



WATER AND WASTE REGULATORY OFFICE
ZYRA RREGULLATORE PËR UJË DHE MBETURINA
REGULATORNI URED ZA VODU I OTPAD

WATER AND WASTE REGULATORY OFFICE (“WWRO”)

(R-02/W&WW)

RULE
FOR SERVICE TARIFFS SETTING
FOR
WATER AND WASTEWATER SERVICES AND BULK WATER SERVICES
IN KOSOVO

12 August 2008

TABLE OF CONTENTS

PART I: GENERAL PROVISIONS	1
CHAPTER 1: GENERAL PROVISIONS.....	1
Section 1: Authority for this Rule	1
Section 2: Scope	1
Section 3: Purpose.....	1
Section 4: Definitions	1
Section 5: Rules of Interpretation	4
Section 6: Applicability.....	4
PART II: GENERAL PRINCIPLES FOR TARIFF SETTING	4
CHAPTER 2: TARIFF POLICY	4
Section 7: Regulator to Prepare Tariff Policies.....	4
Section 8: Tariff Policies – minimum requirements.....	5
CHAPTER 3: TARIFF REVIEWS	6
Section 9: Periodic reviews.....	6
Section 10: Process	6
CHAPTER 4: TARIFF SETTING PROCEDURES AND REPORTING REQUIREMENTS.....	7
Section 11: Procedures.....	7
Section 12: Information Requirements	8
PART III: REVIEW AND APPROVAL OF SERVICE TARIFF APPLICATIONS.....	8
CHAPTER 5: SERVICE TARIFF APPLICATION, REVIEW, AND APPROVAL	8
Section 13: Service Tariff Application.....	8
Section 14: Regulator Review of Service Tariff Application	9
Section 15: Approval of Service Tariffs and Automatic Annual Adjustments.....	9
CHAPTER 6: EXTRAORDINARY SERVICE TARIFF ADJUSTMENTS	10
Section 16: Request for an Extraordinary Service Tariff Adjustment	10
Section 17: Approval Procedures for Extraordinary Service Tariff Adjustments	10
Section 18: Refusal of an Extraordinary Service Tariff Adjustment.....	10
PART IV: TARIFF AGREEMENTS.....	11
CHAPTER 7: NEGOTIATING AND ENTERING INTO A SERVICE TARIFFS AGREEMENT	11
Section 19: Service Tariff Agreement.....	11
Section 20: Negotiation of a Service Tariff Agreement.....	11
Section 21: Entering Into a Service Tariff Agreement	12
CHAPTER 8: LEGAL NATURE AND ENFORCEABILITY OF SERVICE TARIFFS AGREEMENT	13
Section 22: Legal Nature and Enforceability of Service Tariff Agreement	13
Section 23: Compliance with Service Tariff Agreement	13
PART V: PUBLICATION OF SERVICE TARIFFS	13
CHAPTER 9: PRESENTATION AND PUBLICATION OF SERVICE TARIFFS.....	13
Section 24: Presentation of the Service Tariffs	13
Section 25: Publication and Dissemination of the Service Tariff Schedule.....	13
PART VI: ENFORCEMENT, PENALTIES, AND APPEALS	14
CHAPTER 10: ENFORCEMENT OF SERVICE TARIFF CONDITIONS.....	14
Section 26: Enforcement of Service Tariff Conditions	14
CHAPTER 11: RECORDS AND REPORTS ON SERVICE TARIFF CONDITIONS	14

<i>Section 27: Location and Availability of Records</i>	14
<i>Section 28: Reports</i>	14
<i>Section 29: Records and Reports Retention Period</i>	15
CHAPTER 12: OFFENCES AND PENALTIES	15
<i>Section 30: Offences and Penalties</i>	15
CHAPTER 13: APPEALS.....	15
<i>Section 31: Appeals</i>	15
PART VII: MISCELLANEOUS.....	16
<i>Section 32: Official Language of the Rule</i>	16
<i>Section 33: Entry into Force</i>	16

PART I: GENERAL PROVISIONS

Chapter 1: General Provisions

Section 1: Authority for this Rule

The Regulator issues this Rule under authority of the *UNMIK Regulation No. 2004/49 on the Activities of Water and Waste Services Providers*, dated 26 November 2004 as amended with the *Law No. 03/L-086* on 13 June 2008.

Section 2: Scope

All currently operating Publicly Owned Enterprises providing Water and Wastewater Services or Bulk Water Services in Kosovo shall follow this Rule and procedures for developing, obtaining approval, and requesting a change to tariffs charged for services provided.

Section 3: Purpose

The purpose of this Rule is to establish the rules and procedures under which tariffs can be established and applied for water supply and for wastewater collection, treatment, and disposal.

Section 4: Definitions

The terms and expressions used in these Rules shall bear the following meanings:

Bulk Water means water that has not been treated in order to be suitable for human consumption;

Bulk Water Supply means potable water delivered to a Water and Wastewater Service Provider who thereafter distributes such treated water directly to final customers;

Bulk Water Supplier means any Person that supplies Bulk Water to a Water and Wastewater Service Provider;

Business Day means any day except Saturday, Sunday, or day, which is a public holiday in Kosovo;

Capital Expenditures means expenditures incurred in connection with investments in fixed assets with a life in excess of one year, including, without limitation expenditures that are accounted for to be amortized and depreciated over the life of any given fixed asset, classified as property, plant or equipment;

Connection (and Reconnection) Fee means the charges of a Service Provider for the provision of a new connection (or for a reconnection) to a water supply or wastewater service as approved by the Regulator;

Customers means a Person that has entered into a Water and Wastewater Services Contract or Bulk Water Supply contract with a Services Provider or lawfully has received Water Services supplied by a Service Provider;

Customer Group means a category of customers as defined below:

- i. **Domestic Customers** means any Customer classified by the Service Provider as a person using the Services at his or her residence or household;
- ii. **Commercial/Industrial Customer** means any person, legal entity or business organisation classified by the Service Provider as a Customer using the Services for or in connection with the exercise of a commercial or industrial activity of any sort;
- iii. **Institutional Customer** means any legal entity classified by the Service Provider as a governmental authority, local authority, international organisation or institution that carries out activities of common or public interest and that it is not registered as a business organisation in accordance with the Law on Business Organizations Nr.02/L-123;

Depreciation means a measure of the consumption, use or wearing out of an asset over the period of its useful economic life;

Invoice means written notice to pay for Water or Wastewater Services, which specifies the amount due and owing, the period for which the service was provided, and other relevant information, issued by the Water and Wastewater Service Provider to a Customer in Albanian, English, and Serbian languages;

Operating Costs means prudent and necessary costs related to operation and maintenance of water and wastewater treatment plants, storage reservoirs, wells, pumping lines, transmission and distribution lines and other water and wastewater facilities, customer services and administrative and general expenses;

Person means an individual, legal or public entity including a corporation, a partnership, a trust, an unincorporated organisation, a government or any agency or subdivision thereof;

Regulator means the authority responsible for the economic regulation of Water and Wastewater Services Providers. Also referred to as "The Water and Waste Regulatory Office ("WWRO") created under the *UNMIK Regulation NO. 2004/49 on the Activities of Water and Waste Services Providers* as amended with the *Law No. 03/L-086* on 13 June 2008;

Return on Capital means a fair return on the regulatory capital value represented as the annual income and capital growth from an investment, expressed as a percentage of the original investment;

Revenue Requirement means money needed to cover the costs for providing Water and Wastewater Services or to supply Bulk Water calculated in accordance with the provisions of this Rule;

Review Committee means the committee that may review the decisions of the Regulator pursuant to the *UNMIK Regulation NO. 2004/49 on the Activities of Water and Waste Services Providers*, dated 26 November 2004 as amended with the *Law No. 03/L-086* on 13 June 2008;

Service Area means the area defined in their respective service agreements within which Service Providers are obliged to provide water supply and wastewater services.

Service Contract means an agreement between a Service Provider and its Customer or, if there is no such agreement, the Service Provider's terms of supply;

Service Provider means any Water and Wastewater Service Provider, or a Bulk Water Supplier, together the "Service Providers";

Service Tariff means any rates, charges or fees of a Service Provider in relation to the provision of its Services to Customers;

Service Tariff Application means the document submitted by Service Providers to the Regulator in a format specified by the Regulator;

Service Tariff Order means the written document issued by the Regulator listing all applicable Service Tariffs for a Service Area by service type, location, and Customer class and charges for Water and Wastewater Services provided to Customers;

Service Tariff Schedule means all applicable Service Tariffs for a Service Area including Tariffs by service type, location, and Customer class and charges for Water and Wastewater Services provided to Customers that have been approved by the Regulator;

Tariff Policy means a policy position of the regulator setting out the principles upon which service tariffs are determined;

Tariff Structure means specific service tariff details including rising block arrangements, fixed fee components, connection charges and other details relating to the application of service tariffs that have been approved by the Regulator;

Wastewater Services means collecting, disposing, and treating wastewater and sewage, and operating networks and facilities for such purpose;

Water and Waste Regulatory Office (also abbreviated to the "WWRO") means the Economic Regulator created under the *UNMIK Regulation No. 2004/49 on the Activities of Water and Waste Services Providers* as amended with the *Law No. 03/L-086* on 13 June 2008;

Water Services means abstracting, treating, and distributing water for human consumption and operating networks and facilities for such purpose;

Wholesale Customer means an individual and/or a legal person or entity that purchases Bulk Water from a Service Provider for the purpose of its resale to any third parties;

Section 5: Rules of Interpretation

In this Rule:

- a) Any terms and expressions used in this Rule, not specifically defined herein and that might be in question, shall bear the meanings as defined in the legal acts referred to in the Preamble of these Rules and/or in any other law applicable in Kosovo; and
- b) References to a Rule shall be construed as meaning any Rule issued, modified, amended, supplemented, and/or replaced by the Regulator from time to time as per the powers that have been granted to the Regulator; and
- c) The singular includes the plural and vice versa;
- d) Words of any gender used shall include any other gender; and
- e) References to Parts, Chapters, and Sections are, unless otherwise expressly stated, references to Parts, Chapters and Sections of these Rules.

Section 6: Applicability

All Publicly Owned Enterprises in Kosovo currently providing Water or Wastewater Services or Bulk Water Supply are required to submit to the Regulator for approval the water and wastewater prices for different uses as per their tariff structure calculated as per this Rule unless specifically exempted from and informed in writing to do so by the Regulator.

PART II: GENERAL PRINCIPLES FOR TARIFF SETTING

Chapter 2: Tariff Policy

Section 7: Regulator to Prepare Tariff Policies

- 7.1 The Regulator shall establish tariff policies for Water and Wastewater Services and Bulk Water Supply taking into consideration:
- a) All legal obligations pertaining to the setting of service tariffs
 - b) Social responsibility and the role of service providers:
 - i. Uniformity of tariffs throughout service areas where appropriate
 - ii. Different customer groups, their affordability constraints and their respective costs of service
 - iii. Tariff structures including the need or otherwise of rising block and fixed charges

- iv. Levels of service
 - c) Connection / reconnection fees and the appropriateness of contributions towards capital investment
 - d) The environment:
 - i. The appropriateness or otherwise of demand management tariff structures and raw water abstraction charges
 - ii. Water loss reduction targets
 - iii. Environmental duty of care and compliance with environmental standards
 - e) Cost recovery
 - i. Definition
 - ii. Operating costs and efficiency expectations
 - iii. Recovery of capital investment expenditure
 - f) Financing, capital structure and return on capital
 - g) Tariff review process
 - h) Any other tariff policy positions as determined by the Regulator.
- 7.2 The Tariff Policies shall be developed through a process of consultation with stakeholders.
- 7.3 The Regulator shall publish the Tariff Policies which shall be freely available to the public.
- 7.4 The Regulator shall periodically review the Tariff Policies and where appropriate they shall be amended in the event of:
- a) Changes in government policy
 - b) Amendments to existing and/or new legislation that require a change in the Tariff Policies
 - c) Amendments to these rules, or
 - d) Existing Tariff Policy positions failing to deliver their intended outcomes and / or identification of alternative positions that could better deliver the intended outcome.

Section 8: Tariff Policies – minimum requirements

- 8.1 Service Tariffs for water supply and wastewater services shall not be discriminatory and, except when otherwise authorised by the Regulator, Service Providers shall use the same Service Tariff throughout their Service Area

- 8.2 Tariffs for bulk water supply services shall be determined on the basis of actual costs of supply to each water service provider.
- 8.3 Tariffs shall be determined on the basis that the revenue streams they generate are sufficient to finance the activities of the Service Providers in compliance with their statutory and Regulatory requirements which may include a reasonable return on the capital they have invested.
- 8.4 The Service Provider may request in writing to the Regulator authorisation for the use of different Service Tariffs within the Service Areas with written justification and the Regulator shall respond in writing within twenty (20) business days from the date of receipt of such request either agreeing or refusing to do so and providing reasons.
- 8.5 Service Tariffs for Water and Wastewater Services shall include no more than three Customer categories:
- a) Residential;
 - b) Commercial/Industrial;
 - c) Institutional;
- 8.6 Wholesale Customer shall be the only Customer Category for Bulk Water Supply.

Chapter 3: Tariff reviews

Section 9: Periodic reviews

- 9.1 Tariffs for water and wastewater services shall be determine tariffs for a period of not less than three years and no more than five years.
- 9.2 Tariffs for bulk water supply shall initially be determined annually until the end of 2011. Thereafter they shall be determined for similar periods as for the water and wastewater services
- 9.3 The tariffs for each year within the review period shall be determined in advance on the basis of real costs, excluding the effects of inflation.
- 9.4 The actual tariffs to be applied shall be those determined during the multi-year review adjusted for general retail price inflation as experienced in the year prior to the adjustment.

Section 10: Process

Before the start of the final year of each review period the Regulator shall set out the timing of activities necessary to undertake the tariff review for the following period. These activities shall include (but not be limited to):

- a) The Regulator's intended approach to the setting of tariffs (draft Procedures) in the forthcoming review as a consultation paper.
- b) Allowance for representations from the stakeholders (Service Providers, customers and other interested parties) and the publication of finalised Procedures
- c) Detailed information requirements necessary to meet the requirements of the Procedures
- d) Draft tariff determinations based upon the Procedures
- e) Allowances for representations from the stakeholders on the draft tariff determinations.
- f) The publication of final tariff determinations to be applied in the review period.

Chapter 4: Tariff setting procedures and reporting requirements

Section 11: Procedures

- 11.1 The Regulator shall prepare, in advance of each periodic Tariff Review a set of Water Supply Tariff Procedures that:
- a) Sets out the general concepts of the tariff determination process for the forthcoming review period
 - b) Describes the financial model to be employed in the process
 - c) Describes in further detail the individual components of the tariff determination model including:
 - i. Sales calculation forecasts;
 - ii. Operating costs;
 - iii. Capital maintenance;
 - iv. Return on capital (including the definition of Regulatory capital value);
 - v. The tariff calculation process;
 - vi. Smoothing (where applicable);
 - vii. Indexation rules for intermediate adjustments;
 - viii. Other details as determined by the Regulator.
- 11.2 Tariffs shall be determined in accordance with the finalised Procedures.

Section 12: Information Requirements

- 12.1 The Regulator shall set out the detailed Information Requirements necessary for the determination of tariffs in accordance with the Procedures.
- 12.2 The Service Providers shall provide the necessary information in accordance with the Information Requirements and within the time limits as set out by the Regulator.
- 12.3 These Information Requirements relate to:
- a) Performance forecasts (production, sales, connections, fixed charges etc.)
 - b) Operational cost forecasts;
 - c) Capital expenditure including capital maintenance;
 - d) Depreciation where appropriate;
 - e) Financing details;
 - f) Other information as determined by the Regulator as being necessary for the determination of tariffs.
- 12.4 The Regulator is not bound by the information supplied by the service providers and, if in the opinion of the Regulator, it is considered that the forecasts of performance, costs, investment and sources of finance are unrealistic the Regulator may
- a) Refer the information back to the Service Provider for reconsideration and adjustment, or
 - b) Employ alternative data which, in the opinion of the Regulator, better reflect the expected future performance of the Service Provider.

PART III: REVIEW AND APPROVAL OF SERVICE TARIFF APPLICATIONS

Chapter 5: Service Tariff Application, Review, and Approval

Section 13: Service Tariff Application

- 13.1 The Service Provider shall submit a Service Tariff Application in accordance with the Procedures together with all supporting information as set out in the Information Requirements.
- 13.2 The Service Providers shall provide any additional information to support the Service Tariff Application as requested by the Regulator.

- 13.3 The Service Tariff Application must be approved by the Service Provider's Board of Directors as evidenced by a letter of transmittal signed by the relevant authority.
- 13.4 The Regulator reserves the right to determine tariffs in accordance with the Procedures and the information supplied in accordance with the Information Requirements if the Service Provider does not submit a formal Tariff Application.
- 13.5 If a Service Provider fails to submit the necessary supporting information in accordance with the Information Requirements and within the timescale set out in the Procedures, the Regulator shall determine the Service Tariff based upon the Regulator's own assumptions of revenue requirements and Service Provider levels of efficiency and operational performance. In such cases the Service Tariff shall be no greater in real terms (after adjustments for inflation) than the tariff applied at the end of the previous periodic review period.

Section 14: Regulator Review of Service Tariff Application

- 14.1 The Regulator shall confirm that the Service Tariff Application complies with the terms of this Rule, the Procedures and the Information Requirements. The Regulator shall scrutinise and evaluate the Service Tariff Application either approve or reject the application.
- 14.2 The Regulator shall appraise the Service Tariff Application on the basis of:
- a) Compliance with the Procedures, Information Requirements and other regulatory requirements;
 - b) The technical and financial performance forecasts upon which the Service Tariff Application is based meet with the Regulator's expectations of realistic and achievable performance targets.
 - c) The operational costs reflect challenging but realistic efficiency improvement expectations as determined by the Regulator;
 - d) The Capital Investment expenditure forecasts are both realistic and can be justified as necessary in meeting the required service standards and/or level of service targets;
- 14.3 In the appraisal of the Service Tariff Application the Regulator shall consider the economic and financial performance of the Service Provider by comparing it with the comparable expected or current performance of other Service Providers after making due allowance for any atypical factors including topographical constraints, economies of scale and the like.

Section 15: Approval of Service Tariffs and Automatic Annual Adjustments

- 15.1 On the basis of the appraisal criteria determined in this Section the Regulator shall approve with or without modifications the Application for Service Tariff in writing by the issue of a Tariff Order.

15.2 Approved Service Tariffs will apply for the Tariff Review Period subject to annual adjustments in accordance with the results of the Tariff Review and inflation as set out in the Procedures.

15.3 Within the Tariff Review Period the Service Tariffs shall remain unchanged for each year.

Chapter 6: Extraordinary Service Tariff Adjustments

Section 16: Request for an Extraordinary Service Tariff Adjustment

16.1 The Service Provider shall be free to submit an application for an Extraordinary Service Tariff Adjustment where provided for in the Procedures.

16.2 Where the Procedures do not specify the conditions whereby Extraordinary Service Tariff Adjustment can be applied for, or the Procedures did not anticipate circumstances that could not have been reasonably anticipated in the preparation of the Service Tariff Application, a Service Provider shall be at liberty to submit, at anytime, to the Regulator a written request, with all necessary supporting information, to adjust the Service Tariff up or down from the levels approved or determined by the Regulator.

16.3 Extraordinary adjustments to the Service Tariff, where applicable, shall only be made at the start of each year within the tariff review period unless the Service Provider can demonstrate to the regulator the necessity to adjust the Service Tariff within the year.

Section 17: Approval Procedures for Extraordinary Service Tariff Adjustments

17.1 The Regulator shall confirm that the Request for an Extraordinary Service Tariff Adjustment complies with the Service Tariff Rule and appraise and respond within forty-five (45) Business Days from the date at which the Regulator has received such application.

17.2 The Regulator shall appraise the Request for an Extraordinary Service Tariff Adjustment in accordance with the Procedures or to be satisfied that the circumstances described in the application are sufficient to warrant an Extraordinary Service Tariff Adjustment.

17.3 If the Regulator is satisfied that the request for an Extraordinary Service Tariff Adjustment meets the requirements for an adjustment the Regulator shall approve the Request in writing by the issue of a Service Tariff Order.

Section 18: Refusal of an Extraordinary Service Tariff Adjustment

The Regulator may refuse to approve a request for an Extraordinary Service Tariff adjustment based on:

- a) failure of Applicant to provide required information within specified time limits;
- b) evaluation that Applicant's request is not financially justifiable;
- c) determination that Applicant has failed to achieve minimum service standards;

- d) failure of Applicant to control operating costs or water losses or both.

PART IV: TARIFF AGREEMENTS

Chapter 7: Negotiating and Entering into a Service Tariffs Agreement

Section 19: Service Tariff Agreement

- 19.1 The Regulator may enter into a written agreement with any Service Provider for the purposes of amending, altering or supplementing any Service Tariff established under this Rule.
- 19.2 Service Tariff Agreements may be entered given any conditions precedent as determined by the Regulator and proposed to the Service Provider, including, without limitation, the entering into of other binding agreements with the Service Provider on:
 - a) Issue, renewal, extension, amendment, alteration and supplement to a Service Standard;
 - b) Issue, renewal, extension, amendment, alteration and supplement to a Service License;
 - c) Extension of the territorial scope of the Service Area;
 - d) Expansion, major rehabilitation or overhaul of Water Networks;
 - e) Establishment, alteration, extension, modification and/or supplement to any Customer-related provisions as outlined in the Rule on Customers' Charter as issued, amended, modified and/or supplemented by the Regulator from time to time.
- 19.3 For the avoidance of doubt, Service Providers have the right but not the obligation to propose to the Regulator to enter into a Service Tariff Agreement as per the provisions of Section 20: .

Section 20: Negotiation of a Service Tariff Agreement

- 20.1 Service Providers wishing to enter into a Service Tariff Agreement shall submit a written request to the Regulator requesting the opening of negotiations to enter into such an agreement justifying the reasons why they deem that both public interest and their legitimate rights and legal expectations would be best served if the Regulator would accept to enter into a Service Tariff Agreement.
- 20.2 The Regulator shall respond in writing within five (5) Business Days from the date of receipt of the communication referred to above, either agreeing to enter into negotiations for a Service Tariff Agreement or refusing to do so.
- 20.3 If the Regulator decides to refuse to start negotiations to enter into a Service Tariff Agreement, it shall provide its reasons for such a refusal.

- 20.4 If the Regulator agrees to start negotiations to enter into a Service Tariff Agreement, it shall grant to the Service Provider a reasonable period of time, in any event of no less than thirty (30) Business Days, to allow the Services Provider to submit to the Regulator a draft Service Tariff Agreement.
- 20.5 Within ten (10) Business Days of receiving the draft Service Tariff Agreement, the Regulator shall notify in writing the Service Provider of the scheduling of a first meeting to start negotiate such an agreement.
- 20.6 The Regulator may determine a maximum period of time for the conclusion of the negotiations to enter into a Service Tariff Agreement that cannot be less of twenty (20) Business Days from the date of the first negotiation meeting scheduled as per sub-section 20.5.
- 20.7 For the avoidance of doubt, the Regulator has the right but not the obligation to enter into a Service Tariff Agreement and, therefore, either his refusal to enter into negotiations to enter into such an agreement or any failure to successfully complete the said negotiations are deemed as contractual decisions and not as administrative acts or decisions subject to any administrative or judicial review.

Section 21: Entering Into a Service Tariff Agreement

- 21.1 In case of successful conclusion of the negotiations conducted as per Section 38, the Regulator and the Service Provider shall enter into the Service Tariff Agreement in writing.
- 21.2 Service Tariff Agreement shall be signed in three versions in each of the following official languages in use in Kosovo:
- a) Albanian;
 - b) Serbian; and
 - c) English.
- 21.3 In case of any discrepancies between any of the versions in which the Service Tariff Agreement is signed the Albanian version shall prevail.
- 21.4 Except insofar as any fact, information and/or document could be deemed to contain any privileged or confidential information as the Regulator may justify in a written decision, the Service Tariff Agreement, its Appendices and all information used for the negotiation and entering of such agreement shall be available to the public by the means the Regulator may determine from time to time.
- 21.5 Any amendments, alterations, modifications or supplementary provisions pertaining to Service Tariff Agreements shall require the consent of both the Regulator and the signatory Service Provider and must be entered into in writing, published and made public as per the provisions of the sub-sections above of this Section.

Chapter 8: Legal Nature and Enforceability of Service Tariffs Agreement

Section 22: Legal Nature and Enforceability of Service Tariff Agreement

- 22.1 Service Tariff Agreement is deemed as an administrative contract for all intended legal purposes being the Regulator obliged to negotiate, enter and execute such an agreement with strict observance of the general legal principles, rules and procedures governing the exercise of the prerogatives and duties of a public authority.
- 22.2 Service Tariff Agreement, as a bilateral legal act, is legally binding, enforceable and executable as per its terms for both parties and can only be amended, extended, modified, supplemented, reviewed, or terminated in light of its own provisions and the law applicable in Kosovo.

Section 23: Compliance with Service Tariff Agreement

The Service Providers are obliged to respect and to comply with the Service Tariff established in general terms in this Rule:

- a) While the negotiations for entering into a Service Tariff Agreement are pending until the date of the entering into force of such agreement;
- b) Immediately upon the termination, cancellation, revocation, or expiration of the Service Tariff Agreement insofar as any rights and obligations contained in the Service Tariff Agreement are not agreed upon to survive when it ceases to be in full force and effect for whatever legal cause;
- c) In all respects where the Service Tariff Agreement does not otherwise stipulated or in all respects not specifically contemplated in such an agreement.

PART V: PUBLICATION OF SERVICE TARIFFS

Chapter 9: Presentation and Publication of Service Tariffs

Section 24: Presentation of the Service Tariffs

The Service Provider shall summarise the Service Tariffs as approved, adjusted and/or reviewed by the Regulator from time to time in a Service Tariff Schedule to be prepared as determined by the Regulator from time to time.

Section 25: Publication and Dissemination of the Service Tariff Schedule

- 25.1 The Service Provider shall distribute the Service Tariff Schedule, as approved by the Regulator, to each Customer as applicable at the time that a Customer completed a Service Contract or once per year as an attachment to an Invoice.

- 25.2 The Service Tariffs as approved by the Regulator shall be published by the Service Provider:
- a) in a newspaper of wide circulation in the Service Area to which such Service Tariffs shall apply; and
 - b) such publication shall be repeated at least once in the week following the week of the first publication.
- 25.3 The Service Provider shall be solely responsible for the publication and public information of the Service Tariffs.

PART VI: ENFORCEMENT, PENALTIES, AND APPEALS

Chapter 10: Enforcement of Service Tariff Conditions

Section 26: Enforcement of Service Tariff Conditions

The Regulator shall monitor compliance with Service Tariff Conditions established in this Rule on the basis of:

- a) reports sent by Service Providers in accordance with the format as specified by the Regulator; and
- b) inspections and surveys and from reports sent by other entities and public authorities.

Chapter 11: Records and Reports on Service Tariff Conditions

Section 27: Location and Availability of Records

All records shall be kept at the main office of the Service Provider in a safe and secure environment and shall be available during regular business hours for examination by the Regulator.

Section 28: Reports

- 28.1 Each Service Provider shall prepare and file reports to the Regulator in prescribed form and within the intervals specified by the Regulator from time to time.
- 28.2 Each Service Provider shall file to the Regulator, no later than 31 March of the calendar year further to the closing of the previous calendar year, an Annual Report in the format that the Regulator may specify from time to time.
- 28.3 Each Service Provider shall file to the Regulator Quarterly non-audited Accounts by 15th day of the month following the end of months March, June, September, and December in the format compatible with the generally accepted accounting standards and accounting rules in force in Kosovo.

Section 29: Records and Reports Retention Period

All records and reports foreseen in this Section must be organised and kept by the Service Provider for at least five (5) calendar years from the date where they were first prepared or became due unless any other applicable law determines they should be kept for any longer period of time in which case the latter retention period shall apply.

Chapter 12: Offences and Penalties

Section 30: Offences and Penalties

- 30.1 Failure to comply with any of the Service Tariffs dispositions under this Rule and any charge to Customers of any amounts not as per the Service Tariffs approved by the Regulator shall constitute an offence which subject the defaulting Service Provider to be to a penalty or fine levied as per the *UNMIK Regulation No. 2004/49 On the Activities of Water and Waste Services Providers* in Kosovo as amended with the *Law No. 03/L-086* on 13 June 2008.
- 30.2 Fines for the breach of any Service Tariff Conditions shall be calculated and levied as per the procedures established under the Rules on levying of fines and with any other procedural Rules as determined by the Regulator from time to time.

Chapter 13: Appeals

Section 31: Appeals

- 31.1 Service Providers may appeal to the Review Committee established pursuant to the *UNMIK Regulation No. 2004/49 on the Activities of Water and Waste Services Providers* in Kosovo as amended with the *Law No. 03/L-086* on 13 June 2008, on any formal and concrete decisions of the Regulator taken on any relevant issues, including, without limitation, on any of the:
- a) issue, alteration, modification, amendment, supplement, renewal, extension or modification on a Service Tariff;
 - b) revocation, declaration of termination or cancellation of any Service Tariff determined by the Regulator under this Rule;
 - c) establishment or enforcement of any Service Tariff Condition foreseen under this Rule;
 - d) levy of any fines for any breach of Service Tariff Conditions or for the breach of any other provisions of this Rule.
- 31.2 The Service Providers may appeal to the courts of Kosovo from any decision of the Review Committee taken on any concrete decisions as to the enforcement of this Rule as per the UNMIK Regulation referred to in subsection 31.1.

31.3 Upon the issue of any concrete decision on the enforcement of this Rule the Regulator shall inform the Service Provider to which such an enforcement decision is addressed of his rights of appeal pursuant to this Section.

PART VII: MISCELLANEOUS

Section 32: Official Language of the Rule

32.1 This Rule is issued and published in three (3) versions written in the languages in use in Kosovo:

- a) Albanian;
- b) Serbian; and
- c) English.

In case of any discrepancy between any of the versions in which this Rule has been issued, the Albanian version shall prevail.

Section 33: Entry into Force

33.1 This Rule shall enter into force thirty (30) days, from the date of issuance.

33.2 Service Providers shall have six (6) months from the date of its entry into force determined in sub-section 33.1 to comply with the dispositions or to apply for an exemption from or any modification of any Service Tariffs established pursuant to this Rule.

.....

Afrim Lajçi

Director

Water and Waste Regulatory Office