

REGULATION ON NEW CONNECTIONS IN THE NATURAL GAS SECTOR

FIRST PART:

GENERAL

Article 1

Scope and applicability of the Regulation

This Regulation provides the application procedure, the criteria for approving and establishing a new *connection* or modification of an existing *connection* and the determination of respective charges for connecting the facilities of the system user to a natural gas transmission or distribution network (hereinafter referred to as the Regulation).

The *connection* categories and subcategories subject of this Regulation either do not contain any *network extension*, or are only *minor system extensions* necessary to supply a new system user, or to modify an existing *connection* to a natural gas transmission or distribution system for which the respective costs are directly charged to and reimbursed by the *applicant*.

In case an application for a *connection* qualifies as part of investment annual plan of the System Operator (SO) or the ten-year network development plan of the system operator (TYNDP¹), the approval process will need to follow the requirements of Article 11 of Law No.102/2015 “On the Natural Gas Sector”, the Council of Ministers Decision 713 date 25.8.2010, the ERE methodology for the assessment of TYNDP and any other relevant legislation.

This *Regulation* is applicable to SO with regards to provision of gas *connections* to system users in their service areas and governs the connection process.

Article 2

Authority

This *Regulation* is based on Law No.102/2015 “On the Natural Gas Sector”, as amended Article 16, point 1 and point 18, Article 11, Article 32, point 1, Article 42, Article 43, Article 53, Article 54, Article 89.

Article 3

Definitions²

1. Except for the terms defined below, any term, words and expressions used throughout this Regulation shall have the same meaning as those defined on Law No 102/2015 "On the Natural Gas Sector", as amended, and the effective legislation. Other terms used on this *Regulation* shall have the meaning as follows:

¹ TYNDP-Ten Year Network Development Plan

² For ease of use the defined terms in this Regulation are most of the time used in italics.

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2. Applicant - a natural or legal person, being an existing or a potential future system user, who files a formal application in accordance with this Regulation for a connection in the natural gas system of a SO.
 3. Facility – a facility (dwelling, house, building, premises, factory or a group of any of them subject to a single application) which already is or is about to be connected to the natural gas system of the SO based on an approval *for connection*;
 4. Connection – installations, devices, equipment’s and materials used in conformity with the approval for *connection* to ensure the safe physical supply of natural gas for either;
 - i. the new *connection* of a facility to the SO network at the nearest technically and economically feasible connection point, including also the metering device or;
 - ii. the modification of an existing *connection* including the increase of its capacity;
 5. For the purposes of this *Regulation* the term *connection* includes all installations, devices, equipment’s and materials and related works used for the extension of SO system up to the metering point of the applicant. It includes also all or portion of any other necessary expansion or reinforcement deeper into the system, as considered in the charging part of this Regulation, but it does not include the *internal gas installations* at the customer’s side of the *metering point*.
 6. Capacity of Connection - the maximum (peak) power capacity expressed in MW the requested *connection* is designed for and will be capable to deliver.
 7. Connection Point - the physical location in the existing natural gas system of the SO that is the nearest technically and economically feasible point from where the installation of the approved *connection* towards the *facilities* of the applicant starts;
 8. Internal gas installations – Any connected natural gas piping and equipment located at an *applicant's* premises at the customer’s side of the *metering point* that does not form part of the natural gas system of the SO.
 9. Authorized gas installer - a person or entity duly authorized under relevant legal requirements to safely design, and/or install, and/or repair, and/or alter or make any addition to a gas installation or to any part of a gas installation.
 10. Metering Point - the physical location in the natural gas system where the main stop valve, the gas meter and associated equipment and installations is, or will be installed at a customer's premises. The *metering point* with the meter itself belonging to the SO, is at the same time the location of reference in the natural gas system from where the liabilities and responsibilities over the piping system shift from the SO to the customer for the *internal gas installations*.
 11. Actual cost – direct cost incurred by the SO for a particular *connection*;
 12. Network capacity usage ratio – the approved *capacity of connection* to be made available to the applicant expressed as a percentage of the total capacity of the *main pipeline* of SO gas network to which the *applicant’s facility* shall be connected;
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13. Main Pipeline - a high, medium or low-pressure pipe, part of the natural gas system, for conducting and distributing natural gas through to smaller pipes to reach the end – use customers and households.
 14. Minor system extension - a *connection* built in the SO service area *whose distance from network* falls within the following limits:
 - a) for standard *connections*; up to 100 m
 - b) for group *connections*: up to 500 m
 - c) for *customized connections*: up to 1 kilometer radially from the nearest *connection point* of the SO natural gas system.
 15. Distance from network – actual distance between the *metering point of the applicant's facility* meant to be connected and the *connection point* in the System Operator gas network, measured along the *connection* pipeline route to be built.
 16. Market price – a price or rate attained on the market under most favorable conditions at the time the *connection* is under review or construction.
 17. System Operator – shall mean a transmission and/or distribution system operator or a combined system operator for a defined service area, licensed by ERE in accordance with Articles 23 point 2 and Article 23 point 3 of the Natural Gas Law No 102/2015, as amended and the Regulation on the Procedures and Terms for License Issue, Modification, Transferring or License Termination in Natural Gas Sector.
 18. Standard connection – a *connection* (polyethylene or steel pipes) to a distribution network at pressure less than 6 bars equipped with a gas meter and regulator set at maximum capacity of 10 m³/h, for which the standardized equipment, devices, and materials are used and for which standard works are carried out in the course of construction.
 19. Group connection - a *connection* of a multi-story building, an *office facility* or another grouping of potential gas customers to the distribution network with working pressure of $p < 6$ bars. Such *connection* is constructed from the *connection point* of the SO network up to the gate of the property where the regulation device for the whole *facility* is installed, and from there to two, or more metering devices. Group *connection* tariffs shall be expressed per metering device (MD) and consider the weighted use of *connection capacity* and respective length(s).
 20. Customized connection - a *connection* to the:
 - a. Transmission network; or
 - b. Distribution network, where the pressure exceeds 6 bar, or where the maximum metering/regulation devices enable capacity exceeding 100 kW.
 21. Special case connection - within the meaning of this *Regulation*, the following cases shall be deemed to be special cases for determining *connection tariffs*:
 - a. Modification of an existing connection;
 - b. Reconnection of a *facility* to a network following a forced disconnection from the system; and
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- c. *Connection* within the network of the same SO of a user who already had a *standard* connection or metering device at a *group connection* elsewhere, in case of relocation or demolition of the connected *facility*, and;
 - d. Semi-deep connection costs - an entrance tariff charged to the *applicant* once, covering the costs associated with the impacts of the *connection* deeper onto the SO's natural gas system and is calculated as a function of *the network capacity usage ratio*.
22. Connection Agreement - a standard or a negotiated agreement concluded between the SO and the *applicant* regarding the implementation of the *connection*, as further described in Article 15.

Article 4

Obligation to grant a grid connection

1. Subject to provisions of paragraph (3) below and the criteria and requirements established in this *Regulation*, any *applicant* is eligible for a *connection* to the natural gas system of the operator licensed for the respective service area.
 2. The *connection* to all system users shall be provided in a transparent and non-discriminatory way and be based on a *Standard connection agreement* or an agreed one.
 3. The System Operator shall have the right to reject an application for a connection or the modification of the connection if the *applicant* or the network user;
 - a. has not submitted all documentation and within deadlines as provided by this *Regulation*;
 - b. nuk ka përmbushur të gjithakërkesat teknike dhe standardet, siç parashikohet në Nenin 8;
has not complied with all the technical requirements and standards, as provided by Article 8,
 - c. does not allow the responsible System Operator to access *facilities*, as provided by Article 5,
 - d. does not fulfil the criteria for the assessment of an application, as provided by Article 7,
 - e. is a debtor and has not executed the previous liabilities to the System Operator,
 - f. is not willing to pay connection charges prepared in line with this *Regulation* (Part III),
 - g. has not executed the payment(s) for the respective *connection* as agreed in the connection agreement with the System Operator.
 - h. The responsible System Operator has insufficient capacity to accommodate the applicant's request and it is not economically efficient to expand it.
 4. In case the responsible System Operator based on its assessment decides that the *connection* cannot be approved, the SO shall provide to the applicant a detailed written
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explanation providing proof of all the technical, operational and economical reasons for which the request for connection has been rejected.

5. Justification for a rejection mentioned above shall be provided to the ERE and may be appealed against to ERE by the *applicant*.

Article 5

The right for access at the applicant facilities

1. When applying for a *connection* the *applicant* is obliged to guarantee to the responsible System Operator, the right of accessing on his *facilities* at the time that is mutually agreed and provides the necessary measures that the latter can verify and estimate all the circumstances relevant to the design, construction and further utilization of the *connection*, including checking the *internal gas installations* of the applicant according to Article 9 points 5 and 6 of this *Regulation*.
2. The responsible System Operator may reject the execution of a *connection* if the customer does not guarantee the access of the representative of the Responsible System Operator at the applicant's premises for the above-mentioned purposes.

Article 6

Connection categories

1. Subject to the network pressure at the *connection point*, *capacity of connection*, *connection method*, and number of meters installed at a single *facility* and connected to single regulation device, *connections* shall be grouped into four categories:
 - a) *Standard connection*;
 - b) *Group connection*;
 - c) *Customised connection*;
 - d) *Special case connection*.

To the extent that some considerable number of *applicants*, or potential *applicants* for a specific type of *connection* not mentioned under paragraph (1) of this article, is notified to the System Operator, and this last one mentioned shall consider definition of types of *connections* and/or additional standard services in line with the principles of this *Regulation*. *New connection categories different from those provided on point 1 of this article, shall be considered as part of this regulation only after the justified request of the System Operator and ERE*. Once approved the above amendments by ERE, the information concerning such types of *connections* should be made available to the interested parties on the SO's website, together with the information for all of the categories included on this *Regulation*.

Article 7

Criteria for the assessment of an Application for Connection

1. The assessment of an application for *connection* shall be made by the Responsible System Operator on a case by case basis.
 2. The responsible System Operator shall allow the *applicant* to provide missing information or request to the *applicant* additional clarification if needed within reasonable time limits.
 3. The overall time for the approval and modification of *a connection* may not exceed 2 months from the first submission of the application unless an agreement for an extension of this term has been reached between the System Operator and the *applicant*.
 4. Based on the *connection* features, the indicative limits provided by the definition of the *minor system extension* and the criteria in paragraph (5) below, the responsible System Operator shall assess the compatibility of the application with the requirement of Article 12 of this *Regulation*. If in the judgement of the System Operator the requested connection will have a considerable impact on the future development of the gas network, the System Operator shall provide the applicant in written form the detailed reasons for why the specific case does not qualify as a *connection* and advise and assist him to act according to Article 1, Point 3 of this *Regulation*.
 5. In the assessment of a request for *connection* the System Operator shall ensure the compliance with the requirements of;
 - a. The Law No 32/2016 “On guaranteeing the safety of pressurized installations”
 - b. The Technical Rules approved by the Council of Ministers Decisions guaranteeing the safe functioning of the natural gas equipment and installations,
 - c. The Network Code and the Metering Code,
 - d. The applicable standards,
 - e. Any other legal requirements,
 6. and will also take into consideration the following criteria;
 - a. Requirements provided by Article 4, point 3 of this *Regulation*.
 - b. Location of the *facility* for which the *connection* is demanded including the layout and its contour coordinates.
 - c. *Distance from network*.
 - d. Available capacity of the responsible system Operator at that area.
 - e. Safety aspects during the implementation works and the operational phase of the requested *connection* including the response time in case of emergency situations,
 - f. Potential impact on the reliability of natural gas supply making sure any *connection* shall not cause any negative effect on existing system users, and neither should the connection be negatively affected by any of the existing system users,
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- g. Requirements of ISO 18001³standards;
- h. The System Operator cost-benefit analysis (financial, economic, social) of the *connection* established in accordance with the principles laid out by this *Regulation*.

Article 8

Technical requirements for the design and implementation of a connection

1. Any *connection* is part of the natural gas system of the SO and is responsible for the implementation and compliance with all the safety and minimum technical requirements in force including;
 - i. Technical and Safety Rules in the natural gas sector approved according to Article 10 of Law No. 102/2015 “On Natural Gas Sector”;
 - ii. European standards in the natural gas sector,
 - iii. SO company standards,
 - iv. Network Code(s),
 - v. Any other rules and norms and any legislation in force.

Article 9

Responsibilities and Rights of the System Operator

1. In accordance with Article 41 and Article 53 of the Law No 102/2015 "On the Natural Gas Sector" the SO shall be responsible for the safe design, procurement, construction, testing, commissioning and putting in operation of an approved *connection*.
 2. Even when subcontracting the *connection* works the SO still remains responsible and ensures that the choice of equipment, devices and materials and the implementation of the connection works are carried out in compliance with the current legislation and SO's own standards:
 3. SO will shall provide the best cooperation to any *applicant* interested for a *connection* in compliance with the provisions and timelines of this *Regulation*.
 4. The SO is responsible for the whole natural gas system up to the *metering point*. Beyond the *metering point* the responsibility remains to the *applicant*.
 5. The System Operator shall remain responsible for conducting technical controls of the *internal gas installations* that the System Operator distribute/transmit natural gas, ensuring their operation in compliance with the technical regulations in force.
 6. The System Operator shall conduct the control of the *internal gas installations* before and during the set into operation of the *connection* and at any other time when considered necessary, notifying in priority of the *applicant*.
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7. After successful set into operation and it is all documented the entire responsibility for the *internal gas installation* belongs on the customer to whom it is ensured the connection according to Article 10 point 5 of this *Regulation*.
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8. During the implementation of the civil works, the SO shall ensure that all respective regulations of the central and local authorities are met and shall ensure that the *applicant* shall not be harmed from any consequence of improper actions.

Article 10

Responsibilities and Rights of the Applicant

1. The *applicant* shall enable access System Operator's representatives to its facilities, as provided by Article 5 and Article 9 point 5 and Article 9 point 6 of this *Regulation*.
 2. The *applicant* shall provide all necessary information and documentation including any permits necessary for the realization/modification of the requested *connection*. Failure to do so may result in refusal of the requested *connection*.
 3. An *applicant* may apply for a *connection or modification* of the *existing direct connection*, or through a third party, authorised by him.
 4. In accordance with Article 17.1 of this *Regulation* when assessing the *connection* project and the financial offer made by the SO, the *applicant*, at its own cost, may involve an *authorised gas installer* with its own expenses.
 5. The *Applicant* shall ensure that the construction or modification of any *internal gas installation* on its *facilities*, shall be performed only by an *authorized gas installer* according to the technical Regulations and the effective regulations and norms and that the *internal gas installations* shall be used in conformity with the respective guidelines.
 6. For the design and implementation of the *internal gas installation* works at the facility of the *applicant*, the *applicant* may or:
 - i. agree with the responsible System Operator to expand the *connection agreement* to include even the construction of *gas internal installations* within the *facility* of the *applicant* based on the market prices, or
 - ii. undertake the construction of its *internal gas installations* on its own, using an *authorised gas installer*. Despite this choice the SO has the right and the responsibility to carry out the tasks provided by Article 9.5 and 9.6.
 7. The *applicant* shall charge the responsible System Operator with any responsibility and liability arising from damages caused by any unauthorized intervention made to the *internal gas installations* within the *facility* and/or improper use of the said installations.
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PART II:

APPLICATION AND IMPLEMENTATION PROCEDURES.

Article 11

Public Information and Submission of an Application

1. Any interested party for a *connection* shall be capable to withdraw the instructions and information for *connection* on the SO webpage, and/or direct contact with the SO, and/or by way of written correspondence, requesting the necessary details and explanations for the intended *connection*.
 2. The SO shall secure that the requested information and explanations will be provided at no charge, at the latest within 7 days of receipt of the expression of interest of the *applicant*.
 3. Within 12 months from the approval of this *Regulation* the SO shall publish on its webpage in an easily and understandable language, a well-structured manner and user-friendly accessible form;
 - a. the benefits of the natural gas use together with the regulations and instructions for the safe use of it,
 - b. an up to date and accurate map of the natural gas network in the SO service area and its main features,
 - c. the categories of *connections* provided for the system users together with the standard technical characteristics and minimum requirements for each of them,
 - d. the necessary instructions, explanations and forms to use when applying for a *connection*,
 - e. the list of required information for each category of *connection* as provided by Article 12,
 - f. the necessary permits obtained, or to be obtained by the SO and the necessary permits that need to be obtained by the *applicant*,
 - g. the template application to be fulfilled for each category of *connection*,
 - h. the template *connection agreement* for the different *connection* categories,
 - i. the expected timing for each step of the *connection* procedure.
 - j. the list of authorised gas installers together with their contact details that the applicant may use for completing the internal gas installations or the assessment of the offer.
 - k. approved costs for standard connections and indicative costs for other categories calculated in line with Part III of this Regulation.
 4. An application form for one of the categories of *connection*, as provided in Article 6 of this Regulation may be submitted by the *applicant* either;
 - a. online, by following instructions provided on the SO webpage. In such cases, original hardcopies (or to the extent of a need for such - notarised copy) of the application and supporting documentation shall also be either submitted or mailed to the SO offices or,
 - b. directly by delivering at the SO offices an original or notarised copy of the fulfilled application form and supporting documentation.
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5. The application and its follow up shall be recorded in the SO *connection* database as provided by Article 18 of this *Regulation*.

Article 12

Required documentation for an Application

1. For all *connection* categories an application shall contain the following general information;
 - a. Letter of application for *connection* specifying one of the categories of connection listed in Article 6.
 - b. Copy of the Identity Document (ID) or passport of the household holder or
 - c. Photocopy of the Unique Number for the Identification of the Subject (NUIS) together with the ID of the Administrator in the case of a person performing the economic activity.
 - d. Contact details of the individual in charge, or of the Administrator in the case of a company.
 - e. Address of the *facility* for which the application for *connection* is submitted.
 - f. Ownership relationship with the *facility*; ownership certificate issued by the immovable property registration office, purchase contract, donation act, lease contract etc.
 - g. The layout of the *facility* in 1:1000 scale (two copies), including the coordinates of the contour.
 - h. The concept, or prefeasibility or technical design of the requested connection, if any.
 - i. The identity of the authorised representative or authorised gas installer if applicable.
 2. An application for *standard connection*, in addition to the general information under paragraph (1) above, shall also contain;
 - a. Information on the purpose of use of gas being cooking, heating or hot water preparation.
 - b. An estimated yearly consumption in cubic meters or kilowatt hours of gas,
 - c. Permit(s), which the *applicant* already obtained in relation to this category of *connection*.
 3. An application for *group connection*, in addition to the general information under paragraph (1) above, shall also contain;
 - a. Proof of payment of the application fee of 50,000 ALL.
 - b. Information on the nature of facilities to be supplied with natural gas.
 - c. Number of initial metering devices and of the expected evolution of new metering devices to be connected into the manifold.
 - d. Maximum number of metering devices to be connected into the manifold.
 - e. Requested peak demand of gas.
 - f. An estimated daily and yearly profile of consumption and its expected evolution over time.
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- f. The supply contract or a standard preliminary agreement with the potential gas supplier.
 - g. The desired level of pressure.
 - h. Permit(s), which the applicant already obtained in relation to this category of connection.
 - i. Permit(s), which the applicant is ready to obtain, or assist the SO in obtaining them.
4. An application for customised connection, in addition to the general information under paragraph (1) above, shall also contain:
- a. Proof of payment of the application fee of 100,000 ALL.
 - b. General information concerning the business activity of the applicant and its past and future use of gas and/or other energy carriers.
 - c. Information on the nature of facilities to be supplied with natural gas.
 - d. The standard contract for gas supply and the identity of the supplier.
 - e. Maximum quantity requested for peak demand of gas.
 - f. An estimated daily and annual profile of gas consumption.
 - g. The desired level of pressure.
 - h. Permit(s), which the applicant already obtained in relation to his connection.
 - i. Permit(s), which the applicant is ready to obtain, or assist in obtaining of in relation to his connection.
5. An application for special case connection application in addition to the general information under paragraph (1) above shall also contain:
- a. Proof of payment of the application fee of 10,000 ALL.
 - b. Information on the nature of *facilities* to be supplied with natural gas.
 - c. Maximum debt requested peak demand of gas.
 - d. An estimated daily and annual profile of gas consumption.
 - e. The desired level of pressure.
 - f. Permit(s), which the *applicant* already obtained in relation to his *connection*.

Article 13

**Timelines for the Completion of the
Application process**

1. Upon submission of an application for *connection*, as provided in Article 11 and Article 12 of this Regulation, the System Operator shall immediately issue a confirmation of the receipt of the application mentioning the time of its submission and provide standard information related to the estimated schedule for its assessment and other forecast steps of the process, including timing, permits to be obtained etc.
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2. No later than 15 calendar days from the submission of the application the System Operator shall;
 - a. in case of incompleteness, inform the *applicant* to submit any missing data and/or information that has been identified along the preliminary assessment completed by the System Operator. The *applicant* should provide the missing information and clarifications within 15 calendar days from the date of receipt of the request by the System Operator.
 - b. confirm the completeness of the application and agree with the *applicant* the day when the System Operator expert may visit the location where the *connection* is requested. Except of the weather conditions not allowing the site visit, such should take place no later than 7 calendar days following the day of receipt of the answer from the System Operator.
 - c. Inform the *applicant* that the case does not qualify as a *connection* and instruct him to act according to Article 7, point 4 and Article 1, point 3 of this *Regulation*.
3. The whole process for the completion of an *application* for connection including the site visit and meetings with the *applicant* shall in no case last longer than 30 days from the first day of its submission.

Article 14

Technical Design and Cost Estimation Process

1. Following collection of all missing information, additional clarifications, the site visit and any other meeting with the *applicant*, the SO will undertake the preparation of the technical design and cost estimation for its part of the metering point and will then present it to the applicant within the following deadlines from receipt of the complete *application* for *connection*;
 - a. 1 month for a standard *connection*;
 - b. 3 months for *group connection*;
 - c. 4 months for a *customised connection* or as otherwise agreed between the *applicant* and the SO in case of a negotiated *connection agreement*.
 - d. subject to specific circumstances for a *special case connection* or as otherwise agreed between the *applicant* and the SO in case of a negotiated *connection agreement*.
 2. The technical design and cost estimation of the *connection* will be prepared by taking into consideration that;
 - a. whenever possible, more than one alternative technical option for the connection will be considered,
 - b. in line with the Part III of this *Regulation*, the cost estimation of *connection* project shall be made on the basis of the current *market prices* for each of the *connection* option chosen,
 - c. the selection of the most efficient option among the different alternatives will be based on the criteria given in Article 7 and Part III of this *Regulation*.
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3. In case the SO offers discounts or easements to an *applicant* the same discounts and/or easements shall be offered also to any other *applicant* for *connection*.

Article 15

Connection Offer

1. Following selection of the best alternative and completion of the *connection* design and cost estimation as provided by Article 14 above, the System Operator shall inform the *applicant* in a written form for;
 - a. The approval of the *connection*. In such case the System Operator shall provide to the *applicant* an offer for the construction of the *connection* project that will consist of;
 - i. accurate locations of the *connection point* and of the *metering point*;
 - ii. technical project;
 - iii. *connection cost in the semi-deep of the system*;
 - iv. total cost of the project calculated in line with Part III of this *Regulation*;
 - v. draft *connection agreement*
 - vi. bank guarantee required,
 - vii. proposed timing for the implementation of the *connection*,
 - viii. schedule of payments to be made by the *applicant*
 - b. The rejection of the application for connection together with the detailed justification for such decision, including information concerning appeal way to the SO and then ERE.
2. Upon receipt of the SO decision as provided by the paragraph above within 15 calendar days the *applicant* when receiving an offer may;
 - a. accept the offer by signing and sending the *connection agreement* to SO and executing the first instalment and fulfilling all other aspects as provided in the *connection agreement*, or
 - b. object the offer and request to the SO to start a consultation and negotiation procedure and in case of failure of negotiations, submit a complaint in line with Article 17 of this *Regulation*, or;
 - c. refuse the offer. Lack of any action by the *applicant* within 15 days of receipt of the information will be considered as an automatic refusal and the applicant will have to resubmit a new application, in case he is again interested for a *connection*,
 - d. when the application has been rejected, shall request additional explanations by the SO in line with Article 17 of this Regulation.

Article 16

Implementation and set into operation of the timelines

1. Upon signature of the *connection agreement* the SO either directly or via subcontracting of *another authorised gas installer* will implement the civil works of the project for the
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respective *connection* within the quality requirements provided by the legislation and the deadlines provided by this *Regulation* and in the *connection agreement*.

2. Upon completion of the works, the SO will test and commission the whole completed *connection* installation together with the *internal gas installations* of the customer. Only after successful testing & commissioning the *applicant's* facilities shall be set in operation.
3. The whole cycle from the submission of the application for *connection* up to the moment of setting into operation for the different categories of *connection* shall be within the following timelines:
 - a. *standard connection*; 3 months and in no case longer than 4 months unless differently agreed between the parties
 - b. *group connection*; 5 months and in no case longer than 6 months unless differently agreed between the parties
 - c. *customised connection*; 6 months or as otherwise agreed between the *applicant* and the SO in case of a negotiated *connection agreement*
 - d. *special case connection*; subject to specific circumstances or as otherwise agreed between the *applicant* and the SO in case of a negotiated *connection agreement*

Article 17

Complaints

1. When in accordance with Article 15, point 2 (a) (ii) and Article 15, point 2 (b) of this *Regulation*, the *applicant* wants to make an independent assessment of the technical project of the *connection* and of the financial offer, it has the right that with its own expenses to involve an *authorised gas installer*. The SO following a request from the *applicant* will make available to him at no charge:
 - a. the detailed technical design of the project and its respective cost estimations;
 - b. the respective technical data and conditions of the system under which the requested connection will be implemented;
 - c. the SO minimum technical requirements to be met by the new installations and the equipment to be installed;
 - d. *the connection point* together with any other alternative option if available;
 - e. any other information necessary for the proper assessment of the case as specifically and reasonably requested by the applicant.
 2. Upon completion of the assessment, both parties shall negotiate in good faith to reach an agreement.
 3. In case the SO and *applicant* fail to reach an agreement, *the applicant* may submit the case to ERE.
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Article 18

Connection database and reporting

1. Within 12 months from the approval of this *Regulation*, the SO shall establish an IT *connection* monitoring database, capable to record and enable access of ERE to the current and historical data concerning applied-for and completed *connections*, together with the timing of these, the standard and non-standard connection products offered, the capacities and technical features, the charges received and costs incurred, the cost structure.
2. Following establishment of the *connection* monitoring database and in no case later than two years from the approval of this *Regulation* or from the licensing date of the SO by the ERE, as the case might be, the SO is obliged to submit to ERE data and information necessary for monitoring the *connection* to networks, including data and information on the:
 - a. Number of applications submitted, approved and implemented for connection by customer groups;
 - b. Number of disconnected customers.

Article 19

Connection Agreements

1. Within one year from the entry into force of this *Regulation*, the SO will develop and submit for approval to ERE standardised or template *connection agreements* for all types of *connection* categories.
2. The approved standardised and template *connection agreements* shall be published on the SO website.
3. The *connection agreement* shall contain among others:
 - a. the identity of the parties;
 - b. the technical details of the *connection*.
 - c. the schedule of payments.
 - d. the schedule of construction works and related activities.
 - e. liabilities of the parties.
4. For *customised* and *other special case connections* the terms and conditions of the *connection agreement* may be subject to negotiation between the SO and the *applicant*.

Article 20

Multiple applications

5. In case more than one application are filed at nearly the same time and the paths of their respective *connection* lines overlap fully, or partially, the SO shall consider and/or facilitate an agreement between the *applicants* for the optimisation and sharing the costs among them, based on the principle of weighted use of the *connection* capacity and respective lengths of the networks serving the customers.

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6. When in the SO judgement besides a single *applicant* there is a potential for other parties to use gas in the near future, the SO shall organize a meeting of such parties and assess the gas demand within the same network area and take it into consideration in designing the *connection*. The aim of this shall avoid overcharging of the first *applicant(s)*.

PART III: CONNECTION CHARGES

Article 21

Criteria for establishing the connection charges

1. Criteria for establishing the *connection* charges shall include:
 - a. Approved capacity of the *connection*.
 - b. Terrain conditions characterizing the location of the *connection* and whether the *connection* will be completed in urban or rural environments.
 - c. Type of equipment, devices (including metering devices), and materials used for completing a particular *connection*.
 - d. Type of works necessary to be executed to enable the connection.
2. When setting and calculating the *connection* charges, the SO shall include only actual costs, for which it shall provide a detailed allocation.

Article 22

Detailed allocation of the connection costs

1. Detailed allocation of costs shall include:
 - a. Costs of project preparation and of collection of the required documentation;
 - b. Costs of purchasing devices, equipments, and material necessary for the *connection*;
 - c. Costs of works;
 - d. Costs of specific and operational works required to connect a *facility* to the system;
 - e. Portion of system costs incurred as a prerequisite for connecting a *facility* to the distribution or transmission system (*semi-deep connection costs*); and
 - f. Any other costs deemed necessary for completion of the *connection*, as approved by ERE.
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Article 23

General rules concerning connection charges

1. When determining the *connection* charges the SO shall consider the principles of *semi-deep connection costs*.
2. The SO may determine the *network capacity usage ratio* for each particular section of the *network* to which the *connection* is being made individually, or may elect to use *a single network capacity usage ratio* for all parts of the SO network with working pressures below and above 6 bar (respectively for *standard* and *customised* or *group connections*).
3. The System Operator shall apply at ERE for the approval of the detailed allocation of the costs and tariffs including even the *semi-deep connection costs* of the network (*for each category of connections*) not later than 18 months from the entry into force of this *Regulation*.
4. For the following years after the first approval according to paragraph 3 above, the System Operator shall submit at ERE for approval but not later than by November 30, the detailed allocation of the costs and tariffs including the *semi-deep connection costs* (for each *connection* category) preceding their application during the following year.
5. When approving the *connection* charges the SO shall announce them through their publication on the website.
6. The SO may perform reductions and provide specific payment conditions for the connection tariffs, but such benefits shall be provided to all possible users with the same conditions.
7. The connection project prepared by the System Operator and accepted by the applicant and the respective price that shall be paid for the connection when agreed shall be final, except of the cases when differently agreed on the connection agreement between the parties. Any amendment of the connection project as result of the subsequent modifications made unilaterally by the System Operator during its implementation will not result in additional costs for the applicant.

Article 24

Establishing standard connection charges

1. Subject to the maximum *connection* capacity, or the meter type, the following *connection* types are established:

Meter type	Maximum capacity
G-4	40 kW

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G-6	60 kW
G-10	100 kW

2. *Standard connection charges* include all costs related to the construction of *connection* from the *connection point* up to the *metering point* and are set for each type of a *standard connection* as per paragraph (1) above on the basis of:

- a. Average annual cost of design preparation and gathering the required documentation for *standard connections* of a particular type. For the purpose of estimating charges for the first year the SO might use duly justified and detailed cost estimate;
- b. Average annual standardised quantities of the necessary equipment, devices, and materials necessary for installation of *standard connections* of a particular type;
- c. Average annual cost of works related to construction of *standard connections* of a particular type, and
- d. Average annual cost of specialist and operational works required to connect facilities to network.

3. *Standard connection charges* shall be divided into two groups:

- a. Fixed *standard connection charge*, for each type of *standard connection* up to a *distance from network* of 20 meters; and
- b. Tarifë e ndryshueshme e *lidhjes standarde*, e cila do te varet nga gjatësia shtesë për çdo *distancë nga rrjeti* që tejkalon 20 metra. Tarifa e ndryshueshme e *lidhjes standarde* duhet të shprehet për çdo metër *distancë* për secilin lloj të *lidhjeje standarde*.

b) Variable *standard connection charge*, which shall be dependent upon the additional length from any *distance from network* exceeding 20 meters. Variable *standard connection charge* shall be expressed per meter of distance for each type of *standard connection*.

4. The SO is eligible to charge Fixed *standard connection charge* for each type of a *standard connection* including the cases when distance from network is shorter than 20 metres;

5. Detailed *connection cost allocations* and *connection charges* – both for each type of *standard connections* – shall be approved by ERE prior to their application.

Article 25

Establishing customised connection charges

Customised connection charges are equal to the sum of actual costs of:

1. Design preparation;
2. Gathering the necessary documentation, prescribed consents from all relevant Authorities and/or their approvals;
3. Property ownership expenses associated with a particular *connection*, if this would be necessary;
4. Carrying out preparation works necessary for completing the *connection*;
5. Purchasing devices, equipment, and materials necessary for completing the *connection*;
6. Labour engaged in construction, machinery and electrical works associated with construction of a connection, usage of operator-driven machinery, special tools, and equipment, and usage of vehicles with drivers;
7. Equipping the *metering point*;
8. Geotechnical and Geodetic designation of the route, surveys of the connection route, and updating pipeline cadastral books and modifications to the relevant cadastral maps;
9. Commissioning and putting into service;
10. Carrying out other specialist and operational works required to connect a *facility* to the network: on-site visits to identify the location of the facilities, networks and the *connection* routes; professional supervision of construction, machinery mounting and gas pipe works; and technical control of *interior gas installations* prior to initial gas delivery to the *connection*, in conformity with the Technical Regulations and the Code of the Grid to which the *facility* is to be connected and the criteria specified in this *Regulation*.

Article 26

Establishing Group connection charges

1. Costs of group *connection* are determined according to the same methodology as for *customised connections*.
 2. *Connection* charges shall be based on the *cost of group connection* weighted by the number of individual metering devices and capacity installed within the *facility*.
 3. The overall cost of the *group connection* may be borne initially by the owner of the *facility* and reimbursed later to him from the *owners/users* of individual apartments/offices, based on charging principles from paragraph 2) above.
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Article 27

Defining special cases connection charges

1. Charges for *special case connections* are determined according to the following methodology:
 - a. *semi-deep connection costs* pertaining to a *special connection* shall be determined only for the increment of the approved capacity;
 - b. to the extent that there is a need for replacing the *metering device* (for instance, in cases the existing meter exceeded 50% of its lifetime), cost of the new metering device;
 - c. in case of modifications to a *connection*, *connection* charges are determined based on the additional actual costs incurred by realisation of such a *connection*.
 - d. where a *connection* of a *facility* takes place following the forced disconnection, *connection* charges are determined based on the additional actual costs incurred by such a *connection*;
 - e. in case of a new *connection*, due to relocation or demolition of a previously connected facility not initiated by the SO, the same charging system applies as for the original *connection*. In such cases however, to the extent that some elements of the existing (relocated or demolished) connection may be safely re-used for the purpose of the new *connection*, such costs shall be deducted.

PART V: OWNERSHIP OF CONNECTION

Article 28

Ownership restrictions

Unless differently agreed in the *connection agreement* between the SO and the *applicant*, the *connection* assets once completed, tested & commissioned and have become operational from the *connection point* and up to *metering point* and including the metering device, shall be the ownership of the SO.

PART VI: FINAL PROVISIONS

Article 29

Settling the disputes

Any dispute that arises as a result of failure to implement this *Regulation* shall be handled by ERE in conformity with the “Regulation for Handling the Complaints Submitted by the Customers and Settling the Disputes between the Licensees on Power and Natural Gas Sectors”.

Article 30

Entry into force

- 1) This *Regulation* shall enter into force after publication in the Official Gazette of Albania.
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