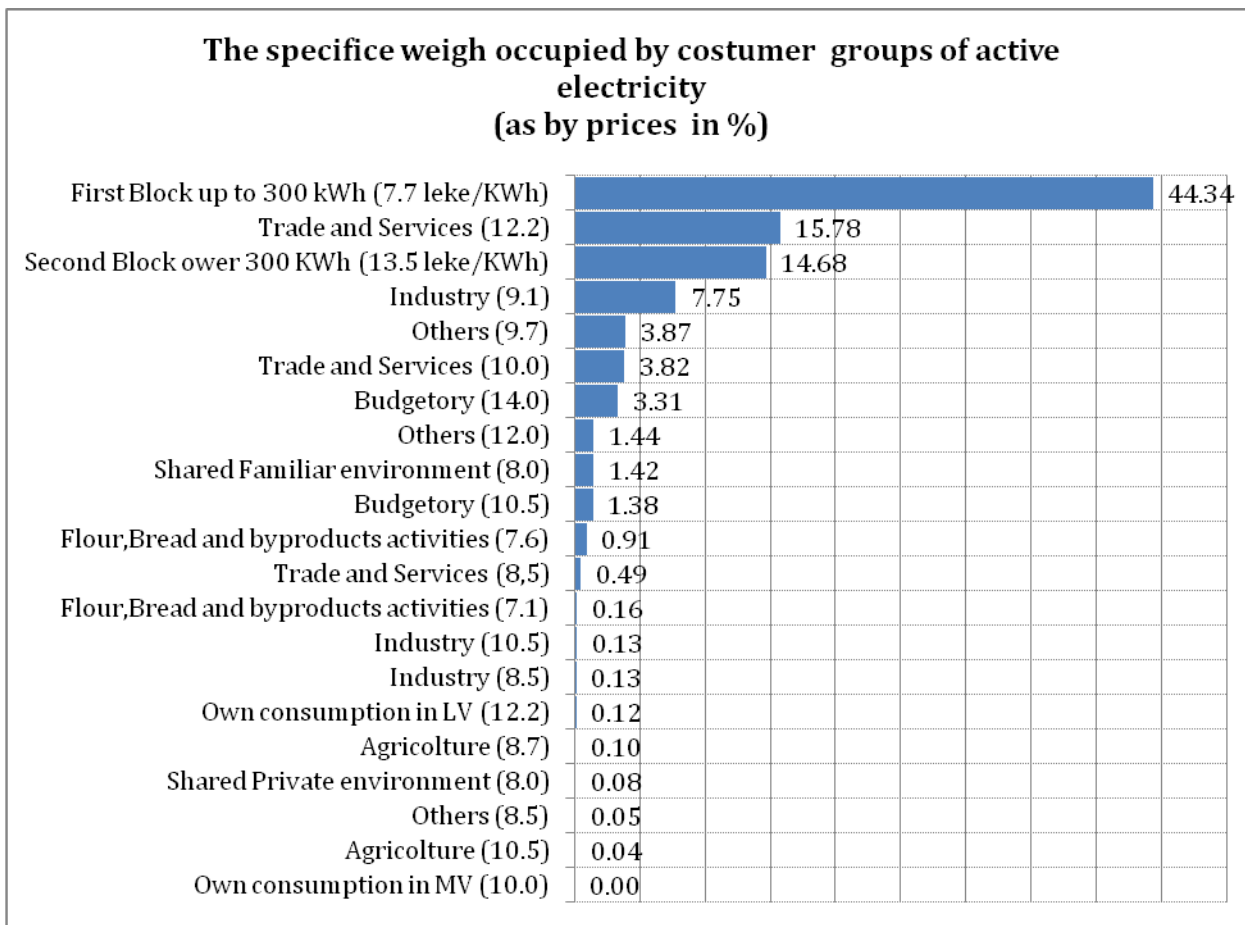


Figure 19 The Specific Weight that electricity consumer occupy

A significant weight in the consumption of electricity is occupied by the budgetary and non-budgetary consumers, to the last mentioned are part even the water supply and the pumping systems.

It should be emphasized that according to consumption levels, significant is the fact that about 76.3% of all household customers belong to 300kWh/in month consumption block with an increase of 1% compared with 2012

## 4.2.2 Profile of Electricity Consumption

Structure of electricity consumption directly affects even in the load profile or electricity consumption. In contrast to the load profile in a day with maximum consumption, in the profile of a day with minimum consumption, it is showed up a peak load in the evening hours from 19:00 to 22:00 which deals mainly with the intensification of family activity in these hours, during summer.

By studying the annual profile of electricity consumption, the characteristic feature of this profile is the almost complete symmetry of winter – summer consumption. During the warm period April - September there is a nearly constant average consumption, while in the previous three months and the following months there is a symmetric load increase which is explained by the cooling/warming of the weather and gradual use of electricity warming /cooling.

As in previous years reports even this year is noticed the same problem in using electricity for heating. Any change in environmental temperature is immediately reflected in the daily consumption of electricity, the effect of using or not using electric heat in the house .

During the summer, in July and August takes shape a new peak load, which from one year to another becomes more evident and is and increasingly linked with the wider-scale use of air-conditioning equipment.

## 4.3 Import of Electricity

Pursuant to the requirements of the Albanian Market Model, electricity imports to customer needs in our country,are made by the wholesale public supplier (WPS) part of KESH company. While WPS imports electricity to meet the needs of tariff customers, CEZ Shperndarje company imports electricity to fully cover the electricity losses in the Distribution system .

Table 14 Imports of Energy by KESH and CEZ in 2013

	2012	January	February	March	April	May	June	July	August	September	October	November	December	2013
Import of CEZ-Shperndarje sha	1,655,440	0	0	148,136	0	0	0	79,296	171,720	179,040	186,250	212,400	274,536	1,251,378
Import of KESH sha	880,745	63,623	107,040	0	0	0	0	0	0	0	0	0	0	170,663
Import of Qualified Clients	596,818	38,435	38,307	43,477	47,364	60,751	67,689	60,874	38,227	53,186	51,869	55,785	47,009	602,973

The above values include purchases with market prices.

In the Picture -20 – it is presented import-export balance of electricity for 1985-2013 period. As noted by the year 1998 (excluding 1990) our country has been a net exporter of electricity. As seen even for 2013 our country resulted a net importer. It should be clarified that the values presented represent all the entering and coming flows of all electricity market players in Albania.

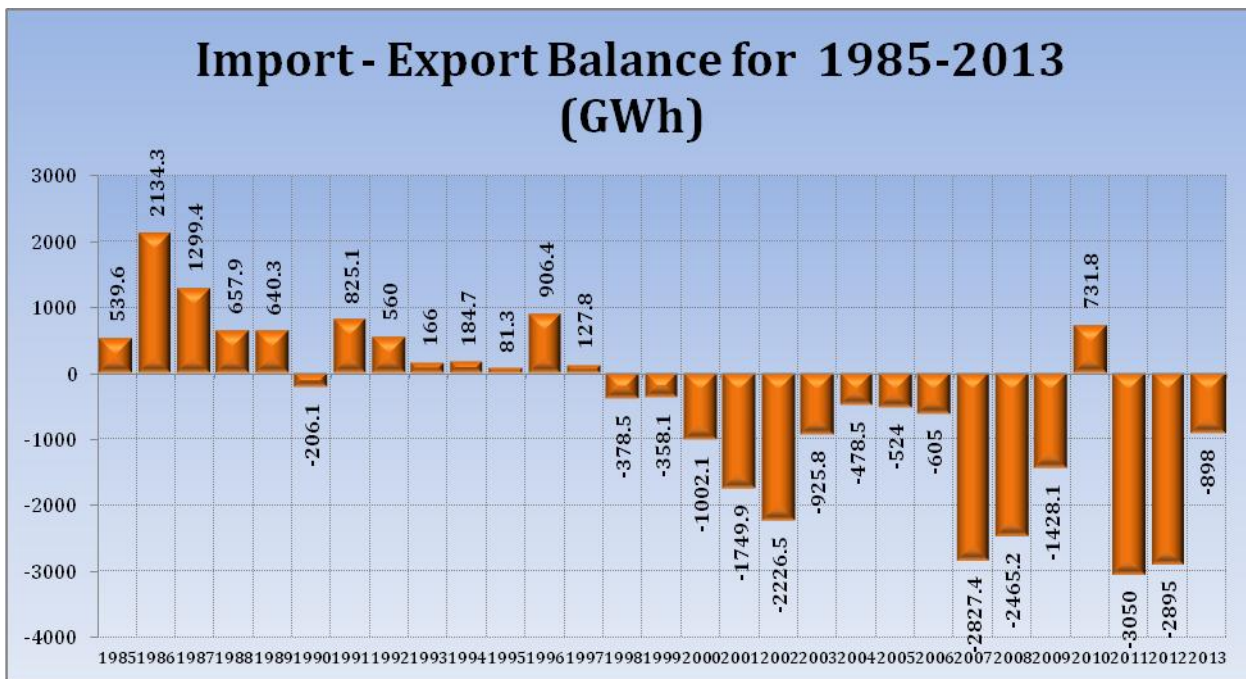


Figure 20 The import/export electricity Balance in Years (OST)

(Source OST)

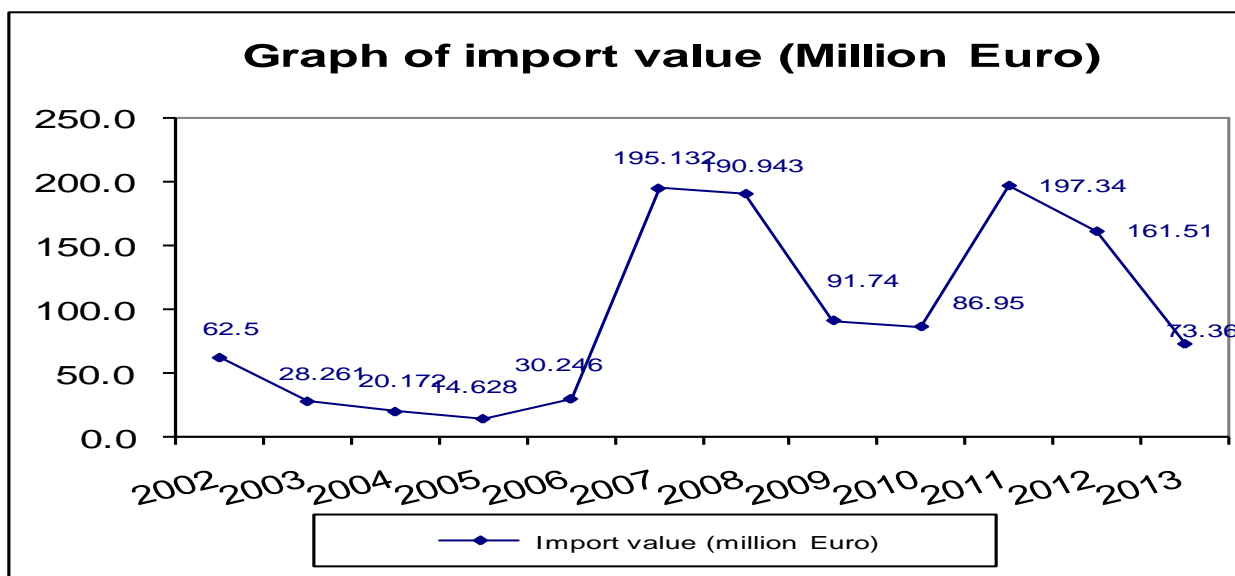


Figure 21 The progress of the Electricity Import Value 2002-2013

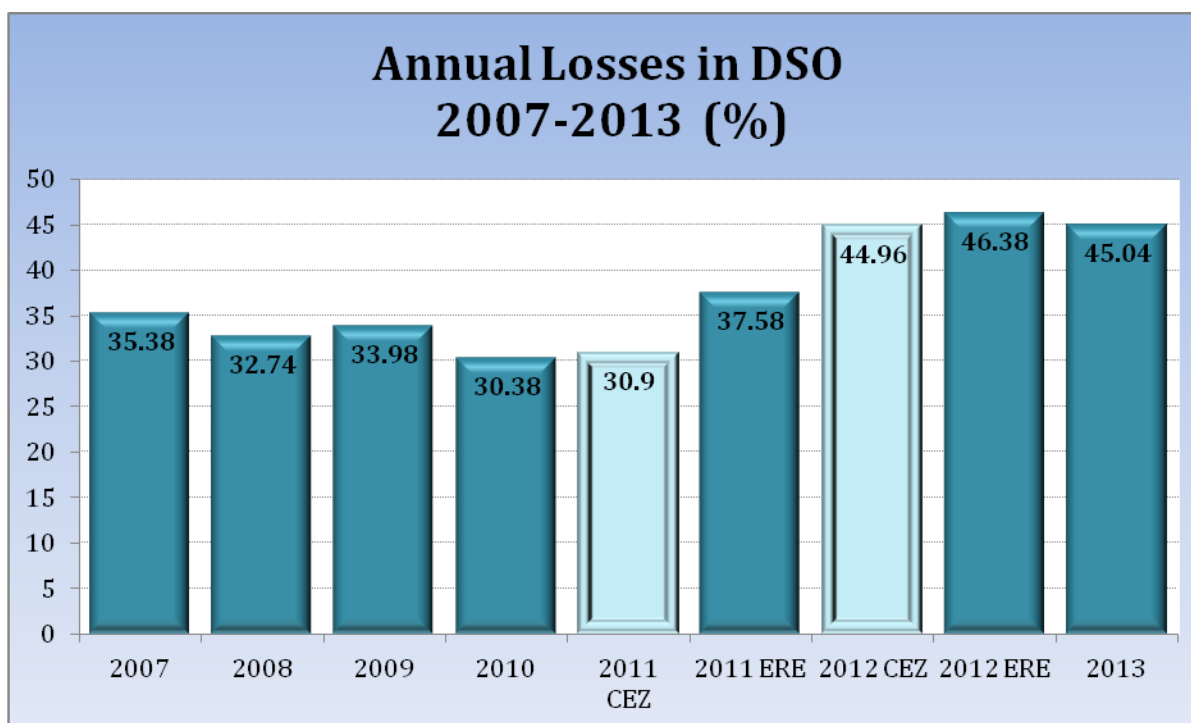
(Source KESH, CEZ Shpërndarje)

## 4.4 Electricity Trading Efficiency

During 2013 energy trading efficiency has continued to be low compared with previous periods always in reference of determination factors in the level of the electricity consumption efficiency which are:

- High level of electricity losses in distribution.
- Low level of electricity collections invoiced

Total losses reported by the Company for 2013, reach to 45.04%.



	2007	2008	2009	2010	2011 CEZ	2011 ERE	2012 CEZ	2012 ERE	2013
<b>Annual Losses</b>	35.38	32.74	33.98	30.38	30.9	37.58	44.96	46.38	45.04

Figure 22 Annual Losses in Distribution System 2007-2013

The level of collections reported by CEZ Shperndarje for 2013 is 83% of electricity invoiced. This figure includes the collection of overdues for 2007-2012 period in value of 8,996 billion ALL.



Figure 23 Month Collection Level 2012-2013

Table 15 Invoices /collections and changing the debtors Status in 2013

INVOICES -COLLECTIONS AND CHANGING THE DEBTOR STATUS DURING 2013							(000/ALL)
Year 2013	That can be collected according to 31.12.2012 CEZ Shperndarje	Invoiced during 2013	The collection for the invoices of 2013	The collection for the invoices of 2007-2012	Total collection	That can be collected for the invoiced energy in 2013	Changing the collective Accounts status during 2013
	61,353,007						
		<b>2</b>	<b>5</b>	<b>7</b>	<b>6=5+7</b>	<b>9=(2-5)</b>	<b>10=(2-5-7)</b>
January	63,683,901	4,992,058	31,905	2,629,258	2,661,163	4,960,152	2,330,894
February	64,715,455	4,211,554	2,054,750	1,125,250	3,180,000	2,156,804	1,031,554
March	65,317,352	4,234,130	2,755,407	876,826	3,632,233	1,478,722	601,897
April	65,820,874	4,001,750	2,963,254	534,974	3,498,228	1,038,496	503,522
May	66,301,623	3,644,471	2,929,316	234,405	3,163,722	715,155	480,749
June	67,397,416	3,632,138	2,342,521	193,823	2,536,344	1,289,616	1,095,793
July	67,994,329	3,789,587	2,981,697	210,977	3,192,674	807,890	596,913
August	68,844,876	4,264,835	3,130,818	283,470	3,297,639	1,134,017	850,547
September	69,298,701	3,800,018	3,117,068	229,125	3,346,193	682,950	453,825
<b>October</b>	69,589,432	3,492,927	3,028,766	173,430	3,202,196	464,161	290,731
November	70,354,893	3,755,718	2,738,237	252,020	2,990,258	765,460	765,461
December	71,257,799	4,580,556	3,299,657	377,993	3,677,650	902,906	902,906
<b>Total</b>		<b>48,399,742</b>	<b>31,373,399</b>	<b>7,121,550</b>	<b>38,378,301</b>	<b>16,396,329</b>	<b>9,904,793</b>

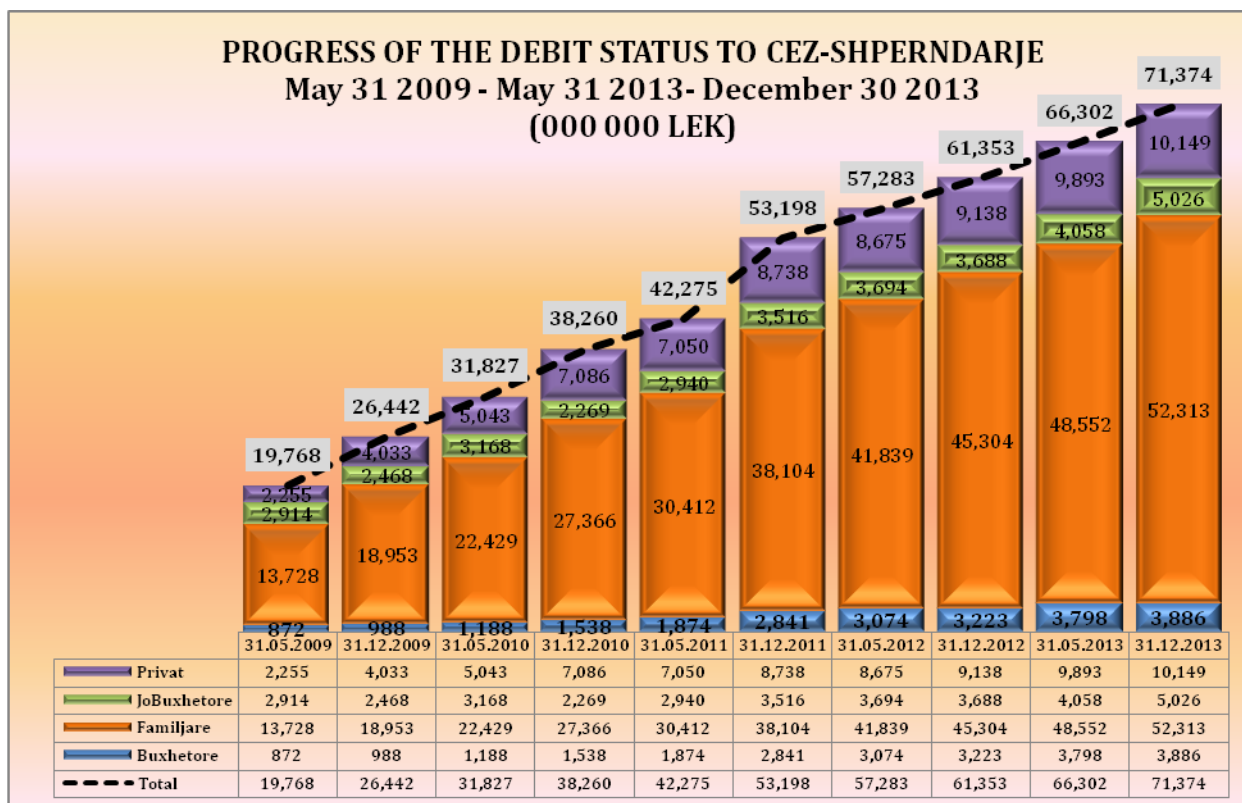


Figure 24 Progress of the Debit Status

Annual Rate of distribution system effectiveness (which takes into account the annual level of losses and collections ) results lower than the previous year.

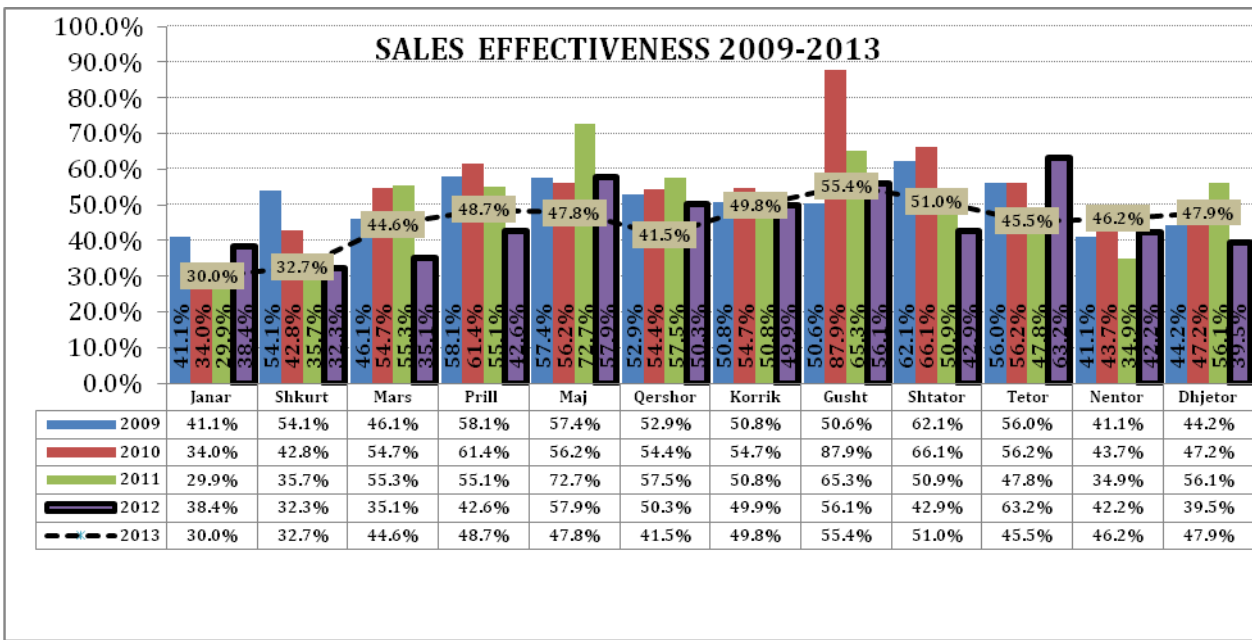


Figure 25 Monthly Sales Effectiveness

(Source CEZ Shpërndarje)

For 2013, the reported losses level from CEZ Shperndarje company is 45.04% so there is an improvement of about 1.31% from the losses found by ERE in 2012 (46.35%).

In the distribution system the electricity losses reach the amount 209.6 GWh or 2.32% from 2.21% reported in 2012 as showed in table no.7

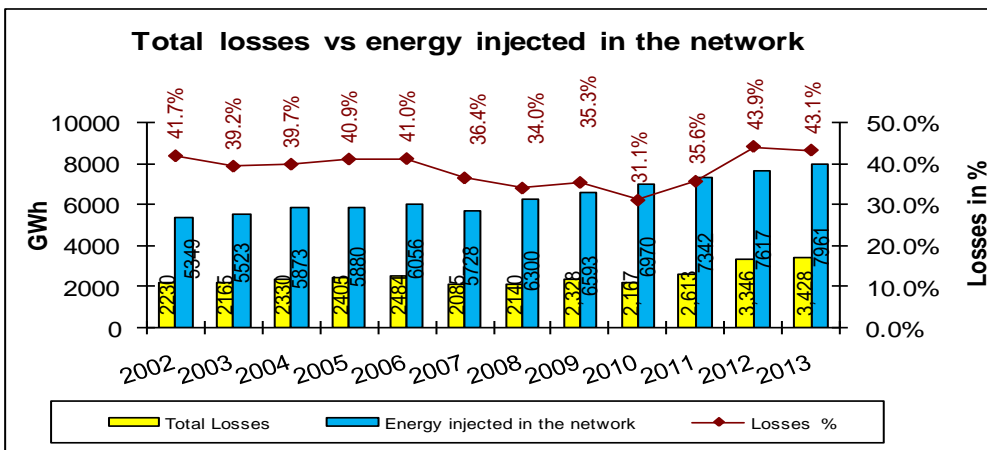


Figure 26 Total losses compared to Energy Introduced in the Grid

(Source ERE)

On Figure -26 - is presented the progress of total losses including those in the transmission system during 2002-2013 period, while in Picture -27 – it is presented the invoicing-collecting relationship of the same period.

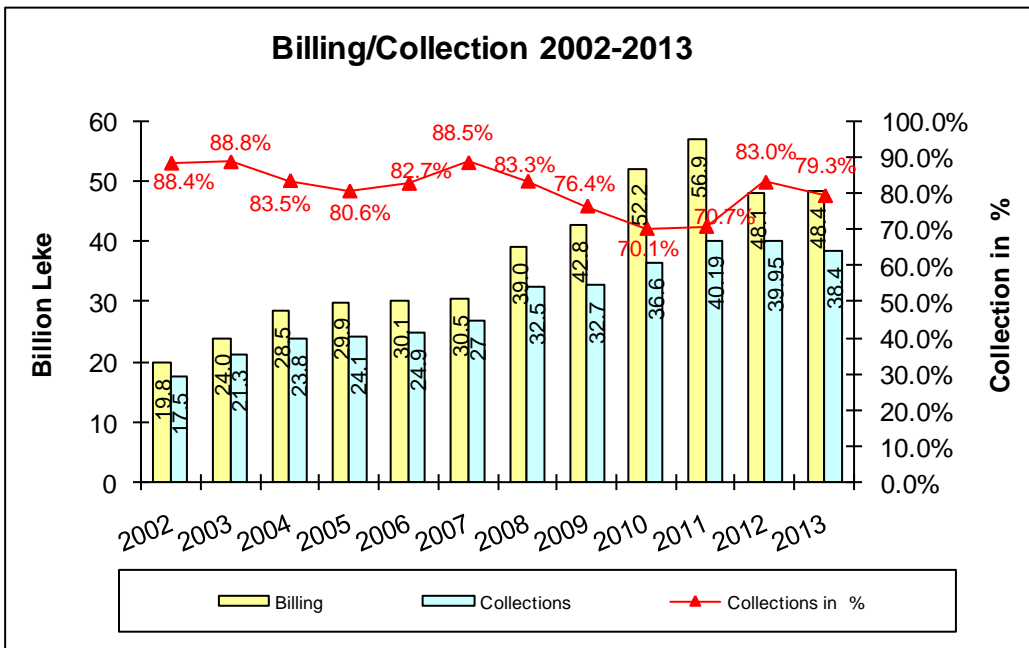


Figure 27 Billing / Collecting 2002-2012

(Source CEZ Shpërndarje)

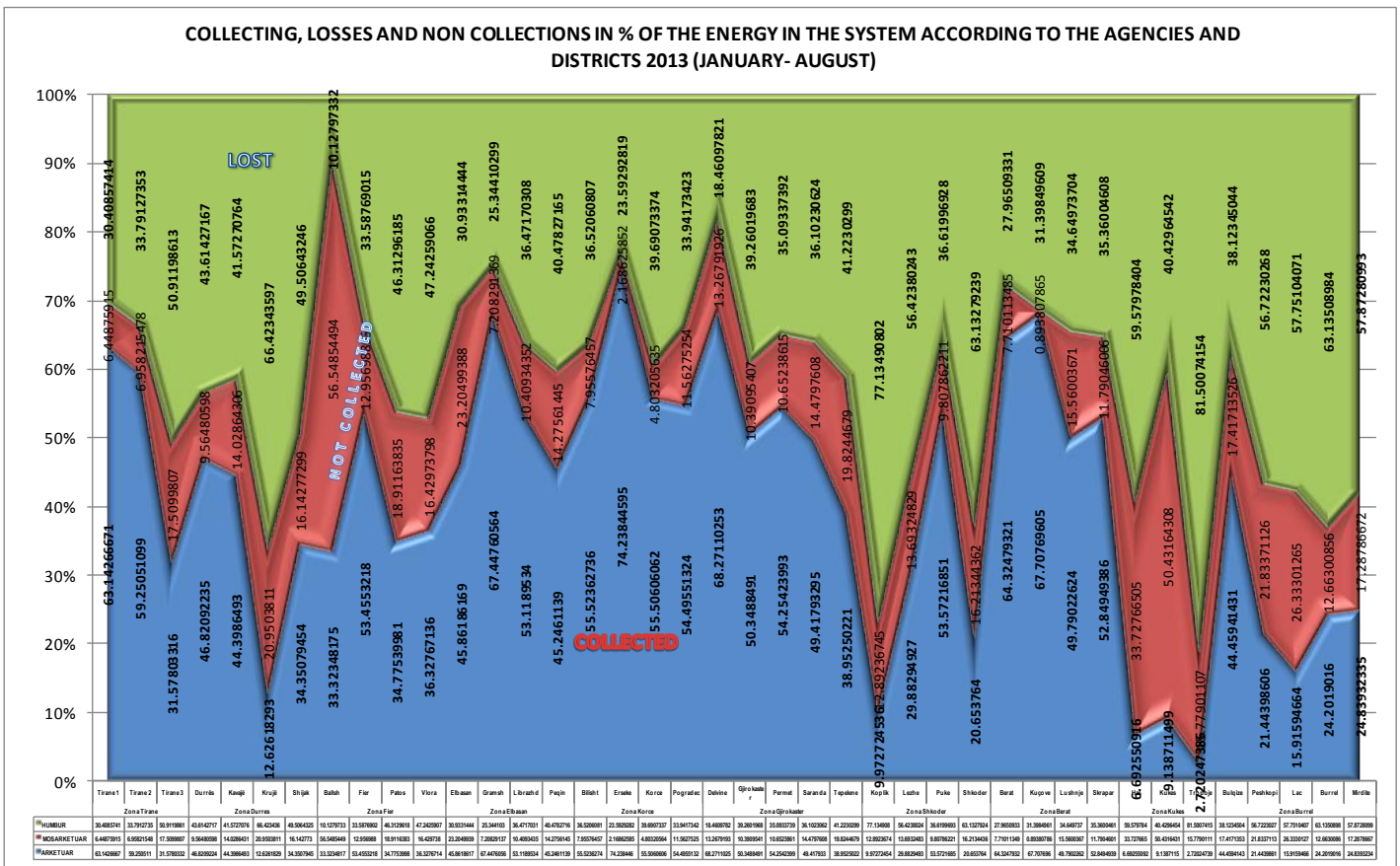


Figure 28 Collection, Loss and Average Non-Collecting in % of Electricity in the System



# **PART II**

## **Chapter I**

### **Regulation of Natural Gas Sector**

# 1. ERE priorities “On Natural Gas Sector” during 2013

2013 has continued to have intense and very important commitments for ERE in relation to the natural gas sector. They have been mainly associated with TAP project, as well as collaborations in Energy Community level .

## 1.1 TAP Project, (Trans Adriatic Pipeline)

Trans Adriatic Pipeline Project ( TAP ) is part of gas transmission system generated from Shah Deniz 2 source countries ( SD 2 ) in Azerbaijan toward the European gas market . Transportation through Azerbaijan and Georgia will be performed by South Caucasian Pipeline, while the transportation through Turkey will be performed by TANAP pipeline until the Turkish-Greek border . The further transportation will be performed by Trans Adriatic Pipeline ( TAP ) . TAP will be extended through Greece, Albania, Adriatic sea floor to join the Italian Transmission Gas System in the San Foca area southern Italy which enables further movement towards the European markets . The project was originally designed to carry 10 bcm / year , with the possibility of later expanding capacity to 20 bcm / year by adding new compressor stations . TAP is also designed to enable physical gas flow in the opposite direction.

TAP project is developed by TAP AG Company. The initial shareholders of the company have been; Axpon Swiss company (42.5%), Norwegian Statoil (42.5%) and German E.ON Ruhrgas (15%). Statoil is also a shareholder (25.5%) in the Shah Deniz Consortium is the company that uses SD2.

On July 30, 2013 structure of TAP shareholders changed as follows; BP (20%), SOCAR (20%), Statoil (20%), FLUXYS (16%) Total (10%), E.ON (9%) and Axpon (5%).

TAP has a length of 870 kilometers. Its track record starts at the Turkish-Greek border, passes through Greek territory and enters in Albania Bilishti area. It traverses 204 kilometers in Albania (from Bilisht Center at the Greek-Albanian border in the coastal area of Seman in the north of Fier ), expands 105 miles across the Adriatic Sea, comes out Melendugno and continues even 5 kilometers in Italian territory.

## 1.1.1 Some of the most important developments regarding TAP Project during 2013.

***Approval of TAP-AG company conditional exemption from the requirements of articles 9, 32 and 41 (6), (8) and (10) Directive 2009/73/EC for Trans Adriatic Pipeline project "and " Joint Regulatory Opinion document for TAP AG Application for Exemptions "***

ERE with Decision No. 27, of March.01..2013, approved the conditional exemption of TAP - AG company from the requirements of Articles 9, 32 and 41 (6), (8) and (10) Directive 2009/73/EC for the Trans Adriatic Pipeline project "and " *Joint Regulatory Opinion document for TAP Application for Exemptions*"

After the comments and suggestions made by the Energy Community Secretariat and the European Commission Decision (C (2013) 2949, ERE with Decision No.64, on 13.06.2013, amended the Board of Commissioner Decision , no. 27 on March.01.2013 and decided the approval of "Final Joint Opinion of Energy Regulators on TAP Application for Exemption".

The Final Opinion version on the exemption of TAP AG from the Access of third parties Regulations and other provisions of the Third Energy Package was published on July 25 2013, after the approval of Italian and Greek Regulators.

Taking this decision is the result of an excellent collaboration that has started two years ago from two National Authorities the Greek and Italian one, as EU member states and Albania , as Contractual of the Energy Community .

This document presents the latest assessment on TAP AG application for exceptions, taking into account the results of the market test . It also includes the conditions that the European Commission decided , under final Decision C (2013) 2949 , on May 16, 2013 and also the Opinion of the Energy Community Secretariat, on May 14, 2013. Authorities Final Decision establishes a regulatory framework for the development and operation of TAP pipeline , as the gas transporter to Europe .

Establishing such a regulatory framework increases TAP confidence as gas transporter from Azerbaijan to Europe . After completion of the TAP pipeline project it will be the largest interconnector that will open the Southern Gas Corridor for Europe's gas supplies from the Caspian . These new gas volumes that will be transported in Europe will reduce EU dependence from Russia , Algeria and Norway .

On the other hand, the established regulatory framework, in particular the possibility of increasing the gas entry and exit points , allows TAP to be an essential way for Southeastern Europe (SEE) gas supply , and will make the gasification of countries in the region, will lower the dependence on a single source of supply and will contribute to the development of gas infrastructure in Europe. TAP will also contribute to the development of the gas market in Albania,

providing the connection with the European Gas Market, that will contribute to the maturity of the Greek gas market, making the connection of eastern gas with the European gas market.

Accepting TAP AG 's request for exceptions is associated with a range of conditions such as :

Access of all prospective purchasers of the Shah Deniz II gas, in the TAP pipeline is allowed with the same terms and conditions ( for all ) ; Maximum capacity transport of gas through TAP should be done in the most technically and economically advantageous way, based on gas market testing, following the best European practices; Gas Market in Southeast Europe will have direct access through TAP pipeline that will pass in Albania and Greece , with gas suppliers from Italy in a fully regulated way ; TAP interaction with existing and the future infrastructure in Italy , Greece and Albania , is guaranteed through the development of new entry and exit points, following the market needs in the three countries ; TAP AG will act as an Independent System Operator for the entire period of exemption (25 years), competitive measures prevent the development of dominant market positions for the three countries .

## 1.2 Approval of Gas Methodology

Energy Regulator Authority has approved Gas Tariff Methodology with Decision no. 127, of July.11.2013, "On Approval of the Tariff Methodology (TAP Tariff Code), proposed by TAP AG, according to the obligations defined by the "Final Joint Opinion "

On November 8 2013 , the three regulators Albania (ERE), Greece (RAE) and Italy (AEEG) approved the Tariff Code proposed by the company TAP AG for TAP, gas pipeline that will bring Azeri gas to Italy through Greece and Albania.

Gas Tariff Code describes the methodologies used for determining the price terms and conditions that will be applied to the future gas transporters that will transport gas through TAP and will apply for subject of mandatory access to the third-party , also for the excluded capacities of these requirements.

The tariff methodology proposed by TAP AG is transparent, non-discriminatory and cost-efficient. Tariff Code provides a reduction of the tariff in case of increasing the reserved capacity in the future. On the other hand, in accordance with the Joint Final Opinion, the tariff structure takes into consideration the different risk level between initial capacity investment and expansion investment for the future .

TAP has presented for review, comments and suggestions to the three regulatory authorities the first draft of the tariff methodology TAP (TAP Tariff Code) from April.24.2013.

Tariff Methodology draft has been subject to a series of meetings, discussions, conference calls and exchange of comments between the three regulators and between TAP regulators. Since

transmission tariffs are also subject to the Gas Transportation Agreements signed between TAP and gas shippers, who in initial capacities part object of the Exemption Decision will transport gas of Shah Deniz 2 Consortium shareholders, the Tariff Methodology is an integral part of these Agreements. Consequently discussing various issues of Tariff Methodology also have been a representative participation of Shah Deniz 2 Consortium

Tariff Methodology has undergone several changes from its original version thanks to comments made by the three regulators in order the document to reflect the basic principles mentioned in the Final Joint Opinion.

The final version of Tariff methodology is presented at ERE for approval on October 14, 2013.

In this methodology content are applied the basic requirements defined in the Joint Opinion regarding the tariffs; reflection in tariff of the efficient costs, that they to be transparent and non-discriminatory; the mechanism that tariffs are descending below the transport capacity that will be used; taking into account the different levels of initial investment risk and further expansion; same tariffs for the same product regardless it is provided by exempted capacity from the third party access or from the non-exempted capacity.

# **PART III**

## **Chapter I**

### **The Activity of Energy Regulatory Authority**

# 1. Electricity Prices & Tariffs

Based on Law No. 9072 May.22.2003 "On Power Sector" (as amended), respectively in Articles 26, 27 and 28 as well as other secondary acts arising from it, ERE is the authority responsible for setting the tariffs of regulated activities that are realised in the power.

## 1.1 Letting in force the existing tariffs until December 31 2013.

In 2013, because CEZ Shpërndarje passed in terms of the legal status of a company under temporary administration, a priority for ERE was closely following the activity of this company, especially the review of monthly expenses plan and the schedule of payments as well as the assessment to implement these plans. CEZ Shpërndarje company monitoring through the realisation of monthly expenses and payment plans was considered a priority for the role that distribution and supply activities have in the economic and financial progress of all activities in the power system.

Within the process of updating the tariffs for all regulated activities were analyzed the incomes required for all the operators and at the end were found these main problems:

- Operation in market of distribution and retail public supply activities by CEZ Shpërndarje on the status of the temporary administration due to the removal of the relevant licenses and implementation of legal acts that are directly related to the legal privatization acts. The legal status of CEZ Shpërndarje company in temporary administration makes impossible the tariffs evaluation for these activities because of the indicators performance set out in the Regulatory Declaration are addressed to the respective licensee and investor. These indicators defined according to the Regulatory Declaration not only failed to achieve but also become worse bringing a significant effect on the incomes of the company for which no decision could be taken by ERE as long as the legal status of CEZ Shpërndarje company continued to remain temporary and meanwhile the Regulatory Declaration was still in force.
- Defining the distribution tariff relates to the evaluation of such components as the losses level accepted in the tariff as reasonable costs, the amount delivered to the distribution grid, the performed investments which are associated with the distribution company's performance indicators which are fixed in the Regulatory Declaration.
- Mismatch between CEZ Shpërndarje and KESH company for 2011-2012 period on the purchases and sales of given electricity, cover the losses due to the legal status of CEZ Shpërndarje. The object of this mismatch were the disapproved invoices by previous administration of CEZ Shpërndarje which are expected to be resolved during the resolution of the dispute and conflict with CEZ sh.a.

- ERE Board of Commissioners Decision no. 87 of June.29.2012 defines the public wholesale supplier tariff for 2012-2014 period in the value of 2.2 ALL.
- Uncertainties on the way of calculating the Wholesale Public Supplier indicators because of the excessive revenues effects generated during 2013 as a result of the production beyond the tariff envisages.
- Law 138/2013 "On Renewable Energy sources" that was approved by the Albanian Parliament on May.02.2013 determines that the *Council of Ministers, with ERE proposal, approves the methodology to determine the fix electricity tariffs, which will be paid in advance to the generator for all types of plants that use the renewable energy sources.* Drafting this methodology and defining the relevant tariff was impossible in terms of the issues explained in Chapter III of this Report. The technical and economic information required by ERE for the electricity generators from renewable sources that will be subject to implement this law and the relevant methodology was not submitted by all companies and the data were often different from the reports submitted at ERE before. Not having the complete and accurate data as well as other difficulties in implementation, which would enable the preliminary calculations to finalize the above-mentioned methodology, made it impossible to determine the electricity sale price for the hydro power plants with installed capacity up to 15 MW for 2014.

As above and taking in consideration that:

- Approval of the three year average price is based on the average of the three-year incomes required, by establishing the opportunities for an operation in normal conditions during the regulatory 2013 – 2014 period.
- During 2013 approval of the payments schedule and its follow-up brought stabilization to the liquidity situation of the market operators including KESH, TSO companies, Small Producers or Independent Power Producers, and made possible the establishing of internal resources for the distribution company in performing a normal activity.

As above, ERE, by Decision no. 54 of May.03.2013, and then by Decision no.149 of December.24.2013 decided to let into force until December 31 2014 the tariffs approved with Decisions. no.144.146, 147.148, 149, 151, 153, of December.07.2011 and the Decision no.87, of June.29.2012, "On the review of the tariff for Wholesale Public Supplier for the Third Regulatory Period to accommodate the financial effects of ERE Board of Commissioners Decision no.80 of June.15.2012 of ERE Board of Commissioners .

Updating and compensation of all financial effects for regulated operators will be performed within the same regulatory period 2012-2014, or the next regulatory period, a period that will serve to clarify the legal status of the distribution company, thus giving the regulator the possibility to clarify, verify and fair determination of the income indicators required for generating public



activities, wholesale supply, transmission, electricity distribution and retail supply of tariff customers.

## Services and Electricity retail tariff for the third regulatory period 2012-2014

Table 16 Service and Electricity Retail Tariff for 2012-2014 (according to decision no. 148 December. 7.2011)

Voltage Level	Customer Categories	Approved tariffs (lek/kWh)	Peak energy prices (lek/kWh)
MEDIUM VOLTAGE	<b>35 KV customers</b>		
	Industry	8.50	9.78
	Commerce & Services	8.50	9.78
	Agriculture	8.50	9.78
	Others	8.50	9.78
	<b>Customers supplied at 20/10/6 kV</b>		
	Industry	9.10	10.47
	Commerce & Services	10.00	11.50
	Wheat industry& bakeries	7.10	8.17
	Agriculture	8.70	10.01
	Others	9.70	11.16
	Budgetary	11.50	13.23
LOW VOLTAGE	<b>Customers supplied at LV</b>		
	Industry	10.50	12.08
	Commerce & Services	12.20	14.03
	Wheat industry& bakeries	7.60	8.74
	Agriculture	10.50	12.08
	Others	12.00	13.80
	Budgetary	14.00	16.10
	<b>Households</b>		
	First Tier up to 300 kWh	7.70	
	Second Tier above 300 kWh	13.50	
	<b>Fixed service tariff for customers with no energy consumption (lek/month)</b>	200.00	
	<b>Tariff for electricity consumption in common spaces (condominium) (lek/kWh)</b>	8.00	
<b>Total average tariff</b>	<b>9.53</b>		

**Note:** The price for reactive power will be 15% of the price for active energy

The chart below shows the tariff structure according to the Board of Commissioner Decisions no.. 144,146, 147,148, 149, 150, 151, 152, 153, 154, of December.07.2011 and according to the calculations done on December 2012:

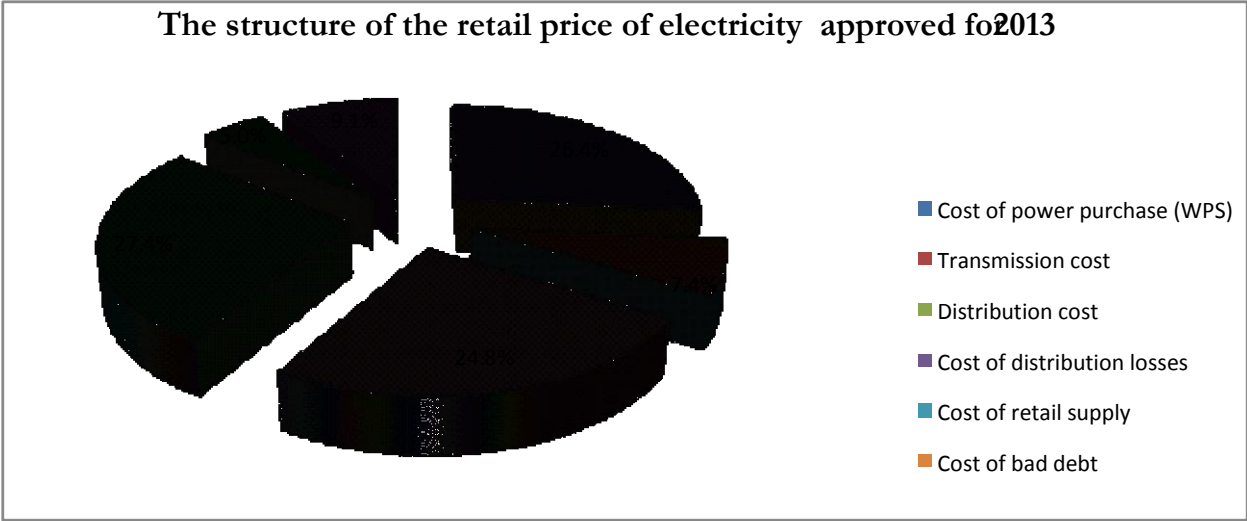


Figure 29 The structure of the Retail Sale Electricity Price approved by ERE

### 1.2 PVE and their impact in Wholesale Public Supplier Tariff

During 2013 entered into operation 10 companies with a total installed capacity of the generation plants of 54 MW . Generation realized by these companies during 2013 is about 73 GWh. Also Ashta HPP with installed capacity 48MW in 2013 generated about 211 GWh by totally increasing the energy that KESH company (in function of Wholesale Public Supplier) has the obligation to purchase from small HPPs in about 760 GWh. The following graph shows the evolution of the energy generated by PVEs during the years.

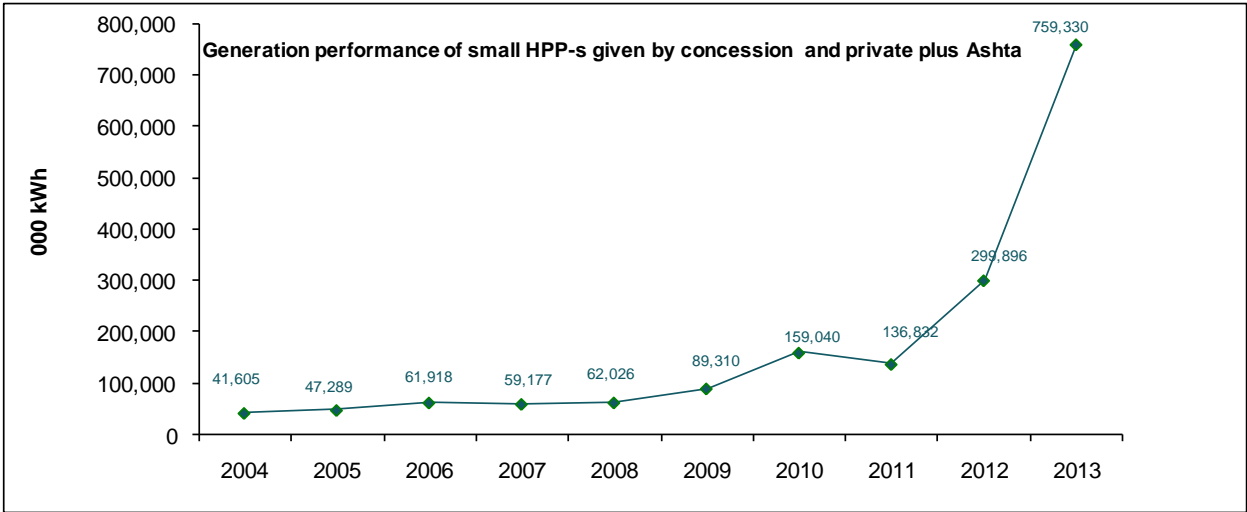


Figure 30 Generation Progress from PVE and Ashta

Generation during 2013 from these HPP-s was increased with about 2.5 times more compared to the previous year while the FPSH (Wholesale Public Supplier) decision for 2013 tariff expects that the purchased amount from these HPPs will be 280 GWh, or 2.7 times higher than the admitted. Also, the weighted average price actually is 8.74 ALL/kWh from the expected tariff of 8.2 ALL/kWh for 2013. (This is due to increasing the quantity generated by the new HPP-s with concession that have the energy selling price higher).

According to KESH company information for 2013, the incomes realized from the PVE for the energy sold to FPSH (Wholesale Public Supplier) is in 6,629 million from 2,241 million ALL provided in the Wholesale Public Supplier tariff for 2013. This figure represents about 62% of incomes required for FPSH (Wholesale Public Supplier) accepted in the tariff for 2013.

The incomes realized from PVE and Ashta HPP are divided among various categories of generators according to the following chart :

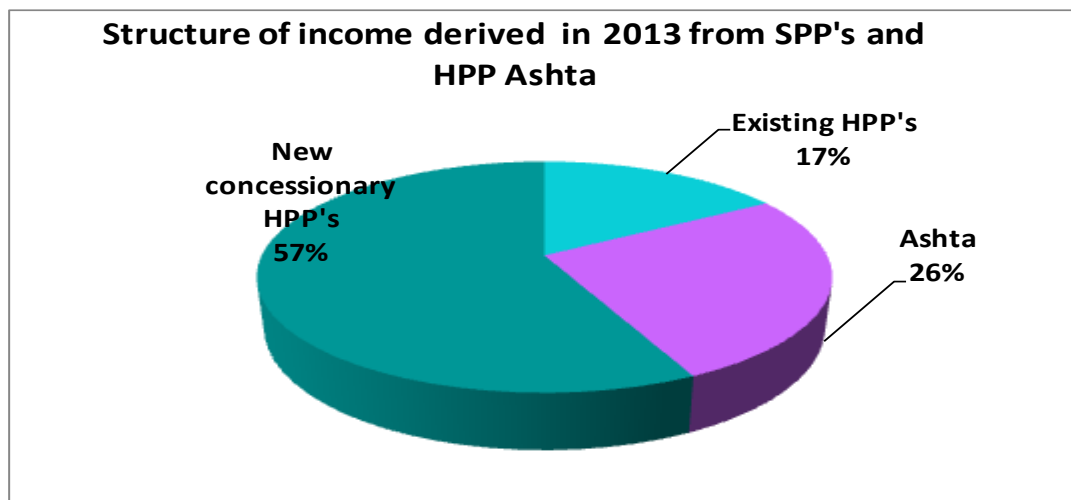


Figure 31 The Incomes Structure Realized in 2013 from PVE and Ashta HPP

It is noted that 26% of FPSH (Wholesale Public Supplier) total expenses to purchase electricity from small generators has passed to Ashta HPP. Because of the generation guarantee provided through the contract with the Albanian government perhaps would be more appropriate that the energy generated from Ashta HPP to go for covering the losses in the distribution system.

Future challenge remains to find an appropriate solution for promoting the investments towards renewable energy sources (RES) aiming minimal impact on end consumers tariffs.

On the chart of picture -32- it is shown the progress of the electricity prices approved from ERE during 2008-2014 period.

## Approved Prices by ERE for the periode 2008-2014 (lek/kwh)

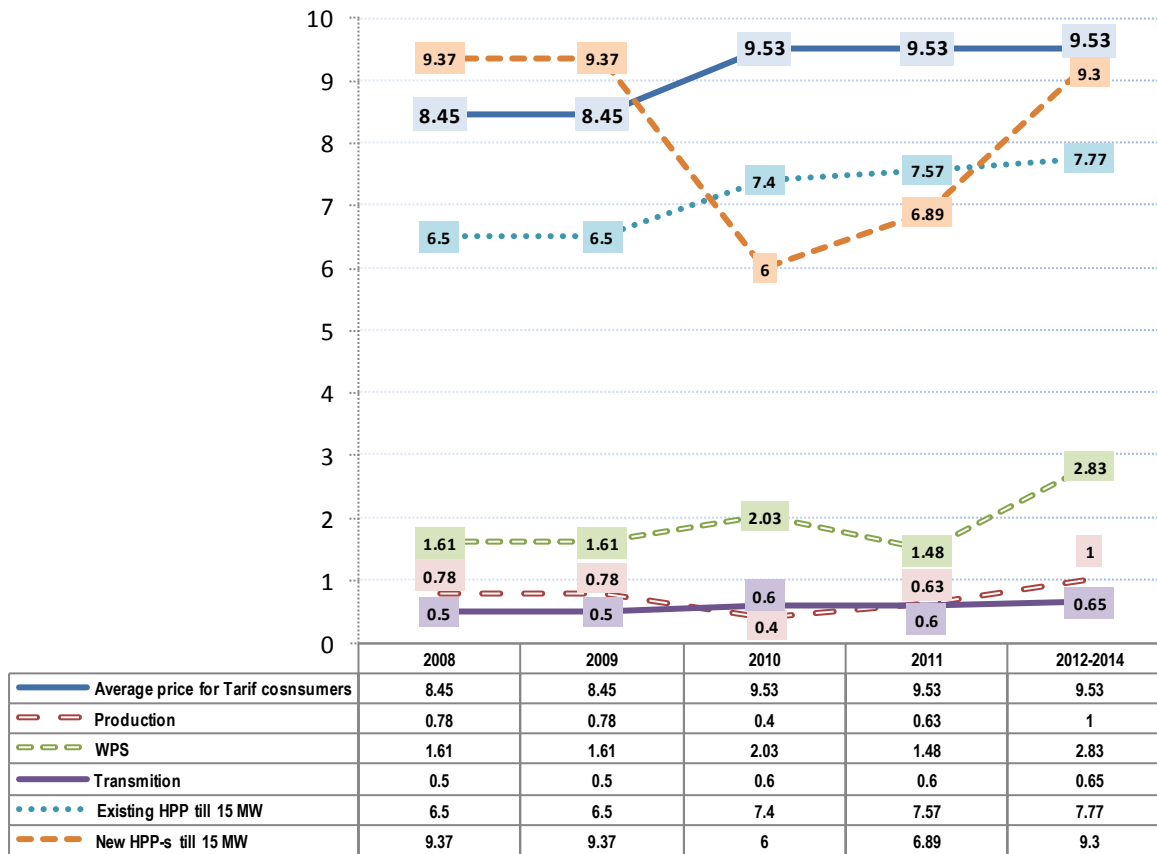


Figure 32 Prices Approved by ERE for 2008-2014 period

### 1.3 Electricity Prices and Tariffs in the Region countries, for 2013

The database of Energy Regional Regulators Association (ERRA) for electricity tariffs is the main source of electricity official data in the Central/Eastern Europe countries. It contains quarterly data from 2000 year until today and covers 28 countries (Albania, Bulgaria, Croatia, Estonia, Georgia, Hungary, Moldova, Poland, Romania, Russia, Turkey, Ukraine, etc.).

In the following graph are presented the electricity tariffs before (VAT) taxation for non-household customers, for all ERRA countries, in Euro cents/ kWh. The average price of electricity for not-household customers for the region is 9.1 Euro cent /kWh.

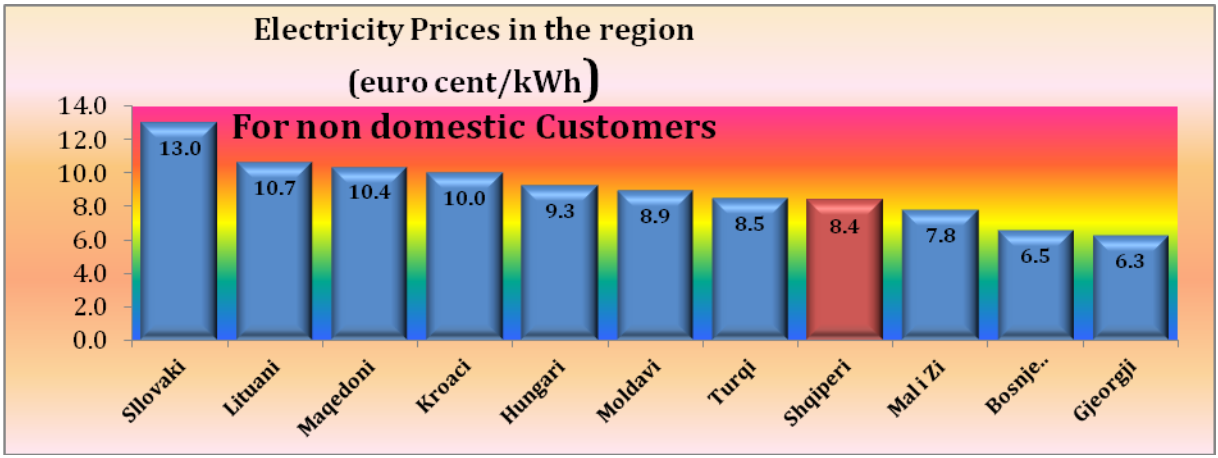


Figure 33 Electricity prices for non household customers in the region according to ERA latest report

In the chart below are submitted the electricity prices for households, for all ERA countries, in cents / kWh. The average price of electricity for households for the region is 8.8Eurocent/KWh.

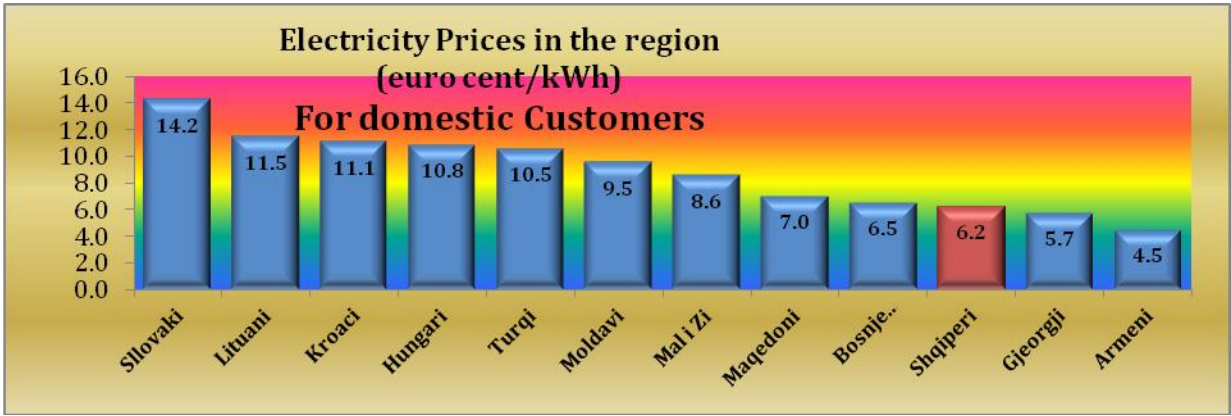


Figure 34 Electricity prices of household consumers in the region according to ERA latest report

## **Chapter II**

# **Licensing and Monitoring the Activities in the Electricity Market**

# 1. Licensing and Plant Qualification Requests Handled during 2013

During 2013, ERE has performed a large activity in licensing different companies for several activities on power sector, implementing the legal framework in force.

During 2013 it is seen a noticeable decrease in the application number for license in electricity generation activity, from 18 that were on 2012 to 11 during 2013. The same situation even with application for license in electricity trading activity. There continue the same rates on the application for qualifying the generation plants as an energy renewable source. While there is an increase of the applications for license modification, from 5 that were on 2012, to 8 during 2013.

Even during this year it is strictly respected the transparency provided in the licensing procedures, as well as the application deadline for reviewing the applications, and the approval of the license device for the applying companies, pursuant to Law No. 9072 on 22.05.2003 “On the Power Sector” as amended and to “Regulation for the Procedures of License, Modification, Full/Partial Transferring and License Renewal”. Also in accordance with the above legal framework, are executed correctly the deadlines published in the printed media for the Board of Commissioners Decisions that all parties have to be introduced with these Decisions.

Any license application was subject to regularity analysis and correct fulfillment of the legal, administrative, financial and technical documentation and obtaining appropriate permission for water usage or environmental permission, information from other institutions in accordance with the activity that the companies have required to be licensed.

During 2013 at ERE, from the companies, are presented 57 different applications in the power sector activities.

From these, 40 applications are presented for license in different activities of the power sector, while 17 applications for qualifying generation plants as energy renewable source.

For 33 license applications the Board of Commissioners has decided their licensing, while 7 of these applications have continued to be handled on 2014 in accordance with ERE deadlines and procedures.

For 16 applications on qualifying the generation plants as an energy renewable source, the Board of Commissioners has decided for their qualification, while an application is still in process.

In table -17- are shown the licenses approved by the Board of Commissioners according to several activities during 2013.



Table 17 Licenses Approved by the Board of Commissioners according to Several Activities during 2013

LICENSED ACTIVITY	No. OF APPROVED LICENSES
Electricity generation	11
Electricity qualified supplier	4
Electricity trader	9
Modification of the existing License	7
Renewal of the existing License	2

### Licensed in Electricity Generation Activity

There are licensed 11 private companies in electricity generation activity from 17 hydro plants (HPP) with a total installed capacity of 20.534 MW. From which:

- 9 of them with a total capacity up to 1MW
- 8 of them with a total capacity up to 5 MW

Another company is in licensing process for the electricity generation from a hydro power plant (HPP), with installed capacity of 2,5 MW.

## 2. Monitoring the Electricity Market Activities

### 2.1 Monitoring the Electricity Market

In compliance with Law No.9072, of May.22.2003 “ On Power Sector” as amended article 8 paragraph 2 letters f) and g) and also article 63, operator services licensed by ERE are the object of monitoring regarding the respect of the legal obligations and also the implementation of ERE rules, decisions and orders.

#### 2.1.1 Electricity Market Monitoring Principles

Monitorings are performed based on the Market Rules as well as relevant regulations that market participants operate.

These monitorings are made based on preliminary plans and organized in such a way to continuously monitor the results of the electricity market participants.

The monitoring process is done periodically following the below steps:

- Gathering and processing periodic (monthly) data.
- Processing the results and evaluating performance indicators.
- Reporting electricity market participants performance indicators to ERE Board of Commissioners.
- Regularly and periodically discussing the issues on ERE Board of Commissioners meetings.
- Defining ERE position regarding operator performance and preparation of attitudes and recommendations for them.
- Identifying the issues that should be monitored.
- Conducting and analyzing monitoring.
- Defining ERE position and recommendations regarding observations of the monitored issues.

Table 18 Monitoring during 2013

Monitoring during 2013			
Monitoring Order	Monitoring Object	Period	Company
Order No 10, on 05/02/2013	Number of the interruptions for December, January, February 2013 period, number of the consumers affected by electricity interruptions,	Begins on 06/02/2013	CEZ Shpërndarje sh.a (in temporary administration)

	number of consumers without electricity meters, the information regarding SAIDI and SAIFI		
Order No 11, on 06/02/2013	Cash flow of Cez Shpërndarje sh.a Company for December 2012-January 2013 period.	07-30/02/2013	CEZ Shpërndarje sh.a(in temporary administration)
Order No 15, on 11/02/2013	Actual situation of complains and issues for June-December 2012 period and actual situation of complains and problems for January-February 2013 period.	16-25/02.2013	CEZ Shpërndarje sh.a(in temporary administration)
Order No 25, on 28/05/2013	Verification of the works performed volume for strengthening and rehabilitation of Vithkuq, Barmash, Rajan, Borsh and Arras HPP's.	6/3/2013	Abanian Green Energy sh.p.k, Ballkan Green Energji sh.p.k and Favina 1 sh.p.k.
Order No 28, on 07/03/2013	Verification of the network situation in Cez Shperndarje.	Begins on 10/03/2013	CEZ Shpërndarje company(in temporary administration)
Order No 42, on 10/04/2013	The investments realized for 2012 and investments realized until now for 2013.	15-19/4/2013	TSO company
Order No 41, on 10/04/2013	The mechanism of calculating the organization of daily auctions.	15-16/4/ 2013	TSO company
Order No 42, on 10/04/2013	The investments realized for 2012 and those realized until now for 2013	15-19/4/ 2013	CEZ Shpërndarje company (in temporary administration)
Order No 43, on 10/04/2013	The investments realized for the year 2012 and those realized until now for 2013	15-19/4/ 2013	KESH company
Order No 45, on 24/04/2013	Realizing the conditions set by ERE in "Constructing, Installing, Utilizing and Generating electricity Activities from wind power plant.	April 25 - May 3 2013	HERA sh.p.k
Order No 47, on 12/05/2013	Realization of the licensed activity in conformity with the legislation in force.	13-15/05/2013	Projeksion Energji

Order No 54, on 20/05/2013	Procurements done on 2013 and realization of the investments, the situation of the electricity meters, cash flow, economical damage	20/05-31/05/2013	CEZ Shpërndarje company (in temporary administration )
Order No 65, on 12/07/2013	Export/Import of electricity transactions and electricity exchanges for the first six months of 2013.	17-30/July/2013	KESH company
Order No 66, on 12/07/2013	Verification of Cash Flow for January-June 2013 period.	17-30/July/2013	KESH company
Order No 67, on 12/07/2013	Realization of investments for January-June 2013 period.	17-30/July/2013	KESH company
Order No 70, on 16/07/2013	Exchanging information between KESH and Ashta Hpp.	Begins on 18/07/2013	ASHTA HPP
Order No 73, on 01/08/2013	Verification of the income resulting from the generation, trading and supplying with Electricity activity.	05-10/08/2013	GSA and Lanabregas HPP
Order No 81, on 20/09/2013	Verifying the performance of the works in skada system.	23.09/2013-20.10/2013	OST sh.a
Order No 87, on 07/10/2013	Electricity consumption by qualified consumers.	29.10-06.11/2013	OST company, Cez Shperndarje company
Order No 88, on 07/11/2013	Implementing ERE decisions regarding overbilled electricity, economical damage, flat rate invoices, complains handling.	06-08/11/2013	CEZ Shpërndarje company (in temporary administration)
Order No 101, on 22/11/2013	Export/Import transactions and electricity exchanges for January-September 2013 period	25.11.2013-06.12.2013	KESH company
Order No 102, on 22/11/2013	Realizing the Investment Plan for January-October 2013 period	25.11.2013-06.12.2013	KESH company

## 2.1.2 Monitoring KESH company

During 2013, ERE has performed monitoring mainly for import/export and electricity exchange, investment realization and verification of cash flow of KESH company.

From the monitoring of the transactions that has to do with import/export and electricity exchange it is observed that:

Selling and purchasing electricity is made referring to:

- Full supply of electricity tariff customers of ÇEZ Shperndarje and RPS;
- Provide electricity generation from KESH sh.a for every month;
- Provide electricity generation of small HPP-s ;

and in accordance with “Rules and Procedures of Electricity Purchase” approved by ERE Decision No.30, date 23.03.2011, and also “Rules and Procedures of Selling Electricity” approved by ERE Decision No.1 date 10.01.2011.

Regarding electricity exchange during 2013 we observed that it has been done on contractual basis between KESH company and electricity traders. These contracts, in general are in compliance with the terms and conditions of the Albanian Market Model, approved by Government Decision No. 338 on 19.03.2008 and with Market rules approved by ERE Board of Commissioners Decision No. 68 on 23.06.2003.

While monitoring KESH company investment realization for January-September 2013 period, we have observed that the level of realizing the investments was low in 17.49% rate. The main reason for not realizing it was the difficult financial shape of KESH company because of the lack of liquidity, which comes as the result of the situation established in the electricity market (failure of CEZ Shperndarje company in temporary administration and no reconciliation of CEZ Shperndarje with KESH company), as well as the purchase of losses in the distribution grid that this company has done.

The total investment, realized from KESH company for January – October 2013 period, with foreign and procured domestic costs result on 706.399.000 ALL value (without VAT), according to the table and the chart below:

Table 19 Realizing the investment January-October 2013 period

INVESTMENTS CARRIED OUT JANUARY-OCTOBER 2013 (000 LEK)	INVESTMENT PLAN APPROVED BY ERE	INVESTMENTS CARRIED OUT IN ABSOLUTE TERMS	INVESTMENTS CARRIED OUT IN %
LOCAL COST	2,336,000	511,863	21.91
FOREIGN LOAN/COST	1,703,969	194,536	11.42
TOTAL	4,039,969	706,399	17.49

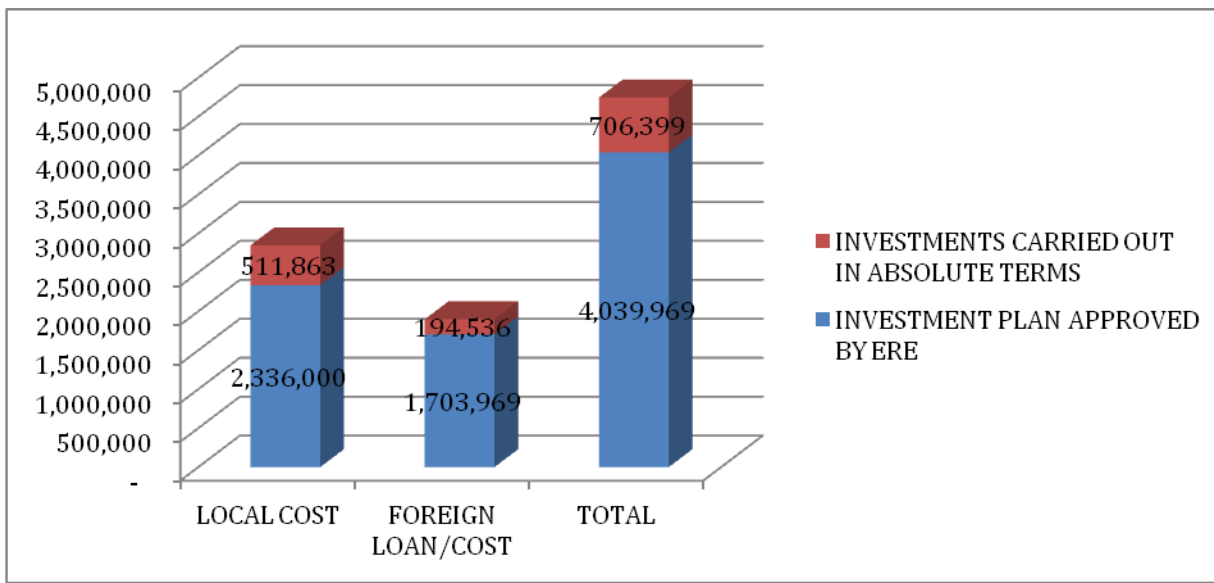


Figure 35 Total investment, realized by KESH company for January – October 2013 period

While monitoring KESH company about cash flow for January – September 2013 period we have observed:

- Mismatch of the information between KESH and CEZ Shpërndarje companies for liquidating the obligations for electricity payments;
- KESH company does not make the payments to small electricity producers proportionally.

Also ERE has done monitoring about the transparency of Electricity Market Operators for 2013 including KESH company in which it is observed that on the KESH company webpage are not published according legal framework the points as follows:

- ✓ The request for electricity purchase (the quantity of electricity MWh that is offered, daily chart of delivery, the duration of delivery in days/weeks/months, the criteria of evaluating the offers) that are directed to different companies, *based on article 10, point 2 of Rules and Procedures of Electricity Purchase, approved by ERE Board of Commissioners decision no.1 date 10.01.2011.*
- ✓ Any offer (quantity of electricity that is required to be purchased, daily chart delivery, duration of delivery in days/months/weeks, the full period of delivering electricity defined in the contractual agreement, the place where to deliver it, qualification requests in the purchase procedure) for purchasing electricity on the same day that invites the companies listed, to take part in the process of purchasing energy *based on article 9, point 2 of Rules and Procedures of purchasing electricity from the Traders, approved by ERE Board of Commissioners decision no.30 date 23.03.2011.*
- ✓ The invitation/request for offer, summarized report or other information by which KESH company informs the interested traders to participate in the procedure of purchasing

electricity and also declares the winning/not winning offers *based on article 19 of Rules and Procedures of purchasing Electricity.*

- ✓ The data regarding electricity exchanging procedure (request for exchanging electricity) based on *article 9, point 2 of the Rules and Procedures of exchanging electricity, approved by ERE Board of Commissioners, decision no.100, of 27.12.2006 amended.*

ERE has required from KESH company to implement the legal framework to increase transparency in the Electricity Market.

### 2.1.3 Monitoring TSO company

During 2013 ERE has carried out several monitoring for complying the obligations coming from licensing process, as well as Market Rules and other legal acts in force.

#### ***Investment Plan***

Realizing the investments has been one of ERE monitoring objects. From the monitoring process in this company we have noticed that the investments are generally realized by following medium-term plans with foreign funds as well as the 2012-2014 investment plan approved by ERE. As it can be seen from the table below, the plans are not realized according to the forecasts because of not finding in time the funds and also there have been deviations from the plans because of obligatory investment to realize the security of the system.

Table 20 TSO company Investments

<b>Investment in TSO company (Milion)</b>	<b>The program for 2013</b>	<b>The expected program for 2013</b>	<b>The program for 2014</b>
Investments with its own funds	2,163	848	2,306
Investments with foreign funds	4,500	2,812	3,336

#### ***The Imbalances***

Taking into account the review of the Market Rules regarding the handling of the balancing market issue, ERE for this purpose made a monitoring for 2013. Based on the adjustments, regarding hourly data from the TSO metering system, we have calculated for each Market Participant the imbalances on hourly basis. Every 10 days, TSO informs the Parties for the imbalances, so that they can schedule their respective compensations. These imbalances of the Parties have been evaluated and then they are invoiced on monthly bases to the market participants. Also, on

monthly bases are calculated and has been compensated even KESh company for balancing the Transmission System. In the tables and charts below it is shown a total summary of the Deviation volumes inside  $\pm 4\%$  tolerance of the Market Participants, for January – December 2013 period. The imbalances in these limits are not fined in monetary values but are compensated by both parties with electricity.

Table 21 Positive and Negative Imbalances of the Market Participants for 2013

		Imbalances											
Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
Negative/Mh	290	331	169	35	69	348	97	148	411	31	801	723	3,454
Positive/MWh	11	99	309	11	1	240	536	521	244	1,744	737	1,121	5,613

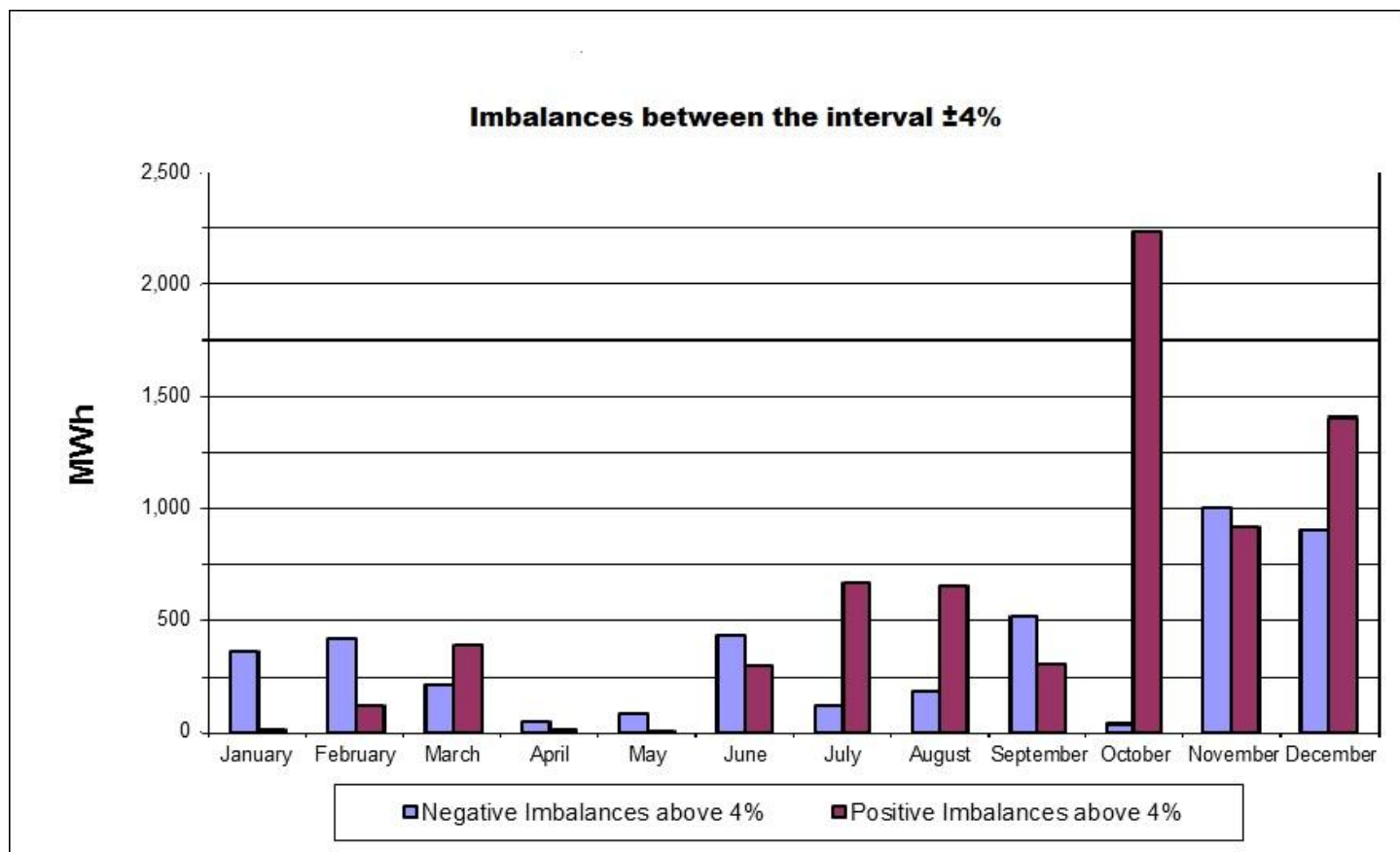


Figure 36 Imbalances inside  $\pm 4\%$  limit



While on Table -22-and on Chart -37- are shown the penalties for the Deviations caused by the Market Participants, outside  $\pm 4\%$  limit in MWh. These imbalances are paid according to the Market Rules amended based on ERE's Board decisions.

Table 22 The penalties of Positive and Negative Imbalances of the Market Participants for 2013

Imbalances			
Year 2013		NEGATIVE Imb.	POSITIVE Imb.
		MWh	MWh
	January	1,114	380
February	734	433	
March	672	1,837	
April	252	427	
May	351	375	
June	1,774	2,306	
July	1,435	1,842	
August	347	824	
September	531	663	
October	659	1,726	
November	580	1,612	
December	618	1,145	
<b>Total</b>	<b>9,069</b>	<b>13,568</b>	

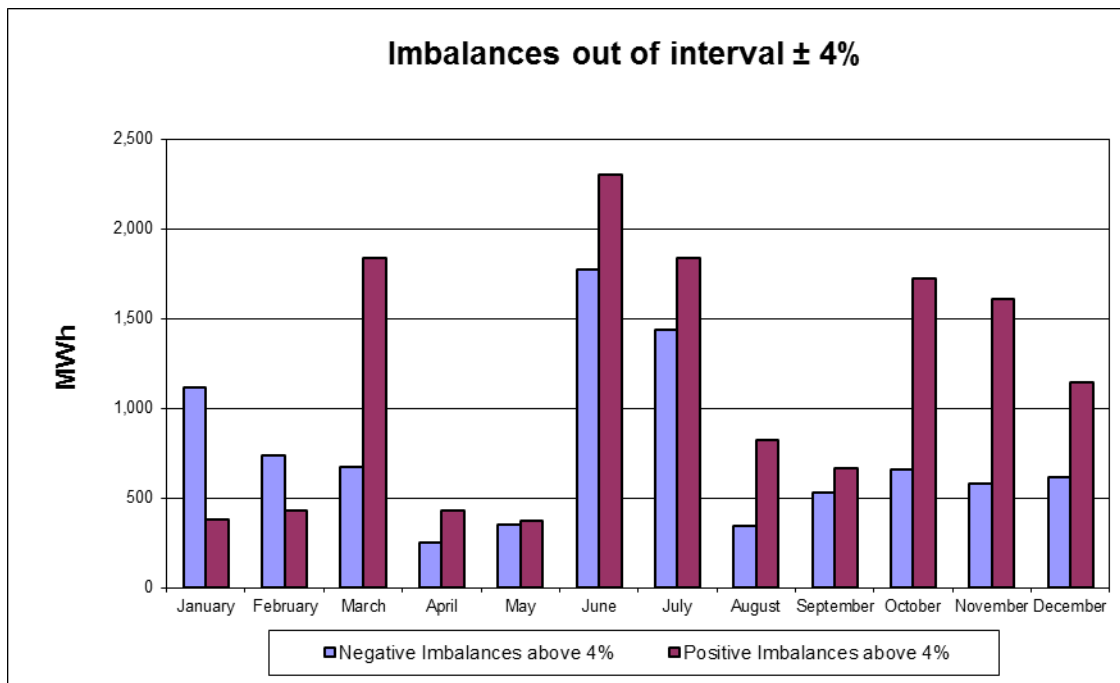


Figure 37 Imbalances outside  $\pm 4\%$  limit

## ***Allocation of Interconnection Capacities***

Regarding allocation of interconnection capacities, for 2013 are made very important changes, because ERE with Decision no 140, on 22.11.2013 has approved “Regulation on Allocation of Interconnection Capacities.” For this reason ERE has done monitorings regarding interconnection allocation capacities.

In accordance with ERE decisions, are performed the Monthly auctions of ATC in interconnection and the Annual auction of ATC, for June 1- December 31 2013 period.

On table 23 are summarized some of the Annual data, for June 1- December 31 period of 2013.

At the annual auction are companies like EFT, GEN-I, GSA, CEZ Albania, AXPO and DANSKE Commodities presented their offers.

At the auction are presented and estimated 121 offers, with a total of about 4.725.120 MWh, with an total offer amount of 2.855.857 Eur, with an average bid price of 0.68 Eur/MWh.

52 offers have resulted winners in the auction, with a total of 1.766.400 MWh, with a total amount of 1.290.576 Eur, with an average price of 0.73 Eur/MWh.

We have noticed that the participant interest has mainly been for exports toward Albania, with a total bid amount of 1.677.859 Eur, (58.7% of total bids) with an average price of the bids 0.76 Euro/MWh.

It dominates the request for export from interconnection with Greece with a total of 852.288 MWh (toward 332.200 MWh offered in the auction from TSO company), with a total amount of the bids of 1.410.691 Eur, with an average bid price of 1.55 Eur/MWh.

Auction prices trend shows participants strong preference for export direction in Albania, with an average bid price of 1.75 Euro/MWh to the average bid price for import direction for Albania that is 0.88 Euro/MWh. At the end of the auction there was no reserve expressed by the participants, for the auction process and results.

**Table 23 Annual auction data June – December 2013**

Annual auction (June-December 2013)										
		AL-ME		AL-RS		AL-GR		TSO TOTAL		
Participants Bid Value		imp	exp	imp	exp	imp	exp	imp	Exp	imp + exp
	Eur	899'715	201'192	253'522	65'975	24'759	1'410'691	1'177'997	1'667'859	<b>2'859'857</b>
Winning Bids Value	Eur	485'760	70'656	115'920	25'392	13'248	579'600	314'928	675'648	<b>1'290'576</b>

Price	Eur/MWh	1.10	0.16	1.05	0.23	0.04	1.75	Average 0.70	Average 0.88	Average <b>0.78</b>
Participants Numbers	Offers Nr	26	20	18	16	15	26	59	52	<b>121</b>
Number of winning offers	Nr	11	8	6	6	10	11	27	25	<b>52</b>

In Table no. 24 are summarized the data of Annual and Monthly auctions for January 1 until December 31 2013 period.

**Table 24 Monthly and Annual auction data for January 1 - December 31 2013 Period**

TOTAL – for 2013 (Monthly + Annual auctions)										
		AL-ME		AL-RS		AL-GR		TSO TOTAL		
Participants	Bid	imp	exp	imp	exp	imp	exp	imp	exp	imp + exp
Value	Eur	2'356'920	469'942	1'983'712	467'075	135'580	4'331'727	4'476'213	5'268'745	<b>9'744'959</b>
Winning Bids Value	Eur	937'582	136'632	674'857	177'746	42'429	1'690'143	1'654'869	2'004'521	<b>3'659'390</b>
Price	Eur/MWh	0.48	0.06	0.70	0.25	0.05	1.60	0.47	0.62	<b>0.54</b>
Participant Number	Bids Nr	277	172	395	226	167	287	839	685	<b>1'524</b>
Number of Winning Bids	Nr	148	144	193	116	110	125	451	385	<b>836</b>

In the following charts are summarized the incomes for every limit as well as the weigh in percentage that import and export have in capacity auctions for 2013.

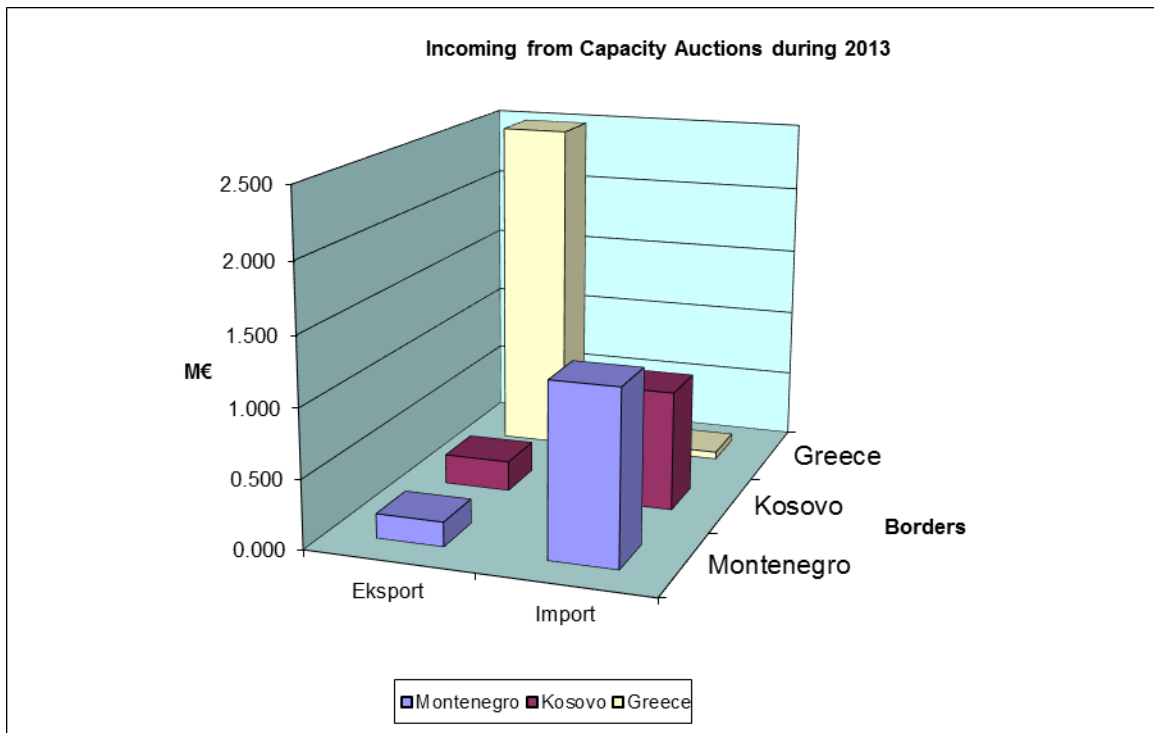


Figure 38 The Incomes chart from the auctions for 2013

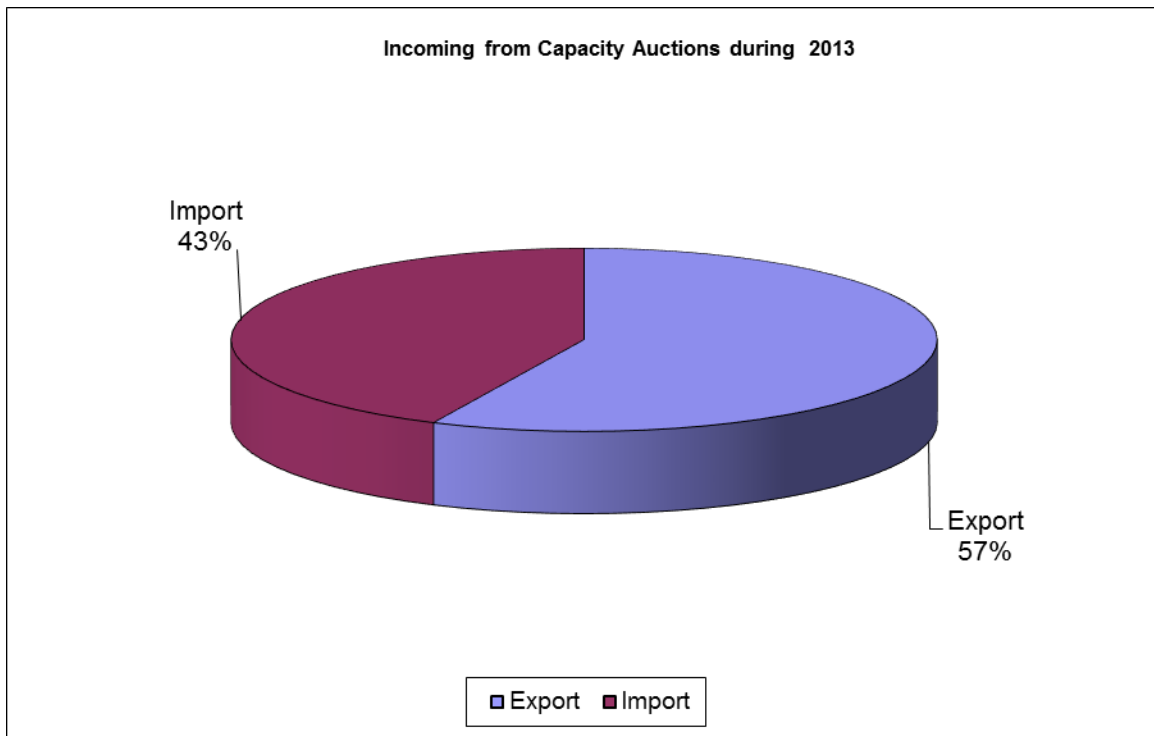


Figure 39 The chart in percentage according to Auction Direction for 2013

At month auctions performed by TSO company, from 20 Market Participants registered, only these companies participated: Alpiq Al, Axpo Al, CEZ Al, EFT Al, Energy Supply, Danske Commodities, GEN-I Tirana, GSA and YLLIAD.

At the auction are presented and estimated 1.524 bids, with a total of 12.991.371 MWh, with a total bid amount of 9.744.959 Eur, with an average bid price 0.85 Eur/MWh.

Have resulted winners in the auction 836 bids, with a total of 6.293.526 MWh, with a total amount of 3.659.390 Eur, and with an average price of 0.54 Euro/MWh.

We noticed that the request of the participants interest has mainly been for exports toward Albania, with a total bid amount of 5.268.745 Eur, (54 % of total bids) with an average price of the bids 0.99 Euro/MWh.

There are won without concession, with 0.00 Euro/MWh price, 65 bids for export toward Albania, with a total of 390.946 MWh while for imports toward Albania were 86 bids, with a total of 512.626 MWh.

The monthly auction price trend shows participants preferences for exports to Albania, with an average bid price of 0.99 Eur/MWh toward average bid price for imports to Albania of 0.73 Eur/MWh.

Interconnection capacity auctions are developed by TSO's respective commission, in accordance with the deadlines and procedures defined as well as with ERE's respective procedures, guidelines or decisions. It should be underlined in this context that it has not been any complain or objection of the Market Participants, that were in the auction for the deadlines, procedures and the auction developing process, bid evaluation process, determining the winners and prices of the auction, communication and publication of the auction results. There is no unpaid bill from the Participants accounts for transmission capacities in interconnection allocated in the auction.

- During monitoring over the mechanism for calculating the imbalances caused by the market participants and the development of daily auctions done by OST sh.a during first three months of 2013, was noticed that the calculation of the disbalances is done in conformity with the Electricity Market Regulations in which OST sh.a by the end of the month prepares the invoices for the debts to FK (Qualified Supplier) and to KESH sh.a  
The observed problem in exercising the OST sh.a Company activity have consisted in the failure to organize daily auctions and publishing the data related to daily interconnection capacities on the company website due to the lack of electronic platform (Soft), but are given in form of daily allocation capacities that has remained from the monthly auctions, that are published every day on the official website of OST sh.a
- During monitoring for verifying the performance of the works in SCADA system was found that:

The project is still in the testing phase, while the new dispatcher center and TSO buildings have remained unfinished because of the contractor's bankruptcy. According to dealings that are done, the building is expected to finish at the beginning of 2015.

Monitoring the performance in this project, is very important because SCADA/EMS system is a necessary tool to operate in the regional electricity market for which the Albanian Government has taken the appropriate commitments at the EU institutions.

The system enables sending and receiving data in real time with neighboring systems with which TSO company has interconnection.

Setting this project in operation is a necessary condition for the operation of our electricity system in parallel synchronous with the European transmission grid in accordance with all technical criteria, and it is the last technical condition for the membership of TSO company in the European Grid of the Transmission System Operator for electricity (ENTSO-E),

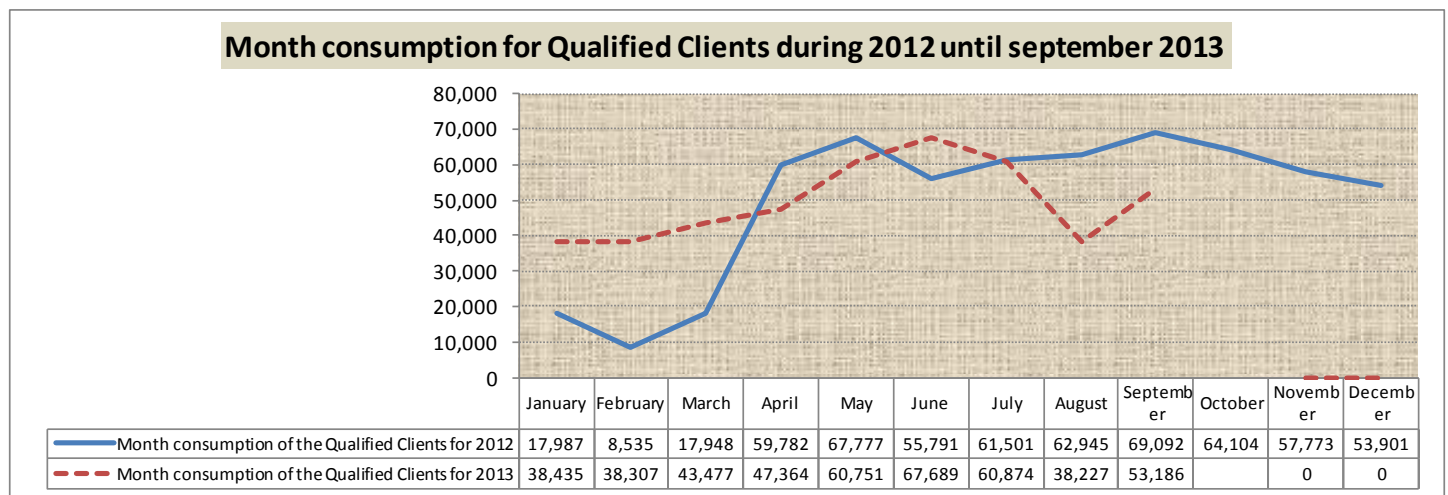
- During monitoring for analyzing the supply/ the consumption of electricity from Qualified Consumers was noticed that:

Qualified client consumption in report with the general consumption is presented as follows:

**Table 25 Qualified Client Consumption in Report with the General Consumption**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	2013
<b>Tot Consumption (MWh)</b>	780,276	699,983	709,000	578,662	556,088	567,849	609,871	611,665	548,001				5,661,395
<b>Eligible consumption (MWh)</b>	38,435	38,307	43,477	47,364	60,751	67,689	60,874	38,227	53,186				448,311
<b>Specific Weight of Eligible (%)</b>	4.9	5.5	6.1	8.2	10.9	11.9	10.0	6.2	9.7				7.9

On the below chart is presented the comparison of the qualified client consumption during 2012-2013.



**Figure 40 Month Consumption of the Qualified Clients for 2012 until September 2013**

There are noticed consumption differences in months but comparing the averages there are not seen significant changes. During the monitoring performed there was not seen any client supplied by CEZ Shperndarje company that has passed the annual consumption of 50 GWh and as consequence should be considered Qualified Client.

- Also within the monitoring that ERE performed for the Electricity Market Operators transparency was found that on TSO website are not published according to the legal framework the points as follows:

1. The list of the parties registered with the information about the name, identification number, registration date and the status (the indicators, the suppliers that supply with electricity only their consumption countries, the withdrawal date, the suspension date etc, *according to chapter III point 3.5 of Albanian Electricity Market Rules*. According to the reports that TSO and KESH companies send to ERE respectively over the developing of the auctions and import/export of electricity transactions, result that some trading companies performing their activity in the electricity system are not on the list of the parties registered on the website. As mentioned above TSO company should update the website with these data.

2. All the regulated contracts approved by ERE, aiming to support the contracting parties from the risk of changing the market final price, *according to Chapter V, point 2.1 of the Albanian Electricity Market Rules*.

3. All the limits envisaged in the system that can affect on the total transactions nominated from the market participants (*Chapter VI, point 4.7 of the Albanian Electricity Market Rules*).

4. A list that identifies any Metering System for which is required automatic control and/or communication, *according to Chapter XIV, point 9.3 of the Albanian Electricity Market Rules*.

5. The expectations for the request or the load after they become available *according to Chapter XVI, point 5(iv) of Albanian Electricity Market Rules*. The expectations for the request or the load do not result completely published in the webpage because there are not the publications for February-May 2013 period

6. The expectations for generation or injection after they become available, *according to Chapter XVI, point 6(iii) of Albanian Electricity Market Rules*.

Also regarding generation or injection it do not result completely published in the website because there are not the publications for February-May 2013 period

7. Delivering Programs for interconnections (Nominations) *according to the appropriate TSO procedure and the Market Rules, Chapter XVI, point 7 (ii)*.

8. The information and publication *according to chapter XVI, point 8 of the Albanian Electricity Market Rules for:*

(i) The expectations for reserve requirement calculated with Grid Code formula;

(ii) The expectations for assistance services calculated with Grid Code formula;

(iii) The available generation – the available total expecting capacity of generation;

(iv) The Maximum expecting request and the hourly average request in MW for every month of the calendar year;

(v) Estimation of the losses in the transmission system in GWh on weekly basis;

(vi) Estimations of the un expected limits in the GWh system on weekly basis;

(vii) Details over every expected situation for where and when will be limited the supplying.

9. The publication 30 days before the date of developing the annual auctions for the next year, of a general scheme for calculating the total transmission capacities (ATC) and of connection security capacity based on energetic and physical realities of the grid, which will be available for the next year according to point 4 of the *Interconnection Allocation Capacities Regulations*.

10. The Actual value of the Application and Supervision Tariff based on point 4.4 of the *New Connections Regulation*.

ERE has asked from the OST sh.a Company the implementation of the legal framework for increase of the Transparency in the Electricity Market.

## 2.1.4 CEZ Shpërndarje sh.a monitoring

ERE has performed frequent monitorings regarding the realization of CEZ Shperndarje activity because during 2013, with the Decision No.5 of January 21, 2013 ERE set CEZ Shperndarje company. The monitorings realized by ERE mainly consist of:

1. Number of outages, number of customers affected from electricity outages, number of consumers without electricity meters, connected with SAIDI and SAIFI for December 2012, January-February 2013 months;
2. Realization of the Investment Plan for January-April 2013 period;
3. Realization of the loosed targets and the action plan drafted from the company;
4. The actual situation of the meters, controlling and their calibration contracts with the respective companies and their actions in the terrain;
5. For handling the emergency situation on the distribution grid;
6. Cash Flow for January-May 2013 period;
7. The costs realized for January-May 2013 period;
8. The proceeding and implementing ERE decisions, regarding economical damage and their reflection on the billing system;
9. Handling of customer complaints and the quality continuity indicators of electricity supplying;
10. Over the transparency in the Market of Electricity Operators.

In more details:

- From the monitoring performed regarding the number of outages and the way of calculating the quality service indicators was observed that are made maximal attempts to identify and repair the outages in amortized grid conditions, consumption in big quantities and the lack in repairing materials. The quality performance indicators are calculated and reported only for the high and medium Voltage. Their accuracy can be monitored with the construction of SCADA system which is still unrealized by the company.
- From the monitoring performed by ERE regarding the investment realization for January-April 2013 period, was noticed that CEZ Shperndarje company doesn't have investment realization as consequence of the emergency situation declared by CEZ Shperndarje company in temporary administration.
- Regarding the loosed targets and the action plan drafted from the company, ERE has noticed a decrease tendency of the total losses to 30.52% on May 2013. The fact that it is increased the number of customers with "0" consumption with about 50.000 invoices from 242 502 on March, with 293 027 on April. Expressed in percentages the total number of customers, we notice that consume "0" electricity 20.9% of the customers on March and 24.9% of the customers on April.
- From the monitoring done over the actual situation of the meters, the contracts for their controlling and calibration with the respective companies and their actions in the terrain, ERE has instructed:



- The preparation of a study for the actual situation of the meter and an Action Plan for achieving the objectives to equip with meters of all subscribers as well as the objective for the completion with cabins, feeder transformers until low voltage level.
  - The preparation of a study for the situation of the invoicing system by setting targets and deadlines associated with the elimination of anomalies, specifying the database, periodical reading of the meters, invoicing etc
  - The specification of the proposal for calculating the invoices in response to the ERE's request for this purpose.
  - Following and reporting the contract implementation level with the third parties regarding the control, verification and colaudation of the meters and also to be reported the level of fulfilling the obligations that CEZ Shperndarje sh.a in temporary administration has.
- Regarding the monitoring performed by ERE of the emergency situation in the distribution grid it results that the required interventions from CEZ Shperndarje sh.a Company in temporary administration during March 2013 period are emergent:
- o Partial reconstruction of the 10 kv cable feeder from Lezha substation toward Shengjin;
  - o Reconstruction of the 35Kv line from Shkodra substation toward Velipoja;
  - o Construction and fitting of the 20 kv feeder for covering “Shkëmbi i Kavajës” area toward Golem from the Shkozet Substation;
  - o Construction of the 20kv line from Saranda to Ksamil touristic site;
  - o Supply in the grid of the medium Voltage at Lukova area;
  - o Expansion of the F-5 20 kv air feeder from Sallmona substation toward Maminas.

These are necessary works for strengthening the security of electricity supply in the coastal areas of Velipoja and Lezha, as a public obligation of CEZ Shperndarje, in temporary administration.

- Regarding CASH FLOW monitoring for January- May 2013 period, ERE has seen that: The company has exceeded several items compared to the payment schedule approved with ERE Board of Commissioners decision no.22, on 18.02.2013 and on the other hand it is noticed that some items are not realized in the level approved by ERE. In general the largest share of excesses for the payments toward the schedule approved by ERE is covered by the payments for (KESH, TSO, unpaid electricity import, energy import) These excesses has come as consequence of company's failure to pay in the past.
- During the monitoring performed regarding the economical damage and their reflection in the billing system, the company has defined that for January 2011 - May 2013 period are registered 11.074 complains with economical damage in total, from which are handled 8.826 cases. In many cases, handling these complains has become difficult because of not finding the records of setting the fines from the part of NTL structures. All the backward cases are rejudged from the company in order the subscribers to receive a response for the complains registered during 2011 – 2012 years.

- On monitorings regarding the complains handled and quality continuous Indicators of electricity supply for January-September 2013 period ERE has found that:

There has not been a sufficient commitment of the company to solve the problems regarding the customers complains.

It is a large number of complains for unmeasured electricity, economical damage, measuring out of technical conditions, over invoicing, fictitious contracts etc.

It is noted that from periodical reports of “CEZ Shperndarje” company quality service indicators are not presented in details as required by the regulation.

Rejecting the customer complaints by CEZ Shperndarje company (without reasonable causes).

Failure deadlines regarding the handling of complaints, which has led to a large influx of complainers to ERE.

It is noted that in most of the cases the records set as: economical damage, measuring out of technical conditions, are without the signature of electricity consumers.

There are found many no reflection cases in the Billing system of the decisions taken from the “CEZ Shpërndarje” company.

- Regarding the monitoring performed by ERE for the transparence in the Market of Electricity Operators for 2013 it is noticed that on CEZ Shperndarje web site (in temporary administration), are not published according to the legal framework the points as follows:

- ✓ The processed Results of the continuing quality indicators for electricity Supply for any distribution area classified within March 31 of the next year, *according to article 17, point 3 of the Regulation for minimal Conditions of the Electricity Distribution Service Quality and Purchase*
- ✓ Information and data for the services performed in the previous year, companies in the levels of service quality trade, *according to article 36, point 3 of the Regulation for minimal Conditions of the Electricity Distribution Service Quality and Purchase*

ERE has asked from CEZ Shpërndarje company in temporary administration the implementation of the legal framework for increasing the Transparency in the Electricity Market.

## 2.1.5 Monitoring other Operators of Electricity

During 2013, ERE has performed monitorings even in the following companies:

### 1. *“Albanian Green Energy”, “Balkan Green Energy” and “Favina 1” Companies*

From the monitoring performed to “Favina 1” company in “Vithkuq” HPP, “Albanian Green Energy” company in “Smokthinë” HPP and “Balkan Green Energy” company (in selection) in “Barmash”, “Rajan”, “Borsh”, “Muhur” and “Arras” HPP’s, was observed that in:

#### a) “Vithkuq” HPP

It is made the capacity strengthening installed in two phases. The total installed power after two strengthenings is 2,715 MW. For performing all the works from “Favina 1” company are spend about 420.000.000 ALL.

#### b) “Smokthinë” HPP

For the rehabilitation of “Smokthinë” HPP is made its partial reconstruction. The power installed in this HPP is 9,2 MW. The expenses made from “Albanian Green Energy” are about 3.100.000 USD.

#### c) “Barmash” HPP

It is made the rehabilitation and strengthening of the installed capacity. From its rehabilitation and strengthening, the installed power in the HPP is 830 KW. The amount of the investment for rehabilitation and its strengthening from the “Balkan Green Energy” is 949.193 Euro.

#### d) “Rajan” HPP

It is done the complete reconstruction and its strengthening. Are replaced the two existing turbines 2 x 150 KW (out of function) with two 1 x 800 KW and 1 x 250 KW turbines. The installed power in this HPP is performed by “Balkan Green Energy” company for its reconstruction and strengthening is spend 1.708.598 Euro.

#### e) “Borsh” HPP

It is done its rehabilitation (partial reconstruction). It is repaired the existing turbine 250 KW and are installed new controlling panels and other works in the veprën e marrjes, the deviation channel and the plant building. The amount of the investment performed by “Balkan Green Energy” company for its rehabilitation is 259.241 Euro.

#### f) “Muhur” HPP

It is done its rehabilitation (partial reconstruction). The existing turbine is repaired and reinstalled and are also installed new controlling panels. It is replaced the existing generator (out of function) and is installed a new one 250 KW. Are made other partial reconstructions and repairings of the station. The installed power of the station is 250 KW. The installing amount performed by “Balkan Green Energy” company for its rehabilitation is 359.425 Euro.

#### g) “Arras” HPP

It is done its rehabilitation and strengthening. There are replaced three existing turbines (3 x 400 KW) and are installed four new aggregates (4 x 1200 KW) together with the controlling panels. There are completely reconstructed veprat e marrjes and the two decanters.

It is reconstructed the pressure basin and are performed partial repairings in the deviation channel and it is replaced the pressure pipe. There are done repairing and adjustment works in the plant building. The plant installed power after strengthening is 4,8 MW. The investment amount performed by “Balkan Green Energy” company for its rehabilitation and strengthening is 4.379.143 Euro.

## **2. “Projeksion Energji” Company**

From the monitoring done at “Projeksion Energji” company, ERE has verified that the situation of “Treskë”, “Rehovë” and “Carshovë” HPP has resulted as follows:

### **a. “Rehovë” HPP**

“Rehovë” HPP licensed with 100 KW power is not functioning and has not worked from January 2012.

### **b. “Treska 1” HPP**

This HPP is licensed by ERE with 130 KW power and is not functioning. In it are installed two aggregates with 125 KW power each of them, in which the HPP has generated energy until January 2013 (according to the two partners present during monitoring) and from this time it is closed because of the partner disagreements.

### **c. “Carshovë” HPP**

This HPP is licensed with a 70 KW power and according to the two partners has never functioned. In this HPP there was not any kind of device, the old plant of the HPP was relatively amortized and are done some construction works outside this building.

ERE has continued to analyze this problem by preliminary observing (and informing the shareholders) that the problem for these HPP to operate is connected to the disagreements between the shareholders of “Projeksion Energji” company.

Under Law no.9072 of May.22.2003 “On Power Sector” as amended, solving these disagreements is beyond ERE authority which has the responsibility for solving the disagreements between the Licensees and not between shareholders of a licensed company. The disagreements and the shareholder actions that has led to bad functioning of the hydro power plant from this company, based on criminal charges and Actions of the shareholders to each other are also subject to judgment by the Prosecution and the relevant Court.

## **3. “Hera”, “ERS-08” and “E-Vento Albania” companies**

From the monitoring performed at these companies regarding the proceeding of the projects for wind farms was found that:

- ✓ For Hera company are installed four tubular anemometers (two of them in Pogradec in Cerrave and Vreshtas, and two others in Korca in Kapshtica area), which measure the wind speed parameters in two height levels. The current investment for “KAPPET” Project is about 1.025.000 EUR.
- ✓ For “ERS-08” company it is installed an anemometer with constructions, 60 m high, near Peqinaj village municipality of Synej Kavaja district, that measures the wind speed

parameters in four height levels. The current investment for Wind Farm of Kavaja is about 1.500.000 EUR.

- ✓ For “E-Vento Albania” company are installed six tubolar anemometers (two in Lukovë municipality and four in Livadhja municipality Saranda district), that measure the wind speed parameters in two heigh levels. The investment for the Wind Farm in Saranda is about 1.592.600 EUR.

These Companies have ensured the control and maintenance of the equipments installed from them. Also are identified investments done by the companies in question for the purpose of opening and improving the roads that has made possible setting of the devices and anemometers and in continuation securing the control over them.

## **Chapter III**

# **ERE Activity in Developing the Secondary Legislation and other Legal Changes during 2013**

## ERE Activity in Drafting the Secondary Legislation and other Legal Changes during 2013

Drafting the Regulations, Guidelines, standard service Agreements, pursuant to Law no.9072 on 22.05.2003 “*On Power Sector*”, as amended, Law no. 9946, on June.30.2008 “*On Natural Gas Sector*”, Law no.138/2013 “*For Renewable Resources*” Electricity Trade Model, constitute one of ERE responsibilities for completing the necessary regulatory framework for the operation of the electricity market. ERE-s activity during 2013 as in previous years was focused even in further completion of the regulatory framework.

In any case the drafting, amendments or additions, to the approved regulatory framework, ERE is based on Transparency principles (before any decision the parties are invited to preliminary know the draft regulations or other acts that ERE prepares, by taking at the same time even their opinion).

### 1.Regulatory acts approved by ERE

During 2013 ERE has approved some secondary acts.

#### 1.1 Approval of the Regulation “For the Procedures of Appointing the Administrator and his Powers”.

After the decision for removing the license of CEZ Shperndarje company, became necessary the drafting of the regulation “For the procedures of appointing the administrator and his powers, pursuant to article 18, point 4/c of Law no.9072, on May.22.2003 “*On Power Sector*”. This regulatory is approved by ERE Board of Commissioners with decision no.1, on January.10.2013 and is published in the Official Gazette no.4 on January.29.2013 pursuant to provisions of Law “*On Power Sector*” No.9072, on May.22.2003.

In this regulation are defined the procedures that ERE should follow for appointing the administrator and its rights and obligations during the administration period in relations with the society and with ERE.

#### 1.2 Approving some changes in the Albanian Electricity Market Rules

During 2013 from ERE Board of Commissioners are made sometime changes in the Albanian Electricity Market Rules.

ERE pursuant to article 9 and 54, Law no. 9072, of May.22.2003, “*On Power Sector*”, as amended, article 26 of ERE Practice and Procedure Regulations, approved with Board of Commissioners Decision, no.21, of March.18.2009, as amended, as well as in the context of approval from the Parliament of November.25.2011, for some amendments in Law no. 9072, of May.22.2003 “*On Power Sector*”, as amended, worked on drafting the regulations related to the

Balancing of the Market. The regulations were primarily consulted even with the interested groups like:

- Albanian Qualified Suppliers Association
- KESH (Albanian Power Corporation) company
- CEZ Shpërndarje company
- OST (Transmission System Operator) company

The amendments in these Regulations are made with ERE Board of Commissioners decision, no.18, of February.11.2013, published in the Official Gazette no.19, of February.27.2013. Also during 2013, the Market Regulations are amended even with decision no.33, of April.10.2013, published in the Official Gazette no.62 on April.25.2013 and with decision no.147, on December.24.2013, which is not published yet in the Official Gazette. These decisions together with Decision no.18, of February.11.2013 consisted on postponing the preceding decision that amended these regulations on 2012. (Decision no.93, of July.16.2012 that amended the Market Rules regarding the balancing regulations. By this Decision was decided the obligation that the imbalances to be calculated on hourly basis and the invoicing to be on monthly basis. There was also decided that the imbalances to be calculated separately in positive and negative ones, also the price of the Balancing Electricity to be calculated for every month as weighted average of purchasing electricity from KESH company or in its absence, the price of purchasing electricity by FPSH from Small Producers, new concessionaire HPPs, approved by ERE plus 10% of this price, for positive imbalances). This deadline was postponed by specifying that “Decision no.93, of July.16.2012, will extend its effects until on June.30.2014. These decisions were conditioned from the need that a further processing to balance the regulations really reflect the Albanian market specifications and aligning with the European legislation, in evaluating the market developments in another time after the possible amendments of “Power Sector Law” and Albanian Electricity Market Model.

### **1.3 Approving the Payment Schedule of CEZ Shpërndarje sh.a (in Temporary Administration)**

ERE in support of article 8, points 2 and 9 of Law no.9072, “On Power Sector” of May.22.2003, as amended, Decision no.5, on January.21.2013, “On setting CEZ Shpërndarje company, in temporary administration and appointing CEZ Shpërndarje administrator, implementing ERE Board of Commissioners decision no.4, on January.21.2013, “On removing the licenses of electricity distribution activity and retail public supply of electricity activity for CEZ Shpërndarje company.”, the Regulation “For the procedures of appointing the administrator and his powers”, approved with Decision no.1, of January.10.2013, approved with decision no.22, of February.18.2013, published on the Official Gazette no.27, of March.08.2013 “The Payment Schedule of CEZ Shpërndarje sh.a”. During this approval from the working group was judged that



presenting such a schedule will give the appropriate signals in the market, because in this way referring to as agreed in the relevant hearing sessions, it is expected that the market players who have blocked the bank accounts of this company by executing the orders can suspend them after showing the will for making the payments.

## **1.4 Changing the Regulations and Procedures for Electricity Generation Certification from Energy Renewable Resources**

Given the requirements of the companies that operate in the electricity field by the renewable resources, ERE with decision no.43, of April.29.2013, published on the Official Gazette no.87, of April.24.2013, made the adjustments of the regulation for the procedures of electricity generation Certification with the practices used in Italy, in order that this process to be coordinated with the Italian Authorities.

These adjustments were made because there was not an arrangement for the generator in cases of not renewable resources under 50 MW, that can purchase electricity from renewable resources and that have the right of benefiting green certificates and taking in consideration the neighboring countries or even the fact that ERE under Law no.9072, of May.22.2003 “On Power Sector”, as amended, and concretely article 8, point 2, letter m/iv, is authorized “*to draft and approve specific regulations and procedures for qualifying generating plants, that use energy renewable resources, and for certifying the generated electricity*” “*Guarantee of Origin Certificate*” and “*Green Certificate*”. Also article 39 of this law authorizes ERE to establish a mutual certifying process for generating energy renewable resources, with similar institutions of other countries where electricity is imported.

## **1.5 Approving Tariff Methodology (Tap Tariff Code), proposed by TAP AG, according to the Obligations Defined in “Final Joint Opinion”**

ERE based on Law no. 9946, of June.30.2008. “On Natural Gas Sector”, as amended with decision no.127, of November.07.2013 published in the Official Gazette No.187, on December 02.2013, approved the Tariff Methodology (Tap Tariff Code), proposed by TAP AG, according to the obligations defined in the Final Joint Opinion”

Final Joint Opinion of the three countries regulators, in point 4.2.1 assigns the Regulatory Authorities to approve the Tap Tariff Methodology, which should ensure that the tariffs will reflect the efficient costs; they will be transparent and non- discriminatory.

For the above mentioned, TAP has presented for review, the comments and suggestions to the three regulatory authorities, the first draft of TAP Tariff Methodology (TAP Tariff Code) of April.24.2013.

Then TAP has presented to ERE for approval on October.14.2013, with protocol number. 500/11 the final version of TAP Tariff Methodology otherwise called *TAP Tariff Code* which reflects the comments made from the three Regulators.

## 1.Approving the Regulation on Allocation of Interconnection Capacities

TSO company, proposed for approval ERE draft Regulation on Allocation of Interconnection Capacities. ERE after publishing this proposal in the newspaper and after sending this regulation for a review to all the interested parties, based on article 8, point 2 and 9 of Law no.9072, of May.22.2003 “On Power Sector” as amended, and based on ERE Practice and Procedure Regulations, approved with decision no.140 on November.22.2013, published on the Official Gazette no.193 on December.12.2013, the Regulation for Allocation of Capacities. With the approval of this regulation are made steps forward regarding the daily allocation capacities, because before in the daily auctions were allocated only the capacities not given in annual or monthly auctions. While on the new regulation it is defined to be allocated the capacities that will not be used according to parties declarations. This regulation largely reflected the Energy Community Secretariat recommendations over the allocation of capacity regulations.

## 2. Developments in the Primary Legislation of the Power Sector

### 2.1 Law No. 138/2013, “On Energy Renewable Resources”

During 2013 from the Albanian Parliament it is approved Law no. 138/2013, “On Energy Renewable Resources.”

To implement this law ERE, approved the secondary acts as follows:

- “The Standard Contract of selling-purchasing Electricity between FPSH and PVE”  
“The Standard Agreement for Grid Connection of the Generating”
- “The Regulation for Grid Connection of the Generators”
- “The Methodology of Defining the Electricity Fix Tariffs from Energy Renewable Resources”
- “Electronic Registration of Origin Guarantees from Energy Renewable Resources”
- “Quality Service Regulation”,
- “The Regulation on Applying Origin Guarantee procedures”

During drafting these acts and especially drafting the Methodology of Defining Electricity Fix Tariffs from Energy Renewable Resources are encountered difficulties associated with some uncertainties relating to:

Defining the companies that this methodology will be addressed and in consequence even the relevant tariff decisions. Law no. 138/2013 “For Renewable Resources” has defined in letter rr) article 3, as “Generators that have priority” any power generator from renewable resources with installed capacity up to 15 MW for all the plants constructed from the company that benefits from i) purchase fix tariff (feed-in tariff) mechanism and ii) that have signed an agreement for purchasing electricity (PPA) with the company who has the obligation to purchase electricity generated from renewable resources.

On the other hand until now are licensed in accordance with the concession contracts different companies for performing the generation activity from HPP given in concession where some of these companies result to have in concession plants that exceed the limit specified in Law no.138/2013 “For Renewable Resources”.

These companies have defined in their concession contract the right to sell electricity to KESH company with regulated prices, the methodology to calculate the prices for which now is undefined considering that Law no 138/2013 “For Renewable Resources”, addresses the calculation of the tariff for the generator category from the plants until 15 MW.

It is disturbing to calculate the tariff according to the groups that took in concession more than a plant which often are set into work in different intervals that influences in the regrouping and as such in the tariff re-calculation within a year while the tariffs are set once a year.

For further proceeding within the aforementioned processing Methodology and corresponding tariffs for these plants ERE estimated necessary MEI position which in its communication with ERE has required with good intention of the investors interest, market participants, and electricity end consumers in accordance with the Albanian government policies with regard to legal and secondary framework for renewable energy, ERE not to proceed with the initiated process for approving the corresponding tariff methodology and fix electricity tariffs for the HPP in priority until a final attitude of the Energy and Industry Ministry.

### 3. Handling the Court Cases

During 2013, ERE has taken part in some court cases in Tirana District Court.

It results that the number of the court processes that ERE participated during 2013 has been the same with that of the previous year.

The disputes handled in these judgements has mainly been complaints from companies licensed by ERE and customer complaints on electricity overbilling, where ERE has been a third party.

**Court cases where ERE has been charged are as follows:**

- **CEZ Shpërndarje company** regarding the complain of decision no.108, date January.21.2011 “On Approving the Electricity Supply Contract for the Household Customers and decision no.109, of January.21.2011, “On Approving the Electricity Supply Contract for Not Household Customers” –in process.
- **CEZ Shpërndarje company** regarding the complain of ERE Board of Commissioners decision no.31, of March.31.2011, “On approving the Electricity Supply Contract between KESH company (Wholesale Public Supply) and company CEZ Shperndarje (Retail Public Supply) for January.01.2011-December.31.2011 period” - in process
- **CEZ Shpërndarje company** regarding the complain of decision no.102, of July.19.2012, “On Approving the Electricity Transmission Agreement between TSO and CEZ Shperndarje companies, for point 15.3 of the Agreement”. on the low level court it is won by ERE. It is expected a possible complaint from CEZ Shperndarje company.
- **CEZ Shpërndarje company** regarding the “Invalidity Ascertainment” of Decision no.62 of July.22.2011, “On Approving the Standard Contract for verification service, periodical and initial control of electricity meters, and Decision no.73, of August.09.2011, On the Complain of CEZ Shperndarje company for ERE Board of Commisioners decision, No.62, of July.22.2011 “On Approving the Standard Contract for verification service, periodical and initial control of electricity meters.”- is won in the low level court by ERE, it is expected the complain.
- **CEZ Shpërndarje,** regarding “1.Suspension to execute Decision no.128, of September.11.2011” “For adminstrative proceeding of imposing a fine to CEZ Shperndarje company”, 2. “ Invalid declaration and cancellation of Decision no.128, date September.11.2011 “For administrative proceeding of imposing a fine to CEZ Shperndarje company” – is won in the low level court by ERE.

- **CEZ Shpërndarje company**, regarding partial Cancellation for ERE Board of Commissioners Decision no.110 administrative act, October.21.2011 “On approving the regulation for minimal conditions of quality service, distribution and purchasing electricity”, published on the Official Gazette no.165, on December.23.2011- is won in the low level court by ERE.
- **KESH company** regarding the complain of this company for ERE decision no.118 on 28.12.2010 “On not accepting KESH company complain to review Board of Commissioner decision no.97, on 07.12.2010, “On Determining the electricity Tariff for Wholesale Public Suppliers for January 1- December 31 2011 period.” – is won in the low level court by ERE, is appealed by KESH court to the Court of Appeal.
- **GEN – I Tirana sh.p.k** regarding the compain of ERE Board of Commissioners decision no.78 of October.22.2010 -regarding the approval to sign the contracts for electricity sale-purchasing for January.01.2011-December.31.2011 period, between CEZ Shperndarje and CEZ AS and EFT AG companies. This issue is won in the low level court by ERE, it is expected a possible complaint of GEN-I Tirane company

For all the issues raised in Tirana District Court and those appealed in this court, with the entry into force of Administrative Court Law, all these issues will be handled in the Administrative Court.

## **Chapter IV**

### **ERE's Activity toward Customer Protection**

On the basis of Law no.9072 of May.22.2003 “On Power Sector”, as amended, Energy Regulatory Entity, has continued its work toward protecting the electricity customers to have tariffs that reflect the principles of setting the tariffs as defined by law, the service conditions, like quality, efficiency, resistance, and security of electricity supplying to be suitable in conformity with the regulatory acts in force. Also customer protection is focused even in solving the disputes between the customers and the licensees, supervision of implementing from the electricity supply company of tariff customers of the customer’s rights. The activity of protecting the customers during 2013 has mainly consisted in:

## **1.Handling and Solving the Customer Complains.**

Based on Law no.9072 of May.22.2003 “On Power Sector”, as amended, Energy Regulator Authority has continued its work toward protecting the electricity customers to have tariffs that reflect the principles of setting the tariffs as defined by law, the service conditions, like quality, efficiency, resistance, and security of electricity supplying should be suitable in conformity with the regulatory acts in force.

### **Handling and Solving the customer complains**

Handling the complains in any case has continued to be based on the principles of devotion, transparency and impartiality and handling within legal deadlines defined in the legislation.

From the data managed at ERE it is noticed that the number of the customers complains for 2013 is considerable but anyhow lower than in 2012. On 2012 are handled 1720 complains while on 2013 are handled 1359 complains.

It should be underlined the fact that ERE gives information, explanations and verbal consultations with emails and by phone to many customers that are addressed to ERE regarding any issue over the electricity invoices or even for general information regarding the electricity services.

This large number of complains is related to the customer awareness for their rights related to electricity supply service, this is proved not only the asking of these rights but even the customer involvement in the procedure of solving and handling the complains. On the other hand registration of a large number of complains also underlines a decrease in the quality of electricity supply service.

The customer complains have had a wide spectrum of subjects that consisted mainly in the violation of the general terms of the Electricity Supply Contracts for the household and non household customers.

The Electricity Supply Contracts for household and non household customers approved with ERE Board of Commissioners Decision No.108 and No.109, on 21.10.2011 have synthesized

reciprocal obligation reports of the electricity customers and “CEZ-Shperndarje” company in the quality of retail public supplier.

Regarding the obligations attributed to the Company, ERE referring to Law No. 9072, of May.22.2003 “On Power Sector” as amended, and regulatory acts for its implementation has found that the majority of the complains consists in the violation of their handling deadline as is defined on point 6.10 of the Retail Public Supplier and of Electricity Supply Contract for Household and Non Household Customers.

In these secondary acts it is clearly defined that the company will take in consideration every complain and will respond in a written form to the complainant if the complain is handled within 15 days (according to article 6.10 of the *Retail Public Supply License*) and in accordance to the time defined in the *Complain Handling Regulation* approved by ERE.

On table No.26 it is given in details the total of the complains handled by ERE. The status of these complains is given according to: solved complains 1050 (where are included the complains for which the customer has received a final solution); refused complains 43 (complains that are not subject to judgment for ERE) and 266 (complains that are in process).

The analysis show that the number of the refused complains is about 3%.

**Table 26 Total number of the complaints presented at ERE for 2013**

<b>MONTH</b>	<b>TOTAL NUMBER OF COMPLAINS</b>	<b>SOLVED</b>	<b>IN PROCESS</b>	<b>REFUSED</b>
<b>JANUARY</b>	<b>142</b>	<b>83</b>	<b>56</b>	<b>3</b>
<b>FEBRUARY</b>	<b>187</b>	<b>131</b>	<b>55</b>	<b>1</b>
<b>MARCH</b>	<b>131</b>	<b>102</b>	<b>25</b>	<b>4</b>
<b>APRIL</b>	<b>126</b>	<b>93</b>	<b>32</b>	<b>1</b>
<b>MAY</b>	<b>130</b>	<b>106</b>	<b>17</b>	<b>7</b>
<b>JUNE</b>	<b>123</b>	<b>109</b>	<b>6</b>	<b>8</b>
<b>JULY</b>	<b>122</b>	<b>98</b>	<b>18</b>	<b>6</b>
<b>AUGUST</b>	<b>91</b>	<b>81</b>	<b>9</b>	<b>1</b>
<b>SEPTEMBER</b>	<b>102</b>	<b>84</b>	<b>15</b>	<b>3</b>
<b>OCTOBER</b>	<b>90</b>	<b>83</b>	<b>3</b>	<b>4</b>
<b>NOVEMBER</b>	<b>60</b>	<b>47</b>	<b>11</b>	<b>2</b>
<b>DECEMBER</b>	<b>55</b>	<b>38</b>	<b>14</b>	<b>3</b>



<b>Total 2013</b>	<b>1359</b>	<b>1055</b>	<b>261</b>	<b>43</b>
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*Note: In the status of the solved complains the reports are progressive, on the respective months are solved even the complains of the previous months. In the total of complains are submitted the complains presented at ERE that are sent to the company to be handled according to the respective guidelines. With the solved complain status are the complains which the company has handled according to the guidelines given by ERE and is given a response to the customer. While with the refused complain status are expressed the complains refused by the company considering them as repeated and handled before.*

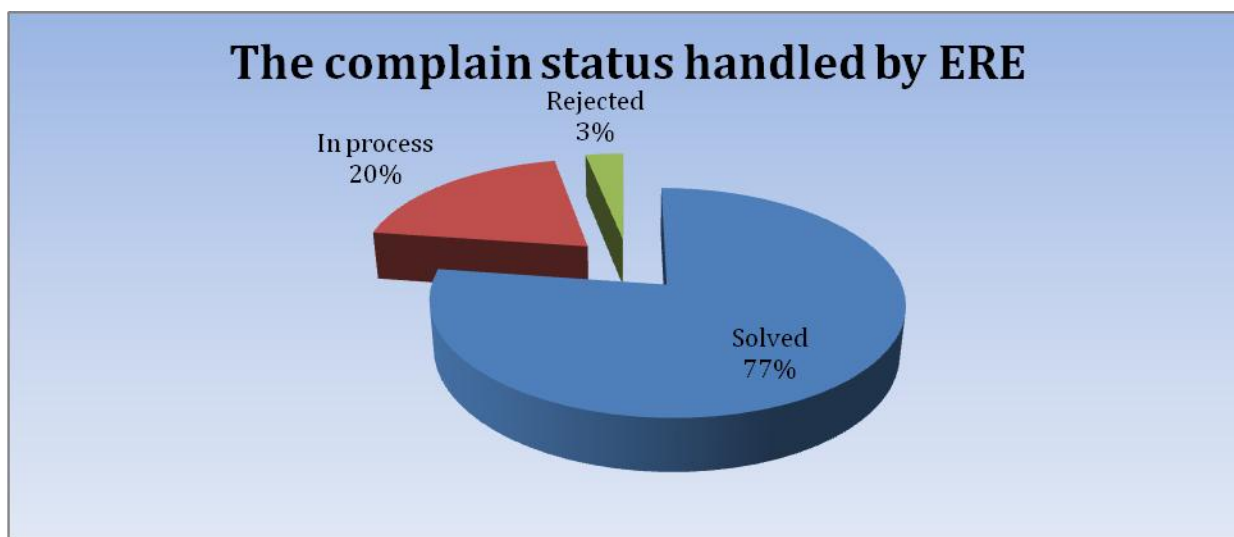


Figure 41 Complaint Status handled by ERE

- A significant place is occupied by the complains regarding the “economical damage” and “unmeasured electricity”. In reviewing the documentation, ERE has seen that from the minutes issued from the non technical losses control groups, the majority of the controls are not carried out in the presence of the subscriber. This procedure is in conflict with article 14.1 of the Electricity Supply Contract for Household and Non-Household Customers and with article III.7.7 of the Measuring Code. Also the controlls performed has been for collective meters, meters that are not owned by the subscribers but are in administration of CEZ Shperndarje. There are seen about 412 complains for “economical damage” and 298 complains for “unmeasured electricity”.
- *Over invoicing and Incorrect invoicing of electricity.* In the complain spectrum a considerable place is occupied by the complains regarding over invoicing and incorrect invoicing of electricity caused by different problems like: disreconciliation of the situation set in the system with the real situation of the electricity metter, human errors by the meter readers, delays in uploading new meter data into the system. Such problems considerably increase the financial weight of subscribers, thus reducing the level of collections. All these causes have made that complaints regarding electricity over invoicing and incorrect invoicing to be still a problem in 2013. For all of these complains ERE has required to CEZ Shpërndarje the necessary information and the in site verification of these complaints. Then, to “CEZ Shpërndarje” company are given the respective guidelines by defining the deadlines to implement them. Based on the data available it results that there are 314 over invoicing and Incorrect invoicing complains.

- Immediate outage of electricity. Another violation is the fact that immediately after applying "economic damage", subscribers have had an immediate outage of electricity being faced with the obligation to pay the "economic damage" value without reflecting this value in the respective electricity invoice, a thing that in contradiction with the obligations defined in the Electricity Supply Contract for Household and non Household Customers, concretely with article 11.1 of this contract which cites that *"If the customer fails to pay the electricity invoice within 30 days from the deadline set for payment according to articles 9.1 and 10, the Supplier has the right to make the disconnection of electricity supply to the Customer, after notifying him in the written form 48 hours in advance. The Supplier is obliged to make the reconnection within 48 hours after the payment is done by the Customer."*
- Based on the data available at ERE, for the majority of them it is not received an answer and it is not made the final arrangement of the real situation of the meter.
- Another problem observed is the noncompliance with the 30-day deadline for the periodical reading of the meter.  
Complaints submitted to ERE with regard to electricity over-invoicing and incorrect invoicing issues, are a result of the failure to perform periodical readings of the electrical meters for a 30 calendar days period, as defined in Article 7.1 of the Electricity Supply Contract for Household Customers.
- Invoices significantly wrong. There are observed significantly higher invoices that the average monthly invoices of the customers (compared or more than triple average monthly invoicing), "CEZ Shperndarje" company has not implemented Article 12.6 of the Electricity Supply Contract for Household and non Household Customers, where it is clearly stated that *"The supplier cancels the invoice and realizes in an accelerated procedure the verification, cancellation and issuance of the correct invoice within 10 days."*
- Prevention of free access to meter reading by consumers.  
The General Conditions of Electricity Supply Contract for Household and non household Customers, Article 7.3 defines that *"Within December 31 2012, the Supplier is obliged to ensure the customer's access to provide free reading of the meter at any time"*. Regarding this fact, ERE has noticed that CEZ Shpërndarje has not taken the proper measures for the implementation of Article 7.3 of the Contract
- Electricity meters calibration. For 2013 electricity meters calibration issue, has been less compared to 2012 (about 18 complains). This, because these complains has found solution from the company itself. It should be underlined the fact that the electricity meter calibration has been blocked during 2012 and all requests/complaints addressed to CEZ Shpërndarje company regarding the verification of the electrical meters accuracy have not been handled by the company during 2012.
- Electricity supply quality. A problematic issue has also been the voltage quality of electricity supply. This issue is faced more in the Communes and various private companies. These complaints have been forwarded to ERE in many cases by METE and by the Ombudsman. Problems related to the voltage quality, are recognised and accepted by "CEZ Shpërndarje" company (in temporary administration). We have handled such complains by organizing hearing sessions, in which CEZ Shpërndarje has been asked for detailed information for the reasons of electricity outages and their duration.

- Electricity invoicing for "metering out of technical conditions". A problematic situation also was the change of meters that were out of technical condition, within the defined deadlines. Not respecting these deadlines has led to customer's charge with electricity invoiced for "metering out of technical conditions" an invoice that is not made based on the legislation in force. This has happened because in the new Electricity Supply Contract for Household and Non-Household Customers, Article 8, point 2, it is cited that *"if the Supplier does not respect the 30-day deadline for the installation of the regular meter, then this is the Supplier's responsibility and the invoicing for the days without meter beyond this deadline, will be zero."*
- It should be underlined the fact that there are encountered problems regarding fictive contract signed unilaterally by the company. These contracts are mainly duplicated based on the original contracts of the customers or are signed unilaterally - without agreement between the parties. There are 38 complaints of this kind handled by ERE and a part of them are reflected in the Billing System.
- Problems from the time of flat rate invoicing (2007 - 2009 ) period.

It continues to be problematic the flat rate invoicing belonging to the 2007- 2010 period. Such complaints are not handled from "CEZ Shpërndarje" company, with the argument for the missing of complete documentation by the company. The most flagrant are those when the invoicing of the consumers is clearly made contrary to ERE Board of Commissioner decisions, *" For approving the postponement for flat rate invoicing for the household customers without electricity meters" for the years 2007-2008-2009, by CEZ Shpërndarje are not taken the measures to make the appropriate cancelations."* Regarding this problem, to solve the created cramp, as result of the lack of the metering to the customers by "CEZ Shpërndarje" sh.a company, ERE with Decision No.146, on 24.12.2013 of the Board of Commissioners decided: *The approval of flat rate invoicing application for household customers that do not have electricity meters. For customers with damaged and out of technical function meters the aforfe invoicing according to the table attached to this decision is applied for a period of no more than 2(two) months.*

- Not respecting the defined deadlines for the new contracts. In these cases, we have observed delays in organizing the contracts, not transferring the contract for the companies resulting as debtors. We have given instruction to realize the contracts for all those subjects that are not debtors, an instruction which is not taken into consideration by the company.
- It seems worrying the fact of not crediting the payments made for electricity invoices. It continues the phenomenon of not crediting the customers that even though they have paid all the electricity obligations, they still result as debtors. Based on the documents we have controlled, we have found cases when customers have made the payments mainly in the bank or at the post office and in these cases we still observe the lack of reconciliation for the paid invoices, but there are the cases when the payment is made in the sales offices and the documentation for these payments is missing. The procedure followed for these consumers was the verification of the original electricity booklet or the payments made in the Sales Offices or in the Bank with the Billing System of CEZ Shpërndarje company, afterwards making the necessary corrections.

ERE has monitored and observed that, handling and solving the complains by the Customer Care Offices of CEZ Shpërndarje company, results to have problems where the typical continues to be not responding within the deadline defined in "the Regulation of Handling the Complains" by the Suppliers, approved by ERE. Not giving solution to these complains by "CEZ-

Shpërndarje” company has made the customers, to come at ERE offices for solving the complaint after the deadline for a response by CEZ Shpërndarje has expired.

While from “CEZ Shpërndarje” company, it is submitted at ERE the information of table no.27.

Table 27 Data regarding the Complains Handled by CEZ Shpërndarje Company

Complains/Requests handled by CEZ Shperndarje during 2013 according to the district and status					
District	Closed	In Process	Refused	Solved	Total
Berat	9	1117	11	4925	6062
Burrel		284	14	2792	3090
Durres	14	4108	457	10606	15185
Elbasan	60	1189	512	6253	8014
Fier	1	5082	386	6755	12224
Gjirokastr	2	3295	5	3957	7259
Korce	81	946	204	5979	7210
Kukes		120	12	744	876
Shkoder	67	1080	106	5534	6787
Tirane	7	12301	434	31466	44208
<b>Total</b>	<b>241</b>	<b>29522</b>	<b>2141</b>	<b>79011</b>	<b>110915</b>

As it can be seen from the chart of picture -42- it prevails the number of complains solved for 2013.

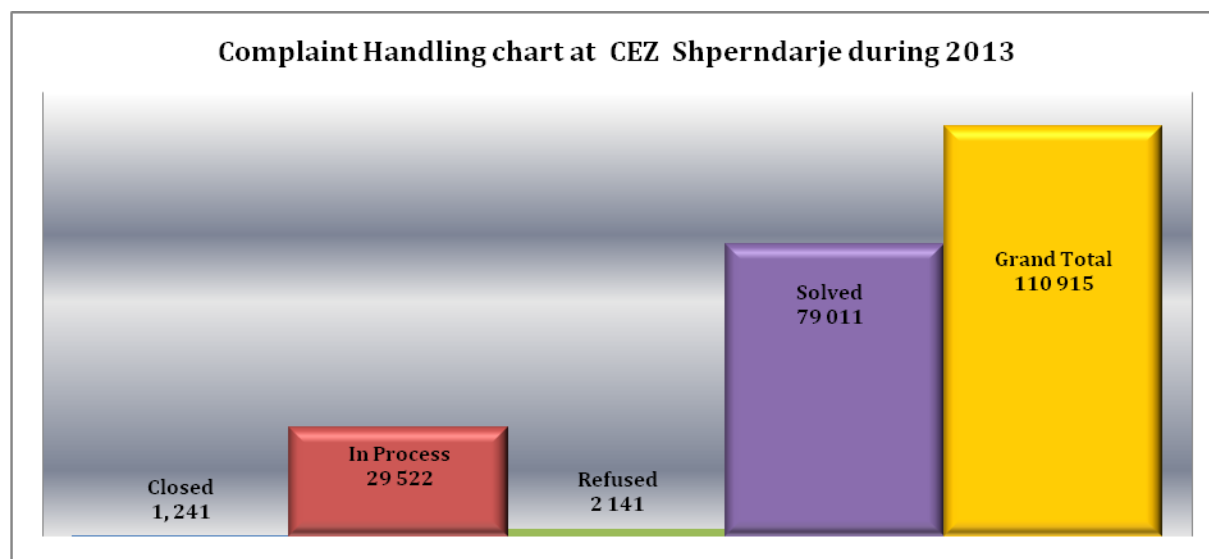


Figure 42 The Complaint Handling Chart at CEZ Shpërndarje during 2013

Table 28 Information Regarding Complaint Source Generation

Complains /requests presented with official letter in the offices during 2013 according to the status													
Type of Response	January	February	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Total
ERE Process		4	1	16	9	2	9		5	116	99	5	266

	Refused		1	4	1						4			10
	Solved	23	66	148	232	117	95	108	29	72	127	32	1	1050
	<b>ERE in Total</b>	<b>23</b>	<b>71</b>	<b>153</b>	<b>249</b>	<b>126</b>	<b>97</b>	<b>117</b>	<b>29</b>	<b>77</b>	<b>247</b>	<b>131</b>	<b>6</b>	<b>1326</b>
CEZ Shperndarje	Closed			1	3				1					5
	Process	44	1	3	4	6	1	4	5	17	36	147	153	421
	Refused			8	2	4	2	2	4	4	3	1	1	31
	Solved	141	43	131	170	143	95	123	104	164	102	86	32	1334
	<b>CEZ in Total</b>	<b>185</b>	<b>44</b>	<b>143</b>	<b>179</b>	<b>153</b>	<b>98</b>	<b>130</b>	<b>113</b>	<b>185</b>	<b>141</b>	<b>234</b>	<b>186</b>	<b>1791</b>
Ombudsman	Process	1								1	1	9	7	19
	Refused		1									1		2
	Solved		5	3	1	7	2	5	2	5	2	3	1	36
	<b>Ombudsman in Total</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>1</b>	<b>7</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>6</b>	<b>3</b>	<b>13</b>	<b>8</b>	<b>57</b>
<b>Total</b>	<b>209</b>	<b>121</b>	<b>299</b>	<b>429</b>	<b>286</b>	<b>197</b>	<b>252</b>	<b>144</b>	<b>268</b>	<b>391</b>	<b>378</b>	<b>200</b>	<b>3 174</b>	

Table 29 The Requests and Complaints in details at CEZ Shpërndarje for 2013

The Requests and Complaints in details at CEZ SHPERNDARJE for 2013														
Type	Type of Response	Jan	Feb	Mar	April	May	June	July	August	Sept	Oct	Nov	Dec	Total
Complains	Closed	28	29	13	3	2	4	7	9	8	4	4		111
	Process	1083	1707	1232	1337	1312	818	1303	1382	1491	1454	1958	2252	17329
	Refused	127	42	61	47	35	27	43	29	27	32	33	45	548
	Solved	3921	3374	3475	4187	3918	2858	3589	3033	3257	2936	2292	2406	39246
	Comp. in Tot	5159	5152	4781	5574	5267	3707	4942	4453	4783	4426	4287	4703	57234
Requests	Closed	25	9	6	13	21	19	13	16	4	4	4	1	135
	Process	543	394	480	536	780	572	832	1044	1195	1593	1832	3098	12899
	Refused	182	101	170	136	261	168	180	141	125	97	27	48	1636
	Solved	2583	3553	3147	3943	3684	3190	4705	4221	4281	3692	2898	2288	42185
	Req. in Tot	3333	4057	3803	4628	4746	3949	5730	5422	5605	5386	4761	5435	56855
Grand Total		8492	9209	8584	10202	10013	7656	10672	9875	10388	9812	9048	10138	114089

ERE has observed lack of information in the reports of CEZ Shpërndarje, for the way of handling the complaints, the time needed to respond customers and other obligatory data required in relationship of the company with the customers, obligations that are specified in the license for the “Retail Public Supply of Electricity” activity and the “Regulation for Handling the Complaints by the Suppliers”, approved by ERE.

## 2. Information in the Official Webpage

The access in the network and the web communication, is developed offering an even more completed and correct view of the information and services offered. By this page it is provided the access and online filling of a complain form from all the interested parties, updated information for the primary and secondary legislation in the power sector, all ERE decisions, the licensee register, the licensing conditions, detailed information about the electricity supply contracts, on the parties respective rights and obligations in the electricity market. ERE webpage during 2013 has continued to offer information over the Board meetings, also for the respective decisions as well as ERE activity in national and regional level.

## 3. Relations with Written and Audio Visual Media

ERE has guaranteed a communication with the public by the declarations, press communications, intensive communication by the media, information publishing that has to do with the service level by the participants in the power sector and public meetings and sessions of the Board of Commissioners.

For 2013, ERE communication with the written and visual media, has been in continuous dynamics. This communication is realized by participating in different TV shows, giving the information in many television, newspaper and magazine interviews, systematically keeping in touch by the ERE managers, and the availability of the data requested from the journalists that cover the power sector, according to the law respecting public information.

It should be emphasized the fact, that ERE is responded positively to continuous requests from the media for clarifications regarding different issues, mainly to “CEZ-Shperndarje” company, but even the developments of TAP project, where ERE has an important role.

For 2013, the monitorings in the media for issues where ERE is involved, because of the situation created with CEZ, the removing of the license and its status in temporary administration; reports of CEZ Shpërdarjes at ERE, and important developments of TAP (pipeline) project. It should be emphasized that for the dynamics and the problems of the power sector in the country its monitoring, and mainly the last developments regarding the implementation of the TAP project, it is intensified the attention of the media to the role of ERE.

Many projects, in different sectors have caused a media sensation and reaction of the in quick time, while the leaders of the institution has respected the media with their requests for offering various information.

During the period of the licenses removal of “CEZ Shpërdarje” sh.a and setting it in temporary administration, the contacts with the media are realized more often where the media has watched and transmitted directly the ERE decision regarding license removal of CEZ Shperndarje sh.a, its setting in temporary administration, selecting the administrator of this company by ERE. A special interest for the media has been ERE decision regarding the TAP Project.

## 4. Communications with the Market Participants

During the implementation of the responsibilities and obligations that derive from the basic legislation of power sector, aiming to balance the state, customer and investor interests, ERE has set cooperation with the market participants in the power sector for a better and transparent coordination of the electricity market. The cooperation mainly is realized by the consultations and meetings with the electricity market operators, such as KESH, OST, CEZ Shperndarje, the Suppliers and Traders. Another form of communication continues to be the processing and issuing in a short time of the information requested from the interested companies regarding the electricity trade issues the legislation and the implementation of the obligations that derive from it.

## 5. Hearing Sessions

Aiming and in reference to solve the complains, handling the disagreements between the licensees and drafting the regulatory acts process, and in accordance with its transparency principle, ERE based on “the Regulation of Practices and Procedures”, has organized a series of hearing sessions. About 46 hearing sessions are held to handle and solve the complains by grouping the problems encountered. The purpose of these sessions has been confronting the concerns of all the market players, and customers of electricity. In this context are given the instructions by ERE, instructions that are obligatory for the market players, for solving the problems found with the customers or in the disagreements between the licensees.

There are organized about 15 hearing sessions with the main actors of the electricity market like “KESH”, “OST” and “CEZ Shperndarje”, AEES, that has been the subject for the consultations of the regulatory acts or handling various issues, like: proposals for amendments in the Albanian Electricity Market Regulation, regarding the liquidation of the obligations that the companies have to each other and realizing a payment schedule (KESH, CEZ Shperndarje sh.a, EFT, Energji Ashta and AEES); the issues regarding the import procedures performed by KESH companysh.a; over the TSO company proposal for the Regulation on Allocation of Interconnection Capacities; discussions regarding the measures for the emergency situation in the distribution grid etc.

A special attention is dedicated to the hearing sessions held between CEZ Shperndarje and electricity customers that are complained mainly for overinvoicing, for invoicing in the common environments: incorrect invoicing, anomaly customers invoices; fictitious contracts etc.

Other hearing sessions are held within the licensees with their object mainly: disputes for the licensing procedures; for the draft agreement of the transmission service with TSO company; for the KESH company failure to pay to small producers and suspend the procedures of setting sequestration on behalf of KESH company; disagreements between KESH company and ASHTA Energy for coordinating the Drin cascade; for the process of sealing the meters, fulfilling the overdue obligations performed by CEZ Shperndarje, General Directorate of Metrology and HTT company.

During these hearing sessions held in ERE, there has been a broad participation by the responsible Ministry of Energy, Competition Authority, public Company representatives, Customer Associations and other interested companies.

Regarding these sessions ERE, in implementing a transparent procedure by identifying and analyzing the observed issues announced to the interested parties its position by giving the appropriate recommendations.



# 6. Indicators of Service, Distribution and Selling Electricity Quality

Table 30 Indicators of Continuity Quality of Electricity Supply during 2013

INDICATORS OF CONTINUOUS QUALITY FOR ELECTRICITY SUPPLY DURING 2013																							
		CAUSE OF				Number of Customers			Planned interruptions					Unplanned interruptions					SAIFI	SAIDI	CAIDI	D1	
		Planned interruption	Majeure Force	Third party responsibility	CEZ Responsibility	TOTAL	URBAN AREA	RURAL AREA	Number of Customer affected TOTAL	Number of Customer affected URBAN Area	Number of Customer affected RURAL AREA	Number of Customers X Time	DURATION (hours)	Number of Customers affected in TOTAL	Number of Customers affected URBAN AREA	Number of Customers affected RURAL AREA	Number of customers per time	DURATION (hours)					
January	Total TL	8	5	22	108	1,163,467	589,633	573,834	28,040			28,040	50,210	13	617,099	175,606	441,493	2,931,015	1,194	0.6	2.6	4.6	4.7
	Total TM	65	30	11	2,495	1,163,467	589,633	573,834	71,353	10,947	60,406	190,342	167	3,410,422	648,073	2,762,349	11,755,606	19,558	3.0	10.3	3.4	3.4	
February	Total TL	24	6	27	130	1,163,467	589,633	573,834	275,681	71,423	204,258	2,090,795	119	909,619	319,019	590,600	1,671,401	370	1.0	3.2	3.2	1.8	
	Total TM	25	82	22	2,474	1,163,467	589,633	573,834	28,707	5,409	23,298	91,759	4	3,050,142	560,278	2,489,862	16,534,983	29,351	2.6	14.3	5.4	5.4	
March	Total TL	9	10	24	119	1,163,467	589,633	573,834	22,115	1,303	20,812	31,556	13	913,976	337,034	576,942	2,155,737	553	0.8	1.9	2.3	2.4	
	Total TM	13	97	41	2,689	1,163,467	589,633	573,834	12,987	4,543	8,344	29,666	1	3,501,967	785,813	2,726,154	7,768,458	13,689	3.0	6.7	2.2	2.2	
April	Total TL	52	5	40	81	1,163,467	589,633	573,834	205,329	65,648	139,681	587,014	138	662,733	236,649	426,094	1,961,756	460	0.7	2.2	2.9	3.0	
	Total TM	84	35	76	2,545	1,163,467	589,633	573,834	63,738	12,344	51,394	252,697	238	3,307,152	941,707	2,360,475	5,384,590	9,577	2.9	4.8	1.7	1.6	
May	Total TL	71	4	42	85	1,163,467	589,633	573,834	328,423	109,318	219,105	940,785	198	812,370	289,355	523,015	2,148,049	434	1.0	2.7	2.7	2.6	
	Total TM	218	177	66	3,543	1,163,467	589,633	573,834	326,668	89,373	237,295	592,032	459	5,079,517	1,309,866	3,770,550	8,914,706	13,424	4.6	8.2	1.8	1.8	
June	Total TL	26	7	24	99	1,176,737	596,000	580,737	179,799	18,977	160,822	1,269,073	177	846,401	324,782	521,617	1,784,106	351	0.9	2.6	3.0	2.1	
	Total TM	134	62	70	2,606	1,176,737	596,000	580,737	169,257	158,283	519,951	240,537	235	3,968,419	1,140,951	2,827,468	4,246,079	6,032	3.5	3.8	1.1	1.1	
July	Total TL	78	41	15	139	1,176,737	596,000	580,737	265,681	104,586	161,296	689,043	209	660,418	124,362	536,356	2,404,494	692	0.8	2.6	3.3	3.6	
	Total TM	126	133	20	2,692	1,176,737	596,000	580,737	172,184	27,989	144,192	293,207	239	3,892,193	1,068,158	2,821,764	4,381,573	8,618	3.5	4.0	1.2	1.1	
August	Total TL	78	41	15	139	1,176,737	596,000	580,737	265,681	104,586	161,296	689,043	209	660,418	124,362	536,356	2,404,494	692	0.8	2.6	3.3	3.6	
	Total TM	132	257	21	3,084	1,176,737	596,000	580,737	162,656	30,950	131,706	276,807	249	4,531,259	1,113,785	3,417,474	7,737,329	9,509	4.0	6.8	1.7	1.7	
September	Total TL	53	38	0	164	1,176,737	596,000	580,737	192,630	40,580	152,050	552,450.4	231.4	1,018,795	248,609	770,186	2,511,906.5	835.35	1.0	2.6	2.5	2.5	
	Total TM	238	170	26	3,108	1,176,737	596,000	580,737	281,235	51,973	229,462	958,551.3	815.1	4,683,497	1,438,446	3,246,051	7,784,117.9	9,700.2	4.2	7.4	1.8	1.7	
October	Total TL	51	190	19	122	1,176,737	596,000	580,737	164,109	42,458	121,643	403,633	112	1,033,894	274,495	759,399	3,187,967	829	1.0	3.1	3.0	3.1	
	Total TM	211	45	9	2,767	1,176,737	596,000	580,737	232,982	37,613	195,419	613,160	631	4,927,817	1,832,241	3,095,758	7,412,548	8,273	4.4	6.8	1.6	1.5	
November	Total TL	56	15	50	91	1,176,737	596,000	580,737	180,825	40,465	140,360	561,898	146	786,690	194,753	591,937	3,043,209	890	0.8	3.0	3.7	3.9	
	Total TM	143	63	36	2,895	1,176,737	596,000	580,737	164,202	30,548	133,654	408,026	392	3,890,446	750,832	3,139,611	7,065,483	11,204	3.4	6.4	1.8	1.8	
December	Total TL	35	5	63	129	1,176,737	596,000	580,737	88,354	9,784	78,570	209,484	93	1,262,296	362,127	900,169	4,697,402	1,334	1.1	4.2	3.6	3.7	
	Total TM	154	74	17	3,013	1,176,737	596,000	580,737	190,719	38,587	152,082	402,345	346	3,994,530	927,140	3,126,507	6,205,780	8,897	3.6	5.6	1.6	1.6	

Energy Regulatory Authority has approved a series of acts for specifying the quality indicators of the service offered to customers.

Every month CEZ Shpërndarje reports the indexes and indicators of Distribution Quality that are grouped on table No.30 and are reflected and synthesized even on table No.31.

The continuity of the Electricity transmission service in the Medium Voltage connections during 2013, measured according to relevant electricity indicators, is characterized by a total number of 37094 outages. Here are included the expected outages.

On the following table are given the appropriate data:

**Table 31 Reflected and Synthesized Quality Indicators**

**Tab. 1 The outages during 2013**

THE REASON OF THE OUTAGE DURING 2013				
Total TM	The outages Planned	Major Force	Third Party Responsibility	CEZ Responsibility
		<b>1 543</b>	<b>1 225</b>	<b>415</b>

The datas are given from: CEZ  
Where TM is: Medium Voltage

**Tab. 2 The outages planned**

The number of the affected Customers and duration (the outages in Medium Voltage (TM))					
Total TM	Customers affected TOTAL	Affected Customer URBAN Area	Affected Customer RURAL Area	Customer for X Time	DURATION(hours)
	<b>1 876 588</b>	<b>498 559</b>	<b>1 887 203</b>	<b>4 349 130</b>	<b>3 775</b>

As it can be seen from the table below during 2013 are affected in total 1.876.588 customers in a total duration time of about 3.775 hours.

**Tab. 3 Unplanned Outages**

Number of affected Customers and duration (the outages in High Voltage (TL))					
Total TL	Affected Customers TOTAL	Affected Customer in URBAN Area	Affected Customer in RURAL Area	Customer for X Time	DURATION(hours)
	<b>48 237 361</b>	<b>12 517 290</b>	<b>35 784 023</b>	<b>95 191 254</b>	<b>147 831</b>

In the tables above we can see that the more affected customers in planned and unplanned outages are the Rural Areas Customers. The Customers affected in these areas are over the triple of customers in the urban Areas.

**Tab. 4 The reports and duration for the client in Medium Voltage**

Total TL	SAIFI	SAIDI	CAIDI	D1
	Customers affected from the outages/ Cust in Total	Outage hours in Total/Customers in Total	Outage hours in Total/Cust. Affected from the outages	Total duration for an affected client from the unplanned outages
	<b>43</b>	<b>85</b>	<b>25</b>	<b>25</b>

Where SAIFI is: System Average Interruption Frequency Index  
Where SAIDI is: System Average Interruption Duration Index  
Where CAIDI is: Customer Average Interruption Duration Index

Despite that ERE has conducted periodic monitoring for the information and made surveys for the way of identifying and calculating the accuracy of the information will again proceed with difficulty until establishing the SCADA system for the Distribution.

As it can be seen from the table there cannot be calculated the quality indicators in the Low Voltage.

## **Chapter V**

# **ERE's Inter-Institutional and International Relations**

# 1. ERE's Inter-institutional and International Activity

A special importance even during 2013 was dedicated to inter-institutional relations inside the country and international multilateral and bilateral relations. For 2013 ERE has worked so hard to be represented with dignity in the international arena and in strengthening its role near the institutions where it adheres.

ERE mainly has shared information and attitude with the Albanian Parliament, Ministry of Economy, Trade and Energy, Ministry of Integration, the Competition Authority, the Ombudsman, and other institutions that operate in the Albanian Republic which activity is related to a certain extent with issues of the power and natural gas sector.

## 1.1 ERE's Relations with the Albanian Parliament

During 2013 ERE as before has continued to follow intensively the collaboration with the Parliament, realizing periodic information and reflecting step by step the institutional activity implementing the decision of the Parliament Bureau No 29 on 09.02.2008 "For establishing the Monitoring Service of the institutions that report and inform the Parliament." In the context of this decision the authorized employee responsible for performing this service, neat ERE, has followed closely and in detail ERE's activity, and has attended the Board of Commissioner meetings.

The Parliament is informed over the actual developments in the power sector, where in addition to the presentation of ERE's annual report in the Parliament, ERE has sent information for important issues that has to do with Electricity Market, with the post-privatization process, removing two licenses of CEZ Shperndarje Company and setting it into temporary administration, and also the prices and tariffs of electricity.

Also during this year has continued the issuing of the requested information by the Parliament members.

## 1.2 ERE's Relations with the Ministry of Energy and Industry (MEI)

During 2013 ERE has cooperated and coordinated a part of its work with MEI for solving many problems and different challenges encountered during the regulation of power sector process in Albania.

ERE has contributed either through its proposals arising from them or through giving opinion on proposed amendments, or through active participation in the inter-Institutional working Groups for reviewing the Power Sector Law, energy renewable Law, Concessions Draft Law. Participation as a member during the process of Bistrica 1,2 and Ulëz, Shkopet Hydro Power Plants privatization.

ERE has communicated intensively with MEI regarding the processes that must continue within ERE decisions for license removal of CEZ Shperndarje company and other problems arised during 2013.

ERE will continue to assess and one of its priorities will be the cooperation with MEI. Also ERE has been a regular member of the working Group set up by MEI for Completing the EU Questionnaire over the Electricity Chapter.

### **1.3 ERE's Relations with the Ministry for Integration**

For 2013 ERE has continued the communication and collaboration with the Ministry of Integration regarding the Stabilization-Association Committee, for updating the information regarding the National Plan, for implementing the Association Stabilization Agreement for 2010-2014 period. Within this ERE has reviewed the acts provided in PKZMSA and has contributed in fulfilling the requests coming from EU Directives. These requests come as result of Energy Community Treaty for fulfilling the 54/2003 Directive.

### **1.4 ERE Relations with the Competition Authority**

ERE has based its relations with the Competition Authority institution within the Memorandum of Understanding signed between ERE and the Competition Authority from 17.01.2007. During 2013 both institutions have collaborated to avoid the infringement of competition by the operators, and also by creating competitive rules in protecting the customers interest. Our institution has regularly requested for Competition Authority opinion of the regulatory acts related to the development of electricity market before they are approved by ERE.

ERE has informed the Competition Authority over implementing the rules given by this institution regarding the power sector. ERE has sent all its regulatory acts to the Competition Authority for an opinion before their approval, and has taken part in the activities organized by this institution. The communication, exchanging information and data between these institutions will continue even in the future, based on mutual readiness will.

### **1.5 ERE Relations with the Ombudsman Office**

As a basis of ERE relations with the Ombudsman it is the joint institutional commitment toward protecting the electricity final customers in accordance with the responsibilities that they respectively have according to the legislation in force for the customer protection. Within this, ERE has maintained close institutional relations with the Ombudsman Office organizing shared meetings to exchange opinions and providing necessary explanations for the quality of service for

electricity supply to the customers and for the complaints regarding customer invoices for electricity supply.

## 2. International Relations

ERE has as its priority the dignified representation in the regional and international activities of the country, for a consistency and harmonization of its practices with the practices of other EU countries. Participation in international activities is considered by ERE as an element that serves to the institutional strengthening, increasing the knowledge and experience of its staff. In this context we may mention ERE activity and role in the membership and active participation in international organizations, in organizing international conferences, in collaboration with other institutions for organizing the international events, workshops or multilateral and bilateral meetings.

During 2013 our institution has worked intensively for realizing productive collaboration in the interest of the power sector in the country. Taking into consideration these priorities, ERE last year has joined the International Gas Union (IGU), and has continued the multilateral relations with international organizations like ERRA, MEDREG, USAID, Energy Secretariat in Vienna, etc. Also ERE held bilateral relations with other Regulatory institutions and has also realized an active participation in the conferences and international activities related to electricity.

### 2.1 Active Participation as a Member

- ERE as a member with full rights in the Association of Regulatory Authorities for Southeast Europe and Eurasian Countries (ERRA) takes part in meetings of the ERRA Chairman General Assembly meetings of two ERRA Standing Committees, that of Licensing and Monitoring and that of Pricing and Tariff, and the Working Group regarding the legal issues that will be held in ERRA Member States.

- ERE as a member of Mediterranean Regulators Association (MEDREG) for electricity has taken part in the meetings of the working groups on renewable energy and gas issues, as well as meetings of its General Assembly. After the last meeting of General Assembly, ERE will organize the next meeting of MEDREG Steering Committee. This is a valuable opportunity in terms of recognizing the electricity potentials of the Mediterranean Countries and establishing a way of understanding and collaboration among the regulators of these countries in mutual interest issues.

- ERE has collaborated with USAID in the long-term joint project supported by USAID itself, where are included the regulator representatives of the region and the transmission system companies of the region. Also for the next year ERE has planned the development of the collaboration with the USA Regulators as partnership activities.

- ERE within the Energy Community Treaty, during 2013 has actively participated in Athens Forums and Energy Community activities organized by the Secretariat of Vienna. Also ERE has actively participated and collaborated intensively with the Energy Secretariat of Vienna. ERE has followed regularly the meetings of the Working Group on consumer, energy and the regional energy market issues, as well as natural gas. Our institution has sent all the information and the draft - decisions taken by us regarding the legislation, for an opinion and consultation in the Energy Secretariat of Vienna. For realizing a better work ERE has held joint meetings with the Secretariat regarding a best solution for the CEZ issue, for realizing a similar market with Kosovo, for Capacity Allocation Regulation. It's worth mentioning that ERE has participated in trainings and workshops organized by this Secretariat for the quality of service, customer protection, the third legislative package and electricity market and natural gas models. Secretariat of Vienna representatives has always been active in ERE support for solving the problems encountered during 2013.

Our institution has benefited greatly from these activities and the experience of advanced European regulators for harmonizing the legislation, practices and procedures in order to establish a regional similar, transparent, competitive, non discriminatory, and an electricity market with equal access for all the participants,

## **2.2 ECRB Presidency in 2013**

On April 2013 in the meeting of the Energy Community Regulatory Board Mr. Shkëlqim Bozgo member of the ERE Board of Commissioners was unanimously re-elected as the President of the Energy Community Regulatory Board (ECRB) for a one year term with the right to be re-elected for another year. In the role of the President he directed all the ECRB meetings and contributed in the progress of his work. On December 2013 after resigning as member of ERE Board of Commissioners, Mr.Shkëlqim Bozgo resigned the ECRB Presidency as well.

## **2.3 ERE Bilateral Relations**

ERE bilateral relations on 2013 have been focused on strengthening its institutional capacities and setting productive collaboration to improve the power sector in the country. ERE has worked toward bilateral collaboration based on the bilateral agreements, where we can mention mutual agreements for exchanging the experiences for the tariffs, legislation and the issue of a joint market.

For establishing the collaboration with the region countries, ERE has organized meetings with the Montenegrin Regulatory for discussing about the common projects and IAP pipeline project.

It is also set a close collaboration relation with the Austrian Regulatory (E-Kontrol) in collaboration area despite electricity even that of natural gas. During 2013 are intensified more the

bilateral relations with the Italian Regulatory (AEEG) and the Greek Regulatory (RAE). This collaboration has made possible the realization in time of the final decision (FID) of the TAP project and for the next year will be planned concrete activities to benefit from the experience of the Italian Authority in the natural gas and distribution sector. Also ERE has collaborated and maintained close relations with the regulatory institutions of the region and beyond, where we can mention the Kosovo, Croatian, Macedonian, Montenegrin, Turkey, France Regulators etc.

## **2.4 Participation in Conferences and International Activities**

During 2013 ERE has dedicated special importance to its representation and participation in international conferences and activities. ERE's interest has been very high to get introduced with the European experiences in the power sector and beyond in a wider global level through its participation in international activities. Among the most important activities we may mention European Forums for Electricity and Gas, European and Southeast European Conferences for renewable resources, World Regulator Forum in Toronto, the Conferences organized for the gas issue in the region countries, and the workshops organized for the regulators role for the renewable energy issue, energy efficiency, customer protection and the security of supply. An important meeting has been even the participation of ERE in the general assembly of MEDREG where was highlighted the strengthening of the regulator role in their respective countries.



## **Chapter VI**

# **Administration of ERE's Financial and Human Resources**

Even for 2013 regarding the Human Resources area it is strictly applied Law no. 9367 of April.07.2005 “On preventing the conflict of interest in performing public functions” as amended by law no. 86/2012 of September.18.2012 and Law no.9049, of April.10.2003 “On the declaration and control of the property, financial obligations of the elected persons and some public servants” as amended by law no.85/2012 of September.18.2012.

The periodic/annual statements on the private interests were completed by 10 officers (subjects to this obligation) within the time schedule provided by the law.

Also ERE has regularly attended the trainings organized by ILDKP.

Implementing decision no.181, of May.05.2008 of the Albanian Parliament on the approval of the structure and the number of personnel, it is strictly applied law no.9584, of July.11.2006 “On salaries, compensations and the structures of the constitutional institutions and other independent institutions established by law” and decision no. 589 of July.17.2013 “ On approval of the structure and the salaries level for civil servants/servants, vice minister, and employees in the cabinet, in prime ministers administration, in the ministries of line, administration of the president, parliament, central elections commission, general prosecution, other independent institutions, institutions depending from the council of ministers, from the prime-minister, institutions depending from the ministries of line and prefecture administration” as well as decision no. 610 of July.24.2012 “on some additions and amendments of council of Ministers decision no.717 of June.23.2009 “On salaries of the supporting staff of budgetary institutions and employees of some budgetary institutions” as amended.

According to the law no.9072, of May.22.2003 “On Power Sector” as amended, for the selection, appointment and promotion in duty of the staff it is implemented law no.8549, on 11.11.1999 “On the status of civil servant”.

## **1. Administration of ERE Financial Resources**

In the area of administration and finance are correctly implemented the respective legal and regulatory acts for ERE finance administration, including law no. 9072 of May.22.2003 “On Power Law” as amended, Law no.9643, of November.20.2006 for “Public Procurements” as amended, Law no. 9228, of April.29.2004 “For accounting and financial statements”, and other regulatory acts.

There are applied all the deadlines regarding the performance of the public funds procurement, in accordance with the procurement law.

Also it is done the properties inventory that ERE administers. Regarding the monetary funds, they are provided from the regulatory payments imposed by ERE to the licensees. In 2013, the planned revenues from the regulatory payments are realized in 74.45 % level.

The balance of expenses performed by ERE, to fulfill the legal obligations for providing normal working conditions for the institution as previous has consisted in fulfilling the most necessary needs that ERE had during the year, where it can be mentioned:

Personnel salaries, social security and health contributions, tax income, for which our institutions paid all the obligations and is not a debtor.

Payments for Consultancy services

Publications for information of the public opinion

Payment of liquidating the services obligations such as water, electricity and telephone for which our institution is not a debtor. Expenses for necessary services on the progress of the work and depreciation of the fixed tangible assets, etc.

Premium rate of compulsory insurance of motor vehicle holders and their annual registration tax.

There are also performed the procurements for the small purchases (as part of Small purchases Commission) according to electronic procurement legislation for public funds.

ERE economical-financial activity during 2013 is audited by a registered and licensed accounting expert according to law no.10091, of March.05.2009 “On legal auditing, organization the profession of registered accounting experts and approved accountants”. Following this paragraph it is provided the respective report of accounting expert.

# **PART IV**

## **Chapter I**

### **Audit Report from the Accounting Expert for 2013**

Emertimi dhe Forma ligjore  
NIPTI  
Adresa e Selise

Ent Publik  
K 51717024 I  
Rr"Gjergj Fishta" nr.10 Tirane

Data e krijimit  
Nr\_\_i Regjistrit Tregtar

\_\_\_\_\_

Veprimtaria kryesore

\_\_\_\_\_

## PASQYRAT FINANCIARE

( Ne zbatim te Standartit Kombetar te Kontabilitetit nr.2)

dhe Ligjit NR.9228, DATE 29.04.2004 "Per kontabilitetin dhe Pasqyrat Financiare"

VITI 2013

Pasqyrat Financiare jane individuale	Po
Pasqyrat Financiare jane te konsoliduara	Po
Pasqyrat Financiare jane te shprehura ne	lek
Pasqyrat Financiare jane te rumbullakosura ne	Jo ( te plote)
Periudha Kontabel e Pasqyrave Financiare	Nga 01.01.2013 Deri 31.12.2013
Data e mbylljes se Pasqyrave Financiare	03.02.2013

ENTI RREGULLATOR I ENERGJITIKES  
Pasqyrat Financiare te Vitit 2013

Leke

AKTIVET		Shenime	2013	2012
<b>I</b>	<b>AKTIVET AFATSHKURTRA</b>			
<b>1</b>	<b>Aktive monetare</b>		<b>16,158,613.56</b>	<b>13,298,319.40</b>
(i)	Depozita ne banke dhe llogari te tjera	512	16,158,613.56	13,298,319.40
(ii)	Para ne dore ( Arka)	531	0	
<b>2</b>	<b>Derivative dhe aktive te mbajtura per tregt.</b>			
(i)	- Derivatet			
(ii)	- Aktivet e mbajtura per tregetim		0	-
	<b>Totali 2</b>			
<b>3</b>	<b>Aktive te tjera financiare afatshkurtra</b>			
(i)	Llogari/Kerkesa te arketueshme(klient)			
(ii)	Llogari/Kerkesa te tjera te arketueshme	482	21,516,700.00	26,584,802
(iii)	Instrumenta te tjera borxhi tat.fitim			
(iv)	Investime te tjera financiare			
	<b>Totali 3</b>		<b>21,516,700.00</b>	<b>26,584,802</b>
<b>4</b>	<b>Inventari</b>			
(i)	Lendet e para			
(ii)	Prodhim ne proces			
(iii)	Produkte te gatshme			
(iv)	Mallra per shitje	351		
(v)	Te tjera iventar		4,475,886.09	3,973,813.63
(vi)	Parapagesat per furnizime			
	<b>Totali 4</b>		<b>4,475,886.09</b>	<b>3,973,813.63</b>
<b>5</b>	<b>Aktivet biologjike afatshkurtra</b>			
<b>6</b>	<b>Aktivet afatshkurtra te mbajtura per shitje</b>			
<b>7</b>	<b>Parapagimet dhe shpenzimet e shtyra</b>			
	<b>Totali i Aktiveve Afatshkurtra (I)</b>		<b>42,151,199.65</b>	<b>43,856,935.03</b>
<b>II</b>	<b>Aktivet afatgjata</b>			
<b>1</b>	<b>Investimet financiare afatgjata</b>			
(i)	Pjesmarrje te tjera ne njesi te kontrolluara			
(ii)	Aksione dhe investime te tjera ne pjesemarrje			
(iii)	Aksione dhe letra te tjera me vlere			
(iv)	Llogari/Kerkesa te arketueshme afatgjata			
	<b>Totali 1</b>		<b>17,291,244.52</b>	<b>20,532,103</b>
<b>2</b>	<b>Aktive afatgjata materiale</b>			
(i)	Toka			
(ii)	Ndertesat		8,285,115.52	9,100,218
(iii)	Mjete Transporti		3,687,919.00	4,609,899
(iv)	Aktive te tjera afatgjata materiale (me vl.kontab)	2182	5,318,210.00	6,821,986
	<b>Totali 2</b>		<b>17,291,244.52</b>	<b>20,532,103</b>
<b>3</b>	<b>Aktivet biologjike afatgjata</b>			
<b>4</b>	<b>Aktivet afatgjata jomateriale</b>			
(i)	Emri i mire			-
(ii)	Shpenzimet e zhvillimit			-
(iii)	Aktive te tjera afatgjata jomateriale			-
	<b>Totali 4</b>			-
<b>5</b>	<b>Kapital aksionar i papaguar</b>			
<b>6</b>	<b>Aktive te tjera afatgjata</b>			
	<b>TOTALI I AKTIVEVE (I + II)</b>		<b>59,442,444.17</b>	<b>64,389,038</b>

## Pasqyrat Financiare te Vitit 2012

Leke

PASIVET DHE KAPITALI		Shenime	2013	2012
<b>I</b>	<b>PASIVET AFATSHKURTRA</b>			
<b>1</b>	<b>Derivativet</b>			
(i)	- Derivativet			
(ii)	- Aktivitet e mbajtura per tregetim			
<b>2</b>	<b>Huamarrjet</b>			
(i)	Huat dhe obligacionet afatshkurtra			
(ii)	Kthimet/Ripagesat e huave afatgjata			
(iii)	Bono te konvertueshme			
	Totali 2		-	-
<b>3</b>	<b>Huat dhe parapagimet</b>			
(i)	Te pagueshme ndaj furnitoreve	404; 4671	123,550.00	944,260
(ii)	Te pagueshme ndaj punonjesve	421	2,803,524.00	2,410,782
(iii)	Detyrime tatimore sig.shoq	431	673,465.00	660,479
(iv)	Detyrime tatimore TAP	442,447	913,938.00	832,305
(v)	Kreditore te tjere		1,391,800.00	6,541,187
	<b>Totali 3</b>		<b>5,906,277.00</b>	<b>11,389,013</b>
<b>4</b>	<b>Grantet dhe te ardhurat e shtyra(pag.rreg.)</b>		21,516,700.00	26,487,100
<b>5</b>	<b>Provizionet afatshkurtra</b>			
	<b>Totali i pasiveve afatshkurtra (I)</b>		<b>27,422,977</b>	<b>37,876,113</b>
<b>II</b>	<b>PASIVET AFATGJATA</b>			
<b>1</b>	<b>Huat afatgjata</b>			
(i)	Hua, bono dhe detyrime nga qiraja financiare			
(ii)	Bonot e konvertueshme			
	Totali 1			-
<b>2</b>	<b>Huamarrje te tjera afatgjata</b>			
<b>3</b>	<b>Provizionet afatgjata</b>			
<b>4</b>	<b>Grantet dhe te ardhurat e shtyra</b>			
	<b>Totali i pasiveve afatgjata (II)</b>			-
	<b>TOTALI I PASIVEVE (I + II)</b>		<b>27,422,977</b>	<b>37,876,113</b>
<b>III</b>	<b>KAPITALI</b>			
<b>1</b>	<b>Aksionet e pakices (perdoret vetem ne pasqyrat financiare te konsoliduara)</b>			
<b>2</b>	<b>Kapitali qe i perket aksionereve te shoqerise meme (perdoret vetem ne PF te konsoliduara)</b>			
<b>3</b>	<b>Fondi pasuror i institucionit</b>	101	32,019,467.17	26,512,925
<b>4</b>	<b>Primi i aksionit</b>			
<b>5</b>	<b>Njesite ose aksionet e thesarit (negative)</b>			
<b>6</b>	<b>Rezerva statusore</b>			
<b>7</b>	<b>Rezerva ligjore</b>	106		
<b>8</b>	<b>Rezerva te tjera</b>			
<b>9</b>	<b>Fitimet e pashperndara</b>			
<b>10</b>	<b>Fitimi (Humbja) e vitit financiar</b>			
<b>11</b>	<b>Totali i Kapitalit (III)</b>		<b>32,019,467.17</b>	<b>26,512,925</b>
	<b>TOTALI I DETYRIMEVE DHE KAPITALIT (I, II, III)</b>		<b>59,442,444.17</b>	<b>64,389,038</b>

ENTI RREGULLATOR I ENERGJITIKES

**Pasqyra e te ardhurave dhe shpenzimeve Viti 2013**

Nr	Pershkrimi i elementeve	Viti 2013	Viti 2012
	<b>Shpenzimet Faktike</b>		
5	Kosto e punes	49,048,372.00	47,875,164
	- pagat e personelit	43,829,093.00	43,161,343
	- te tjera personeli		
	- shpenzimet per sigurimet shoqerore dhe shendetesore	5,219,279.00	4,713,821
6	Amortizimi dhe zhvleresimet	3,355,860.00	3,751,236
7	Shpenzime te tjera	33,845,981.85	40,382,113
8	<b>Totali i shpenzimeve (shuma 5-7)</b>	<b>86,250,213.85</b>	<b>92,008,513</b>
9	<b>Te ardhurat e realizuar</b>		
10	Te ardhura dhe shpenzimet financiare nga njesite e kontrolluara		
11	Te ardhurat dhe shpenzimet financiare nga pjese marrjet	2,187,821.33	1,204,840
12	Te ardhurat dhe shpenzimet financiare	86,094,240.00	98,252,350
12	Te ardhurat dhe shpenzimet financiare nga investime te tjera financiare afatgjata		3,579,236
12	Te ardhurat dhe shpenzimet nga interesi	22,482.73	19,147
12	Fitimet (humbjet) nga kursi i kembimit	250,073.98	2,658
12	Te ardhura dhe shpenzime te tjera financiare		29,475
13	Rimarrje amortizimi		
	Rimarrje te ardhurave te mbartura ne gjendjen pasurore te ERE referuar Ligjit nr.9072, date 22.05.2003, neni 12 "Financimi"		
14	<b>Totali i te ardhurave</b>	<b>88,554,618.04</b>	<b>103,087,706.00</b>
15	<b>Diferenca e te ardhurave dhe shpenzimeve (15=14-8)</b>		
	<b>Transferim per mbartje ne gjendje pasurore referuar Ligjit nr.9072, date 22.05.2003, neni 12 "Financimi"</b>		
16	<b>Diferenca e te ardhurave dhe shpenzimeve (16=15-14)</b>	-	-

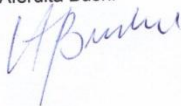


### Shenimet Shpjeguese

		kursi 30.12.13	mon.eur.	analiz. Mast.card
Shenimi 1	<b>Bankat :</b>			
	BKT lek	12,917,207.42		
	BKT euro	454,436.18	140.2	3,241.34
	BKT dollar	0		
	Union bank mast.card	715,069.96	140.2	5,100.36 5,81.67; 18.69
	Union bank lek	2,071,900.00		
	Credins	0.00		
	<b>Totali</b>	<b>16,158,613.56</b>		
Shenimi 1ii	<b>Arka</b>			
	Arka ne lek	-		
	Arka ne euro	-		
	Arka ne dollar	-		
	<b>Totali</b>	<b>-</b>		
Shenimi 3	Debitor pagese rregullimi	21,516,700.00		
Shenimi 4	<b>Materiale</b>	<b>2,964,968.55</b>		
Shenimi	<b>Invent perd.</b>	<b>1,510,917.54</b>		
Shenimi II.2				
	Ndertesa	8,285,115.52		
	Mjete transporti	3,687,919.00		
	Mobilje zyre	2,071,098.00		
	Paisje elektronike	3,247,112.00		
	<b>Totali A.A.M</b>	<b>17,291,244.52</b>		
	<b>AKTIVI</b>	<b>59,442,444</b>		
Shenimi 3	<b>Sigurime Shoqer.+ Shendet.</b>	<b>673,465</b>		
	detyrim muaji Dhjetor 2013 sipas formularit E-SIG-025/a			
	<b>Tatim te adhurave personale</b>	<b>913,938.00</b>		
	tatim i pages, tatim i( shperblim), detyrim muaji Dhjetor 2013 sipas formularit E-SIG-025/a			
	<b>Paga</b>	<b>2,803,524.00</b>		
	kreditor OST	1,391,800.00		
	Furnitor,mat.kons.	123,550		
	Grand dhe ardhura te shtyra pag.rreg	21,516,700.00		
	<b>KAPITALI 101</b>	<b>32,019,467.00</b>		
	<b>PASIVE</b>	<b>59,442,444</b>		

0

Drejtoresha Burimeve Njerezore, Administrim  
Finance dhe Marredhenieve me Jashte  
Aferdita Bushi



KRYETARI ERE-s



Ludmilla Paluka  
Ekspert Kontabel i Regjistruar  
Licenca Nr 161, date 25.01.2007

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## Raport i Audituesit te Pavarur

Per

*Entin Regullator te Energjise*  
Viti ushtrimor i mbyllur me 31.12.2013

Tirane, me 9 Mars 2014

## **RAPORTI I AUDITUESIT TE PAVARUR**

***Kryetarit te Entit Regullator te Energjise,***

***Z. Petrit AHMETI***

Bazuar ne Legjislacionin perkates, me keni caktuar per te audituar pasqyrat financiare bashkalidhur te **Entit Regullator te Energjise** per vitin ushtrimor mbyllur me 31.12.2013.

### ***Pergjegjesia e Drejtimit per Pasqyrat Financiare***

Drejtimi eshte pergjegjes per pergatitjen dhe paraqitjen e drejte te ketyre pasqyrave financiare ne perputhje me Standartet Kombetare te Kontabilitetit dhe Legjislacionin perkates te aktivitetit te ERE-s.


*ERE eshte nje Ent Publik jo buxhetor dhe jofitimprures.*

Ne perputhje me Dispozitat Ligjore qe regullojne funksionimin e ERE-s, kontabiliteti i saj pasqyron administrimin e fondeve te realizuara nga operoret e sektorit energjistik mbi bazen e tarifave te percaktuara me ligj. Perdorimi i ketyre fondeve realizohet nepermjet hartimit, ndjekjes dhe realizimit te buxhetit te miratuar me Vendim te Bordit i Komisionereve te ERE-s.

### ***Pergjegjesia e Audituesit***

Pergjegjesia e Audituesit eshte te shprehi nje opinion mbi keto pasqyra financiare bazuar ne misionin e auditimit. Une kam kryer auditimin ne perputhje me Standartet Nderkombetare te Auditimit. Keto Standarte kerkojne qe te respektohen kerkesat etike dhe te planifikohet dhe kryehet auditimi per te arritur sigurine e arsyeshme se pasqyrat financiare nuk permbajne anomali materiale .

Nje auditim perfshin kryerjen e procedurave per te siguruar evidencen e nevojshme te auditimit rreth shumave dhe informacioneve shpjeguese te dhena ne pasqyrat financiare. Procedurat e zgjedhura jane ne varesi te gjykimit te audituesit, perfshire ketu vleresimin e rreziqeve te anomalise materiale ne pasqyrat financiare, te cilat mund te vijne si pasoje e mashtrimit apo gabimit.

*1*  *2*

Ludmilla Paluka  
Ekspert Kontabel i Regjistruar  
Licenca Nr 161, date 25.01.2007

Ne vlersimin e ketyre rreziqeve, audituesi merr ne konsiderate kontrollin e brendshem te entitetit qe ka te beje me pergatitjen dhe paraqitjen e sinqerte te pasqyrave financiare me qellim qe te percaktoje procedura auditimi qe jane te pershtatshme per rrethanat, por jo per qellime te shprehjes se nje opinionimi mbi efektivitetin e kontrollit te brendshem te entitetit.

Nje auditim perfshin gjithashtu, vlersimin e pershtatmerise se politikave kontabel te perdorura, te arsyeshmerise se cmuarjeve kontabel te bera nga drejtimi, si edhe vlersimin per paraqitjen e pergjithshme te pasqyrave financiare.

Ne besojme se evidenca e auditimit qe kemi siguruar eshte e mjaftueshme dhe e pershtatshme per te sherbyer si baze per opinionin tone te auditimit.

### **Opinionimi i audituesit**

Sipas opinionit tim, pasqyrat financiare paraqesin ne menyre te drejte ne te gjitha aspektet materiale, pozicionin financiar te **Entit Regullator te Energjise** ne date 31/12/2013.

### **Eksperte Kontabel e Regjistruar**

**Ludmilla Paluka**



**Tirane me 9 Mars 2014**

## Annex 1 Registration of ERE Decisions for 2013

No. 1	Date 10.01.2013	On approving the regulation "For the procedures of appointing the administrator and his competences, pursuant to article 18, point 4/c of law no. 9072, of May.22.2003 "On Power Sector".	Official Gazette No.4, of 29.01.2013
No. 2	Date 11.01.2013	On appointing Mrs Entela Cipa as ERE Board of Commissioner advisor.	
No. 3	Date 11.01.2013	On beginning the procedures of selecting and appointing the administrator pursuant to ERE Board of Commissioner decision no.158, of November.16.2012 "On beginning the procedure of removing the licenses for the distribution activity and the retail public supply activity"	Official Gazette No.4, of 29.01.2013
No. 4	Date 21.01.2013	On removing the licenses of "CEZ Shpërndarje" company "On electricity distribution activity, approved with decision no.8, of January.25.2008, as amended and for electricity retail public supply activity", approved with Board of Commissioners decision no.9, of January.25.2008, as amended.	Official Gazette No.4, of 29.01.2013
No. 5	Date 21.01.2013	On setting "CEZ Shpërndarje" company in temporary administration and appointing the administrator of "CEZ Shpërndarje" company pursuant to ERE Board of Commission decision no. 4, of January.21.2013 "On removing the licenses for the electricity distribution activity and electricity retail public supply activity of "CEZ Shpërndarje" company	Official Gazette No. 4 , of 29.01.2013
No. 6	Date 23.01.2012	For the February 2013 auction on the interconnection capacities	Official Gazette No. 12 , of 20.02.2013
No. 7	Date 29.01.2013	On beginning the procedures of reviewing the "Hydro Power Plant of Korca" application on qualifying the generation plant for " Verba 1" and "Verba 2" as energy renewable resource	Official Gazette No. 12 , of 20.02.2013
No. 8	Date 29.01.2013	On beginning the procedures of licensing "A&A Group" company in electricity trading activity.	Official Gazette No. 12 , of 20.02.2013
No. 9	Date 30.01.2013	On the new organization chart of "Cez Shpërndarje" company (in temporary administration) proposed to ERE for approval.	Official Gazette No. 12 , of 20.02.2013
No. 10	Date 30.01.2013	On licensing "Favina 1" company in electricity qualified supplier activity	Official Gazette No. 12 , of 20.02.2013
No. 11	Date 30.01.2013	On licensing "Favina 1" company in electricity trading activity	Official Gazette No. 12 , of 20.02.2013
No. 12	Date 30.01.2013	On licensing "Truen" company in electricity trading activity	Official Gazette No. 12, of 20.02.2013
No. 13	Date 30.01.2013	On licensing "Truen" company in the electricity generation activity from "Truen" HPP.	Official Gazette No. 12, of 20.02.2013
No. 14	Date 30.01.2013	On beginning the procedures to review the application of "Wonder" company in electricity qualified supplier activity.	Official Gazette No. 12, of 20.02.2013
No. 15	Date 30.01.2013	On beginning the procedures to review the application "Wonder" company in electricity trading activity	Official Gazette No. 12, of 20.02.2013
No. 16	Date 30.01.2013	On beginning the procedures to modify the electricity license series pv10k, no. 112, issued by ERE Board of Commissioners decision no. 110, of December.22.2010 for "Energy Plus" company	Official Gazette No. 12 , of 20.02.2013
No. 17	Date 31.01.2012	On postponing the annual auction of the interconnection capacities for	Official Gazette

		2013.	No. 19, of 27.02.2013
No. 18	Date 11.02.2013	On approving some amendment in the Albanian Electricity Market Rules	Official Gazette No. 19, of 27.02.2013
No. 19	Date 11.02.2013	On qualifying the generation plant of “Verba 1” and “Verba 2” HPP-s of “Korca Hydro Power Plant” as energy renewable resource.	Official Gazette No. 19, of 27.02.2013
No. 20	Date 11.02.2013	On beginning the procedures to review the application for license modification no.10, series PV03P for electricity generation from “Bicaj” HPP capacity 100 kw of “EN.KU” company.	Official Gazette No. 19, of 27.02.2013
No. 21	Date 18.02.2013	On the request of approving the table for staff qualification and the table for the employee payment structure of “CEZ Shpërndarje” company (in temporary administration)	Official Gazette No. 27, of 08.03.2013
No. 22	Date 18.02.2013	On the request for approving the payment schedule of “CEZ Shpërndarje” company (in temporary administration)	Official Gazette No. 27, of 08.03.2013
No. 23	Date 18.02.2013	On qualifying the generation plant of “Lapa” HPP “Gjo Spa Power” company as energy renewable resource	Official Gazette No. 27, of 08.03.2013
No. 24	Date 18.02.2013	On qualifying the generation plant of “Lura 1”, “Lura 2” and “Lura 3” HPP, “Erdat Lura” company as energy renewable resource.	Official Gazette No. 27, of 08.03.2013
No. 25	Date 22.02.2013	On postponing the annual auction of the interconnection capacities for 2013	Official Gazette No. 27, of 08.03.2013
No. 26	Date 28.02.2013	On Approving ERE annual report for 2012	Official Gazette No.33, of 13.03.2013
No. 27	Date 01.03.2013	On approving the conditional exception of TAP-AG company from the requests of article 9, 32 and 41 (6), (8) and (10) of 2009/73/EC Directive for Trans Adriatic Pipeline project	
No. 28	Date 18.03.2013	On qualifying the generation plant of “Carshove” HPP, “Erma M.P” company, as energy renewable resource.	Official Gazette No. 41, of 26.03.2013
No. 29	Date 18.03.2013	On licensing “Erma M.P” company in electricity qualified supplier activity	Official Gazette No. 41, of 26.03.2013
No. 30	Date 18.03.2013	On licensing “Duka T2” company in electricity generation activity from “Tucep 2” HPP.	Official Gazette No. 41, of 26.03.2013
No. 31	Date 18.03.2013	On qualifying the generation plant for “Tucep 2” HPP, “Duka T2” company, as energy renewable resource	Official Gazette No. 41, of 26.03.2013
No. 32	Date 10.04.2013	On developing the remaining part of the annual auction for the interconnection capacities for 2013.	Official Gazette No. 62, of 25.04.2013
No. 33	Date 10.04.2013	For approving some amendments in the Albanian Electricity Market Rules	Official Gazette No. 62, of 25.04.2013
No. 34	Date 10.04.2013	On licensing “A-91” company in electricity trading activity.	Official Gazette No. 62, of 25.04.2013
No. 35	Date 10.04.2013	On beginning the procedures to review “Teodori 2003” company request to pledge its assets as collateral at the European Bank for Reconstruction and Development.	Official Gazette No. 62, of 25.04.2013
No. 36	Date 10.04.2013	On licensing “Wonder” company in electricity trading activity.	Official Gazette No. 62, of 25.04.2013
No. 37	Date 10.04.2013	On licensing “Wonder” company in electricity qualified supplier activity.	Official Gazette No. 62, of 25.04.2013
No. 38	Date 10.04.2013	On licensing “A&A Group” company in electricity trading activity.	Official Gazette No. 62, of 25.04.2013
No. 40	Date 16.04.2013	On an amendment in decision no.134, of September.7.2012, of the electricity supply agreement between KESH /FPSH company and the CEZ Shpërndarje company /FPP January.2012-December.31.2014, as amended.	Official Gazette No. 70, of 06.05.2013
No. 41	Date 29.04.2013	On transferring the shareholder that controls the interests of “Hec Ulëz-Shkopet” company from Ministry of Economy, Trade and Electricity to “Kurum International” company.	Official Gazette No. 87, of 24.05.2013
No. 42	Date 29.04.2013	On transferring the shareholder who controls the interests of “Bistrica 1 and Bistrica 2” HPP-s, from the Ministry of Economy, Trade and Electricity to “Kurum International” company.	Official Gazette No. 87, of 24.05.2013

No. 43	Date 29.04.2013	On amending the regulations and procedures on electricity generation certification from energy renewable resources.	Official Gazette No. 87, of 24.05.2013
No. 44	Date 30.04.2013	On qualifying the generation plant of “Smokthina”HPP, “Albanian Green Energy” company, as energy renewable resource.	Official Gazette No. 89, of 27.05.2013
No. 45	Date 30.04.2013	On qualifying the generation plant of “ARRAS”, “FUNARES”, “DUKAGJIN”, “NIKOLICE”, “BULQIZE”, “LURE”, “ORGJOST”, “LEKBIBAJ”, “VELCAN”, “ZERQAN”, “BORSH”, “LESHNICE”, “SHOSHAN”, “UJANIK”, “KERPICE”, “BARMASH”, “LUNIK”, “HOMESH”, “MUHUR”, “RAJAN”, “MARJAN” and “TRESKE 2” HPP-s, “Balkan Green Energy” company as energy renewable resource.	Official Gazette No. 89, of 27.05.2013
No. 46	Date 30.04.2013	On qualifying “Vithkuq” HPP generation plant of “Favina 1” company as energy renewable resource	Official Gazette No. 89, of 27.05.2013
No. 47	Date 03.05.2013	On priority projects of the distribution grid for 2013	Official Gazette No. 89, of 27.05.2013
No. 48	Date 03.05.2013	On beginning the procedures for license modification of the “Energy Partners Al company” as electricity generator no.118 series PV11K, issued with ERE Board of Commissioners decision no.07, of February.02.2011.	Official Gazette No. 89, of 27.05.2013
No. 49	Date 03.05.2013	On beginning the procedures for license modification of “Maksi Elektrik” company as electricity generator no. 30 series PV06P, issued with ERE Board of Commissioners decision no.1 of January.11.2006.	Official Gazette No. 89, of 27.05.2013
No. 50	Date 03.05.2013	For modifying the electricity generation license of “En.Ku” company no. 10, series PV03P, issued with ERE Board of Commissioners decision no.20 of January.19.2013 modified with ERE Board of Commissioner decision no. 86, of July.17.2008.	Official Gazette No. 89, of 27.05.2013
No. 51	Date 03.05.2013	For beginning the procedures for license modification of “Lanabregas” company as electricity generators and traders.	Official Gazette No. 89, of 27.05.2013
No. 52	Date 03.05.2013	On licensing “Tucep” company in the electricity generation activity from “Tucep” HPP.	Official Gazette No. 89 , of 27.05.2013
Nr. 53	Date 03.05.2013	On modifying the electricity generation license of the “Emikel 2003” company	Official Gazette No. 89, of 27.05.2013
No. 54	Date 03.05.2013	For postponing the deadline of ERE Board of Commissioners decision no.161, of December.7.2012.	Official Gazette No. 89, of 27.05.2013
No. 55	Date 29.05.2013	On beginning the procedures to review the application of “Snow Energy” company on qualifying the generation plant of “Koka 1” HPP as energy renewable resource.	Official Gazette No. 94, of 06.06.2013
No. 56	Date 29.05.2013	On beginning the licensing procedures of “Dans Energy Albania” company in electricity trading activity.	Official Gazette No. 94, of 06.06.2013
No. 57	Date 29.05.2013	On beginning the licensing procedure of “Snow Energy” company in electricity qualified supplier activity.	Official Gazette No. 94 , of 06.06.2013
No. 58	Date 29.05.2013	On postponing the implementation of the balancing regulations.	Official Gazette No.103, of 21.06.2013
No. 59	Date 03.06.2013	On beginning the licensing procedures of “Treska” HPP in electricity generation activity from “Treska 2”, “Treska 3” and “Treska 4” HPP-s.	Official Gazette No.103, of 21.06.2013
No. 60	Date 03.06.2013	On approving the type agreement of electricity transmission between TSO company and qualified producers.	Official Gazette No.103, of 21.06.2013
No. 61	Date 06.06.2013	On approving the request of “Teodori 2003” company to pledge its assets as collateral at “BERZH” and “Societe General Albania” banks	Official Gazette No.103, of 21.06.2013
No. 62	Date 06.06.2013	On beginning the licensing procedures “Hidro Energy Sotira” company in electricity generation activity from “Sotire” HPP-s.	Official Gazette No.103, of 21.06.2013
No. 63	Date 06.06.2013	On beginning the license modification procedures of electricity generation series PV11p, no. 128, issued with ERE Board of Commissioners decision no. 58, of June.22.2011, “DN & NAT ENERGJI” company.	Official Gazette No.103, of 21.06.2013
No. 64	Date 13.06.2013	On amending ERE Board decisions no. 27, of March.01.2013 “For approving the conditional exception of TAP-AG company from the	Official Gazette No.187, of 02.12.2013

		requests of articles 9, 32 and 41 (6), (8) and (10) of 2009/73/EC Directive for Trans Adriatic Pipeline”project, to take in consideration the energy community secretariat opinion (*No.1/2013) and European Commission decision (C (2013)2949	
No. 65	Date 01.07.2013	On beginning the licensing procedures of “Shutina energji” company in electricity trading activity	Official Gazette No.123, of 29.07.2013
No. 66	Date 01.07.2013	On beginning the procedure for reviewing the application of “Shutina energji” company for qualifying the generation plants of “Shutinë” HPP as energy renewable resource	Official Gazette No.123, of 29.07.2013
No. 67	Date 01.07.2013	On beginning the license modification procedures of “Juana” company for electricity generation “Orenje” HPP with no. 14, series PV04P, issued with ERE Board of Commissioner decision no.5, of March.12.2004	Official Gazette No.123, of 29.07.2013
No. 68	Date 01.07.2013	On beginning the procedures of electricity license renewal of “GEN - I Tirana” company	Official Gazette No.123, of 29.07.2013
No. 69	Date 01.07.2013	On beginning the procedures of electricity qualified supplier license of “GEN - I Tirana” company	Official Gazette No.123, of 29.07.2013
No. 70	Date 01.07.2013	On beginning the licensing procedure of “Shutina Energji” company, in the electricity generation activity from “Shutine” HPP.	Official Gazette No.123, of 29.07.2013
No. 71	Date 07.07.2013	On approving an amendment in the Albanian Electricity Market Rules.	Official Gazette No.128, of 02.08.2013
No. 72	Date 18.07.2013	On the request of “CEZ Shpërndarje” company to give instructions for electricity import	Official Gazette No.136, of 15.08.2013
No. 73	Date 24.07.2013	On beginning the procedures to review the application of “Cangonj” HPP for qualifying the generation plant of “Cangonj” HPP as energy renewable resource.	Official Gazette No.136, of 15.08.2013
No. 74	Date 24.07.2013	On beginning the licensing procedures of “Cangonj” HPP in electricity generation activity from “Cangonj” HPP.	Official Gazette No.136, of 15.08.2013
No. 75	Date 24.07.2013	On beginning the application to review the procedures of “Stravaj Energy” company to qualify the generation plant of “Stravaj” HPP as energy renewable resource	Official Gazette No.136, of 15.08.2013
No. 76	Date 24.07.2013	On beginning the license modification procedures of electricity generation of “Selca Energji” company no.102, series PV10P, issued with ERE Board of Commission decision no.39, of May.5.2010.	Official Gazette No.136, of 15.08.2013
No. 77	Date 24.07.2013	On beginning the license modification procedures of electricity generation of “WTS Energji” company no.16, series PV04P, issued with ERE Board of Commission decision no.39, of July.22.2004.	Official Gazette No.136, of 15.08.2013
No. 78	Date 24.07.2013	On modifying the electricity generation license of “Maksi Elektrik” company no.30, series PV06P, issued with ERE Board of Commissioner decision no. 1, of January.11.2006.	Official Gazette No.136, of 15.08.2013
No. 79	Date 24.07.2013	On modifying the electricity generation license of “Energy Partners - AL” company no.118, series PV11K, issued with ERE Board of Commissioner decision no.7, of February.2.2011.	Official Gazette No.136, of 15.08.2013
No. 80	Date 24.07.2013	On licensing “HEC Treska” company in the electricity generation activity from “Treska 2”, “Treska 3” and “Treska 4” HPP-s	Official Gazette No.136, of 15.08.2013
No. 81	Date 24.07.2013	On licensing “Hidro Energy Sotira” company in electricity generation activity from “Sotire 1 &2” HPP-s	Official Gazette No.136, of 15.08.2013
No. 82	Date 31.07.2013	On the request for approving the payment schedule of “CEZ Shpërndarje” company (in temporary administration), for August 2013.	Official Gazette No.136, of 15.08.2013
No. 83	Date 26.08.2013	On defining the payment regulation for 2013 for the licensees in the power sector.	Official Gazette No.153, of 12.09.2013
No. 84	Date 06.09.2013	On beginning the procedures for licensing “Zall Herr Energji 2011” company in the electricity generation activity from “Cekreze 1” and “Cekreze 2” HPP-s	Official Gazette No.160, of 01.10.2013
No. 85	Date 06.09.2013	On beginning the licensing procedures of “Zall Herr Energji 2001” company in the electricity trading activity	Official Gazette No.160, of 01.10.2013
No. 86	Date 06.09.2013	On beginning the procedures of reviewing the application of “Zall Herr	Official Gazette



		Energji 2011” company on qualifying the generation plants of “Cekrez 1” and “Cekrez 2” as energy renewable resources.	No.160, of 01.10.2013
No. 87	Date 06.09.2013	On beginning the procedures of licensing “Qarr & Kaltanj” company in electricity generation activity from “Qarr” and “Kaltanj” HPP-s.	Official Gazette No.160, of 01.10.2013
No. 88	Date 06.09.2013	On beginning the procedures of reviewing the application of “Qarr & Kaltanj” company for the qualification of the generation plants of “Qarr” and “Kaltanj” HPP-s as energy renewable resources.	Official Gazette No.160, of 01.10.2013
No. 89	Date 06.09.2013	On licensing “Shutina Energji” company in the electricity generation activity from “Shutine” HPP.	Official Gazette No.160, of 01.10.2013
No. 90	Date 06.09.2013	On modifying the electricity generation license of “DN & NAT Energji” company no. 128, series PV11P, issued with ERE Board of Commission decision no.58, of June.22.2011.	Official Gazette No.160, of 01.10.2013
No. 91	Date 06.09.2013	On licensing the company “Snow Energy” company in the electricity qualified supplier activity	Official Gazette No.160, of 01.10.2013
No. 92	Date 06.09.2013	On qualifying the generation plant of “Koka 1” HPP, from “Snow Energy” company as energy renewable resource.	Official Gazette No.160, of 01.10.2013
No. 93	Date 06.09.2013	On licensing “Dans Energy Albania” company in the electricity trading activity.	Official Gazette No.160, of 01.10.2013
No. 94	Date 06.09.2013	On qualifying the generation plant of “Shutine” HPP, from “Shutina Energji” company as energy renewable resource	Official Gazette No.160, of 01.10.2013
No. 95	Date 13.09.2013	On approving the TAP AG request, to modify the definition of gas origin, according to point 4.1.1 of the Final Joint Opinion decision for approval.	Official Gazette No.163, of 11.10.2013
No. 96	Date 13.09.2013	On beginning the procedures of reviewing the application of “Bardhgjana” company on qualifying the generation plant of “Bisak” HPP as energy renewable resource	Official Gazette No.163, of 11.10.2013
No. 97	Date 13.09.2013	On beginning the licensing procedures of “Bardhgjana” company in the electricity generation activity from “Bisak” HPP.	
No. 98	Date 13.09.2013	On modifying the electricity generation license of “Energy Plus” company no.112, series PV10K, issued with ERE Board of Commissioners decision of 22.12.2010.	Official Gazette No.163, of 11.10.2013
No. 99	Date 13.09.2013	On modifying the electricity generation and trading license of “Lanabregas” company	Official Gazette No.163, of 11.10.2013
No. 100	Date 13.09.2013	On beginning the procedures to review “Bistrica 1, Bistrica 2” HPP-s “Ulëz Shkopet” HPP request for transferring the production, trade, and electricity qualified supplier assets and licenses from these HPP-s to “Kurum international” company	Official Gazette No.163, of 11.10.2013
No. 101	Date 23.09.2013	On appointing Mr. Agim Nashi in the position ERE Board of Commissioner Advisor.	
No. 102	Date 01.10.2013	On beginning the procedures to license “Gjoka Konstruksion - Energji” company in electricity trading activity	Official Gazette No.169, of 24.10.2013
No. 103	Date 01.10.2013	On beginning the procedures for reviewing the application of the company “Gjoka Konstruksion - Energji” company in qualifying the generation plant from “Lenie”, “Shales” and “Strelcë” HPP	Official Gazette No.169, of 24.10.2013
No. 104	Date 01.10.2013	On renewing the license of “Gen - I Tirana” company no. 73, series FK08, in the electricity qualified supplier activity, issued with ERE Board of Commissioner decision no.129, of December.2.2008	Official Gazette No.169, of 24.10.2013
No. 105	Date 01.10.2013	On renewing the license of “Gen - I Tirana” company no. 74, series T08 in electricity trading activity, issued with ERE Board of Commissioner decision no.130, of 2.12.2008	Official Gazette No.169, of 24.10.2013
No. 106	Date 01.10.2013	On licensing “Cangonj” HPP in electricity generation activity from “Cangonj.” HPP	Official Gazette No.169, of 24.10.2013
No. 107	Date 01.10.2013	On qualifying “Cangonj” HPP generation plant, of “Cangonj” HPP as energy renewable resource	Official Gazette No.169, of 24.10.2013
No. 108	Date 01.10.2013	On modifying the electricity generation license of “Juana” company from “Orenje” HPP no.14, series PV04P, issued with ERE Board of Commissioner decision no.5, of March.12.2004	Official Gazette No.169, of 24.10.2013

No. 109	Date 01.10.2013	On licensing “Shutina Energji” company in electricity trading activity.	Official Gazette No.169, of 24.10.2013
No. 110	Date 01.10.2013	On qualifying the generation plant of “Stravaj” HPP as energy renewable resource	Official Gazette No.169, of 24.10.2013
No. 111	Date 01.10.2013	On beginning the procedures for reviewing the request of “Wonder” company to transfer the electricity generation and trading license from “Wonder Power” company to “BHP Energy” company	Official Gazette No.169, of 24.10.2013
No. 112	Date 01.10.2013	On beginning the procedures for licensing “Gjoka Konstruksion - Energji” company in the electricity generation activity from “Lenie”, “Shales” and “Strelcë” HPP-s	Official Gazette No.169, of 24.10.2013
No. 113	Date 07.10.2013	On an amendment of decision no.134, of September.17.2012 of electricity supply agreement between KESH /FPSH and “CEZ Shpërndarje”/FPP companies for January.01.2012 – December.31.2014 period, as amended.	Official Gazette No.169, of 24.10.2013
No. 114	Date 07.10.2013	On modifying the license of “Selca Energji” company no.102, series PV10P “For electricity generation” from “Selcë” HPP, approved with ERE Board of Commissioner decision no.39, of May.5.2010.	Official Gazette No.169, of 24.10.2013
No. 115	Date 07.10.2013	On modifying the license of “ËTS Energji” company with no.16, series PV04P “For electricity generation” from “Tamarë” HPP, approved with ERE Board of Commissioner decision no.39, of July.22.2004.	Official Gazette No.169, of 24.10.2013
No. 116	Date 07.10.2013	On amending the regulation “On the procedures of appointing the administrator and his competences, pursuant to article 18, point 4/c Law no.9072, of May.22.2003 “On Power Sector”, approved with ERE Board of Commissioners decision no.1, of January.10.2013.	Official Gazette No.169, of 24.10.2013
No. 117	Date 08.10.2013	On beginning the procedures of selecting and appointing the temporary administrator of “CEZ Shpërndarje” company	Official Gazette No.169, of 24.10.2013
No. 118	Date 18.10.2013	On appointing the temporary administrator of “CEZ Shpërndarje” company	Official Gazette No.169, of 24.10.2013
No. 119	Date 28.10.2013	On approving the protocol plan of the third party payments of “CEZ Shpërndarje” sh.a. in temporary administration for november 2013.	Official Gazette No.176, of 06.11.2013
No. 120	Date 28.10.2013	On beginning the procedures for licensing “EN. ERGY” company in electricity trading activity	Official Gazette No.176, of 06.11.2013
No. 121	Date 28.10.2013	On beginning the procedures for license modification no. 17, series PV04P, of “Marjakaj” company “On electricity generation” from “Bene” HPP, approved with ERE Board of Commissioner decision no. 43, of October.14.2004.	Official Gazette No.176, of 06.11.2013
No. 122	Date 28.10.2013	On licensing “Zall Herr Energji 2011” company in electricity generation activity from “Cekreze 1” and “Cekreze 2” HPP-s.	Official Gazette No.176, of 06.11.2013
No. 123	Date 28.10.2013	On qualifying the generation plant of “Zall Herr Energji 2011” company, as energy renewable resource from “Cekreze 1” and “Cekreze 2” HPP-s.	Official Gazette No.176, of 06.11.2013
No. 124	Date 28.10.2013	On licensing “Qarr & Kaltanji” HPP in electricity generation activity from “Qarr” and “Kaltanji” HPP-s.	Official Gazette No.176, of 06.11.2013
No. 125	Date 28.10.2013	On qualifying the generation plant of “Qarr & Kaltanji” HPP as energy renewable resource from “Qarr” and “Kaltanji” HPP-s.	Official Gazette No.176, of 06.11.2013
No. 126	Datë 28.10.2013	On reviewing “Ulëz-Shkopet” and “Bistrica 1, Bistrica 2” HPP-s, requests for transferring the electricity generation, trading and qualified supplier licenses from these companies to “Kurum International” company	Official Gazette No.176, of 06.11.2013
No. 127	Date 07.11.2013	On approving the tariff methodology (Tap Tariff Code), proposed by TAP AG, according to the obligations defined in the “Final Joint Opinion”	Official Gazette No.187, of 02.12.2013
No. 128	Date 15.11.2013	On beginning the procedures to license “M.T.C. Energy” company in electricity generation activity from “Radovë” HPP.	Official Gazette No.193, of 12.12.2013
No. 129	Date 15.11.2013	On beginning the procedures to license “M.T.C. Energy” company in the electricity trading activity.	Official Gazette No.193, of 12.12.2013
No.	Date 15.11.2013	On beginning the procedures to review “M.T.C. Energy” company	Official Gazette

130		application for qualifying the generation plant from “Radovë” HPP	No.193, of 12.12.2013
No. 131	Date 15.11.2013	On licensing “Bardhgjana” company in electricity generation activity from “Bisak” HPP	Official Gazette No.193, of 12.12.2013
No. 132	Date 15.11.2013	On qualifying the generation plant of “Bardhgjana” company, as energy renewable resource from “Bisak” HPP.	Official Gazette No.193, of 12.12.2013
No. 133	Date 15.11.2013	On beginning the procedures to license “Spahiu - Gjanç” company in electricity trading activity.	Official Gazette No.193,of 12.12.2013
No. 134	Date 15.11.2013	On postponing the deadline to implement the conditions imposed by ERE for “E Vento s.r.l. Albania” company.	Official Gazette No.193, of 12.12.2013
No. 135	Date 15.11.2013	On postponing the deadline to realize the conditions imposed by ERE ERE, to “ERS - 08” company	Official Gazette No.193, of 12.12.2013
No. 136	Date 15.11.2013	On postponing the deadline to realize the conditions imposed by ERE to Hera company.	Official Gazette No.193, of 12.12.2013
No. 137	Date 15.11.2013	On postponing the deadline to realize the conditions imposed by ERE, to “Biopower Green Energy” company.	Official Gazette No.193, of 12.12.2013
No. 138	Date 15.11.2013	On postponing the deadline to realize the conditions imposed by ERE to “Albanian Green Energy” company.	Official Gazette No.193, of 12.12.2013
No. 139	Date 15.11.2013	On postponing the deadline to realize the conditions imposed by ERE, to “ALB Wind Energy” company.	Official Gazette No.193, of 12.12.2013
No. 140	Date 22.11.2013	On approving the regulation on allocation of interconnection capacities	Official Gazette No.193, of 12.12.2013
No. 141	Date 22.11.2013	For licensing “Gjoka Konstruksion - Energji” company in electricity generation activity from “Lenie”, “Shales” and “Strelcë” HPP-s.	Official Gazette No.193, of 12.12.2013
No. 142	Date 22.11.2013	On qualifying the generation plants of “Gjoka Konstruksion - Energji” company from “Lenie”, “Shales” and “Strelcë”	Official Gazette No.193, of 12.12.2013
No. 143	Date 22.11.2013	On licensing “Zall Herr Energji 2001” company in the electricity trading activity	Official Gazette No.193, of 12.12.2013
No. 144	Date 22.11.2013	On suspending the proceedings to transfer the electricity generation and trading license from “Wonder Power” company to “BHP Energy” company.	Official Gazette No.193, of 12.12.2013
No. 145	Date 09.12.2013	On amending the regulation “For the Procedures of Appointing the Administrator and His Competences, pursuant to article 18, point 4/c Law no.9072, of May.22.2003 “On Power Sector”, approved with ERE Board of Commissioners decision no.1, of January.10.2013, and the approval of CEZ Shpërndarje company Procurement Regulation.	
No. 146	Date 24.12.2013	On the request of CEZ Shpërndarje company in temporary administration to impose the flat rate invoice.	
No. 147	Date 24.12.2013	On approving an amendment in the Albanian Electricity Market Rules	
No. 148	Date 24.12.2013	On licensing Gjoka Konstruksion – Energji company in the electricity trading activity.	
No. 149	Date 24.12.2013	On postponing the deadline of ERE Board of Commissioners decision no.54, of May.03.2013, “To postpone the deadline of ERE Board of Commissioners decision no.161, of December.07.12.2012.	
No. 150	Date 30.12.2013	For electricity procurement to cover the losses in the distribution system, which are not covered by annual procurement..	