



REPUBLIKA E SHQIPËRISË
ENERGY REGULATORY AUTHORITY

BOARD

DECISION

No. 74, Dated 13.04.2022

ON

**ERE EVALUATIONS REGARDING THE COST OF THE UNIVERSAL
SERVICE SUPPLIER ACTIVITY FOR 01.05.2022 – 31.12.2022 PERIOD**

Based on article 83 and 85, of Law no. 43/2015, "On Power Sector", as amended; Article 15 of the Rules on ERE Organization, Operation and Procedures”, approved with ERE Board Decision, no. 96, dated 17.06.2016; Council of Ministers Decision no. 244, dated 30.03.2016, “On approving the conditions to set public service obligation, that will be implemented to the licensees on power sector, which perform electricity generation, transmission, distribution and electricity supply activity” as amended; Council of Ministers Decision no. 584, dated 08.10.2021, " On announcing the state of emergency in energy supply”; the “Methodology for defining the retail electricity sale price for the end-user customers supplied from the Universal Service Supplier (FSHU)”; approved with ERE board decision no. 189, dated 23.11.2017; ERE Board on their meeting dated 13.04.2022, after reviewing the report Protocol no. 486/3 dated 11.04.2022, prepared by Tariff and Prices Directory "On ERE evaluations regarding the cost of the Universal Service Supplier activity for 01.05.2022 – 31.12.2022 period”,

Observed that:

- Universal Service Supplier (FSHU) company has not submitted an application for the approval of retail prices for end-use customers served by Universal Service Supplier (FSHU) company.
- ERE board with decisions no. 233 and no. 234, dated 19.11.2021, decided to open the procedure to review the application on the tariffs of Distribution System Operator for 2022 and to review the application of TSO company for the electricity transmission tariff for 2022 and 2022-2024 period.
- ERE with official letter Protocol no. 925/4 dated 16.11.2021, informed the Universal Service Supplier (FSHU) company on the applications for the tariffs of electricity transmission and distribution network operators and requested from the Universal Service Supplier (FSHU) company, submitted at ERE, the expectation on the required income as a result of the transfer of the network costs requested by DSO and TSO operators, the expected costs of purchasing energy and other costs for the activity of the Universal Service Supplier (FSHU) company.

- Universal Service Supplier (FSHU) company with official letter Protocol no. 10420 dated 06.12.2021, expressed that: "it is waiting for ERE's decisions on tariffs and prices related to the transfer of network costs to tariff customers and based on the decisions and statements of the Government of Albania, Universal Service Supplier (FSHU) company expects no change in electricity sale prices to customers at 0.4 kV voltage level."
- ERE Board with decision no. 252, dated 21.12.2021, among others decided: To extend the legal force of ERE board decision no. 214, dated 15.12.2020, until ERE evaluation for the transfer of electricity transmission and distribution costs to the retail prices of end-use customers served by the Universal Service Supplier in accordance with the requirements of the legal and by-legal acts into force .
- ERE evaluated the costs of the universal service supplier activity taking into consideration the transfer of the electricity transmission and distribution costs, as well as the costs of purchasing electricity by calculating their effects on the retail prices of the end-use customers served from the Universal Service Supplier (FSHU) company for 2022. This assessment was based on the assessments carried out by ERE in previous periods, as well as the data submitted by the Universal Service Supplier (FSHU) company for the 10th month of 2021, in implementation of the "Methodology for defining the retail electricity sale price for the end-user customers supplied from the Universal Service Supplier (FSHU)"; approved with ERE board decision no. 189, dated 23.11.2017.
- Revenues realized above/below the average electricity sale price for 2015-2021 period from the activity of the universal service supply, are considered as correctable revenue for 2022, in accordance with the "Methodology for defining the retail electricity sale price for the end-user customers supplied from the Universal Service Supplier (FSHU)"; approved with ERE board decision no. 189, dated 23.11.2017.
- The estimated quantity to be sold by the Universal Service Supplier (FSHU) company, to end-use customers connected at 0.4 kV voltage level, is about 4,613 GWh.
- Administrative costs of the supply activity calculated for Universal Service Supplier (FSHU) company for May 1-December 31, 2022 period, is estimated to be about 1.06 ALL/kWh.
- The General Assembly of KESH with decision no. 1349/1, dated 16.02.2022, "On approving the economic-financial program of KESH company for 2022, prediction for 2023-2026", decided, among other things, that the electricity sale price for customers served by the Universal Service Supplier (FSHU) company shall be about 2.6 ALL/kWh.
- The transmission cost is calculated based on the tariff of about 0.85 ALL/kWh.
- The cost for the distribution of electricity at 0.4 kV voltage level is calculated based on the tariff of about 6.42 ALL/kWh.
- The cost for financing the working capital is estimated according to the rate of 3% to the working capital of the Universal Service Supplier (FSHU) company.
- The profit margin for the universal service supply activity is estimated according to the rate accepted by ERE of about 2.2%.

- The average electricity sale price of about 10.7 ALL/kWh is expected to recover all the costs of the universal service supply activity after the transfer of the costs of electricity purchase, transmission and distribution.
- Revenues realized above/below those allowed shall be corrected by ERE, in accordance with the “*Methodology for defining the retail electricity sale price for the end-user customers supplied from the Universal Service Supplier (FSHU)*”; approved with ERE board decision no. 189, dated 23.11.2017 at the time of submission of the application for revision of retail prices of the Universal Service Supplier (FSHU) company according to the provisions of the legislation into force.

For all of the above mentioned, ERE Board

Decided:

1. The retail prices of electricity for May 1 - December 31, 2022 period shall be those approved with ERE board decision no. 252, dated 21.12.2021, according to the table attached to this decision. (Table attached)
2. Customers who have met the legal and/or technical conditions for entering the liberalized electricity market are not subject to the provisions of point 1 of this decision.
3. The Legal Directory shall inform the interested parties about ERE Board Decision.

This decision enters immediately into force.

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

This decision shall be published in the Official Gazette.

ERE CHAIRMAN

Petrit AHMETI

**ELECTRICITY RETAIL PRICES FOR END-USE CUSTOMERS SERVED BY THE
UNIVERSAL SERVICE SUPPLIER FOR 1 MAY - 31 DECEMBER 2022 PERIOD**

Description	Active energy price (ALL/kWh)	**Active energy price in peak hours (ALL/kWh)
* Sale price for Customers at 20 kV	11	12.65
* Sale price for Customers at 10/6 kV	11	12.65
* Bakery and flour production at 10/6 kV	7.1	8.17
* Sale price for Customers connected to MV and with meter in LV	12.4	14.3
Customers at 0.4 kV	14	16.1
Bakery and flour production at 0.4 kV	7.6	8.74
Cult facilities/religious communities	9.5	
Household	9.5	
The price for electricity consumption in common areas (lighting stairs, pump, elevator)	9.5	
<i>* Customers who have met the legal and/or technical conditions for entering the liberalized electricity market are not subject to these prices</i>		
<i>** Peak hours during which the price for the energy consumed at the peak shall be applied is:</i>		
<i>- For November 1 - March 31 period from 18:00 to 22:00</i>		
<i>- For April 1 - October 31 period from 19:00 to 23:00</i>		