



REPUBLIC OF ALBANIA
ENERGY REGULATOR AUTHORITY
BOARD

DECISION
No. 192, Dated 18.09.2024

ON
OPENING THE PROCEDURE TO REVIEW THE APPLICATION OF TSO COMPANY
ON SETTING THE ELECTRICITY TRANSMISSION TARIFF FOR 2025-2027
PERIOD

Based on articles 19, letter “c”, point “i”; 22 and 55, point 1 of Law o.43/2015 “On Power Sector”, as amended; Council of Ministers Decision no. 456, dated 29.6.2022 “On approving the conditions for imposing public service obligation that shall be implemented to the licensees in the power sector, which exercise the electricity production, transmission, distribution and supply activity” as amended; the “Electricity transmission tariff calculation methodology” approved with the Energy Regulator Authority (ERE) Board decision, no.180, dated 08.11.2017; and articles 15,19, point 1, letter “c”; article 21, point 3 and article 22, point 1 of the Regulation for ERE Organization, Operation and Procedures approved with ERE Board decision no.96, dated 17.06.2016; ERE Board on their meeting dated 18.09.2024, after reviewing the report Protocol no. 1859/1, dated 13.09.2024 prepared by the Tariff and Prices Directory “On reviewing the application of TSO company on setting the electricity transmission tariff for 2025-2027 period.”

Observed that:

- TSO company with official letter Protocol no.6004, dated 23.08.2024 (protocolled at ERE with Protocol no. 1859, dated 03.09.2024) submitted the request for application for setting the electricity transmission tariff for 2025-2027 period. The application of TSO company also includes the document (i) “Investments Plan of TSO company for 2022-2024 and 2025-2027 regulatory period” and (ii) activity report for 2024 which reflects the realization of all economic - financial indicators for the first six months as well as the forecasts for the second six months of 2024.
- The application for the electricity transmission tariff, which is submitted at ERE, must be based on the criteria and conditions set out in the “Regulation for ERE Organization, Operation and Procedures”, approved with ERE board decision no. 96, dated 17.06.2016, in the “Unified and standardized system of accounts for the licensees in the power sector for the transmission, distribution activities and for the universal service suppliers for electricity”, approved with ERE board decision no. 244, dated 26.11.2018, as well as in the “Electricity transmission tariff

calculation methodology”, approved with ERE board decision no. 180, dated 08.11.2017.

- In accordance with point 1, article 21 of the “Regulation for ERE Organization, Operation and Procedures”, the licensee requesting the determination of tariffs and prices for electricity and natural gas services for the following year must submit at ERE a written request, accompanied by all the information and documentation required under this Regulation and the relevant methodologies, no later than September 1 of the current year. The application of TSO company was submitted within the deadline pursuant to the Regulation.
- Based in Article 21, point 4 of the “Regulation for ERE Organization, Operation and Procedures”, ERE obtains the right to request any information it considers necessary for its decision-making regarding the submitted application.
- It results that in relation to the testing year, the company has submitted the activity report for 2024, which reflects the realization of all economic-financial indicators for the first six months as well as the forecasts for the second six months of this year. This report also includes information on the status of loans and the assessment of debt costs, where the factual data for the first six months of 2024 as well as the forecast for 2025 - 2027 regulatory period are presented.
- Based on the "Regulation on the procedures of submitting and approving the investment plan from electricity transmission and distribution operators", approved with ERE Board decision no. 135, dated 06.09.2017, article 11, it is determined that: “ERE has determined the deadlines for the submission and approval of the investment plan in the context of the application and approval of tariffs for the activities carried out by transmission and distribution operators in the electricity market. The latter shall submit at ERE the investment plan for the following year at the same time as the tariff application.”
- Regarding the investment plan for 2025 -2027 period, it appears that TSO company has attached to the tariff application a report on the investment plan for the 2022 - 2024 and 2025 – 2027 period.
- The Transmission System Operator shall submit at ERE, together with the application for tariff approval, an updated investment plan for the following year. In the event that the Transmission System Operator applies for a tariff for a regulatory period longer than 1 year, the investment program shall contain an analysis of the planned investments for the relevant regulatory period.
- The investment plan must be submitted as a separate request from the tariff application which must be reviewed in parallel with the tariff determination process for the next regulatory period based on the provisions of Articles 6 and 8 of the “Regulation on the procedures for the submission and approval of the investment plan by electricity transmission and distribution operators” and must be in accordance with this regulation.
- It is estimated that TSO company shall submit at ERE any necessary data/arguments or supporting documentation that shall be required during this process, as well as fulfill all requests and tasks that may arise during the development of technical sessions and public sessions with the parties involved and that are affected by the effects of the average electricity transmission tariff in implementation of the aforementioned legal acts.
- In the request for the application of the electricity transmission tariff for 2025-2027 period, TSO company has requested the approval of an average transmission tariff of 1.22 ALL/kWh,

or an increase of 45.5% from the tariff of 0.85 ALL/kWh in force approved by ERE board through decision no. 72/2022 “On the approval of the electricity transmission tariff for 2022-2024 period”.

- During this process, it is assessed that the Analysis of realized and projected costs, as well as of the technical, economic and financial indicators of TSO company for the next regulatory period shall serve to assess whether the company is in circumstances that require the reassessment of the level of the average transmission tariff and, consequently, the components of the required/allowed revenues in application of the provisions of the “Methodology for calculating electricity transmission tariffs”, as well as based in the provisions of the “Regulation for ERE Organization, Operation and Procedures”.

For all of the above mentioned, ERE Board

Decided:

1. To open the procedure to review the application of TSO company for setting the electricity transmission tariff for 2025-2027 period.
2. Tariff and Prices Directory shall inform the applicant and the interested parties about ERE Board decision.

This decision enters immediately into force.

Any party involved in this procedure may request from ERE, - within 7 calendar days from the date of the decision, to review the board decision if it has provided new evidence that could lead the board to obtain a decision different from the previous one or for material errors ascertained. This decision can be appealed in the Administrative Court of Tirana, within 30 calendar days from the day of publication in the Official Gazette.

This decision shall be published on the Official Gazette.

ERE CHAIRMAN

Petrit AHMETI