



REPUBLIKA E SHQIPËRISË

**ENERGY REGULATORY AUTHORITY
DECISION**

No. 24, of date 30.01.2026

ON

**THE ASSESSMENT OF THE COMPLIANCE OFFICER ANNUAL REPORT OF
“ALBGAZ” COMPANY FOR THE IMPLEMENTATION OF COMPLIANCE
PROGRAM FOR 2024**

Based on Article 16 of Law no. 43/2015, “*On Power Sector*”, as amended; Articles 16 and 47, of Law no. 102/2015 “*On Natural Gas Sector*”, as amended; the Energy Regulatory Authority (ERE) board decision no. 171, of date 16.08.2021, “*On approving the Compliance Program of the Transmission System Operator for Natural Gas, “ALBGAZ” company*”, as amended with decision no. 345, of date 21.12.2022; ERE board decision no. 355, of date 28.12.2022, as amended, “*On preliminary approval of the Compliance Officer of Albgaz company.*” As amended with decision no. 133, of date 07.04.2023; as well as Article 15 of the *Regulation on ERE organization, operation and procedures*, approved with ERE Board Decision no. 96, of date 17.06.2016; ERE Board on their meeting dated 30.01.2026, after reviewing the report prepared by Directory of Compliance and Assessment of Regulatory Impact and Natural Gas Directory, Protocol no. 321, of date 23.01.2026, “*On the Assessment of the Annual Compliance Report of natural gas operator ‘Albgaz’ company for 2024*”,

Observed that:

- Implementing Law no. 102/2015, “*On Natural Gas Sector*”, as amended and the Compliance Program approved by ERE Board, the compliance with the program is approved independently by the Compliance Officer, that prepares and submits at ERE the annual report on the measures taken for the implementation of the Program, within the defined deadlines. ERE in carrying out its supervision and assessment powers , reviews the submitted program from the Compliance Officer, to guarantee operational/managerial independence, transparency and non-discriminatory handling in natural gas sector.

1. Submission and review of the report for 2024 period

- The Compliance Officer of “Albgaz” company, with the official letter protocol no. 1141/2, of date 25.04.2025, submitted at ERE the Annual Compliance Report of “Albgaz” company for 2024 period.
- After the completed analysis, ERE, with the official letter protocol no. 1141/5, of date 01.08.2025, required to the Officer to provide additional information and documentation on the content of the report, regarding: (i) the compliance of the legal deadlines for the submission of the report; (ii) inaccuracies in the content of the report; (iii) lack of

documentation providing the inclusion of the Officer in processes of ownership and operational dependence unbundling; (iv) functionality and transparency of the official website of the company; (v) measures to guarantee confidentiality of information; (vi) involvement of the Officer in long-term planning of the network; (vii) gasification projects as well as (viii) reporting on the status of previous recommendations.

- Subsequently, the Officer, with the official letter protocol no. 1141/6, of date 16.08.2025, has submitted additional information, which has not fully explained ERE requests, for this reason, in accordance with the legal framework and internal procedural acts, ERE held a hearing session with the Officer and it has been agreed to resend the final report with the relevant additions.
- Finally, the Officer, with official letter protocol no. 1141/14, of date 20.10.2025, submitted at ERE the final Annual Compliance Report of “Albgaz” company for 2024 period.

2. Assessment of the report content

- The annual report is composed of the: (i) general information on the implementation of the program; (ii) recommendations of the Officer; (iii) Conclusions.
- ERE, in its assessment, has taken into consideration the information related to the fulfillment of the requirements of the Compliance Program, focusing on the elements and criteria that are directly related to these obligations. Any other information handled by the Officer, which is not part of the requirements of the Program, is not included and does not constitute the purpose of the assessment.
- ERE Board with decision no. 179, of date 08.11.2017, “On the certification of “Natural Gas Combined Operator” Albgaz company.”, above all, defined the requirement for: the dependence of the financial auditor as well as cross-institutional collaboration for the realization of the amendments in the legal framework (article 11 and article 46, point 10, of Law no. 102/2015) and the transfer of the competences to the Ministry of Economy and Finance.
- Regarding the legal unbundling of “Albgaz” company, on the Officer’s report it is explicitly handled the ownership structure and the report with the authority that carries out the shareholder rights, although this issue is defined on the acts for the establishment and organization of “Albgaz” company, according to Council of Minister Decision no. 848/2016 and the respective acts of state organization. Consequently, this does not constitute a legal unbundling, but lack of full reference on the report.
- From the assessment resulted the issues that require to be improved and fulfilled in subsequent reports, particularly regarding: (i) documented reporting on the dependence of the financial auditor and compliance of the certification conditions; (ii) reflection of the amendments on organizational structure and the respective approval evidence; (iii) identification and documentation of legal/operational unbundling and managerial dependence; (iv) monitoring of the obligations for publication/transparency (including accessibility of the documents and respective decisions); (v) concrete measures for the confidentiality of information; (vi) methodology of monitoring and the evidences for participation/notifications on the meetings; (vii) compliance of the reporting deadlines according to the Program; (viii) reflection of the status of the

recommendations and the specific tasks left by ERE.

3. The need to improve and the recommendations for the subsequent period

- Based on the above assessment, deems necessary that the Compliance Officer and “Albgaz” company shall take the measures to address the evidenced recommendations/obligations, according to Annexes 1 and 2 attached to this decision.

For all of the above mentioned ERE Board,

Decided:

1. Partial approval of the Annual Compliance Officer Report of “Albgaz” company, for 2024 period, in terms of the ERE assessments/findings reflected on this decision.
2. The Compliance Officer and “ALBGAZ” company shall take the measures for the implementation of recommendations according to Annex 1 and Annex 2 attached to this decision.
3. Directory of Compliance and Regulatory Impact, shall inform the Ministry of Infrastructure and Energy, “Albgaz” company, the Compliance Officer, the Energy Community Secretariat, regarding ERE Board Decision.

This decision enters immediately into force.

Each party involved in this procedure may request from ERE, within 7 calendar days from the date of receiving this decision, the review of the Board’s decision if there are provided new evidences that may lead the Board to take a decision different from the previous one or for identified material errors. For this decision, may be filled an appeal on Tirana Administrative Court within 45 calendar days from the date of publication in the Official Gazette.

This decision is published in the Official Gazette.

ERE CHAIRMAN

Petrit AHMETI

Annex 1 – Recommendations for the Compliance Officer following the assessment of the Annual Compliance Report for 2024 period

1. Legal status and Structure of Albgaz company,

- a) The Compliance Officer shall monitor the implementation of the request for the dependence of the financial auditor, in conformity with point 5.1 of ERE board decision no. 179, of date 08.11.2017, “On the certification of the “Natural Gas Combined Operator ” ALBGAZ company.”, and shall reflect the reports following the level of compliance of this request, by monitoring and reporting the compliance from the operator not to appoint financial auditors that audit or perform tasks for the undertaking that carry out natural gas production or supply activities.
- b) The Compliance Officer shall continue to report in subsequent reports on any changes that have occurred in the organizational structure of the operator “Albgaz” company. The reporting shall include a statement on the acts of approval of this new structure in accordance with the obligations set out in point 16.4 of the Compliance Program. The Officer shall also reflect any changes in the management or executive levels during the monitoring period, in order to increase transparency and enable a complete assessment of the organizational structure of the company.

2. Unbundling and Dependence of “Albgaz” company

Operational unbundling and operational and decision-making independence: In the subsequent report, the Compliance Officer shall clearly reflect, based on verifiable evidences and information from the operator, the actions related to the provision of operational and managerial independence of the company, avoiding the reporting only in declarative form. The reporting shall demonstrate the compliance with the obligations defined on the Compliance Program, by describing the measures taken, the control mechanisms and the approach of implementing them during the monitoring period.

3. Exemption from discriminatory behaviour

Access to the transmission system: In the framework of monitoring the compliance of the obligations defined on point 27 of the Compliance Program, the Compliance Officer shall carry out periodic verifications on the publication, update and accessibility to ALBGAZ company official website of the transmission tariffs and respective decisions of the Energy Regulatory Authority (ERE). These verifications shall be reflected in details on ERE reports, evidencing the verified elements, the time of carrying out these verifications, the resulting findings (including the cases of lack of publication, delays or inaccuracies), as well as the measures taken or recommended to correct them. The reporting shall not be limited to general compliance declarations, but shall be based on evidences and concrete findings arising from the monitoring activity carried out by the Officer.

4. Information policy of “Albgaz” company

- a) Provision of information: The Officer shall monitor and report that the publication and access of this information is in conformity with the definitions of Point 37 of the program.
- b) The Compliance Officer shall, in the framework of its monitoring, verify and report on subsequent reports on the existence and implementation from the Operator of the measures related to maintenance the confidentiality of information, including whether employee

contract provide the provisions for the maintenance of confidential information and the financial consequences for not meeting this obligation, according to point 50 of the Compliance Program.

- c) The Compliance Officer shall monitor and report on the fulfillment of the transparency obligations from the Operator, by verifying if the obligatory information according to point 53 of the Program is published, updated and accessible on the official website.

5. Implementation of the Program

- a) Binding nature of the program: The Officer's report should summarize the recommendations made during the reporting period, as well as any developments related to licensing and regulatory obligations, in order to provide a clear picture of the Operator's compliance and activity.
- b) Monitoring the implementation of the program: The Officer should actively exercise all monitoring rights and obligations assigned to him by the legislation in force and the Compliance Program, which include, among others: participation in meetings of the governing bodies and relevant structures of the Operator, when there are handled issues related to the Compliance Program; periodic verification of the Program implementation measures and obligations in the Operator's structures; collection and review of relevant documentation related to the implementation of the Program; monitoring the publications and transparency of mandatory information; documenting monitoring activities and their reflection in periodic and annual reports to the ERE.
- c) Method of monitoring the implementation of the Compliance Program: The Officer shall strengthen the mechanisms for monitoring the Program implementation, not limited to the exchange of written correspondence, but by exercising active, continuous and documented monitoring.
- d) Reporting and implementation of the program: The Compliance Officer shall ensure compliance with the reporting deadlines set out in point 73 of the Compliance Program. In the event that he finds it objectively impossible to comply with these deadlines, he shall inform ERE in advance, by submitting a documented and reasoned justification on the causes of the delay, as well as the measures taken to avoid the recurrence of such cases in subsequent reports.
- e) Compliance Implementation should ensure that annual reports include a clear overview of the status of recommendations given by ERE in the previous reporting, evidencing the level of their compliance, the measures taken to implement not-completed recommendations and their progress during the monitoring period.

Annex 2 - Recommendations for “Albgaz” company following the assessment of the Annual Compliance Report for 2024 period

6. Legal status and organizational structure

- a) “Albgaz” company shall inform and make available to the Compliance Officer and ERE the documentation proving compliance with the requirement for the independence of the financial auditor, according to the conditions set out in the certification decision, including the declaration that the financial auditor does not exercise audit activities or services for undertakings that carry out natural gas production or supply activities.
- b) The company shall document any amendments in the organizational structure and in the management or executive levels, as well as ensure access of the Compliance Officer to be informed with the approving acts.

7. Allocation and independence of the company

“Albgaz” company shall continue to ensure the preservation of legal and operational allocation of natural gas transmission activity as a specific legal entity, according to the establishment acts and the Compliance Program, and shall document at subsequent reports any element related to the ownership structure and the exercise of the shareholder rights from the relevant public authority.

8. Exclusion of discriminatory conduct

The company shall ensure the publication on the official website of the ERE decisions, tariffs and relevant regulatory acts, as well as guarantee that the documents that are mandatory for publication are accessible and updated.

9. Information policy

- a) The company shall implement the obligations for publication and access to information according to the requirements of the Compliance Program, ensuring that the mandatory information for system users and interested parties is published, updated and easily accessible on the official website, including the list of services, conditions and procedures for their benefit (point 53).
- b) “Albgaz” company shall ensure that provisions on the preservation of confidential information are included in the employee contracts, as well as financial consequences in case of non-compliance with this obligation, in accordance with point 50 of the Compliance Program. The company shall ensure the publication of mandatory information for system users and interested parties, including the list of services, conditions and procedures for their benefit.

10. Implementation of the Compliance Program

- a) The company shall ensure the implementation of the mandatory nature of the Compliance Program in all organizational structures and levels.
- b) The company must ensure prior and timely notification of the Compliance Officer for each meeting of the governing bodies where there are handle issues related to the implementation of the Compliance Program, by making the agenda, accompanying materials and relevant decisions available, as well as by documenting these notifications and the participation of the Officer for monitoring purposes.
- c) The company shall cooperate with the Compliance Officer, guaranteeing access to documentation, structures and information necessary for monitoring the implementation of the Program.