



Republika e Kosovës - Republika Kosova - Republic of Kosova

AUTORITETI RREGULLATOR PËR SHËRBIMET E UJIT
REGULATORNI AUTORITET ZA USLUGE VODE
WATER SERVICES REGULATORY AUTHORITY



RULE ON. 07/2016 ON SETTING OF TARIFF SERVICE OF WATER IN KOSOVO

September 2016

TABLE OF CONTENT

PART I: GENERAL PROVISIONS	4
Section 2: Scope	4
Section 3: Definitions	4
Section 4: Rules of Interpretation	7
Section 5: Applicability	7
PART II: GENERAL PRINCIPLES FOR TARIFF DETERMINATION	7
Chapter 6: Tariff Policy	7
Neni 7: Parimet/kushtet për përcaktim të tarifave	8
Section 8 Procedures	9
Section 9: Information Rerquirements	10
Section 10: Service Tariff Application	11
Section 11: The Authority Review of Service Tariff Application	11
Section 12 Review of internal acts of service providers	12
Section 13: Tariff reviews	12
Section 14: Process	13
Section 15: Approval of Service Tariff	13
Section 16: Service Tariff Adjustments	14
Section 17: Extraordinary Service Tariff Adjustments	14
Section 18: Approval Procedures for Extraordinary Service Tariff Adjustments	14
Neni 19: Refuzimi i Korrigjimit të Jashtëzakonshëm të Tarifave të Shërbimit	15
PART III: TARIFF AGREEMENT	15
Section 20: Service Tariff Agreemnet	15
Section 21: Negotiation of a Service Tariff Agreement	15
Section 22: Entering into a Service Tariff Agreement	16
Section 23: Legal Nature and Enforceability of Service Tariff Agreement	17
Section 24: Compliance with Service Tariff Agreement	17

PART IV: PUBLICATION OF SERVICE TARIFFS.....	17
Section 25: Presentation of the Service Tariffs.....	17
Section 26: Publication and Dissemination of the Service Tariff Schedule	18
Section 27: Enforcement of Service Tariff Conditions	18
Section 28: Records and Reports	18
Section 29: Punitive and Administrative Provisions	19
Section 30: Appeals.....	19
Section 31: Official Language.....	20
Neni 32: Repealing Provisions.....	20
Section 33: Entry into Force.....	20

Pursuant to the section 4 paragraph 3.6, Section 21 paragraph 1 and Section 47 of the Law No. 05/L-042 for Regulation of Water Services (Official Gazette of the Republic of Kosovo No 4/2016, 14 January 2016) The Water Services Regulatory Authority issues:

RULE No. 07/2016

ON SETTING OF TARIFFS OF WATER SERVICES IN KOSOVO

PART I: GENERAL PROVISIONS

Section 1: Purpose

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

Section 2: Scope

All water service providers that currently are operating in the provision of Water and Wastewater Service or Bulk Water Supply Services in Kosovo should apply this Rule and procedures for developing, obtaining approval and amendment of tariff's for services provided.

Section 3: Definitions

1. The terms and expressions used in this Rule shall bear the following meanings:

- 1.1. **Authority** – the Water Services Regulatory Authority (WSRA) as an independent Authority, responsible for regulating the activities of Service Providers in Kosovo;
- 1.2. **Service Tariff Application** - the document submitted by Service Providers to the Authority in a format specified by the Authority from time to time;
- 1.3. **Business Day** - any day except Saturday, Sunday, or day, which is a public holiday in Kosovo;
- 1.4. **Invoice** – a commercial document to pay for provided services, under which is determined the amount of which should be paid, the period when are provided the services and other relevant information, which is issued to the Customers in official languages of Republic of Kosovo;

- 1.5. **Bulk Water Supplier**– any Service Provider that possesses the Service License for Bulk Water Supply treated or untreated;
- 1.6. **Bulk Water Supply and Selling** – a person or legal entity that purchases Bulk Water from a Service provider for the purpose of its resale to any third parties;
- 1.7. **Customers category** – customer category as defined below:
 - 1.7.1. **Domestic Customer** means the customer classified by the Service Provider as a person using services at his/her residence or household;
 - 1.7.2. **Commercial / Industrial Customer** means any person, legal entity or business organization classified by the Service Provider, as the Customer using the Services for or in connection with the exercise of commercial or industrial activity of any kind;
 - 1.7.3. **Institutional customer** - a legal entity classified by the Service Provider, as governmental authority, local authority, an international organization or institution that carries out activities of common and public interest and that is not registered as a business organization in accordance with the Law on Commercial Trade No -. 02/L-123;
- 1.8. **Revenue Requirement** - the amount of money needed to cover the costs of the provision of Water and Wastewater Services or Bulk Water Supply, calculated in accordance with the provisions of this Rule;
- 1.9. **Review Committee** means the committee which may review decisions of the Authority in accordance with Law no. 05/L-042;
- 1.10. **Customer** – a person that has entered into a Water Services Contract or lawfully receives Water Services;
- 1.11. **Service Contract** – a standard contract agreed between Service provider and the Customer, which regulates the provision of services, the rights and obligations of the contracting parties,
- 1.12. **Operative 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;
- 1.13. **Return on Capital** - a fair return on the value of the investment made by the Service provider or his/her owner;
- 1.14. **List of Tariff Service** - all service applicable tariff's for the Service Area by the type of service, location and Customer category, and Water and Wastewater Service

tariff's that are approved by the Authority;

- 1.15. **Service Provider** - any Water and Wastewater Service Provider or Bulk Water Suppliers;
- 1.16. **Person** - a natural or legal person that might be public or private;
- 1.17. **Service Tariff** – Regulatory Authority policy which sets out the principles upon which service tariffs are determined;
- 1.18. **Water Services**– the Water and Wastewater Services and Bulk Water Supply;
- 1.19. **Wastewater Services** - collection, conveyance, removal and treatment of wastewater used by domestic, commercial, industrial and public users;
- 1.20. **Untreated Bulk Water Services** - water collected or extracted service, which as untreated is supplied as a bulk water;
- 1.21. **Water Supply Services** – collection, processing and distribution of water for human consumption and network and facilities operation for that purpose;
- 1.22. **Untreated Bulk Water Services** - water collected or extracted service, which as untreated is supplied as a bulk water;
- 1.23. **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;
- 1.24. **Tariff Structures** - 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 Authority;
- 1.25. **Connection 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 Authority;
- 1.26. **Service Tariff** - any rates, charges or fees of a Service Provider in relation to the provision of its Services to Customers;
- 1.27. **Bulk water** - water that is not treated/or treated in order to be suitable for human consumption;
- 1.28. **Tariff Order** - 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;

1.29. **Service Area** means the area defined in the Service License of Service Provider within which they are obliged to provide water supply and wastewater services;

1.30. **Depreciation** means the consumption measure (consumption), use or assets depreciation over the period of its useful economic life;

Section 4: Rules of Interpretation

In this Rule:

1. Any terms and expressions used in these Rules, not specifically defined herein and that might be in question, shall bear the meanings as defined in the legal acts referred to any other law applicable in Kosovo;
2. 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 Authority;
3. Words of any gender used shall include any other gender;

Section 5: Applicability

By all Public Service Providers of Water in Kosovo that are currently providing Water and Wastewater Services or Bulk Water Supply is required to comply with/apply this Rule unless there is a special exception granted in writing by the Authority.

PART II: GENERAL PRINCIPLES FOR TARIFF DETERMINATION

Chapter 6: Tariff Policy

1. Service Tariffs for water supply and wastewater services shall not be discriminatory and, except when otherwise authorised by the Authority, Service Providers shall use the same Service Tariff throughout their Service Area;
2. The Authority can determine zonal tariffs within the region designated for service to those customer groups whose were offered water and wastewater services, or treated or untreated bulk water supply without affecting on existing tariffs of the rest part of the respective region.

3. Tariffs for bulk water supply services shall be determined on the basis of actual costs of supply to each Water Service Provider.
4. 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 is defined as the revenue requirement, which is related to the amount of water sold and the collection, which can be changed with special tariff policies.
5. 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.
6. Service Tariffs for Water and Wastewater Services shall include no more than three Customer categories:
 - 6.1 Domestic Customers;
 - 6.2 Commercial/Industrial;
 - 6.3 Institutional;
7. Wholesale Customer shall be the only Customer Category for Bulk Water Supply.
8. The cult facilities shall be exempted from payment for water services according to the Law No. 05/L-042.; this relief does not include other administrative and lucrative facilities.
9. Pursuant to the Law on Fire- Fighting and Rescue No.04/L-049, Fire- Fighting and Rescue Unit in cases of emergency in order to extinguish fire when using water from water sources, without taking into account to whom it belongs without any compensation.

Section 7: Principles for tariff settings

1. The Autoriteti shall establish tariff policies for Water and Wastewater Services and Bulk Water Supply taking into consideration:
 - 1.1. All legal obligations pertaining to the setting of service tariffs;
 - 1.2. Social responsibility and the role of service providers:
 - 1.2.1. Uniformity of tariffs throughout areas appropriate;
 - 1.2.2. Different customer categories, their affordability constraints and their respective costs of service
 - 1.2.3. Tariff structures including the need or otherwise of rising block and fixed charges
 - 1.2.4. Service levels;

- 1.3. Connection/ reconnection fees and the appropriateness of contributions towards capital investment;
 - 1.4. The environment:
 - 1.4.1. The appropriateness or otherwise of demand management tariff structures and raw water abstraction charge;
 - 1.4.2. Water loss reduction targets;
 - 1.4.3. Environmental duty of care and compliance with environmental standards;
 - 1.5. Cost recovery:
 - 1.5.1. Definition;
 - 1.5.2. Operating costs and efficiency expectations;
 - 1.5.3. Recovery of capital investment expenditure
 - 1.6. Financing, capital structure and return on the capital;
 - 1.7. Tariff review process;
 - 1.8. Any other tariff policy positions as determined by Authority.
2. The Tariff Policies shall be developed through a process of consultation with stakeholders.
 3. The Authority shall publish the Tariff Policies which shall be freely available to the public.
 4. The Authority shall periodically review the Tariff Policies and where appropriate they shall be amended in the event of:
 - 4.1. Changes in government policy;
 - 4.2. Amendments to existing and/or new legislation that require a change in the Tariff Policies
 - 4.3. Amendments to these rules, or;
 - 4.4. 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: Procedures

1. The Authority shall prepare, in advance of each periodic Tariff Review a set of Water Supply Tariff Procedures that (The Tariff Review Procedures and Regulatory Accounting Guidelines), that:
 - 1.1. Provide the general concepts of the tariff determination process for the forthcoming review period;
 - 1.2. Describes the financial model to be employed in the process;
 - 1.3. Describes in further detail the individual components of the tariff determination model including:
 - 1.3.1. Sales calculation forecasts;
 - 1.3.2. Operating costs;

- 1.3.3. Capital maintenance;
 - 1.3.4. Return on capital (including the definition of Regulatory capital value);
 - 1.3.5. The tariff calculation process;
 - 1.3.6. The adaptation process (Smoothing) where applicable;
 - 1.3.7. External financing;
 - 1.3.8. Indexation rules for intermediate adjustments;
 - 1.3.8.1. The efficiency of the service provider;
 - 1.3.8.2. Connection delivery costs;
 - 1.3.8.3. The sufficiency of the tariff for services;
 - 1.3.8.4. The responsibility of government institutions;
 - 1.3.8.5. The need to forecast a basic tariff for service, etc;
 - 1.3.9. Other details as determined by the Authority.
2. Authority shall prepare periodic review procedures of water service tariffs for the cases when reviews tariffs for not achievement of targets set by the 3 or 5 year regularly tariff process, especially for non implementation of projects approved by the Authority and Service Provider by which is raised the capital regulatory base taking into account the preparation of procedures for applying inflationary movements in the countries;
 3. Tariffs shall be determined in accordance with the finalised Procedures.

Section 9: Information Requirements

1. The Authority shall set out the detailed Information Requirements necessary for the determination of tariffs in accordance with the Procedures.
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 Authority.
3. These Information Requirements relate to:
 - 3.1. Performance forecasts (production, sales, connections, fixed charges etc.)
 - 3.2. Operational cost forecasts;
 - 3.3. Capital expenditure including capital maintenance;
 - 3.4. Depreciation as determined by the Authority (RAB);
 - 3.5. Details of the financing;
 - 3.6. Other information as determined by the Authority as being necessary for the determination of tariffs.
4. The Authority is not bound to take into account the information provided by the Service Providers and, if on the opinion of the Regulator, it is considered that the forecasts of performance, costs, investment and sources of finance are unrealistic the Regulator may:
 - 4.1. Refer the information back to the Service Provider for reconsideration and adjustment, or

- 4.2. Employ alternative data which, in the opinion of the Regulator, better reflect the expected future performance of the Service Provider.

Section 10: Service Tariff Application

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.
2. The Service Provider provides any additional information to support the Service Tariff Application as requested by the Authority.
3. The Service Tariff Application must be approved by the Service Provider's Supervisory Board as evidenced by a letter of transmittal signed by the relevant authority relevant.
4. The Authority 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.
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 Authority shall determine the Service Tariff based upon the Authority'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 11: The Authority Review of Service Tariff Application

1. The Authority shall confirm that the Service Tariff Application complies with the terms of this Rule, the Procedures and the Information Requirements. The Authority shall scrutinise and evaluate the Service Tariff Application either approve or reject the application.
2. The Authority may use reasonable scientific approaches to challenge Service Provider data to have better performance on: water losses, operating costs, collection, capital investment, etc.
3. Information challenged by the Authority shall be used by Service Providers when they compile their business plans for other stakeholders.
4. The Authority shall appraise the Service Tariff Application on the basis of:

- 4.1. Compliance with the Procedures, Information Requirements and other regulatory requirements;
 - 4.2. The technical and financial performance forecasts upon which the Service Tariff Application is based meet with the Authority's expectations of realistic and achievable performance targets;
 - 4.3. The operational costs reflect challenging but realistic efficiency improvement expectations as determined by the Authority;
 - 4.4. The Capital Investment expenditure forecasts are both realistic and can be justified necessary in meeting the required service standards and/or level of service targets;
5. During the appraisal of the Service Tariff Application, the Authority 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 like.

Section 12 Review of internal acts of service providers

1. The Authority reviews and approves internal acts of service providers' work from the regulatory aspects to ensure they are in compliance with legislation and regulatory requirements.
2. Acts to be drafted by service providers and approved by the Authority include:
3.
 - 2.1. Business Plans;
 - 2.2. Asset Management Plans;
 - 2.3. Long-Term investments plan;
 - 2.4. Drought Management Plans;
 - 2.5. Water supply plans of emergencies;

Section 13: Tariff reviews

1. Tariffs for water and wastewater services and water supply shall be determine tariffs for a period of not less than three years and no more than five years.
2. Authority has the right for review – correction of tariffs set for the following year during the existence of three (3) / or five (5) years tariffs, for not fulfilling the targets set by regulatory process, especially in case of failure in implementation of capital investment projects approved by own funding source which are calculated as tariff costs.
 - 2.1. Initiation of such tariff revisions made by WSRA, after nine months analysis / or after the conclusion of the current fiscal year, to determine tariffs of the next year,

when WSRA is ensured that it can not be accessed/ or offered to be achieved targets determined by the regulatory process. These actions will be taken after an analysis and assessment of comprehensive circumstances of the business environment.

- 2.2. STO for the case of point 9.2. will be released before the conclusion of the reviewed year, or more recently from 25 - to 31 January.
3. Tariff's for bulk water supply shall be determined for periods similar to water and wastewater services.
4. 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.
5. The actual tariffs to be applied shall be those determined during the multi-year review, adjusted (corrected) for general retail price inflation as experienced in the year prior to the correction process, and for achievement and / or non-achievement of targets set by the tariff process of observed year.

Section 14: Process

1. Before the start of the final year of each review period the Authority 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):
 - 1.1. The Authority intended approach to the setting of tariffs (draft Procedures) in the forthcoming review as a consultation paper;
 - 1.2. Allowance for representations from the stakeholders (Service Providers, customers and other interested parties) and the publication of finalised Procedures;
 - 1.3. Detailed information requirements necessary to meet the requirements of the Procedures;
 - 1.4. Draft tariff determinations based upon the Procedures;
 - 1.5. Allowances for representations from the stakeholders on the draft tariff determinations;
 - 1.6. The publication of final tariff determinations to be applied in the review period;

Section 15: Approval of Service Tariff

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

Section 16: Service Tariff Adjustments

1. 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, and for non-achievement of targets set for tariff realization process of the period, especially those of capital investments for reviewed period and for inflation movements as determined.
2. On the contrary, within the Tariff Review Period, the Service Tariffs shall remain unchanged for each year.

Section 17: Extraordinary Service Tariff Adjustments

1. The Service Provider is entitled to submit an application for an Extraordinary Service Tariff Adjustment where provided for in the Procedures.
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 is entitled to submit, at anytime, to the Authority a written request, with all necessary supporting information, to adjust the Service Tariff up or down from the levels approved or determined by the Authority.
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 Authority the necessity to adjust the Service Tariff within the year.

Section 18: Approval Procedures for Extraordinary Service Tariff Adjustments

1. The Authority 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 Authority has received such application.
2. The Authority 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.
3. If the Authority is satisfied that the request for an Extraordinary Service Tariff Adjustment meets the requirements for an adjustment, the Authority shall approve the Request in writing by the issue of a Service Tariff Order.

Section 19: Refusal of an Extraordinary Service Tariff Adjustment

1. The Authority may refuse to approve a request for an Extraordinary Service Tariff adjustment based on:
 - 1.1. failure of Application to provide required information within specified time limits;
 - 1.2. evaluation that Applicant's request is not financially justifiable;
 - 1.3. failure of Applicant to control operating costs or water losses or both.

PART III: TARIFF AGREEMENT

Section 20: Service Tariff Agreement

1. The Authority may enter into written agreement with any Service Provider for the purposes of amending, altering or supplementing any Service Tariff established under this Rule.
2. Service Tariff Agreements may be entered given any conditions precedent as determined by the Authority and proposed to the Service Provider, including, without limitation, the entering into of other binding agreements with the Service Provider on:
 - 2.1. Issue, renewal, extension, amendment, alteration and supplement to a Service Standard;
 - 2.2. Issue, renewal, extension, amendment, alteration and supplement to a Service License;
 - 2.3. Extension of the territorial scope of the Service Area;
 - 2.4. Expansion, major rehabilitation or overhaul of Water Networks;
 - 2.5. 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 Authority from time to time.
3. For the avoidance of doubt, Service Providers have the right but not the obligation to propose to the Authority to enter into a Service Tariff Agreement as per the provisions of Section 20.

Section 21: Negotiation of a Service Tariff Agreement

1. Service Providers wishing to enter into a Service Tariff Agreement shall submit a written request to the Authority, 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.

2. The Authority 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.
3. If the Authority decides to refuse to start negotiations to enter into a Service Tariff Agreement, it shall provide its reasons for such a refusal.
4. If the Authority 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 Authority a draft Service Tariff Agreement.
5. Within ten (10) Business Days of receiving the draft Service Tariff Agreement, the Authority shall notify in writing the Service Provider of the scheduling of a first meeting to start negotiate such an agreement.
6. The Authority 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 subsection **Error! Reference source not found..**
7. For the avoidance of doubt, the Authority 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 22: Entering into a Service Tariff Agreement

1. In case the successful conclusion of the negotiations conducted in accordance with the Section 38 of the Law No: 03/L-086, Authority and Service Provider shall enter into a written Agreement on Tariffs Service.
2. Service Tariff Agreement shall be signed in three versions in each of the following official languages in use in Kosovo:
 - 2.1. Albanian;
 - 2.2. Serbian; and
 - 2.3. English.
3. In case of any discrepancies between any of the versions in which the Service Tariff Agreement is signed the Albanian version shall prevail.

4. Except insofar as any fact, information and/or document could be deemed to contain any privileged or confidential information as the Authority 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 Authority may determine from time to time.
5. Any change, replacement, modification or addition of the provisions relating to the Agreement on Tariffs Service shall require approval from Authority and Service Provider that has signed it and it should be written and published under the provisions of Section 25.1.

Section 23: Legal Nature and Enforceability of Service Tariff Agreement

1. Service Tariff Agreement is deemed as an administrative contract for all intended legal purposes being the Authority 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.
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 24: Compliance with Service Tariff Agreement

1. The Service Providers are obliged to respect and to comply with the Service Tariff established in general terms in this Rule:
 - 1.1. While the negotiations for entering into a Service Tariff Agreement are pending until the date of the entering into force of such agreement;
 - 1.2. 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;
 - 1.3. In all respects where the Service Tariff Agreement does not otherwise stipulated or in all respects not specifically contemplated in such an agreement;

PART IV: PUBLICATION OF SERVICE TARIFFS

Section 25: Presentation of the Service Tariffs

The Service Provider shall summarise the Service Tariffs as approved, adjusted and/or

reviewed by the Authority from time to time in a Service Tariff Schedule to be prepared as determined by the Authority from time to time.

Section 26: Publication and Dissemination of the Service Tariff Schedule

1. The Service Provider shall distribute the Service Tariff Schedule, as approved by the Authority, 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.
2. The Service Provider shall be solely responsible for the publication and public information of the Service:
 - 2.1. in a newspaper of wide circulation in the Service Area to which such Service Tariffs shall apply; and
 - 2.2. such publication shall be repeated at least once in the week following the week of the first publication.
3. The Service Provider shall be solely responsible for the publication and public information of the Service Tariffs.

PART V: ENFORCEMENT, PENALTIES, AND APPEALS

Section 27: Enforcement of Service Tariff Conditions

The Regulator shall monitor the compliance and the degree of achievement of the objectives with Service Tariff Conditions established in this Rule on the basis of: and;

- 1.1. Reports sent by Service Providers in accordance with the format as specified by the Authority;
- 1.2. Inspections, and
- 1.3. Surveys and from reports sent by other entities and public authorities.

Section 28: Records and Reports

1. Each Service Provider shall prepare and file reports to the Authority in prescribed form and within the intervals specified by the Authority from time to time.
2. Each Service Provider shall file to the Authority, 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 Authority may specify from time to time.
 - 2.1. Monthly reports of the respective month are sent to the Authority 20th of the following month;
 - 2.2. Annual reports of the respective year are sent to the Authority until 31 March of

the following year;

3. Other Reports as per the Authority's request for review and eventual analysis related to Authority precesses.
4. Based on the reports submitted by the Service Providers to the WSRA, the Authority compiles periodic and annual reports that analyse and evaluate the fullfillemet of the objectives set out in the regulatory tariff process.
5. All records and reports must be kept in the main Office of the Service Provider in a safe and reliable environment 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 fpr review/inspection by the Authority.

Section 29: Punitive and Administrative Provisions

1. The Service Providers who fail to comply with this regulation will be fined under applicable law.
2. Fines for violation of this Rule shall be counted and shall be complying with the Regulation on the imposition of fines issued by the Authority.

Section 30: Appeals

1. The Service Providers may appeal to Review Committee established pursuant to the Law no.05/L-042 on the Law on Regulation of Water Services 30 January 2016, on:
 - 1.1. issue, restriction, modification, amendment, supplement, renewal, extension on a Service Tariff;
 - 1.2. revocation, declaration of termination or cancellation of any Service Tariff determined by the Authority under this Rule;
 - 1.3. establishment or enforcement of any Service Tariff Condition foreseen under this Rule;
 - 1.4. levy of any fines for any breach of Service Tariff Conditions or for the breach of any other provisions of this Rule.
2. Upon the issue of any concrete decision on the enforcement of this Rule, the Authority shall inform the Service Provider to which such an enforcement decision is addressed of his rights of appeal pursuant to this Sectione.
3. The Service Providers may appeal to the court with kompetent jurisdiction for any decision of the Review Committee taken on any concrete decisions as to the enforcement of this Rule as per the Law No.05/L-042.

PART VI: MISCELLANEOUS

Section 31: Official Language

This Rule is issued and published in the official languages in use in the Republic of Kosovo:

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

Neni 32: Repealing Provisions

Upon the entry into force of this Rule, the Rule on determination of service tariffs for water, wastewater and bulk water supply in Kosovo (R-02/U&K) of 24 December 2012 is repealed.

Section 33: Entry into Force

This Rule shall enter into force seven days (7) days upon signature of the Director of the Authority.

.....
Raif Preteni
Director of the WSRA