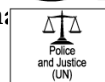




Water and Waste Regulatory Office
Zyra Rregullatore për Ujë dhe Mbeturinë
Regulatorni Ured Za Vodu i Otpad

UNMIK



WWRO – R 02 / SWC

WATER AND WASTE REGULATORY OFFICE (“WWRO”)

RULE
ON SERVICE TARIFFS
FOR
WASTE COLLECTION SERVICES IN KOSOVO

26 January 2005

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PART 1: GENERAL PROVISIONS

Chapter 1 : Authority, Scope, Purpose and Definitions

Section 1 : Authority for this Rule

The Regulator issues this Rule under the authority of UNMIK Regulation NO. 2004/49 On The Activities of Water and Waste Services Providers”, dated 26. November 2004.

Section 2 : Scope

All Waste Collection Services Providers in Kosovo providing Waste Collection Services shall follow this Rule for developing, obtaining approval, and requesting changes to Service Tariffs charged to Customers in the provision of Waste Collection Services.

Section 3 : Purpose

The purpose of this Rule is to enable Service Tariffs for Waste Collection Services to be established in an economically sound manner taking into account the need to ensure the financial sustainability of the Waste Collection Services Provider and the continuity of Waste Collection Services to the level established in the Rule on Service Standards.

Section 4 : Definitions

The terms and expressions used in this Rule shall bear the following meaning:

“Accounts Receivable” means a current asset representing moneys due to the Waste Collection Services Provider for services rendered or performed or merchandise sold on credit;

“Asset Management Plan” means a written plan determining and justifying the need for specific projects and the Capital Expenditures and investments required to realize the projects and the time span over which such expenditures or investments made are required to be made;

“Business Day” means any day, other than Saturday, Sunday, or day that is a public holiday in Kosovo;

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

“Commercial/Industrial Customer” means any person, legal entity, or business organization classified by the Service provider as a Customer using the Services for or in connection with the exercise of a commercial or industrial activity;

“Communal Container” means containers used and shared by one or more Customers to dispose of Municipal Solid Waste and which typically has a volume exceeding one thousand (1,000) litres;

“Consolidation Plan” means the sector restructuring plan created by the Kosovo Trust Agency (“KTA”) for the consolidation and restructuring of Waste Collection

Services Providers dated 10 September 2002 as amended, supplemented or replaced from time to time by the KTA;

“Cost Recovery” means recovering the cost of Waste Collection Services from the users of the Customers or users of such services;

“Customer” means a Person that has entered into a Services Contract with a Waste Collection Services Provider or has received such services from a Waste Collection Service Provider;

“Customer Charter” means the written document prepared by Waste Collection Service Provider and made known to each Customer that lists the rights and obligations of the Waste Collection Service Providers and Customers to each other;

“Depreciation” means the method of allocating the costs of Capital Expenditure over the economic life of any given Fixed Asset, which is the period of time during which such an asset is expected to be operated or used with the minimum required efficiency;

“Economically Useful Life” means the period of time expressed in years or parts thereof that a Fixed Asset can adequately and in an economically feasible manner fulfil its intended use;

“Fixed Asset” means an asset of a permanent nature which is required for the normal conduct of a business and which will not normally be converted into cash during the relevant fiscal period;

“Hazardous Waste” means by-products of society that can pose a substantial or potential hazard to human health or the environment when improperly managed. Substances classified as Hazardous Wastes possess at least one of the four following characteristics: ignitability, corrosivity, reactivity or toxicity or has been classified as Hazardous Waste by the European Union;

“Institutional Customer” means any legal entity classified by the Waste Collection Services Provider as a governmental authority, local authority, international organization, or institution that carries out activities of common or public interest and that is not registered as a business organization in accordance with the UNMIK Regulation number 2001/6 On The Registration of Business Organizations in Kosovo;

“Invoice” means a document sent by a Waste Collection Services Provider to a Customer and which itemizes the services rendered and/or the goods delivered, the applicable Service Tariffs, their prices or applicable fees, any taxes and/or any other official charges, levies and/or official emoluments levied on the provision of such services and/or goods and the total amount of money owed by the Customer. The Waste Collection Services Provider may at his discretion, and/or as required by law and/or as it may be determined by the Regulator from time to time include additional, information;

“Medical Waste” means any waste originating from a healthcare providing facility or activity and includes infectious, anatomical, sharp, chemical and pharmaceutical waste products. All waste originating from such healthcare providing facilities or

activities that does not contain risk waste as listed shall be recognized as commercial solid waste;

“Municipal Solid Waste” means solid waste, not being Hazardous Waste, Medical Waste or Toxic Waste from household, commercial, institutional or industrial sources and processed wastes;

“Official Holiday” means any day recognized or designated by the governing authorities to be a non-working holiday;

“Operating Expenses” means the regularly recurring costs such as administrative expenses, debt service and financial charges, salaries and wages, transport and fuel expenses, inventory and spare parts, and regular maintenance expenses necessary for managing and maintaining facilities in order to achieve the capacity and performance for which it was designed and constructed and that are accounted during a term of one year or less;

“Past Debt” means all Waste Collection related debts of a Customer as evidenced by undisputed Invoices issued by the Waste Collection Services Provider to that Customer on or before 31 December 2002 and which have not been paid in full as defined and regulated in the appropriate Past Debt Rule as by the Regulator;

“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;

“Publicly Owned Enterprises” means an enterprise that was created as publicly-owned by the Province of Kosovo, a Municipality or other public-political organization and as defined in UNMIK Regulation 2002/12 of June 13, 2002 On The Establishment of the Kosovo Trust Agency;

“Regulator” means the authority responsible for the economic regulation of Waste Collection Services Providers and Waste Collection Services, also referred to as The Water and Waste Regulatory Office (WWRO) created under UNMIK Regulation No. 2004/49 On The Activities of Water and Waste Services Providers;

“Residence” means any house, dwelling, multi-unit residence, apartment building, house or any other building utilized for residential purpose;

“Residential Customer” means any Customer classified by the Service provider as a person using the Services at his or her residence or household;

“Residual Value” means the difference between the gross historical value of a given Fixed Asset minus all accumulated depreciation that has been made on that asset until the end of its Economically Useful Life;

“Revenues from Operations” means the money to cover the costs for providing Waste Collection Services and calculated as per the procedures established in this Rule;

“Review Committee” means the committee that may review the decisions of the Regulator pursuant to Section 34 of UNMIK Regulation No. 2004/49 On The Activities of Water and Waste Services Providers;

- “Sensitivity Analysis”** means an evaluation whose purpose is to determine the impact on the result of a calculation whenever one or more assumptions or variable used for the calculation are modified;
- “Service Area”** means in relation to the Service License, the region or Municipality within which the Waste Collection Services Provider may provide its services;
- “Service Contract”** means an agreement between a Service Provider and its Customers as referred to Section 15 of the UNMIK Regulation No. 2004/49 On The Activities of Water and Waste Services Providers;
- “Service Licence”** means a license issued by the Regulator pursuant to the Rule issued by the Regulator, authorizing a Publicly or Privately Owned Enterprise to offer Waste Collection Services to the public;
- “Service Standards”** means in relation to any Service, the standards of service that apply to that Service in accordance with UNMIK Regulation No. 2004/49 On The Activities of Water and Waste Services Providers;
- “Service Tariffs”** means any rates, charges or fees of a Waste Collection Services Provider in relation to the provision of Waste Collection Services to its Customers;
- “Service Tariffs Agreement”** means the agreement that can be entered into and between the Regulator and the Waste Collection Services Provider to amend, modify, alter/and/or supplement any Service Tariffs in accordance with the provisions of this Rule;
- “Service Tariffs Application”** means the information and document submitted by a Waste Collection Services Provider for the specific purpose of receiving the approval of the Regulator to apply the proposed Service Tariffs for the rendering of Waste Collection Services;
- “Service Tariffs Order”** means the written document issued by the Regulator listing all approved Service Tariffs by service type, location, Customer category;
- “Toxic Waste”** means a waste product that can produce injury if inhaled, swallowed or absorbed through the skin;
- “Waste Collection Services Provider”** means any Person providing or intending to provide Waste Collection Services;
- “Waste Collection Services”** means collecting Municipal Solid Waste and transporting it to a Licensed Disposal Facility;

Section 5 : Rules of Interpretations

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 this Rule and/or 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 in accordance with the powers that have been granted to the Regulator; and
- (c) The singular includes the plural and vice versa; and
- (d) Words of any gender shall include any other gender; and
- (e) References to Parts, Chapters, Sections and sub-Sections are, unless otherwise expressly stated, references to Parts, Chapters, Sections and sub-Sections of this Rule.

Section 6 : Applicability

All Publicly Owned Enterprises currently providing Waste Collection Services, are required to provide such Waste Collection Services for the Service Tariffs established in accordance with the requirements of this Rule and submitted to and approved by the Regulator prior to use unless specifically exempted and informed in writing to do so by the Regulator.

PART 2 GENERAL PRINCIPLES FOR TARIFFS SETTING

Chapter 1 : General Principles

Section 7 : General Principles for Service Tariffs

- (a) No Discrimination: A service provider shall act in such a manner which shall not unlawfully discriminate against any Customer or potential Customer regardless to racial, ethnic, religious, gender, political, cultural and/or economic characteristics or relative standards of living of such Customers in any given Service Area;
- (b) Balance: Tariffs are balanced among minimum standards of service, Service Providers' financial viability, and customers' affordability;
- (c) Cost Recovery: Tariffs must generate the financial resources needed by the Service Provider, operating under efficient conditions, to recover its operation and maintenance expenditures, reasonable overhead costs, and surplus required for funding of Capital Expenditures;
- (d) User pay (Customer Equity): Each customer shall be charged for the full cost related to the rendering of Waste Collection Services. Customer make payments in full and when due. Failure to pay results in financial penalties;
- (e) Social Equity: The tariff structure shall reflect equity and fairness of service and pricing. The government of Kosovo can subsidize low-income users through direct payments to the Service Provider on behalf of the designated user for the services provided.
- (f) Service Provider Performance: Service Providers shall not be compensated through the tariffs for the inefficient and ineffective performance of their duties.

Section 8 : Applicability of Service Tariffs within the Service Area

- 8.1 Except when otherwise authorized by the Regulator, the Waste Collection Service Provider shall use the same Services Tariffs throughout the Service Area for the same type of Waste Collection Services.
- 8.2 The Waste Collection Services Provider may request in writing to the Regulator authorization for use of different Services tariffs within the Services Area explaining the justifying reasons for such a request and the Regulator shall respond in writing within 20 Business Days from the date of receipt the request either agreeing or refusing to do so and providing the reasons.

Section 9 : Categories of Customers for Service Tariffs Setting

- 9.1 For the purpose of setting Services Tariffs for Waste Collection Services, the categories of Customers shall be limited to:
- (a) Residential Customers;
 - (b) Commercial/Industrial Customers;
 - (c) Institutional Customers;
- 9.2 Each of the categories of Customer listed in sub-Section 9.1 above shall be sub-divided as follows:
- (a) Service Tariffs for Residential Customers shall be divided in two sub-categories, namely:
 - (i) Residential Customers receiving service through the Communal Container method shall be invoiced a flat monthly rate reflective costs of the Waste Collection Services being rendered in this manner;
 - (ii) Residential Customers receiving individualised through the door-to-door Waste Collection Services method shall be invoiced a flat monthly rate reflective of the cost of the Waste Collection Services being rendered in this manner;
 - (b) Service Tariffs for Commercial/Industrial Customers shall be divided in two (2) sub-categories, namely:
 - (i) Commercial Customers receiving service through the Communal Container method in which the Communal Container is also utilized by other Customers, shall be invoiced a flat monthly rate reflective of the Waste Collection Services being rendered in this manner, taking into account the estimated amount of Municipal Solid Waste generated by the Commercial Customer receiving service;
 - (ii) Commercial Customers receiving individualized services through Communal Containers specifically assigned to them or through any other form of Waste Collection Services specific to that Customer shall be invoiced on the basis of a flat monthly rate, or on the service frequency per month, or on the number of lifts per months or the weight and/or on the volume of Municipal Solid Waste collected;
 - (c) Service Tariffs for Institutional Customers shall be divided in two (2) sub-categories, namely;

- (i) Institutional Customers receiving service through the Communal Container method in which the Communal Container is also utilized by other Customers, shall be invoiced a flat monthly rate reflective of the Waste Collection Services being rendered in this manner, taking into account the amount of Municipal Solid Waste generated by the Institutional Customer receiving services;
- (ii) Institutional Customers receiving individualized services through Communal Containers specifically assigned to them or through any other form of Waste Collection Services specific to that Customer shall be invoiced on the basis of a flat monthly rate, or on the service frequency per month per months, or on the number of lifts per months or on the weight and/or the volume of Municipal Solid Waste collected.

Chapter 2 : Method for the Computation of Services Tariffs

Section 10 : Services Tariffs Computation Methods

- 10.1 The cost recovery method shall be used to determine its Service Tariffs for providing Waste Collection Services.
- 10.2 The cost recovery method estimates the cash requirements needed by the Waste Collection Services Provider to cover its annual expenditures.
- 10.3 A Waste Collection Services Provider who would have a desire to use another method to calculate the Service Tariffs or to modify any of the Service Tariff setting procedures specified in this Rule, it shall write a letter to the Regulator explaining its request and the Regulator shall respond in writing within twenty (20) Business Days from the date of receipt of the said letter either agreeing or refusing to do so and providing the reasons.

Section 11 : Service Tariffs Setting

Services Tariffs can be set either:

- (a) by the Regulator through review and approval of a Service Tariffs Application submitted by the Waste Collection Services Provider in accordance with this Rule;
- (b) through a Service Tariffs Agreement that can be entered into and between the Regulator and the Waste Collection Services Provider in accordance with PART 6 below.

PART 3 SERVICES TARIFFS CALCULATIONS BY COST RECOVERY METHOD

Chapter 1 : Calculation of Cost of Providing Waste Collection Services

Section 12 : Steps for the Calculation of Service Tariffs for Waste Collection Services

The calculations of Service Tariffs shall consists of the following steps:

- (a) Step 1: Estimation of total costs incurred directly or indirectly in provision of Waste Collection Services;
- (b) Step 2: Estimation of the required Revenues from Operation;
- (c) Step 3: Estimation of the quantity of Municipal Solid Waste that will be collected from each category of Customers as provided in sub-Section 9.1 above;
- (d) Step 4: Calculate price on a “per tonne” or “per cubic metre” basis;
- (e) Step 5: Analysis to establish that estimated Revenues from Operation shall be covering estimated costs.

Section 13 : Calculation of Cost of Providing Services

- 13.1 The Waste Collection Services Provider shall use historical cost data obtained from accounting records produced, organized and maintained in accordance with the Kosovo Accounting Standards and tenders for similar supplies and services, to estimate annually:
- (a) the Operating Expenditures, and uncollected Accounts Receivable for one (1) year;
 - (b) the Debt Service;
 - (c) the Capital Expenditure made or that is required to be made by the Waste Collection Services Provider to:
 - (i) maintain or improve the quality, reliability and/or safety of Waste Collection Services; and
 - (ii) replace fixed assets that have reached the term of their useful or economic life; and
 - (iii) proceed to major rehabilitation or major maintenance work; and
 - (iv) reduce Operating Expenditures; and
 - (v) increase the number of Customers to receive Waste Collection Services in the Service Area or an increase in the size of the Service Area.
 - (d) Payments to the Regulator except penalties and fines.
- 13.2 The total cost of providing Waste Collections Services pursuant to sub-Section 13.1 above shall be calculated in accordance with the provisions of the remainder of this Chapter.

Section 14 : Calculations of Operating Expenditures

- 14.1 The Waste Collection Services Provider shall include without limitations the following items in the calculation of its Operating Expenses:
- (a) wages and social insurance contributions and related payroll expenditures ;
 - (b) rents for any leased property or assets;
 - (c) energy and fuel;
 - (d) repairs and maintenance;
 - (e) materials related to the rendering of services;
 - (f) all Service License maintenance fees payable to the Regulator;

- (g) all charges directly related to the disposal of Municipal Solid Waste at a Licensed Disposal Facility;
- (h) all fees for licenses and permits required by other legal authorities in Kosovo for reasons related to the ability of the Waste Collection Services Provider to render Waste Collection Services; and
- (i) other Operating Expenses as applicable to the rendering of services or as required in accordance with the appendices to this Rule or as may be deemed from time to time by the Regulator as reasonably incurred Operating Expenses.

14.2 Operating Expenditures shall be based on historic data obtained from an Accrual Cost Accounting System construed in accordance with Kosovo Accounting Standards and tenders for similar supplies, services and works. Where such system is not yet in place, costs shall be estimated from existing accounts or from regional data.

Section 15 : Costs Excluded from Computation of Operating Expenditures

- 15.1 The Operating Expenditures shall not include any forecast for price inflation for the Services tariffs year under consideration, which shall be dealt with as per PART 7 below on Service Tariffs Adjustments
- 15.2 For the purpose of setting Services Tariffs, depreciation related expenses shall not be included in the computation of Operating Expenditures.
- 15.3 All Operating Expenses calculations shall exclude the Value Added Tax as may be applicable in Kosovo except whenever any amount of such tax borne is legally not deductible from the amount of such tax that the Waste Collection Services Provider is required to pay to the relevant tax administration authorities from time to time.
- 15.4 All Operating Expenses calculations shall exclude any other indirect taxes that can legally be re-charged to the Customers or that are legally deductible against the amount of taxes that the Waste Collection Services Provider is required to pay to the relevant tax administration authorities from time to time.
- 15.5 The value of fines and penalties paid by the Waste Collection Services Provider or unpaid fines and penalties for which it is liable as a result of the violation of laws, regulations and rules issued and/or enforced by the Regulator and/or by any other public authority and/or central and/or local governmental body of Kosovo, shall be excluded from any Operating Expenses calculations.
- 15.6 The Regulator may also determine that the costs not acceptable for purposes of profit taxes and/or any income tax in accordance with the tax laws in force in Kosovo shall also be excluded from the computation of Operating Expenses.

Section 16 : Costs of Debt Service

Whenever applicable, the Waste Collection Services Provider shall include costs of funding and other financial expenditures related to debt service.

Section 17 : Un-collectible Accounts Receivable

- 17.1 For the purpose of setting Service Tariffs for any given year, the Waste Collection Services Provider shall allow an amount calculated as a certain percentage of the Accounts Receivable balance directly related to the delivery of services for which the Waste Collection Services Provider is licensed for at the end of the fiscal year previous to the one for which Service Tariffs are being set.
- 17.2 The percentage applicable pursuant to sub-Section 17.1 above shall be the one specified in an appendix to this Rule or as determined by the Regulator from time to time

Section 18 : Capital Expenditures

- 18.1 The Waste Collection Services Provider shall prepare an Asset Management Plan as per the format provided in an appendix to this Rule.
- 18.2 The Asset Management Plan shall list projects, which will reduce the cost of rendering Waste Collection Services, maintain or improve facilities and equipment, improve service and expand the Waste Collection Services to a wider area or which shall result in an increase in the number of Customers to be served.
- 18.3 The Assets Management Plan shall cover a period of ten (10) years and shall be revised and updated yearly.
- 18.4 The total amount of Capital Expenditures permissible for use in the calculation of Service Tariffs shall be equivalent to the sum of the forecasted costs for the project listed in the Asset Management Plan for the relevant year.
- 18.5 The value of any assets either paid for or donated by a donor shall not be included in the Service Tariffs computations but can be used as reference data for costs.

Section 19 : Summary of Costs

The Waste Collection Services Provider shall summarize costs related to the rendering of Waste Collection Services in a manner provided for in an appendix to this Rule.

Chapter 2 : Estimate of Required Revenues From Operations

Section 20 : Estimate of Required Revenue from Operations

- 20.1 The Waste Collection Services Provider shall determine the Required Revenues from Operations by adding Operating Expenditures plus cost for debt service plus allowance for u-collectable Accounts Receivables plus Capital Expenditures.
- 20.2 Whenever possible the Waste Collection Services Provider shall calculate the required Revenues from Operations for each category of Customer located in the Services Area.

Section 21 : Calculation of Estimated Revenues

- 21.1 The Waste Collection Services Provider shall estimate the revenues for each category of Customers as listed in sub-Section 9.1 above, as applicable on the basis of a flat

monthly rate, and/or service frequency, and/or number of lifts per month and/or weight and/or volume of Municipal Solid Waste expected to be collected or any combination thereof and shall document such estimate calculations and submit them as attachments to their Service Tariff Application.

- 21.2 Whenever possible, the Waste Collection Services Provider shall take into account the amount of Municipal Solid Waste generated or transported or disposed of as may be found in historical records.

Section 22 : Sensitivity Analysis

The Waste Collection Services Provider shall do a Sensitivity Analysis of the calculations of estimated revenues as per procedures found in an appendix to this Rule and include such an analysis as an attachment to their Services Tariffs Application.

Chapter 3 : Calculation and Structure of Service Tariffs to Propose to the Regulator

Section 23 : Calculation and Structure of Services Tariffs to Propose to the Regulator

- 23.2 The Waste Collection Services Provider shall confirm whether the forecasted Revenues from Operations shall exceed or be equal to the total sum of the Operating Expenditures for the relevant year.
- 23.3 The Waste Collection Services Provider shall present to the Regulator in its Service Tariffs Application, a proposed Service Tariffs schedule with the value of Service Tariffs it proposes to charge to each category of Customers for each type of Waste Collection Services rendered.

PART 4 REVIEW AND APPROVAL OF SERVICES TARIFFS APPLICATIONS

Chapter 1 : Service Tariffs Application, Review and Approval by the Regulator

Section 24 : Service Tariffs Application

- 24.1 The Waste Collection Services Provider shall submit an application for Service Tariffs using the format provided in the appendices to this Rule or as otherwise provided by the Regulator from time to time
- 24.2 The Waste Collection Services Provider shall submit a Service Tariffs Application approved by its Supervisory Board or its Board of Directors as the case may be, using the format as found in an appendix to this Rule or as otherwise provided by the Regulator from time to time.
- 24.3 In the absence of a Service Tariffs Application, or failure of the Waste Collection Services Provider to submit the requested data and information, the Regulator shall proceed to establish the Service Tariffs based on assumed, forecasted Services Tariffs and levels of performances similar to those of other Waste Collection Services Providers in Kosovo as related to the rendering of similar Waste Collection Services.

Section 25 : Regulator Review of the Service Tariffs Application

- 25.1 The Regulator shall confirm that Service Tariffs Application complies with the terms of this Rule and appraise the Services tariffs Application and respond according to the schedule in an appendix to this Rule.
- 25.2 The Regulator shall appraise the Services Tariffs Application in the following steps:
- (a) Perform a review in terms of administrative completeness with regards to the required information and documents;
 - (b) Verify that the proposed Service Tariffs are compliant with the general principles listed in Section 7 above;
 - (c) Verify that the proposed Service Tariffs were calculated as per the requirements of this Rule; and
 - (d) Establish whether or not technical and financial performance targets have been set or are likely to be met within the deadlines as established or agreed to with the Regulator for the achievement of minimum Services Standards and key performance indicators specified in relevant Rules as issued by the Regulator;
- 25.3 In the approval of the request for Service Tariffs setting filed by the Waste Collection Services Provider, the Regulator can also consider the economic and financial performance of the applicant by benchmarking it against the performance of other Waste Collection Services Providers located both inside and outside Kosovo and which size, degree of development, resources, number of Customers and other relevant features that make their performance comparable with the one showed by the Waste Collection Services Provider applying for setting Service Tariffs.

Section 26 : Approval of Service Tariffs

- 26.1 On the basis of the criteria determined in this Section, the Regulator shall approve with or without modifications, the Service Tariffs Application in writing by issue of a Service Tariffs Order.
- 26.2 Once approved, Service Tariffs shall remain unchanged for one year, however adjustments shall be exceptionally considered when:
- (a) certain economic conditions occur; or
 - (b) the Waste Collection Services Provider requests an adjustment according to Section 28 below.

PART 5 SERVICE TARIFFS DURATION, ADJUSTMENTS AND REVIEW

Chapter 1: Duration of Service Tariffs

Section 27 : Duration of Service Tariffs

- 27.1 The Regulator shall approve the Service Tariffs for a minimum duration of one (1) calendar year and a maximum of five (5) calendar years.

- 27.2 The Regulator shall notify in writing all Waste Collection Services Provider of their duty to file a Service Tariffs Application indicating the duration period of the Services Tariffs as determined.
- 27.3 The Service Tariffs to be set for the first period further to the entry into force of this Rule shall be set for one calendar year.

Chapter 2 : Service Tariffs Adjustments

Section 28 : Request for Service Tariffs Adjustments

- 28.1 Given extraordinary circumstances which could not be reasonable anticipated upon submitting the Service Tariffs Application, a Waste Collection Services Provider may submit at any time to the Regulator a written request for adjustment of the Service Tariffs before the end of the period for which the Service Tariffs were approved following the procedures determined in an appendix to this Rule.
- 28.2 The Waste Collection Services Provider shall provide technical and financial performance data that summarizes performance, including the level of performance improvement targets agreed with the Regulator through the period covered by the Service Tariffs in force, and which provides a justification for the requested Service Tariffs adjustment in the form approved, amended and/or supplemented by the Regulator from time to time
- 28.3 The Waste Collection Services provider shall provide a summary of the proposed adjusted Service Tariffs structure in a form specified by the Regulator in an appendix to this Rule or as otherwise determined by the Regulator from time to time.
- 28.4 The Waste Collection Services Provider shall provide a clear rationale for the proposed Service Tariffs adjustment.

Section 29 : Approval Procedures for Service Tariffs Adjustments

- 29.1 The Regulator shall confirm that the request for Service Tariffs Adjustment complies with this Rule and appraise and respond within forty-five (45) Business Days from the date at which the Regulator has received such request in writing.
- 29.2 The Regulator shall appraise the request for Service Tariffs Adjustment as per the following steps:
- (a) Verify that the terms, conditions, and circumstances justifying the any adjustments of Services Tariffs have been fulfilled;
 - (b) Verify that as a result of the proposed adjustments, the Service Tariffs are still compliant with the general principles provided in Section 7 above;
 - (c) Verify that the proposed adjustments to Services Tariffs were calculated as per the requirements of this Rule;
 - (d) Establish whether or not the performance improvement targets, including, without limitation, the performance related targets set for improvement of Service Standards

have been met within the specified time limits as established or agreed by the Regulator from time to time;

- 29.3 Should the request for Service Tariffs Adjustment fails to meet the appraisal as set in this Rule, it shall be returned to the Waste Collection Services Provider along with the justification for non-approval.
- 29.4 On satisfying the appraisal criteria, the Regulator shall approve the Service Tariffs Application in writing by issue of a Service Tariffs Order.

Section 30 : Refusal of Services Tariffs Adjustment

The Regulator may refuse to approve a request for adjustment of the Service Tariffs filed by the Waste Collection Services Provider for any of the following reasons:

- (a) Failure of the Waste Collection Services Provider applying for such an adjustment to Service Tariffs to provide the required information within the specified time limits;
- (b) Evaluating that the request is exorbitant relative to the Waste Collection Services provided or intended to be provided;
- (c) Determination that the Waste Collection Services Provider has failed in total or in part to meet the Service Standards established by the Regulator for Waste Collection Services in Kosovo;
- (d) Failure of the Waste Collection Services Provider to control its Operating Expenses and/or any other costs relevant for the setting of Service Tariffs within given limits deemed as reasonable or acceptable by the Regulator

Chapter 3 : Review of Services Tariffs

Section 31 : Review of the Service Tariffs

- 30.1 When the Service Tariffs are set for a duration exceeding one (1) calendar year, the Regulator shall clarify in the Service Tariffs Order approving the Service Tariffs, the criteria to be followed and the procedures for the annual review of the Services Tariffs
- 30.2 The criteria to be followed by the Regulator for the review of the Services Tariffs approved for a duration period exceeding one (1) calendar year shall include, without limitation, the following:
- (a) Impacts of inflation in the first year of application of the approved Service Tariffs using a relevant official index of inflation as published by the competent public authorities of Kosovo;
 - (b) Potential impacts of estimated inflation for subsequent years using a relevant official index of inflation as published by the competent public authorities of Kosovo;
 - (c) Progress made by the Waste Collection Services Provider in the achievement and enhancement of Service Standards;
 - (d) Other aspects of the technical, economic and financial performance of the Waste Collection Services Provider such as the rehabilitation of assets used for rendering

Waste Collections Services, an increase in the number of Customers served, major increase in the population in the Service Area, increase in the ratio of billing and collection of Invoices and other relevant criteria, including those set forth in the Rule on Key Performance Indicators as issued by the Regulator;

- (e) Relevant costs for enhanced public health, environmental protection and spatial planning standards;
- (f) Variation on the level of satisfaction of the Customers as surveyed by the Regulator or other entities conducting Customers satisfaction evaluations;
- (g) Any other facts or indicators of an objective nature such as related performance of the Waste Collection Services Provider as measured through benchmarking with against Waste Collection Services Providers located both inside and outside Kosovo and which size, degree of development, resources, number of Customers and other relevant features that make their characteristics comparable with the one showed by the Waste Collection Services Provider.

PART 6 SERVICE TARIFFS AGREEMENTS

Chapter 1 : Negotiating and Entering into a Service Tariffs Agreement

Section 32 : Service Tariffs Agreement

- 32.1 The Regulator may enter into a written agreement with any Waste Collection Services Provider for the purposes of amending, altering and/or supplementing any Service Tariffs established under this Rule.
- 32.2 Service Tariffs Agreement may be entered into given any conditions precedent as determined by the Regulator and proposed to the Waste Collection Services Provider, including, without limitation, the entering into of other binding agreements with the Waste Collection Services Provider on:
 - (a) Issue, renewal, extension, amendment, alteration and supplement to a Service License;
 - (b) Issue, renewal, extension, amendment, alteration and supplement to a Service Standard;
 - (c) Extension of the territorial scope of the Service Area;
 - (d) Expansion in the number of Customers served;
 - (e) Establishment, alteration, extension, modification and/or supplement to any Customer-related provisions as outlined in the Rule on Customer Charter as issued, amended, modified and/or supplemented by the Regulator from time to time and that may impact upon any Service Tariff.
- 32.3 For the avoidance of doubt, a Waste Collection Services Provider has the right but not the obligation to propose to the Regulator to enter into a Service Tariffs Agreement in accordance with the provisions of PART 6 below.

Section 33 : Negotiation of a Service Tariffs Agreement

- 33.1 The Waste Collection Services Provider wishing to enter into a Service Tariffs Agreement shall submit a written request to the Regulator requesting the opening of negotiations to enter into such an agreement justifying the reasons why it is deemed that both public interest and their legitimate rights and legal expectations that would be best served if the Regulator would accept to enter into a Service Tariffs Agreement.
- 33.2 The Regulator shall respond in writing within five (5) Business Days from the date of receipt of the communication referred to in sub-Section 32.1 above, either agreeing to enter into negotiations for a Service Tariffs Agreement or refusing to do so.
- 33.3 If the Regulator decides to refuse to start negotiations to enter into a Service Tariffs Agreement, it shall provide its reasons for such a refusal.
- 33.4 If the Regulator agrees to start negotiations to enter into a Service Tariffs Agreement, it shall also grant to the Waste Collection Services Provider a reasonable period of time, in any event of no less than thirty (30) Business Days, to allow the Waste Collection Services Provider to submit to the Regulator a draft Service Tariffs Agreement.
- 33.5 Within ten (10) Business Days of receiving the draft Service Tariffs Agreement, the Regulator shall notify in writing the Waste Collection Services Provider of the scheduling of a first meeting to start negotiate such an agreement.
- 33.6 The Regulator may determine a maximum period of time for the conclusion of the negotiations to enter into a Service Tariffs Agreement that cannot be less of twenty (20) Business Days from the date of the first negotiation meeting scheduled in accordance with sub-Section 31.5 above.
- 33.7 For the avoidance of doubt, the Regulator has the right but not the obligation to enter into a Service Tariffs Agreement and, therefore, either his refusal to engage 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 and/or judicial review.

Section 34 : Entering into a Service Tariffs Agreement

- 34.1 In case of successful conclusion of the negotiations conducted in accordance with Section 33 above, the Regulator and the Waste Collection Services Provider shall enter into the Service Tariffs Agreement in writing.
- 34.2 The Service Tariffs Agreement shall be signed in three versions in each of the following official languages in use in Kosovo:
 - (a) Albanian;
 - (b) Serbian;
 - (c) English.

- 34.3 In case of any discrepancies between any of the versions in which the Service Tariffs Agreement is signed the English language version shall prevail.
- 34.4 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 Tariffs Agreement, shall be available to the public by the means the Regulator may determine from time to time.
- 34.5 Any amendments, alterations, modifications or supplementary provisions pertaining to a Service Tariffs Agreements shall require the consent of both the Regulator and the signatory Waste Collection Services Provider and must be entered into in writing, published and made public in accordance with the provisions of Section 38 below.

Chapter 2 : Legal Nature and Enforceability of Service Tariffs Agreements

Section 35 : Legal Nature and Enforceability of Service Tariffs Agreements

- 35.1 A Service Tariffs 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
- 35.2 A Service Tariffs Agreement, as a bilateral legal act, is legally binding, enforceable and executable in accordance with its terms for both parties and can only be amended, extended, modified, supplemented, reviewed and/or terminated in light of its own provisions and the law applicable in Kosovo.

Section 36 : Compliance with a Service Tariffs Agreement

The Waste Collection Services Provider is obligated to respect and to comply with the Service Tariffs pursuant to the requirements of this Rule:

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

PART 7 PUBLICATION OF THE SERVICE TARIFFS

Chapter 1 : Presentation and Publication of the Service Tariffs

Section 37 : Presentation of the Service Tariffs

The Waste Collection Services Provider shall summarize the Service Tariffs as approved, adjusted and/or reviewed by the Regulator from time to time in a table to be prepared in accordance with the format provided in an appendix to this Rule.

Section 38 : Publication and Dissemination of the Service Tariffs

- 38.1 The Waste Collection Services Provider shall distribute to each Customer the Service Tariffs approved by the Regulator as applicable at the time that a Customer completes a Service Contract or once per year as an attachment to an Invoice for rendered Waste Collection Services.
- 38.2 The Waste Collection Services Provider shall publish the Service Tariffs approved by the Regulator in the following manner
- (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 during the week following the one in which the first publication was made; and
- 38.3 The Waste Collection Services Provider shall be solely responsible for the publication and public dissemination of the Service Tariffs and for all related costs.

PART 8 ENFORCEMENT, PENALTIES AND APPEALS

Chapter 1 : Enforcement of the Service Tariffs Conditions

Section 39 : Enforcement of Service Tariffs Conditions

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

- (a) reports sent by the Waste Collection Services Provider as per Section 41 below;
- (b) inspections, surveys and report sent by other entities and public authorities.

Chapter 2 : Records and Reports on Service Tariffs Conditions

Section 40 : Location and Availability of Records

The Waste Collection Services Provider shall keep its business, financial and accounting records at its principal place of business in a safe and secure environment and shall be available for examination during regular business hours by the means the Regulator may determine from time to time

Section 41 : Reports

- 41.1 The Waste Collection Services Provider shall prepare and provide to the Regulator reports in a form, content, manner and within time limits prescribed by the Regulator from time to time.
- 41.2 The Waste Collection Services Provider shall remit to the Regulator, no later than March 31 following the end of the previous calendar year, an annual report in a format prescribed by the Regulator from time to time.
- 41.3 The Waste Collection Services Provider shall submit on a quarterly basis, no later than the 15th day of the month following the months of March, June, September, and December, un-audited financial reports in a format compatible with the generally accepted accounting standards and accounting rules in force in Kosovo.

Section 42 : Records and Reports Retention Period

All records and reports foreseen in Section 41 above shall be organized and kept by the Waste Collection Services Provider for at least three (3) calendar years from the date when they were first prepared or became due unless any other applicable law determines they should be kept for a longer time period, in which case that latter period shall apply.

Chapter 3 : Offenses and Penalties

Section 43 : Offences, Penalties and Fines

- 43.1 Failure to comply with any of the Service Tariffs dispositions under this Rule and any charge to Customers of any amount not in accordance with the Services Tariffs approved by the Regulator shall constitute an offence which subject the defaulting Waste Collection Services Provider to a penalty or fine levied in accordance with UNMIK Regulation No. 2004/49 On the Activities of Water and Waste Services Providers in Kosovo dated 26 November 2004.
- 43.2 Fines for the breach of any Service Tariffs provisions contained in this Rule shall also be calculated and levied in accordance with the procedures established by the Regulator from time to time.

Chapter 4 : Appeals

Section 44 : Appeals

- 44.1 The Waste Collection Services Provider 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 dated 26 November 2004 on any formal and concrete decisions rendered by the Regulator on any relevant issues, including, without limitations on any of the:
 - (a) issues, alteration, modification, amendment, supplement, renewal or extension on a Service Tariff;

- (b) revocation, declaration or determination 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 any Service Tariffs condition or any other provision of this Rule.
- 44.2 The Waste Collection Services Provider may also appeal to a court in Kosovo competent in the matter, from any decision of the Review Committee take on any concrete decisions as to the enforcement of this Rule in accordance with the UNMIK Regulation referred to in sub-Section 41.1.
- 44.3 Upon the issue of any concrete decision on the enforcement of this Rule, the Regulator shall inform the Waste Collection Services Provider to which such an enforcement decision is addressed of its right to appeal pursuant to this Section.

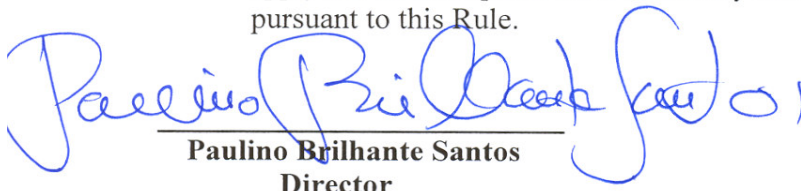
PART 9 MISCELLANEOUS

Section 45 : Languages

- 45.1 This Rule is issued and published in three versions written in the official languages in use in Kosovo:
- (a) English
 - (b) Albanian
 - (c) Serbian
- 45.2 In case of any discrepancy between any versions in which this Rule has been issued, the English version shall prevail.

Section 46 : Entry into Force

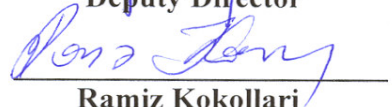
- 46.1 This Rule shall enter into force thirty (30) days after its issuance.
- 46.2 All Waste Collection Services Providers shall have six (6) months to comply or to apply for an exemption from or for any modification of any Service Tariffs established pursuant to this Rule.



Paulino Brillhante Santos
Director



Afrim Lajci
Deputy Director



Ramiz Kokollari
Head of Financial & Tariffs Section

Water and Waste Regulatory Office

APPENDICES

APPENDIX 1
APPLICATION FORM FOR SERVICE TARIFFS FOR WASTE COLLECTION SERVICES

APPLICATION FOR SERVICE TARIFF	
	Date:
Name of Solid Waste Collection Service Provider	
Service License Number	
Contact Address	
City	
Municipality	
Telephone Number	 ;
Point-of-Contact	

APPENDIX 2
REQUIRED ATTACHMENTS FROM APPLICANTS FOR SERVICE TARIFF AND
INSTRUCTIONS

Application Form for Service Tariff for Solid Waste Collection Services and the respective calculation worksheets as presented in Appendices hereunder must be accompanied by the following documents:

1. Letter from the Supervisory Board signed and stamped to WWRO applying for a Service Tariff
2. Current Solid Waste Collection Services Tariff Schedule and Fees applicable and date established;
3. A copy of the most recent set of financial statements certified by the KTA and, when available, by any independent auditor issued in or by reference to the year to which the financial statements to be attached refer and/or to the Service Tariff Application the latest available financial audit report.

Original and one copy of the Tariff Application legibly completed and signed are required. One copy should be maintained in the Submitter's files.

Both the original and the required copies of the Tariff Application must be certified and signed by the Managing Director of Service Provider

APPENDIX 3
TARIFF CALCULATION WORKSHEET

TARIFF CALCULATION WORKSHEET (# 1)						
Solid Waste Collection Service Provider: 						
Areas Served: 						
Line Number	Item	units	Last Year 2004	This Year 2005	Next Year 2006	% Change (next year - this year) (this year)
1	Operating Expenditures (worksheet #3)	EUR				
2	Debt (worksheet #4)	EUR				
3	Un-Collectable Accounts Receivable (Worksheet #5)	EUR				
4	Capital Expenditures (Worksheet #8)	EUR				
5	Required Revenue from Operations (sum of Line Numbers 1-4)	EUR				
6	Quantity of Water Collected (Worksheet #9)	ton				
7	Cost per ton of Waste Collected (Line 5 / Line 6)	EUR/ton				
8	Cost of Collection = Line 1 / Line 6	EUR/ ton				

OPERATING DATA SHEET FOR SOLID WASTE COLLECTION (#. 2)

Item	units	Last Year	This Year	Next Year	% Change	REMARKS
		2004	2005	2006	$\frac{(\text{next year} - \text{this year})}{(\text{this year})}$	
NUMBER OF SERVICE CONTAINERS						from Service Area Data
Capacity 1.1m3	number					
Capacity 5m3	number					
Capacity 7m3	number					
Other	number					
SW COLLECTION UTILITY STAFF						
Solid Waste Collection	number					
Administration	number					
Management	number					
TOTAL						
Part -Time Employees						
WASTE COLLECTED						
Total Waste Collected	m3					
Fuel Used	lit					
Lubricants Used	lit					
Electricity Used	KWh					
WASTE INVOICED and COLLECTED						
Total Waste Invoiced	ton					
Total Euros Invoiced for Waste Collected	EUR					
Revenue Received for Waste Collected and Invoiced	EUR					
Average Received for Waste Collected	EUR / ton ³					= (Revenue Received) / (Quantity of Waste)
NON REVENUE SERVICE						
Non-Revenue Waste	ton					= (Waste Collected) - (Waste Invoiced)
% Non-Revenue Waste	%					= (Non-Revenue Waste) / (Waste Collected)
Monetary Value of Non-Revenue Waste	EUR					= (Euros / ton invoiced) x (quantity in tons of Non-Revenue Waste)

OPERATING EXPENDITURE WORKSHEET (# 3)

Purpose of this Worksheet is to summarize operating expenditures in an orderly manner for Service Tariff calculation

If records are adequate, O&M expenditures can be sorted among these activities

Use of Account Codes at this time is optional, but later should be required because it is useful for recording costs and auditing records.

Bad Debt is reported on another worksheet

Line Numbers are a convenience to assist utility staff calculate and transfer results to other worksheets

			Last Year	This Year	Next Year	% Change
Line No.	Account Code	Item	2004	2005	2006	(next year - this year) (this year)
SOLID WASTE COLLECTION OPERATION AND MAINTENANCE EXPENDITURES						
1		Salaries and wages – employees				
2		Employee pensions and benefits (including Social Insurance)				
3		Rents Paid or Due				
4		Payments to Landfill Waste Disposed of				
5		Payments to MESP for Waste Disposed of				
6		Fuel				
7		Lubricants				
8		Purchased Electrical Power				
9		Materials and supplies				
10		WWRO expenses – Service License Fee				
11		Miscellaneous O&M expenses				
12		Total waste collection operation and maintenance expenditures				

DEBT WORKSHEET (# 4)

Purpose of this work sheet is to identify the components of Control Accounts for the Balance Sheet.

Part 1 of this worksheet is for Control Account of “Long-Term Loans”, for Control Account of (Non-Current Assets) and for Control Account of “Short Term Assets” for the Balance Sheet. Part 2 of this worksheet is for Control Account of “Customer Deposits”.

Short Term Debt is due within one year. Long Term Debt is longer than one year.

[SHORT or LONG]						Amount of Euros (as of 31 December 200X)			
No.	Type of Loan	Lender	Date of Loan	Maturity Date	Interest Rate	Original Loan Amount	Current Amount Outstanding	Interest Paid this Year	Principal Paid this Year
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
						Totals=			
						(as of 31 Dec. 200X)			
CUSTOMER DEPOSITS						Amount of Euros			
Customer Deposits Received During the Year									
Customer Deposits Refunded During the Year									
Customer Deposits Held At End of the year									
Customer Deposits Held for More Than 12 Months									

UNCOLLECTABLE ACCOUNTS RECEIVABLE (# 5)							
				Last Year	This Year	Next Year	% Change
Line Nr	Customer Category	Item	Units	2004	2005	2006	(next year - this year)/ (this year)
1	Domestic	Total Customers	Nr				
2		Amount Invoiced	EUR				
3		Amount Collected	EUR				
4		Amount Un-collected	EUR				
5		% of Invoiced Collected	%				
6	Commercial-Industrial	Total Customers	Nr				
7		Amount Invoiced	EUR				
8		Amount Collected	EUR				
9		Amount Un-collected	EUR				
10		% of Invoiced Collected	%				
11	Institutional	Total Customers	Nr				
12		Amount Invoiced	EUR				
13		Amount Collected	EUR				
14		Amount Un-collected	EUR				
15		% of Invoiced Collected	%				
21	Summary of Un-collected Accounts Receivable	Domestic (line 4)	EUR				
22		Commercial-Industrial (line 9)	EUR				
23		Institutional (line 14)	EUR				
25	TOTAL =		EUR				
26	% Allowed for Tariff Calculation		%				
27	Amount for Tariff Calculation		EUR				

ASSET MANAGEMENT PLAN 1 (# 6)											
Works listed are REPAIR or REPLACE of existing assets that will reduce costs or improve reliability or meet new standards											
		Estimated EUR									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Block Allocation	Project Name and Details	1	2	3	4	5	6	7	8	9	10
Land, Land Rights and Improvements											
Project No. 1											
Project No. 2											
Project No. 3											
Containers, Bins and Storage Devices											
Capacity 1.1m3											
Capacity 5m3											
Capacity 7m3											
Other											
Weighing and Ancillary Equipment											
Project No. 1											
Project No. 2											
Project No. 3											
Presses and Compacting Devices											
Project No. 1											
Project No. 2											
Project No. 3											
Fence, Security Devices and Lighting											
Project No. 1											
Project No. 2											
Project No. 3											
Garage and Maintenance Shop											
Project No. 1											
Project No. 2											
Project No. 3											
Radio and Communication											
Project No. 1											
Project No. 2											
Project No. 3											

ASSET MANAGEMENT PLAN 2 (# 6)											
Works listed are REPAIR or REPLACE of EXISITING ASSETS that will reduce costs or improve reliability or meet new standards											
Block Allocation	Project Name & Details	Estimated EUR									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
		1	2	3	4	5	6	7	8	9	10
Information Technology											
IT hardware and software											
Transport											
Cars											
Tractors											
Tipper Trucks											
Rotary Compactor Trucks											
Rear Compactor Trucks											
Skip Trucks											
Hook Loader & Roll-off Trucks											
Front Loader Compactor Trucks											
Project No. 2											
Project No. 3											
Offices and Office Equipment											
Painting, Repair, Refurbishment											
Furniture and fittings											
Telephone and IT network											
MISCELLANEOUS											
Notes											
The lists are guidelines; Number of Projects may be less than or more than 3. Service Provider to add items as needed											
Year 1 needs FULL Project details, location, costs, and Supervisory Board approval											
Year 2 will have about 75% of the detail; and Years 3 through 5 about 50%											
Gradually the detail declines as the years progress to simple block allocations in year 5 through 10, but details will be added later as the Plan moves forward											
WWRO will use this plan as a basis for approval of CAPEX Projects and inclusion in the Tariff calculation and adjustments											

CAPITAL IMPROVEMENT WORKSHEET 1 (# 7)											
Works listed are NEW or EXPANSIONS that will extend service or reduce costs or improve service or improve reliability or meet new standards											
		Estimated EUR									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Block Allocation	Project Name	1	2	3	4	5	6	7	8	9	10
Land, Land Rights and Improvements											
Project No. 1											
Project No. 2											
Project No. 3											
Containers, Bins and Storage Devices											
Capacity 1.1m3											
Capacity 5m3											
Capacity 7m3											
Other											
Weighing and Ancillary Equipment											
Project No. 1											
Project No. 2											
Project No. 3											
Presses and Compacting Devices											
Project No. 1											
Project No. 2											
Project No. 3											
Fence, Security Devices and Lighting											
Project No. 1											
Project No. 2											
Project No. 3											
Garage and Maintenance Shop											
Project No. 1											
Project No. 2											
Project No. 3											
Radio and Communication											
Project No. 1											
Project No. 2											

CAPITAL IMPROVEMENT WORKSHEET 2 (# 7)

Works listed are NEW or EXPANSIONS that will extend service or reduce costs or improve service or improve reliability or meet new standards

Block Allocation	Project Name & Details	Estimated EUR									
		2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
		1	2	3	4	5	6	7	8	9	10
Information Technology											
IT (computers and printers)											
IT software											
Customer Database & Billing System											
Maintenance Management Systems											
Geographical Info. Systems											
Asset Management Systems											
Management Info. System											
Transport											
Cars											
Tractors											
Tipper Trucks											
Rotary Compactor Trucks											
Rear Compactor Trucks											
Skip Trucks											
Hook Loader & Roll-off Trucks											
Front Loader Compactor Trucks											
Excavators											
Offices and Office Equipment											
New office accommodation											
Furniture and fittings											
Phone and IT network											
Miscellaneous											
Notes											

The lists are guidelines; Number of Projects may be less than or more than 3. Service Provider to add items as needed

Year 1 needs FULL Project details, location, costs, and Supervisory Board approval

Year 2 will have about 75% of the detail; and Years 3 through 5 about 50%

Gradually the detail declines as the years progress to simple block allocations in year 5 through 10, but details will be added later as the Plan moves forward

WWRO will use this plan as a basis for approval of CAPEX Projects and inclusion in the Tariff calculation and adjustments

CAPITAL EXPENDITURE WORKSHEET (# 8)

This worksheet summarizes Capital Projects from the **Asset Management Plan** (Repair or Replace) and the **Capital Improvement Plan** (for New Works and Equipment)

The lists are guidelines; Number of Projects may be less than or more than 3. Service Provider to add items as needed

YEAR 2005 (this year)

CAPITAL PROJECT	ASSET MANAGEMENT PLAN	CAPITAL IMPROVEMENT PLAN	TOTAL
	EUR	EUR	EUR
Land, Land Rights and Improvements			
Project No. 1			
Project No. 2			
Project No. 3			
Containers, Bins and Storage Devices			
Capacity 1.1m3			
Capacity 5m3			
Capacity 7m3			
Other			
Weighing and Ancillary Equipment			
Project No. 1			
Project No. 2			
Project No. 3			
Presses and Compacting Devices			
Project No. 1			
Project No. 2			
Project No. 3			
Fence, Security Devices and Lighting			
Project No. 1			
Project No. 2			
Project No. 3			
Garage and Maintenance Shop			
Project No. 1			
Project No. 2			
Project No. 3			
Radio and Communication			
Project No. 1			
Project No. 2			
Project No. 3			

CAPITAL EXPENDITURE WORKSHEET (# 8)

This worksheet summarizes Capital Projects from the Asset Management Plan and the Capital Improvement Plan

The lists are guidelines; Number of Projects may be less than or more than 3

Service Provider to add items as needed			
	YEAR 2005 (this year)		
CAPITAL PROJECT	Asset Management Plan (EUR)	Capital Improvement Plan (EUR)	TOTAL (EUR)
INFORMATION TECHNOLOGY (IT)			
IT hardware (computers and printers)			
IT software			
Customer Database and Billing Systems			
Maintenance Management Systems			
Geographical Information Systems			
Asset Management Systems			
Management Information System			
Transport			
Cars			
Tractors			
Tipper Trucks			
Rotary Compactor Trucks			
Rear Compactor Trucks			
Skip Trucks			
Hook Loader & Roll-off Trucks			
Front Loader Compactor Trucks			
Excavators			
Excavators			
OFFICES AND OFFICE EQUIPMENT			
New office accommodation			
Furniture and fittings			
Telephone and computer network			
MISCELLANEOUS			
TOTAL COST (IN EUR)			

WASTE COLLECTIONS WORKSHEET (# 9)

Purpose of this Worksheet is for the Solid Waste Collection Service Provider to summarize their estimates of quantity of waste collected for each Customer Category

The Account Code is a convenience to link with estimated revenues in another worksheet.

Line Numbers are a convenience to assist utility staff calculate and transfer results to other worksheets

Quantity in tons of waste collected for Year 2006 is calculated by multiplying Number of Customers (Year 2006) by Average Quantity Per Customer (Year 2005)

Line No.	Customer Category	Class of Service	This Year					Next Year				Change
			2005					2006				(next year – this year)
			Number of Customers (number)	Waste Collected from Joint Containers (ton)	Waste Collected from Assigned Containers (ton)	Total Waste Collected (ton)	Average Quantity per Customer (ton/Klient)	Number of Customers (number)	Waste Collected from Joint Containers (ton)	Waste Collected from Assigned Containers (ton)	Total Waste Collected (ton))	%
1	Residential	Door to Door With Containers										
2	Commercial-Industrial	I Category										
		II Category										
		III Category										
3	Institutional											
4	Total Waste Collected											
Note:												

Waste Collected from Joint Containers:- is estimated quantity of waste collected from the customers that that use joint containers with other customers

Waste Collected from assigned containers:- is a quantity of waste collected from the customers use especially assigned to them containers

Total Waste Collected = Waste Collected from joint containers + Waste Collected from Assigned containers

I Category -Kiosks, Offices, Photographers, Shue Shops, Internet Cafes, Bars, and other small Shops;

II Category -Drugstores, Textile Shops, Joineries, Pie Shops, Baceries, Sweet Shops, Hairdressers, Mechanics, Car Washes, Cofe Bars;

III Category –Food Stores, Groceries, Greengroceries, Restaurants, Pizza Restaurants, Banks, Private Practices, Discount Shops

REQUIRED REVENUES WORKSHEET (# 10)

1	2	3	4	5	6	7	8	9	10	11	12
Customer Category	Class of Service	Average Quantity per Customer (ton/Customer)	Number of Customers (number)	Waste Collected from Joint Containers (ton)	Waste Collected from Assigned Containers (ton)	Total Waste Collected (ton)	Customers Monthly Charge (EUR/Customer /Month)	Revenues from Customers using joint Containers (EUR / ton)	Volume Charge (EUR/ ton)	Revenues from Customers using assigned Containers (EUR / ton)	TOTAL REVENUES (EUR)
Residential	Door to Door With Containers				-			-		-	
Commercial-Industrial	I Category										
	II Category										
	III Category										
Institutional											
								TOTAL =			
Note:											

Column 10 (Volume Charge) Refers to Table No. #1

Column 3 Refers to Table No. #9

Column 4 comes from Table No. #9

Column 5 comes from Table No. #9

Column 6 comes from Table No. #9

Column 7 comes from Table No. #9

Column 8 = (Column 3 x Column 10) / 12

Column 9 = (Column 4 x Column 8) x 12

Column 11 = Column 6 x Column 10

Column 12 = Column 9 + Column 11

SOLID WASTE COLLECTION FIXED ASSET WORKSHEET (WORKSHEET # 7)

Solid Waste Collection Service Provider

Delivering Waste Collection Service to the following Service Providers or users

This worksheet lists the Fixed Assets used for the collection of Solid Waste.

Depreciation is calculated by straight-line method using the rates and life in the attached table

Accumulated Depreciation = (Historic Cost) x (Years in Service) x (Annual Depreciation Rate)

Current Value = Historic Cost - Current Value (can = 0 but not a negative number)

When Historic Cost or Depreciation Rate is not available, contact Regulator to discuss

RETURN ON FIXED ASSETS = (sum of Current Value) x Rate Proposed by Service Provider and Approved by the Regulator

No.	Type of Asset	Location and Description	Year Installed	Historic Cost (EUR)	Years in Service	Depreciation Rate	Accumulated Depreciation (EUR)	Current Value (EUR)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
					TOTAL CURRENT VALUE =			
					Rate Proposed by Service Provider:			
					RETURN ON FIXED ASSETS =			

DEPRECIATION RATES FOR SOLID WASTE COLLECTION STRUCTURES AND EQUIPMENT (WORKSHEET # 8)			
Account Number	Account Title	Useful Service Life	Financial Reporting Depreciation Rate
SOLID WASTE COLLECTION PLANT			
	Structures and Improvements	50	2%
	Containers, Bins and Storage Devices		
	Weighing and Ancillary Equipments		
	Presses, Compressing and Compacting Devices		
	Transportation Equipments-Light Trucks	8	13%
	Transportation Equipments-Heavy Trucks		
	Tools, Shop and Garage Equipment	10	10%
	Stores Equipment	10	10%
	Site Fences and Gates	10	10%
GENERAL PLANT			
	Structures and Improvements	50	2%
	Site Fences and Gates	10	10%
	Office Furniture and Equipment	5	20%
	Computer Equipment	5	20%
	Transportation Equipment	8	13%
	Stores Equipment	10	10%
	Tools, Shop and Garage Equipment	10	10%
	Laboratory Equipment	10	10%
	Power Operated Equipment	10	10%
	Communication Equipment	5	20%
	Communication Equipment - SCADA	10	10%
	Miscellaneous Equipment	5	20%
FOR FACILITIES AND EQUIPMENT NOT LISTED			
	Structural Works	50	2%
	Mechanical and Electrical Equipment	15	7%
	Controls and Measuring Equipment	8	13%
NOTES:			
1/ Useful Service Life agreed per meeting 16 November of Alan Brown (EAR), Richard Lacy (KTA), and Sher Singh			
2/ Financial Accounting Depreciation Rate = 1 / Useful Service Life			

APPENDIX 4
REQUEST FOR TARIFF ADJUSTMENT

JUSTIFICATION FOR SERVICE TARIFF ADJUSTMENT

Complete the following statements in support of your rate request.

_____ (the "Service Provider") requests an adjustment in the existing rates charged. The information contained in this application is based upon a twelve-month Test Year ending _____ (mm/dd/yy). The Company had total operating revenues of EUR _____, served _____ customers, and collected _____ tons of solid waste during the Test Year.

The Company is requesting a(n) increase/decrease in revenues in the amount of EUR _____.

Total annual operating revenues, if the Company is granted the rate adjustment, will be EUR _____.

Service Provider is current on all property taxes – YES/ NO

Service Provider is current on all Value Added Tax Payments – YES/ NO

Service Provider is current on Utility Bills for electricity, district heating, and solid waste – YES/ NO

Please provide the reasons for your requested rate adjustment by completing the relevant lines below. If desired, the Company may also attach a written narrative regarding its reasons for the requested rate adjustment. Your narrative may also include efforts made by the utility to control costs and expenses and to mitigate the amount of rate adjustment.

Please explain changes in current operations compared to past operations, which necessitate the rate adjustment

Please describe adjustments made to amounts that are included in this application that are different than amounts recorded in your books/ledgers (pro forma adjustments)

Please explain significant factors influencing your revenues and expenses

Please discuss anticipated growth or decline in customers expected in the next two years, the amount of anticipated construction to serve those customers, and how financed; the type of customers served by the utility, e.g. residential, small retail businesses, large commercial, etc.

Please describe anticipated construction or attach copy of Asset Management Plan

Please explain any other factors influencing or affecting your tariff that require adjustment

Attach additional pages as necessary.