10 years of RWCs regulation

Republika e Kosovës - Republika Kosova - Republic of Kosova

ZYRA RREGULLATORE PËR UJËSJELLËS DHE KANALIZIM
REGULATORNI URED ZA VODU I KANALIZACIJU
WATER AND WASTEWATER REGULATORY OFFICE

ZRRUK

ANNUAL PERFORMANCE REPORT OF WATER SERVICE PROVIDERS IN KOSOVO, IN 2013

Performance Report of water supply licensed companies, wastewater services and bulk supply water of untreated water

September, 2014

Water and Wastewater Regulatory Office

Vision

"Water and Wastewater efficient, safe and quality services for all customers throughout Kosovo".

Mission

"Regulation of water services in an effective and transparent manner in accordance with good European practices, which ensures that water and wastewater services deliver qualitative, sustainable services with affordable prices throughout Kosovo, having into consideration environmental and public health protection"

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Acronyms and abbreviations

EU	European Union
BD	Board of Directors
SOK	Statistical Office of Kosovo
RWC	Regonal Water Company
PR	Regonal Water Company, 'Prishtina' (Prishtina)
PZ	Regonal Water Company, 'Hidroregjioni Jugor' (Prizren)
PE	Regonal Water Company 'Hidrodrini' (Pejë)
MIT	Regonal Water Company, 'Mitrovica' (Mitrovica)
GJA	Regonal Water Company,' Radoniqi' (Gjakovë)
FE	Regonal Water Company,'Bifurkacioni ' (Ferizaj)
GJI	Regonal Water Company, Hidromorava (Gjilan)
NIPH	National Institute of Public Health in Kosovo
IL	HEE 'Ibër Lepenci'
PMUPE	Policy Monitoring Unit of Public Enterprises
CCC	Costumer Consultative Committee
MESP	Ministry of Environment and Spatial Planning
PoE	Public-owned Enterprises
IMCW	Inter-ministerial Council for Water
KPI	Key Performance Indicators
NRW	Non-Revenue Water
WWRO	Water and Wastewater Regulatory Office
KWI	Kosovo Water Institute
RBRA	River Basin Regional Authority

FOREWORD

An important part of our regulatory role is to monitor and report on the performance of water service providers in general and specifically on performance-related objectives and efficiency set by the regulatory processes.

In this way we ensure that customers receive services at the best possible level. Experience gained by the regulatory reporting on water service providers suggests that disclosure and performance reporting has proven to be a strong mechanism for improving the performance.

During these years, important steps have been taken in improving the provision of water supply service to the population as a continued contribution of all stakeholders related to this sector. We are also informed about a series of joint efforts of the Kosovo Government, cooperating partners (donors), and many other stakeholders who are contributing to increase service coverage and improve the provision of water supply and wastewater service.

We also want to encourage the local Authorities who play an important role in increasing the service coverage of provision of water supply and wastewater services. In this regard it is worth mentioning that their coordination with service providers and donors in municipal planning developments to improve the coverage of water supply and wastewater service is essential.

In the past we have emphasized the need to focus on improving the coverage of wastewater services and sewage treatment which still remain significantly behind than the drinking water supply services.

We are at the end of three-year tariff process 2012 to 2014. Business plans approved by the regulatory have been a sort of implicit contract of obligations under which the regulatory has been agreed with those tariffs which are based on obligation received from the RWCs to give the results set out in their business plans. We recall that objectives were challenging but in reality achievable. For a real success the RWCs should have rather tried to meet or even exceed all objectives and not just some of them.

Projections approved by WWRO through the tariff process have been very necessary for service providers to balance the benefits and costs of water use, ensuring enough incomes to long-term financial sustainability of the water supply business.

However, the low incomes (revenue collection) limited financial capacity to make a greater contribution to investment. In accordance with good regulatory practice, our approach was oriented towards concrete results. Primarily we have been concerned about service levels and overall costs. So, we have not interfered directly in the daily management of licensed service providers, leaving this responsibility to the management and boards of service providers.

Nevertheless, expectations of the regulator continuously and most specifically during the current tariff process have been:

(i) Improvements of financial and operational efficiency;

- **Reduction operating costs**, operating expenses of RWC are dominating by personnel costs and energy, where the combined cost is about 75% of total operating of expenses. We strongly believe that the RWC operating costs are much higher than they should be; they had a direct impact on tariffs. Also we believe that these operating costs are not efficiently with numerous personnel in most companies probably in all of them. During the process of setting tariffs operating costs have been challenged and through this we intended a reduction in annual operating costs of about 12%, from levels shown by RWC in their business plans. We anticipated that these benefits from operational efficiency to be made through reducing personnel costs in RWX, although savings are also possible in other areas (provided that it would not result in deterioration of service levels).

- **Increasing collection efficiency**, low level of collection of bills continuous to be the weakest point of this sector performance. Although year after year has been marked improvement in terms of the collection is still very low in value, yet about 30% of the debts of customers for water service cannot be collected. With the current rate of collection (71%) except for the fact that most water companies have been able to finance their costs of operation and maintenance, their capacity for capital investment have been very limited and dependent on donations and grants. Although performance in revenue collection is improving we are firmly of opinion that the improvements are much lower than those that would have been. We believe that RWC have a high degree of commercial losses (illegal connections and poor activities about billing) which can be improved and generate revenues from services of water supply and wastewater services.

- **Reducing Non-Revenue Water (NRW)** from RWC, NRW is too high and at the sector level reaches the amount of 57%. This is an unacceptable level and away from rates of European countries. Besides the fact that NRW does not bring revenue for the company, creates additional costs for producing and distributing it. Furthermore it is regrettable that loses a considerable amount of water which is necessary to meet the requirements in those areas that have chronic lack of water. Despite their own commitments but also occasional support of donors, RWC were not able to resolve the alarming situation of water losses. Rather, NRW has stagnated at a high level with some minor changes which can be attributed to much more movements to reduce water production. We think that the reduction of NRW is a very complex issue, therefore, without a strategic approach to the RWC, to this challenge is not possible to achieve the essential results.

(ii) **Increasing Capital Investments,** we have also allowed realistic opportunity for investments, but, in order to finance these investments by companies was necessary to improve revenue collection from consumers. Without these funds the RWC have been powerless to meet their service level and investment obligations. In the 2013 in all RWC only 48% of planned investments have been realised to improve services.

(iii) **Increasing coverage and increasing service level,** during our review of the RWC business plan, we have not challenged projections about plans to increase the number of customers. We have considered that the increase in the number of customers will generate additional revenues, in order that the RWC to be able to meet their investment objectives.

However, we suggest service providers to focus even further in challenging indicators, among them; improving billing and collection in particular from domestic and commercial customers, reducing non-revenue water, increasing services in terms of relationship with customers, including the review and treatment of complaints and requests of their customers more effectively, as rather than essential to establish trust to their service providers.

We hope that Water Companies, Regulatory Office, the Government, policy makers and others will be able to use the data of this report as a benchmark for a continuous improvement of the performance of water and wastewater services and to help future policy related to planning in water services industries in Kosovo.

Eventually I want to commend companies that have shown improvement in their performance during 2013. In particular I would like to thank the officials of the companies that have reported and continue reporting to the WWRO.

Moreover I appreciate the work of the WWRO staff for their commitment to the reporting and data process, and for analysis and concise discussion in this report.

Raif Preteni

Director of WWRO

ROLE AND RESPONSIBILITIES OF WWRO

Water and Wastewater Office is an independent institution with responsibility for economic regulation of water service in Kosovo. Its role in the sector of water and water supply services is to ensure that the public service providers do not misuse their monopoly positions, but to provide a reasonable standard of service at a fair price and that their rights and mutual obligations are rairly balanced. Our society has benefited significantly from the existence of regulatory intervention by introducing a larger balance in the relationship between service providers and users (customers) to them. Since the nature of this service is a natural monopoly character and the fact that there is a lack of incentive to seek efficiency and effectivness of large, there is a growing prevalence of risks to users that they do not receive a desired service.

Public water supply and wastewater services are essential for the welfare of citizens, public health and economic activities.

Responsibility of WWRO, under the law No. 03/L-086, is limited to Public Enterprises (PE), and does not include private water supply schemes in rural areas.

Specifically main role and responsibilities of WWRO can be specified as follows:

- Setting fees at sufficient levels to service providers to finance their activities in accordance with the mandatory standards of service and acceptable level of expactations for services, but at ther same time promoting efficiency to ensure that fees are not higher than it should be:
- Licenising of providers of water supply, and ensure that service providers meet their obligations regarding the level of service;
- Setting standards for services provided to customers and monitoring their implementation by service providers;
- Protection of consumers' interests by ensuring that licensed service providers do not misuse their monopoly positions and ensuring that services provided are consistent with established standards:
- Provide mechanisms for consumers to file complaints against service providers;
- Defining the responsibilities and reciprocal rights and service providers – consumers, as well as monitoring their implementation.

Moreover, one of its regulatory functions is to stimulate competition in the sectors of water services by comparing (benchmarking) and regular reporting of performance; The role of monitoring and reporting by WWRO is also important because it provides information reliable and sustainable that can be used to:

- Identify poor and good performance in order to provide incentive for the service provider to improve their performance over time,
- allow comparisons to be made between service providers and thereby facilitate the comparison of the competition can encourage service providers to improve their performance in relation to others as well,
- keep the actors involved, be informed about the work and activities of service providers through information dissemination service to the public, consumers and institutions (Regulatory, the Assembly and Government of Kosovo, Agencies) donors in order top facilitate decision making for public enterprises and water service.

During its work, WWRO guided by good regulatory practices based on principles:

Independence: Execution expertly but independently of the regulatory mandate and legal responsibilities to the citizens of Kosovo.

Balancing: Setting fees balanced service that enables providers licensed to provide servise in accordance with the relevant requirements and standards, but which also takes into population payout options.

Objectivity: Effective monitoring and evaluation of objectives and transparent work of licensed service providers making appropriate annual comparisons for their performance.

Protection of Consumer Interest: Handling disputes and customer complaints effectively and fairly and involving licensed service providers in this process.

Consultation: Consultation with stakeholders to provide insight to their views and priorities through information sharing, cooperation memorandums, holding workshops, publication of relevant reports on its website, and through seven Customer Consultative Committees. No less important is the provision of advice for drafting Governance and policy review.

Transparency: Publication of information in an open and transparent manner to enable all stakeholders to understand and participate in regulatory decisions which takes WWRO.

Cooperation: Cooperation with all stakeholders and in particular with the other institutions of the water services sector in Kosovo (such as MESP and IPH) to ensure that the responsibilities of the various parties are clearly defined. Also, this principle refers to cooperation with other economic regulators of water services in the region and in Europe in order to exchange experience and applying best practices.

Non-discrimination: Ensure that the service fees charged to consumers are fair and do not discriminate or demonstrate preference for any category of consumers.

1.INTRODUCTION

This is the eighth annual report published by the Water and Wastewater Regulatory Office on te performance of all service providers in the country, who provide water and wastewater services and bulk water supply. The report was prepared by WWRO from data provided by the Companies and independently verified the regulator. Performance report includes a number of performance indicators that provide reliable information and stable and can be used to: inform and talk to interested parties sector, identify changes in performance results, as well as stimulate 'competition by comparison', between water service providers.

The report provides statistical data and graphically display for many key indicators to make it easer to identify performance trends for each company, and to compare performance across the industry as a whole, so it is an overview where providers service identify strengths and weaknesses and compare them with their counterparts in the country.

After 2003, the water utility sector as a whole is undergoing a process of consolidation respectively regionalization. In 2008 the enterprises have finally been transformed to a joint stock companies with the name: Regional Water Company as a Joint Stock Company, which provides water supply and wastewater services in its respective area of service.

Based on the law on Public Enterprises, No.03/L-087, adopted in 2008, is defined the legal framework regarding the ownership on Public Enterprises and their corporate governance in accordance with internationally recognized principles. In this RWC laws aksi are defined as public enterprise owned by the Republic of Kosovo, organized as a joint stock company, responsible for providing water and wastewater services in the country. The Kosovo Government has an exclusive jurisdiction to exercise the rights of shareholders[1] of the Republic of Kosovo. The Regional Water Companies are governed by the Board of Directors and elected by the Government with a mandate to oversee its business. A total of seven RWC are offering their services nationwide which have undergone the regulatory process led by the Water and Wastewater Regulatory Office in accordance with Law No. 03/L-086 and rules derived from it.

Regional Water Companies are approximately the same in terms of size, service thay provide and environments in which they operate, excluding RWC 'Prishtina' which is the biggest company. It is estimated that RWC 'Prishtina' provides services for one third of population of Kosovo. Seven RWC operate within geographically defined areas for regional provision of services which includes all municipalities in the country.

Regional public companies licensed by WWRO are:

1. RWC 'Prishtina' JSC, which provides services to municipalities: Prishtinë, Fushë Kosovë, Obiliq, Graqanicë, Podujevë, Lipjan, Shtimje and Drenas;
2. RWC 'Hidroregjioni Jugor' JSC, which provides services to municipalities: Prizren, Malishevë, Suharekë and Dragash;
3. RWC 'Hidrodrini' JSC, which provides services to municipalities: Pejë, Istog, Klinë, Junik and Deçan;
4. RWC 'Mitrovica' JSC, which provides services to municipalities: Mitrovicë, Skënderaj dhe Vushtri;

[1] Apart from RWC 'Bifurkacioni' shareholders of which are municipalities: Ferizaj and Kacanik

5. RWC 'Hidrosistemi Radoniqi' JSC, which provides services to municipalities: Gjakovë dhe Rahovec;
6. RWC 'Hidromorava' JSC, which provides services to municipalities: Gjilan, Kamenicë, dhe Viti;
7. RWC 'Bifurkacioni' JSC, which provides services to municipalities: Ferizaj dhe Kaçanik.

The only licensed company that provides bulk water is: HEE 'Ibër-Lepenci' JSC which provides bulk water for RWC 'Mitrovica' JSC, and for RWC 'Prishtina' JSC.

In this report from the Regional Water Companies (RWC), in certain cases the terms are also used, Water and wastewater service providers or Public Enterprises, depending on the context.

Report consists of four (4) central parts (A, B, C and D) and a number of annexes.

Part A, is the core of this report where we provide information, analysis and commentary on the performance of the seven RWC. In this analysis is examined the relative performance of the RWC concerning water supply services, wastewater services, and financial/commercial management. This section concludes with an assessment of the overall performance in relation to the ideal level of performance. A number of performance indicators are illustrated using graphs and tables. For most performance indicators sufficient reviews are given to highlight performance trend for average and specific service providers and the reasons for the apparent trend. Levels of indicators are also discussed in relation to the achievement of planning (objectives) tariff process.

Part B, Performance of the Water and Wastewater Service sector, reflects their joint performance, through some significant indicators, such as: water produced sales and NRW (non-revenue water), collection of revenue and the income and capital expenditures. Analysis is made for a period of 5 years in order to give a clearer picture of trends in the development of these indicators.

Following the report Part C, is reviewed and discussed the performance of the only suppliers with bulk untreated water (HEE Iber-Lepenc). While further in the report in Part D is reported the role and performance of the Customer Consultative Committees (CCC). As in previous reports, Annual Performance Report contains the 'key issues', which include comments about the developments in the sector and the challenges of water service providers in Kosovo.

Parts of the report are a number of appendices which provide additional information, detailed data for each RWC performance and other supporting information (definitions and justification), financial statements, statements tariff and contact details.

2.SECTOR DEVELOPMENT

International opinion even earlier, now also in our country are convinced with the fact that water is one of the biggest challenges of the XXI century. Many prominent experts in this field for a long been time are debating and argue that "Water gradually is becoming the major challenge for many people and regions of the world." So, water is becoming a determining factor of economic development and the quality of human health". It is a good news that Kosovo has already begun with the compilation of a **"Strategy of the Water",** which will offer a good basis for exploitation, protection and its use. We think that the water strategy should declare water as a **"strategic priority"** and to considers it as one of the most important national assets available, supported by a series of measures: the rational use of water, fiscal and financial incentive for the introduction of technologies that use water rationally or increase the level of fair use by households and non-domestic, also accompanied by a comprehensive legal package for the use and treatment of water and a system of knowledge included in the school's educational programs, which provide all the necessary knowledge about water and its importance. The year 2013 was also marked by several important developments in aspects: Enhancing the legal framework,, institutional building and policy development in the water sector.

Law no. 04/l-147 on waters of Kosovo

The New Law on Waters of Kosovo was adopted by the Assembly of Kosovo in March 2013 and was signed by the President in April 2013. Water resources, are defined as the assets of general interest and property of the Republic of Kosovo that shall be saved and protected by the Law. By this law the framework is set which provides sustainable development and utilization of water resources, establish procedures and guiding principles for the optimal distribution of water resources, ensure protection of water resources from pollution, overuse and misuse; as well determines the institutional structures for managing the water resources. By this law was envisaged the establishment of several bodies and other units such as: The Inter-ministerial Council of Waters, the Kosovo Institute for Waters of and the Authority of the River Basins District. The purpose of planning and sustainable development of water resources is also foreseen to draft strategic document from the waters.

- **Establishment of Inter-ministrial Council for Waters (IMCW)**

In recent years the Government of Kosovo access to water services, has been proactive. Since the establishment of the Water Task Force (WTF) in 2008 as an inter-ministerial decision-making body with a mandate to advance the water sector and policy framework development and related strategies and action plans which will serve as a coordination platform efforts by local and international stakeholders in further development of the sector. In accordance with the Law No. 04/L-147, on Waters of Kosovo, the Kosovo Government has established the Inter-Ministerial Council for Waters, as the successor of the Water Task Force, as a coordination and decision-making body that examines systematic issues of water, which deals with the harmonization of needs and different interests, and proposes measures for the development, utilization and protection of water resources and water system in Kosovo." Based on this decision, the IMCW is anchored at the level of the Prime Minister and is composed of four (4) line ministers (Ministry of Economic Development, Ministry of Environment and Spatial Planning, Ministry of Local Government Administration, and the Ministry of European Integration). The IMCW provides the general coordination of water sector development in the country and implementation of the legal framework in the sector.

- **Kosovo National Water Strategy (2014-2033)**

In accordance with the requirements of the Law on Waters of Kosovo of the Ministry of Environment and Spatial Planning, and in cooperation with the competent authorities of the state administration has started the preparation of the "National Water Strategy of the Republic of Kosovo', valid for the period (2014-2033). The overall goal of this strategy is effective management of water as a vital element of economic development and social welfare of the Republic of Kosovo. In accordance with the principle of integrated water management, Strategy has a broad multisectoral approach that tries to incorporate all the important aspects of water management in the Republic of Kosovo, including among other things the water services for population and households inhabited in rural areas: water supply, wastewater collection and wastewater treatment. With the strategy are defined strategic objectives for efficient use of water, as well as fair and effective governance of water.

Management of drought period

By the end of 2003 and the beginning of this year an extreme drought prevailed which has resulted with nearly empty water reservoirs (lakes accumulation) leaving more than a half of million people mainly in Prishtina and Gjilan region to face serious water shortage. The situation was approximately the size emergency, there was very little rainfall, mostly there was no snow. The alarming situation seems to have been in the service area of RWC 'Prishtina' which could not afford supplies and drinking water treatment capabilities needed in the service area. Water level in both lakes (Batllava and Badovc) was very low. The approximate situation was also in RWC 'Hidromorava', where Perlepnica lake and the source 'Guri i Hoxhes', were to the point of total exhaustion of water. Initially, with reduction of drinking water processing, then beginning of additional reductions of drinking water. Kosovo Government (Inter- Ministerial Council for Waters) in order to manage the created situation by drought, has established a working group for these two companies, led by the Council Secretariat and composed by representatives of municipalities, RWC (Prishtina and Hidromorava), PMU (MED) Division of Policy of the Water Department (MESP), Agency for Emergency Management (MPI), MAFRD, WWRO and community of donors, Working Group have analysed the situation and have taken actions and activities which were implemented by institutions, and which have helped to overcome the situation. Continuously the public and institutions have been notified as to the present situation and the actions that are being taken.

Guidelines for the management of droughts in the Regional Water Companies

Given forecasts of local and international institutions and the Balkan region including Kosovo, can occur even in the field of global warming impacts on climate change consequences, respectively in temperature and rainfall variations. The Inter- Ministerial Council for Waters, financially supported by GIZ (Climate Change Adaptation Program in the Western Balkans), has started with the preparation of 'Drought management guidelines in the Regional Water Companies.' The draft was prepared with the assistance of international consultants during the period November 2013 – June 2014, based on the best European standards in the field, and in close consultation and collaboration with local institutions and RWC. RWC 'Hidromorava' is the first company which has developed a plan for managing the droughts. Preparation of this plan is supported by the Government through Inter- Ministerial Council for Waters and GIZ funding, the adaptation program to climate changes in the Western Balkans. RWC 'Hidromorava' and its Plan, will serve as pilot companies, so that every RWC in Kosovo enables to fulfil its legal obligation to design and implement an effective plan of management of droughts and to ensure water supply necessary for the public all the time.

Program adaptation to climate change in the Western Balkans

German Agency for International Cooperation (GIZ) is developing a program of significant investment in joint projects with government institutions of the Western Balkan countries (Albania, Macedonia,

Montenegro, Serbia and Kosovo) in order to prepare these countries cope with the negative effects of climate change. According to current estimates, Balkan has an increased risk of extreme weather events. Summer will become increasingly dry and hot, winters can also become colder. This will create many more problems in the water supply, and specifically this program aims to help these countries (Kosovo) to create an early warning system for floods and droughts. Increasingly attracting the drawing attention of policy makers to guide their efforts to supply more water, as well studies on the development and conservation of water resources.

Danube Water Programe (IAWD)

In 2013 began the Danube Water Program with World Bank support, which includes Kosovo, along with 12 countries in the Danube region (Austria, Albania, Ukraine, Romania, Moldova, Bulgaria, Macedonia, Serbia, Croatia, Bosnia and Herzegovina and Montenegro). This project is intended to assist these countries in building strong services and sustainable water supply and wastewater services. Action Plan is structures around the following five pillars: Policies, Fees, Benchmarking, Asset Management and Investment Planning and Improving service efficiency. The program is implemented using three main instruments: analytical work and advisory platform for knowledge sharing and capacity development activities. Kosovo is an active part of these activities with the participation of officials in charge of water sector institutions.

Continuing the consolidation and integration of Municipal Water Supply

The restructuring process (consolidation) of municipal public enterprises started in 2003, although it is finalized in late 2006, has left out the utilities in municipalities with Serbian majority (Strpce, Novo Berdo, northerthn Mitrovica, Leposavic, Zubin Potok and Zvecan), then later created municipality during the process of decentralization and two municipal water enterprises in Decan and Kacanik with their Municipal Assembly consent they have decided not to be a part of the respective RWC. But, now the municipal water enterprises in Decan and Kacanik are integrated, it is expected that soon the municipalities of Novo Berdo, Strpce, Ranilug, Partes and Klokot to join the RWC 'Hidromorava', respectively 'Bifurkacioni', as it will provide a mutual willingness of the RWC and respective municipalities.

10 YEARS OF RWCs REGULATION

Water and Wastewater Regulatory Office as the authority responsible for the economic regulation of the water and wastewater of public enterprises was established in November 2004 (by Regulation 2004/49) in the wake of institutional reforms undertaken by local institutions from 2003 to 2008, in order to reform the water service sector in the country. The main goal of economic regulative installation was to establish financially sustainable enterprises, increase accountability and transparency, and increase efficiency through effective implementation of regulatory oversight. Later in 2008 the Regulation 2004/49, was replaced by the Law on Activities of Water, Wastewater Services Providers (no. 03/L-086) which established the legal framework for the economic regulation of public companies that provide water and wastewater services in Kosovo and defines the responisibilities and authority of WWRO as an independent regulator that responds to the Assembly of Kosovo. The WWRO, under this law, is the authority responsible for: (i) the licensing of water service providers, (ii) determination (approval) of tariffs for water services, (iii) setting and monitoring standards of service, (iv) monitoring the performance of service providers, and (v) establishing the relationship between service providers and customers. As an economic regulator, primary goal of the WWRO is to ensure that providers of regulated services do not misuse their monopolistic position by ensuring that they provide the best standards, at reasonable prices, and that their and customers' rights and obligations are balanced and well implemented.

The economic regulation of the water sector by an independent regulator is in accordance with international best practices and reflects the main features for this sector:

(i) Regional organization, e.g. based on river basins for the distribution of water resources, (ii) the natural monopoly character, (iii) Creation of significant opportunities for improvement through economies of scale, (iv) the need for long-term investment and good management of the sector, and (v) limited availability of skilled technical resources and management.

During these 10 years of operation, the Water and Wastewater Regulatory Office managed to gain entirely in the water services sector and has become the main pillar of RWCs development and water services sector in general.

In principle, currently the WWRO achievements can be sumerised briefly:

- Preparing and issuing legal instruments, primary and secondary,
- Issuing licenses for water service providers,
- Approval of water tariffs,
- Development of methodology for determination of tariff,
- Develop tariff policy,
- Preparation of Regulatory Accounting Guidelines ,
- Developing regulatory business plans for RWC,
- Development of financial and operational reporting and service to customers (ROFK), (OFCR)
- Annual Monitoring Plan (AMP),
- Active participation in international networks of Benchmarking (IBNET, DANUBIS),
- Establishment and functioning of the Customer Consultative Committee in 7 Kosovo regions,

- Complete the necessary staff of WWRO,
- Designing and updating of the website,
- Establish relationships with stakeholders in the country and abroad,
- Organize a series of workshops for stakeholders in the water sector,
- Preparation of important documents for the internal functioning of the WWRO,
- Publication of annual performance reports,
- Publication of tariff reports,
- Research and studies for various regulatory issues and water service sector in general,.

During this period the WWRO was supported by donors and development Agencies (ZNKE, SCO, etc. ECLO, SCO)

The WWRO, during period of 2009-2011, has reviewed some of the rules, including the Charter Customer Rule, Water Service Disconnection Rule, Customer Consultative Committee Rule, and Service Standards Rule, and after following the statutory consultation with stakeholders, the reviewed and updated regulations were issued.

In accordance with regulatory best practices at the end of 2007, a radical change concerning the way of determination of tariffs was presented, and the same methodology is applied during the three-year tariff period for 2009-2011. This approach of multiyear tariff determination is further improved in 2011, WWRO through technical support provided by consultants funded by the EU and managed by ECLO, has set tariffs for three years to seven RWC 2012-2014. According to the methodology developed in accordance with regulatory accounting guidelines. Performance report from the review year 2010 analysed performance based on the new methodology performance monitoring by regulatory requirements (Annual Monitoring Plan), which focuses on benefits for customers and is entirely consistent with the new methodology of tariff setting.

Furthermore, WWRO along with supporting projects helped all licensed service providers in: building capacity of their reporting, performance improvement with emphasis on increasing the efficiency of revenue collection, reduce non-revenue water and enhancing customer care.

Part A:

Performance of Regional Water-Wastewater Companies

3. PERFORMANCE OF RWC's

3.1 Water Supply

Monitoring the performance of water services including key areas of financial and operational aspects and in general the service quality, WWRO has developed a significant process of monitoring performance, entirely closed which goes through four phases: (i) Data reporting by Companies, (ii) their verification by the Regulator, (iii) analysis and (iv) publication of results of the performance evaluation.

Monitoring is an essential element for better regulation of the sector and regulated companies based on their performance and allows the regulator to determine whether conditions based on performance during the regulator process provide benefits for the public.

The performance evaluation in this report is done for all seven Regional Water Companies (RWC), which provide water and wastewater services in their responsible service areas, including RWCs: Prishtina, Hidroregjioni Jugor, Hidrodrini, Radoniqi, Mitrovica, Bifurkacioni and Hidromorava. Evaluation reflects the performance of RWC's during 2013, compared with 2012, and in relation to planning of the regulator business plan agreed with the regulatory during the tariff process (2012-2014). Performance evaluation is done through performance indicators approved by Annual Monitoring Plan (AMP) developed by the WWRO.

Data proved by RWC's are reported independently by system, monthly and annual reporting, while WWRO has taken the audit activity to ensure that data reported are accurate and reliable. Furthermore, officials in charge of service providers were given the opportunity to comment the accuracy of the data found as well the performance reasons.

3.1.1 Technical Performance

The quality of the water supply service can be measured through a large number of indicators, the availability and coverage with this service, however, the true quality of supply to a large extent, some technical operative indicators can be described, which we have discussed in this report: first water quality, pressure in the water supply network, infrastructure service and continuity of water supply.

Water quality

Ensuring that water provided is safe for drinking and with high quality is essential to the health and welfare of the population. In this respect the main responsibility of the water companies is to provide water that is safe (pure) and pleasant to drink.

Even this year the water quality is assessed based on results of regular monthly reports from the Water Centre (IPH) as the institution responsible for monitoring and ensuring that the water distributed by RWC is drinking and in accordance with parametric values of legal framework[2] which guarantees water quality. In this part we report on the compatibility of water distributed by RWC with several key parameters that indicate the quality of drinking water, in terms of Microbiological and Physic-Chemical.

The level of compliance takes into account the total number of samples analysed in relation to number of samples which have met the standard of drinking water quality. It is important to note in this case that a low compliance may mean deficiencies in water quality.

[2] Administrative Instruction no.16/2012, on the quality of drinking water for human consumption, adopted by 24 December 2012, the parametric values are established (physic-Chemical and microbiological), which need to be achieved to have drinking water.

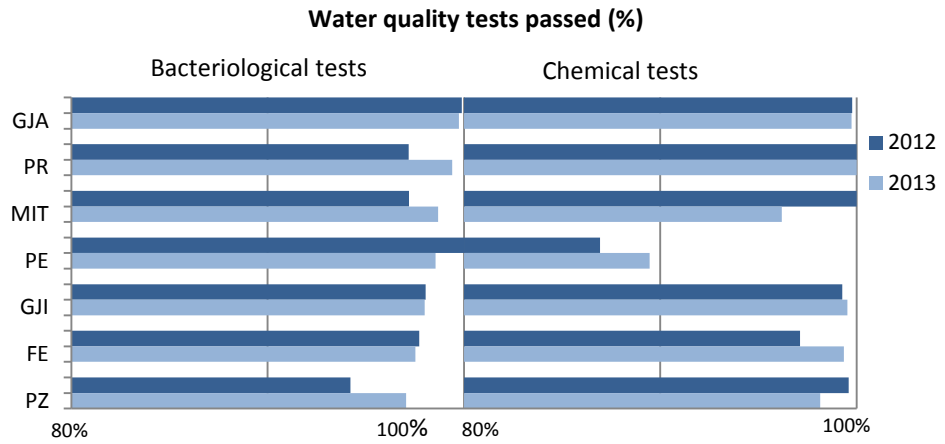


Figure 1, Tests results of water quality

Microbiological compliance is the most important indicator of an immediate impact on the health, without neglecting in this regard the chemical aspect. While physical parameters-color, taste and smell are important for customer perceptions related to the quality aesthetic.

Regarding water quality for bacteriological terms during 2013, marked the best performance on the tests practicability 98.4% compared with 2012 when the pass rate was 97.6%. the impact in general result has been improved in RWC (Prishtina, Hidroregjioni Jugor and Mitrovica). Other companies have had almost the same performance in water quality, excluding RWC 'Hidrodrini', which has shown poor performance this year with 98.6%, practicability of bacteriological tests.

The best water quality for its customers regarding bacteriological terms in 2013 provided RWC 'Radoniqi'.

Bacteriological water quality in most cases has been influenced by the presence of coliform bacteria and e-coli bacteria, which presence means that the water may be contaminated with fecal material. These organisms are not allowed to be present in drinking water.

Physical-Chemical Compliance of water quality in physical-chemical terms at the sector level during 2013, has marked the value of 97% and remained the same as in 2012.

The higher level of failure in physical-chemical terms in 2013 reported two RWC (Mitrovica and Hidroregjioni Jugor).

The failure of water quality in physical-chemical terms during 2013, at a higher level is noticed at RWC 'Mitrovica' (Mitrovicë, Skenderaj dhe Vushtri) in relation to 2012, present above local rates resulted manganese chemical parameters (mn) and nitrites (NO2).

RWC 'Hidrodrini', although in 2013 has marked a progress, still has problems with high presence of chemical pollution, mainly in the area of supply from O.U. Klina.

Internal monitoring of water quality based on UA 16/2012, it is foreseen to become the RWC, so they are obliged to carry out regular analysis of water quality to ensure that the water supplied by them complies with local standards for drinking water. Most RWC although have laboratories and they do some basic testing, they are not yet fully equipped with the staff and equipment required te meet the requirements arising from the UA. WWRO recommends that as soon the RWC implement internal monitoring of water quality, either through their laboratories accredited or contracted for this purpose.

Low pressure supply

This indicator refers to the total number of properties in an area of water that received water with a pressure below the reference[3] level, local legal. Pressure on the network is one of the important service standards, and not its non-achievement is directly related to customer satisfaction with the service provided, causing concern, in particular when using sanitation facilities.

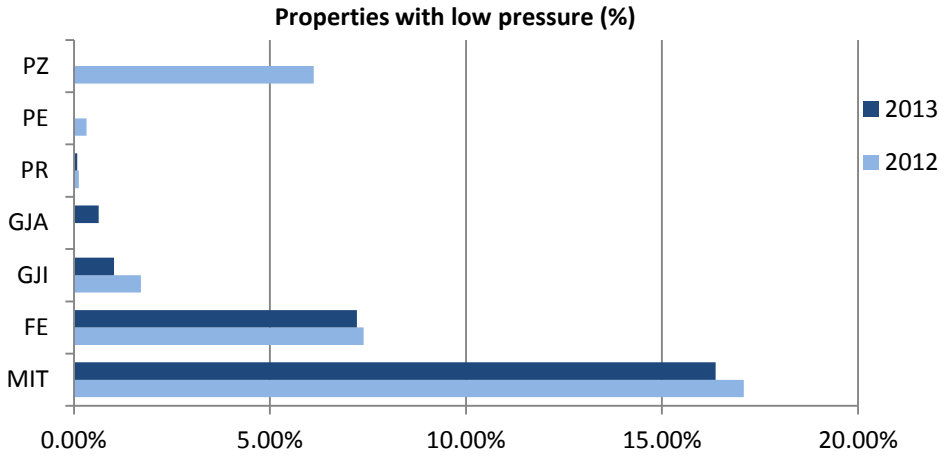


Figure 2, % of customers supplied with low pressure.

At the level in 2013 is seen that we did not have major problems regarding low pressure because this value has dropped to 2%, a level even lower than it was in 2012 by 5%.

It seems that two RWC (Mitrovica and Bifurkacioni), still have problems with providing pressure in some areas of their service. The reported data show that these two companies, although compared to 2012 in these two companies the progress is marked. Two of these RWC (Hidroregjioni Jugor and Hidrodrini) have not reported that have had any problem with the low pressure in their service area.

Problems with low pressure usually have the residential areas which have continuous enhancements of the population and are located in areas with high geodetic quotes.

Pressure in the network is currently very difficult to measure and report by service providers due to various technical reasons, e.g. topography and other technical obstacles. Therefore we suggest that these data to be taken with caution because of reliability not complete, furthermore on the fact that none of the RWC, are doing adequate measurement of pressure. We recommend all RWC that they must set real programs for management of pressure in their service networks. Proper management of pressure directly affects network maintenance when it is known that a high pressure is the single largest cause of pipelines blasts. Also pressure control is important in reducing the activities of water loss from the network, since it minimizes potential leakage and reduces the quantity of water that is lost after the leakage has occurred.

[3] Hidraulic pressure in the pipe of Customer, should be not less than 25 w.m.p and not more than 70 w.m.p.

Water Continuity

Water continuity[4] supply is one of the most important standards of service which directly affects the lives and welfare of the population. Otherwise regular water supply and water quality is one of major challenges that humanity face today.

This indicator provides information on the percentage of the number of customers for whom water supply was available during the reporting period. Continuity of water supply is divided intor three groups: (i) customer with 24 hours service per day, (ii) customer with 18-23 hours service per day and (iii) those with less than 18 hours service per day.

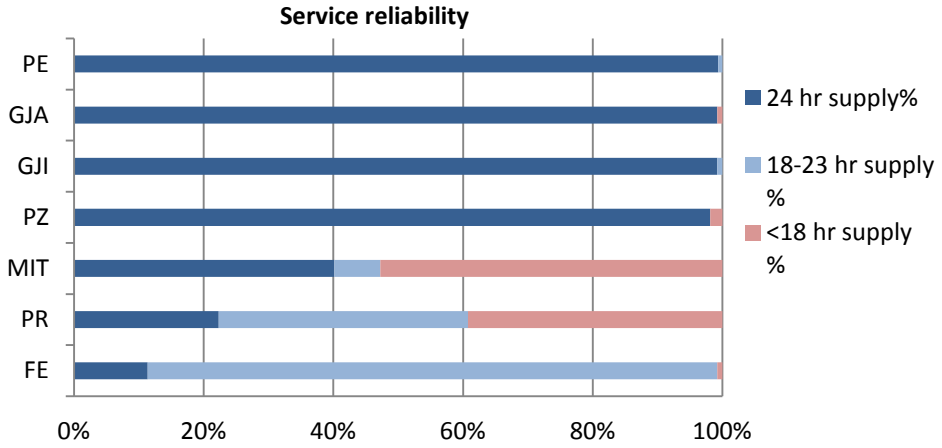


Figure 3, Continuity of water supply for 2013

As shown in Figure 3 in all RWC has been a lack of continuity of regular water supply. At the sector level in 2013, there has been deterioration in the supply continuity in relation to 2012, it is noticed especially in the second half of 2013, which comes as a consequence of the drought to continue in the most extreme in the beginning of 2014. In 2013 about 40% of population has been affected by water shorages.

Even in 2013 the companies which have less reductions application (for a short period during the summer), have been the RWC 'Hidrodrini', 'Radoniqi' and RWC 'Hidromorava' 99% of customers have been supplied 24 hours with drinking water although compared with the previous year it has dropped by 1%.

RWC 'Hidroregjioni Jugor', is ranked in a second position with 98% supply 24 hours for its customers in 2013 which compared to 2012 remained in the same position, while only 2% of customers in total were supplied less than 18 hours, just as they were in 2012.

Problems i supply 24 hours/days, for their customers in 2013 continued to have three companies, RWC 'Prishtina', 'Mitrovica' and RWC 'Bifurkacioni'. Apart from RWC 'Prishtina', which has deteriorated, compared with 2012, RWC 'Mitrovica' and 'Bifurkacioni', marked progress towards continuity of water supply.

In general there are three identified reasons that reflect the lack of water supply in service area of RWC: (i) Lack of water resources, (ii) lack of manufacturing capacity and (iii) high loss of physical and commercial water.

[4] Means water cuts applied by the RWC, in this case are exempt short-term supply outages which have been as a result of defects or planned outages during performance of any activity of the Company .

Exclusive responsibility of the service provider among other things is the fulfillment of customer requirements for continuity in the supply and management of water losses. Irregular supply has an impact on the quality of drinking water and consequently the negative effects on the health, the environment, the economy and restrictions for various uses. Also affects the level of customers satisfaction in the service provided. In order to address this challenge to WWRC, the RWC recommends that in addition to resources development and capacity building to undertake productive activities planned to reduce water loss.

Pipe burst

The number of pipe bursts (defects) in a year for 100 km of water pipes in the distribution system which is under the responsibility of the management of the company, i.e. excluding the pipes for acces to customer service.

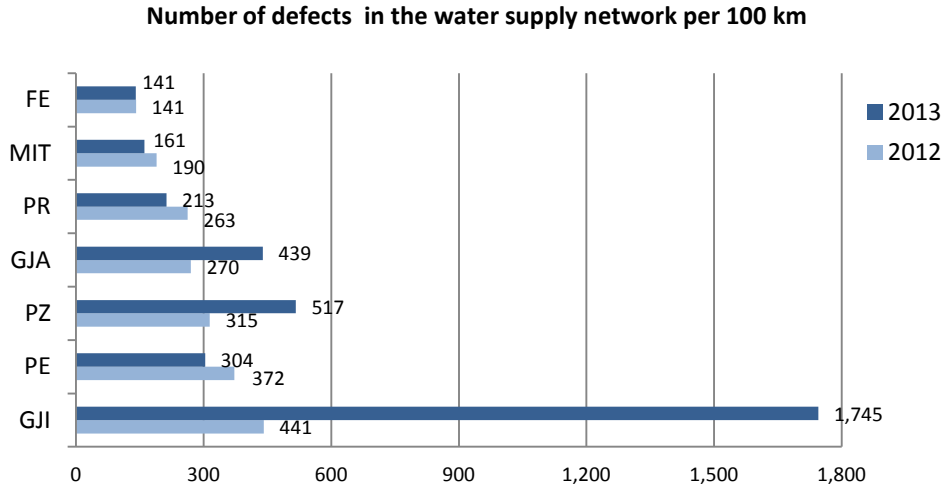


Figure 4, Pipe burst of water supply network

During 2013 the number of defects in the water supply network per 100 km at the sector level is reported to be higher comparing with 2012. On average of the sector in 2013 were recorded 503 defects per 200 km of water supply network, it is 77% more than in 2012, where they recorded 284 defects per 100/km.

Defects (burst) of pipes in 2013, many more have occurred in the RWC 'Hidromorava' with 1,745 defects per 100 km, length of water supply, mainly due to aging of the pipes which are still in service and inadequate existing pressure.

Less defects during 2013 compared with 2012, are listed in RWC 'Mitrovica', 'Prishtina' and RWC 'Hidrodrini'. This has come first of all as a result of the activities of these companies in the rehabilitation of the network, through which current projects are underway.

Assistance in the detection of leaks has been given to the citizens, through addressing the many complaints (announcements) to their respective companies.

Impact on the network performance is: the age of the water supply network pipes and not management of high pressure. Pressure is destructive during moments when water consumption is lower in areas with low geographic quotas. Rate registered among all RWC, shows that the RWC distribution network, has major problems. According to some international standards to a higher value than 50 defects (burst) per 100 km network of pipes urgent intervention is needed to rehabilitate the

pipe system. No doubt that this high level of defects identified in the distribution network in all RWC affects the need for urgent investment in the renewal and maintenance of them.

Non-revenue water (NRW)

Non-revenue water (absolute amount), is the difference between the quantity of water produced and the amount of billed water in general non-revenue water consists of two components: (i) commercial losses and (II) physical losses. While commercial losses represent consumed water, but has not reached to bill the customers, so water is used through illegal connections, underestimation while reckless billing (notional), unauthorized consumption or inaccuracy of water meters. Physical losses are losses that occur as a result of leaks in distribution pipes and service connection, to the customer's water meter.

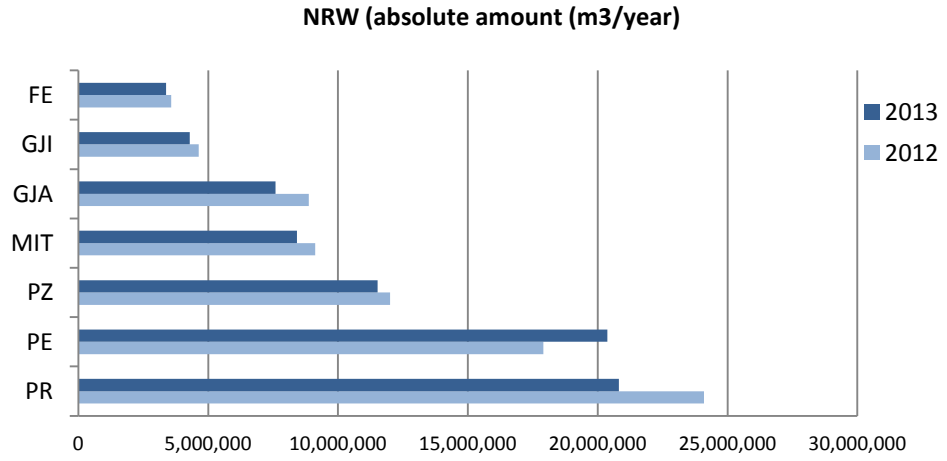


Figure 5, Non-revenue water (absolute amount)

From figure 5, we can see that six companies, except RWC 'Hidrodrinin', which have positive trends in reducing the quantity of water losses in 2013 compared with 2012.

At the sector level quantitative losses in value during 2013 compared with the previous year are reduced over 3.8 million m^3, as a result of the reduction of water production to most companies. Production in the average of the sector is lower with over 3.6 million m^3, in 2013 compared to the previous year.

Of all the companies in total during 2013 are planned to be produced over 150 million m^3, needed to cover the requiriments of customers, while the current output in 2012. Decrease in production is due to shortage and water resources management with value has reached over 134 million m^3, this is 11% less than planning and 3% less than the resources affected by the lack of rainfall.

The company to which NRW, the quantitative value has increased during 2013 compared to 2012 with over 2.4 million m^3 si RWC 'Hidrodrini', mainly because if failure of billing for 1 million m^3.

Non-revenue water (l/cons./d) adjusted, represents the average volume of NRW in relation to total customer service area. This indicator is adjusted for hours of water supply (continuity of supply), to amortize the impact of water supply reductions applied by some RWC.

This indicator aims to assess the amount of daily water losses in proportion to the number of water customers, making available for analysis in the evaluation of commercial water losses.

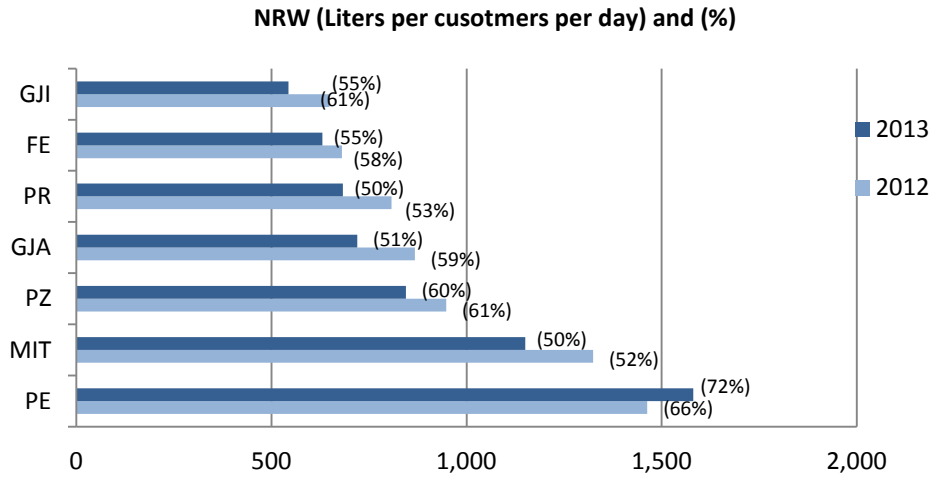


Figure 6, Comparative performance of NRW, presented (l/cons/d) and (%)**5**

Figure 6, provides graphical presentation of water loss per day connection of the water supply companies during the last two years, (2012-2013).

NRW liter for customers per day (l/cons./d), as the sector average in 2013 has marked progress with 2012, is can be seen in figure 6, where all companies except RWC 'Hidrodrinit' have marked reduction of losses (l/cons./d).

The company which is ranked the best concerning NWR liter for connection per day adjusted for hours of water supply is the RWC 'Hidromorava', with less losses in 2013 of 544 l/k/d and which if compared with the previous year as it was 649 l/k/d has also progressed.

The company which is also ranked last in 2013, is RWC 'Hidrodrini' which if compared with the previous year had increased NRW from 1,463 l/k/d as it was in 2012 at 1,581 l/k/d during 2013, despite good supply of drinking water that the company offers to its customers, high losses have positioned in last place.

The company which has made the greatest progress during 2013 in comparison with 2012 to NRW is presented in percentage is RWC Radoniqi' with 8 % decrease losses. Impact in reducing NRW at RWC 'Radoniqi' there was an increase in billing in m3 for about 1 million m3/per year in 2013 compared with 2012. However, during the reporting period, the company has made efforts to improve the situation and is ranked as the company with the highest improvement in loss presented as a percentage of all other RWC.

NRW as a percentage of water production (%), in this section NRW is estimated as a percentage of the amount of billed water to the quantity of water produced.

So, it is the indicator most commonly used to assess the level of water losses. Although it is easy to understand and is being widely used, there is a general percepton that this is not a suitable indicator for assessing the level of water losses.

Water losses presented in percentage at the sector level have made progress during 2013 and are at 57% compared with 2012 they were 58%.

[5] UPF value of connection per day is tailored/adjusted to kompensate for the hours of service per day .

NRW rate of 57%, in general, is still very high compared to international best practices in the height range of 20%. In some countries with developed system of water supply this value falls even below 10%.

The company which has made the greatest progress during 2013 in comparison with 2012 to NRW is presented in percentage the RWC 'Radoniqi' with 8 % decrease losses. Impact in reducing NRW to RWC, 'Radoniqi' there was raising the billing in m3 for about 1 million m3/during 2013 compared with 2012. However, during reporting period, the company has made efforts to improve the situation and is ranked as a company, to improve the high losses expressed as a percentage of all other RWC.

The highest NRW of all RWC during the reporting period in 2013 with the value 72% reported by RWC 'Hidrodrini', which explained to be due to lack of management of produced water and also lack of efficiency of billing the water distributed to its customers.

Reduction of NRW continues to be a challenge for all RWC. The average level of NRW for seven RWC goes up to 57%. Almost none of the RWC have been able to reach the objective for two years of current tariff process. We recommend the RWC through planned actions to address problem of reducing the NRW. Initially the concentration on reducing and at the same time with a low cost, without bypassing reducing physical losses which are considered to have a cost many times higher.

3.1.2 Commercial Performance

Following this report are widely discussed and analysed three important indicators that present the RWCs commercial performance.

Coverage with service

Presents the percentage of the population within the defined area of service supply providers that have access to public water. Obviously, a large part of about 20% of population (especially rural areas) are not currently served by public service providers but have limited rural water supply e.g. wells or springs out of RWC responsibilities.

Water service coverage is discussed in term of population served and total direct water to the people living in the service area of the RWC, during reporting period. Service coverage analysis takes into account the results of the census and households was conducted in 2011 and published by the Statistical Office of Kosovo.

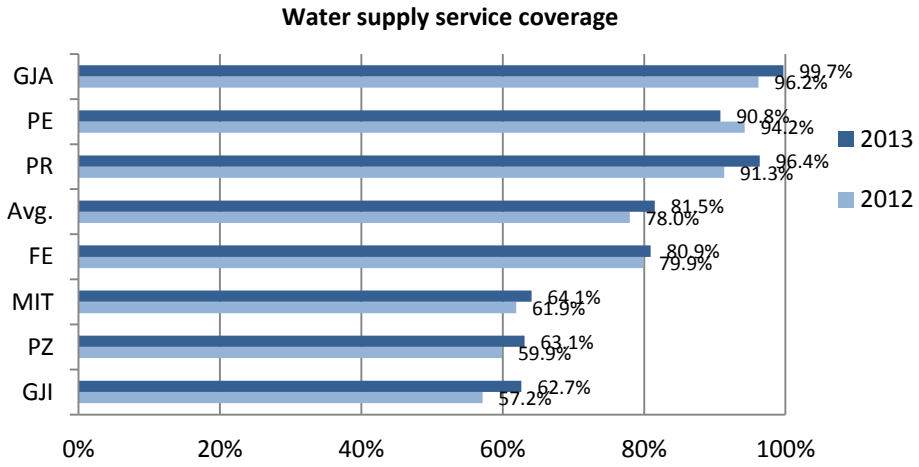


Figure 7, Coverage with water supply services

The highest degree of the coverage during 2013, has RWC 'Radoniqi' which if compared with 2012 has progressed from 96.2% to 99.7%, this happened due to an increase in the number of households for a part of Prizren region, which is under the management of RWC 'Radoniqi'.

RWC 'Hidrodrini', has reported a decline in the percentage of population directly served with water from 94.2 % reported in 2012 to 90.8%, for the reporting period. This coverage decreases can be explained that decline was caused mainly by the impact of the expansion of the service area in the municipality of Decani occurred when new integration OU Decani within the RWC 'Hidrodrini'.

As the sector average coverage of water supply services in 2013 reached 81.5% compared with the level in 2012 it was 81.5%.

The largest increase in this indicator during 2013 is reported by the RWC 'Hidromorava' and 'Prishtina', respectively from 57.2% to 62.7% for 'Hidromorava', and 91.3% to 96.4% for RWC 'Prishtina'. The main reason for this increase has been the implementation of their projects that include the expansion of the water distribution network in areas with inadequate services.

The overall objective of the plan to increase service coverage by RWC in 2013 designed with tariff process almost have been met, the fact that the number of young customers involved in water supply services from RWC is only for 290 customers less than planned. Also there three RWC (Hidroregjion

Jugor, Hidrodrini dhe Hidromorava) that managed to pass the objectives planned for 2013 to increase their customer base.

A significant improvement and the cardinal is the increasing number of population with access to water supply. The current situation of water supply service coverage provides an overview of the existing potential RWC increase their customer base. From Figure 7, it may be noted that none of the RWC were not able to provide with water all population living in their service areas. Most of RWC and notably RWC (Hidromorava, Hidroregjioni Jugor and Mitrovica) have the greatest potential of increasing their customer base. Therefore WWRO suggests that RWC to make as soon as possible integration of municipal and rural water supply schemes, since we see this as an important for RWC as an opportunity for realization of additional incomes, but simultaneously also important for population themselves, since it will receive stable and secure services. Companies should also identify illegal connections and make their realization, since the RWC business plan we have seen that they also illustrate a high potential to increase the number of customers and billing. This will provide more opportunities for increase of bill without proportional increase in production capacity and will contribute to the reduction of NRW.

Water measurement

Measurement of water is necessary in order to measure the amount of water consumed, and to charge customers with real consumption. Furthermore, it is an important tool for a company to monitor the amount of water produced and sold.

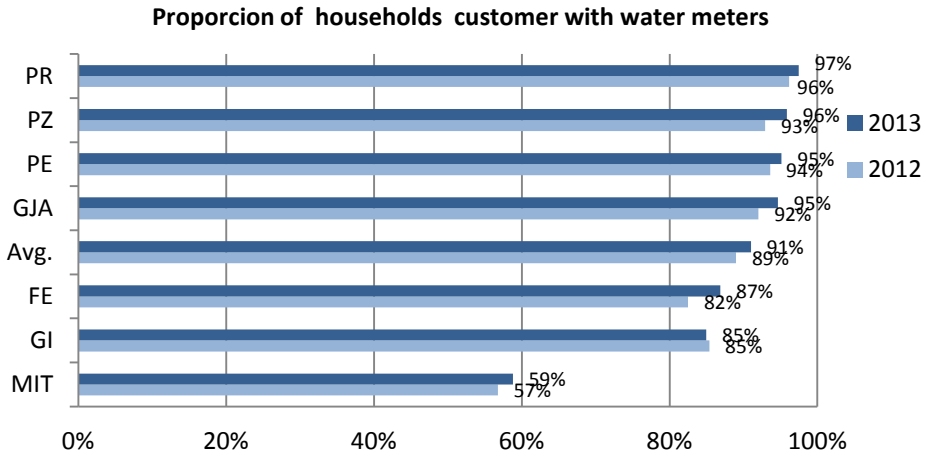


Figura 8, Proportion of households with water meters

In figure 8, is presented the rate of household customers, who are equipped with water meters in relation to total of served household customers.

During 2013 the sector level, the average ratio of measuring water has continued to improve and reaches 91%, it is about 2% more that in the previous year 2012. In absolute terms during 2013 are reported to be located over 5,000 new meters from all companies only for households.

Proportion of commercial, industrial, and institutional customers with water meters is at level 94%.

In 2013 the RWC,Hidrodrini' and ,Radoniqi', have equpied their customers with meters at 95% end 96% RWC ,Hidroregjioni Jugor'. While RWC 'Mitrovica', still charges only about 59% of total number of customers based on meter reading.

Significant improvement in the proportion of customers with meters is noticed at RWC 'Bifurkacioni' with the increased rate of 5%, compared with 2012. While the highest proportion of customer with meters during 2013 has WRC 'Prishtina' with 97%.

It should be noted that the slow growth rate of proportion of customers with meters is influenced by the need to replace damaged and dysfunctional meters which are in a considerable number in all RWC.

On eof the objectives of WWRO during the past two years has been that companies equipping all of their customers with functional and calibrated meters aiming to eliminate estimation of (notional) billing and raising the overall accuracy of billing. The regulatory's concern regarding the troubles of a large number of customers from different cities who address their complaints to companies but also to the regulator, regarding the inflated water bills. RWC WWRO recommends that equipping customers with meters to place as a priority not only for the fact that consumption has a positive effects in many ways but also to meet the legal requirements which obliges billing to be done only through the reading of meter. Furthermore, this is also a necessary tool to efficiently manage water saving, it gains more importance most especially the RWC faced with the challenge of meeting the needs of their population with drinking water.

Complaints

In this part of the report is presented the total number of complaints received by RWC's, which are submitted in writing or orally by the customer on this occasion they have expressed dissatisfaction about any improper action or failure to act by the company. The customer complaints give a significant overall customer satisfaction with the services provided by water companies. Customer complaints are also of particular importance, since provide information on aspects of performance that need improvement.

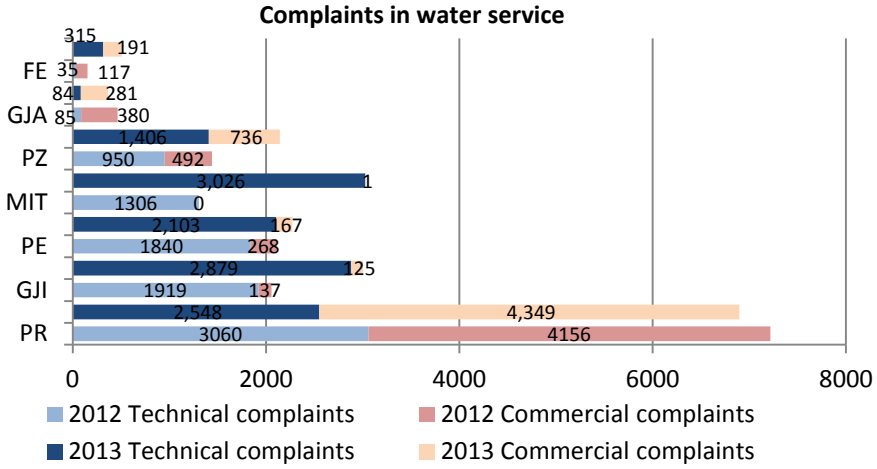


Figure 9, Complaints in water service

Performance reporting framework requires from companies to report the total number of customer complaints specified in two categories: (i) technical complaints, which relate to the irregular supply, frequent outages and defects in the network and drinking water quality and (ii) commercial appeal that many are the reason for disputing the accuracy of billing and the billing method (notional billing and billing in collective accommodation), etc.)

Number of complaints on water services during 2013 in total amounts to 18,211, this is 24% higher in 2013 compared with 2012. 12,361 of them or 68%, are complaints of technical nature and most are

related directly to water leaks in the water supply, while 5,850 or 32%, are commercial appeal dealing with disputes of debts and billing outages.

RWC 'Bifurkacioni' hs reported the lowest number with a total of 222 complaints, continuing to the RWC 'Radoniqi', with 365 complaints in 2013. RWC 'Prishtina' and 'Radoniqi' are two companies unlike others that have reported to decrease the number of complaints 2013/2012.

RWC 'Mitrovica' and 'Bifurkacioni', have reported rising number of complaints and this is first and foremost due to better management of complaints this year, increasing the number of technical complaints which are mainly related to leak into the water supply network in all RWC. These data provide a clear indication that water companies should take measures to urgent investments with aim at their rehabilitation.

The number of complaints is increased continuously year after year and because customers started to become aware and convinced it is worth to complain, since most of companies are increasingly committed to review and update regularly and quickly complaints received from customers.

Rules for minimum service standards set by the regulator, determines charges for water utilities regarding accountability and complaints handling service. In accordance with legal requirements and best practices, RWC should have written procedures for handling customers' complaints and requests, appropriate system for recording and updating of the database and the opportunity to assess progress in investigating the complaint. Companies need to provide customers also treatment and review of complaints in accordance with the legal terms set the service standards.

Volume of water sold

Represents the volume of water sold in relation to the projections in the Business Plan applied to the current tariff process (2012-2014).

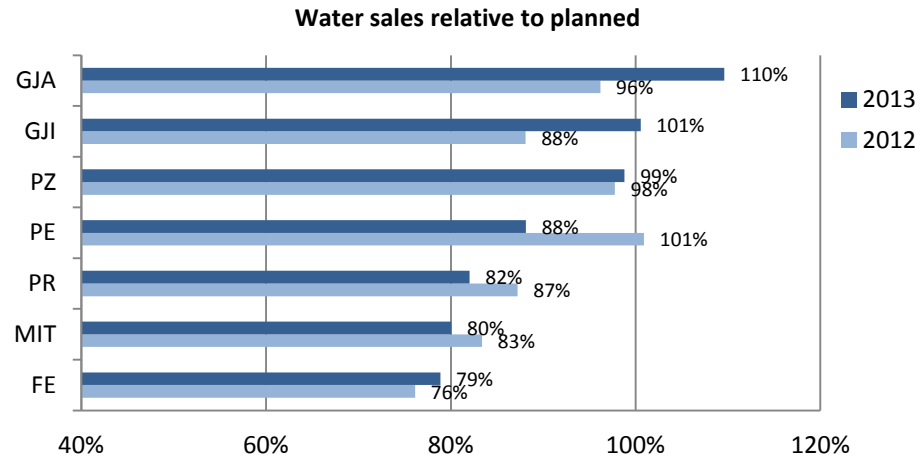


Figure 10, Water supply sales value relative to plan estimates during tariff review (2012-2014)

At the sector level sales realized in relation to those planned, has marked poorer performance by 3%. In 2013 implementation of sector-level was 89%, if this turns into quantitative values for 2013 from all RWCs are planned to sell over 60 million m^3 water, while around 53 million m^3 were realized, which is less for over 6 million m^3.

RWC,Radoniqi', 'Hidromorava' and RWC 'Hidroregjioni Jugor', are three regional companies which have managed to achieve planned sales, while other companies including RWC 'Prishtinë', 'Hidrodrini',

'Mitrovicë' and KRU 'Bifurkacioni', achieved values between 70% and 90%, of fulfilment of planned target in volumetric of water sales.

RWC 'Bifurkacioni', in 2013 as in 2012 was the latest in fulfilment of water sales target with only 79%.

Not reaching the quantitative water sales target (volumetric) caused that most of RWC have not achieved to have planned incomes to meet their financial needs. This is reflected in the failure to implement the capital expenditure projections.

3.1.3 Financial Performance

Value of sales (EUR)

The total amount of water sales is an important indicator of financial performance through which the operating costs and capital maintenance are covered by creating preconditions for financial self sustainability of companies.

The figure below presents water sales performance compared with planned assessments as they were defined in tariff applications of RWC for tariff review process 2012-2013.

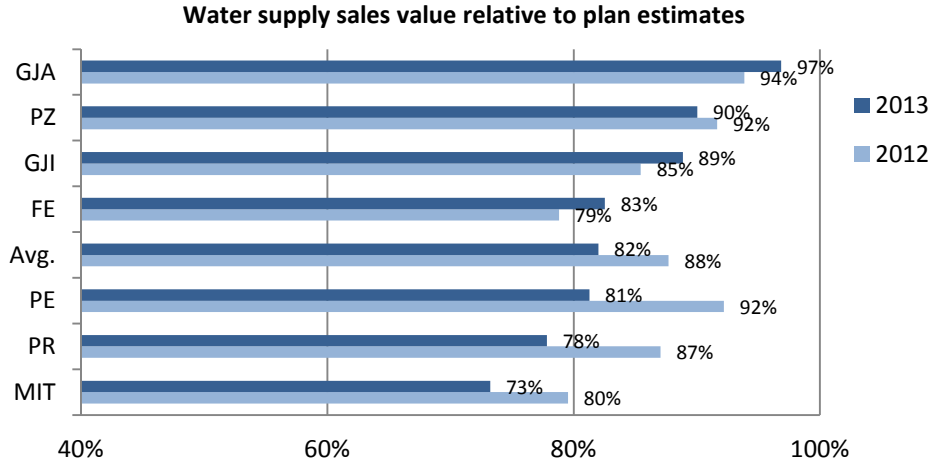


Figure 11, Water supply sales value relative to plan estimates

Unsurprisingly this year as in previous years the sales value for each RWC were much lower as the planned sales value (see Figure 11-), mainly due to poor performance of sales volumes as described above.

The value of sales realized in 2013 at the level of the water supply sector was 25,780,769€ while the one planned was 31,355,141€ which means that 82% of sales are realized from what was planned and is lower by 65% compared with 2012. (Value of planning for 2012 was 28,717,893€, while it was realized 25,190,720€ or 88%).

Planning in the value of sales, are obviously growing year after year by RWC. Expectations for 2013 sales were higher for 9% compared with 2012. Realized sales value is increased for only 2% in 2013/2012. This is primarily a consequence of RWCs' inefficiency to increase quantitative sales, but some can be attributed to the decrease in production which in the reviewed year was lower by 3% compared to the previous year 2012.

Sales performance at the companies, RWC 'Radoniqi' is the best with high percentage of target achieved. Also the implementation planning of this company is better by 3% compared with 2012

RWC 'Mitrovica' is the worst case it has reached to realize only 73% of intended target. Furthermore the company's performance in this indicator is lower by 7% compared to the previous year 2012.

Value of relative sales of water services

Reflects trends of value of sales realized during the reporting period 2013 compared with 2012.

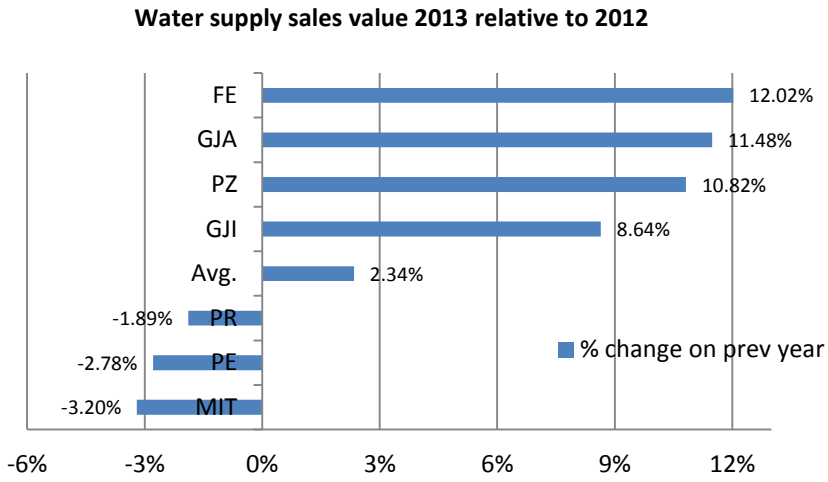


Figure 12, Water supply sales value 2013 to 2012

From the above Figure can be seen that in four out of seven RWCs progress was marked in this indicator during 2013 compared with 2012. The same as in last year RWC 'Bifurkacioni' leads with higher sales by around 12.02%, as a result of volumetric sales growth, reflecting the increase in the number of customers by *% compared with the previous year.

RWC 'Prishtina', 'Hidrodrini', and 'Mitrovica, are companies which have decreased in 2013 compared with 2012 the result of which has been the reduction in volumetric sales although the expectations have been higher in accordance with the increase customer base.

In absolute value, sales in 2013 compared with 2012, are higher for 2.34% at the sector level.

Cost of Production

Cost per unit of produced water is also important financial indicator based on which costs of water produced for one (1) m^3 are estimated.

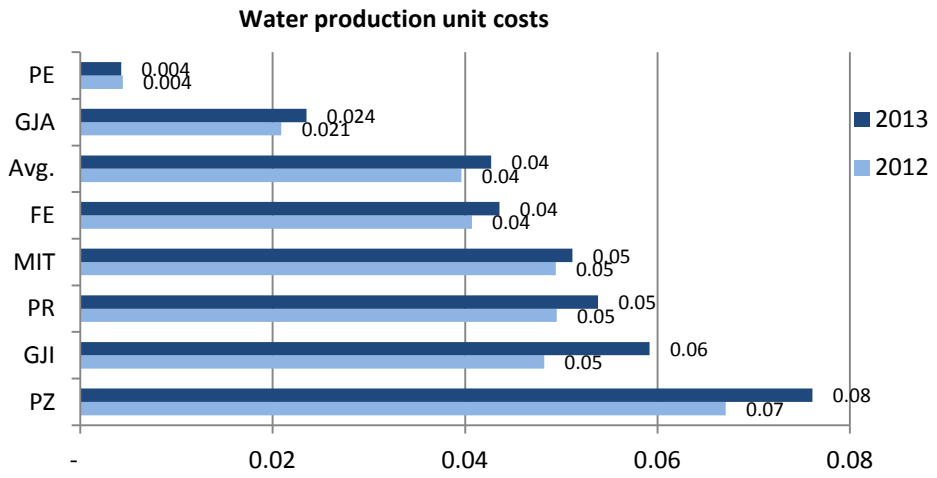


Figure 13, Cost per unit of water produced during 2012 compared to 2011

At the sector level, the average cost of a unit of water produced in 2013 has not changed compared with 2012, it has remained the same at 0.04 €/m^3

Costs of lower produced water, rages from 0.004 €/m^3 at RWC 'Hidrodrini' up to the highest value to 0.08 €/m^3 at RWC 'Hidroregjioni Jugor'. The cost of production is generally dependent on the type of system (by gravity or pumping) and the level of treatment.

The high cost of water produced by RWC 'Hidroregjioni Jugor' this year also was impacted by the high cost for the water treatment in particular by the energy and fuels costs during pumps operation.

Unit total cost of water supply

Represents the total cost including operating expenses and capital expenditures for maintenance of business activity for water supply in relation to the volume of water sold for the same reporting period.

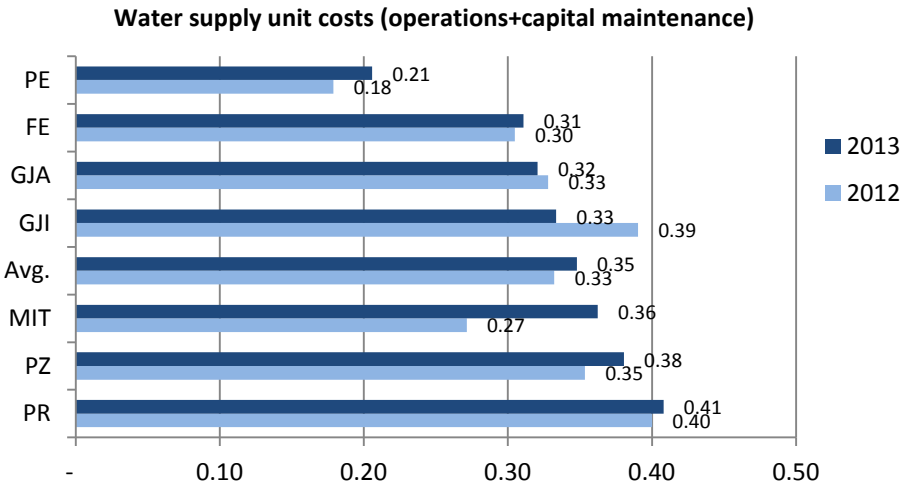


Figure 14, Cost per unit of water supply (excluding the return on capital and bad debts)

The cost per unit of water supply at the sector level for 2013 compared with 2012 was higher for Kostoja 0.02[6] EUR/m3.

As seen from above figure, there is a wide range in terms of total cost per unit for water supply, since RWC 'Hidrodrini' has significantly lower level costs than all other water companies with 0.21 €/m3, while the RWC 'Prishtina' has the highest costs for 0,41 € per m3 of water sold and paid.

Costs in 2013 compared to previous year 2012, except for RWC 'Radoniqi' and RWC 'Hidromorava', have shown positive trends in the decline of 0.01€, RWC 'Radoniqi' respectively of 0.06 RWC 'Hidromorava', all other companies the negative trends of costs were marked.

Increased costs per unit of water supply can be attributed to the decrease of volumetric sales, and significant increase in total operating costs of water supply.

Total cost per unit of realized water supply in relation to the planned

The total cost per unit of water supply is a financial indicator which is ranked in the main indicators leading group based on which the performance of water supply is measured.

Indicator presented graphically below shows the relationship between the cost per unit of water supply realized (operating expenses including capital maintenance/billing m^3) and costs per unit of planned water supply (operating expenses including capital maintenance/ billing m^3

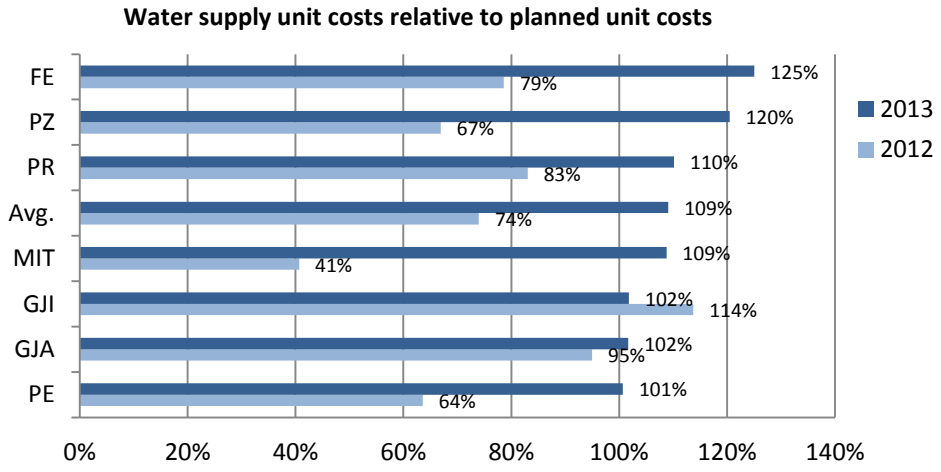


Figure 15, Cost per unit of water supply in relacion to the planned costs per unit

RWC 'Bifurkacioni' even it has reached the highest planned cost for 2013 exceeding those for 25%, still shows no greater efficiency than planned, because the planned cost per unit have involved significant costs for infrastructure renewal and devaluation under current cost for new assets that could not realised even 40% of them. Furthermore on this operating costs of this company are exceeded by 8% while also the planned billing m^3 has reached to realize only 79%.

At the sector level the target cost achieved per unit of water supply has been 109%, and was higher for 5%, compared with the previous year. This has affected the growth of operating expenses and capital and maintenance expenses. It is worth mentioning that the RWC 'Hidroregjioni Jugor' was the best, it achieved to realize capital maintenance expenditures at 193%, of what it has planned.

[6] Cost per unit of 2012 is adjusted to the inflation rate 1.017626

What is implied by this is that even though the costs per unit in the sector level were higher than planned, has been growing more operational expenditures in relation to increased capital expenditures for maintenance, it certainly resulted in deterioration of assets condition and declining service levels.

We are strongly of the opinion that these operating expenses are inefficient with numerous staff in most or probably in all RWCs. In the process of setting tariffs operating expenses have been challenged on the basis of comparison of proposals (benchmarking). For this reason we have made adjustments to the operating expenditure proposals reaching a 12% annual reduction in operating costs. Especially we requested that operational efficiency to be done through reduction of staff costs of RWC and in some other fields. Our analysis year after year have indicated as serious need for investment in the water sector if we do not want the current deterioration to proceed further in the service level. Consequently we have been careful in our approach in terms of investment with regard to investment program and we preferred a growing infrastructure and capital maintenance in order to accelerate the improvement of service levels.

We suggest that management of RWC have greater allocation of managerial commitments in these two areas, being convinces that their lack of progress will undoubtedly be reflected in the level of service deterioration.

Water capital expenditures

Represents a total capital expenditures for maintenance and capital growth of water service in relation to capital expenditure approved in the business plan (2012-2014), for 2013.

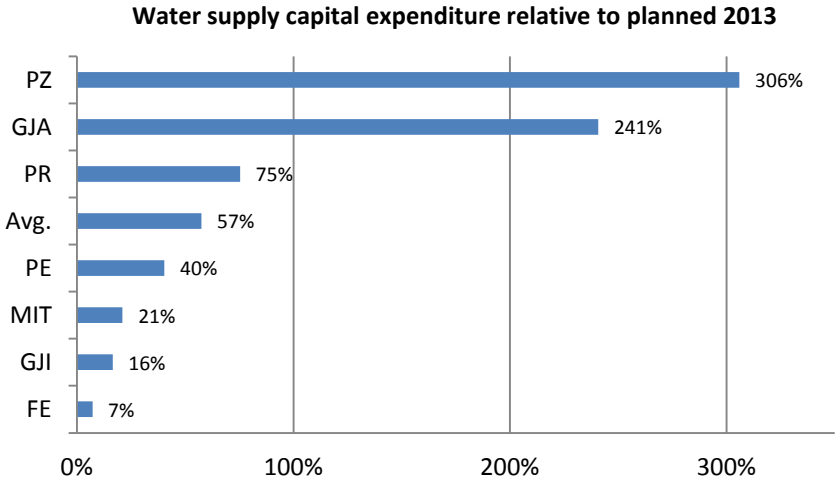


Figure 16, Water supply capital expenditure relative to those planned

Companies for 2013 have provided considerable costs for maintenance and capital growth about 25.7 mil.€. these tools are intended to provide own tools as well as from donations. In reality, the current costs were lower than expected and the level of 14.8 milion €, or 57% of what was planned.

It is noted that most of the realised and declared invelstments made by companies continued to be primarly from grants, (donor development) excluding RWC 'Hidromorava'and RWC 'Bifurkacioni' which in 2013 has not received any donation. The value of investment grants for 2013 was about 12.8 mil. € while the rest was from revenues.

At the sector level for 2013, companies have planned to spend from revenues about 7,4 mil.€ which are also covered by the tariffs approved, but companies for 2013 have implemented only in 2 mil.€ or 27%,

but if compared with the previous year the revenues in the sector level were higher for 801,812€ or 65%.

Table 1, Investment value in water service

The investment accomplishment of water service form own revenues and grants 2013

Company	Inv. in prod	Inv.in distribut	Inv.in business activities biznesore	Total
RWC "Prishtina"	1,531,719	7,154,627	221,856	8,908,202
RWC "Hidroregjioni Jugor"	820,182	596,876	128,696	1,545,754
RWC "Hidrodrini"	182,739	660,353	51,856	894,948
RWC "Mitrovica"	-	1,967,316	79,703	2,047,019
RWC "Radoniqi"	609,618	461,825	257,820	1,329,263
RWC "Bifurkacioni"	3,200	32,609	17,472	53,281
RWC "Hidromorava"	8,862	6,638	15,541	31,041
Total	**3,156,320**	**10,880,244**	**772,945**	**14,809,508**

RWC 'Prishtina', and this year leads with realization of capital expenditure (8,908,202€). With this costs, is intended to improve continuity of water supply (construction of reservoirs, pumps building, etc), improved infrastructure and increasing the level of service standards (replacement of water pipes, water distribution network, placement of meters).

RWC 'Hidroregjioni Jugor', 'Radoniqi' and 'Hidrodrini', performed mainly in the growing costs of infrastructure and non-infrastructure in production and distribution and the construction of new water supply network, construction of pumping station, construction of reservoirs, installation of water meters, etc.

RWC 'Mitrovica', investiment value of 2,047,019€ received from grant were conducted mainly in the maintenance of water supply, while capital expenditures for 2013 were directed to projects related to the expansion of production capacities and placement of water meters which would affect many in continuity of water supply, these projects are expected to be completed in the future.

Company which has realized the least investment in water services was RWC 'Hidromorava', with 31,041€ or 14% of tis planned.

We are of the opinion that the main impact of not meeting the planned investments in the approved height cannot be attributed to the objectives of billing and collection as well as increased operating costs resulting in a lack of much needed investment. Especially the regulatory remains concerned about delays in major projects that have participated in the allowed investments from own resources which have been part of a tariff load, since customers are expecting to improve services.

3.2 Wastewater services

3.2.1 Technical Performance

The quality of wastewater discharged

Due to the lack of wastewater treatment, the assessment of the RWC still cannot be made in this regard. We hope that soon we will start with wastewater treatment since many projects are now finalized and is expected their implementation.

Reliability and service

This sub-section report provides information concerning the reliability of sanitation services from two aspects, in terms of service coverage and reliability of wastewater service which is influenced by the frequency of failure of wastewater service for 100 km to the main network.

Frequency of blockage of sewerage system

A sewerage blockage is a partial or total obstacle of a main pipe of sewerage system that prevents the flow of wastewater. This includes all congestion in the main network which is under the responsibility of the service providers excluding the interim customers

A sewerage system blockage can lead to a wastewater spill due to not cleaning or diminished regular capacity to pass on the volume of wastewater, especially in times of heavy rain falls. Besides dysfunctional of assets sewerage system by the RWCs which has influenced on the performance of wastewater, the citizens are those who in many cases block the system by throwing solid waste into the sewage.

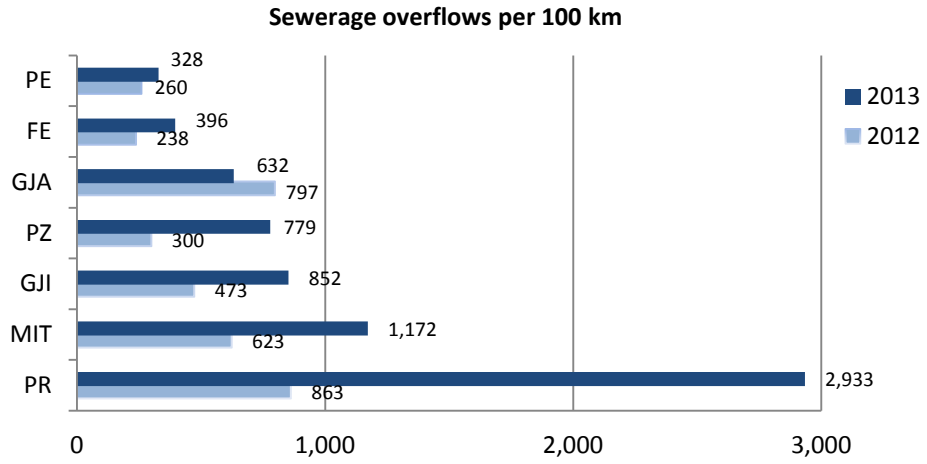


Figure 17, Number of sewerage blockages

Figure 17, presents the number of incidents during the year of RWC reporting regarding the blockage of sewerage in 100 km length of network.

The average rate during 2013 of the number of blockages in sewerage network for 100 km length at the sector level is reported to be at a higher level compared to 2012 with 99.5%.

Most of RWC during 2013 compared with 2012, there has been an increase numbers of sewerage blockages except from RWC 'Radoniqi' which network had the best performance.

Higher incidents during 2013 has RWC 'Prishtina' with 2,933 defects for 100 km of sewerage network, this value has come as a result of a large number of complaints submitted by customers for blockages identified in the field.

The company wich has the lowest number of incidents presented is RWC 'Hidrodrini' with 328 blockages for 100km which if compared to the previous year has improved.

The performance of this indicator depends directly on length of existing sewerage network. This indicator measures the performance of the existing sewerage state aimed at directing investment toward infrastructure renewals.

The high rate of sewerage blockage represents immediate need for investment in this field, as well as better maintenance (cleaning) sewerage system. RWC should be designed and implemented programs for cleaning the sewerage system which is also a legal requirement.

Coverage with wastewater services

Coverage with wastewater services is defined as the percentage of the population within the service area that have wastewater supply services.

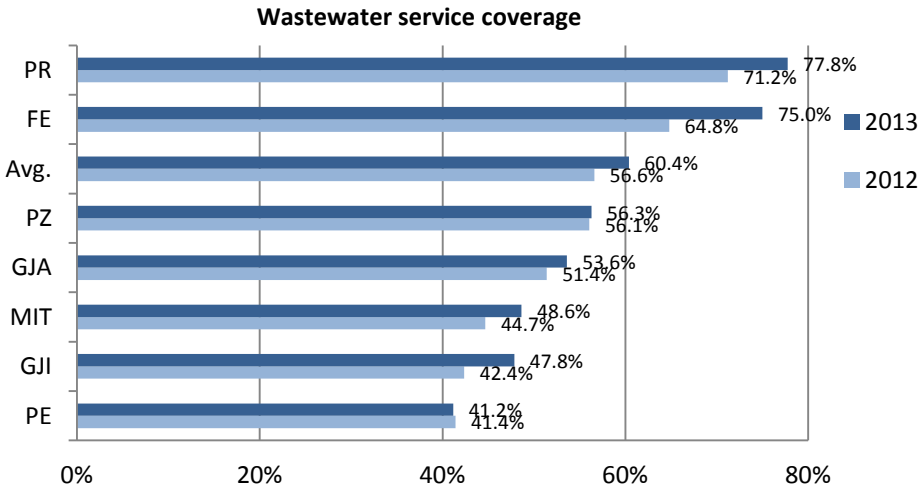


Figura 18, Wastewater coverage services

In 2013, the coverage rate of wastewater services is at level 60%, which compared to 2012 is higher by 3%.

All companies have made progress in this indicator during 2013, compared to the previous year except for RWC 'Hidrodrini' and RWC 'Hidroregjioni Jugor' which did not have any improvement.

RWC 'Prishtina', has the highest coverage in its service area in 2013 reaching at level 78%, which when compared to 2012 is 6% higher value.

Better improvement of all other companies has reached RWC 'Bifurkacioni' during 2013 compared with 2012, increasing the coverage of population with the service for 10%, or more than 3 thousand customers as a result of direct extension of wastewater service area.

Even during 2013 RWC 'Hidrodrini', continues to be characterised by the weaker performance of wastewater service with only 41% of its coverage area.

Objectives as sector average planned for 2013, the current tariff process is accomplished, the fact is that a number of the new customers is connected to wastewater services by RWC is in accordance with the plan. Aslo the RWC 'Hidroregjioni Jugor', 'Hidrodrini' dhe RWC 'Bifurkacioni', individually reached to pass planned objectives in their business plans for 2013.

The level of wastewater coverage and in particular the one in wastewater treatment in our country is still low, therefore the need for investment in this area are very large. When reviewing the business plans of RWC, we have not challenged projections about plans to increase the number of customers. Achievements of the anticipation to increase the number of customers we have seen as crucial to the success of business plans of RWC. Without the additional generated revenue, from this increase is unlikely that the RWCs to be able to meet their investment objectives.

3.2.2 Commercial Performance

Complaints

In this section we have presented, the number of received by the RWCs through which the customers expressed their dissatisfaction at the level of providing wastewater services. Complaints include both aspects, technical and commercial. While technical complaints for wastewater service in general are about wastewater blockage, complaints of commercial nature are highly contested because of the accuracy and manner of billing.

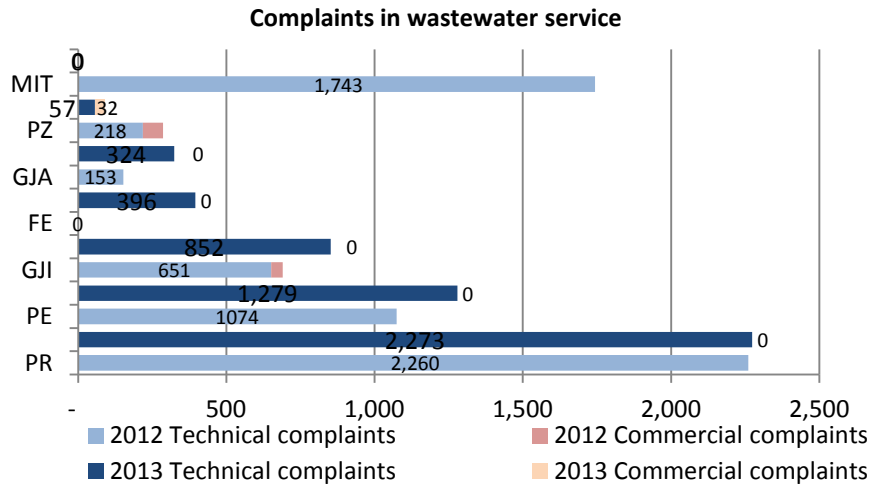


Figure 19, Complaints in wastewater service

The average of number of complaints filed by customers for wastewater services in 2013 has decreased for 16%. compared with the previous year The total number of complaints for wastewater services reaches to 5,213 of which 5,181 or 99% are related to technical aspects and only 32 of them, or 1%%, including commercial aspects.

All RWCs reported the increased number of complaints. Excluding the WRC 'Hidroregjioni Jugor' dhe KRU 'Mitrovica' which have affected the number to fall into the sector average in 2013 compared with the previous year.

RWC 'Mitrovica', yet has failed to put a proper management system of their customers' complaints in general. This is the reason for not reporting complaints although there are indications that customers addressed complaints about their dissatisfaction with the level of wastewater service provided by this company.

3.2.3 Financial Performance

Evaluation of financial performance includes financial aspects of wastewater service in the following indicators: sales for wastewater service, unit costs and capital investments in wastewater service.

Sales value of wastewater services (EUR)

Figure below presents the sales performance of wastewater services compared with projected estimates as they were defined in the RWC tariff applications for the 2012-2014 tariff review process.

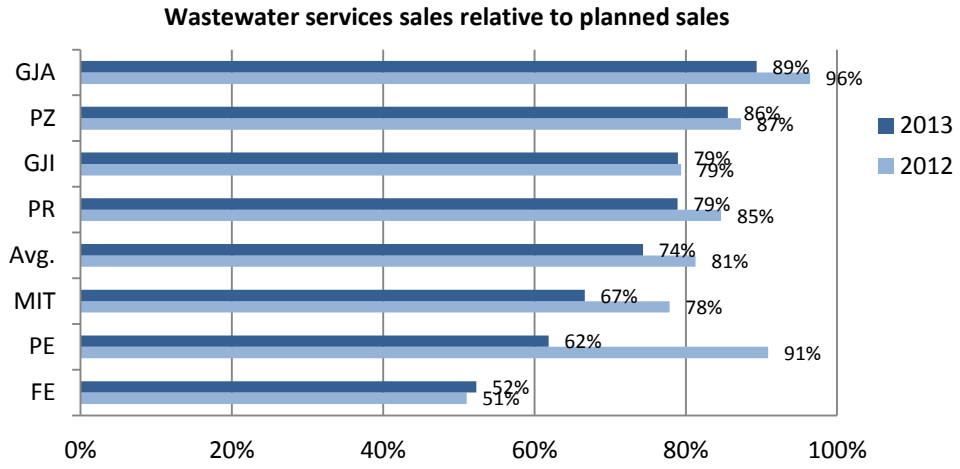


Figure 20, Sales of wastewater services in relation to planned sales

Due to the significant under-performance of current water sales compared with planned sales, current sales value of wastewater services, also is under planned values since it is directly related to water volumes sales.

None of RWC could reach wastewater sales targets during 2013.

Target achieved for 2013 at the sector level is 74%, and is smaller for 7% of what it was in 2012.

Even this year RWC 'Radoniqi' has achieved the highest percentage compared with other companies to 96%, however, when compared with 2012, this company has achieved sales of wastewater services to 7% less.

RWC 'Hidrodrini' is the company which has gone through the biggest change compared with 2012, with a decrease of 29% result of which has been the decline of incomes derived from wastewater services by 20% and increase of billing planned for 17%.

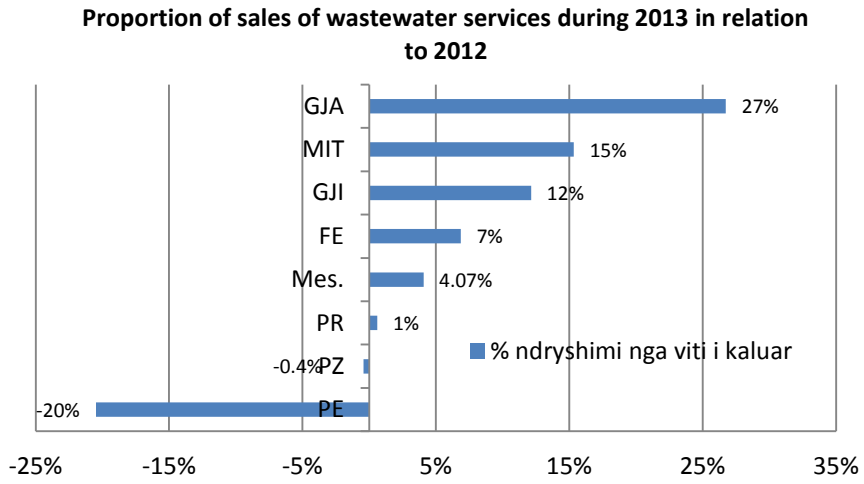


Figure 21, relative value of wastewater service sales during 2013 in relation to 2012.

The total sales per unit for wastewater services realized in relation to planning

The total cost per unit of wastewater services is a financial indicator that is also the same as the water supply, is listed in the group of main indicators on which basis is measured the performance of wastewater.

Indicator graphically presented as follow presents the relationship between the unit cost of wastewater services performed (operating expenses including capital maintenance/equivalents of domestic customers[7]).

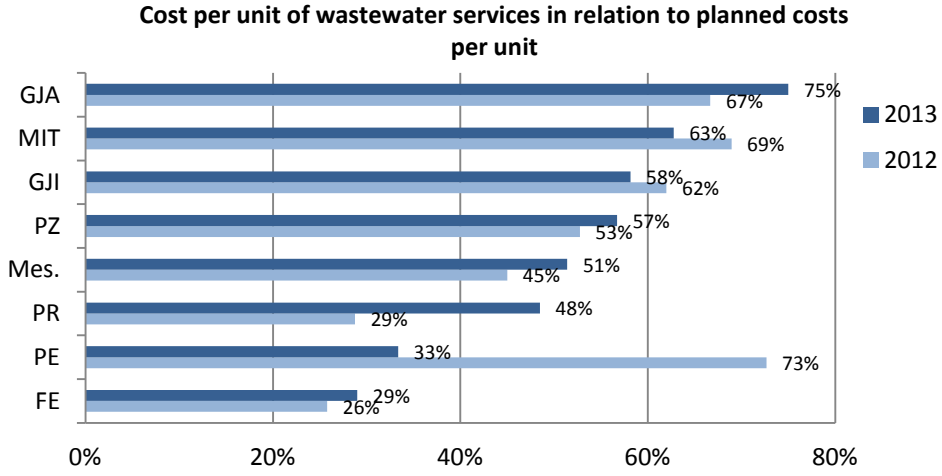


Figura 22, Cost per unit of wastewater services in relation to planned costs per unit

Planned unit costs derived from the 2012-2014 tariff review (arranged according to price levels in 2013), to all RWCs were lower than those planned, however, it does not indicate greater efficiency than the planned because the projected costs per unit included significant expenditures for infrastructure renewal and devaluation under current cost for new assets, none of which has managed to perform.

[7] Domestic customers are defined as the current number of domestic customers plus the number of non-domestic customers converted to equivalent domestic customers based on proportional allocation of water consumed.

Although RWC 'Radoniqi', in comparison with other companies has achieved the highest percentage of realization of the planned target, still has not shown good performance, because it has exceeded 209% for operating expenses, which have not realized even 8% of capital expenditures for maintenance, which then has been even more easily to accomplish, while in 2013, capital maintenance was planned as ten times in 2012, affecting the cost per unit realization in only 33%.

The total cost per unit for wastewater service

It means total operating expenses for wastewater, including capital maintenance wastewater in relation to equivalents of domestic customers per year[8].

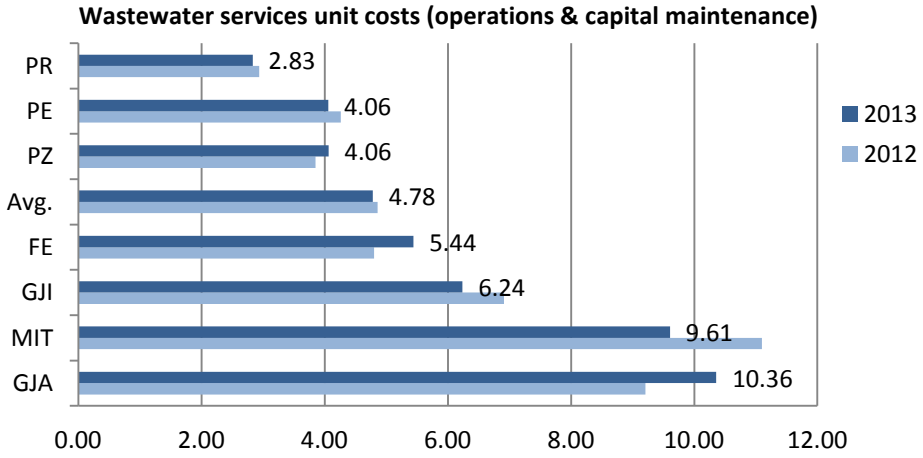


Figure 23, Cost per unit of wastewater services (operating + capital maintenance)

The unit cost of wastewater services in the sector level in 2013 compared with 2012 was lower for 0.08[9] €/m3 or for 2%.

Three of the seven companies in 2013, have shown a negative trend with an increase of 1.15€ (Radoniqi'), 0.64 (Bifurkacioni) and 0.21 (Hidroregjioni Jugor). Increased costs per unit of wastewater services can be attributed to significant increases in operating expenses for wastewater services and maintenance capital expenditures for this service.

Lower cost in this indicator has RWC 'Prishtina', 2.83 €/cons. which despite the increase ot total costs for wastewater services including capital maintenance has improved for 0.10 €/cons. Compared with 2012, which was 2.93 €/cons.

RWC 'Mitrovica' had highest improvement in 2013 compared with 2012, with a decrease of 1.49, the result of which was the reduction of operating costs at wastewater service, despite the increasing number of customers.

Because they are not in use yet, the facilities for wastewater treatment costs per unit of wastewater services remain very low compared to the costs of water supply.

[8] Domestic customers are defined as the current number of domestic customers plus the number of non-domestic customers converted to equivalent domestic customers based on proportional allocation of water consumed

[9] The cost per unit of 2012 is adjusted to the inflation rate 1.017626

Wastewater capital expenditures

Represent a total capital expenditure for maintenance and capital growth of wastewater services in relation to capital expenditure approved in the business plan for 2013.

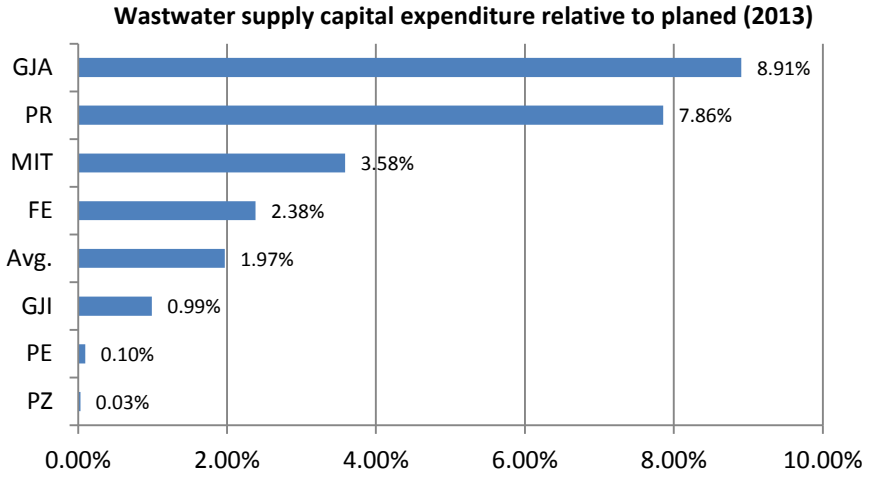


Figura 24, capital expenditures for wastewater services in relation to those planned in 2013

The wastewater service the same as the water service of the companies in 2013, have provided significant provision for around 5,5mil.€ for capital growth and capital maintenance, which are foreseen to be provided as from own revenues also from donations, but in reality the current costs were much lower that expected and the level of 108,631€ or 1.97% of what was planned.

It is evident that most of accomplished investments made are donations of 84,755€ or 78%, while the rest part is from own revenues in total with 23,876 € .

From own resources are planned to be spent on wastewater services with amount of 1,4 mil.€ and which are covered by approved tariffs are only accomplished 23,876€ or 2%, whereas if we compare it with the previous year investments from own revenues at the sector level were lower for 15,265 € or 39%.

Table 2, Investment value in wastewater services

The investment accomplishment of wastewater service form own revenues and grants for 2012

Company	Inv.in collection	Inv.in treatm.	inv. in discharge	inv.in buss. activ.	Total
RWC "Prishtina"	79,005	-	-	1,814	80,819
RWC "Hidroregjioni Jugor"	-	-	-	328	328
RWC "Hidrodrini"	-	-	-	2,729	2,729
RWC "Mitrovica"	-	-	-	5,087	5,087
RWC "Radoniqi"	-	-	-	13,569	13,569
RWC "Bifurkacioni"	3,200	-	-	1,728	4,928
RWC "Hidromorava	-	-	-	1,170	1,170
Total	**82,205**	**-**	**-**	**26,426**	**108,631**

The same as in water services also the investments in wastewater services the RWC 'Prishtina' leads with accomplishment of investments of 74%, the total amount of (108,631.07), of which 73% were

mainly in the expansion of wastewater and construction of collector for wastewater, other companies have failed to reach even 1% of total value of investments to invest in wastewater service, excluding RWC 'Bifurkacioni'.

RWC 'Radoniqi', has implemented planned investments in the highest level of 8.91%, other companies have very small investments in wastewater services for 2013.

RWC 'Hidroregjioni Jugor', is one of the companies that have planned significant capital expenditures in wastewater services as in network maintenance as well as in construction of collectors for the removal of wastewater which has not reached even 0.05%, to realize even in their business activities.

3.3 RWC Financial Performanca

Revenue Collection

Below is presented the performance of companies to the indicator, the collection rate for 2013 compared with 2012, presented as the ratio between cash collections to billing for water and wastewater provided services (fixed tariff billing, and volumetric of water and wastewater).

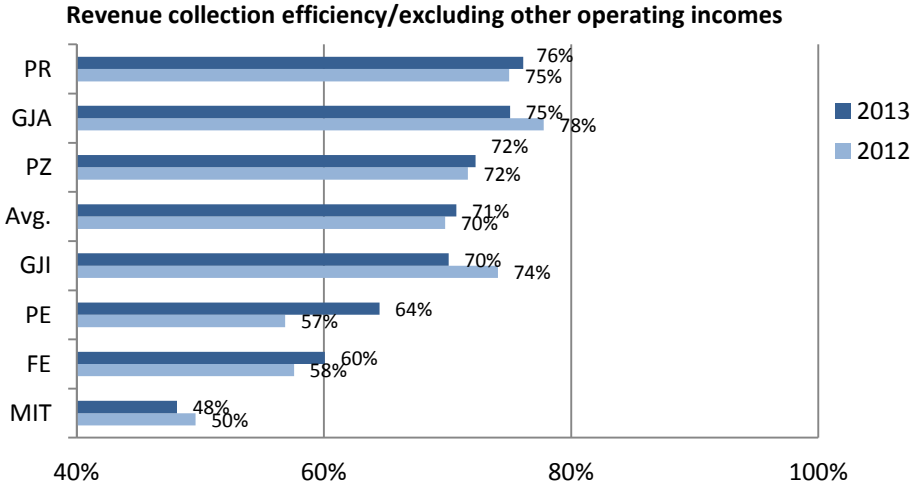


Figura 25, Efficiency in revenue collection

In 2013, the collection rate for water and wastewater service bills as sector average is 71%, which means that compared to the previous was increased for 1%.

As illustrated by the figure above in 2013 the best progress in the collection rate has reached RWC 'Hidrodrini', with an increase of 8% compared with the previous year, a result of which besides reducing the billing they were individual disconnections.

During the year under review, there was an improvement in the collection rate in RWC 'Prishtina', 'Hidroregjioni Jugor', 'Hidrodrini' and 'Bifurkacioni' while an instability on collection rate have marked RWCs (Radoniqi, Hidromorava and Mitrovica).

Efficiency of collection of household customers' category continues to be weak to all companies. The RWC 'Radoniqi' holds the record in recent years in this category with 73% followed then by RWC 'Prishtina' with 67%.

RWC 'Prishtina', has made significant progress year after year reaching the level of 76%, mainly as a result of commitments this company in disconnecting the customer debtors.

Performance at lower collection rate the same as last year, has realized RWC 'Mitrovica' with only 48%.

Planned target for 2013 at the sector level was 75%, and currently the sector level could have received only 71% of the amount billed, which means that the current rate of revenue at the sector level has presented deviation of 4%, along the plan.

In increasing the collection rate of 71% in the sector level mainly affected revenue collection from institutions exceeding the planned target for 6%.

As seen from table 3, all companies have failed to meet assigned individual objective, except for the RWC 'Prishtina', which has reached the level of the planned collection of 76%.

Table 3, The current planned performance of revenue collection for 2013

Customer category	RWC Prishtina		RWC Hidroregjioni Jugor		RWC-Hidrodrini		RWC Mitrovica		RWC Radoniqi		RWC Bifurkacioni		RWC Hidromorava	
	Real.	Plan.	Real.	Plan.	Real.	Plan.	Real.	Plan.	Real.	Plan.	Real.	Plan.	Real.	Plan.
household	67%	65%	65%	66%	54%	65%	38%	51%	73%	76%	50%	69%	61%	76%
Commerc-Industr.	91%	94%	55%	83%	69%	85%	72%	91%	64%	78%	124%	65%	81%	91%
Institutions	91%	100%	130%	94%	97%	92%	88%	99%	116%	96%	141%	96%	118%	96%
Totali	**76%**	76%	72%	75%	64%	73%	48%	64%	75%	78%	60%	80%	70%	80%

Collection rate reported for all service providers is still low and has a direct impact on the financial situation on service providers. Service providers should take measures even before and innovative actions to encourage customers to make service payments. Customers should also be more aware that bills must be paid. WWRO has worked with companies to ensure that the right policies will be applied if it comes to the disconnections of water services. Regarding cases of customers that really have difficultiesto pay they should be supported but we must eradicate the phenomenon "do not want to pay" the mentality, which is more prevalent among those who can afford to pay their bills.

Return on capital

It is defined as the return on the regulatory asset base presented as annual income and capital growth from investment expressed as a percentage of the original investment.

Return on capital is necessary to ensure investors confidence in the sector, if companies want to attract financing for improvement of assets in order to meet the necessary improvement of the service level.

Regulatory asset base (RAB) which is defined on the return on capital, is determined in 2008 that the tariff process (2009-2011), started on 1 January 2009 with the regulatory asset base (RAB) for each of the water companies, using determined asset value of 200€ for the water supply service customers and 100€ for wastewater customers.

Real rate of return on capital is based on the best practices of Western Europe, and in our country on tariff process (2012-2014), we have accounted for this to be 5.30% as very much calculated before inflation rate.

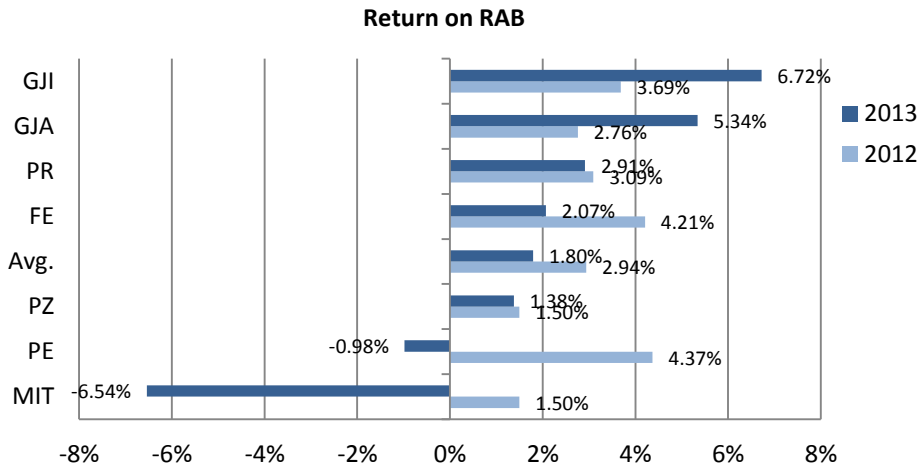


Figure 26, Return to the regulatory asset (RAB)

Return on capital at the sector level had been deteriorated in 2013 compared with 2012 it was for

Only two RWC (Hidromorava dhe Radoniqi) had positive returns, even exceeding the planned level of 5.30%, of which also have managed to keep their expenses, including devaluation according to the current cost and infrastructure maintenance to (BRRA), within the limits of their incomes and giving the opportunity to make new investments.

Unlike last year where RWC 'Mitrovica' had higher improvement in comparison with other companies, in 2013 recorded the highest decline rate of 6.54% not reaching to even cover operating costs as a result of reducing revenue and increasing bad debts provisioning by 25%.

3.4 Overall Performance of RWC

Justification

Performance Monitoring and comparative assessment (Benchmarking) is essential for the development and implementation of policies aimed at improving the service by water service providers. If a decision maker does not know where they have been and where they are, it would seem to be impossible to set reasonable objectives for future performance. Information for RWC operational aspects, financial and customer services are important for good management and supervision. The new regime recently developed of reporting framework and performance evaluation of WWRO, requires from RWC to report on data and purpose of regulatory requirements which focus on the benefits for customers. The new methodology of performance evaluation makes measurement of:

(i) Relative performance to the 'promises' of business plan, (comparing performance with proposals/limits tariff),

(ii) The absolute performance relative to ideal performance expectations,

(iii) The relative performance comparison between RWC and performances of the previous years, and

(iv) Performance of the sector, (information for policy makers and donors, etc.) in comparison to other sectors

Performance reporting framework (data, indicators and definitions) are harmonized with other regulatory tools used (business plans of companies, regulatory accounts, the tariff process, service standards) which were necessary for measuring performance not only comparing with previous years, but what is more important also comparing to agreed performance targets in tariff applications.

Performance Evaluation

Performance evaluation of WRC, is done based on 11 Key Performance Indicators, which meet the criteria of being important, reflect service reliability, and promote efficiency in both financial services: water supply and wastewater services. Performance evaluation is in line with international best practices that are being implemented by regulators in the sector, where on the focus are specific regulatory requierements, at specific levels of service and cost implications for customers. The concept of performance evaluation is used for companies which are functioning well and provide efficient services in: water and wastewater service, based on water quality, levels of service, coverage, commercial and financial efficiency.

The criteria for measuring the performance of water and wastewater services are as such that 100% of the scoring reflects the provision of such a service level comparable to the best performance of modern and well functioning of water supply or wastewater service.

Based on the results of performance demonstrated in 2013, WWRO has ranked the RWCs in three aspects: water supply, wastewater services and overall performance of the RWCs. the main reference used for performance ranking of companies is their performance in relation to achieving the objectives of the ideal targeted performance.

Water supply services

Performance evaluation and ranking of the RWC in water supply services has been done through five Key Performance Indicators

Coverage of services, aiming at complete coverage (100%) in the respective service area;

(i) **The quality of water supplied,** which is 100% in compliance with local specified standards;

(ii) **The water pressure** within the domestic legal references with minimum specified levels (25 w.m.p) and maximum (70 m.sh.u);

(iii) **Availability of water supply**, water for all customers on continuous basis for 24 hours a day and seven days a week;

(iv)**Cost efficiency,** cost efficient per unit of water sold and in line with expectations according to the business plan.

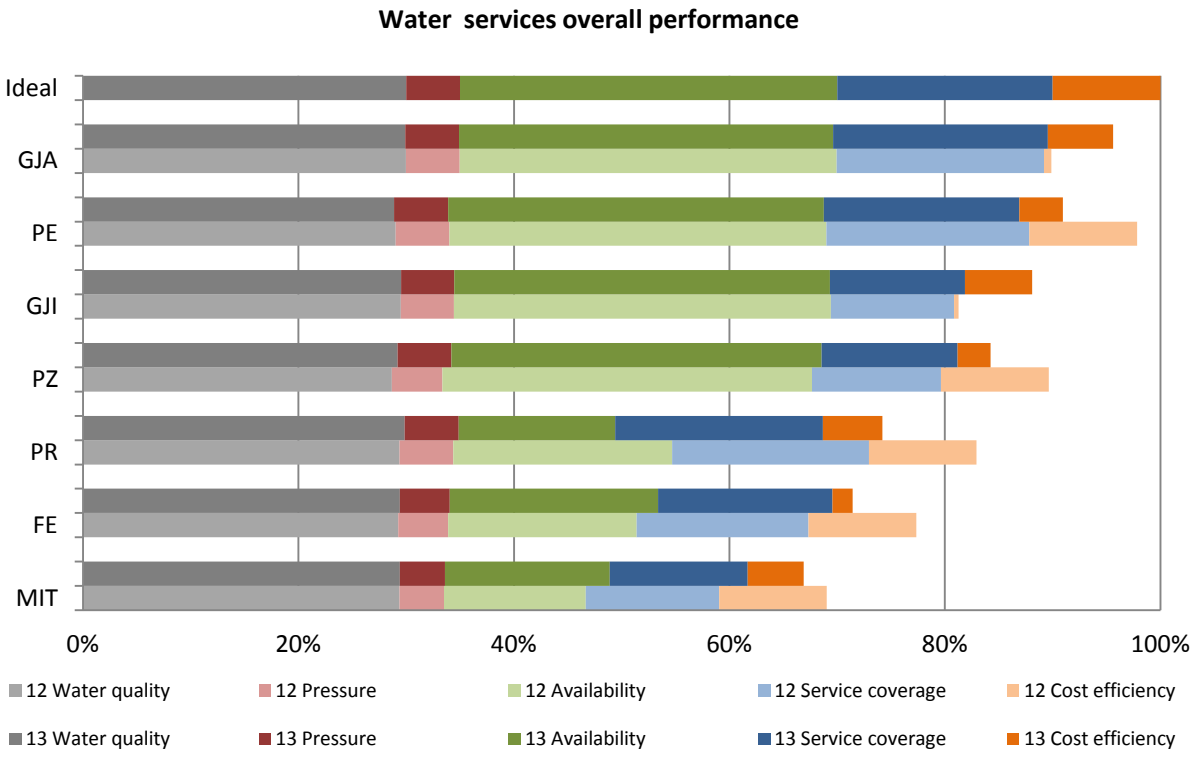


Table 27, presents the results in the performance evaluation of water supply and ranking of RWC

The average overall level of performance of water supply in 2013, is at level 36.7% of the maximum level of 45% allocated to this service, it is for 1.1% lower than in 2012, where it was at 37.8%.

Efficiency costs with 2.7% and availability of water supply with 0.3%, were two areas where performance had been weaker than in previous year 2012. Excluding RWC 'Radoniqi' and RWC 'Hidromorava', in all other regional companies cost efficiency was lower in 2013/2012.

In 2013, none of the RWC was able to provide full supply for their customers. Furthermore in RWC 'Prishtina', the situation has been deteriorated even more because of reduced water resources as a consequence of the drought which prevailed in the second half of 2013, to continue in the first half of 2014.

Based on the above mentioned ranking criteria the RWC 'Radoniqi' offers the best services and cost efficiency of all RWCs in water supply service.

Besides RWC 'Radoniqi' and RWC 'Hidromorava' which have meade improvements in 2013, all other companies have made deterioratinf trends in the performance of water supply in 2013/2012.

RWC 'Prishtina' with 3.9 % and RWC 'Hidrodrini' with 3.1%, are two regional companies which had the highest degree of performance failure in water supply in 2013/2012.

Regarding the ranking of RWCs in performance of water supply in 2013, we have a realignment of them. Now the RWC 'Radoniqi', is ranked the 1st, instead of the RWC 'Hidrodrini', as well RWC 'Hidromorava', moved to 3rd place from the 5th position, instead of RWC 'Hidroregjioni Jugor'.

RWC 'Prishtina', and RWC 'Hidroregjioni Jugor', are ranked in the lowest position. RWC 'Prishtina', has left behind only RWC 'Bifurkacioni' and RWC 'Mitrovica'. These are in fact three RWCs which have bigger problems with availability of water supply for their customers.

Wastewater services

Performance Evaluation of RWCs, in wastewater services is foreseen to be made through four Key Performance Indicators.

(i) **Coverage for wastewater services,** for performance reporting purposes a value of 95% is considered as an ideal expectation;

(ii) **Quality of wastewater discharged,** in accordance with the value of 100% of the specified environmental standards;

(iii) Reliability of wastewater services, with zero affected homes by sewerage flooding;

(iv) **Cost efficiency,** cost efficiency per unit of wastewater services to households; currently we have an opportunity to make evaluation of achievement of objectives in only to indicators: coverage of wastewater services and cost efficiency. Hopefully in the future after the application of wastewater treatment by the RWC, we will be able to make evaluation of the quality indicators of discharging and reliability of wastewater treatment service. So, two important indicators and valuable in environment protection.

Wastewater services overall performance

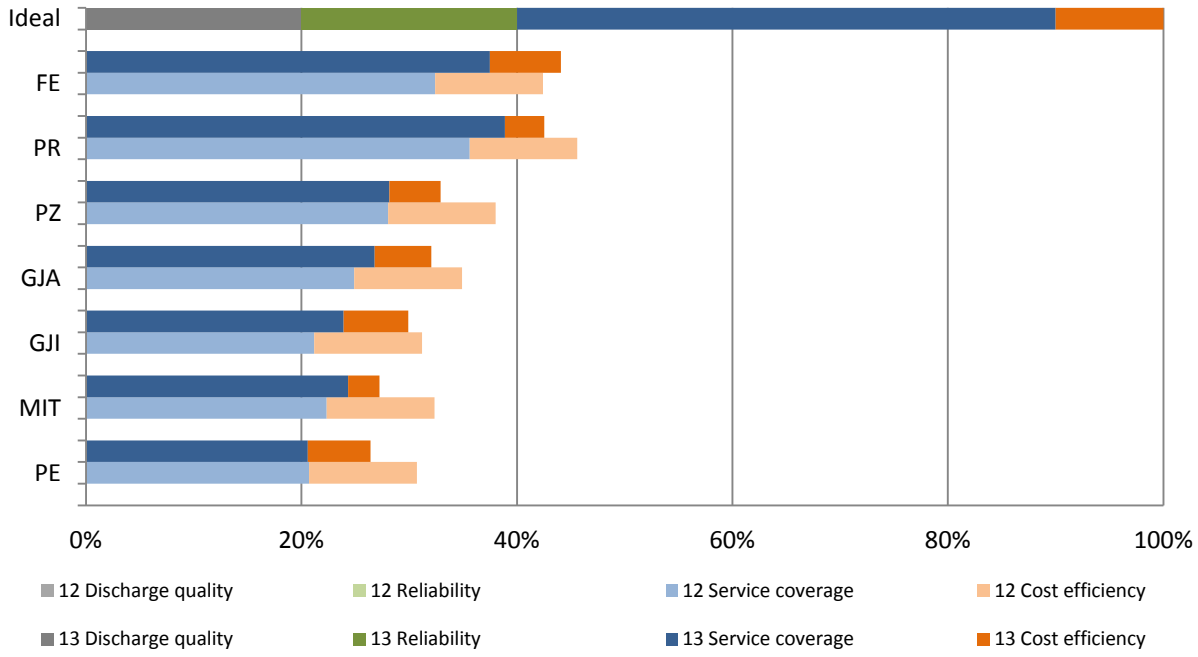


Figure 28, presents the results in the performance evaluation of wastewater supply and ranking of RWC

In 2013, we have a decrease of overall wastewater service performance, deterioration is for 1.0%, compared with the previous year 2012. Performance of wastewater service this year has worsened to all RWCs, excluding 'Bifurkacionin' which has marked little improvement.

Coverage of wastewater services is an area which consistently at the general level has marked improvements. Although improvements are gradual ones they are significant for welfare of citizens.

While RWC 'Bifurkacioni', hold the 1st place with wastewater services, RWC 'Hidrodrini', is ranked as the company with the weakest performance in wastewater service, having not marked any improvements during these two years

Since 2010, when we started to make performance evaluation according to the new methodology, RWCs remained at the same rank, without any sudden change in performance of wastewater services sector. Excluding RWC 'Hidroregjioni jugor', which has marked a little more advancement in wastewater coverage during this period and now is ranked in 3rd place in performance of wastewater services.

Overall performance of WRC

The overall performance is not based on the comparative for each-other, burt a comparison is made regarding the 'ideal' level of expected performance of the company that Works well and provious efficient water supply and wastewater services. The overall performance presents the combination of results from there categories of company bussines that means:

(i) Water supply performance;

(ii) Wastewater service performance and

(iii) Water and Wastewater business overall performance (financial efficiency).

Results of evaluation and ranking of the RWCs in overall performance are present in table form and are illustrated in graphic form.

Table 4, Results of RWCs overall performance in 2012

RWC	Water suply	Wastewater	Profitability	Collection	Total of points
Ideal	45%	35%	10%	10%	100%
PE	44.0%	10.7%	8.7%	0.0%	**63.5%**
PR	37.3%	16.0%	6.2%	3.8%	**63.3%**
GJA	40.5%	12.2%	5.5%	4.4%	**62.7%**
PZ	40.3%	13.3%	3.2%	2.9%	**59.7%**
GJI	36.6%	10.9%	7.2%	3.5%	**58.2%**
FE	34.8%	14.8%	8.3%	0.0%	**57.9%**
MIT	31.1%	11.3%	3.3%	0.0%	**45.7%**
Total of points	**37.8%**	**12.8%**	**6.1%**	**2.1%**	**58.7%**

Table 5, Results of RWCs overall performance in 2013

RWC	Water supply	Wastewater	Profitability	Collection	Total of points	Change 2012/2013
Ideale	45%	35%	10%	10%	100%	
GJA	43.0%	11.2%	10.0%	3.8%	**68.0%**	**5.3%**
GJI	39.6%	10.5%	10.0%	2.5%	**62.6%**	**4.4%**
PR	33.4%	14.9%	5.5%	4.0%	**57.8%**	**-5.5%**
PZ	37.9%	11.5%	2.6%	3.1%	**55.1%**	**-4.7%**
FE	32.1%	15.4%	3.9%	0.0%	**51.5%**	**-6.2%**
PE	40.9%	9.2%	0.0%	1.1%	**51.3%**	**-12.2%**
MIT	30.1%	9.5%	0.0%	0.0%	**39.6%**	**-6.1%**
Total of points	**36.7%**	**11.8%**	**4.6%**	**2.1%**	**55.1%**	
Change 2012/2013	**-1.1%**	**-1.0%**	**-1.5%**	**0.0%**	**-3.6%**	

Table 4 and 5, results of overall performance evaluation of RWCs (2012&2013).

In the review year 2013, RWCs marked in general low performance for 3.6 %, compared with 2012. The total level has fallen from 58.7% for 2012 in 55.1%, the lowest performance, is recorded in the both services: water supply with 1.0%. The overall financial performance also has not shown a positive trend, moreover, companies are less profitable for 1.5%, in 2013 compared with previous year in 2013. In the collection efficiency the sector average has not shown any improvement.

Wastewater service is an area with high potential improvement which is currently at very low level (11.8%) of that targeted by 35%, of the ideal company's performance. Also, this service is much less developed than the water supply service because of the total lack of wastewater treatment. The quality of discharged and reliability of wastewater treatment are two areas where we still cannot make a performance evaluation of RWC.

Of the seven RWCs only two of them the RWC , 'Radoniqi' and 'Hidromorava', have shown positive trends. RWC 'Radoniqi', with 5.3% and RWC 'Hidromorava', with 4.4%, also, two companies are more profitable of all of other companies in 2013.

Five RWCs, and other RWCs, Prishtina, Hidroregjioni Jugor, Bifurkacioni, Hidrodrini dhe Mitrovica kanë recorded negative trends of their overall performance in vitin 2013/2012. RWC 'Hidrodrini', has shown siginificant deterioration (12.2%), followed by Bifurkacioni (6.2%) and Mitrovica (6.1%).

RWC 'Prishtina', in reviewing year 2013 compared with 2012, has shown significant reduction in its performance by 5.5% poorer performance has shown in water supply, wastewater services and profitability, while the trend of improvement has shown the collection efficiency.

Of all RWC, further poor performance continued to show RWC 'Mitrovica', moreover its performance in 2013 was further deteriorated in 2012 with 6.1%, in general financial aspects are acute problems in this company.

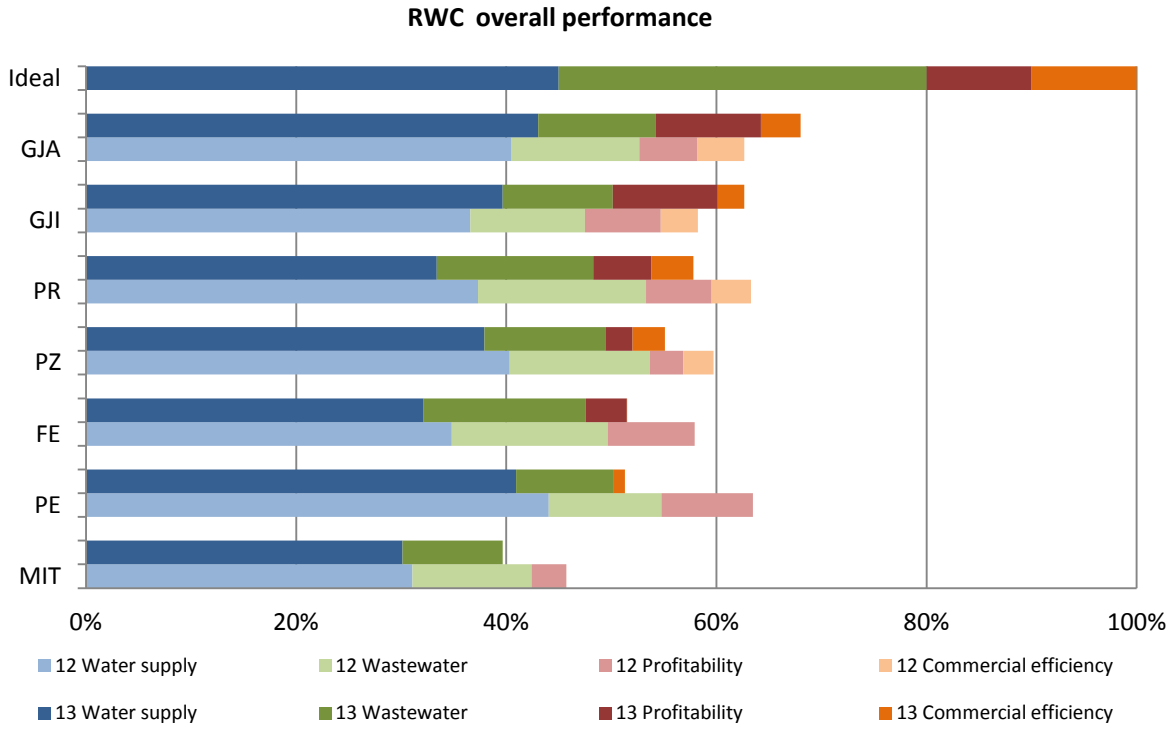


Figure 29, presents overall performance evaluation of RWCs

RWC 'Radoniqi', has marked better overall performance in 2013 with total 68%, to points of maximum length of 100%, at the same time it is a company with the highest improvement of overall performance in 2013 compared with 2012.

RWC 'Hidromorava' also has shown a significant improvement of its performance in 2013 and this year it is ranked in second position. These two RWC marked a progress in water supply and the level of profitability, while slightly poorer performance showed in wastewater service and collection rate.

High decline of RWC 'Hidrodrini' in ranking is surprising, in 2012 it was in first position, now in 2013 was ranked as the second lowest of all other companies. Its poorest performance is in water supply, wastewater services and the level of profitability, although the collection rate has been significantly improved in 2013/2012. In future we will do the analysis in detail to assess how performance of RWC "Hidrodrini', is influenced by of O.U. Decani integration in 2013.

RWC 'Mitrovica' is ranked in the last position; its performance is poorer in all areas. It could not manage to get any point in financial efficiency (profitability and collection rate) which has shown a negative trend in 2013/2012. Overall performance level of 39.6%, of possible maximum of 100%, is much to be desired.

3.5 Accountability of RWCs to WWRO

To have a more substantial result with great and stable effects of the regulatory process implemented by WWRO, accountability and commitment is essential to the fulfilment in the most quality and in time of all regulatory requirements.

In order to advance regulatory process we have made assessment of accountability of RWCs to WWRO For this purpose we have used the following several criteria which are entirely under control of the management of the companies:

- Timely submission of data reporting,
- Respecting timelines and quality of information on tariff requirements,
- Payment of annual license fee and
- Response to obligations and other legal requirements and other regulatory activities.

The ranking of WRCs is done according to the following methodology: all the criteria have equal weight and are valued by one point. For each criterion, RWC that has had the best performance was given 1.0 points, while RWC which had the worst performance was given 0.0 points. Other RWCs were given between 1.0 and 0.0 in a proportional manner.

Table 6, Results of evaluation and ranking

Position	RWC	Total points
1	Radoniqi	3.67
2	Hidroregjioni Jugor	3.50
3	Prishtina	3.33
4	Hidromorava	2.17
5	Bifurkacioni	2.17
6	Mitrovica	1.83
7	Hidrodrini	1.50

Companies, mainly reacted responsibly in the first two criteria (timely submission of reports and data tariff requirements)

Responsibility of RWC has been smaller, to the criterion of payment of annual license fees and other regulatory requirements such as: conditions and fulfilment of the recommendations made in the reports of inspection (service bills, handling customer complaints, etc)

RWC 'Mitrovica' has not been regular in the payment of annual license tax, and the RWC 'Bifurkacioni', ka has been delayed in this regard.

RWC 'Radoniqi' 'Hidroregjioni Jugor' and 'Prishtina', are three companies which respond to the WWRO requirements.

In general, the WWRO assessment is that the most accountable company to the regulatory requirement for 2013 was RWC 'Radoniqi' which has collected 3.67 points of maximum of four possible points.

Part B:

Water and Wastewater Sector Performance

4 SECTOR PERFORMANCE

In this part of the report the performance of the sector for a period of 5 years (2009-2013), discussion of achievements in relation to the objectives in the approved regulatory business plans

4.1 Water produced, sales and NRW

In Figure 28 is shown Non-revenue water presented as a difference between water produced and water sold (invoiced), water and production billed as expressed on an annual basis for five years.

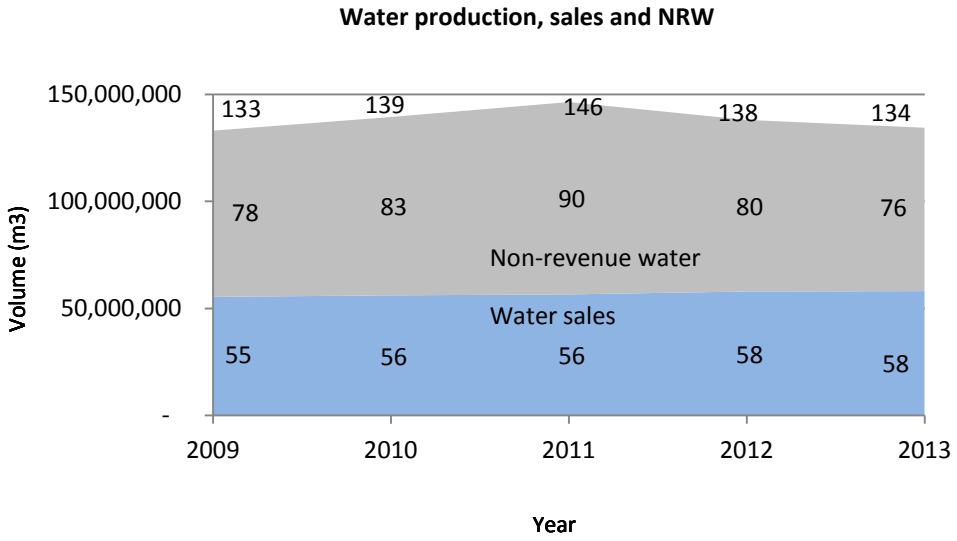


Figure 30, Water production, sales and non-revenue water

Water produced at sector since 2009-2011 has increased year by year since 2012 but also in 2013 we have decreased water production which is influenced by the reduction of production almost to all the RWC, excluding WRC 'Hidrodrinit' and 'Hidromorava' which production is higher during 2013 compared with 2012. It is worth mentioning that the increase of the WRC 'Hidrodrini' is a result of taking off under the management of O.U. Decani in this year.

During 2013, of all companies are produced over 134 million m^3 of drinking water and in relation to 2012, we have for over 3 million m^3 less production than in vitin 2012.

Water sales during 2013 is about 58 million m^3 compared with 2012 has remained at almost the same position with a slight increase of 58 million m3.

Water sold during this period of five years, from year to year, marked a very small improvement.

During 2013 NRW at the sector level, stands at 57% or quantitative value, this value is 76 million m3, while if we compared with 2012 during 2013 we have an improvement of 1%. Only RWC 'Prishtina', has over 20mil.m^3 NRW, of its annual production of 40mil.m^3.

Non-revenues water (NRW) of RWC, is too high and the average since 2009 is over 81 mil.m^3 non-revenue water of average production of 138 mil.m^3 of the same. This is an unacceptable level and far away from the European country norms. Besides the fact that NRW does not bring incomes for the company, creates additional cost for producing and distributing it.

Moreover it is regrettable that a considerable amount of water is lost which is very much needed to meet the increasing demands of customers for water.

Despite their commitments but also occasional support of donors, the WRCs were not able to resolve the alarming situation of water loss. Rather, NRW has stagnated at high level with some minor changes which can be attributed to more changes in water production.

NRW in the world is about 10% to 15%, in Kosovo such a percentage of water loss is difficult to achieve, primarily because of the water supply system, mainly it is outdated and with non-quality pipes, therefore it is unrealistic expectation that RWC to make any substantial change within a short period of time, even when we witness that currently there is no proper program for reduction of NRW which would cover different aspects of problems.

4.2 Coverage with services

This indicator represents the ratio among active customers of household category this latter data was taken from the Statistical Office of Kosovo. The number of population which are offered with services in operational areas of seven RWCs is estimated to be over 1.3 million inhabitants of 1.7 million of all in total.

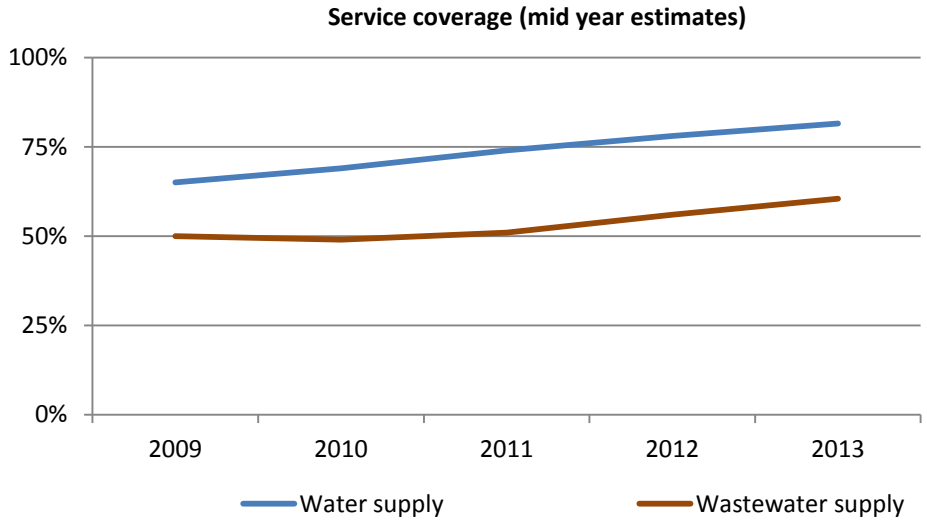


Figure 31, Water and wastewater service coverage

In figure 29, is presented Coverage of water services and wastewater expressed as a percentage of domestic customers in relation to the population in the service area of the RWC.

Coverage of water and wastewater services in the five years, year after year, there was a continued increase.

During 2013 coverage with services has reached 82% in comparison to 2009 as it was 65%, which means that we have improved for 17%. Also the coverage with wastewater services has a positive trend regarding the comparison of the years 2009 to 2013 with value of 50% in 60%, or 10% increase during this period of five years.

The total number of domestic customers at the sector level during 2013, compared with 2012, the water supply services increased to 17,199 customers, while the number of domestic customers with wastewater services is increased for 10,655 exceeding projected planning which during these three

years have been the customer base increased annually by 10,000 customers with water supply, and customers with wastewater services.

4.3 The planned incomes, turn over and cash received

Turn over means the revenues from regular billing and other operating revenues for water and wastewater services.

In figure 25 is shown the average efficiency of turnover and collection during 5 years, and gives a clearer overview of the movement and collection over years by eliminating distortions that can occur during a financial year.

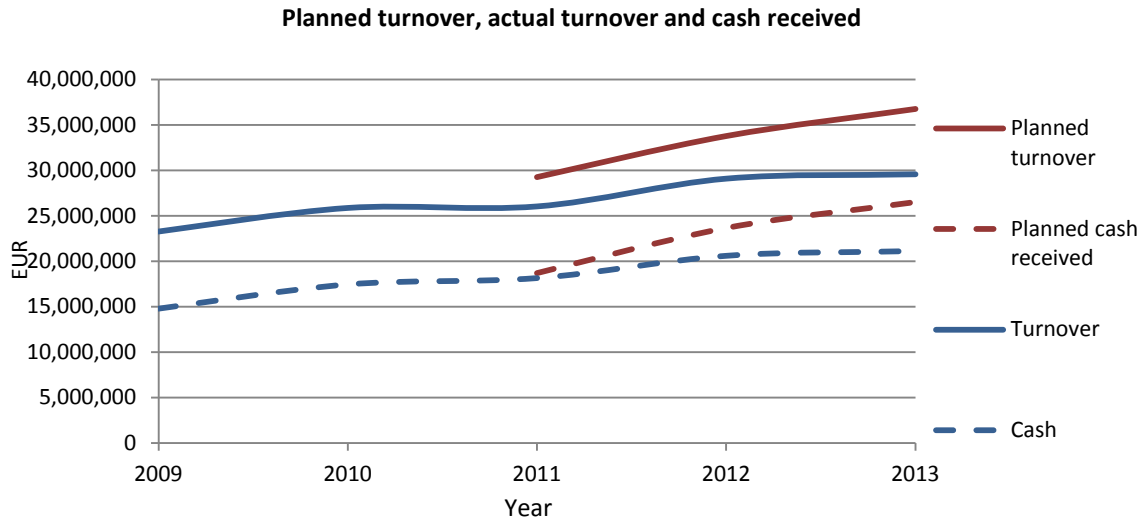


Figure 32, the financial performance of sector

The WWRO during the tariff process (2012-2014) has been cautious than it was in the past process (2009-2011) when determining the objectives, which will be achievable but also challenging. With regret we note that the planned objectives, especially those related to billing and collection could not be reached, neither in 2013. Realized turn over with more deviated from the planned objectives by creating a margin even greater then it was in 2012. The same has happened with the planned collection of cash in relation to the current accomplishment.

Generally the RWCs are improving the efficiency of circulation and collection year by year, both in monetary value and in percentage (%). It is worth mentioning that even gradual improvement is particularly important it is also sustainable.

Efficiency in money turn over[10] in monetary value at sector level during 2013, has improved to 365.72€ or in percentage of 2% compared with 2012, this slight improvement is attributed to the expansion of the customer base, year after year, and later also increase the efficiency of revenue from billing.

Collection Efficiency[11], in 2013 also marked improvement in monetary value to 524,531, or in percentage of 3% compared with 2012.

[10] Turnover has included revenues from regular billing for water and wastewater service as well as revenues from operating activities excluding non-operating revenues (financial).

[11]Cash (collection effiency) has includedd the collection of regular billing for water and wastewater as well as income from other operating activities.

Collection efficiency compared to the efficiency of traffic on the sector level in 2013 was 71% and for 8% higher compared to 2009, which value can be found in the table below.

Table 7. Turnover and collection in years

Years	Turnover	Collection	Turnover/Collection
2009	23,289,745.25	14,794,280.14	64%
2010	25,884,531.34	17,458,714.86	67%
2011	26,051,994.94	18,156,979.37	70%
2012	29,111,469.23	20,609,696.24	71%
2013	29,587,834.95	21,134,227.62	71%

4.4 Capital expenditures for water supply and wastewater services

A very important factor in the sector, are investments. In this section, we presented the analysis of the seven RWCs capital expenditure, actual and planned along the tariff process (2009-2011) which has been completed, and the current process (2012-2014) for the years 2012 and 2013.

It is clear that financing to the water and wastewater sector needs a support and joint efforts by various stakeholders, although there were channelled funds towards investments in this sector, there is still a need to be done much more, given the high demand for investment.

Of all RWCs is expected to realize substantial investments in water supply service and wastewater services and the total amount planned for three-year tariff period (2012-2014), of approximately 95 mili.€, with a difference of approximately 2/3 in water supply and 1/3 in wastewater service. From own resources of RWCs is planned to be invested around 25 mil.€ capital expenditures in both services (water and wastewater service).

Table 8. Capital Investiments 2009-2013

Total value of capital expenditures for water and wastewater

Company	2009	2010	2011	2012	2013
RWC 'Prishtina'	1,021,667	871,374	1,054,660	5,079,692	8,989,021
RWC 'Hidroregjioni Jugor'	251,085	193,405	1,900,664	3,388,493	1,546,082
RWC 'Hidrodrini'	157,533	1,489,854	856,345	4,742,893	897,677
RWC 'Mitrovica'	380,848	63,055	780,543	21,851	2,052,107
RWC 'Radoniqi'	12,728	163,969	173,473	397,359	1,342,832
RWC 'Bifurkacioni'	247,817	182,746	272,112	702,392	58,209
RWC 'Hidromorava'	1,561,406	1,191,900	152,364	1,367,080	32,211
Total	**3,633,084**	**4,156,302**	**5,190,161**	**15,699,759**	**14,918,139**

As noted in the table above, the companies from 2009 to 2012 have increased water and wastewater capital investment value, every year, which increasing has not continued in 2013. In 2013 the capital investment value has fallen for 781,620€ or 5% compared with 2012. In the past five years the value of the benefit from monetary grants was of 36,673,702€ or 84%, and those that have benefited most were RWCs "Prishtina', 'Hidroregjioni Jugor' and 'Hidrodrini'.

In the tariff process (2009-2011) companies have managed to achieve the planned target for only 12%, while the tariff process from 2012 to 2014, respectively 2012 and 2013, marked increase with 29% with donation assistance. Most of the capital investments made in recent years were largely financed by various donors, who have supported construction and development of this sector.

Lack of investments realization envisaged in accordance with planned height and dynamics, either from own resources or donors funds from will not bring planned improvements in general, and in particular it will have an impact on the proper maintenance and asset increase which are prerequisites for provision of good and sustainable services.

Part C

Performance of Bulk Water Supply

5 PERFORMANCE OF BULK WATER SUPPLY

WWRO, is responsible for regulating of the business part of HHE 'Iber Lepenci', which deals with bulk water supply for WRC 'Mitrovica' and RWC 'Prishtina'. In the following we presenting some statistical data and some performance indicators in order to see performance development trends in of HHE 'Iber Lepenci', in 2013.

Table 9, Statistical data for HEE 'Ibër-Lepenc'

Statistical data for 2012 / 2013	2012	2013
Billed bulk water volume (m3)	17,866,656	17,817,840
Billing of bulk water (€)	384,449	383,399
Collection of bulk water (€)	365,189	100,934
Operating cost of bulk water supply (€)	318,700	358,495
Number of engaged workers in bulk water supply services	22	27

Volumetric quantity of water supplied to RWC 'Mitrovica', in its entirety and a portion to WRC 'Prishtina' is almost the same as previous years and is around 17.8mil.m^3. The billing value remained unchanged. Cash received has been very low, there was short of collection from RWC 'Mitrovica'. While the cost of operation for the part of water supply is higher than in 2012.

Table 10, Peformance indicators for HEE 'Ibër-Lepenc'

Performance Indicators	2012	2013
Collection ratio	95%	26%
Working ratios	1.21	1.07
Working coverage ratio	1.15	0.28
Operating cost per unit (€/m3)	0.018	0.020

Table 9, provides a summary of the financial indicators based on which performance of HHE 'Iber Lepenci' can be assessed during 2013 compared with 2012.

The collection rate in 2013 has decreased to 26% in comparison with 2012, which was 95%. This is a result of non collection of debts from RWC 'Mitrovica', and also a part of non collection of debts from RWC 'Prishtina'.

As seen from table 9, all taken indicators for assessment have shown poorer performance during 2013, compared with 2012.

Work rate and cost of operation marked decreasing trends as a direct result of increased operating expenses of staff.

Labor coverage ratio also decreased significantly in 2013 compared with 2012, which is influenced mainly from the low rate of collection.

Part D

Activities of CCC

6 Activities of CCC

Customer Consultative Committee (CCC) are structures established by the Water and Wastewater Regulatory Office, in accordance with legal requirements mandated to resolve customer complaints unresolved by their respective service provider as well as to consult the Regulatory about other regulatory issues including: fees, service standards, and aspects related to customer-service provider relations. Currently there are seven Customer Consultative Committees located in main regional centres (Prishtinë, Prizren, Pejë, Mitrovicë, Gjakovë, Ferizaj and Gjilan). On the other hand each municipality within the specified region has one representative of the CCC.

All CCC have continued their role to safeguard the customers' interest, besides their respective service providers, improving resolution of customers' complaints and promote awareness of the rights and obligations of customers. In this way they ensured the WWRO presence in the field

During this reporting period, 76 CCCs regular meetings took place, where complaints and important issues of customers were reviewed. Specifically, were reviewed: Report on customers' opinion research for water and wastewater services in Kosovo, Performance Report, Reports on applicability of WWRO rules. CCC also requested from all companies to review the 'Procedures for reviewing customer complaints' which is a legal requirement. After analyzing this normative act, it was concluded that only RWC 'Prishtina' and RWC 'Radoniqi' have completed this procedure and harmonized this procedure with the WWRO current legislation.

Table 11, Number of complaints filed in CCC

REGION	2013 Compliants filed	Complaints resolved	2012 Compliants filed	Complaints resolved
CCC -Prishtinë	42	23	53	22
CCC -Mitrovicë	1	-	2	-
CCC - Pejë	-	-	1	-
CCC -Gjakovë	6	5	1	-
CCC - Prizren	3	2	1	1
CCC -Ferizaj	7	7	1	1
CCC -Gjilan	3	3	1	2
Total	62	40	60	26

The nature of complaints filed to the CCC, mainly were on financial issues (discount or settlement of debt and lump billing), there were no complaints of technical nature or because the height of tariff. More complaints were submitted in the CCC regions: Prishtina (42), Ferizaj (7) and Gjakova (6), whereas no complaint was filed in CCC Peja. More complaints were addressed by households (58), and only four by non-household customers.

In 2013 WWRO continued to closely cooperate and consult with the water companies and other stakeholders on the issues related to the work of the CCC, and the protection of customer interests. In order to inform customers and raise public awareness of the CCC role, WWRO also was actively engaged in cooperation with the regional CCCs to promote their role, through the media, with the primarily goal the creation of conditions for active participation of customers in issues related to water and wastewater public services.

7 CHALLENGES FOR FUTURE

Besides the many challenges that rank the water service sector, undoubtedly the high water losses to unacceptable level and low collection efficiency, remains absolutely the biggest problem and the main challenge for water service providers. Following this report we will treat some of them convinced that their achievement will directly affect their financial and operating sustainability, and the level of providing service to customers.

a) Increase of financial operational efficiency:

WRC**,** despite being a public service enterprise, it should be viewed as an enterprise with significant autonomy able to stand and act on a commercial basis. So that it can take quick decisions about efforts to maximize and optimize its managerial resources to ensure efficient management in billing and revenue collection and providing better water services.

- Improvement of billing and collection

The predicitons made for billing and revenue collection in tariff review process 2012-2014 are clear now, even though they were the real targets to be achieved. The actual performance was bellow expectations, it had major impacts on cash flow which in turn has seriously limited the RWCs to implement their planned programs for investment.

Increased efficiency of billing and collection is also one of the challenges of the water sector which was constantly addressed through progress reports of the European Commission in Kosovo. Improving the effifiency of billing and collection is an exclusive responsibility of the management of the RWC.

However the Government as a shareholder of these companies through the Bord of Directors may help much more in the direction of taking legal and administrative measures, such as stimulating for good performance as well as the sanctioning of those responsible for not achieving the objectives of billing and collection. The Government also should take over the payment of debts of water services for customers categorized as social assistance cases.

- Reduction of NRW

Reduction of NRW is one of the challenges for all RWC without exception. The level of NRW in average sector rate is about 57% and except for some minor improvements over the past few years has not marked any tendency of reduction, it cannot be expected any improvement in this regard without getting into performance agreement between the Government (shareholder) and RWC to reduce NRW progressively.

Keeping this objective in place, by taking some effective measure (such as reducing the flow, accuracy of billing, metered consumption, etc.) will produce excellent results. Rehabilitation and optimization of water distribution network is necessary to minimize losses and to ensure 24-hours water supply in areas where water supply requirements are higher than current possibility of production. Therefore companies need to consider as a first priority the reduction of NRW. This implies a reduction of: (i) physical losses from the water network (leaks); (ii) identification and elimination of illegal connections: (iii) loss from not measuring water (by reckless consumption), etc.

While the reduction of physical losses through measures of the leak detection as well as repairing and replacing pipes, is considered to be high cost, reducing administrative losses is an activity which companies can afford with lower financial resources.

Warning from the SDC project phase 5, as well as other projects that RWC will have support in reduction of NRW is encouraging. Even in the past the RWC have had the support of donors, especially in this regard. However the results have been limited for the reason that the approach to this problem has not been strategic, mostly working ad hoc and in small areas, in the form of campaigns.

WWRO has suggested many times that issue of NRW reduction is complex. Therefore, upon request by this project to further support the institutional strengthening of the Water and Wastewater of Regulatory Office financed by European Union funds, "Strategy of reducing non-revenue water" was drafted, in to support RWCs. The strategy was drafted by international renowned experts in the field of reduction of NRW, and which can serve as a good basis to start with NRW reduction programs.

By reducing the NRW e.g. physical losses and administrative water companies benefit not only water but also customers and as a result the better use of available water resources can be made possible.

b) Fulfilment of service minimal standards

WWRO monitored the level of service delivery to all service providers through the regular inspection and ad-hoc audits, to ensure that service delivery is in accordance with minimum standards of service, conditions of license and other legal provisions. It is a general findings of WWRO that service providers in Kosovo, are not fulfilling many of the standards that relate to commercial and operational aspects and customer service.

- Handling customer complaints

Customers have the right to file their complaint to the Service Provider if htey think they are not respecting their rights in general or defined by the Customer Charter and Rules issued by WWRO.

It is important for disatisfied customers that their Service Provider to offer them the opportunity to complain. Addressing his complaint is one of the most important and represents a challenge for customer service. Furthermore, professional and successful management of any complaint can contribute much to customer satisfaction, as well as improving the overall performance of the Service Provider. In this respect it is also essential that service provider establish means for bilateral communication. Initially offering customers convenient ways to contact the service provider and giving his feedback during the review of the complaint.

Obligations to be met by water Service Providers on claims, are defined in law and regulations issued by WWRO (Rules for minimum service standards), which are clear and consistent with the principles and best practices.

- Applicability of AG 16/2012 on the water quality

The primary responsibility of RWC emerged from AG -16/2012 on the water quality si supplying customers with high quality of that meets parametric requirements of this AG. Moreover, under this instruction, RWC should internally monitor the quality of water. Before doing this, there is a need for defining the areas of supplying, determining the number of samples and frequency of sampling as well laboratory accreditation.

WWRO will continue to work with Government Instistutions (IPH, PMU-NP, KNMU) and RWC for improving drinking water quality an meeting the responsibilities arising from AG 16/2012. Furthermore during the 2015-201 tariff determination, WWRO will review the requirement of RWC, which relate to water qualitu and later findings that the proposed program is affordable by customers and will make a final decision on drinking water quality and environmental quality programs.

- Water measurement

Despite a relatively intensive program during the last RWC for replacement of meters, many customers in Kosovo are still without water meters, mainly due to limited financial resources and lack of RWC programs for equipping customers with meters although in some cases the lack of meters is due to technical limitations such as residential blocks (old houses).

Measuring water supply in Kosovo is not consistent. Many old buildings have only one main water meter that serves the entire building and water bills divided by joint meter reading and proportionally sharing to family members, customers in that collective building. Other buildings, generally the newer ones have water meters for each apartment.

WWRO position regarding the meter is clear because it supports the overall concept of water meter (in individual properties or apartment blocks where individual measurement is not possible to apply).

RWC should develop programs to equip customers with meters. Further, program for the placement of water meters is needed to be done rationally, and to be addressed towards non domestic customers in the first place, and then to households with high consumption (individual houses, especially in rural areas where water is supplied by RWC often used for agriculture activities).

The WWRO position is that program of water meter placement to be included in business plans and financial consequences are included in the tariff, while WWRO will ensure that meter program is implemented as planned and to apply sanctions if it does not adhere to the RWC plans.

ANNEX 1 Detailed data of performance

Performance Monitoring Process and Comparative Evaluation requires regular collection of data that are accurate and with appropriate reliability analysis so that their result as objective information. Availability of such data depends largely on the use management of information system of the RWC, which is updated on regular basis.

For the realization of this important responsibility, WWRO created the reporting system and dissemination of information, the base of which is called: Annual Monitoring Plan (AMP) and Monthly Operational Reporting, Financial and Customer Service (FCS), which contain data from all areas of the work of service providers, including financial, operational and data from Customer Service. As part of regular reporting (monthly and annual) undoubtedly, responsibility for data reporting lies in the companies, and WWRO is responsible for the evaluation of these data in the context of the accuracy and reliability of their source.

The data used in this performance report are based on data taken from annual reports of RWCs reported through the system of Annual Monitoring Plan. About discussion of the issue of comparable indicators are also utilized the data reported by monthly report according to the operational, financial, and customer service report (OFCR).

To produce more objective information, the data reported were subject to regular annual audit process by WWRO, to verify their accuracy and reliability. Team auditor has estimated that data have generally been accurate; some shortcomings are confirmed due to misunderstanding of data definitions. Regarding confidentiality the WWRO audit team considers that some financial record are completely reliable, operational data and data of customer services have not been reliable throughout time.

- All financial data expressed in Euro are adjusted at the price level of mid- 2013, in accordance with published inflation statistics to enable proper comparisons from year to year.
- Determining the value of assets is made based on Regulatory Asset Base;
- Capital maintenance is defined as a combination of infrastructure renewals and devaluation under the current cost of non-infrastructure assets;
- Provision for bad debts (settlement) is defined as the difference between the billing and collection of revenue from last year;
- The performance of revenue collection is defined as the difference between the billing for water and wastewater (excluding connection fees and other income) and cash income for water and wastewater (also by excluding connection fees and other incomes).

To evaluate the performance of the standards for drinking water quality, WWRO uses data reported by the National Institute of Public Health (NIPH) which has responsibility for monitoring and testing of water distributed by water service providers. Data about population statistics and data on inflation (CPI), were obtained from the Statistical Office of Kosovo (SOK). Detailed statistics of seven RWCs performance are presented in the following tables:

RWC Prishtina (Prishtina)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	97.2%	99.4%
		Water quality (physical and chemical)	W.1.A.02	% pass	100%	100%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	100	77
		Properties affected by low pressure	W.1.A.04	% properties	0.12%	0.09%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	23,789	19,356
		Properties with 24 hour supply	W.1.A.06	% properties	29%	22%
		Properties with 18-24 hour supply	W.1.A.07	Nr	46,698	33,335
		Properties with 18-24 hour supply	W.1.A.08	% properties	58%	38%
		Properties with less than 18 hours supply	W.1.A.09	Nr	10,695	34,007
		Properties with less than 18 hours supply	W.1.A.10	% properties	13%	39%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	24,094,986	20,812,306
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	723	583
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	808	683
		Non revenue water (relative to production)	W.1.B.04	% production	53%	50%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	170	142
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	263	213
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	81,182	86,698
		Coverage (households served relative to total)	W.2.A.02	% total households	91.3%	96.4%
	New connections	New connections (household)	W.2.A.03	Nr	6,023	5,009
		New connections (commercial and institutional)	W.2.A.04	Nr	1,223	646
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	96%	97%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	100%	99%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	5,962	75
		Meters installed (com & inst)	W.2.B.04	Nr	1,216	8
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	3,060	2,548
		Complaints received (commercial)	W.2.C.02	Nr	4,156	4,349
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	15,134,887	15,005,238
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	84%	78%
		Volume of sales to households (un-metered)	W.3.A.03	m3	1,099,463	849,348
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	104%	126%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	4,719,235	4,564,882
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	95%	90%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	5,475	14,123
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	72%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	7,091,077	7,053,080
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	83%	74%
		Value of water sales to com & inst	W.3.A.11	EUR	4,543,486	4,361,856
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	93%	84%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.050	0.054
		Unit total cost of water production	W.3.B.02	EUR/m3	0.053	0.058
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.400	0.408
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	3,151,672	619,332
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	45%	8%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	15.2%	2.9%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	1,912,655	8,288,870
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	40%	198%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	2,677	2,933
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	906	863
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	38	0
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	13	0
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	63,293	69,965
		Coverage (households served relative to total)	S.2.A.02	% total households	71.2%	77.8%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0	0
	New connections	New connections (household)	S.2.A.05	Nr	7,769	5,575
		New connections (commercial and institutional)	S.2.A.06	Nr	1,151	636
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	2,260	2,273
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	668,451	660,626
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	86%	81%
		Value of sales to com & inst	S.3.A.01	EUR	440,640	455,096
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	82%	76%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	2.79	2.77
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	2.93	2.83
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	9,862	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0.1%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	5,503	80,819
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	1.2%	47.3%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	12,743,654	12,530,658
		Total sales relative to plan	F.1.A.02	% of plan estimate	87%	78%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	9,556,582	9,538,826
		Total revenue collection out-performance	F.1.B.02	EUR	-1,416,833	-2,700,667
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	87%	78%
		Total revenues written off	F.1.B.04	EUR	3,551,897	3,187,072
		Total revenues written off relative to billing	F.1.B.05	% of billing	28%	25%
		Revenue collection relative to billing	F.1.B.06	% of billing	75%	76%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	3.09%	2.91%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Hidroregjioni Jugor (Prizren)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	94.2%	97.0%
		Water quality (physical and chemical)	W.1.A.02	% pass	99.6%	98.2%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	1,840	0
		Properties affected by low pressure	W.1.A.04	% properties	6.12%	0%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	29,476	31,869
		Properties with 24 hour supply	W.1.A.06	% properties	98%	98%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	0
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	0%
		Properties with less than 18 hours supply	W.1.A.09	Nr	600	600
		Properties with less than 18 hours supply	W.1.A.10	% properties	2%	2%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	11,998,622	11,524,935
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	943	841
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	948	845
		Non revenue water (relative to production)	W.1.B.04	% production	61%	60%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	120	214
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	315	517
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	30,076	32,469
		Coverage (households served relative to total)	W.2.A.02	% total households	59.9%	63.1%
	New connections	New connections (household)	W.2.A.03	Nr	2,451	2,336
		New connections (commercial and institutional)	W.2.A.04	Nr	285	316
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	93%	96%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	99%	99%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	1,558	1,213
		Meters installed (com & inst)	W.2.B.04	Nr	258	701
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	950	1,406
		Complaints received (commercial)	W.2.C.02	Nr	492	736
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	5,739,041	5,929,161
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	113%	109%
		Volume of sales to households (un-metered)	W.3.A.03	m3	443,279	341,380
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	70%	90%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	1,465,401	1,462,042
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	80%	76%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	27,393	16,097
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	10%	20%
	Values	Value of water sales to households	W.3.A.09	EUR	2,329,600	2,592,609
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	106%	101%
		Value of water sales to com & inst	W.3.A.11	EUR	1,099,224	1,207,149
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	72%	72%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.067	0.076
		Unit total cost of water production	W.3.B.02	EUR/m3	0.069	0.079
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.353	0.381
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	2,054,941	236,695
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	94%	454%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	31.4%	3.5%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	1,275,232	1,309,059
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	53%	289%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	951	779
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	405	300
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	0	0
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	0	0
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	28,144	28,972
		Coverage (households served relative to total)	S.2.A.02	% total households	56.1%	56.3%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	1,814	-159
		New connections (commercial and institutional)	S.2.A.06	Nr	258	229
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	218	57
		Complaints received (commercial)	S.2.B.02	Nr	68	32
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	266,701	266,407
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	103%	97%
		Value of sales to com & inst	S.3.A.01	EUR	131,004	129,575
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	66%	69%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	3.80	4.01
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	3.85	4.06
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	23,113	40
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	2%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	1.0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	35,207	288
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	52%	0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	3,826,529	4,195,741
		Total sales relative to plan	F.1.A.02	% of plan estimate	91%	90%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	2,741,905	3,031,528
		Total revenue collection out-performance	F.1.B.02	EUR	-316,705	-483,083
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	90%	86%
		Total revenues written off	F.1.B.04	EUR	971,530	1,084,624
		Total revenues written off relative to billing	F.1.B.05	% of billing	25%	26%
		Revenue collection relative to billing	F.1.B.06	% of billing	72%	72%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	1.50%	1.38%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Hidrodrini (Peja)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	100%	98.6%
		Water quality (physical and chemical)	W.1.A.02	% pass	86.9%	89.5%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	93	0
		Properties affected by low pressure	W.1.A.04	% properties	0.32%	0%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	28,883	30,865
		Properties with 24 hour supply	W.1.A.06	% properties	100%	99%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	205
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	1%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	0
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	0%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	17,908,203	20,366,510
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	1,463	1,580
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	1,463	1,581
		Non revenue water (relative to production)	W.1.B.04	% production	66%	72%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	157	151
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	372	304
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	28,883	31,071
		Coverage (households served relative to total)	W.2.A.02	% total households	94.2%	90.8%
	New connections	New connections (household)	W.2.A.03	Nr	-973	5,349
		New connections (commercial and institutional)	W.2.A.04	Nr	-1,019	223
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	94%	95%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	89%	98%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	846	788
		Meters installed (com & inst)	W.2.B.04	Nr	4	82
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	1,840	2,103
		Complaints received (commercial)	W.2.C.02	Nr	268	167
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	6,645,629	5,727,788
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	100%	82%
		Volume of sales to households (un-metered)	W.3.A.03	m3	562,251	572,186
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	129%	202%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	1,803,859	1,353,554
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	98%	72%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	61,170	417,478
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	105%	1,855%
	Values	Value of water sales to households	W.3.A.09	EUR	1,829,217	1,735,952
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	92%	79%
		Value of water sales to com & inst	W.3.A.11	EUR	919,355	936,108
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	92%	85%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.004	0.004
		Unit total cost of water production	W.3.B.02	EUR/m3	0.006	0.005
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.179	0.206
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	553,687	53,310
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	53%	9%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	8.3%	0.8%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	2,777,095	841,638
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	190%	52%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	240	328
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	191	260
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	0	0
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	0	0
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	12,693	14,088
		Coverage (households served relative to total)	S.2.A.02	% total households	41.4%	41.2%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	3,003	-213
		New connections (commercial and institutional)	S.2.A.06	Nr	186	-86
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	1,074	1,279
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	193,417	164,007
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	105%	72%
		Value of sales to com & inst	S.3.A.01	EUR	130,659	93,710
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	76%	49%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	4.16	3.96
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	4.26	4.06
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	1,412,111	2,729
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	96%	1,745%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	3,072,648	2,929,777
		Total sales relative to plan	F.1.A.02	% e vlerësimit sipas planit	92%	79%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	1,747,377	1,889,478
		Total revenue collection out-performance	F.1.B.02	EUR	-665,793	-819,769
		Total revenue collection out-performance(relative)	F.1.B.03	% e vlerësimit sipas planit	72%	70%
		Total revenues written off	F.1.B.04	EUR	1,100,805	1,325,271
		Total revenues written off relative to billing	F.1.B.05	% e faturimit	35%	45%
		Revenue collection relative to billing	F.1.B.06	% e faturimit	57%	64%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Qarkullimi në ditë	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	4.37%	-0.98%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Mitrovica (Mitrovica)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	97.2%	98.7%
		Water quality (physical and chemical)	W.1.A.02	% pass	100%	96.2%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	3,450	3,450
		Properties affected by low pressure	W.1.A.04	% properties	17.1%	16.37%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	7,585	8,462
		Properties with 24 hour supply	W.1.A.06	% properties	38%	40%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	1,500
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	7%
		Properties with less than 18 hours supply	W.1.A.09	Nr	12,605	11,120
		Properties with less than 18 hours supply	W.1.A.10	% properties	62%	53%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	9,117,685	8,412,659
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	1,118	989
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	1,324	1,150
		Non revenue water (relative to production)	W.1.B.04	% production	52%	50%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	109	93
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	190	161
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	20,190	21,082
		Coverage (households served relative to total)	W.2.A.02	% total households	61.9%	64.1%
	New connections	New connections (household)	W.2.A.03	Nr	1,035	749
		New connections (commercial and institutional)	W.2.A.04	Nr	80	65
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	57%	59%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	78%	84%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	814	970
		Meters installed (com & inst)	W.2.B.04	Nr	225	146
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	1,306	3,026
		Complaints received (commercial)	W.2.C.02	Nr	0	1
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	1,790,135	1,585,660
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	63%	43%
		Volume of sales to households (un-metered)	W.3.A.03	m3	2,226,189	2,038,052
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	129%	283%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	426,520	484,494
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	54%	59%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	64,608	50,392
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	94%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	1,596,500	1,520,004
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	87.4%	77.6%
		Value of water sales to com & inst	W.3.A.11	EUR	442,960	454,261
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	60.1%	61.7%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.049	0.051
		Unit total cost of water production	W.3.B.02	EUR/m3	0.050	0.052
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.271	0.362
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	0	1,996,894
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	0.0%	42.2%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	20,540	50,125
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	0.2%	0.5%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	1,498	1,172
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	798	623
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	0	0
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	0	0
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	14,577	16,006
		Coverage (households served relative to total)	S.2.A.02	% total households	44.7%	48.6%
		Households served with wastewater treatment	S.2.A.03	Nr	1,149	1,469
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	7.3%	9.2%
	New connections	New connections (household)	S.2.A.05	Nr	2,216	642
		New connections (commercial and institutional)	S.2.A.06	Nr	89	62
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	1,743	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	256,552	279,118
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	93.9%	74.5%
		Value of sales to com & inst	S.3.A.01	EUR	93,907	125,107
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	53%	54%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	11.09	9.61
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	11.10	9.61
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	2,794
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	2%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0.2%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	1,311	2,294
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	0%	0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	2,389,919	2,378,490
		Total sales relative to plan	F.1.A.02	% of plan estimate	79%	72%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	1,185,877	1,144,165
		Total revenue collection out-performance	F.1.B.02	EUR	-708,905	-983,898
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	63%	54%
		Total revenues written off	F.1.B.04	EUR	964,776	1,204,042
		Total revenues written off relative to billing	F.1.B.05	% of billing	40%	51%
		Revenue collection relative to billing	F.1.B.06	% of billing	50%	48%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	1.5%	-6.54%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Radoniqi (Gjakova)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	99.9%	99.8%
		Water quality (physical and chemical)	W.1.A.02	% pass	99.8%	99.7%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	0	163
		Properties affected by low pressure	W.1.A.04	% properties	0%	0.64%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	24,835	25,358
		Properties with 24 hour supply	W.1.A.06	% properties	100%	99%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	0
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	0%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	195
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	1%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	8,877,219	7,596,404
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	868	719
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	868	720
		Non revenue water (relative to production)	W.1.B.04	% production	59%	51%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	122	198
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	270	439
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	24,835	25,553
		Coverage (households served relative to total)	W.2.A.02	% total households	96.2%	99.7%
	New connections	New connections (household)	W.2.A.03	Nr	1,104	331
		New connections (commercial and institutional)	W.2.A.04	Nr	254	176
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	92%	95%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	100%	100%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	338	264
		Meters installed (com & inst)	W.2.B.04	Nr	52	5
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	85	84
		Complaints received (commercial)	W.2.C.02	Nr	380	281
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	4,329,660	5,637,320
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	86%	107%
		Volume of sales to households (un-metered)	W.3.A.03	m3	1,058,959	539,767
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	180%	110%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	807,330	1,003,135
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	101%	125%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	0	0
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	0%	0%
	Values	Value of water sales to households	W.3.A.09	EUR	2,096,162	2,472,796
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	93%	99%
		Value of water sales to com & inst	W.3.A.11	EUR	713,350	659,323
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	97%	88%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.021	0.024
		Unit total cost of water production	W.3.B.02	EUR/m3	0.024	0.027
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.328	0.321
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	113,394	74,922
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	21%	14%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	1.9%	1.2%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	277,023	1,254,341
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	1,398%	0%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	428	632
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	545	797
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	0	0
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	0	0
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	12,860	13,736
		Coverage (households served relative to total)	S.2.A.02	% total households	51.4%	53.6%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	1,271	482
		New connections (commercial and institutional)	S.2.A.06	Nr	111	100
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	153	324
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	212,168	275,541
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	96%	92%
		Value of sales to com & inst	S.3.A.01	EUR	95,859	114,850
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	98%	83%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	8.48	9.67
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	9.21	10.36
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	2,098	227
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	1%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0.1%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	4,844	13,343
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	0%	0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	3,117,538	3,522,510
		Total sales relative to plan	F.1.A.02	% of plan estimate	94%	96%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	2,424593	2,643,956
		Total revenue collection out-performance	F.1.B.02	EUR	-92,826	-221,867
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	96%	92%
		Total revenues written off	F.1.B.04	EUR	810,369	692,945
		Total revenues written off relative to billing	F.1.B.05	% of billing	26%	20%
		Revenue collection relative to billing	F.1.B.06	% of billing	78%	75%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		**Free cash flow**	**F.2.A.01**	**EUR**	**N/A**	**N/A**
Ratios	**Returns**	**Return on capital**	**F.2.B.01**	**%**	**2.76%**	**5.34%**
		Cost of debt	**F.2.B.02**	**%**	**N/A**	**N/A**
	Ratios	**Gearing**	**F.2.B.03**	**ratio**	**N/A**	**N/A**
		Cash interest cover	**F.2.B.04**	**ratio**	**N/A**	**N/A**
		Funds from operations/debt	**F.2.B.05**	**ratio**	**N/A**	**N/A**
		Debt service coverage ratio	**F.2.B.06**	**ratio**	**N/A**	**N/A**

Bifurkacioni (Ferizaj)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	97.7%	97.5%
		Water quality (physical and chemical)	W.1.A.02	% pass	97.1%	99.4%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	1,082	1,082
		Properties affected by low pressure	W.1.A.04	% properties	7.4%	7.2%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	209	1,703
		Properties with 24 hour supply	W.1.A.06	% properties	1.4%	11%
		Properties with 18-24 hour supply	W.1.A.07	Nr	14,193	13,158
		Properties with 18-24 hour supply	W.1.A.08	% properties	97%	88%
		Properties with less than 18 hours supply	W.1.A.09	Nr	230	115
		Properties with less than 18 hours supply	W.1.A.10	% properties	1.6%	1.0%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	3,572,431	3,376,993
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	595	560
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	681	630
		Non revenue water (relative to production)	W.1.B.04	% production	58%	55%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	26	26
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	141	141
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	14,632	14,976
		Coverage (households served relative to total)	W.2.A.02	% total households	79.9%	80.9%
	New connections	New connections (household)	W.2.A.03	Nr	-417	1,106
		New connections (commercial and institutional)	W.2.A.04	Nr	-654	139
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	82%	87%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	66%	84%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	841	1,496
		Meters installed (com & inst)	W.2.B.04	Nr	167	175
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	35	315
		Complaints received (commercial)	W.2.C.02	Nr	117	191
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	1,523,646	1,602,426
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	66%	61%
		Volume of sales to households (un-metered)	W.3.A.03	m3	671,910	752,626
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	95%	132%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	171,467	200,550
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	82%	80%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	169,750	172,911
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	164%	1,201%
	Values	Value of water sales to households	W.3.A.09	EUR	890,915	1,141,343
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	76%	87%
		Value of water sales to com & inst	W.3.A.11	EUR	269,347	158,396
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	89%	60%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.041	0.044
		Unit total cost of water production	W.3.B.02	EUR/m3	0.043	0.046
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.305	0.311
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	35,004	33,168
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	6%	6%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	1.1%	1.0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	659,836	20,113
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	194%	9.4%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	240	396
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	204	238
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	31	0
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	26	0
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	11,872	13,880
		Coverage (households served relative to total)	S.2.A.02	% total households	64.8%	75.0%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	457	3,559
		New connections (commercial and institutional)	S.2.A.06	Nr	563	128
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	0	0
		Complaints received (commercial)	S.2.B.02	Nr	0	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	156,625	200,096
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	46%	55%
		Value of sales to com & inst	S.3.A.01	EUR	66,748	38,618
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	71%	43%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	3.98	4.89
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	4.8	5.44
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	6,153	4,181
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	1%	2%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0.8%	0.5%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	1,399	747
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	0.4%	0.0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	1,383,635	1,538,453
		Total sales relative to plan	F.1.A.02	% of plan estimate	72%	76%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	796,784	924,357
		Total revenue collection out-performance	F.1.B.02	EUR	-504,669	-501,418
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	61%	65%
		Total revenues written off	F.1.B.04	EUR	447,402	586,851
		Total revenues written off relative to billing	F.1.B.05	% of billing	32%	38%
		Revenue collection relative to billing	F.1.B.06	% of billing	58%	60%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	4.21%	2.07%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

RWC Hidromorava (Gjilan)

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
W - Water supply						
Non-financial (technical)						
Standards of service	Quality	Water quality (bacteriological)	W.1.A.01	% pass	98.1%	98.0%
		Water quality (physical and chemical)	W.1.A.02	% pass	99.3%	99.5%
	Pressure	Properties affected by low pressure	W.1.A.03	Nr	300	200
		Properties affected by low pressure	W.1.A.04	% properties	1.7%	1.0%
	Reliability	Properties with 24 hour supply	W.1.A.05	Nr	17,574	19,363
		Properties with 24 hour supply	W.1.A.06	% properties	100%	99%
		Properties with 18-24 hour supply	W.1.A.07	Nr	0	150
		Properties with 18-24 hour supply	W.1.A.08	% properties	0%	1%
		Properties with less than 18 hours supply	W.1.A.09	Nr	0	0
		Properties with less than 18 hours supply	W.1.A.10	% properties	0%	0%
Infrastructure serviceability	Non-revenue water	Non revenue water (total)	W.1.B.01	m3 per day	4,640,045	4,288,148
		Non revenue water (per connection)	W.1.B.02	litres per cust. per day	649	543
		Non revenue water (per connection) - adjusted	W.1.B.03	litres per cust. per day	649	544
		Non revenue water (relative to production)	W.1.B.04	% production	61%	55%
	Pipe bursts	Pipe network bursts frequency	W.1.B.05	bursts per month	58	240
		Pipe network bursts per 100 km of pipe	W.1.B.06	Nr / 100 km	441	1,745
Non-financial (commercial)						
Service coverage	Households	Households served	W.2.A.01	Nr	17,574	19,513
		Coverage (households served relative to total)	W.2.A.02	% total households	57.2%	62.7%
	New connections	New connections (household)	W.2.A.03	Nr	1,558	2,319
		New connections (commercial and institutional)	W.2.A.04	Nr	-537	726
Metering	Metering rate	Metered households relative to total households	W.2.B.01	% households	85%	85%
		Metered com & inst relative to total com & inst.	W.2.B.02	% com & inst	81%	77%
	Meters installed	Meters installed (households)	W.2.B.03	Nr	1,945	501
		Meters installed (com & inst)	W.2.B.04	Nr	113	65
Complaints	Complaints	Complaints received (technical)	W.2.C.01	Nr	1,919	2,879
		Complaints received (commercial)	W.2.C.02	Nr	137	125
Financial						
Sales	Volumes	Volume of sales to households (metered)	W.3.A.01	m3	2,175,350	2,449,642
		Volume of sales to households (metered) relative to plan estimates	W.3.A.02	% of plan estimate	90%	92%
		Volume of sales to households (un-metered)	W.3.A.03	m3	325,276	550,051
		Volume of sales to households (un-metered) relative to plan estimates	W.3.A.04	% of plan estimate	70%	183%
		Volume of sales to com & inst (metered)	W.3.A.05	m3	389,894	385,817
		Volume of sales to com & inst (metered) relative to plan estimates	W.3.A.06	% of plan estimate	95%	86%
		Volume of sales to com & inst (un-metered)	W.3.A.07	m3	79,561	56,416
		Volume of sales to com & inst (un-metered) relative to plan estimates	W.3.A.08	% of plan estimate	119%	617%
	Values	Value of water sales to households	W.3.A.09	EUR	986,812	1,148,439
		Value of water sales to households relative to plan estimates	W.3.A.10	% of plan estimate	84%	90%
		Value of water sales to com & inst	W.3.A.11	EUR	382,716	339,453
		Value of water sales to com & inst relative to plan estimates	W.3.A.12	% of plan estimate	91%	86%
Unit costs	Production	Unit operational cost of water production	W.3.B.01	EUR/m3	0.048	0.059
		Unit total cost of water production	W.3.B.02	EUR/m3	0.051	0.062
	Total costs	Unit cost of water sold	W.3.B.03	EUR/m3	0.390	0.333
		Unit cost of water sold and paid for	W.3.B.04	EUR/m3	N/A	N/A
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	W.3.C.01	EUR	157,332	0
		Total capital maintenance expenditure relative to plan	W.3.C.02	% of plan estimate	77%	0%
		Total capital maintenance expenditure relative to RAB	W.3.C.03	% of RAB	5.9%	0.0%
	Capital enhancement	Total capital enhancement expenditure	W.3.C.04	EUR	1,182,371	31,041
		Total capital enhancement expenditure relative to plan	W.3.C.05	% of plan estimate	125%	149%

Category / sub-category	Sub-sub-category	Indicator	Ref	Unit	2012	2013
S - Sewerage (wastewater)						
Non-financial (technical)						
Standards of service	Discharge quality	Discharge quality	S.1.A.01	% pass	N/A	N/A
Reliability	Sewer overflows	Sewer overflows	S.1.B.01	Nr	632	852
		Sewer overflows per 100 km of pipe	S.1.B.02	Nr per 100 km	620	473
Serviceability	Sewer collapses	Sewer collapses	S.1.C.01	Nr	19	0
		Sewer collapses per 100 km of pipe	S.1.C.02	Nr per 100 km	19	0
	WWTP overflows	Wastewater treatment plan overflows	S.1.C.03	Nr	N/A	N/A
Non-financial (commercial)						
Service coverage	Households	Households served	S.2.A.01	Nr	13,026	14,900
		Coverage (households served relative to total)	S.2.A.02	% total households	42.4%	47.8%
		Households served with wastewater treatment	S.2.A.03	Nr	0	0
		Coverage (households served with wastewater treatment relative to total)	S.2.A.04	% households	0%	0%
	New connections	New connections (household)	S.2.A.05	Nr	2,978	769
		New connections (commercial and institutional)	S.2.A.06	Nr	17	24
Complaints	Complaints	Complaints received (technical)	S.2.B.01	Nr	651	852
		Complaints received (commercial)	S.2.B.02	Nr	39	0
Financial						
Sales	Values	Value of sales to households	S.3.A.01	EUR	174,271	201,324
		Value of sales to households relative to plan	S.3.A.02	% of plan estimate	77%	77%
		Value of sales to com & inst	S.3.A.01	EUR	79,732	83,496
		Value of sales to com & inst relative to plan	S.3.A.02	% of plan estimate	84%	83%
Unit costs	Treatment and disposal	Unit operational cost of treatment and disposal per m3	S.3.B.01	EUR/m3	N/A	N/A
		Unit total cost of treatment and disposal per m3	S.3.B.02	EUR/m3	N/A	N/A
		Unit operational cost of treatment and disposal per household	S.3.B.03	EUR/ household	N/A	N/A
		Unit total cost of treatment and disposal per household	S.3.B.04	EUR/ household	N/A	N/A
	Collection	Unit operational cost of wastewater collection per household	S.3.B.05	EUR/ household	N/A	N/A
		Unit total cost of wastewater collection per household	S.3.B.06	EUR/ household	N/A	N/A
		Unit operational cost of wastewater services per household	S.3.B.07	EUR/ household	6.25	5.61
		Unit total cost of wastewater services per household	S.3.B.08	EUR/ household	6.91	6.24
Capital expenditure	Capital maintenance	Total capital maintenance expenditure	S.3.C.01	EUR	0	0
		Total capital maintenance expenditure relative to plan	S.3.C.02	% of plan estimate	0%	0%
		Total capital maintenance expenditure relative to RAB	S.3.C.03	% of RAB	0%	0%
	Capital enhancement	Total capital enhancement expenditure	S.3.C.04	EUR	27,376	1,170
		Total capital enhancement expenditure relative to plan	S.3.C.05	% of plan estimate	987%	0%
F – Financial						
Sales and revenue collection						
Sales		Total sales	F.1.A.01	EUR	1,623,531	1,772,713
		Total sales relative to plan	F.1.A.02	% of plan estimate	84%	87%
Collection efficiency		Total revenue collection	F.1.B.01	EUR	1,202,607	1,242,424
		Total revenue collection out-performance	F.1.B.02	EUR	-308,290	-390,615
		Total revenue collection out-performance(relative)	F.1.B.03	% of plan estimate	80%	76%
		Total revenues written off	F.1.B.04	EUR	328,972	420,924
		Total revenues written off relative to billing	F.1.B.05	% of billing	20%	24%
		Revenue collection relative to billing	F.1.B.06	% of billing	74%	70%
		Accounts receivable	F.1.B.07	EUR	N/A	N/A
		Accounts receivable relative to turnover	F.1.B.08	Days turnover	N/A	N/A
Key financial values and ratios						
Values		Free cash flow	F.2.A.01	EUR	N/A	N/A
Ratios	Returns	Return on capital	F.2.B.01	%	3.69%	6.72%
		Cost of debt	F.2.B.02	%	N/A	N/A
	Ratios	Gearing	F.2.B.03	ratio	N/A	N/A
		Cash interest cover	F.2.B.04	ratio	N/A	N/A
		Funds from operations/debt	F.2.B.05	ratio	N/A	N/A
		Debt service coverage ratio	F.2.B.06	ratio	N/A	N/A

ANNEX 2 Definitions and reasonability

A Performance indicators definitions

Section	Reference	Indicator	Unit	Definition
W - Water supply				
Non-financial (technical)				
Standards of service	W.1.A.01	Water quality (bacteriological)	% pass	Percentage of bacteriological test results passing prescribed standards for bacteriological quality in the reporting period.
	W.1.A.02	Water quality (physical and chemical)	% pass	Percentage of physical and chemical test results passing prescribed standards for physical and chemical quality in the reporting period.
	W.1.A.03	Properties affected by low pressure	Nr	Average number of served properties over the reporting period situated in zones that regularly experience pressure below minimum pressure levels. Does not include short term intermittent periods of low pressure.
	W.1.A.04	Properties affected by low pressure	% properties	Average number of properties defined in W.1.A.3 divided by estimated number of served propertied in the service areas
	W.1.A.05	Properties with 24 hour supply	Nr	Average number of properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 23 or more hours per day.
	W.1.A.06	Properties with 24 hour supply	% properties	Percentage of served properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 23 or more hours per day.
	W.1.A.07	Properties with 18-24 hour supply	Nr	Average number of properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 18-23 hours per day.
	W.1.A.08	Properties with 18-24 hour supply	% properties	Percentage of served properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for 18-23 or more hours per day.
	W.1.A.09	Properties with less than 18 hours supply	Nr	Average number of properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for less than 18 hours per day.
	W.1.A.10	Properties with less than 18 hours supply	% properties	Percentage of served properties in the reporting period that enjoy continual water supply (excluding exceptional supply disruptions) for less than 18 hours per day.
Infrastructure serviceability	W.1.B.01	Non revenue water (total)	m3 per day	Average volume of NRW (difference between water production and water sold) per day over the reporting period
	W.1.B.02	Non revenue water (per connection)	litres per cust. per day	Average volume of NRW divided by the total number of connections in the service area.
	W.1.B.03	Non revenue water (per connection) - adjusted	litres per cust. per day	Average volume of NRW divided by the total number of connections in the service area adjusted for restricted supplies.
	W.1.B.04	Non revenue water (relative to production)	% production	Total volume of NRW divided by total volume of production
	W.1.B.05	Pipe network bursts frequency	bursts per month	Average number of pipe bursts per month
	W.1.B.06	Pipe network bursts per 100 km of pipe	Nr / 100 km	Total number of pipe bursts per year per 100 km of pipe (excluding service connections)
Non-financial (commercial)				
Service coverage	W.2.A.01	Households served	Nr	Total average number of households over the reporting period served with a piped water supply in the defined service area
	W.2.A.02	Coverage (households served relative to total)	% total households	Total average number of households over the reporting period served with a piped water supply in the service area divided by the total average number of households (served and un-served) in the defined service area.
	W.2.A.03	New connections (household)	Nr	Total number of new water supply connections to households (excluded reconnections) over the reporting period.
	W.2.A.04	New connections (commercial and institutional)	Nr	Total number of new water supply connections to commercial and institutional customers (excluded reconnections) over the reporting period.
Metering	W.2.B.01	Metered households relative to total households	% households	Average number of metered (meters functioning) households over the reporting period divided by the average number of households served with a piped water supply in the service area as defined in licence agreements.
	W.2.B.02	Metered com & inst relative to total com & inst.	% com & inst	Average number of metered (meters functioning) commercial and institutional customers over the reporting period divided by the average number of commercial and institutional customers served with a piped water supply in the service area as defined in licence agreements.
	W.2.B.03	Meters installed (households)	Nr	Total household meters installed in the reporting period.
	W.2.B.04	Meters installed (com & inst)	Nr	Total commercial and institutional customer meters installed in the reporting period.
Complaints	W.2.C.01	Complaints received (technical)	Nr	Total number of complaints received by the RWC in relation to levels of service (poor water quality, pressure, reliability, disruption due to construction activities and other technical issues) in the reporting period.
	W.2.C.02	Complaints received (commercial)	Nr	Total number of complaints received by the RWC in relation to water supply billing and tariffs in the reporting period.
Financial				
Sales	W.3.A.01	Volume of sales to households (metered)	m3	Total volume of water sold to metered households in reporting period.
	W.3.A.02	Volume of sales to households (metered) relative to plan estimates	% of plan estimate	Total volume of water sold to metered households in reporting period divided by volume of metered household sales estimated in the business plan for the same reporting period
	W.3.A.03	Volume of sales to households (un-metered)	m3	Total volume of water sold to un-metered households in reporting period.
	W.3.A.04	Volume of sales to households (un-metered) relative to plan estimates	% of plan estimate	Total volume of water sold to un-metered households in reporting period divided by volume of un-metered household sales estimated in the business plan for the same reporting period
	W.3.A.05	Volume of sales to com & inst (metered)	m3	Total volume of water sold to metered commercial and institutional customers in reporting period.
	W.3.A.06	Volume of sales to com & inst (metered) relative to plan estimates	% of plan estimate	Total volume of water sold to metered commercial and institutional customers in reporting period divided by volume of metered household sales estimated in the business plan for the same reporting period
	W.3.A.07	Volume of sales to com & inst (un-metered)	m3	Total volume of water sold to un-metered commercial and institutional customers in reporting period.

Section	Reference	Indicator	Unit	Definition
	W.3.A.08	Volume of sales to com & inst (un-metered) relative to plan estimates	% of plan estimate	Total volume of water sold to un-metered commercial and institutional customers in reporting period divided by volume of un-metered household sales estimated in the business plan for the same reporting period
	W.3.A.09	Value of water sales to households	EUR	Total EUR value of water sales to households including fixed monthly charge component of tariff.
	W.3.A.10	Value of water sales to households relative to plan estimates	% of plan estimate	Total value of water sold to households in reporting period divided by value of water sold estimated in the business plan for the same reporting period (adjusted for inflation)
	W.3.A.11	Value of water sales to com & inst	EUR	Total EUR value of water sales to commercial and institutional customers including fixed monthly charge component of tariff.
	W.3.A.12	Value of water sales to com & inst relative to plan estimates	% of plan estimate	Total value of water sold to commercial and institutional customers in reporting period divided by value of water sold estimated in the business plan for the same reporting period (adjusted for inflation)
Unit costs	W.3.B.01	Unit operational cost of water production	EUR/m3	Total operating cost of water production in the reporting period divided by the volume of water produced in the same period
	W.3.B.02	Unit total cost of water production	EUR/m3	Total cost (operating + capital maintenance provisions) of water production in the reporting period divided by the volume of water produced in the same period
	W.3.B.03	Unit cost of water sold	EUR/m3	Total cost (operating + capital maintenance provisions) of the water supply business activity in the reporting period divided by the volume of water sold in the same period
	W.3.B.04	Unit cost of water sold and paid for	EUR/m3	Total cost (operating + capital maintenance provisions) of the water supply business activity in the reporting period divided by the volume of water sold and paid for in the same period
Capital expenditure	W.3.C.01	Total capital maintenance expenditure	EUR	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance).
	W.3.C.02	Total capital maintenance expenditure relative to plan	% of plan estimate	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by infrastructure renewals and current cost depreciation provisions in the business plan.
	W.3.C.03	Total capital maintenance expenditure relative to RAB	% of RAB	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by the regulatory asset base value of water assets.
	W.3.C.04	Total capital enhancement expenditure	EUR	Total capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement).
	W.3.C.05	Total capital enhancement expenditure relative to plan	% of plan estimate	Total capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement) divided by infrastructure enhancement and non-infrastructure enhancement provisions in the business plan.
S - Sewerage (wastewater)				
Non-financial (technical)				
Standards of service	S.1.A.01	Discharge quality	% pass	Percentage of wastewater treatment plant effluent quality tests passing prescribed standards for environmental quality in the reporting period.
Reliability	S.1.B.01	Sewer overflows	Nr	Number of reported incidents of sewer flooding reported to the RWC (or identified by RWC personnel) in the reporting period
	S.1.B.02	Sewer overflows per 100 km of pipe	Nr per 100 km	Number of reported incidents of sewer flooding reported to the RWC (or identified by RWC personnel) in the reporting period divided by the length of sewer network x 100.
Serviceability	S.1.C.01	Sewer collapses	Nr	Number of reported incidents of sewer collapses reported to the RWC (or identified by RWC personnel) in the reporting period.
	S.1.C.02	Sewer collapses per 100 km of pipe	Nr per 100 km	Number of reported incidents of sewer collapses reported to the RWC (or identified by RWC personnel) in the reporting period divided by the length of sewer network x 100
	S.1.C.03	Wastewater treatment plan overflows	Nr	Number of incidents of wastewater treatment plant overflows in the reporting period
Non-financial (commercial)				
Service coverage	S.2.A.01	Households served	Nr	Total average number of households over the reporting period served with water borne piped sewerage system (including those connected to well functioning septic tanks in rural and semi-rural areas) in the service area as defined in licence agreements.
	S.2.A.02	Coverage (households served relative to total)	% total households	Total average number of households over the reporting period served with water borne piped sewerage system (including those connected to well functioning septic tanks in rural and semi-rural areas) in the service area divided by the total average number of households (served and un-served) in the defined service area.
	S.2.A.03	Households served with wastewater treatment	Nr	Total average number of households over the reporting period served with water borne piped sewerage system leading to a wastewater treatment plant (including well functioning septic tanks in rural and semi-rural areas) in the service area as defined in licence agreements
	S.2.A.04	Coverage (households served with wastewater treatment relative to total)	% households	Total average number of households over the reporting period served with water borne piped sewerage system leading to a wastewater treatment plant (including well functioning septic tanks in rural and semi-rural areas) in the service area divided by the total average number of households (served and un-served) in the defined service area.
	S.2.A.05	New connections (household)	Nr	Total number of new sewerage connections to households (excluded reconnections) over the reporting period.
	S.2.A.06	New connections (commercial and institutional)	Nr	Total number of new sewerage connections to commercial and institutional customers (excluded reconnections) over the reporting period.
Complaints	S.2.B.01	Complaints received (technical)	Nr	Total number of complaints received by the RWC in relation to levels of service (sewer overflows etc. in the reporting period.
	S.2.B.02	Complaints received (commercial)	Nr	Total number of complaints received by the RWC in relation to wastewater billing and tariffs in the reporting period.
Financial				
Sales	S.3.A.01	Value of sales to households	EUR	Total EUR value of wastewater services sales to households
	S.3.A.02	Value of sales to households relative to plan	% of plan estimate	Total value of wastewater services sold to households in reporting period divided by value of wastewater services sold estimated in the business plan for the same reporting period (adjusted for inflation)
	S.3.A.03	Value of sales to com & inst	EUR	Total EUR value of wastewater services sales to commercial and institutional customers

Section	Reference	Indicator	Unit	Definition
	S.3.A.04	Value of sales to com & inst relative to plan	% of plan estimate	Total value of wastewater services sold to commercial and institutional customers in reporting period divided by value of wastewater services sold estimated in the business plan for the same reporting period (adjusted for inflation)
Unit costs	S.3.B.01	Unit operational cost of treatment and disposal per m3	EUR/m3	Total operating cost of wastewater treatment and disposal in the reporting period divided by the measured volume of wastewater delivered to the wastewater treatment plants in the same period
	S.3.B.02	Unit total cost of treatment and disposal per m3	EUR/m3	Total cost (operating + capital maintenance provisions) of wastewater treatment and disposal in the reporting period divided by the volume of wastewater delivered in the same period
	S.3.B.03	Unit operational cost of treatment and disposal per household	EUR/ household	Total operating cost of wastewater treatment and disposal in the reporting period divided by the average number of households and household equivalents served by wastewater treatment facilities in the same period
	S.3.B.04	Unit total cost of treatment and disposal per household	EUR/ household	Total cost (operating + capital maintenance provisions) of wastewater treatment and disposal in the reporting period divided by the average number of households and household equivalents served by wastewater treatment facilities in the same period
	S.3.B.05	Unit operational cost of wastewater collection per household	EUR/ household	Total operating cost of the wastewater collection in the reporting period divided by the average number of households and household equivalents in the same period
	S.3.B.06	Unit total cost of wastewater collection per household	EUR/ household	Total cost (operating + capital maintenance provisions) of the wastewater collection in the reporting period divided by the average number of households and household equivalents in the same period
	S.3.B.07	Unit operational cost of wastewater services per household	EUR/ household	Total operating cost of the wastewater services business activity in the reporting period divided by the average number of households and household equivalents in the same period
	S.3.B.08	Unit total cost of wastewater services per household	EUR/ household	Total cost (operating + capital maintenance provisions) of the wastewater services business activity in the reporting period divided by the average number of households and household equivalents in the same period
Capital expenditure	S.3.C.01	Total capital maintenance expenditure	EUR	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance).
	S.3.C.02	Total capital maintenance expenditure relative to plan	% of plan estimate	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by infrastructure renewals and current cost depreciation provisions in the business plan.
	S.3.C.03	Total capital maintenance expenditure relative to RAB	% of RAB	Total capital maintenance expenditure (infrastructure renewals + investment in non-infrastructure capital maintenance) divided by the regulatory asset base value of wastewater assets.
	S.3.C.04	Total capital enhancement expenditure	EUR	Total capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement)
	S.3.C.05	Total capital enhancement expenditure relative to plan	% of plan estimate	Total wastewater capital enhancement expenditure (infrastructure enhancement + investment in non-infrastructure capital enhancement) divided by wastewater infrastructure enhancement and non-infrastructure enhancement provisions in the business plan
F – Financial				
Sales and revenue collection				
Sales	F.1.A.01	Total sales	EUR	Total value of services (water and wastewater) sold (billing) excluding connection fees and other income in the reporting period.
	F.1.A.02	Total sales relative to plan	% of plan estimate	Total value of services (water and wastewater) sold (billing) excluding connection fees and other income in the reporting period divided by the total sales estimated in the business plan for the same reporting period
Revenue collection	F.1.B.01	Total revenue collection	EUR	Total cash received from water sales (excluding connection fees and other income) in the reporting period.
	F.1.B.02	Total revenue collection out-performance	EUR	Total cash received from water sales (excluding connection fees and other income) in the reporting period less the cash receipts from sales expected in the business plan over the same period
	F.1.B.03	Total revenue collection out-performance(relative)	% of plan estimate	Total cash received from water sales (excluding connection fees and other income) in the reporting period divided by the cash receipts from sales expected in the business plan over the same period
	F.1.B.04	Total revenues written off	EUR	Total revenues written off (excluding connection fees and other income) in accordance with RAG in the reporting period
	F.1.B.05	Total revenues written off relative to billing	% of billing	Total revenues written off in accordance with RAG in the reporting period divided by the total sales (excluding connection fees and other income) over the same period.
	F.1.B.06	Revenue collection relative to billing	% of billing	Total cash received from water sales (excluding connection fees and other income) in the reporting period divided by the total billing (excluding connection fees and other income)
	F.1.B.07	Accounts receivable	EUR	Total accounts receivable after write offs (not more than 12 months old) from billed sales (excluding connection fees and other income) in the reporting period
	F.1.B.08	Accounts receivable relative to turnover	Days turnover	Total accounts receivable (not more than 12 months old) from billed sales divided by total sales (excluding connection fees and other income) in the reporting period multiplied by 365.
Key financial values and ratios				
Values	F.2.A.01	Free cash flow	EUR	Total net cash flow from operations over the reporting period.
Ratios	F.2.B.01	Return on capital	%	Total net income from operating activities before interest, dividends and corporation taxes divided by average regulatory asset base (RAB) over the reporting period.
	F.2.B.02	Cost of debt	%	Total interest payments made in the reporting period divided by the average value of debt in the reporting period.
	F.2.B.03	Gearing	ratio	Long-term debt divided by regulatory asset base (a slight deviation from gearing as defined in conventional financial accounting)
	F.2.B.04	Cash interest cover	ratio	Net cash flow before interest and taxes divided by interest payments in the reporting period.
	F.2.B.05	Funds from operations/debt	ratio	Net cash flow from operating activities less tax paid less net interest paid, all divided by net debt
	F.2.B.06	Debt service coverage ratio	ratio	Net cash flow from operating activities less net interest paid less repayment of principal, all divided by debt service (interest and repayment of principal)

B Performance measurement criteria

Effectiveness of 'competition by comparison' to improve the performance of monopoly providers of services, which means when the market did not push for efficiency, depends on the publication and distribution of accurate data on performance that reflect the activities of service providers in general, particularly those that have direct impact on customers. The overall performance made a comparison of the current performance of the RWC regarding the 'ideal' level of expected performance of the company that functions well and provides efficient water supply and wastewater services. The overall performance presents the combination of results from three categories of the company business, (i) Performance of water supply, (ii) Performance of wastewater services and (iii) Financial/commercial performance.

These indicators also provide a reasonable indication of the current performance of any service provider in comparison with previous years' performance and the performance of service providers similar to that year. The key driver for service improvement is the desire of the management of each service provider, with the support of the supervisory board or the management board and other parties involved to be among the best in the 'group' or at least not among the impure.

(i) Performance objectives of water supply are:

- Complete coverage 100% with service in the service area;
- Quality of water supplied 100% in compliance with national standards specified;
- Water pressure with levels specified minimum and maximum;
- Water for all customers on an ongoing basis (24 hours a day, seven days a week);
- Cost efficiency (cost per unit of water sold compared with expectations of the business plan).

(ii) Performance objectives of wastewater supply are:

- For performance reporting purposes a value of 95% coverage for wastewater services is considered as an ideal reception,
- Quality of wastewater discharged to the value of 100% in compliance with environmental standards specified,
- Reliability of wastewater service with zero home affected by the sewer flooding,
- Cost efficiency (cost per unit of wastewater services for household.

(iii) Financial/commercial performance objectives

- Profitability (return on capital that exceeds expectations by the business plan);
- Efficient commercial activities (collection 100% of incomes).

Allocation of comparative coefficients for these performance criteria is presented in the table below, where is given the weight of each indicator, group and subgroup.

Table 12, Key Performance Indicator and Performance Measurement Structure

Group	Performance measurement	Weight of heaviness of sub-group		Weight of heaviness of group		
Water supply	Drinking water quality	30%	100%		45%	100%
	Pressure	5%				
	Availability	35%				
	Service coverage	20%				
	Cost efficiency	10%				
Wastewater	Discharge quality	20%	100%		35%	
	Reliability	20%				
	Service coverage	50%				
	Cost efficiency	10%				
Financial / commercial	Profitability			10%	20%	
	Commercial efficiency			10%		

Criteria, definitions, coefficient and calculations for performance measurement

Parameter	Performance measurement criteria
Water supply performance measurement	
Water quality	Definition: The combination of bacteriological and physical/chemical test performance on the basis of 75:25 relative weighting Performance category weighting: 30% Calculation: [W.1.A.01 x 0.75 + W.1.A.02 x 0.25] x 30%
Pressure	Definition: The percentage of properties unaffected by pressure falling below minimum pressure levels Performance category weighting: 5% Calculation: [100% - W.1.A.04] x 5%
Availability	Definition: Defined as the (adjusted) percentage of properties unaffected by regular intermittent supplies. This indicator is adjusted to reflect the degree by which those affected by supply interruptions are affected by weighting the number of households with an 18 – 24 hrs service by a factor of 0.5 and those with less than 18 hrs by 1.0. Performance category weighting: 35% Calculation: [100% - 0.5 x W.1.A.08 – W.1.A.10] x 35%
Service coverage	Definition: The percentage of population in the service area served with a piped water supply. Performance category weighting: 20% Calculation: [W.2.A.02] x 20%
Cost efficiency	Definition: The unit cost of water sold relative to the unit cost estimated in the tariff review (UWT) (excluding return on capital). A unit cost of less than or equal to 90% of UT will score 100% and a unit cost equal to or exceeding 140% of UWT will score 0%. Unit costs between 90% and 140% of UWT are calculated pro-rata Performance category weighting: 10% Calculation: If W.3.B.03 ≥ 140% x UWT = 0%, or If W.3.B.03 ≤ 90% x UWT = 100% x 10% = 10%, else [[140% x UWT - W.3.B.03] / 50%] x 10%
Wastewater services performance measurement	
Wastewater discharge quality	Definition: As no discharge quality monitoring is undertaken a surrogate indicator based upon the percentage of population served by functioning wastewater treatment facilities (including well functioning septic tanks in rural and semi-rural areas) is applied. Performance category weighting: 20% Calculation: [S.2.A.04] x 20%
Reliability	Definition: The annual number of sewer overflow incidents per 100 km of pipe relative to relative to an ideal level of 0 to a maximum of 100 Performance category weighting: 20% Calculation: If S.1.B.02 ≥ 100 = 0%, else [100 - S.1.B.02] x 20%
Service coverage	Definition: The percentage of population in the service area served with a water borne sewerage system Performance category weighting: 50% Calculation: [S.2.A.02] x 50%

Parameter		Performance measurement criteria
Cost efficiency		Definition: Defined as unit cost of wastewater services per household served relative to the unit cost estimated in the tariff review (UST) (excluding return on capital). A unit cost of less than or equal to 90% of UST will score 100% and a unit cost equal to or exceeding 140% of UST will score 0%. Unit costs between 90% and 140% of UST are calculated pro-rata Performance category weighting: 10% Calculation: If S.3.B.03 ≥ 140% x UST = 0%, or If S.3.B.03 ≤ 90% x UST = 100% x 10% = 10%, else [[140% x UST - S.3.B.03] / 50%] x 10%
Combined services and commercial performance measurement		
Water supply		Definition: Water performance score multiplied by overall performance weighting Overall performance weighting 45% Calculation: [Water performance score] x 45%
Wastewater services		Definition: Wastewater services performance score multiplied by overall performance weighting Overall performance weighting 35% Calculation: [Wastewater performance score] x 35%
Financial / commercial Cost efficiency	Profitability	Definition: Return on capital is defined as regulatory accounts divided by return on equity given tariff review (ROC_p) Coefficient of performance by category: 10% Calculation: If F.2.B.01 ≤ 0% = 0% or if F.2.B.01 ≥ ROC_p= 10% others [F.2.B.01 / ROC_p] x 10%
	Commercial efficiency	Definition: Efficiency of revenue collection as measurement by revenue collected divided by the total billing with a range of 60% which is equal to zero performance up to a maximum of 100% which is ideal performance. Coefficient of performance by category: 10% Calculation: If F.1.B.06 ≤ 60% = 0% or if F.1.B.06 ≥ 100% = 10% Others [F.1.B.06 – 60%]/40%] x 10%

ANNEX 3 Comprehensive Statement of incomes

The comprehensive statement of incomes has been prepared in compliance with the Regulatory Accounting Guidelines (RAG), having into account as follows:

1. In turn over are taken revenues from regular billing, other operating revenues and subsidies excluding financial revenues (non-operating).
2. Maintenance capital expenditures are defined through asset renewals expenditure in the production and distribution infrastructure, and depreciation of non-infrastructure assets in the production, distribution and business activities.
3. Provision for bad debts is defined as the difference between billing and collection from last year's rate adjusted for inflation.
4. Net profit is the difference between income and expenses (operating + capital maintenance), discounting and provision of debts without involvement of non-operating expenses.

RWC Prishtina (Pristina)

	2012	2013
Turnover	12,850,310	12,635,306
Operating costs	8,054,779	8,120,496
Net operating income (excluding capital maintenance)	**4,795,531**	**4,514,810**
Capital maintenance (infrastructure renewals + cc depreciation)	449,220	494,522
Net operating income (including capital maintenance)	**4,346,311**	**4,020,288**
Provision for bad debts	3,429,921	3,187,072
Net operating income (after bad debts)	**916,390**	**833,217**
Interest on long term loans	0	0
Pre-tax profit	**916,390**	**833,217**
Taxation on profits	0	0
Net post-tax profit	**916,390**	**833,217**

RWC Hidroregjioni Jugor (Prizren)

	2012	2013
Turnover	3,910,853	4,333,140
Operating costs	2,769,882	3,016,442
Net operating income (excluding capital maintenance)	**1,140,971**	**1,316,698**
Capital maintenance (infrastructure renewals + cc depreciation)	53,485	106,146
Net operating income (including capital maintenance)	**1,087,486**	**1,210,552**
Provision for bad debts	938,167	1,084,624
Net operating income (after bad debts)	**149,319**	**125,928**
Interest on long term loans	0	0
Pre-tax profit	**149,319**	**125,928**
Taxation on profits	0	0
Net post-tax profit	**149,319**	**125,928**

RWC Hidrodrini (Peja)

	2012	2013
Turnover	3,109,190	3,011,296
Operating costs	1,634,273	1,723,392
Net operating income (excluding capital maintenance)	**1,474,917**	**1,287,904**
Capital maintenance (infrastructure renewals + cc depreciation)	51,161	42,766
Net operating income (including capital maintenance)	**1,423,756**	**1,245,138**
Provision for bad debts	1,063,002	1,325,271
Net operating income (after bad debts)	**360,754**	**(-80,133)**
Interest on long term loans	0	0
Pre-tax profit	**360,754**	**(-80,133)**
Taxation on profits	0	0
Net post-tax profit	**360,754**	**(-80,133)**

RWC Mitrovica (Mitrovica)

Turnover	2012	2013
Operating costs	3,135,317	2,839,141
Net operating income (excluding capital maintenance)	2,069,086	2,038,755
Capital maintenance (infrastructure renewals + cc depreciation)	**1,066,232**	**800,386**
Net operating income (including capital maintenance)	22,009	21,592
Provision for bad debts	**1,044,223**	**778,794**
Net operating income (after bad debts)	931,645	1,204,042
Interest on long term loans	**112,578**	**(-425,248)**
Pre-tax profit	0	0
Taxation on profits	**112,578**	**(-425,248)**
Net post-tax profit	0	0
	112,578	**(-425,248)**

RWC Radoniqi (Gjakova)

	2012	2013
Turnover	3,184,708	3,615,824
Operating costs	2,107,400	2,378,255
Net operating income (excluding capital maintenance)	**1,077,308**	**1,237,569**
Capital maintenance (infrastructure renewals + cc depreciation)	74,216	112,015
Net operating income (including capital maintenance)	**1,003,092**	**1,125,554**
Provision for bad debts	782,540	692,945
Net operating income (after bad debts)	**220,552**	**432,609**
Interest on long term loans	0	0
Pre-tax profit	**220,552**	**432,609**
Taxation on profits	0	0
Net post-tax profit	**220,552**	**432,609**

RWC Bifurkacioni (Ferizaj)

	2012	2013
Turnover	1,435,992	1,617,376
Operating costs	787,672	896,129
Net operating income (excluding capital maintenance)	**648,321**	**721,247**
Capital maintenance (infrastructure renewals + cc depreciation)	39,949	49,747
Net operating income (including capital maintenance)	**608,372**	**671,500**
Provision for bad debts	432,037	586,851
Net operating income (after bad debts)	**176,334**	**84,648**
Interest on long term loans	0	0
Pre-tax profit	**176,334**	**84,648**
Taxation on profits	0	0
Net post-tax profit	**176,334**	**84,648**

RWC Hidromorava (Gjilan)

	2012	2013
Turnover	1,723,340	1,941,321
Operating costs	1,220,566	1,221,056
Net operating income (excluding capital maintenance)	**502,774**	**720,265**
Capital maintenance (infrastructure renewals + cc depreciation)	39,427	39,849
Net operating income (including capital maintenance)	**463,347**	**680,416**
Provision for bad debts	317,675	420,924
Net operating income (after bad debts)	**145,673**	**259,492**
Interest on long term loans	0	0
Pre-tax profit	**145,673**	**259,492**
Taxation on profits	0	0
Net post-tax profit	**145,673**	**259,492**

ANNEX 4 Tariff Statement (2013 dhe 2014)

The following tariffs have started to apply since 1 January 2014, and are parts of tariff determination for the period of three years (2012-2014).

Tariff statement for 2013

	Unit	RWC Prishtina	RWC Hidroregjioni Jugor	RWC Hidrodrini	RWC Mitrovica	RWC Radoniqi	RWC Bifurkacioni	RWC Hidromorava
Households								
Water supply monthly charge	EUR/month	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater supply volume charge	EUR/m3	0.38	0.35	0.23	0.35	0.35	0.32	0.33
Wastewater charge (based on volume of water consumed)	EUR/m3	0.05	0.05	0.06	0.10	0.08	0.13	0.08
Commercial and Institutional								
Water supply monthly charge	EUR/month	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water supply volume charge	EUR/m3	0.87	0.69	0.47	0.70	0.70	0.64	0.65
Wastewater charge (based on volume of water consumed)	EUR/m3	0.11	0.09	0.13	0.26	0.21	0.33	0.20

Tariff statement for 2014

	Unit	RWC Prishtina	RWC Hidroregjioni Jugor	RWC Hidrodrini	RWC Mitrovica	RWC Radoniqi	RWC Bifurkacioni	RWC Hidromorava
Households								
Water supply monthly charge	EUR/month	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Wastewater supply volume charge	EUR/m3	0.38	0.36	0.23	0.35	0.36	0.32	0.33
Wastewater charge (based on volume of water consumed)	EUR/m3	0.05	0.05	0.06	0.10	0.08	0.13	0.08
Commercial and Institutional								
Water supply monthly charge	EUR/month	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Water supply volume charge	EUR/m3	0.87	0.70	0.47	0.70	0.70	0.64	0.65
Wastewater charge (based on volume of water consumed)	EUR/m3	0.11	0.09	0.13	0.26	0.22	0.33	0.20

A 5 Contact details

Regional Water Companies

WRC	CEO	Phone number	Email address	Address
RWC Prishtina (Prishtinë)	Gjelosh Vataj	038/540 749 Loc.128	gjelosh.vataj@kur-prishtina.com	Rr. Tahir Zajmi, PN , Prishtinë 10000
RWC Hidroregjioni Jugor (Prizren)	Besim Baraliu	029/244 150	besimbaraliu@hotmail.com	Rr. Vatra Shqiptare, Prizren, 20000
RWC Hidrodrini (Pejë)	Agron Tigani	039/432 355	a.tigani@hidrodrini.com	Rr. Gazmend Zajmi nr.5, Pejë 30000,
RWC Mitrovica (Mitrovicë)	Faruk Hajrizi	028/533 707	farukhajrizi@gmail.com	Rr. Bislim Bajgora , PN, Mitrovicë 40000
RWC Radoniqi (Gjakovë)	Ismet Ahmeti	0390/320 503	ismet.ahmeti@hotmail.com	Rr. UÇK, nr.07, Gjakovë, 50000
RWC Hidromorava (Gjilan)	Bashkim Halabaku	0280/321 104	bashkimhalabaku@yohoo.com	Rr. UÇK, PN, Gjilan 60000
RWC Bifurkacioni (Ferizaj)	Faton Frangu	0290/320 650	faton_frangu@yahoo.com	Rr. Enver Topalli, nr.42/A, Ferizaj, 70000
NPH Ibër-Lepenc	Hajdar Beqa	038/225 007	hajdarbeqa@gmail.com	Rr. Bill Klinton nr.13, Prishtinë, 10000

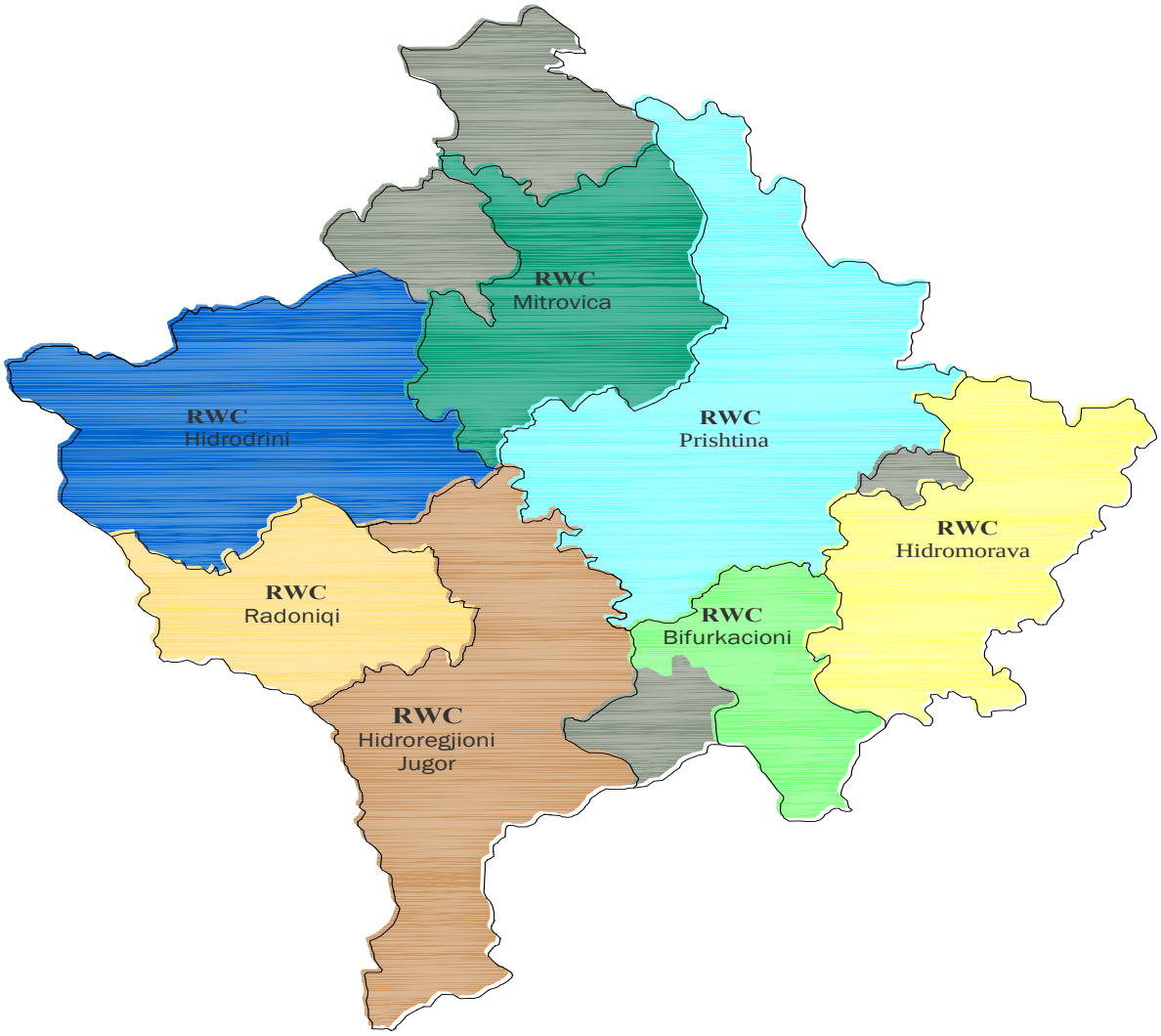
Water and Wastewater Regulatory Office

WRO	Name	Phone number	E-mail address	Address
Director	Raif Preteni	038/249165/ 111	raif.preteni@wwro-ks.org	Rr. Ferat Dragaj nr.68, Prishtina, 10000
Deputy Director	Kero Bardhaj	038/249 165/124	kero.bardhaj@wwro-ks.org	Rr. Ferat Dragaj nr.68, Prishtina, 10000
Head of Law and Licensing Department	Mejreme Cërnobregu	038/249 165/117	mejreme.cernobregu@wwro-ks.org	Rr. Ferat Dragaj nr.68, Prishtina, 10000
Head of Performance and Monitoring Department	Qamil Musa	038/249 165/121	qamil.musa@wwro-ks.org	Rr. Ferat Dragaj nr.68, Prishtina, 10000
Head of Tariff Regulatory Finances Department	Sami Hasani	038/249 165/120	sami.hasani@wwro-ks.org	Rr. Ferat Dragaj nr.68, Prishtina, 10000
Head of Administration and Finances Department	Ramiz Krasniqi	038/249 165/110	ramiz.krasniqi@wwro-ks.org	Rr. Ferat Dragaj nr.68, Prishtina, 10000
Customer contact person				Rr. Ferat Dragaj nr.68, Prishtina, 10000

Customer consultative committees

CCC	Name	Position	Municipality	Phone number
CCC Prishtina	Avdi Gjonbalaj	Head	Prishtina	044/402 131
	Faton Grajqevci	Member	Obiliq	044/789 912
	Lulzim Balaj	Member	Shtime	044/353 611
	Ruzhdi Raqi	Member	Fushë Kosovë	044/630 800
	Shpresa Hoti	Member	Podujevë	044/922 205
	Milos Nicic	Member	Graqanicë	049/776 585
	Besarta Elshani	Member	Drenas	045/582 715
	Ilaz Zeqiri	Member	Lipjan	044/890 913
CCC Prizreni	Fejsal Hoti	Head	Prizren	044/268 597
	Reshit Makicaj	Member	Suharekë	044/184 528
	Nuredin Bajrami	Member	Dragash	044/148 155
	Nuhi Bayraktar	Member	Mamushë	044/606 134
	Halil Shurdhaj	Member	Malishevë	044/276 717
CCC Peja	Drita Kelmendi-Kukaj	Head	Pejë	044/298 803
	Zekije Sutaj	Member	Istog	044/268 229
	Qendrim Knushi	Member	Junik	044/270 865
	Admir Hasanaj	Member	Deçan	049/844 800
	Vitore Shala	Member	Klinë	044/473 525
CCC Mitrovica	Fatime Krasniqi	Head	Mitrovicë	044/773 832
	Gazmend Hoxha	Member	Skenderaj	044/128 122
	Avdi Ahmeti	Member	Vushtri	044/333 751
CCC Gjakova	Musë Gjergjaj	Head	Gjakovë	049/404 734
	Xhafer Bytyqi	Member	Rahovec	044/312 644
CCC Ferizaj	Zekri Bytyçi	Head	Ferizaj	044/756 233
	Rufat Shkreta	Member	Hani i Elezit	045/506 700
	Florijeta Gashi	Member	Kaçanik	044/637 149
	Sinisa Buduric	Member	Shtërpcë	044/474 481
CCC Gjilani	Burbuqe Zymberi	Head	Gjilanë	044/370 040
	Alush Rexhepi	Member	Viti	044/600 146
	Basri Ahmeti	Member	Kamenicë	044/244 060
	Zivorad Vesic	Member	Kllokot	065/5296174
	Nebojsa Arsiq	Member	Novoberdë	045/473 525

ANNEX 6 Service area of RWCs



RWC Prishtina	RWC Hidroregjion i jugor	RWC Hidrodrini	RWC Mitrovica	RWC Radoniqi	RWC Bifurkacioni	RWC Hidromorava	Municipalities that are not provided with water services
Prishtinë Podujevë Fush Kos Obiliq Lipjan Drenas Shtime Graçanic	Prizren Suharekë Malishevë Dragash Mamushë	Pejë Klin Istog Junik Decan	Mitrovicë Skenderaj Vushtri	Gjakovë Rahovec	Ferizaj Kaqanik	Gjilan Kamenic Viti	Novoberda Zubin Potok Leposaviq Shterpce Zveqan Ranillug Partesh Kllokot