REPUBLIC OF ALBANIA

ENERGY REGULATOR AUTHORITY

ANNUAL REPORT

Power Sector Situation and ERE Activity during 2015

Tirana, 2016

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I. Introductory Speech

Honoured Ladies and Gentleman Member of the Parliament

In conformity with the definitions of Law no. 43/2015 "On Power Sector" and Law no.102/2015 "On Natural Gas Sector" it is prepared the Annual Report of Energy Regulator Authority (ERE). This report contains a detailed information regarding the general situation of the power system during 2015, including the information regarding the operational security of the grid, the foreseen security of supply perspective foresee of the investments planned to be realized by Transmission System Operator, Distribution System Operator and Albanian Power Corporation representing the electricity generation sector.

Also in this Report the Parliament is informed even for ERE activity during 2015. The information in this Report reflects the amendments of the legislation that regulates the power and natural gas sector in our country.

With the entry into force of Law no.43/2015 "On Power Sector" and Law no.102/2015 "On Natural Gas Sector" it is worked for drafting within the defined deadlines in the respective laws of the required regulatory framework. For this purpose are processed a number of secondary acts which are consulted with the Energy Community Secretariat with its headquarters in Vienna, consultations made that the regulatory framework in power

sector as well as the respective natural gas and power Laws to reflect the requirements and the content of European Union third Package in the power sector.

During 2015 as before the electricity public Generation is performed by the joint stock company KESH with 100% state owned shares. At the historical analysis of electricity generation registered in the country, 2015 has registered an electricity generation from the domestic resources over the average level. Also it is estimated the security level from the hydrological perspective. On the electricity generation has influenced the set into operation of 107 private/concession hydro power plants, licensed in electricity generation activity, with general installed capacity of about 342.2 MW, from which about 32 MW are the HPP-s that has began generation in 2015.

Even during 2015 one of the most important challenges of the system is related with the improvement of the technical-economic indicators of the Distribution System Operator having in consideration the difficult situation of the technical-economic indicators inherited by OSHEE after privatization.

It is worth mentioning that from the reported data during 2015 it is marked a reduction in the losses level in the distribution system which for 2015 are registered on 31.34% measure to 37.81 % of a year before.

Also the collections as an essential indicator of the company performance over the years have continued to be in highest levels. During 2015 OSHEE continued to have improvements in terms of this indicator where for 2015 the collections from

OSHEE marked 98.3% to 91.9% during 2014.

Considering the impact in the electricity market of the electricity tariff and prices in conformity with the definitions of Law no. 43/2015 "On Power Sector" ERE held a careful process to review the tariffs and prices for 2016. With decision no.156, 24.12.2015, ERE decided to let into force the tariffs approved for 2015. This ERE decision came reflecting to the need for completing the regulatory framework with the secondary acts provided on Law No.43/2015, very important secondary acts that define the functions and responsibilities of each market participant especially regarding the responsibilities arising from public service obligations provided in the provisions of the new power sector law. Obviously this decision best reflected the transitory period provided in Law for the purpose of processing the regulatory framework and the definition according to which the parties in the electricity market until the approval of the secondary acts continue to preserve the existing rights and obligations.

Rules for the certification of the electricity transmission system operator in the framework of ERE decision-making compose a very important document in the regulatory framework. On Law no. 43/2015 above all in a special section are defined the operation principles of the transmission system which according to the law is a legal entity licensed by ERE to perform the transmission activity and which owns and administers the transmission system.

On the law it is defined that Transmission System Operator ownership shall be separated from any company exercising direct or indirect control to generation or supply activities.
According to article 58, ERE approves a detailed procedure for the application and certification of Transmission System Operator to verify the independence in conformity with article 54, of the Law.

Implementing the above mentioned required by Law 43/2015 "On Power Sector" and in consultation with Energy Community Secretariat was approved the Regulation for the certification of Electricity Transmission System Operator.

Regarding Natural Gas Sector, one of the main problems to be settled during 2015 was the Certification of TAP-AG from Energy Reguator Authority. In the conditions, where New gas Law doesn't exist, the "Third Energy Package" shall be transposed and the "Regulation for TAP Certification", shall be established and approved by ERE after the approval of the new Natural Gas law.

For candidate countries in the European Union as Albania, it was obligation the application of the "Third Energy Package" on January 2015. Actually this package obliged the countries where TAP Project shall pass, to make the certification in conformity with the Gas Directive No. 2009/73/EC.

During 2015, ERE took the preliminary decision for the Certification of Trans Adriatic AG Pipeline (TAP-AG), as the Transmission System Operator for Natural Gas.

This decision is approved on October 31 2015 based on articles 13, 37 and 38 of Natural Gas Law and article 11 of ERE Regulation for the Certification of the Transmission System Operator.

The preliminary decision prepared in co-operation with the Italian and Greek Regulatory Authorities that have issued similar decisions for TAP-AG certification. It should be underlined that these decisions are in full conformity with Article 10 of 2009/73/EC Directive as well as Article 3 of the (EC) Regulation No.715/2009.

The Certification Application was based on the independent transmission operator model where TAP shall fulfill all the conditions set in Chapter IV of the Gas Directive except of Article 22 of this Directive.

During 2015, Albania started the works for the construction of TAP-AG pipeline, on July.03.2015.

Actually are being performed some ancillary works on the track where the pipeline shall pass, on the new roads, in the repair of the existing ones and in the construction of the bridges and other works necessary for the project.

At the same time we inform that it has started the coming of the pipes at the Main Marshalling Yard in Durres, to began on May the implementation of the project.

It should be estimated that the legal obligations regarding the activity and ERE decision-making for the developments on natural gas and power sector are of serious responsibility. For this purpose it is necessary that the professional capacities that handle the regulatory dimension in the implementation of gas and electricity

market in our country to be in a high professional level. For this reason even this year I want to emphasise the necessity of evaluating ERE status as an independent institution on power sector in general.

In the contemporary developments of the power sector and natural gas market ERE independence becomes an imperative because the professional authority and motivation are two unsolved elements in the work success of this institution.

This institution's responsibility in the successful development of electricity and gas markets is high because it is the only institution that monitors and sets the fair, balancend and sustainable market.

Also, the international institutions have emphasized and continue to pay special attention at ERE independence, strengthening its structure and professional authority.

This is an inalienable and obligatory request of the third party regulation content for the member countries of energy community which is approved even by the Albanian state.

On the content of this report you will find in details the developments and the situation on power and natural gas sector in our country for 2015.

Chairman

Petrit Ahmeti

Introduction

ERE Organisational structure

ERE exercises its responsibilities pursuant to Law No. 43/2015 "On Power Sector", and Law No. 102/2015 "On Natural Gas Sector", through ERE Board decision making body, which is assisted on his work by a technical, supporting and external staff. ERE structure and organizational chart is approved by Parliament Decision No. 181, of May.05.2008 and Law No. 9584 of July.17.2006 "On the salaries, rewards and the structures of independent constitutional institutions and ither independent institutions established by Law."

ERE Board

ERE's Board of Commissioners, on the basis of Law No. 9072, "On Power Sector", as amended, and Law No. 102/2015 "On Natural Gas Sector", as amended, is the decision making body for all the issues under ERE jurisdiction and competence. The Board of Commissioners is composed of the Chairman and 4 members, who are appointed by the Parliament for a 5 year period.

During 2015 the following persons have performed their duty as members of ERE Board:

Mr. Petrit Ahmeti..... Chairman

Mrs. Entela Shehaj.....Member

Mr. Adriatik Bego..... Member

Mr. Maksim Shuli.....Member

Mr. Abaz Aliko.....Member

For decision-making purposes in accordance with the authority given according by the legislation in force the Board of Commissioners held formal meetings, consultative meetings, and public hearing sessions. During 2015, ERE Board has held 29 formal meetings, in which are taken 165 decisions. In the annexes of this report are submitted the decisions taken during 2015 except of the decisions that has to do with ERE internal functioning.

As defined in the legislation in force on this report the Board of Commissioners even for 2015 is supported on its work by the Board Consultant, the Board Secretary, and a technical staff organized in 4 directories as follows:

- *License and Market Monitoring Directory*, with 7 employees.
- *Legal and Customer Protection Directory*, with 5 employees.
- *Electricity Prices and Tariffs Directory*, with 5 employees.
- *Finance Administration and Human Resources Directory*, with 8 employees.

During 2015 it is aimed strengthening of ERE administrative capacities through different qualifications supported by the regulator and international organizations such as:

- **ERRA**– EnergyRegulators Regional Association
- Energy Community Secretariat
- **NARUC**– National Association of Regulatory Utilities
- **MEDREG**– Mediterranean Energy Regulators
- **E-Control**– Energy Control Austria
- **AEEG** – Autoritápër l'Energia Elettrica, il Gas ed i Servizi idrici in Italia

ERE Organisation chart

ERE operation and coordination of its component structures is made in conformity with the following organization chart.

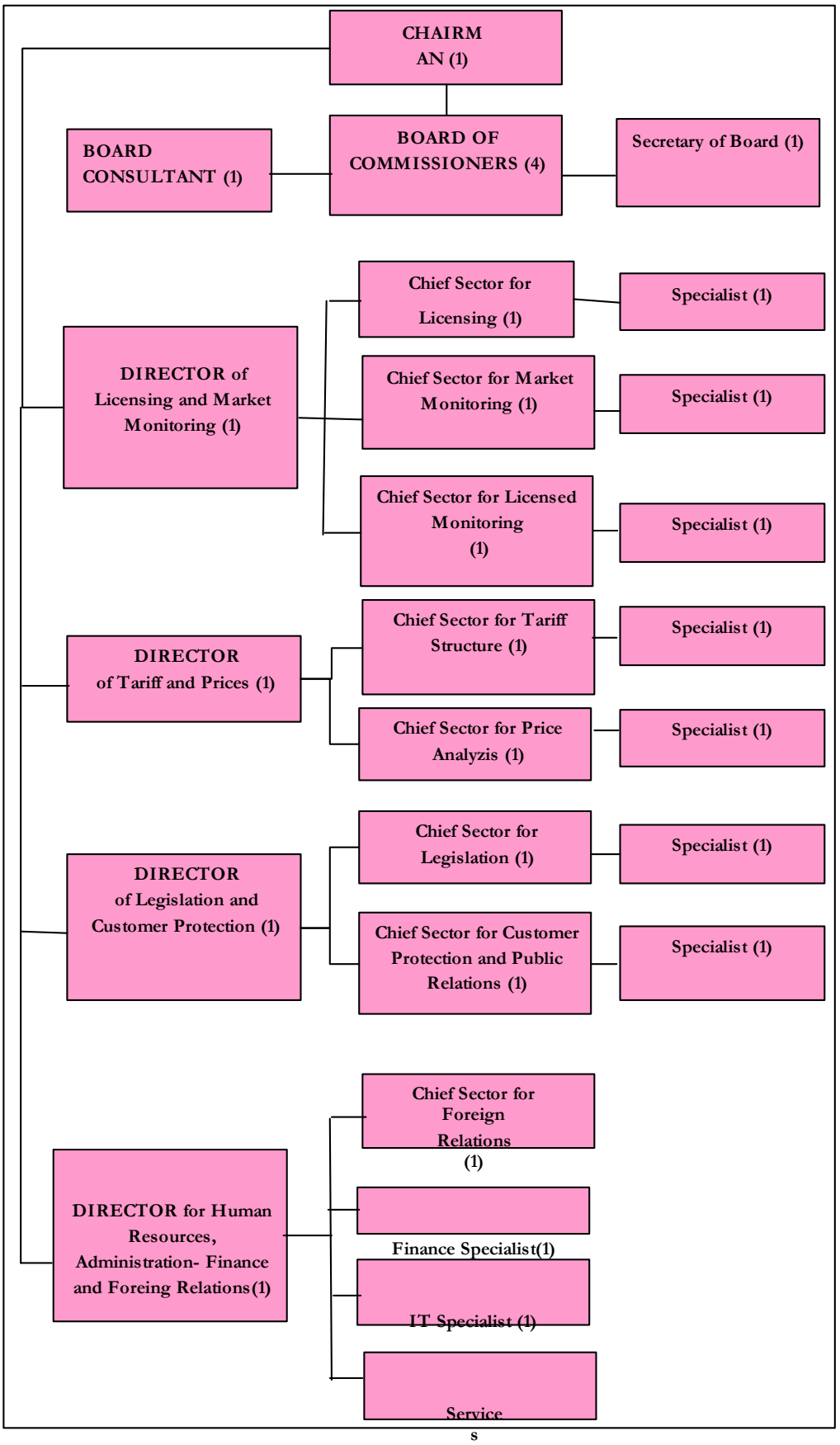


Figure 1: ERE organization chart - 2015

1. PART I: Electricity Market Regulation

1.1 Electricity Market

For 2015, Electricity Market has operated on the basis of Ministerial Council Decision No.338, of 19.03.2008, which has approved the Albanian Electricity Market Model. Among others, this model, has defined the participants in the electricity market in Albania, as well as the role and responsibilities of each participant in the market.

With the entry into force of Law No. 43/2015 "On Power Sector", Energy Regulator Authority is obliged to reflect the requirements of the new law, by drafting the regulatory secondary acts for its implementation.

On article 98 of Law No. 43/2015 "On Power Sector", it is provided that the Transmission System Operator is responsible to propose ERE the electricity Market Rules which shall be in harmony with the Market Model approved by the Council of Ministers implementing article 97/3 of this law.

On the following figures are submitted the Electricity Market Structure and the Albanian Power System Scheme.

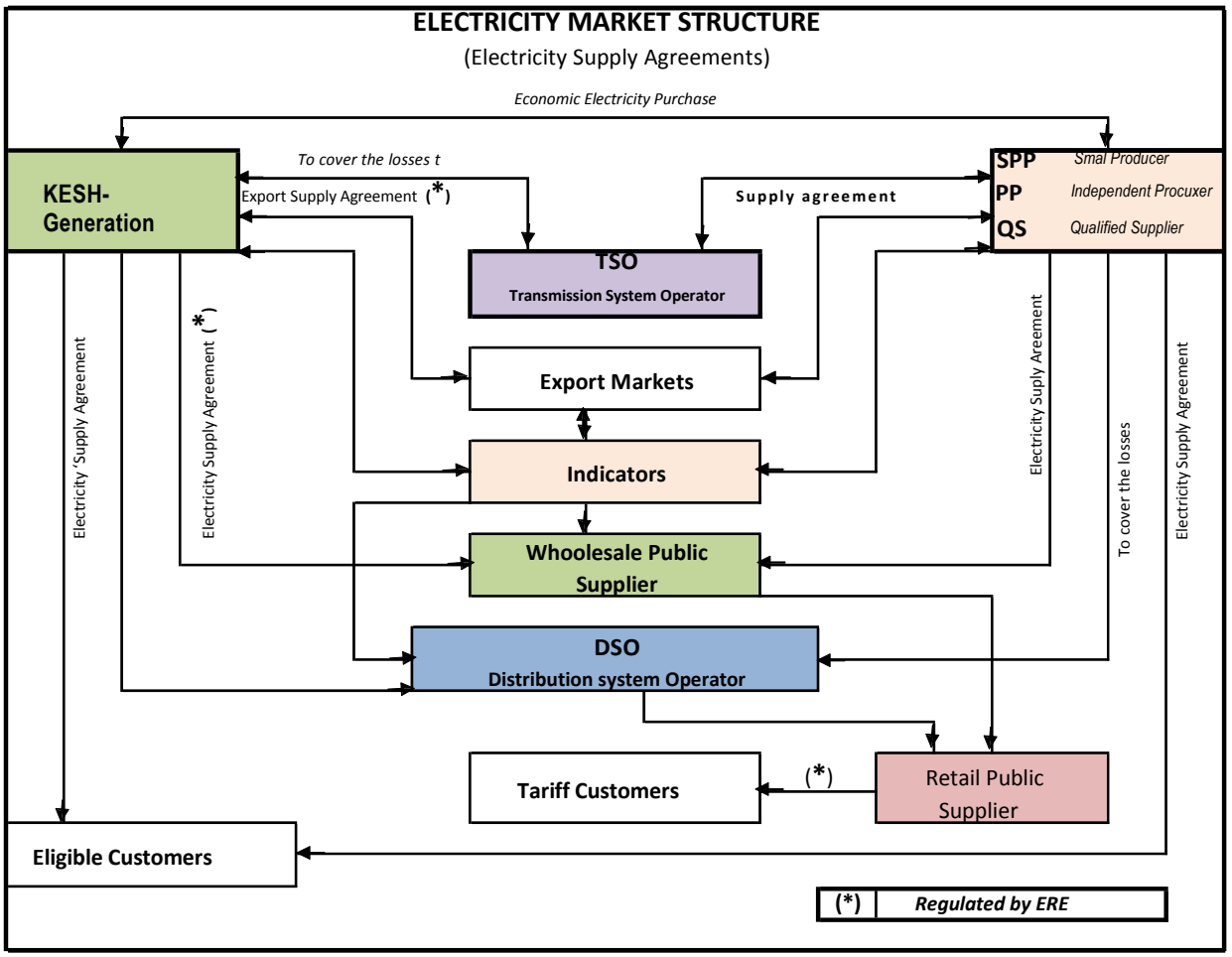


Figure 2: Albanian Market Model Structure (Source: ERE Council of Ministers Decision no.338 of 19.03.2008)

POWER SYSTEM SCHEME

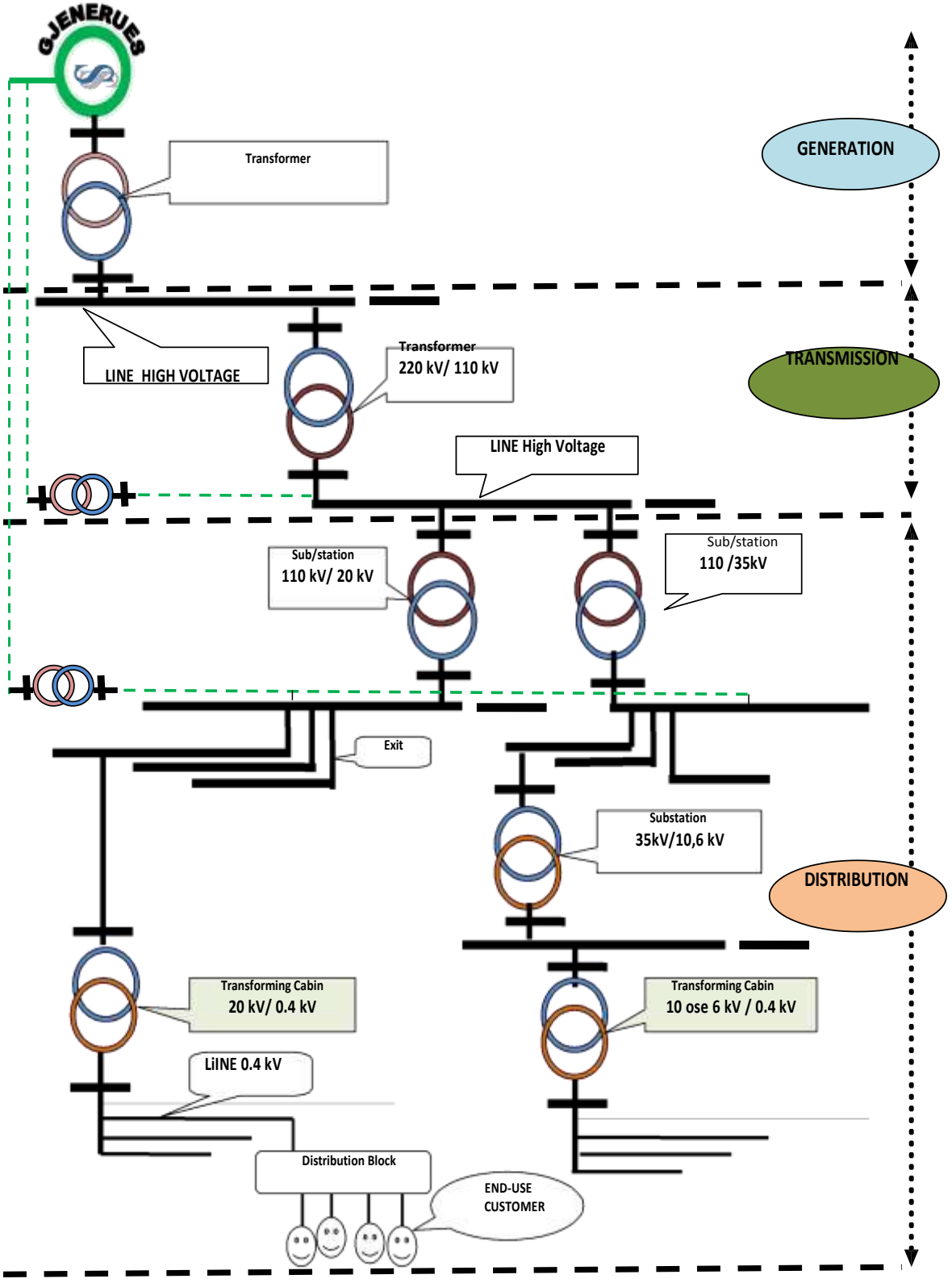


Figure 3: Power System Scheme (Source: ERE)

1.2 Electricity Generation

Electricity generation from generation companies is realized as a licensed activity by ERE, based on Law No. 43/2015 "On Power Sector".

KESH company, is the biggest generation company in Albania with a capital fully owned by the state, which for 2015 has utilized the existing hydro power plants of Drini river cascade.

Other generation companies (Private/with Concession), with the highest generating capacity, are connected in the transmission system. These companies licensed during the years by ERE utilize the existing plants, or the new ones mainly by concessionary agreements signed with the Albanian Governement ans a small part use the plants up to 2 MW, privatized within Law no. 8527, date 23/09/1999. A considerable number of generation companies is connected with the distribution grid.

1.2.1 Capacities and Electricity Generation

Electricity public generation is made by the Joint Stock KESH company with 100% of the shares owned by the state.

After the separation from public administration of Ulëz, Shkopet, Bistrica 1,2 and Lanabregas HPP-s, the composition of plants group in KESH company ownership and the installed capacity of each of them which realise the public generation is submitted on the table. The general installed capacity is about 1,448 MW, from which the installed capacity of the HPP-s is 1,350 MW and of the TPP-s is 98 MW.

Power Plant Characteristics	Public Generation Power Plants			
	Fierza HPP	Koman HPP	V.Deja HPP	Vlora TPP
Agregates No.	4	4	5	2
Agregartes Power MW	125	150	50	70+28
Power plant Installed Capacity MW	500	600	250	98
Total Capacity MW	1448			

Figure 4: Structure of Power Plants for Public Generation (Source: KESH company)

Taking into account the total installed capacity of private/concessionary power generators of about 447 MW, the total installed capacity (the licensed one) in our country results **1 895** MW.

Electricity public net generation in 2015 was realized 100% by the hydro power plants (HPP-s).

Net generation of about **5,865,670** MWh was realized:

- ✓ **4,451,978** MWh from hydro generation plants of KESH company (public generation)
- ✓ **1,413,709** MWh from other hydro power plants.

The installed capacity of the power plants connected in the transmission grid during 2015 is about **1687** MW and their net generation is **5 378 588** MWh. Installed capacity of the power plants connected in the distribution grid (35,20,10,6 kV) during 2015 is about **208** MW and their net generation is **487 082** MWh.

On the following table are given the data for all the power plants, the companies, installed capacity in licensing and net generation for 2015 taken from KESH and TSO companies data.

Figure 5: Net generation of all generating power plants during 2015 (MWh)

NET ELECTRICITY GENERATION IN ALBANIA DURING 2015 FROM ALL GENERATING POWER PLANTS (MWh)				
COMPANY	HPP-S AND CAPACITY	Capacity in Licensing	CONNECTION	2015
"KESH" company	"Fierze"HPP with 500 MW capacity	500,0	110 kV	**1 636 522**
"KESH" company	"Koman" HPP with 600 MW capacity	600,0	110 kV	**1 882 721**
"KESH" company	"V. Dejës" HPP with 250 MW capacity	250,0	110 kV	**932 732**
"Termocentrali Vlore" company	"Vlora" TPP with 98 MW capacity	98,0	110 kV	**0**
"Ujësjellës Kanalizime Tirane" comamy	"Lanabregas" HPP with 5 MW capacity	5,0	35 kV	**31 242**
"Kurum International" company	"Ulëz" HPP with 76.7 MW capacity	76,0	110 kV	**352 934**
"EMIKEL 2003" company	"Lenie" HPP with 400 kW capacity	0,40	10kV	**2 651**
"EMIKEL 2003" company	"Çorovode" HPP with 200 kW capacity	0,20	10kV	**800**
"Albania Green Energy" company	"Smokthine" HPP with 9,2 MW capacity	9,20	35 kV	**32 081**
"Balkan Green Energy" company	"Bulqize" HPP with 0,6 MW capacity in (Dibër)	0,60	10kV	**1 363**
"Balkan Green Energy" company	"Homesh" HPP with 0,395 MW capacity in (Dibër	0,33	10kV	**400**
"Balkan Green Energy" company	"Zerqan" HPP with 0,625 MW capacity(Dibër)	0,63	6kV	**1 035**
"Balkan Green Energy" company	"Arras"HPP with 4,8 MW capacity (Dibër)	4,80	20kV	**15 648**
"Balkan Green Energy" company	"Orgjost" HPP with 1,2 MW capacity (Kukës)	1,20	10kV	**4 257**
"Balkan Green Energy" company	"Lekbibaj" HPP with 1,4 MW capacity (Tropoje)	1,40	10kV	**4 970**
"Balkan Green Energy" company	"Dukagjin" HPP with 0,64 MW capacityShkodër)	0,64	10kV	**2 414**
"Balkan Green Energy" company	"Marjan" HPP with 0,2 MW capacity (Korçë)	0,20	10kV	**479**
"Balkan Green Energy" company	"Lozhan" HPP with 0,1 MW capacity (Korçë)	0,10	10kV	**268**
"Balkan Green Energy" company	"Barmash" HPP with 0,83 MW capacity Kolonje)	0,63	10kV	**1 308**
"Balkan Green Energy" company	"Treske 2" HPP with 0,25 MW capacity (Korçë)	0,25	10kV	**611**

"Balkan Green Energy" company	"Nikolice" HPP with 0,7 MW capacity (Korçë)	0,70	10kV	1 704
"Balkan Green Energy" company	"Funares" HPP with 1,92 MW capacity (Librazhd)	1,92	10kV	4 601
"Balkan Green Energy" company	"Lunik" HPP with 0,2 MW capacity (Librazhd)	0,20	10kV	**753**
"Balkan Green Energy" company	"Kërpicë" HPP with 0,42 MW capacity (Gramsh)	0,42	6kV	**870**
"Balkan Green Energy" company	"Ujanik" HPP with 0,63 MW capacity (Skrapar)	0,63	10kV	**1 484**
"Balkan Green Energy" company	"Borsh" HPP with 0,25 MW capacity (Sarande)	0,25	6kV	**955**
"Balkan Green Energy" company	"Leshnice" HPP with 0,38 MW capacity (Sarande)	0,38	10/6kv	**462**
"Balkan Green Energy" company	"Velcan" HPP with 1,2 MW capacity (Korçë)	1,20	10kV	**3 076**
"Balkan Green Energy" company	"Muhur" HPP with 0,25 MW capacity (Dibër)	0,25	6kV	**863**
"Balkan Green Energy" company	"Rajan" HPP with 1,02 MW capacity (Kolonje)	1,02	10kV	**2 383**
"Balkan Green Energy" company	"Lure" HPP with 0,75 MW capacity (Dibër)	0,75	10kV	**692**
"Spahiu Gjanç" company	"Gjanç " HPP with 2.96 MW capacity	2,96	35 kV	**8 247**
"Wonder power" company	"Bogove" HPP with 2,5 MW capacity	2,50	35 kV	**7 680**
"Amal" company	"Xhyre" HPP with 570 kW capacity	0,57	10kV	**2 026**
"Hidroinvest 1" company	"Stranik" HPP with 4.6 MW capacity	4,42	35kV	**12 704**
"Hidroinvest 1" company	"Zall Tore" HPP with 3 MW capacity	3,33	35kV	**9 673**
"Malido-Energji" company	"Klos" HPP with 1,95 MW capacity	1,95	6kV	2 838
"Energji Ashta" company	"Ashta" HPP with 48,2 MW capacity	50,00	110kV	**235 604**
"HIDROALBANIA Energji" company	"Cernaleve " HPP with 2.95 MW capacity	6,73	35kV	**15 263**
"Power Elektrik Slabinje" company	"Sllabinje" HPP with 13,8 MW capacity	13,8	110	**33 050**
"HEC Bishnica 1,2 " company	"Bishnica 2" H P P with 2.5 MW capacity	2,40	110 kV	**11 257**
"C & S Construction Energy" company	"Rapuni 1" H P P with 4 MW capacity	4,00	110kV	**31 189**
"HydroEnergy "company	"Murdhar 1"HPP with 2.68 MW capacity	2,88	10kV	11 654
"HydroEnergy "company	"Murdhar 2" H P P with 1 MW capacity	1,44	10kV	6 780
"Wenerg " company	"Dardhe" H P P with 5,8 MW capacity	6,16	110 kV	**12 173**
"Dishnica Energy" company	"Dishnice" HPP with 0.2 MW capacity	0,20	10kV	608
"Elektro Lubonje" company	"Lubonje" HPP with 0.3 Mw capacity	0,30	10kV	329
"Koka & Ergi Energy Peshk" company	"Peshke" HPP with 3.43 MW capacity	3,43	35kV	**12 238**
"Ansara Koncension" company	"Labinot –Mal" HPP with 0.25 MW capacity	0,08	6kV	**260**
"Energy Plus" company	"Pobreg" HPP with 2 MW capacity	2,00	35kV	**36 373**
"Hec Vlushe " company	"Vlushe" HPP with 14.2 MW capacity	14,20	35kV	**17 478**
"Energy partners Al" company	"Shkalle" HPP with 1.3 MW capacity;	12,60	110kV	**15 352**
"Korkis 2009" company	"Belesova 1" HPP with 0.150 MW capacity	0,15	6kV	43
"HP OSTROVICA" company	"Faqekuq 1" HPP with 3 MW capacity	6,72	35kV	**15 574**
"Erald Energjitik" company	"Mgulle" HPP with 0.28 MW capacity	0,40	10kV	1 334
"Bekim Energjitik" company	"Kryezi 1" HPP with 0.6 Mw capacity	1,20	10kV	2 981
"Selishte" company	Selishte" HPP with 2 MW capacity	2,00	35kV	**5 727**
"ERMA MP" company	"Carshove" HPP 1.5 Mw capacity	1,60	10kV	3 650
"DITEKO" company	"Lubalesh 1" HPP with 4,6 Mw capacity	11,60	110kV	**9 709**
"Idro Energia Pulita" company	"Langarica 3" HPP with 2,2 MW capacity	2,20	110kV	**1 481**
"Idro Energia Pulita" company	"Ura e Dashit" HPP with 1,2MW capacity	1,19	10kV	6 531
"Dosku Energy" company	"Gizavesh" HPP with 0.5 MW capacity	0,50	10kV	2 508
"Snow Energy" company	"Koka 1" H P P with 2.1 MW capacity	2,10	35kV	**5 215**
"Stravaj Energji" company	"Stravaj" HPP with 3,6 MW capacity	3,96	35kV	**7 641**
"Peshku Picar 1" company	"Picar 1" HPP with 0,2 MW capacity	0,27	6kV	519
"Albanian Power" company	"Martanesh" HPp with 10,5 MW capacity	6,00	35kV	**21 929**
"Hydro power Plant Of Korca" company	"Verba 1" HPP with i2.1 MW capacity	5,10	35kV	**11 451**
"Hidro Borshi" company	"Fterra" HPP with 1,08 MW capacity	3,08	35kV	**10 603**
"Lu & Co Eco Energy" company	"Ostren i Vogel" HPP with 0,32 MW capacity	0,40	10kV	790
"Gjo.Spa.POWER"company	"Llapaj" HPP with 13,62 MW capacity	13,60	110 kV	**40 769**
"Erdat Lura" company	"Lura 1" HPP with 6,54 MW capacity	16,12	110kV	**39 961**
"E.T.H.H. " company	"Kozel" HPP with 0,5 MW capacity	0,55	10kV	960
"E.T.H.H. "company	"Helmes 1" HPP with 0,8 MW capacity	0,80	10kV	1 110
"E.T.H.H. "company	"Helmes 2" HPP with 0,5, MW capacity	0,50	10kV	382
"Caushi Energji" company	"Qafezeze" HPP with 0,4 MW capacity	0,40	10kV	1 842
"SA.GLE.Kompani "company	"Trebisht" HPP with 1,775 MW capacity	1,98	10kV	1 264
"Energji Xhaci" company	"Mollaj" HPP with 0,6 MW capacity	0,32	10kV	953
"Tucep" company	"Tucep" HPP with 0,4 MW capacity	0,40	10kV	**982**
"Hec-Treske"company	"Treska 4" HPP with 3,6 MW capacity	4,32	35kV	**2 576**
"Hidro Energy Sotire" company	"Sotire1 & 2" HPP withi 2,2 MW capacity	2,29	35kV	**5 937**
"Shutina energji"company	"Shutine" HPP with 2,4 MW capacity	1,78	10kV	841

"Zall Herr Energji 2011"company	"Cekrez 1" HPP with 0,23 MW capacity;	0,68	6kV	4 283
"Hec Qarr & Kaltanj"company	"Qarr" HPP with 1 MW capacity	1,76	35kV	**5 024**
"Gjoka Konstruksion Energji" company	"Shales" HPP with 1,08 MW capacity	2,08	35kV	**1 570**
"Gjoka Konstruksion Energji" company	"Strelce" HPP with 1,174 MW capacity	4,16	35kV	**5 887**
"Sarolli" company	"Shpelle" HPP with 400 kW capacity	0,46	10kV	**1 267**
"Projeksion Energji" company	"Treska 1" HPP with 130 kW capacity	0,45	10kV	**81**
"EN-KU" company	"Bicaj" HPP with 3,1 MW capacity	0,16	10kV	**51**
"Maksi Elektrik" company	"Leskovik 1" HPP with 1072 kW capacity	0,17	10kV	**707**
"Juana" company	"Orenjë" HPP with 875 kW capacity	0,08	10kV	**1 115**
"WTS Energji" company	"Tamarë" HPP with 750 kW capacity	0,15	10kV	**745**
"Marjakaj" company	"Benë" HPP with 1000 kW capacity	0,26	6kV	**1 176**
"Favina 1" company	"Vithkuq" HPP with 2,715 MW capacity	2,12	35/10kV	**10 891**
"Selca Energji" company	"Selce" HPP with 1600 kW capacity	0,40	10kV	**2 242**
"DN & NAT Energy"company	" Kumbull- Merkurth" HPP with 0.83 Mw capacity	0,63	6kV	**1 398**
"Energo – Sas" company	"Sasaj" HPP with 8,6 MW capacity	8,60	35kV	**25 000**
"Hec i Tervolit" company	"Tervol" HPP with 12 MW capacity	12,00	35kV	**30 938**
"MTC Energy" company	"Radove" HPP with 2,5 MW capacity	2,93	10kV	7 636
"Gurshpat Energy" company	"Gurshpat 1" HPP with 0,84 MW capacity	1,35	10kV	6 302
"Bistrica 3 Energy" company	"Bistrica 3" HPP with 1,57 MW capacity	1,50	6kV	531
"Komp Energji" company	"Hurdhas 1"HPP with 1,71 MW capacity,	1,44	6kV	2 822
"UKKO"sha (Ujsjell.Kanal.Korce)	Central Fotovoltaik (without sistemised in the balance sheet)	1,0		
"Fatlum" company	"Perrollaj" HPP withi 0,5 MW capacity	0,55	10kV	214
"Ayen As Energji"company	"Peshqesh" HPP	27,9	110kV	28 711
"Euron Energy" company	"Bele 1" HPP with 5 MW capacity;	30,70	110kV	**114 423**
"Kisi-Bio-Energji" company	"Kacni" HPP with 3,87 MW capacity	4,50	20kV	1 694
"Strelca Energy" company	Strelcë 1 HPP with 1.504 MW capacity	2,18	35kV	**338**
Mesopotam Energy company	Driza HPP with 3.408 Mw capacity	2,20	35kV	**306**
		1 895		**5 865 670**

"UKKO"sha (Ujsjell.Kanal.Korce)	Central Fotovoltaik (without sistemised in the balance sheet)	1,0		1 396

On the following figure it is submitted the domestic net generation for 2015 evidencing the contribution in KESH –GEN generation as the only public generator as well as the contributions of other Private/with Concession generators. As it is seen public generation continues to have the main share in domestic generation.

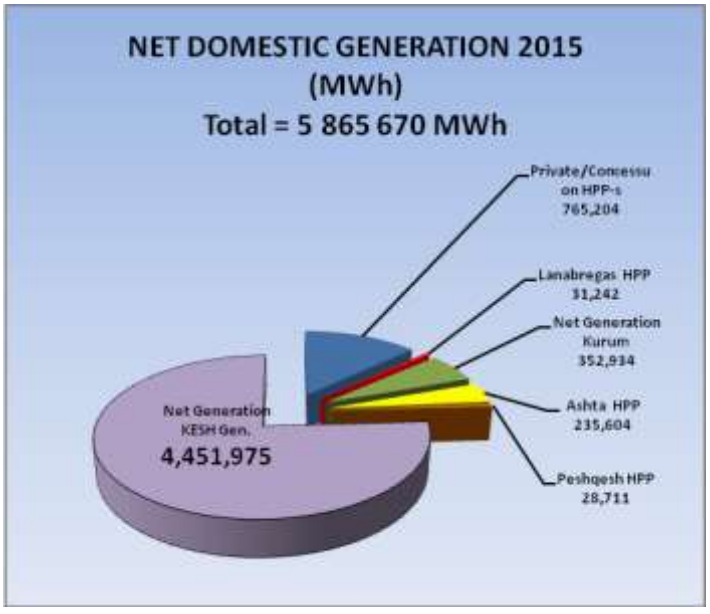
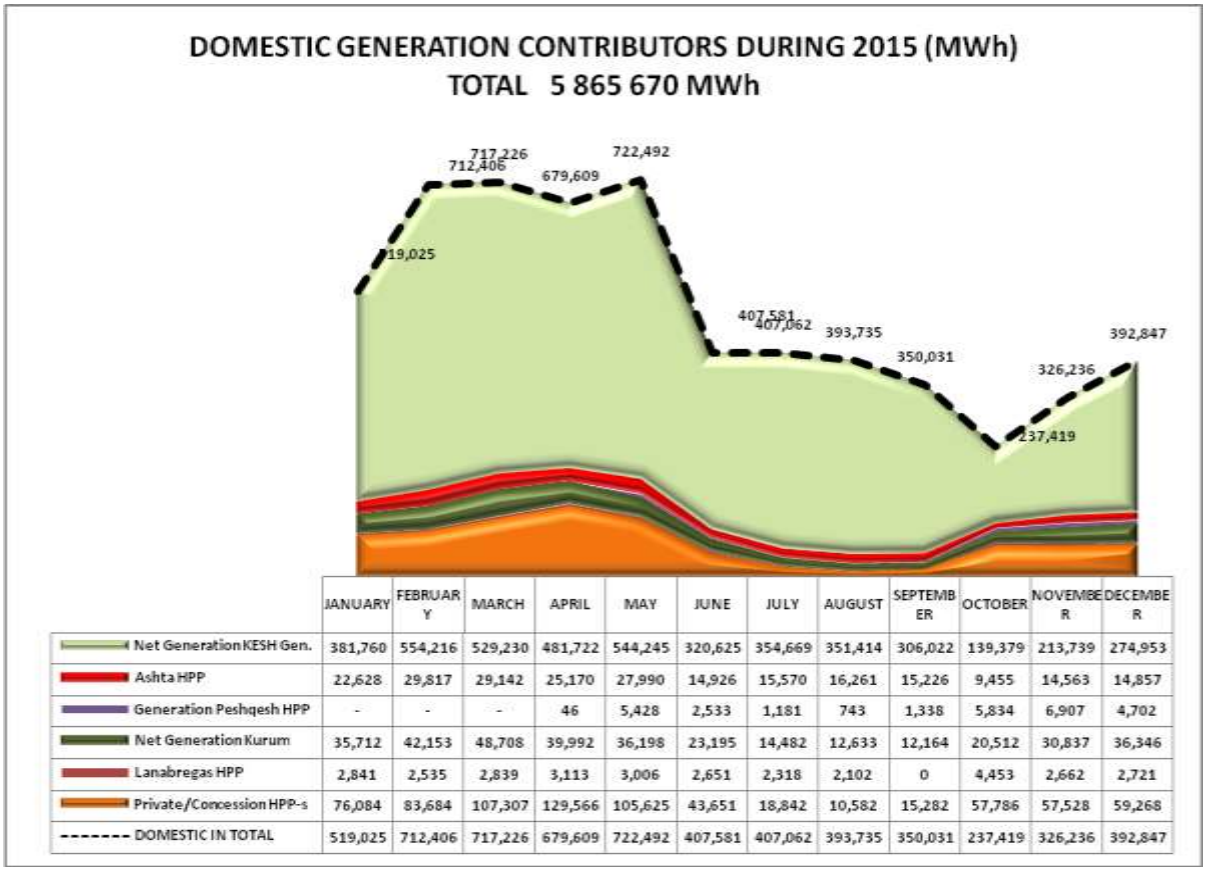


Figure 6: Net Domestic Generation for 2015

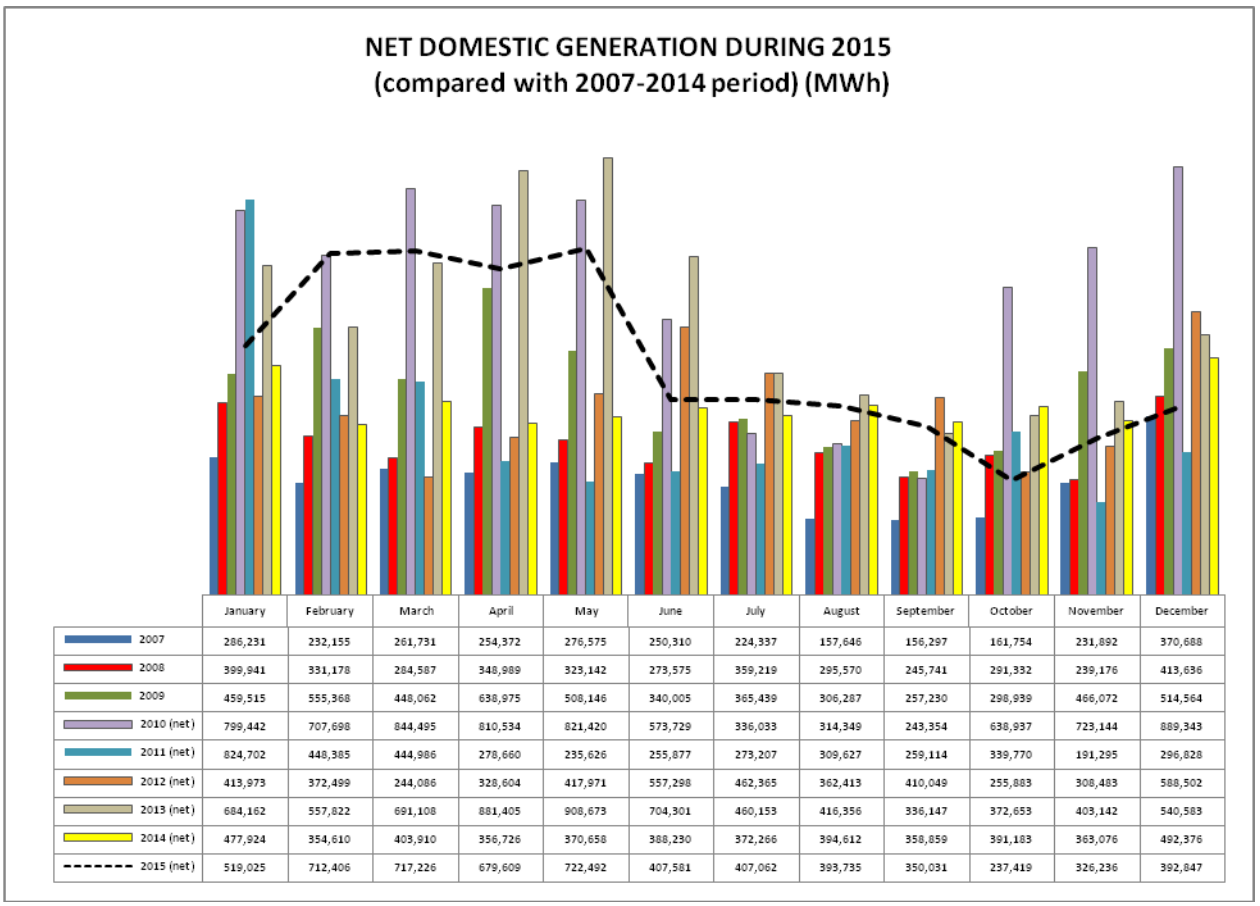
The following figure presents in details the domestic net generation during 2015 by submitting the contribution level for all generators.



	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Net Generation KESH Gen.	381,760	554,216	529,230	481,722	544,245	320,625	354,669	351,414	306,022	139,379	213,739	274,953
Ashta HPP	22,628	29,817	29,142	25,170	27,990	14,926	15,570	16,261	15,226	9,455	14,563	14,857
Generation Peshqesh HPP	-	-	-	46	5,428	2,533	1,181	743	1,338	5,834	6,907	4,702
Net Generation Kurum	35,712	42,153	48,708	39,992	36,198	23,195	14,482	12,633	12,164	20,512	30,837	36,346
Lanabregas HPP	2,841	2,535	2,839	3,113	3,006	2,651	2,318	2,102	0	4,453	2,662	2,721
Private/Concession HPP-s	76,084	83,684	107,307	129,566	105,625	43,651	18,842	10,582	15,282	57,786	57,528	59,268
DOMESTIC IN TOTAL	519,025	712,406	717,226	679,609	722,492	407,581	407,062	393,735	350,031	237,419	326,236	392,847

Figure 7: Domestic Generation Contributors during 2015(MWh)

On the following figure it is compared the generation during 2015 with the generation results for 2007-2014 periods.



	January	February	March	April	May	June	July	August	September	October	November	December
2007	286,231	232,155	261,731	254,372	276,575	250,310	224,337	157,646	156,297	161,754	231,892	370,688
2008	399,941	331,178	284,587	348,989	323,142	273,575	359,219	295,570	245,741	291,332	239,176	413,636
2009	459,515	555,368	448,062	638,975	508,146	340,005	365,439	306,287	257,230	298,939	466,072	514,564
2010 (net)	799,442	707,698	844,495	810,534	821,420	573,729	336,033	314,349	243,354	638,937	723,144	889,343
2011 (net)	824,702	448,385	444,986	278,660	235,626	255,877	273,207	309,627	259,114	339,770	191,295	296,828
2012 (net)	413,973	372,499	244,086	328,604	417,971	557,298	462,365	362,413	410,049	255,883	308,483	588,502
2013 (net)	684,162	557,822	691,108	881,405	908,673	704,301	460,153	416,356	336,147	372,653	403,142	540,583
2014 (net)	477,924	354,610	403,910	356,726	370,658	388,230	372,266	394,612	358,859	391,183	363,076	492,376
2015 (net)	519,025	712,406	717,226	679,609	722,492	407,581	407,062	393,735	350,031	237,419	326,236	392,847

Figure 8: Domestic generation for 2015 compared with 2007-2014 period

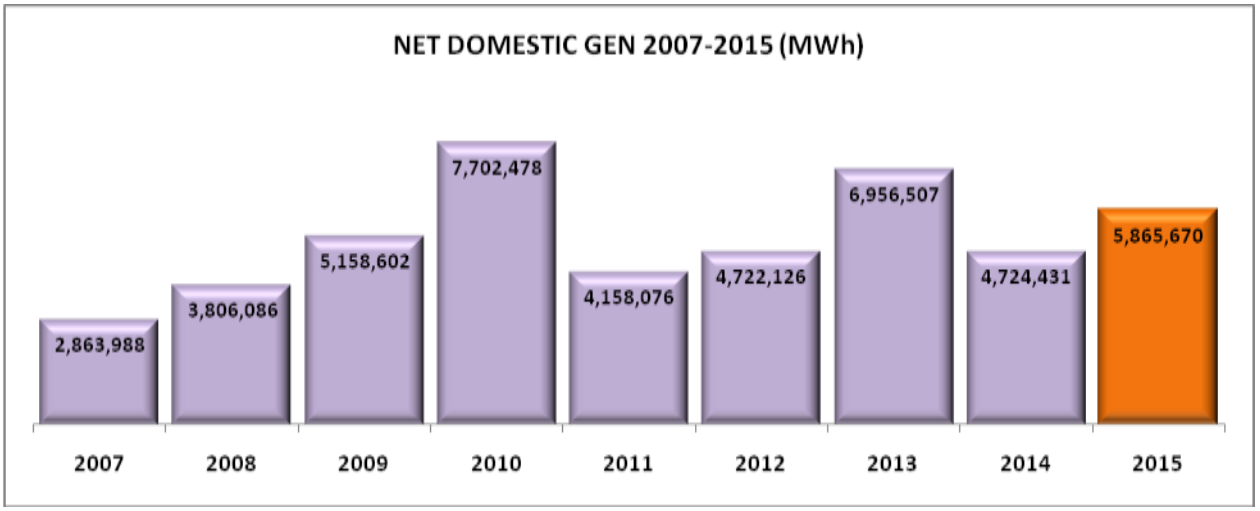


Figure 9: Net domestic generation for 2007-2015 period

From the historical analysis of electricity generation registered in the country 2015 has marked an electricity generation from domestic resources over the average level. It is also estimated the security level from the hydrological perspective. The peak monthly level for 2015, is marked on March with 717 226 MWh. This high generation is mainly realized from the hydro power plants under KESH company administration. The lowest monthly generation during 2015 is realized on October with 237 419 MWh.

On the following figure graph it is noticed that the generation for 2015 is **5,866** GWh which means a generation over the many years average 1985-2015 with about 1,243 GWh .

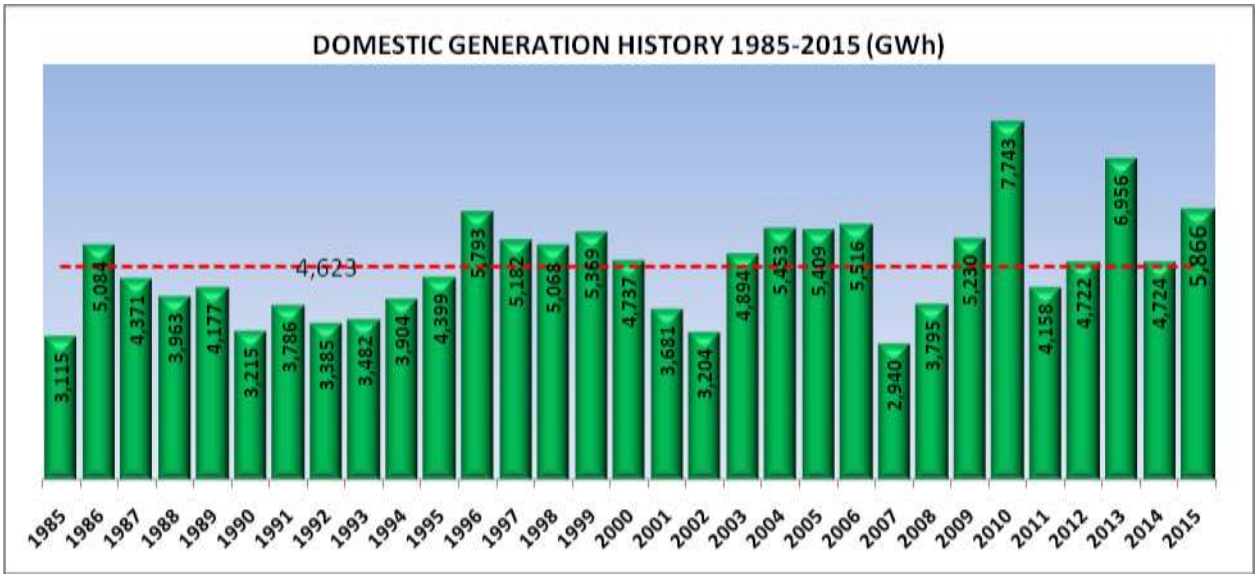
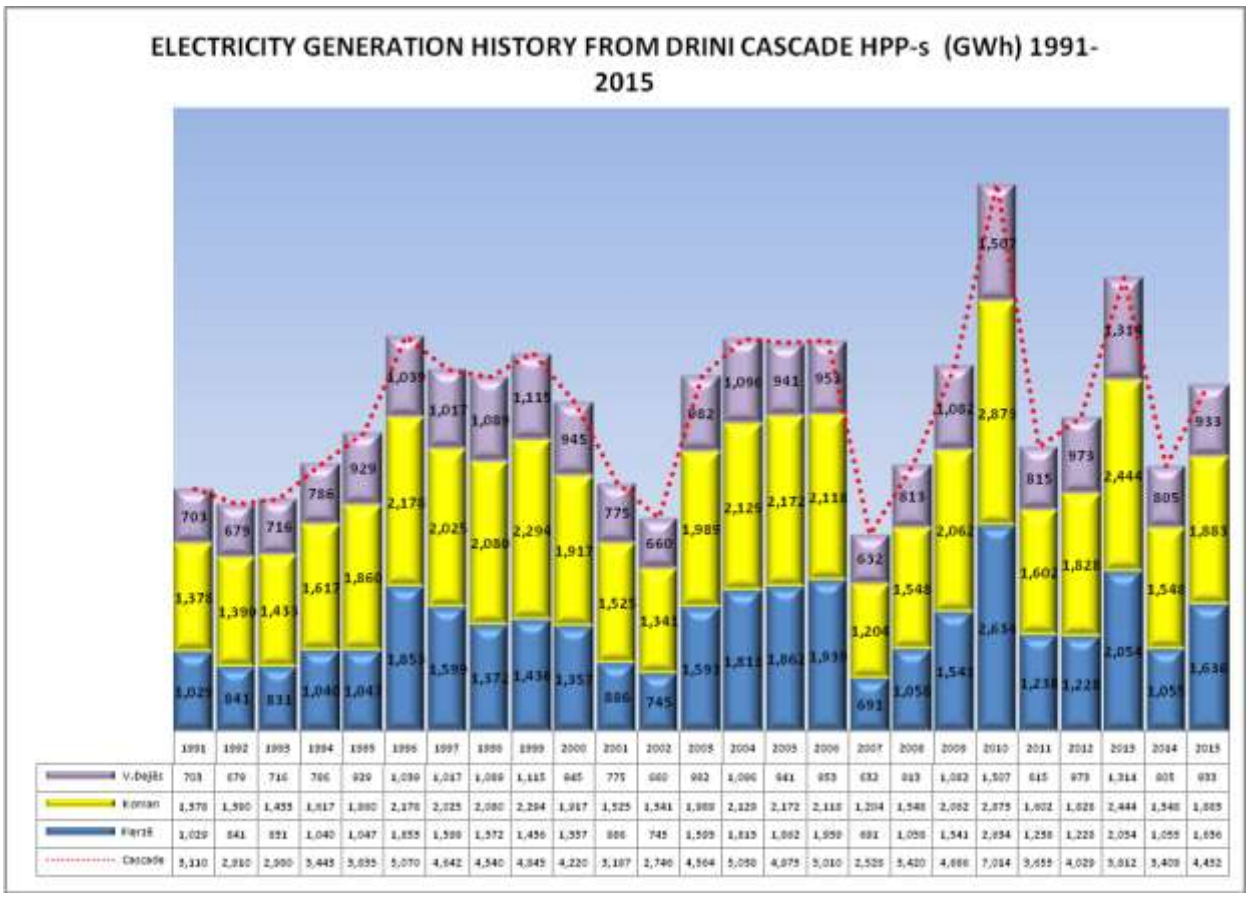


Figure 10: Electricity generation in our country for 1985 – 2015 period (Source: KESH, TSO companies)

Generation from the hydro power plant of Drini river cascade has the main share in domestic generation and as follows are submitted the historical results of generation from the three hydro power plants under KESH company administration .



	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
V.Dejës	703	679	716	786	929	1,039	1,017	1,089	1,115	945	775	660	982	1,096	941	953	632	813	1,062	1,507	815	973	1,314	805	933
Koman	1,378	1,390	1,455	1,617	1,860	2,179	2,025	2,080	2,294	1,917	1,525	1,341	1,989	2,129	2,172	2,118	1,204	1,548	2,062	2,879	1,602	1,828	2,444	1,548	1,883
Fierzë	1,029	841	831	1,040	1,047	1,855	1,599	1,372	1,436	1,357	886	745	1,593	1,811	1,862	1,939	691	1,058	1,541	2,654	1,238	1,228	2,054	1,055	1,636
Cascade	3,110	2,910	3,000	3,445	3,835	5,070	4,642	4,540	4,845	4,220	3,187	2,746	4,564	5,050	4,975	5,010	2,526	3,420	4,666	7,014	3,655	4,029	5,812	3,408	4,452

Figure 11: Electricity generation history from Drini Cascade HPP-s (Source: TSO company)

The differences between maximum and minimum generations results about 2.7 times, clearly expressing the high level of the hydrological risk in the electricity generation stability from the Power systems supported only by the HPP-s.

Above we are giving the details the electricity monthly generation from Drini River cascade hydro power plants.

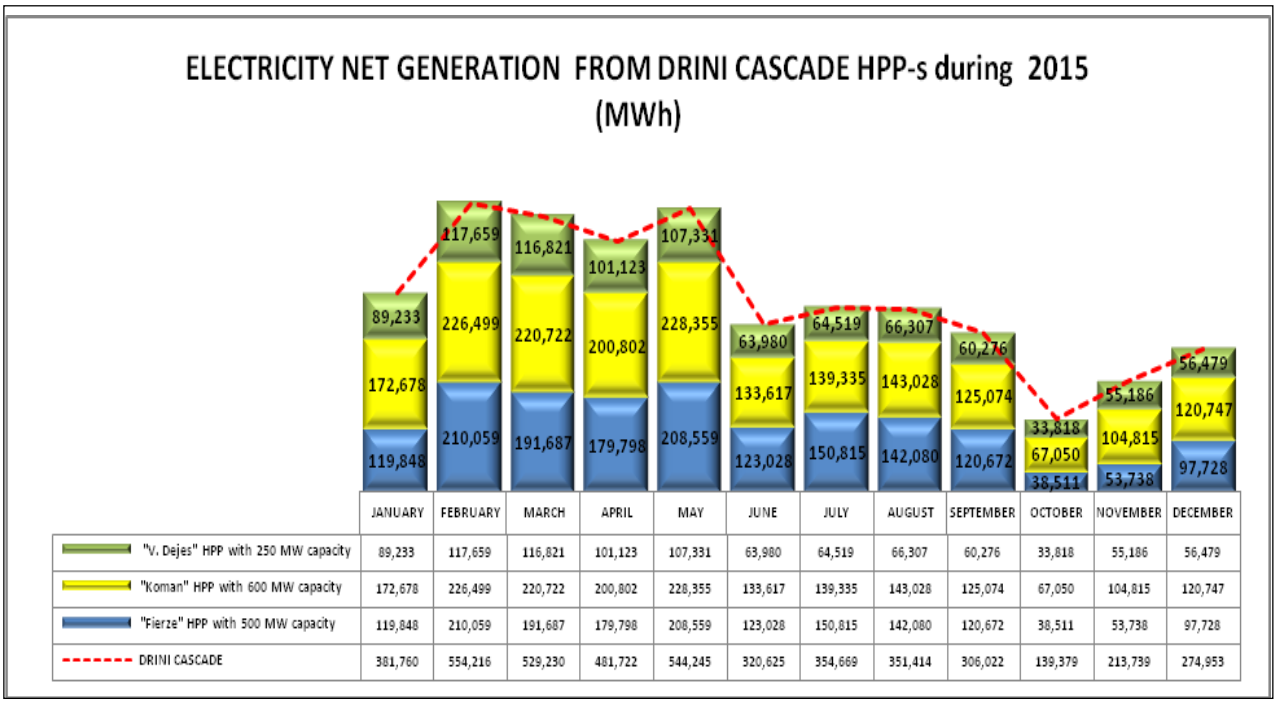


Figure 12: Electricity Generation from Drini Cascade HPP-s during 2015 (Source: KESH,TSO)

On the hydro power plant work it is evidenced high commitment of all hydro power plants aggregates. It should be emphasized that thanks to this commitment it is made possible dhe use of the hydro power reserves in an efficient way and small quantities of water are discharged from the hydro power plants gates, without prior taken the electricity. These discharges result to be inevitable and are made to maintain the dam safety parameters.

The following figure shows the discharges from the hydro power plants during 2015.

WATER DISCHARGES FROM DRINI CASCADE HPP-s during 2015 (milion m3)													
	January	February	March	April	May	June	July	August	September	October	November	December	2015
Fierzë	0	50	0	0	0	0	0	0	0	0	0	0	50
Koman	0	127	0	0	0	0	0	0	0	0	0	0	127
Vau Dejës	0	184	0	0	0	0	0	0	0	0	0	0	184
Note : With decision No.3 of date 27.04.2015 of the Special Commission it is defined the maximum permitted level of Fierza lake from 296 m approved in ***296.5*** *m*													

Figure 13: HPP discharges during 2015

Fierza HPP Basin operates as annual regulator of the hydro reserve, which directly influences in the utilization of the Cascade over Drini river (Koman, Vau Deja and Ashta HPP-s), which are mainly supplied with water from the regulated inflows of Fierza HPP.

As follows it is given the level in meters of Fieza lake for 2015.

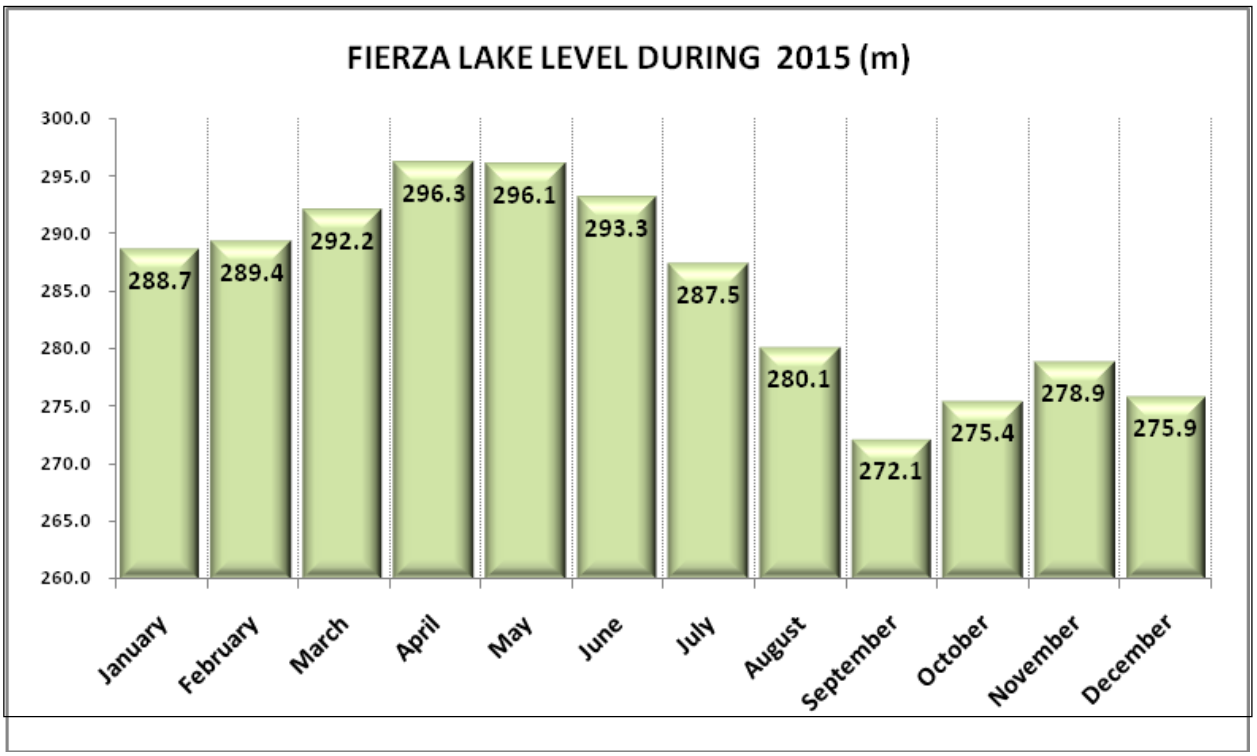


Figure 14: The level in (m) of Fierza Lake during 2015

Historical data on the Level of Fierza Lake HPP for 1991– 2015 period are submitted as follows by evidencing the minimum and maximum quotes.

	FIERZA LEVEL 1991-2015											
	January	February	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1991	254.4	260.8	268.6	279.9	293.4	296.1	294.0	291.5	289.4	288.3	288.8	285.1
1992	278.0	274.1	268.0	278.8	281.0	279.6	275.2	268.7	263.9	271.4	281.9	280.6
1993	275.2	265.3	264.7	278.5	280.5	277.3	271.0	261.1	253.6	249.9	255.6	270.2
1994	254.4	260.8	268.6	279.9	293.4	296.1	294.0	291.5	289.4	288.3	288.8	285.1
1995	253.8	260.3	262.5	275.3	289.0	288.7	284.5	282.2	288.2	283.8	279.9	287.5
1996	287.1	288.7	286.5	294.7	295.8	293.1	287.6	282.2	285.1	284.3	289.2	291.3
1997	289.4	284.5	281.7	285.2	294.1	292.0	287.0	280.0	272.9	272.4	270.8	277.2
1998	273.7	270.0	265.2	278.9	288.1	287.4	281.8	277.6	276.0	277.1	279.0	277.1
1999	272.7	275.6	281.5	290.5	295.9	293.3	288.3	279.5	271.0	257.6	263.6	276.9
2000	276.4	276.7	276.8	286.9	286.6	280.1	273.5	267.5	261.6	248.4	249.3	252.1
2001	253.6	258.2	275.1	282.9	287.6	283.8	273.7	271.1	269.2	263.6	263.2	252.1
2002	245.3	247.1	252.6	264.0	268.6	271.3	270.1	267.8	274.3	286.1	285.3	284.0
2003	291.1	289.5	286.3	287.0	292.3	290.3	285.9	280.8	276.0	282.6	285.6	283.3
2004	284.7	290.8	293.4	296.0	296.2	296.2	293.1	286.3	281.1	280.0	286.1	288.0
2005	281.2	281.5	293.3	296.1	295.6	294.1	286.7	277.2	266.5	256.9	253.6	279.0
2006	283.5	288.6	294.4	295.9	296.5	295.9	293.8	290.2	285.3	278.7	266.2	256.2
2007	256.1	263.7	272.0	276.8	276.8	274.8	268.5	263.6	261.8	261.1	275.8	282.1
2008	285.1	289.7	290.9	295.5	295.3	295.7	294.3	288.6	283.9	280.9	285.2	286.5
2009	283.6	281.8	283.4	292.5	293.7	292.4	288.0	281.2	276.2	271.6	266.3	280.1
2010	290.1	289.2	293.9	296.0	296.3	294.4	291.8	288.6	284.9	285.2	284.3	287.5
2011	281.6	274.4	275.0	276.6	281.0	286.1	284.7	279.0	273.9	268.2	261.6	264.5
2012	265.8	267.7	262.0	280.2	293.4	294.4	288.4	280.4	261.4	261.6	269.0	276.6
2013	278.3	281.5	294.8	296.9	296.9	294.2	289.7	283.6	280.8	281.4	282.5	276.1
2014	275.1	277.5	274.6	285.3	292.9	294.9	291.7	286.8	285.5	285.0	284.8	286.3
2015	288.7	289.4	292.2	296.3	296.1	293.3	287.5	280.1	272.1	275.4	278.9	275.9
	January	February	March	April	May	June	July	August	September	October	November	December
2015	288.7	289.4	292.2	296.3	296.1	293.3	287.5	280.1	272.1	275.4	278.9	275.9
Average	274.3	275.5	278.3	285.9	290.3	289.4	285.0	279.5	275.4	273.6	275.0	277.6
Minimum	245.3	247.1	252.6	264.0	268.6	271.3	270.1	261.1	253.6	248.4	249.3	252.1
Maximum	291.1	290.8	294.4	296.9	296.9	296.2	294.3	291.5	289.4	288.3	289.2	288.0

Figure 15: Level of Fierza Lake HPP for 1991 – 2015 period

As follows it is graphically submitted the water level in meters at Fierza reservoir for each month of 2015, compared with the monthly historical average levels 1991– 2015.

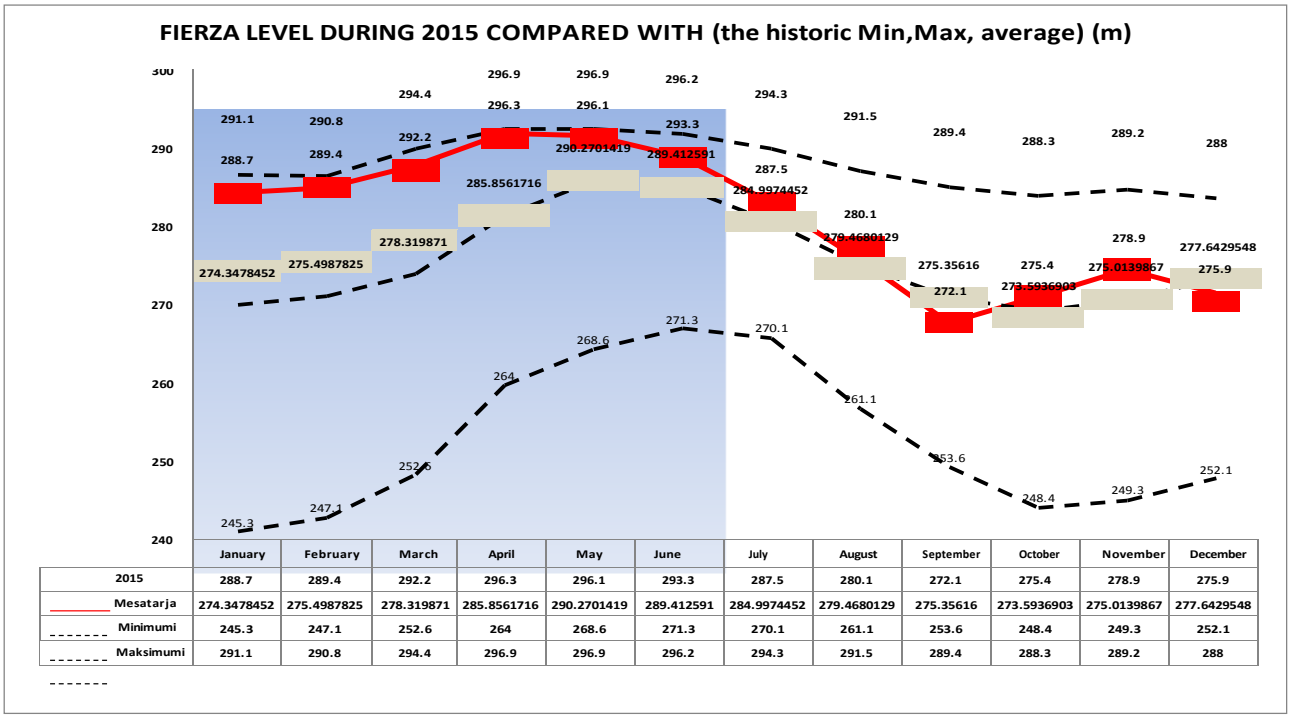
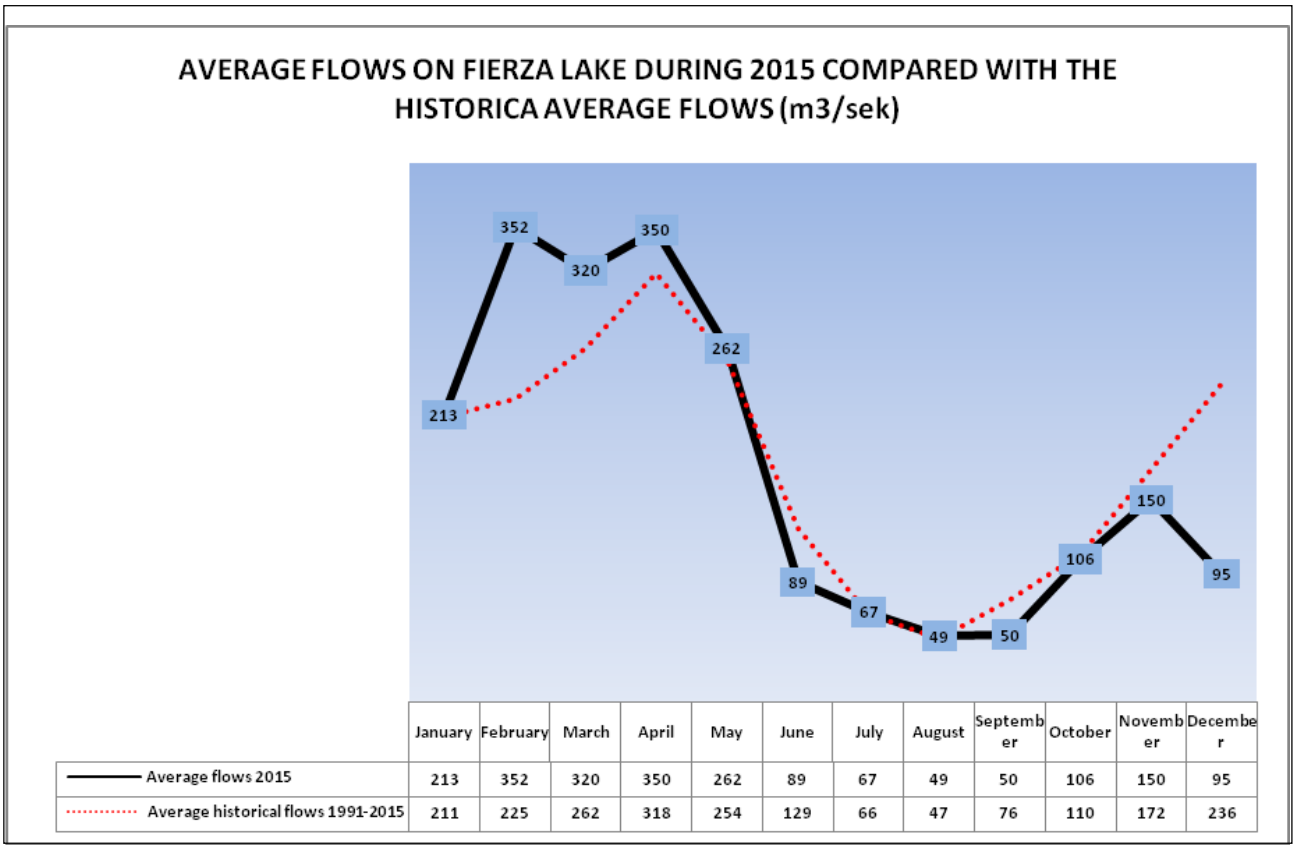


Figure 16: Fierza Lake level in report with minimum and maximum average of the 1991 – 2015 period

On the following figure are submitted the flows for 2015 on Fierza Lake compared with the historic average flows).



	January	February	March	April	May	June	July	August	September	October	November	December
Average flows 2015	213	352	320	350	262	89	67	49	50	106	150	95
Average historical flows 1991-2015	211	225	262	318	254	129	66	47	76	110	172	236

Figure 17: Monthly average flows (m3/sec.) in Fierza Lake HPP during 2015 compared with the historic average

As it can be seen even during 2015 the flows in Fierza Lake have followed the same profile compared with the historic average.

On the following graph figure it is submitted the utilization of the hydro power reserve at the Drini Cascade during 2015.

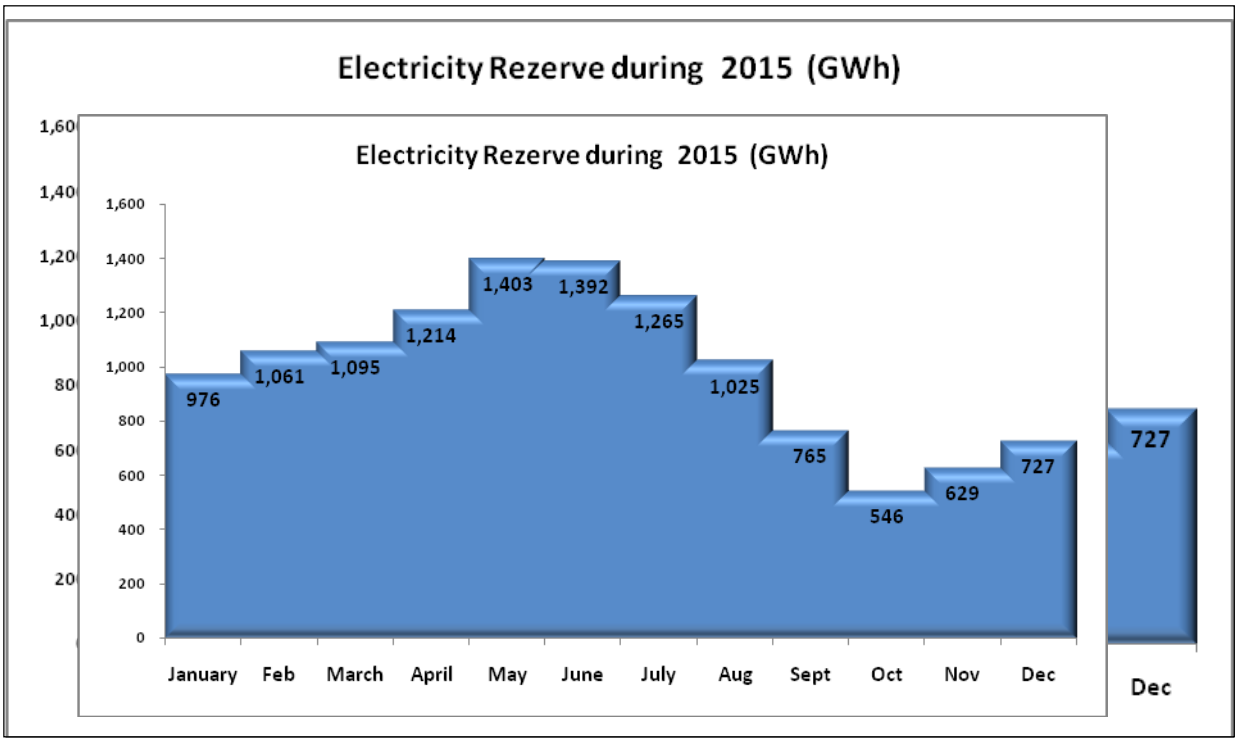


Figure 18: Daily electricity reserve in Drini Cascade during 2015 (Source: TSO company)

The criteria for utilizing the hydro power reserve are analogous even in the previous years. They are supported on three essential principles of the Regulation for the Dam Utilisation, which consider:

1. Respecting the conditions of dam safety.
2. Optimal utilization of the hydro power reserve.
3. Minimisation of the flood effects

1.2.2 Realizing the generation indicators and hydro reserve management.

The situation of the electricity reserve at the beginning of 2015 resulted about **976,000** MWh, respectively **288.7** m level in Fierza. This level is estimated over the historical average.

To fulfill tariff customers request, KESH company, adopted the generation in optimized technical-economic utilization regime.

Based on the hydro situation and the request for energy during February-May period the generation was kept in high levels being increased with about 150,000 MWh, compared with January and then (June-September) period was reduced with about 40, 000 MWh. October was the month with the smallest generation (139,379 MWh). November-December period marks a gradual increase up to 274,953 MWh in December.

It was followed the working regime for maximising the efficiency of electricity potential in the conditions where the regimes are dictated from the need for comleting tariff customer's request, when the daily profile of the request fluctuates in limits 400 MW up to over 1500 MW during the peak.

During 2015, the average flows in Fierza resulted about 170 m³/sec. The level by the end of the year resulted 275.9 m and the electricity reserve about 727 GWh with a decrease 150 GWh from the beginning of the year, a situation that by the end of the year was not evaluated optimal. The average level of utilisation in Fierza HPP resulted 288.68 m, in Koman HPP 173.16 m and the electricity gross generation from KESH Gen company 4 696 GWh.

The activity indicators for the biggest power plant in river Drini cascade are given in the following table.

ACTIVITY INDICATORS (during 2015)	Fierzë HPP	Koman HPP	Vau Deja HPP
Average level of utilization (m)	288.68	173.16	74.04
Average fall of utilization (m)	115.27	98.95	50.87
Average coefficient of aggregate loading (%)	90	82	84
Annual generation (MWh)	1,637,192	1,919,875	939,224
Average capacity of the plant (MW)	187	219.2	107.2
Capacity factor	0.37	0.48	0.43

Figure 19: Power plant indicators

1.2.3 Situation of Vlora TPP

Even during 2015 Vlora TPP did not generated electricity. This TPP was expected to become operational during 2011, but because of the technical problems observed during the testings it is not enabled yet the set into operation of Vlora TPP.

- KESH company and TPP construction Contractor are in a court process for solving the disputes regarding the defect in the cooling system and the partial termination of the contract from TCM (contracted company) since 2012.

It is espected that a specialized consulting company shall perform the defect repair in the cooling system at Vlora TPP. KESH company expects the preparation of a pre-feasibility study where will be analysed in a comparable way the cost of using natural gas in electricity generation from Vlora TPP.

1.2.4 Generation from Electricity Private/Concession HPP-s

The generation and capacities of Private/Concession HPP-s are summarized on figure 20.

Figure 20: Electricity generation from Private/Concession HPP-s for 2015 (Source: KESH company)

GENERATION OF PRIVATE/CONCESSION HPP-s during 2015 (MWh)			
COMPANY	HYDRO POWER PLANTS AND THE CAPACITY	Capacity in Licensing	2015
"Ujësjellës Kanalizime Tirane" company	"Lanabregas" HPP with 5 MW capacity	5,0	31 242
"Kurum International" company	"Ulëz", Shkopet, Bistrica 1,Bistrica 2 HPP-s 76.7 MW capacity	76,0	352 934
"EMIKEL 2003" company	"Lenie" HPP with 400 kW capacity	0,40	2 651
"EMIKEL 2003" company	"Çorovode" HPP with 200 kW capacity	0,20	800
"Albania Green Energy" company	"Smokthine" HPP with 9,2 MW capacity	9,20	32 081
"Balkan Green Energy" company	"Bulqize" HPP with 0,6 MW capacity (Dibër)	0,60	1 363
"Balkan Green Energy" company	"Homesh" HPP with 0,395 MW capacity (Dibër	0,33	400
"Balkan Green Energy" company	"Zerqan" HPP with 0,625 MW capacity (Dibër)	0,63	1 035
"Balkan Green Energy" company	"Arras" HPP with 4,8 MW capacity (Dibër)	4,80	15 648
"Balkan Green Energy" company	"Orgjost" HPP with 1,2 MW capacity (Kukës)	1,20	4 257
"Balkan Green Energy" company	"Lekbibaj" HPP with 1,4 MW capacity (Tropoje)	1,40	4 970
"Balkan Green Energy" company	"Dukagjin" HPP with 0,64 MW capacity (Shkodër)	0,64	2 414
"Balkan Green Energy" company	"Marjan" HPP with 0,2 MW capacity (Korçë)	0,20	479
"Balkan Green Energy" company	"Lozhan" HPP with 0,1 MW capacity(Korçë)	0,10	268
"Balkan Green Energy" company	"Barmash" HPP with 0,83 MW capacity Kolonje)	0,63	1 308
"Balkan Green Energy" company	"Treske 2" HPP with 0,25 MW capacity (Korçë)	0,25	611
"Balkan Green Energy" company	"Nikolice" HPP with 0,7 MW capacity (Korçë)	0,70	1 704
"Balkan Green Energy" company	"Funares" HPP with 1,92 MW capacity(Librazhd)	1,92	4 601
"Balkan Green Energy" company	"Lunik" HPP with 0,2 MW capacity (Librazhd)	0,20	753
"Balkan Green Energy" company	"Kerpice" HPP with 0,42 MW capacity (Gramsh)	0,42	870
"Balkan Green Energy" company	"Ujanik" HPP with 0,63 MW capacity(Skrapar)	0,63	1 484
"Balkan Green Energy" company	"Borsh" HPP with 0,25 MW capacity (Sarande)	0,25	955
"Balkan Green Energy" company	"Leshnice" HPP with 0,38 MW capacity (Sarande)	0,38	462
"Balkan Green Energy" company	"Velcan" HPP with 1,2 MW capacity (Korçë)	1,20	3 076
"Balkan Green Energy" company	"Muhur" HPP with 0,25 MW capacity (Dibër)	0,25	863
"Balkan Green Energy" company	"Rajan" HPP with 1,02 MW capacity (Kolonje)	1,02	2 383
"Balkan Green Energy" company	"Lure" HPP with 0,75 MW (Dibër)	0,75	692
"Spahiu Gjanç" company .	"Gjanç"HPP with 2.96 MW capacity	2,96	8 247
"Wonder power" company	"Bogove" HPP with 2,5 MW capacity	2,50	7 680
"Amal" company	"Xhyre" HPP with 570 kW capacity	0,57	2 026
"Hidroinvest 1" company	"Stranik" HPP with 4.6 MW capacity	4,42	12 704
"Hidroinvest 1" company	"Zall Tore" HPP with 3 MW capacity	3,33	9 673
"Malido-Energji" company	"Klos" HPP with 1,95 MW capacity	1,95	2 838
"Energji Ashta" company	"Ashta" HPP with 48,2 MW capacity	50,00	235 618
"HIDROALBANIA Energji" company	"Cernaleve " HPP with 2.95 MW capacity	6,73	15 263

“Power Elektrik Slabinje” company	"Sllabinje" HPP with 13,8 MW capacity	13,8	33 050
“HEC Bishnica 1,2 “ company	"Bishnica 2" with 2.5 MW capacity	2,40	11 257
“C & S Construction Energy” company	"Rapuni 1" HPP with 4 MW capacity	4,00	31 189
“HydroEnergy “company	"Murdhar 1" HPP with 2.68 MW capacity	2,88	11 654
“HydroEnergy “company	"Murdhar 2" HPP with 1 MW capacity	1,44	6 780
“Wenerg “ company	"Dardhe" HPP with 5,8 MW capacity	6,16	12 173
“Dishnica Energy” company	"Dishnice" HPP with 0.2 MW capacity	0,20	608
“Elektro Lubonje” company	"Lubonje" HPP with 0.3 Mw capacity	0,30	329

“Koka & Ergi Energy Peshk” company	"Peshke" HPP with 3.43 MW capacity	3,43	12 238
”Ansara Koncension” company	"Labinot –Mal" HPP with 0.25 MW capacity	0,08	260
”Energy Plus” company	"Pobreg" HPP with 2 MW capacity	2,00	36 373
”Hec Vlushe ” company	"Vlushe" HPP with 14.2 MW capacity	14,20	17 478
”Energy partners Al” company	"Shkalle" HPP with 1.3 MW capacity;	12,60	15 352
”Korkis 2009” company	"Belesova 1" HPP with 0.150 MW capacity	0,15	43
”HP OSTROVICA” company	"Faqekuq 1" HPP with 3 MW capacity;	6,72	15 574
”Erald Energjitik” company	"Mgulle" HPP with 0.28 MW capacity	0,40	1 334
”Bekim Energjitik” company	"Kryezi 1" HPP with 0.6 MW capacity	1,20	2 981
”Selishte” company	"Selishte" HPP with 2 MW capacity	2,00	5 727
”ERMA MP” company	”Carshove” HPP with 1.5 MW capacity	1,60	3 650
”DITEKO” company	”Lubalesh 1” HPP with 4,6 MW capacity	11,60	9 709
”Idro Energia Pulita” company	”Langarica 3”HPP with 2,2 MW capacity	2,20	1 481
”Idro Energia Pulita” company	”Ura e Dashit” HPP with 1,2 MW capacity	1,19	6 531
”Dosku Energy” company	”Gizavesh” HPP with 0.5 MW capacity	0,50	2 508
”Snow Energy” company	“Koka 1” HPP with 2.1 MW capacitty	2,10	5 215
”Stravaj Energji” company	“Stravaj” HPP with 3,6 MW capacity	3,96	7 641
”Peshku Picar 1” company	”Picar 1” with 0,2 MW capacity	0,27	519
”Albanian Power” company	”Martanesh” with 10,5 MW capacity	6,00	21 929
”Hydro power Plant Of Korca” company	”Verba 1” HPP with i2.1 MW capacity	5,10	11 451
”Hidro Borshi” company	”Fterra” HPP with 1,08 MW capacity	3,08	10 603
”Lu & Co Eco Energy” capacity	”Ostren i Vogel” HPP with 0,32 MW capacity	0,40	790
”Gjo.Spa.POWER”company	”Llapaj” HPP with 13,62 MW capacity	13,60	40 769
”Erdat Lura” company	”Lura 1” HPP with 6,54 MW capacity	16,12	39 961
”E.T.H.H. ”company	”Kozel” HPP with 0,5 MW capacity	0,55	960
”E.T.H.H. company	”Helmes 1” with 0,8 MW capacity	0,80	1 110
”E.T.H.H. company	”Helmes 2” with 0,5, MW capacity	0,50	382
”Caushi Energji” company	”Qafezeze” HPP with 0,4 MW capacity	0,40	1 842
”SA.GLE.Kompani ”company	”Trebisht” HPP with 1,775 MW capacity	1,98	1 264
"Energji Xhaci" company	”Mollaj” HPP with 0,6 MW capacity	0,32	953
”Tucep” company	”Tucep” HPP with 0,4 MW capacity	0,40	982
”Hec-Treske”company	”Treska4” HPP with 3,6 MW capacity	4,32	2 576
”Hidro Energy Sotire”company	”Sotire1 & 2” HPP with 2,2 MW capacity	2,29	5 937
”Shutina energji”company	”Shutine” HPP with 2,4 MW capacity	1,78	841
”Zall Herr Energji 2011” company	”Cekrez 1” HPP with 0,23 MW capacity;	0,68	4 283
”Hec Qarr & Kaltanj”company	”Qarr”HPP with 1 MW capacity	1,76	5 024
”Gjoka Konstruksion Energji” company	”Shales” HPP with 1,08 MW capacity	2,08	1 570
”Gjoka Konstruksion Energji” company	”Strelce” HPP with 1,174 MW capacity	4,16	5 887
“Sarolli” company	"Shpelle" HPP with 400 kW capacity	0,46	1 267
“Projeksion Energji” company	"Treska 1" HPP with 130 kW capacity	0,45	81
“EN-KU” company	"Bicaj" HPP with 3,1 MW capacity	0,16	51
“Maksi Elektrik” company	"Leskovik 1" HPP with 1072 kW capacity	0,17	707
“Juana” company	"Orenjë" HPP with 875 KV	0,08	1 115
“WTS Energji” company	"Tamarë" HPP with 750 kW capacity	0,15	745
“Mariaka” company	"Benë" HPP with 1000 kW capacity	0,26	1 176

	ERE		
“Favina 1” company	"Vithkuq" HPP with 2,715 MW capacity	2,12	10 891
“Selca Energji” company	"Selce" HPP with 1600 kW capacity	0,40	2 242
“Energo – Sas” company	"Sasaj" HPP with 8,6 MW capacity	8,60	25 000
"Hec i Tervolit" company	"Tervol" HPP with 12 MW capacity	12,00	30 938
"MTC Energy" company	"Radove" HPP with 2,5 MW capacity	2,93	7 636
"Gurshpat Energy" company	"Gurshpat 1" HPP with 0,84 MW capacity,	1,35	6 302
"Bistrica 3 Energy" company	"Bistrica 3" HPP with 1,57 MW capacity,	1,50	531
"Komp Energji" sh.p.k	Hec"Hurdhas 1"me fuqi 1,71MW,	1,44	2 822
"UKKO"company (Ujsjell.Kanal.Korce)	Photovoltaic Plant (without set in the balance	1,0	0
"Fatlum" company	"Perrollaj" HPP with 0,5 MW capacity	0,55	214
"Ayen As Energji" company	"Peshqesh" HPP		28 711
"Euron Energy" company	"Bele 1" HPP with 5 MW capacity ;	30,70	114 423
"Kisi-Bio-Energji" company	"Kacni" HPP with 3,87 MW capacity	4,50	1 694
"Strelca Energy" company	Strelcë 1 HPP with 1.504 MW capacity	2,18	338
Mesopotam Energy company	Driza HPP with 3.408 MW capacity	2,20	306
		447	1 413 709

The companies that operate 101 HPP-s which have had sale agreement with KESH/WPS have a general installed capacity of 342.2 MW, from which about 32 MW are the HPP-s that began generation during 2015.

The net general generation for 2015 from private/concession HPP-s was 1 413 709 MWh or **24.1 %** of the net domestic generation for 2015.

- Four HPP-s of Kurum company: Ulëz, Shkopet, Bistrica1 and Bistrica 2 that did not had an agreement with KESH, have an installed capacity of 76 MW and have generated about 353 GWh.
- One plant Peshqesh HPP did not had an agreement with KESH (FPSH) has an installed capacity of 29.7 MW and has generated 28 711 MWh.
- One photovoltaic plant of UKKO company with capacity about 1 MW did not had an agreement with KESH (FPSH) has generated for its own needs about 1 396 MWh and had a bilateral agreement with OSHEE company. The generation of this plant is not included in the electricity balance of OSHEE company because are not performed the necessary reconciliations according to the agreement between them. The data of this plant are submitted separately and it is expected their systematization in the system of these kind of plants to be performed according to standard approved procedures.

Generation of the HPP-s that have began generating during 2015 (MWh)																
COMPANY	HPP- s and their Capacity	Capacity in Licensing	CONNECTION	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	2015
"Komp Energji" company	"Hurdhas 1" HPP with 1,71MW capacity,	1,44	6kV	380	477	479	349	211	53	0	0	0	324	305	243	2 822
"Stravaj Energji" company	"Stravaj" HPP with 3,6 MW capacity	3,96	35kV			977	1 953	1 052	361	78	73	214	867	1 091	974	7 641
"Shutina energji"company	"Shutine" HPP with 2,4 MW capacity	1,78	10kV			25	206	0	0	0	0	0	235	211	164	841
"Fatlum" company	"Perrollaj" HPP with 0,5 MW capacity	0,55	10kV			136	0	79	0	0	0	0	0	0	0	214
"E.T.H.H. "company	"Helmes 1" HPP with 0,8 MW capacity	0,80	10kV				369	206	102	0	35	0	85	175	138	1 110
"E.T.H.H. "company	"Helmes 2" HPP with 0,5, MW capacity	0,50	10kV				111	56	23	0	6	0	28	84	74	382
"Ayen As Energji"company	"Peshqesh" HPP	27,9	110kv				46	5 428	2 533	1 181	743	1 338	5 834	6 907	4 702	28 711
"Kisi-Bio-Energji" company	"Kacni" HPP with 3,87 MW capacity	4,50	20kV					561	254	102	30	0	396	236	115	1 694
"Hec-Treske" company	"Treska 4" HPP with 3,6 MW capacity	4,32	35kV						215	272	0	198	606	615	670	2 576
"DIT EKO" company	"Lubalesh 1" HPP 4,6 Mw capacity	11,60	110kV							709	599	692	2 672	2 496	2 540	9 709
"Idro Energia Pulita" company	"Langarica 3" HPP with 2,2 MW capacity	2,20	110KV											26	1 456	1 481
"Projeksion Energji" company	"Treska 1" HPP with 130 kW capacity	0,45	10kV												81	81
"Bistrica 3 Energy" company	"Bistrica 3" HPP with 1,57 MW capacity,	1,50	6kV												531	531
"Strelca Energy" company	Strelcë 1 HPP with 1.504 MW capacity	2,18	35kV												338	338
Mesopotam Energy company	Driza HPP with 3.408 Mw capacity	2,20	35kV												306	306
		65,87 MW														58 438

Figure 21: Generation from private HPP-s that have began generation during 2015

On table 22, it is submitted the annual net electricity generation of the HPP-s that has started generating during 2015.

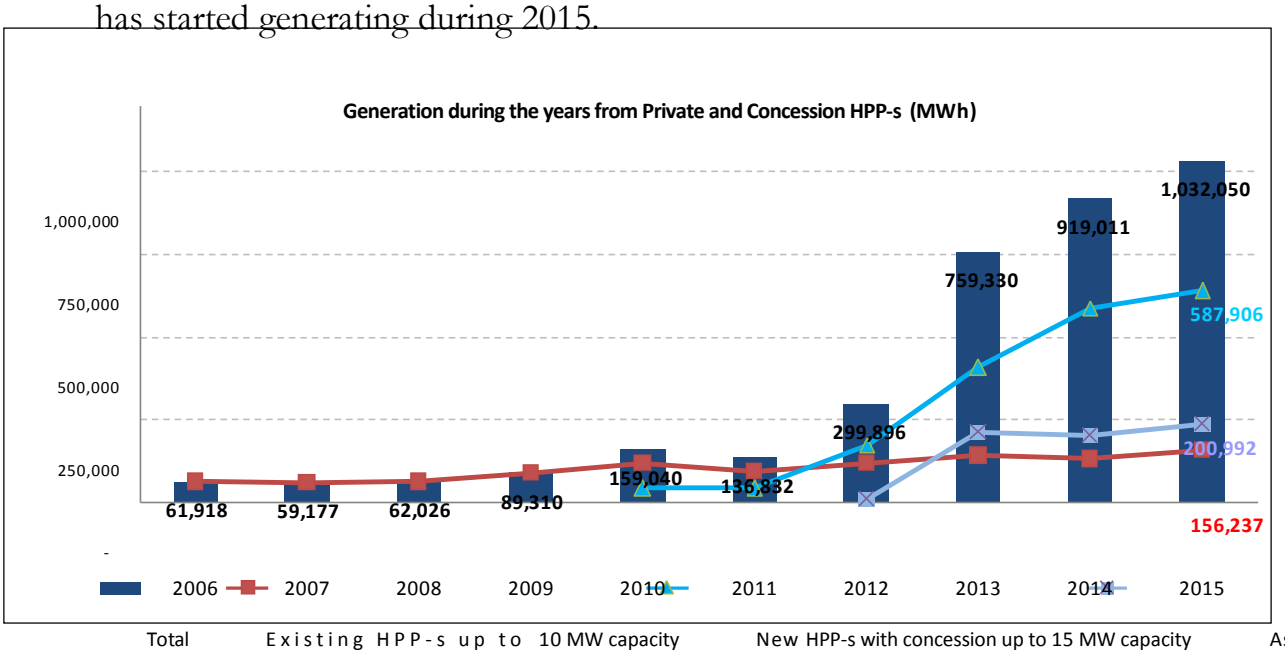


Figure 22: Generation progress from small HPP-s given with concession and private ones (Source ERE)

On the graph of Figure 22 it is submitted the generation process from small private/given with concession HPP-s (up to 15 MW), as well as from Ashta HPP during 2006 – 2015 period. Taking into account that the maximum generation of 2010 despite the increase of the installed capacities in a large amount was influenced from favourable hydro conditions, from the graph it is noticed high rate increase of generation from concession HPP-s, especially during 2008-2014 period. A considerable increase was noticed during 2013 where generation from these HPP-s was 2.5 times higher compared with the previous year. An important contribution in this increase goes to Ashta HPP, which during 2013 generated 211 GWh or 28% of total generation from these HPP-s.

On the graph of figure 23 are submitted KESH/WPS obligations to private entities for the electricity sold to KESH/WPS, which from 2012 reaches over 2.5 Miliard ALL, for 2013 6.6 Miliard ALL, on 2014 has reached about 8.1 Miliard ALL and for 2015 it was 8.026 Miliard ALL.

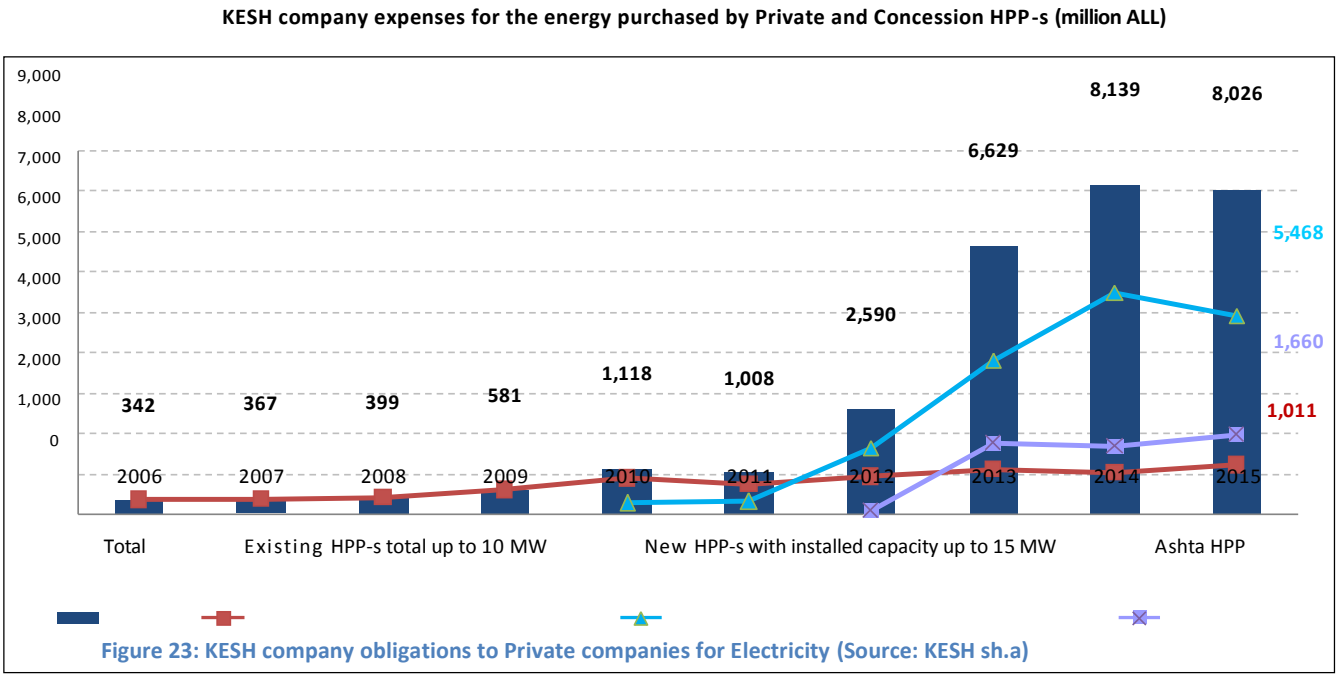


Figure 23: KESH company obligations to Private companies for Electricity (Source: KESH sh.a)

1.2.5 Electricity Generation Efficiency

As evidenced even in the previous years, electricity generation efficiency of owr Power system is estimated by analyzing the main indicators as follows:

- Ability to accumulate electricity in the form of hydroenergetic potential reserves;
- Ability to regulate the flows annually;
- Optimising the combination of electricity generation with the import;
- Higher flexibility to load, this permits to easily cover the peak load;
- Highlighted dependence to electricity generation from the hydrological weather conditions;
- Water discharges from the reservoirs;
- Relatively larger investments for their construction and longer time for their completion and setting the object for utilisation comparing with the TPP-s;
- Smaller expenses for the utilisation and maintenance

Water discharges without passing to the turbines from Drini Cascade basins for some years are submitted on the following chart. During 2015 are noticed small discharges of water realized for the security of the dams on the conditions of lake level increase.

On figure 24, are graphically submitted the water discharges from Drini river Cascade HPP-s , for each year of 2002-2015 period.

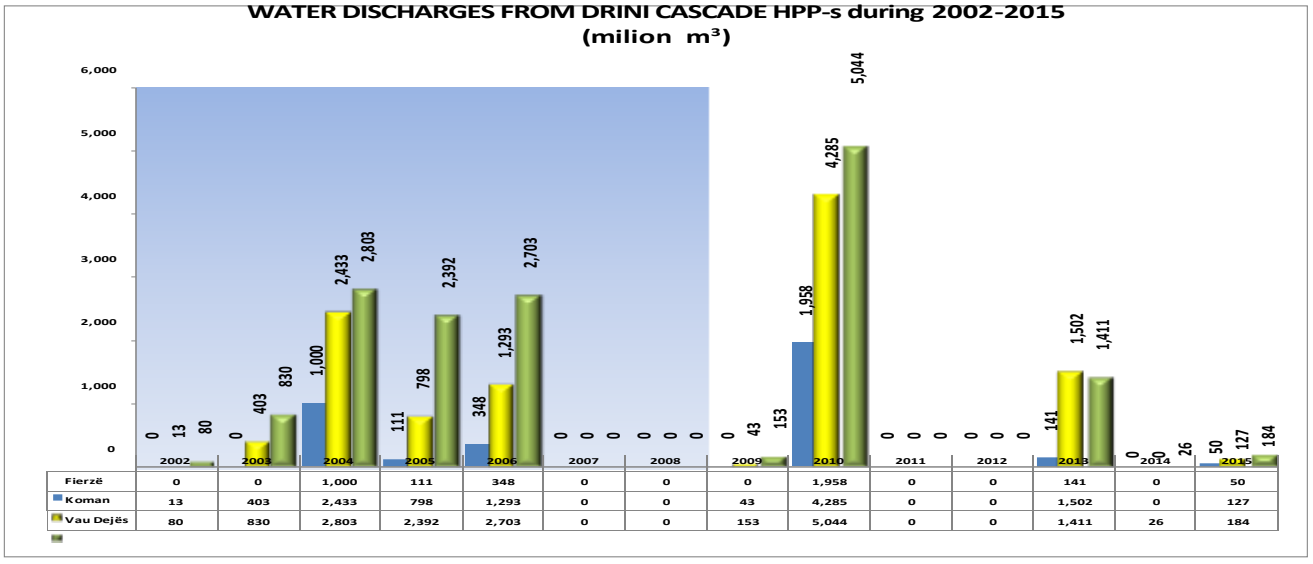


Figure 24: Water discharges from Drini Cascade HPP-s (2002-2015) (Source: TSO company)

1.3 Electricity Transmission

1.3.1 TSO activity

Electricity transmission activity is performed by Transmission System Operator (TSO company), a public company with 100% of the shares owned by the state. TSO was established on 2004, as the result of Albanian Power Corporation reformation and separation, from a vertically organized company that performed the electricity generation, transmission and distribution duties, in three separated companies.

Implementing Law No. 43/2015 "On Power Sector".

"Transmission System" is a system used for electricity transmission in high and very high voltage, connected on parallel with the other systems of the neighbouring countries, where above all are included the connections, supporting structures, transforming, switching structures for electricity delivery of the customers or in the distribution grid, not including the supply.

TSO performs Transmission Grid Operation, Dispatch System Operation and Market Operator.

TSO guarantees the necessary transmitting capacities for:

(i) uninterrupted electricity supply of electricity distribution system substations, as well as electricity customers connected directly in the transmission grid,
(ii) electricity transmission generated from the country resources,
(iii) as well as for necessary transitions and exchanges with the neighbouring countries.

In this context it develops the transmission system in accordance with the long term requirements for the electricity supply of the country, with the plans of developing new electricity resources and coordinating the development of the interconnection grid with the neighbouring countries.
TSO company dispatches the Power system by managing the energy flows in the system, taking into consideration the realization of all the ancillary services that are related with the sustainability of the system as well as exchanges with other systems.

An important role is even that of Electricity Market Operator, which operatations are gradually expanded with the steps taken for the establishment and consolidation of a free and competitive electricity market in the region. During 2015 the Market Operator has regularly developed the annual, monthly and daily auction, of the interconnection capacities. In conformity with the electricity market rules it has performed the process of electricity registering and invoicing as well as the imbalances caused by the market participants.

1.3.2 The Assets and the Development of the Transmission System

The Electricity Transmission System in Albania includes 400 kV, 220 kV, 110 kV voltage lines and the connecting substations between them which serve for electricity transmission and international interconnection.

The lengths of the transmission system lines according to the voltage level are:

- Transmission lines 400 kV 293.6 km
- Transmission lines 220 kV 1150.30 km
- Transmission lines 150 kV 34.4 km
- Transmission lines 110 kV 1582.5 km

Composing the above mentioned lines are included the interconnection lines with the neighbouring countries:

- Interconnection line 220 kV Fierze (Albania) – Prizren (Kosovo)
- Interconnection line 220 kV Koplik (Albania) – Podgorice (Monte Negro)
- Interconnection line 400 kV Zemblak (Albania) – Kardia (Greece)
- Interconnection line 400 kV Tirane (Albania) – Podgoricë (Monte Negro)
- Also a 150 kV voltage line operates between Albania and Greece.

The exchange capacity with the neighbouring countries is sufficient to realize the necessary exchanges and required transitions at any time.

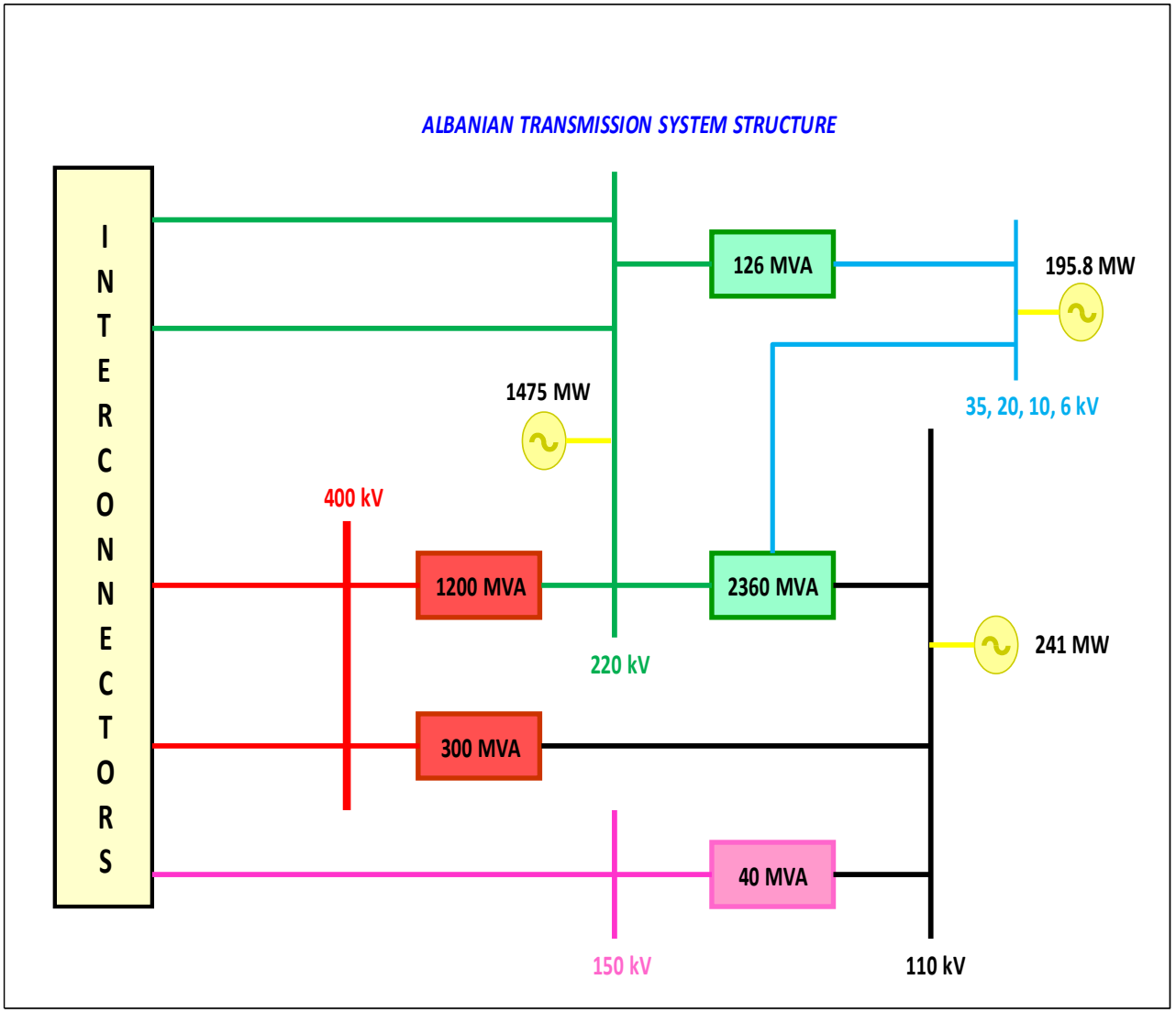


Figure 25: Albanian transmission system structure

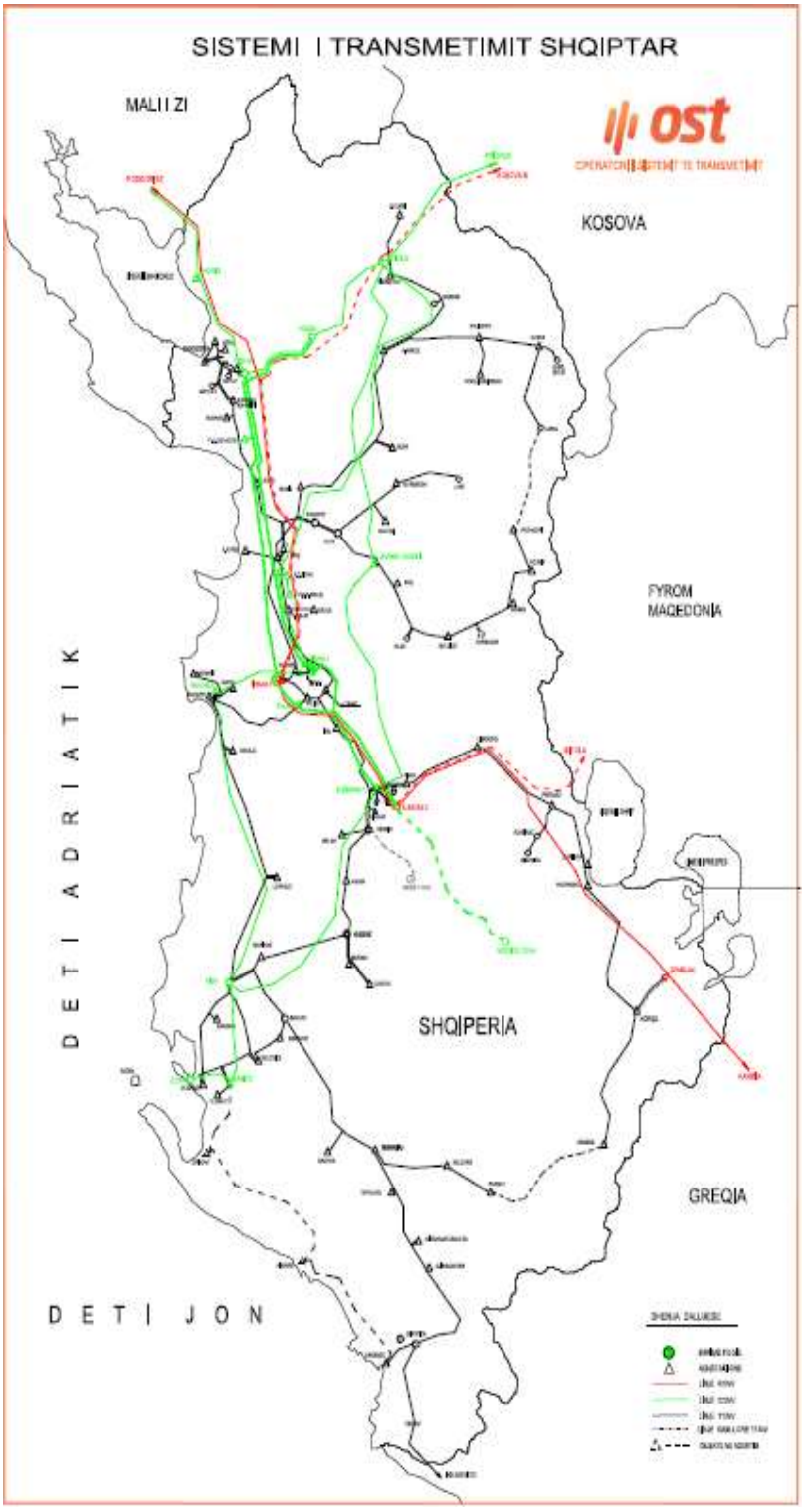


Figure 26: Albanian transmission system

Transforming capacity of transmission system substations		
Naming	Unit	Capacity
400/220 kV transformers	MVA	1,200
400/110 kV transformers	MVA	300
220/110/20 kV transformers	MVA	240
220/110/MV kV transformers	MVA	2,120
220/20 kV transformers	MVA	126
150/110 kV transformers	MVA	40

Length of Transforming Lines and Cables (TSO)		
Voltage (kV)	Length (km)	
	Air Line	Cable
400	293.6	
220	1150.3	
154	34.4	
110	1576.15	6.3
Total	3054.4	6.3

Transformer Capacity (MVA) (TSO company)					
Substation name	Number of the Transformers	Capacity	Voltage		
		HV(MVA)	HV(kV)	MV(kV)	LV(kV)
FIERZA	1	30.0	242.0	121.0	10.5
FIERZA	2	30.0	242.0	121.0	10.5
VAU DEJA	1	120.0	230.0	121.0	10.5
VAU DEJA	2	120.0	230.0	121.0	10.5
KOPLIKU	1	90.0	220.0	115.0	38.5
BURRELI	1	60.0	230.0	115.0	11.0
BURRELI	2	60.0	230.0	121.0	11.0
TIRANA1	1	120.0	220.0	115.0	37.6
TIRANA1	2	120.0	220.0	115.0	37.6
TIRANA1	3	120.0	220.0	115.0	37.6
TIRANA1	4	63.0	220.0		21.6
TIRANA1	5	63.0	220.0		21.6
TIRANA2	1	300.0	400.0	230.0	20.0
TIRANA2	2	300.0	400.0	230.0	20.0
TIRANA2	3	120.0	220.0	115.0	20.8
TIRANA2	4	120.0	220.0	115.0	20.8
RRASHBULL	1	100.0	220.0	115.0	20.0
RRASHBULL	2	100.0	220.0	115.0	20.0
SHARRE	1	100.0	225.0	130.0	15.0
SHARRE	2	90.0	220.0	115.0	38.5
ELBASAN1	1	90.0	220.0	115.0	38.5
ELBASAN1	2	90.0	220.0	115.0	38.5
ELBASAN1	3	120.0	220.0	115.0	37.6
ELBASAN2	1	300.0	410.0	220.0	30.0
ELBASAN2	2	300.0	410.0	220.0	30.0
FIERI	1	120.0	220.0	115.0	37.6
FIERI	2	120.0	220.0	115.0	37.6
FIERI	3	120.0	220.0	115.0	37.6
BABICA	1	100.0	220.0	115.0	37.0
BABICA	2	100.0	220.0	115.0	37.0
ZEMBLAK	1	150.0	400.0	115.0	20.0
ZEMBLAK	2	150.0	400.0	115.0	20.0
BISTRICA	1	40.0	170.0	115.0	6.0
TOTAL		4026.0			

1.3.3 Electricity balance transmitted by TSO company.

On the following table it is transmitted the electricity balance of TSO company foreseen for 2015 and the factual one for 2015 (GWh).

Figure 27: Electricity balance of TSO company during 2015 (GWh)

No.	Electricity balance of TSO company (GWh)	FACT 2014	FORESEEN 2015	Fact 2015
I	TOTAL ENERGY IN THE TRANSMISSION SYSTEM	7.699	7,751	7,830
1	- Domestic generation	4.343	4,320	5,475
2	- Obtained energy	3.355	3,431	2,355
II	TOTAL TRANSMITTED ENERGY	7.538	7,664	7,672
1	- Transmited energy	2.88		956
2	- Tranmitted energy for OSHEE company.	6,552	6,851	6,106
3	- Tranmitted energy for HV customers "qualified" customers	697	965	610
III	LOSSES IN THE TRANMISSION SYSTEM+NV	160	180	159
	LOSSES IN THE TRANMISSION SYSTEM +NV (%)	2.09%	2.30%	2.03

1.4 General situation of the power system referring to Article 25 of Law 43/2015 "On Power Sector".

Operative security of the grid.

One of the main obligations of TSO company is to ensure the long-term capacity of the system to fulfill the reasonable request for electricity transmission, by operating, maintaining and developing in a secure, reliable and efficient way the Transmission System, by combining at any time the security of supply by the security of the System and sustainable transmission capacities.

It should be underlined that with the set into operation of the 400 kV line Elbasan2 – Tirana2 – Podgorica2, and 400/220/110 kV Tirana2 sub-station, the security of transmission grid operation is increased. After this important investment and mainly with the set into operation of the control monitoring system SCADA/EMS, TSO company ensures high quality services for all the users of the Transmission System, based on the best standards and practices, which are applied transmission system operators of ENTSO-E, contributing in the economic

development of Albania and secure and quality exchange of electricity in the country and in the region.

The Operational Security of the Grid, TSO guarantees by the implementation of the operation code, part of the Transmission Grid Code, which defines the clear and objective requirements for the work security of the system on real time, and the achievement of the main goal to keep continuous operation of the Albanian Transmission System interconnected with the European Transmission System (synchrone area of Continental Europe) to contribute for a harmonized framework to implement Law No. 43/2015 "On Power Sector", and to ensure non-discrimination, effective competition and efficient operation of the grid. Rules for the Security of Operation submit the principles of operational security in technical needs aspect, considering the operation of the market in conformity and supporting the security of supply. These operational security principles are essential for TSO company to manage its responsibility for the operation of the System in interconnection, in a high coordination, reliability, quality and stability level. A main objective of TSO company is the achievement of a technical harmonized and sustainable framework, including the implementation of all necessary processes required for the security of operation, taking into account the current challenges and the expected ones, including the quick increase of renewable energy resources and their influence in the System operation.

1. System Situation

Continuous monitoring of the System situation, based on SCADA system, with the measured values at real time of the operational paramenter, with online permanent information of the mutual situation of the System between neighbouring TSO-s, makes possible the effective evaluation of the System situation, and also enables the preparation of improving actions, to keep the System in normal situation or return into normality as quicly as possible in case of break-downs. The monitoring of the System situation contributes for a coherent and coordinated attitude of the interconnected Transmission Systems, in TSO responsibility area and between the responsibility areas.

The control center of TSO system is equipped with a complex computering system ensuring the collection and process of the data from the objects (substations and plants). Their availability is supported on the redundance of hardware and software components, as well as their data basis. So the control center at QDS is equipped with a computer control system (SCADA/EMS) which performs the main operations:

- the collection, process, appearance (on the screen) and the archieve of the data taken from distance;
- systematic analysis of operational security on real time and on the study mode;
- power-frequency control;
- voltage control.

There are also included other computering systems such as:

- specialized softs for Operational Security analysis;
- mimic-board to ensure the appearance of the grid nodes according to their connection, voltage level and over charge, the flow on the connections and transformers.

These softs allow the System Operator to monitor the situation of the System and the softs status in the transmission system, to appear the status of a sub-station or of an area (the topology, flows and voltages), and to control distance equipments.

2. Tele-communication security grid

Tele-communication grid is a secure grid of tele-communication transmission that is dedicated to exclusive usage of the electricity grid operation. Its infrastructure is based on the optical fibre installed in nearly all transmission system lines. The tele-communication grid enables to the operational staff to act in different control levels, including the communication with neighbouring TSO-s, to exchange the commands and information. It ensures the transmission of signals intended for the operation of protection systems in the grids and electrical objects or to perform distance actions from automatic equipments of local control. The System and the operational security and means the redundance of transmission channels in the telecommunication grid and routers duplication.

3. Telecontrol System

Control and grid security equipmets compose the so-called telecontrol system. This system serves for:

- Guarantee of Transmission System survey, ensuring to the Operator the registration of the data, at any time, for electricity flows, the topology of the grid and electrical value (frequency and voltage) characteristics for the System operation.

This observation also includes the data from neighbouring TSO-s, information which serves to manage the complexity of exchanges in the best way possible, ensuring at the same time the reliability of Interconnection System operation;

- Guaranteeing Transmission System control, by providing to the Operator and automatic control equipments the ability to operate by switch telecontrol, and by automatic centralized control of frequency;
- Supply with reliable information of complex operations of operative security analysis, which enable to the Operator:
    - to foresee the consequences and events such as the switching og generating facilities or transmission system elements,
    - the preparation of improving actions.

The telecontrol system is of essential importance for the reliability and security of the System, and for this reason are taken all the measures to ensure the continuance of its all relevant characteristics:

- the telecommunication grid is dedicated for the secure operation of the System and for this reason TSO has a reserve control center connected with the telecommunication security grid that is equipped with control equipments;
- all data taken from the distance are provided and processed in a double way by different channels;
- lastly, the uninterrupted supply with electricity of telecontrol and telecommunication equipments in QDS is ensured by mix, independent foreign and domestic resources.

4. Managing the frequency control

The aim of managing the frequency control is to keep a continuous balance between generation and consumption, ensuring frequence quality and stability of the Synchrone Area. For this, TSO ensures (currently by a bilateral agreement with KESH company) adequate reserves (increased and lowered ones) of active power. On the Transmission Code are set the criteria for the dimensioning and establishment of these reserves.

5. Voltage Control and Management of Reactive Power.

Voltage conditions in the Transmission System are directly connected with the reactive energy situation on the system nodes. TSO also ensures a continuous balance and localy sufficient of the reactive power, to be able to maintain the appropriate voltage levels. In this context, the aim of voltage control and reactive energy management is to ensure that:

- Voltage levels, reactive energy flows and reactive energy resources are monitored, controlled and kept on real time within Operative Security limits, aiming the protection of Transmission System equipment and the security and stability of voltage,
- The suitable and immediate reserve of reactive power is at the disposal of the working generators, of the reactors and capacitors to ensure technical operation of all power system and be able to reset normal situation after the breakdowns.

For this aim, on the Grid Code for operational security of ENTSO-E it is set to be performed online permanent monitoring and exchange of information that is realized by TSO-s on respective observation areas.

6. Managing short connection current

The management of short circle current is necessary to prevent from damage all types of generation objects, Transmission System elements and equipments connected with it and to secure the security of the persons; by quick and selective switch of the short circle part. So the objective of managing short circle current in a level which ensures secure operation of the transmission system, by the respective protection system.

This means:

- Accurate calculation of short connection currents by the plannification specialists of TSO company following the standardized priciples and security of the data by neighbouring TSO-s, by the DSO and the important Grid Users;
- Monitoring short connection currents and receiving the improved, preventing and curative measures if operational security limits are or have the tendency to be violated;
- Ensuring the information and communication with neighbouring TSO-s, DSO and important Grid Users affected in a way to be able to take in consideration the effect of other transmission and distribution systems.

7. Managing the energy flows

Any element of the Transmission System has its security limits in the direction of energy flows. These limits are important for the protection of the equipments and the persons close to a particular element of the Transmission System, taking into consideration technical limits of the used materials, aiming the avoidance of the damage or premature old of the equipment. So, energy flow management has to do with the establishment or definition of operational equipments to keep the flow of energy within operational security limits for every element of the transmission system. To be able to monitor and control operational parameters it is necessary to have accurate information on the situation of the System and also accessing the situation of the System. For this, TSO controls the operational parameters within its responsibility area and in a coordinated way takes into consideration the operative parameters from the observation area including parts of neighbouring TSO-s. This means that structural data and real time exchange of information by TSO-s cross-cut observation areas, and between TSO and DSO in the responsible TSO area. To be able to manage the breakdowns in the System, by TSO are prepared improving individual and coordinated actions and are implemented when necessary to prevent the violation of Operational Security limits and to support the return into normality in case of alert or emergent situations.

8. Convergences analysis and training

Aiming to ensure the operational security of the System, it is made the convergence analysis (of the consequence of unforeseen events) which means conducting simulation of switching elements of the System. This analysis is performed for TSO observation area, respecting the limits of operational security and meanwhile it is made the preparation of improving actions before and after the incident, when required the result of the analysis.

The main principles that should be followed regarding the convergence analysis, which describe the general aims and objectives of convergence analysis on real time and on operative planification stage are:

- ensuring the prevention and/or treatment regarding improving actions, required to maintain the security of operation, for all reliable convergences affecting the Transmission System.
- coordination of analysis and improving actions, where necessary, to ensure the desired result – maintaining the operational security in the System and in the Interconnection.
- supporting on the appropriate data and information on real time and based on loading foresee. The use of a common model of the regional grid, and exchange of all necessary data and information between TSO, DSO and important users of the grid.
- suport in processing the pan-European provisions and standards for convergence analysis and to maintain the security of operation by maximizing the use of the System.

9. Protection

The protection equipment is used to protect the assets of Transmission System from damages. Protection system schemes are used to detect the abnormal conditions of the system and undertake corrected predefined measures, to maintain the integrity of the system, with an accepted performance of the system, in a ccordinated way. The functions to protect the System are analysed supported on the calculations of the grid, considering correct and not correct operation. If provided unacceptable consequences, the functionality and redundance of the System Protection Scheme are used in conformity with the circumstances to fulfill operational security requirements. The functionality and status of the system situation is monitored, communicated and coordinated by neighbouring TSO-s and other parties affected from the protection system.

10. Managing the Dynamic Stability.

The purpose of Assessing the Dynamic Stability is to ensure the awareness of TSO operator regarding the actual situation and the foresees for the future of the System situation regarding the stability, in (S) situation and the possible one (S-1). Despite that, Assessing the Dynamic Stability supports its decisions to effective and efficient improving actions, to prevent the incidents or correct their consequences, if they happen.

Wide use of Assessing the Dynamic Stability permits different applications, not only on real time, but even in operational planification stages. It is underlined the training of the operational staff of TSO company by making the Access of the Dynamic Stability to be used, for continuous maintenance of the models and respective simulator.

11. Operational Training and Certification

In conformity with Best Practice Guidelines for Operational Security, it is necessary the training to guarantee that the System Operators and the other operative staff are able, well trained, and that the employees operate the System on real time are certified to act in a secure way during all operational situations.

In this context, TSO has began the implementation of a training and wide certification process, which shall enable the recognition and response to not normal operational conditions on respective deadlines and where nessary, in a coordinated way with other TSO-s. Moreover, the implementation of operative standards may be ensured by the development of the programs including initial training, continuous development of the staff ans regulat re-assessment of certification.

The Operation Code sets the obligation for TSO which will have activated the continuous developing programs for its staff on the control room and coordinate and cooperate with inter-system trainings for regional transmission issues. TSO trained staff shall be able to act efficiently in the balancing of the System and maximizing the opportunity for cross-border transfers which both offer real economic benefits for the customers, more signicative than the increase of the cost ivested more in TSO staff training that in the control room. Moreover, investing in TSO operative staff training, shall be lowered the probability of big breakdowns with a wide spread accompanied with the interruption of supply, which if happen may last for more hours or days and for which there is a very big economic-social cost.

- foreseen balance of the request and electricity supply in the internal market for a five years period,
- expected level of the request and the supply security perspective for a five to fifteen period from the report date.

Based on the market participant declaration, historical data basis of TSO company, and considering the potencial increase of generation PPE + PVE and the reduction of non technical losses in the distribution grid, it is accepted that the expected increase of electricity volume to be transmitted by TSO, to be of 1.5-2% level, and above this basis, using the loading profile on hourly basis for the average day of every month, it is made the foresee of the main electricity parameters and the security of the System balance for the five years, as given in the following tables:

Figure 28: Foresee of the main electricity parameters for 2016

Year 2016		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE Consumption	GWh	613	527	503	410	413	414	484	500	458	498	502	593	5915
Qualified Customer consumption	GWh	47	53	67	63	73	68	73	63	73	83	78	69	810
Losses + N.V.	GWh	17	16	17	15	15	13	14	15	12	13	15	18	180
Total Request	GWh	677	596	587	488	501	495	571	578	543	594	595	680	6,905
Generation	GWh	474	407	421	329	336	299	367	375	347	391	399	475	4620
KESH	GWh	369	307	302	208	220	205	311	318	286	323	326	385	3560
PPE	GWh	105	100	119	121	116	94	56	57	61	68	73	90	1060
Import	GWh	203	189	166	159	165	196	204	203	196	203	196	205	2285
OSHEE (+KESH)	GWh	163	144	106	99	105	136	144	148	136	133	126	145	1585
FK → KK	GWh	40	45	60	60	60	60	60	55	60	70	70	60	700

Figure 29: Foresee of the main electricity parameters for 2017

Year 2017		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE consumption	GWh	553	467	443	350	353	354	425	440	398	438	442	534	5197
Qualified customer consumption	GWh	116	122	137	132	142	137	141	132	142	153	148	140	1642
Losses + N.V.	GWh	16	15	15	14	13	13	14	15	12	13	14	17	171
Total request	GWh	685	604	595	496	508	504	580	587	552	604	604	691	7,010
Generation	GWh	484	417	431	339	346	309	377	385	357	401	409	485	4740
KESH	GWh	369	307	302	208	220	205	311	318	286	323	326	385	3560
PPE	GWh	115	110	129	131	126	104	66	67	71	78	83	100	1180
Import	GWh	201	187	164	157	162	195	203	202	195	203	195	206	2270
OSHEE (+KESH)	GWh	163	144	106	99	105	136	144	148	136	133	126	145	1585
FK → KK	GWh	38	43	58	58	57	59	59	54	59	70	69	61	685

Figure 30: Foresee of the main electricity parameters for 2018

Year 2018		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE Consumption	GWh	478	392	368	275	278	279	350	365	323	363	367	459	4302
Qualified customers consumption	GWh	198	204	219	214	224	219	223	214	224	235	230	222	2623
Losses + N.V.	GWh	15	14	15	14	13	13	14	15	12	13	14	17	169
Total request	GWh	691	610	602	503	515	511	587	594	559	611	611	698	7,094
Generation	GWh	490	423	443	348	355	316	384	390	361	408	416	492	4826
KESH	GWh	369	307	302	208	220	205	311	318	286	323	326	385	3560
PPE	GWh	121	116	141	140	135	111	73	72	75	85	90	107	1266
Import	GWh	201	187	160	155	160	195	203	204	198	203	195	207	2268
OSHEE (+KESH)	GWh	163	144	106	99	105	136	144	148	136	133	126	145	1585
FK → KK	GWh	38	43	54	56	55	59	59	56	62	70	69	62	683

Figure 31: Foresee of the main electricity parameters for 2019

Year 2019		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE consumption	GWh	449	363	339	246	249	250	321	336	294	334	338	430	3951
Qualified customers consumption	GWh	239	245	260	255	265	260	264	255	265	276	271	263	3119
Losses + N.V.	GWh	15	14	15	14	13	13	14	15	12	13	14	16	168
Total request	GWh	703	622	614	515	527	523	599	606	571	623	623	709	7,238
Generation	GWh	502	435	454	361	367	328	396	402	373	420	431	502	4973
KESH	GWh	369	307	302	208	220	205	311	318	286	323	326	385	3560
PPE	GWh	133	128	153	152	147	123	85	84	87	97	105	117	1413
Import	GWh	201	187	160	155	160	195	203	204	198	203	192	207	2265
OSHEE (+KESH)	GWh	163	144	106	99	105	136	144	148	136	133	126	145	1585
FK → KK	GWh	38	43	54	56	55	59	59	56	62	70	66	62	680

Figure 32: Foresee of the main electricity parameters for 2020

Year 2020		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Total
OSHEE consumtion	GWh	435	349	325	232	235	236	307	322	280	320	324	416	3781
Qualified customers consumption	GWh	263	269	284	279	289	284	288	279	289	300	295	287	3401
Losses + N.V.	GWh	15	14	15	13	13	13	14	15	12	13	13	16	166
Total request	GWh	713	632	624	524	537	533	609	616	581	633	632	719	7,348
Generation	GWh	512	445	474	379	376	338	406	412	383	430	439	512	5103
KESH	GWh	369	307	302	208	220	205	311	318	286	323	326	385	3560
PPE	GWh	143	137	172	171	157	133	95	94	97	107	114	127	1543
Import	GWh	201	187	150	145	160	195	203	204	198	203	192	207	2245
OSHEE (+KESH)	GWh	163	144	106	99	105	136	144	148	136	133	126	145	1585
FK → KK	GWh	38	43	44	46	55	59	59	56	62	70	66	62	660

1.5 Additional proposed generation capacity (planned or in construction process)

For this issue TSO has information only for those plants foreseen to be connected in the transmission grid (are in construction process or have received the preliminary approval for connection with the transmission grid), as follows:

1. Devoll River Cascade, 171 MW
2. Kalivaç HPP, 100 MW
3. Fang HPP, 72 MW
4. Gostime HPP, 21.5 MW
5. Qarrishtë HPP, 37 MW
6. Terrnove HPP, 9.35 MW
7. Rapun HPP 3-4, 9 MW

Scenarios of the Joint Grid Models

All SEE TSO-s emit a scenario for each period of defining the capacity established in the Joint Grid Model.

If there is necessary to define the additional scenarios for the periods of time neighboring TSO shall agree about the additional characteristic periods considering the (overhauls) maintenance program and the engaging of the generators which may affect in the definition of NTC value.

Operational Security Constrains

In defining capacities process, each TSO shall respect the following Operational Security Constraints under different contingencies defined by the Operational Security Code.

(a) Thermal limits of the critical network elements;

(b) Voltage limits, imposing admissible substation voltage ranges;

(c) Generation limits ensuring adequate availability of generation reserves to meet the requirements defined by Operational Security Code.

Critical grid elements shall be both Regional Grid Elements and/or Internal Grid Elements and are defined from regional merge model as elements with sensitivity coefficient above 10%, which means that the outage of a critical element causes at least in one other network element interior or exterior, a load change of 10% or more. The list of critical elements is updated continuously in accordance with the changes of the work conditions for every System and it is made available to the working group of congestion management RG SEE.

Definition of the reliability margin (TRM)

. Reliability Margin is based on a statistical approach, taking into account historic evidence and future expectations. The Reliability Margin comprises the following uncertainties:

(a) Unintended deviations of physical flows during operation due to the physical functioning of load-frequency regulation,

(b) Emergency exchanges between TSOs to cope with unexpected unbalanced situations in real time;

(c) Inaccuracies, e.g. in data collection and measurements,

(d) Uncertainties in the base case used for calculation, as well as the foreseen for generation, consumption, exchange and grid topology, etc.

Currently on the Bilateral Agreements, it is accepted the size of TRM margin which shall be 100 MW in the Monte Negrin Border and Greek Border and 50 MW in Kosovo border.

Harmonizing of the Results of Capacity Calculation NTC

NTC annual value for each border and direction flow is calculated considering the minimum monthly value that is used, exploited, in the past three years and is coordinated with the respective neighboring TSO within the month of November of each year.

NTC monthly values are calculated and harmonized with neighboring TSO for each border separately, within the 7th of each month, for the next month. For this is followed the procedure below:

a) 10 days before the expiration of harmonization, the data are exchanged, the national model with all nodes of 220/400 kV level, between TSOs, in format approved UCT, including the active power reserve for increasing/decreasing the generation and data on the maintenance program (elements out of operating) for the period under consideration,

b) 5 days prior to the expiration of harmonization, are performed calculations (simulations) for TTC/NTC values, performed through the grid analyzer (software TNA) that all regional TSOs own.

c) 2 days prior to the expiration of harmonization, are exchanged TTC values, determined for each border, and then begins the process of harmonization. In case of inconsistency of the calculated values, and if the parties fail to convince each other, then the smallest TTC value enters automatically into force.

In case of significant changes of the situation of the System compared to the foreseen situation, cross-border capacities are calculated, neighboring TSOs, after the exchange of the relevant data of the new situation, make re-calculation of crossborder capacity, and define jointly new values of NTC's and ATC respectively.

Cross-border Capacity Allocation for market participants in our region is performed by the Coordinated Auction Office SEE CAO in Podgorica.

The use of this transmission capacity is part of the energy market, and if the market participants are motivated to use both directions of the cross-border flow, then it would facilitate cross-border flows contributing to increasing the level of security of Power system operation.

Normally, the amount of capacity exchanges for all borders, is multiplied by 0.75 to determine the total import/export in a control area, which is taken into consideration in the process of generation scheduling for the day ahead.

Regarding the expected models of generation, supply and cross-border exchanges and consumption, enabling the taken of measures to manage the request.

As mentioned above, based on the TSO data and the real realization for 2014 and 2015, it is made the foresee of the request for electricity, its cover by domestic generation and import for the five future years.

All of these are grouped on the following table:

Year	2016	2017	2018	2019	2020
Electricity request in (GWh)	6905	7010	7094	7238	7348
Domestic generation (GWh)	4620	4740	4826	4973	5103
Import (GWh)	2285	2270	2268	2265	2245

Figure 33: Foresee of electricity request, domestic generation and import for 5 years

1.5.3 On the objectives for a sustainable development in national, regional and European level.

OST performs continuous studies for special areas of the transmission grid as well as of the connection with the Albanian Power system with the systems of the neighbouring countries. Most important studies are performed in cooperation with the international study institutions within WBIF.

During the planning stage of developing the transmission grid aiming to:

(i) Rehabilitating and Strengthening the transmission grid,

(ii) Creation of new connection nodes,

(iii) Improve of the management, control, metering etc processes. TSO takes into consideration the national and regional development in full compliance with ENTSO-E Directives (European Network of Transmission System Operators for Electricity).

All projects in implementation process are the planned ones that are connected with the transmission system service, which may be fully performed only by realizing the necessary investments to strengthen and modernize it.

Detailed information of TSO, for the investments foreseen for the interconnection lines and construction internal lines of the grid, which directly influence in the cross-bounder interconnestion lines.

On strategic point of view, the project strengthening the interconnective connestions in the region by establishing better conditions for commercial exchanges and without limit electricity transitions in SouthEast Europe region is the: "Interconnection Line 400 kV Elbasan (AL) - Manastir (MK)" project.

These projects include:

- The construction of the new air line 400 kV, Elbasan2 - Manastir, approximately 151 km, 56 km in the Albanian territory.
- Expanding 400 kV Elbasan2 substation with a double busbar 400 kV, a new 400 kV exit line and a shunt reactor 120 MVAr.

The project shall have important impact in the:

- The creation of commercial opportunities for economic electricity exchanges by region countries.
- Allocation of the capacity reserve that shall contribute in a bigger operational security of Power systems in Albania and Macedonia.
- Mutual support on emergent cases
- Optimal usage of the region resources resulting with lower electricity cost
- Optimum dispatch of generating units
- Higher reliability in the Power system
- Reducing the generation costs
- Reducing electricity losses in the transmission grid

Regarding the quality and level of grid maintenance.

Regarding the maintenance of the transmission grid TSO plans in advance the control and monitoring of all transmission system elementri by constructing the control and maintenance graph. In this graph are given in details the work to be realized for performing the overhauls for all substation equipments and transmission lines.

Planning the control and maintenance, regarding the interconnection lines and a part of internal lines 400 kV and 220 kV that influence on electricity exchange in the region is realized in coordination with the TSO of neighbouring countries and to offer a service within normal and qualitative parameters in the transmission system in general, the overhauls graph is coordinated with all users of the transmission grid. In conformity with this plan are performed the necessary interventions according to the levels in a prophylactic level, medium and deep overhauls. The biggest volumes of the overhauls have resulted in improving the isolation of the equipments and maintaining the transmission ability within the permited values.

By identifying the problems in advance are made repairing works and the intervention to avoid the defect and the damage of the equipments, in this context it is utilized the scanning with thermal scanning Nëpërmjet identifikimit te problemeve ne camera of all transmission lines and substations by identifying on time the problems with the equipments.

Also regarding the transforming equipments, the transformers compose the main asset in getting the generation and transmission capacity. Defects at them may bring problems, which is connected with big financial losses. For this the 400 kV transformers of the TSO transmission system are taken the measures to find the defects from the beginning by accessing the situation of the transformer on real time in order to give a fast solution to maintain them.

Measures on managing the request on peak hours and electricity supply interruption and the appropriate measures, if needed for the security of supply.

Measures for managing the request during peak hours and supply interruption, as well as other measures if needed to maintain the work security in the System are summarized in the so called improving actions, which submit the implemented measures by TSO, to secure the operational security. Especially the improving actions serve to fulfill (N-1) criteria and maintain the operational security limits. They are categorized as improvement actions before the overhauls (i.e preventing ones) or after the overhauls (i.e correcting or curative ones) within the control area of TSO or between interconnected TSO-s.

Improving preventing actions are normally implemented on the operational planning stage, to maintain the normal situation of the System in the future operational situation and to prevent the spread of the overhaul outside the TSO responsibility area. The improving preventing actions may include but not being limited on what mentioned below:

- Re-dispatch actions (of the aggregates) or allow the trade on the opposite direction, when possible;
- Changes on the topology of the grid;
- Manual comutation of reactive energy equipments (transformer shafts of the transformers, reactors, static condenser blocks, or set-point level change of their control;
- Request for additional support of reactive energy from the plants;
- Ability of available schemes for the system protection (SHAM).

The correction improving actions are actions which are implemented immediately or relatively quickly after an emergency, which leads in a different situation from the normal situation. With the correcting actions the System shall return in the normal situation. The correction improvement actions may include, but may not be limited only at as follows:

- Re-dispatch actions or the trade in the opposite direction, including the activisation of TSO reserves;
- Control of reactive energy equipments (transformer shafts, reactors, static condenser etc);
- Activisation of the additional support of the voltage/reactive energy from the plants;
- Actions of the system control schemes, e.x change of the grid topology, limitation of generation or load, depending on the protection specifications.

Plan for the System Protection in case of Emergency Situations

Operational security means the abiliy to ensure normal operation of the System, to limit the duration and the number of disorders, to avoid major concerns and limit the consequences of a major concern if this happens and also to facilitate the Reset of the System after a blackout, to return the System in normality.

The plan for protecting the System is connected with an emergent situation in the relevant information process and the improving actions and is composed by coordinated measures, which aim to keep the integrity of the System, in case of the conditions resulting from extreme turmoils.

Measures for the System Protection Plan

The Measures for the System Protection Plan are submitted as emergent improving actions. As follows, are given the applicable measures of System Protection Plan in case of limiting the load, frequence, energy and voltage flows.

Limitations of the load/frequency

- Issue or prevent of electricity generation units;

- (Automatic/on request) increase or reduction of the generation level for the generation units;
- Adjusting the control way of the active LFC;
- Manual or automatic use of the reductions, load discharge;
- Changes of the working points of the voltage regulators and the transformers in the distribution level.

Limiting the energy flow

- Cancelling the overhauls of the grid elements and the set into operation as soon as possible;
- Changes on the flow model of reactive power within TSO grid or with the support of neighbouring TSO-s;
- Automatic switch of the (generation) unit that is activated by the switch of a relevant transmission line;
- Trading on opposite direction with the responsible neighbouring areas;
- Intervention in scheduling;
- Establishment of planned exchanges;
- Reduction of exchange program;
- Reduction of interconnection capacities;
- Manual discharge of the load for objects with interruption agreements;
- Automatic discharge of interruption objects, caused by the switch of a transmission line;
- Immediate discharge of the load depending on the situation.

1.6 Electricity Distribution System Operator

Electricity distribution is performed by Distribution System Operator, licensed by ERE according to the provisions of Power Sector Law. The Distribution System Operator owns the electricity distribution system in high, medium and low voltage, to deliver it to the customers, where its limitation with the transmission system is the one defined in the law. The Distribution System Operator is responsible for ensuring the secure development and sustainability of the distribution system, fulfilling the requests for electricity distribution, maintenance ans secure operation of the electricity distribution system in all the territory where it is licensed. In conformity with the Power Sector Law, OSHEE procures electricity to cover the losses in the distribution grid, in conformitiy with transparent and non-discriminatory procedures.

Implementing the Electricity Market Model approved with Council of Ministers Decision No. 338 of date 19.03.2008, as amended, OSHEE company, continued to perform the function of the Retail Public Supplier (Universal Supplier) for the needs of tariff customers.

Distribution System Operator (OSHEE company) is organized in 10 Distribution Zones and 40 Agencies.

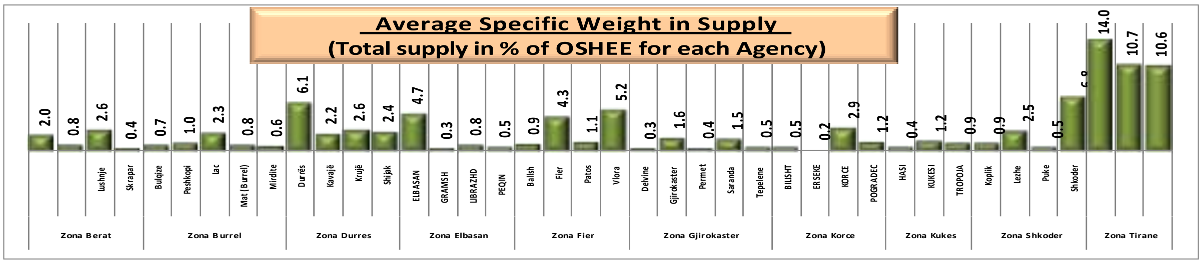
Below are given the averaged specific weights that hold the main indicators for each Zone and Agency of the Distribution Operator (OSHEE company) during 2015 in report with the total energy supplied in the grid.

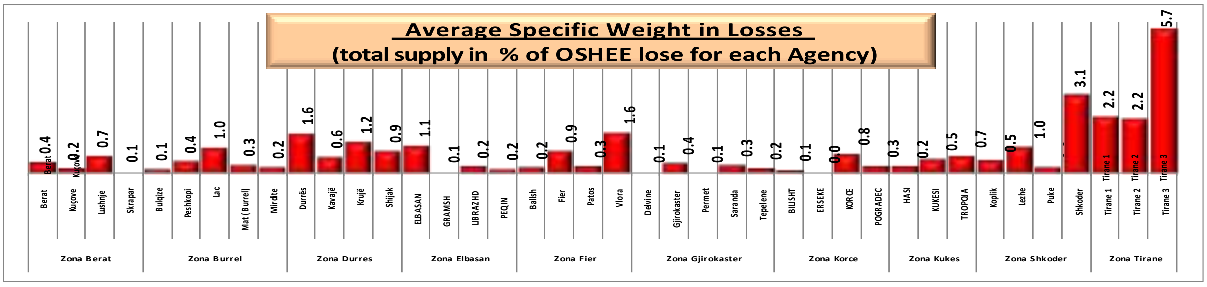
SPECIFIC WEIGHT OF ELECTRICITY SUPPLY, LOSS, COLLECTION AND NON COLLECTION FOR EACH AGENCY ON OSHEE AREAS FOR 2015

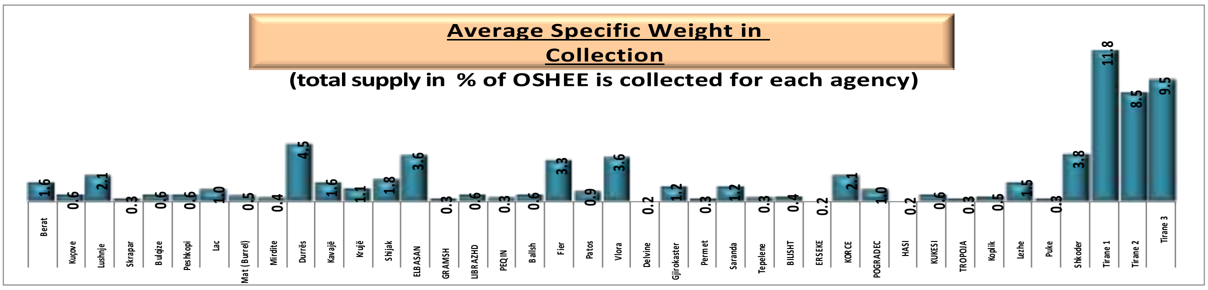
AREA	Berat Area				Burrel Area					Durres Area			
Agency	Berat	Kuçove	Lushnje	Skrapar	Bulqize	Peshkopi	Lac	Mat (Burrel)	Mirdite	Durrës	Kavajë	Krujë	Shijak
Specific Weight in Losses (%)	0.4	0.2	0.7	0.1	0.1	0.4	1.0	0.3	0.2	1.6	0.6	1.2	0.9
Pesha Specifike ne arketim (%)	1.6	0.6	2.1	0.3	0.6	0.6	1.0	0.5	0.4	4.5	1.6	1.1	1.8
Specific Weight in non-collection (%)	-0.03	0.00	-0.17	0.01	-0.07	-0.08	0.32	-0.09	-0.02	-0.01	-0.04	0.28	-0.21
Specific Weight in supply (%)	2.0	0.8	2.6	0.4	0.7	1.0	2.3	0.8	0.6	6.1	2.2	2.6	2.4

AREA	Elbasan Area				Fier Area				Gjirokaster Area				
Agency	ELBASAN	GRAMSH	LIBRAZHD	PEQIN	Ballsh	Fier	Patos	Vlora	Delvine	Gjirokaster	Permet	Saranda	Tepelene
Specific Weight in Losses (%)	1.1	0.1	0.2	0.2	0.2	0.9	0.3	1.6	0.1	0.4	0.1	0.3	0.2
Pesha Specifike ne arketim (%)	3.6	0.3	0.6	0.3	0.6	3.3	0.9	3.6	0.2	1.2	0.3	1.2	0.3
Specific Weight in non-collection (%)	0.00	0.00	-0.02	0.02	0.10	0.19	-0.05	0.00	0.02	0.02	0.02	0.02	0.03
Specific Weight in supply (%)	4.7	0.3	0.8	0.5	0.9	4.3	1.1	5.2	0.3	1.6	0.4	1.5	0.5

AREA	Korce Area				Kukes Area			Shkoder Area				Tirane Area		
Agency	BILISHT	ERSEKE	KORCE	POGRADEC	HASI	KUKESI	TROPOJA	Koplik	Lezhe	Puke	Shkoder	Tirane 1	Tirane 2	Tirane 3
Specific Weight in Losses (%)	0.1	0.0	0.8	0.3	0.2	0.5	0.7	0.5	1.0	0.2	3.1	2.2	2.2	5.7
Pesha Specifike ne arketim (%)	0.4	0.2	2.1	1.0	0.2	0.6	0.3	0.5	1.5	0.3	3.8	11.8	8.5	9.5
Specific Weight in non-collection (%)	0.00	0.01	-0.01	-0.07	0.00	0.07	0.01	-0.02	-0.06	-0.04	-0.08	-0.01	0.09	-0.19
Specific Weight in supply (%)	0.5	0.2	2.9	1.2	0.4	1.2	0.9	0.9	2.5	0.5	6.8	14.0	10.7	10.6







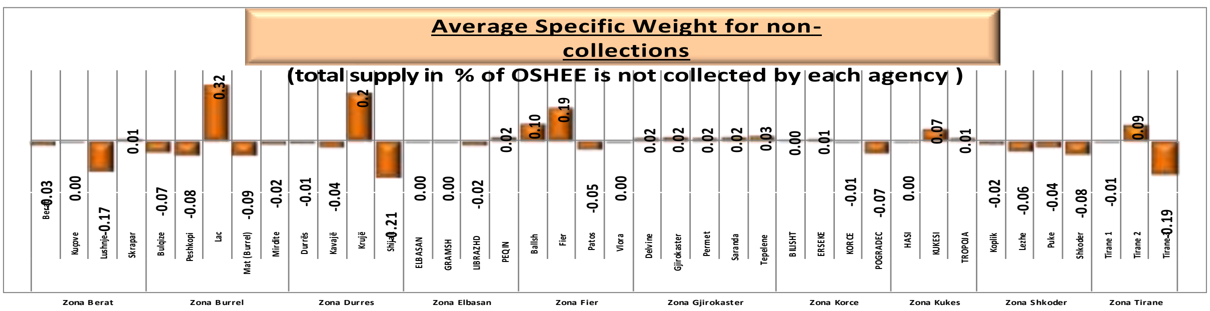


Figure 34: Administrative division of the Distribution Grid and Specific Weight in Electricity Consumption (Source: OSHEE)

In the following table are submitted the data from the Lines, Cabins and Transformers in the Distribution System Operator

Figure 35: Data on Distribution System Operator (Source: OSSHE)

TOTAL NUMBER OF THE CABINS IN THE DISTRIBUTION GRID																				
TYPE AND NUMBER OF THE CABINS													INSTALLED CAPACITY (kVA)				NUMBER OF CAPACITY TRANSFORMERS FOR MV/LV			
METALIC			STONE MASONERY			BOX			PILE			CABINS IN TOTAL								
6 kV	10 kV	20 kV	6 kV	10 kV	20 kV	6 kV	10 kV	20 kV	6 kV	10 kV	20 kV		6 kV	10kV	20kV	Total	6 kV	10kV	20kV	Total
421	317	10	3,432	3,959	3,091	31	57	742	7,501	5,319	87	**24,967**	1,867,923	1,586,531	1,786,096	**5,247,090**	11,434	9,675	4,282	**25,391**

NUMBER OF THE CABINS AT OSHEE company ownership																				
TYPE AND NUMBER OF CABINS													INSTALLED CAPACITY (kVA)				NUMBER OF CAPACITY TRANSFORMERS FOR MV/LV			
METALIC			STONE MASONERY			BOX			PILE			CABINS IN TOTAL								
6 kV	10 kV	20 kV	6 kV	10 kV	20 kV	6 kV	10 kV	20 kV	6 kV	10 kV	20 kV		6 kV	10kV	20kV	Total	6 kV	10kV	20kV	Total
319	212	1	2,119	2,788	1,717	10	44	705	2,117	2,153	52	12,237	939,754	923,893	991,135	2,854,782	4,697	5,228	2,521	12,446
NUMBER OF CABINS NOT AT OSHEE company ownership																				
TYPE AND NUMBER OF CABINS													INSTALLED CAPACITY (kVA)				NUMBER OF CAPACITY TRANSFORMERS FOR MV/LV			
METALIC			STONE MASONERY			BOX			PILE			CABINS IN TOTAL								
6 kV	10 kV	20 kV	6 kV	10 kV	20 kV	6 kV	10 kV	20 kV	6 kV	10 kV	20 kV		6 kV	10kV	20kV	Total	6 kV	10kV	20kV	Total
102	105	9	1,313	1,171	1,374	21	13	37	5,384	3,166	35	12,730	928,169	662,638	794,961	2,392,308	6,737	4,447	1,761	12,945

LINES LENGTH IN MEDIUM VOLTAGE (km)	
Air line	
6kV	5,285.63
10kV	7,470.99
16kV	11.55
20kV	148.26
35kV	1,112.68
Cable Line	
6kV	300.28
10kV	175.84
16kV	0.17
20kV	1,429.08
35kV	17.50
TOTAL LINES IN MV	**15,951.97**

The results of the Distribution System Operator for electricity during 2015 are submitted in the following table:

Figure 36: Data on the results of Distribution system Operator during 2015

TABLE WITH (MONTHLY) PERIODIC DATA of OSHEE company during 2015			2015
A	**Total Energy at OSHEE company (MWh)**	**A=A.1+A.2**	**6,494,866**
A.1	Energy transmitted by TSO for the account of OSHEE company	A.1=Sum(A.1.1:A.1.5)	6,007,778
A.1.1	From KESH -Gen by TSO		4,039,044
A.1.2	From TSO as losses import (including energy from ASHTA)		1,968,734
A.1.3	From TSO for the account of OSHEE company in HV		-
A.1.4	From VLORA TPP by TSO company		n/a
A.1.5	From Bistrica 1,2 by TSO company		n/a
A.2	Energy directly transmitted at OSHEE company grid	A.2 = A.2.1 + A.2.2	487,088
A.2.1	Ulez, Shkopet,Lanabregas HPP-s		31,242
A.2.2	Private/Concession plants		455,846
B	**Total Energy in the Distribution Grid (MWh)**	**B=A-A.1.3**	**6,494,866**
C	**Total Losses at OSHEE company (MWh)**	**C=C.1+C.2+C.3**	**2,035,422**
C.1	Technical Losses at HV unit in (MWh)		162,725
C.2	Technical Losses at the Area (MWh)		1,203,794
C.3	Non Technical Losses at the Area (MWh)		668,902
C.1	**Total Losses at OSHEE company (%)**	**C.1= C/B**	**31.34%**
C.1.1	Technical Losses at HV unit in (%)		2.51%
C.2.1	Technical Losses at the Area in (%)		19.02%
C.3.1	Non Technical Losses at the Area (%)		10.57%
D	**Energy sold for for all OSHEE company customers**	**D=D1+D2+D3+D4**	**4,459,444**
D.1	Sold to Private Customers (MWh)	D.1= D.1.1+D.1.2+D.1.3	1,456,053
D.1.1	Sold by the Transmission grid for the account of OSHEE company		-
D.1.2	Sold for OSHEE company needs		6,041
D.1.3	Sold to Private Customers (without the one for its own needs and the one at HV		1,450,012
D.2	Sold to Non-Budgetary Customers (MWh)		276,438
D.3	Sold to Budgetary Customers (MWh)		204,692
D.4	Sold to Household Customers (MWh)	D.4=D.4.1+D.4.2+D.4.3	2,522,261
D.4.1	Sold to Household Customers up to 300 kWh/month (MWh)		170,634
D.4.2	Sold to Household Customers over 300 kWh/monthj (MWh)		2,282,854
D.4.3	Sold to Household Customers for the Common Facilities		68,774
E	**Invoiced in the Previous month (000/ALL)**		**60,254,035**
F	**Current month collections (000 ALL)**	**G=F.1+F.2+F.3+F.4**	**60,716,591**
F.1	Collections for current year invoices		39,523,455
F.3	Collections for other invoices of the current year		12,017,015
F.4	Collections for other invoices of the previous years		9,176,121
F.1	**Current month collections in (%)**	**F.1=F/E**	**100.8%**
F.1.1	Collected for current year invoices (%)	**F.1.1=F.1/E**	65.6%
F.1.3	Collected for other invoices of the current year (%)	**F.1.3=F.3/E**	19.9%
F.1.4	Collected for other invoices of the previous years (%)	**F.1.4=F.4/E**	15.2%
G	**Invoiced in the Reporting month (000/ALL)**		**61,780,665**
H	Uninvoiced energy from the previous month (MWh) (UBE-1)		-
I	Uninvoiced energy for the current month (MWh) (UBE)		-
	Number of Customers in total (No.)		1,244,709
	Issued invoice with consumption reading (No.)		10,649,622
	Invoiced electricity quantity with consumption reading (MWh)		4,227,661
	Issued invoices with "0" reading (No.)		3,384,264
	No of invoices issued without reading (unmeasured electricity) (No.)		421,757
	Quantity of electricity invoiced as unmeasured electricity (MWh)		228,471
	No of invoices issued without reading (economic damage) (No.)		90
	Amount invoiced as economic damage (000/ALL)		12,412
	No of invoices for which it is collected overdue payment (No.)		9,932,728
	Value of collected overdue payments (000/ALL)		3,949,609
	Number of the total complaints for the month		91,616
	Number of the responses to total complaints for the month		81,165

From 2015 results it is evidenced an increased performance in lowering the losses and increasing the collections level. The following paragraphs are submitted the analysis of these results.

1.7 Electricity Consumption

Total consumption for electricity (including the consumption of customers in the irregulated market) in Albania for 2002- 2015 period is submitted graphically as follows.

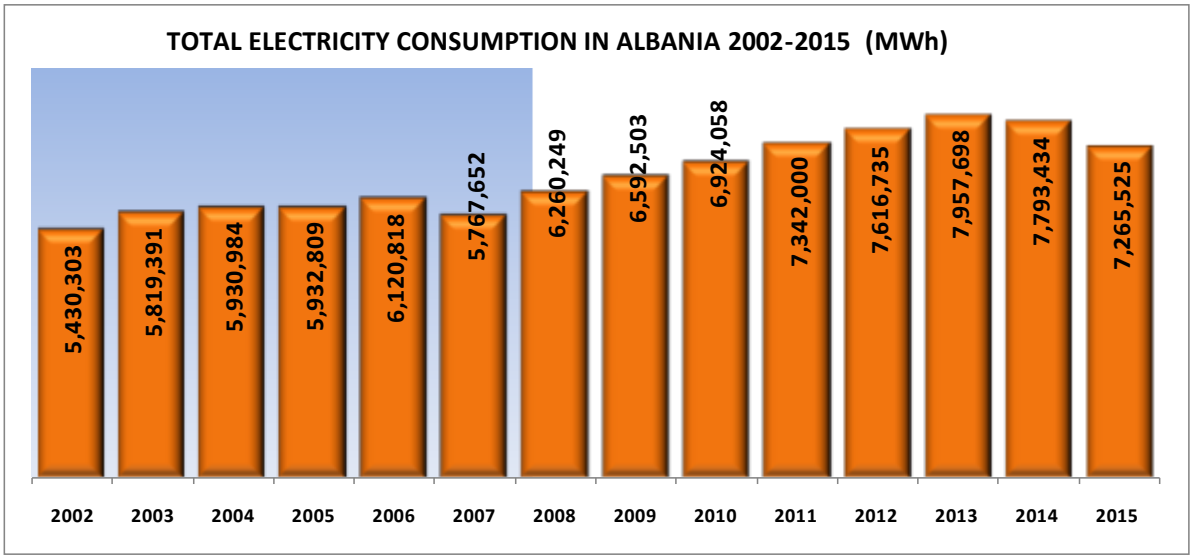


Figure 37: General consumtion during the years

As seen in the graphical submission it results a low of the consumption compared with 2011-2014 period.

On the following tables are given the synthetized indicators from the three public operators (KESH ;OST and OSHEE companies) in the power system in Albania.

Based on the following data of the tables and the periodic or specific information submitted by the three operators it is constructed the Power Balance for 2015 that is submitted as follows.

Figure 38: Synthesised indicators from the three main power system operators in Albania

TABELE WITH OSHEE company data for 2015 (MWh)	
Total Energy at OSHEE company (MWh)	**6,494,866**
Energy transmitted by TSO for the account of OSHEE	6,007,778
From KESH -Gen by TSO	4,039,044
From TSO as losses import (including energy losses from ASHTA)	1,968,734
From TSO for the account of OSHEE customers in HV	-
From Vlora TPP by TSO	n/a
From Bistrica 1,2 by TSO	n/a
Tranmitted Energy to the OSHEE company grid	487,088
Ulez, Shkopet,Lanabregas HPP-s	31,242
Private/Concession Plants	455,846
Total Energy in the Distribution Grid (MWh)	**6,494,866**
Total Losses at OSHEE company (MWh)	**2,035,422**
Technical losses in HV Unit (MWh)	162,725
Technical losses at the area (MWh)	1,203,794
Non Technical Losses at the Area (MWh)	668,902
Total Losses at OSHEE company (%)	**31.34%**
Technical losses in HV unit (%)	2.51%
Technical Losses in the Area (%)	19.02%
Non technical Losses in the Area (%)	10.57%
Energy sold for all OSHEE company customers	**4,459,444**
Sold to Private Customers (MWh)	1,456,053
Sold from the Transmission grid for the account of OSHEE company	-
Sold for its own needs to OSHEE company	6,041
Sold to Private Customers (without the one for its own needs and for HV)	1,450,012
Sold to Non-Budgetary Customers (MWh)	276,438
Sold to Budgetary Customers (MWh)	204,692
Sold to Household Customers (MWh)	2,522,261
Sold to household Customers up to 300 kWh/month (MWh)	170,634
Sold to Household Customers over 300 kWh/month (MWh)	2,282,854
Sold to Household Customers for the Common Facilities	68,774
Invoiced to the Previous month (000/ALL)	**60,254,035**
Collection of the current month (000 ALL)	**60,716,591**
Collected for the invoices of the current month	39,523,455
Collected for other invoices of the current month	12,017,015
Collected for other invoices of previous years	9,176,121
Collections for the current month (%)	**100.8%**
Collected for the invoices of the current year (%)	65.6%
Collected for other invoices of the current year (%)	19.9%
Collected for other invoices of the previous years (%)	15.2%
Invoiced to the Reporting month (000/ALL	**61,780,665**
Uninvoiced energy from the previous months (MWh) (UBE-1)	-
Uninvoiced energy for the current month (MWh) (UBE)	-
No of the customers in total (No.)	1,244,709
Invoices issued with consumption reading (No.)	10,649,622
Quantity of energy invoiced with consumption reading (MWh)	4,227,661
Invoices issued with "0" reading (No.)	3,384,264
No.of the Invoices issued without reading (unmeasured energy) (No.)	421,757
Quantity of energy invoiced as unmeasured (MWh)	228,471
No of the Invoices issued without reading (economical damage) (No.)	90
Amount invoiced as economic damage (000/ALL)	12,412
No of the Invoices for which it is collected overdue payment (No.)	9,932,728
Amount of the collected overdue payments (000/ALL)	3,949,609

Number of local complaints for the month	91,616
No. of the responses to the complaints for the month	81,165

Energy Balance of KESH company for. 2015 (MWh)	
Bilanci Energjetik KESH sh.a. 2015 (MWh)	**VITI 2015**
Energy invoiced for tariff customers from OSHEE	**4,459,443**
PGross generation KESH Gen.	
Drini Cascade	**4,475,819**
Fierzë HPP	1,637,908
Koman HPP	1,903,890
Vau i Dejës HPP	934,022
Others	**0**
Theth HPP	0
KESH Gen. Gross Generation	**4,475,819**
Own consumption KESH Gen.	
Drini Cascade	**4,182**
Fierzë HPP	*1,386*
Koman HPP	*1,507*
Vau i Dejës HPP	*1,290*
Losses in Generation KESH Gen.	**19,662**
Prodhimi Neto KESH Gen.	
Fierzë HPP	1,636,522
Koman HPP	1,882,721
Vau i Dejës HPP	932,732
Theth HPP	0
Net Generation KESH Gen.	**4,451,975**
Losses in Transmission	158,581
Energy sold with market prices (export and domestic market)	753,568
Energy sold for optimization	19,614
Energy for WPS from KESH Gen.	**3,520,212**
Private and Concesion HPP-s	**765,204**
Ashta HPP	**235,604**
Lanabregas HPP	**31,242**
Vlorë TPP	**(1,872)**
Internal Net Domestic Generation for WPS	**4,550,390**
Energy from the Import (KESH Gen. + WPS)	355,686
Energy purchased for optimization (import and domestic market)	19,614
(Observed-Awarded) Balance	39,182
Balanced Energy for TSO	(233)
Ashta HPP – Diference of current generation with the declared one	118
For WPS	**4,964,757**
OSHEE – Tariff Customers	**4,508,563**
OSHEE –Awarded Energy / (kreturned) to cover the losses	**456,128**
KESH/OSHEE – Invoiced Eenergy for the request of tariff customers for 2015	**4,508,563**
OSHEE – Invoiced Energy to cover the losses during 2015	**456,128**
KESH/OSHEE – Mutual Compensation year 2013 (Completed by KESH on 2014 me m+2)	
KESH/OSHEE – Mutual Compensation year 2014 (To be completed by KESH on 2015 with m+2)	**0**
Energy from Ulëz HPP / KURUM Company (Completed by KESH during 2014)	
KESH/OSHEE – Mutual Compensation year 2014-2015 (Completed by KESH/OSHEE with m+2)	**0**

ELECTRICITY BALANCE OF TSO COM[PANY during 2015 (GWh)	
Total energy entering in TSO system	**7,830**
- Domestic generation	5,475
- Awarded energy	2,355
TOTAL TRANSMITTED ENERGY	**7,672**
- awarded emergy	956
- Energy transmitted for DSO	6,106
- Energy transmitted for the customers in HV "qualified "	610
Losses in the Transmission Grid + NV	**159**
Losses in the Transmission grid	**2.03**

POWER BALANCE FOR 2015

(MWh)

Gross generation KESH-Gen	4,475,819						
Losses in Generation KESH-GEN	19,662						
Own Consumption KESH-GEN	4,182						
	Net KESH	Net (Selit)	Net Ashta	Net HC Konc/priv	Net KURUM	H/C Peshqesh	Prodhim neto vendas
	4,451,975	31,242	235,604	765,204	352,934	28,711	5,865,670
Sold to TSO for the losses	158,581		*Prodhim per nevojat e veta te centralit fotovoltaik UKKO akoma e pa sistemuar ne bilanc.*			1,396	
Sold with market prices							
753,568							
Sold for optimization	19,614						
	Neto KESH per FPSH						
	3,520,212	31,242	235,604	765,204			
			4,552,262			1,872	
Given to Vlora TPP							
			4,550,390				
Energy from import KESH+TPP	355,686						
Taken as exchange	39,182						
Taken as a difference from Ashta	118						
Purchased for Optimisation	19,614						
Balancing energy TSO	-233						
WPS for OSHEE		4,964,757					
Sold to DSO for end-use customers	4,508,563						
Sold to DSO to cover the losses	456,128	4,964,757					
Not reconciled differences	66						
Taken from DSO from WPS for tariff customers	4,508,563						
Taken from DSO from WPS (for the losses)	456,128						
Taken from DSO from the import (for the losses)	1,530,043						
Taken from others not reconciled	131	6,494,865					
Sold to household customers	2,522,261	4,459,444					
Sold to non household customers	1,937,183						
Technical losses in HV	162,725		6,494,865				
Technical losses in the area	1,203,794	2,035,421					
Non technical losses in the area	668,902						

OSHEE consumtion	6,494,865	
Consumed by the Customers in HV ("qualifie)	610,207	
Consumed by Vlora TPP during 2015	1,872	vendas
Consumed by TSO company (losses +necessities)	158,581	Total; Consumption
TOTAL CONSUMPTION	7,265,525	7,265,525

1.7.1 Electricity Consumption Structure

On the following figures are given the specific weights taken by tariff customers category.

Figure 39: Invoicing Reports according to Customer Categories

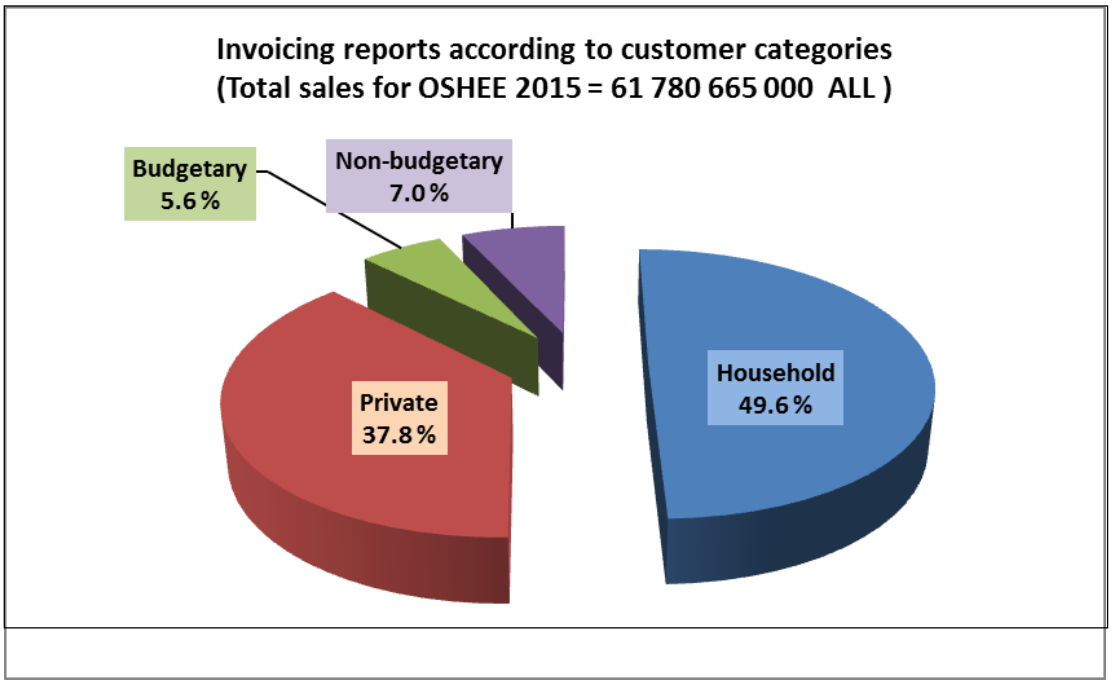


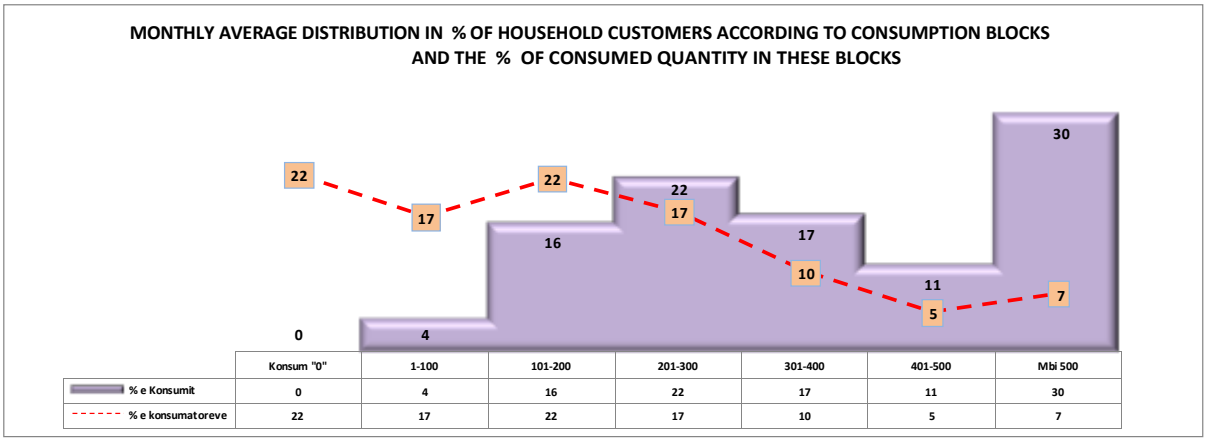
Figure 40: Household customers according to electricity consumption blocks

Private customers occupy 37.8 % of the total invoice of OSHEE showing an increase with about 6.8 % compared with 2014.

An important role in electricity consumption is occupied by budgetary and non-budgetary customers which occupy 12.6 % of total invoice for OSHEE with an increase of about 1.6% from the previous year.

In our country the household consumption in report with the general consumption invoiced for tariff customers for 2015 composes about 49.6 % showing a decrease of about 8.4 % compared with 2014.

Below it is submitted in percentage the average monthly distribution of Household customers according to the consumption blocks as well as average monthly distribution in percentage of the quantity consumed according to the blocks.



MONTHLY AVERAGE DISTRIBUTION IN % OF THE HOUSEHOLD CUSTOMERS ACCORDING TO CONSUMPTION BLOCKS AND THE CONSUMED QUANTITY IN % FOR THSE BLOCKS							
Customers that consume	"0"	KWh/month	in average compose	22	% of household customers and consume	0	% of the consumed quantity from the households
Customers that consume	1-100	KWh/ month	in average compose	17	% of household customers and consume	4	% of the consumed quantity from the households
Customers that consume	101-200	KWh/ month	in average compose	22	% of household customers and consume	16	% of the consumed quantity from the households
Customers that consume	201-300	KWh/ month	in average compose	17	% of household customers and consume	22	% of the consumed quantity from the households
Customers that consume	301-400	KWh/ month	in average compose	10	% of household customers and consume	17	% of the consumed quantity from the households
Customers that consume	401-500	KWh/ month	in average compose	5	% of household customers and consume	11	% of the consumed quantity from the households
Customers that consume	Over 500	KWh/ month	in average compose	7	% of household customers and consume	30	% of the consumed quantity from the households

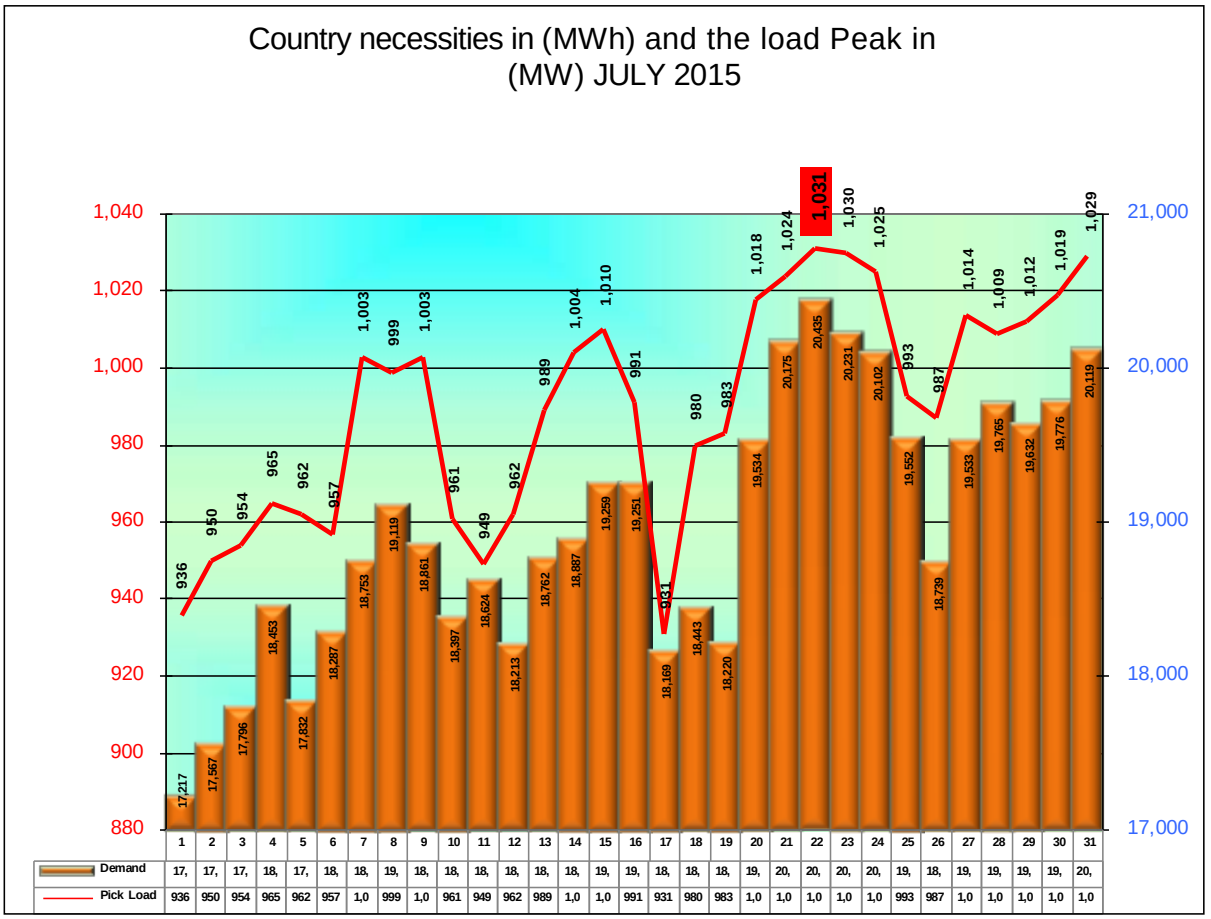
1.7.2 Electricity Consumption Profile

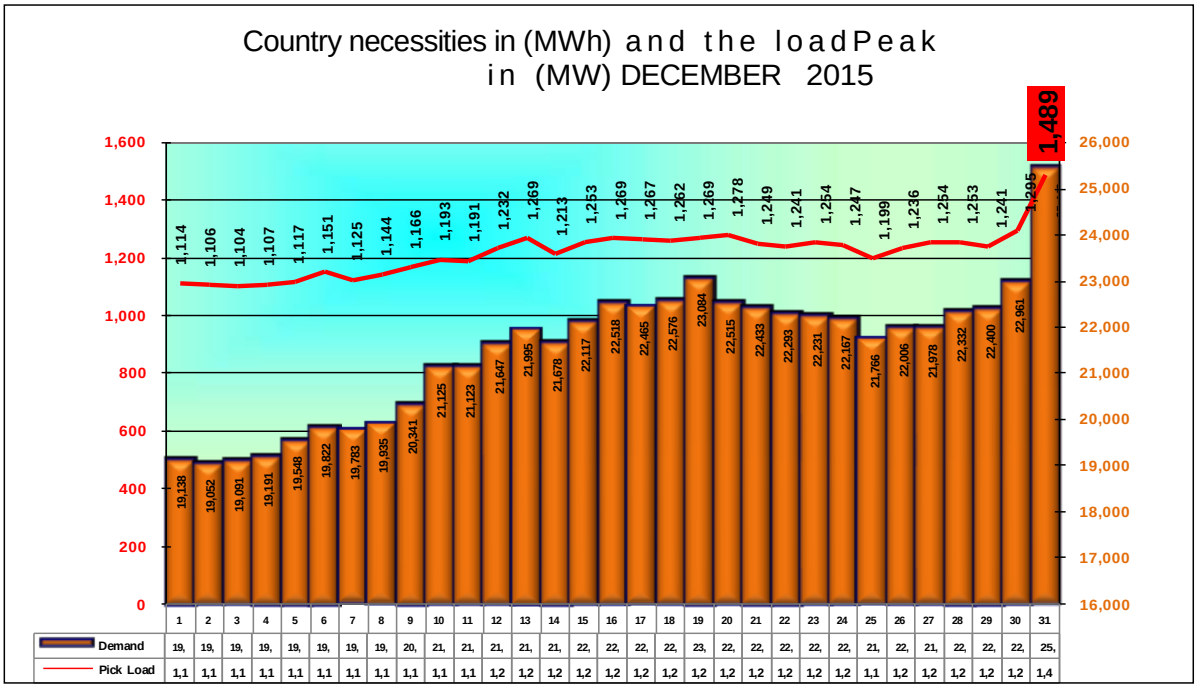
From the study of the annual profile of electricity consumption, the characteristic feature of this profile is the almost complete symmetry of winter-summer consumption.

As in previous years reports even during this year it is noticed the same problem, that of using electricity for warming. Any change in the temperature environment is reflected immediately in electricity daily consumption, exactly the effect of using or not using the electric heat in the building.

During summer, in July and August it is seen that the peak trend is increasing it from one year to the other is becoming more evident and is connected with wide-scale use of air-conditioning equipments.

As follows are submitted daily consumption data and the load peak on respective days for two typical months during summer (July) and winter (December)





The peak load during 2015 marks 1489 MW on December 31 2015 hour 16.oo.

1.8 Electricity Purchases in the Irregulated Market

Implementing the request of the Albanian Market Model, the electricity imports for customer's needs in our country, OSHEE company imports electricity to cover the losses in the Distribution System. On Table 41, are shown the imported energues in (MWh) from the Wholesale Public Supplier and OSHEE while KESH/FPSH imports electricity to meet tariff customers needs.

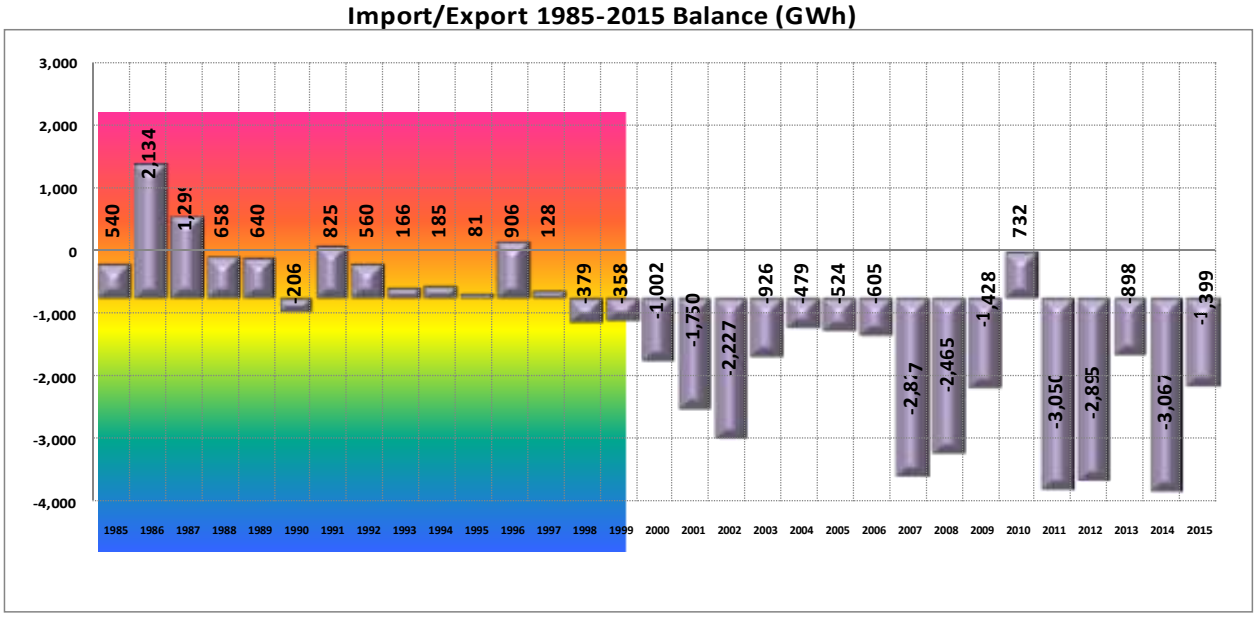
Figure 41: Electricity Import from KESH and OSHEE during 2015

Electricity purchase in the irregulated market from KESH company (FPSH) in MWh	0	0	0	0	0	0	0	0	0	140,280	84,317	131,089	**355,686**
Electricity purchase in the irregulated market from (OSHEE) in MWh	217,440	177,600	200,660	156,286	130,320	129,600	152,520	156,240	131,760	166,243	147,600	178,560	**1,944,779**

On figure 42 graph it is submitted electricity import-export balance for 1985 – 2015 period. As it can be seen until 1998, (except year 1990) our country has benn a net export country for electricity.

For 1998-2015 period, except 2010, our country results to be net electricity import. Should be clarified that the submitted values represent all the input and output flows from all electricity market participants in Albania.

Figure 42: Import-Export Electricity during the years (Source : TSO)



1.9 Electricity Sale Efficiency

During 2015 the electricity sale efficiency has marked an improvement trend comparing with 2011-2014 period always referring to the determining factors in efficiency level of electricity consumption which are:

1. Electricity losses level in distribution.
2. Collection level of electricity invoice.

Total losses reported from the Company for 2015, reach 31.34%, marking a significant decrease compared with 2014.

Total collection level reported from OSHEE is 100.8 % to invoiced electricity for 2015. This include even the arrears collection for 2007-2014 period in 12 225 002 000 ALL value .

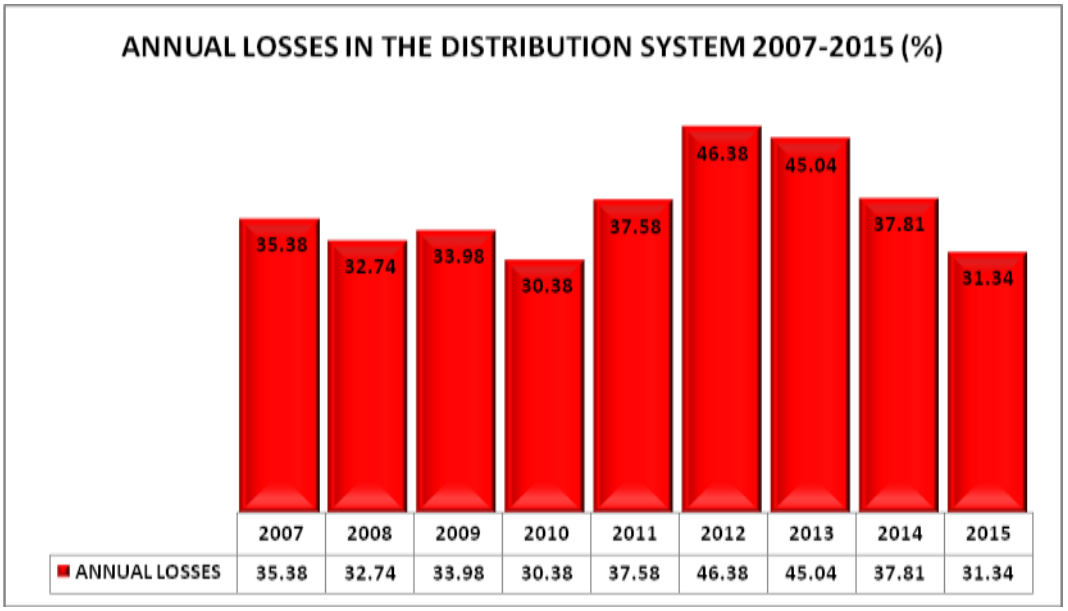


Figure 43: Annual Losses in the Distribution System 2007-2015 period

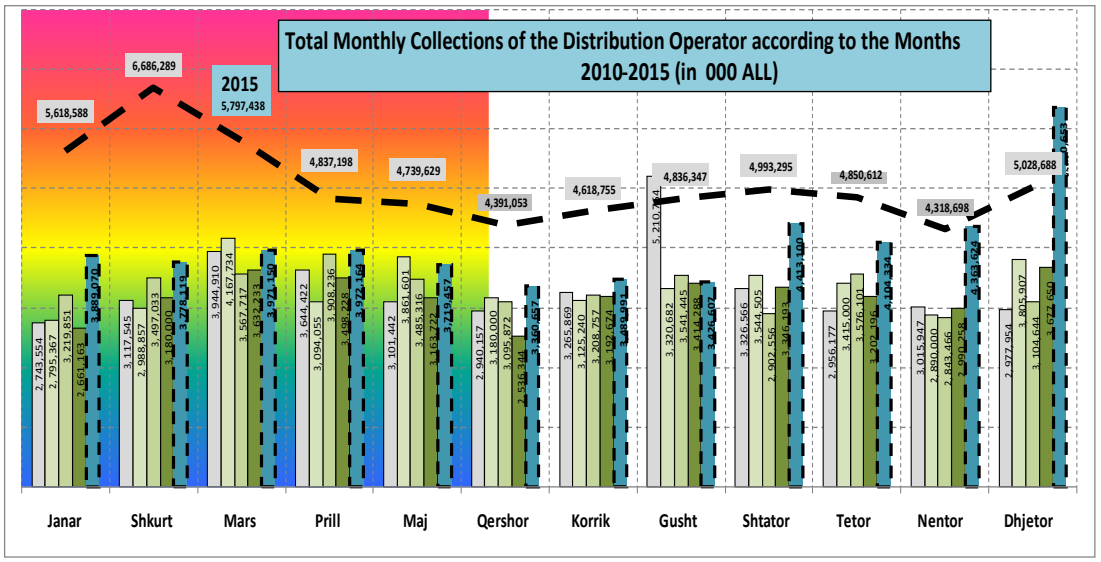


Figure 44: Monthly Collection Level for 2010-2015 period

Figure 45: Invoice – Collection 2015

INVOICES-COLLECTION AND THE CHANGE OF THE DEBTOR STATUS DURING 2015 (000/ALL)								
Year 2013	Collected according to 31.12.2014 OSHEE 71 406 047	Invoiced during 2015	Collection for 2015 invoices	Collection for 2007-2014 invoices	Total collection	Collected for the electricity invoiced in 2015	Change of the collected account status during 2015	Erase of the Obligations
	71,406,047	2	5	7	6=5+7	9=(2-5)	10=(2-5-7-a)	a
January	71,336,669	5,549,211	58,385	5,560,203	5,618,588	5,490,826	- 69,378	0
February	70,243,444	5,593,064	4,241,484	2,444,805	6,686,289	1,351,580	- 1,093,225	0
March	70,034,144	5,588,150	4,663,802	1,133,648	5,797,450	924,348	- 209,300	0
April	68,812,916	4,953,074	4,470,298	366,900	4,837,198	482,776	- 1,221,229	1,337,105
May	66,868,972	4,521,837	4,234,873	504,756	4,739,629	286,963	- 1,943,943	1,726,151
June	67,098,219	4,691,930	4,081,633	309,420	4,391,053	610,297	229,247	71,630
July	67,547,043	5,258,700	4,246,167	372,576	4,618,743	1,012,533	448,824	191,133
August	67,611,751	5,241,968	4,481,964	354,383	4,836,347	760,004	64,709	340,913
September	67,453,478	4,835,022	4,700,033	293,262	4,993,295	134,989	- 158,274	0
October	67,286,789	4,683,924	4,541,794	308,818	4,850,612	142,130	- 166,689	0
November	67,959,634	4,991,543	4,020,208	298,490	4,318,698	971,335	672,845	0
December	68,803,189	5,872,243	4,750,948	277,740	5,028,688	1,121,295	843,555	0
Total		61,780,665	48,491,589	12,225,002	60,716,591	13,289,076		3,666,932

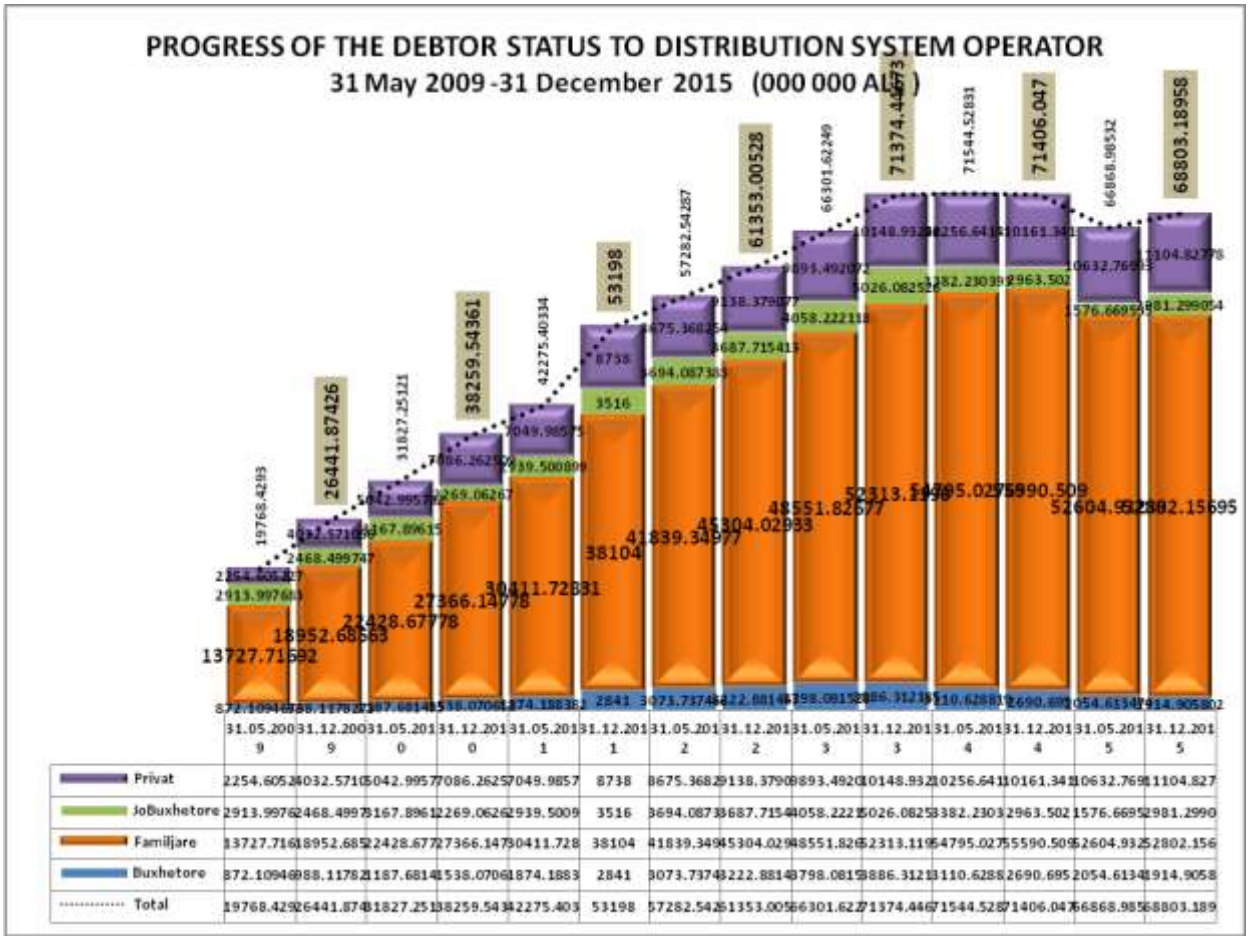


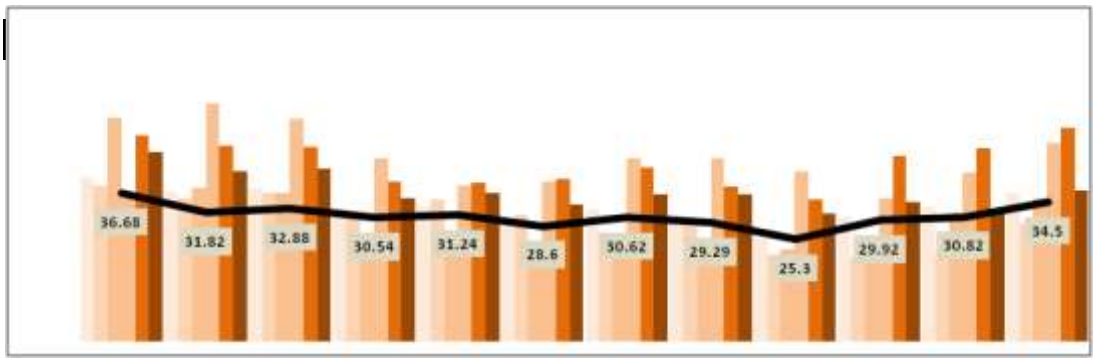
Figure 46: Debt Status Progress

Source OSHEE

PERFORMANCE OF THE DISTRIBUTION OPERATOR 2009-2015 (%)

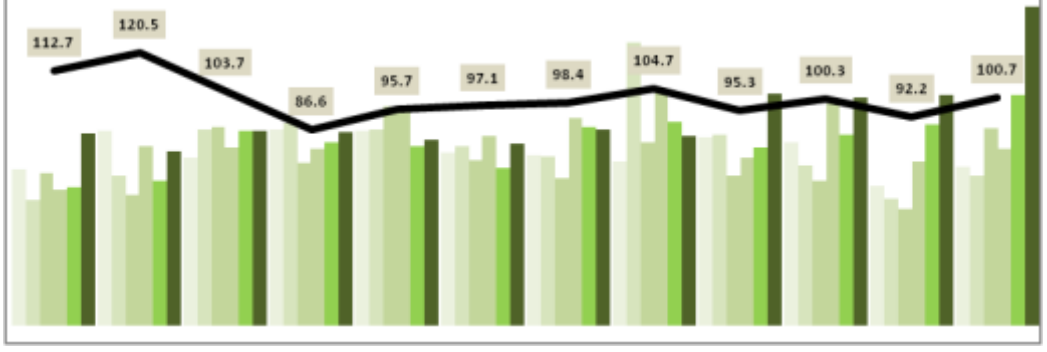
LOSSES LEVEL (%) 2009-2015

	January	February	March	April	May	June	July	August	September	October	Nove
2009	40.75	37.05	38.05	32.93	33.44	30.75	32.60	30.20	25.34	30.67	33.
2010	38.62	35.41	36.90	31.37	35.17	31.45	26.94	29.69	21.47	20.61	22.
2011	55.55	38.00	36.95	23.11	24.85	21.29	21.88	19.41	22.95	25.15	32.
2012	35.72	59.16	55.23	45.41	38.87	39.77	45.51	45.51	42.09	35.53	41.
2013	51.12	48.71	48.29	39.66	39.52	40.33	43.33	38.50	35.08	45.98	48.
2014	47.00	42.14	42.78	35.69	36.85	34.10	36.59	36.36	31.67	34.52	32.
2015	36.68	31.82	32.88	30.54	31.24	28.60	30.62	29.29	25.30	29.92	30.

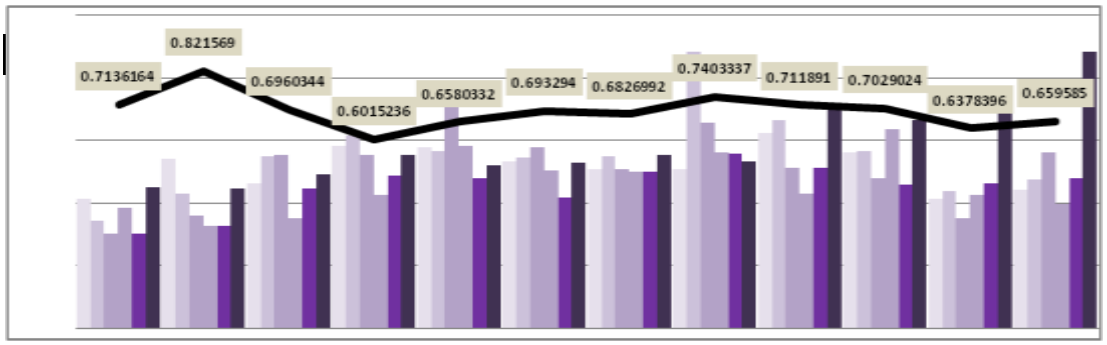


Collection Level (%) 2009-2015

	January	February	March	April	May	June	July	August	September	October	Novem
2009	69.32	85.95	74.38	86.58	86.31	76.37	75.40	72.46	83.20	80.82	61.7
2010	55.37	66.28	86.63	89.46	86.70	79.42	74.84	124.98	84.20	70.81	56.1
2011	67.26	57.61	87.66	71.61	96.73	73.00	65.00	81.00	66.00	63.86	51.4
2012	59.80	79.20	78.50	78.00	94.70	83.50	91.60	102.90	74.00	98.00	72.6
2013	61.40	63.70	86.20	80.70	79.10	69.60	87.90	90.10	78.50	84.30	89.0
2014	84.90	77.10	85.90	85.50	81.90	80.20	86.70	83.60	102.60	101.00	101.
2015	112.70	120.50	103.70	86.60	95.70	97.10	98.40	104.70	95.30	100.30	92.2



Sales Effectiveness (%) 2009-2015									
	January	February	March	April	May	June	July	August	Septembe
2009	41.1%	54.1%	46.1%	58.1%	57.4%	52.9%	50.8%	50.6%	62.1%
2010	34.0%	42.8%	54.7%	61.4%	56.2%	54.4%	54.7%	87.9%	66.1%
2011	29.9%	35.7%	55.3%	55.1%	72.7%	57.5%	50.8%	65.3%	50.9%
2012	38.4%	32.3%	35.1%	42.6%	57.9%	50.3%	49.9%	56.1%	42.9%
2013	30.0%	32.7%	44.6%	48.7%	47.8%	41.5%	49.8%	55.4%	51.0%
2014	45.0%	44.6%	49.2%	55.0%	51.7%	52.9%	55.0%	53.2%	70.1%
2015	71.4%	82.2%	69.6%	60.2%	65.8%	69.3%	68.3%	74.0%	71.2%



Sales effectiveness is clear in the following figures.

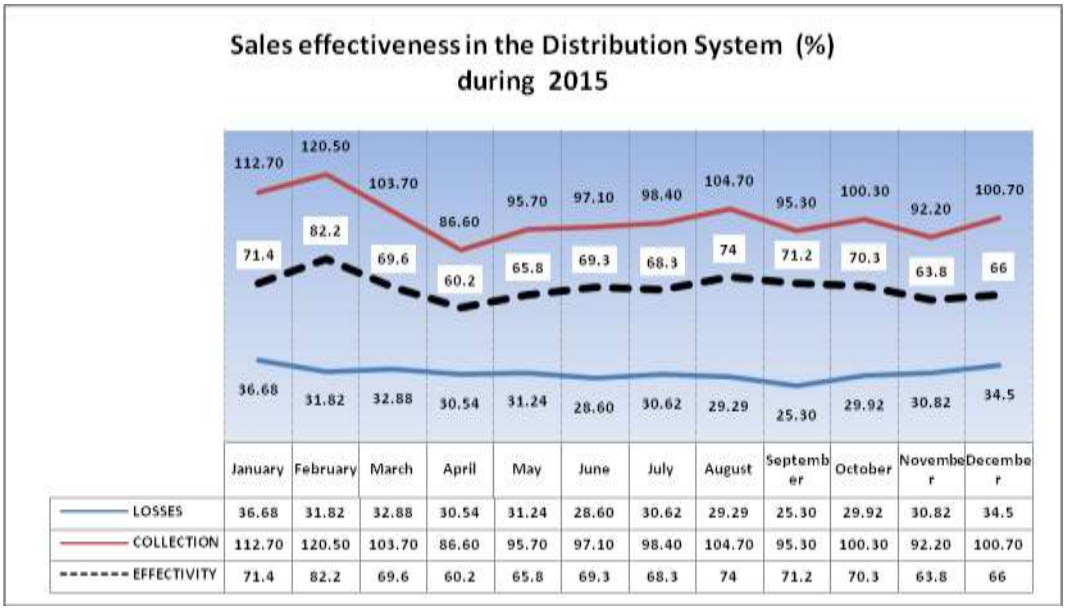


Figure 47: Sales effectiveness during 2015 (Source: OSHEE)

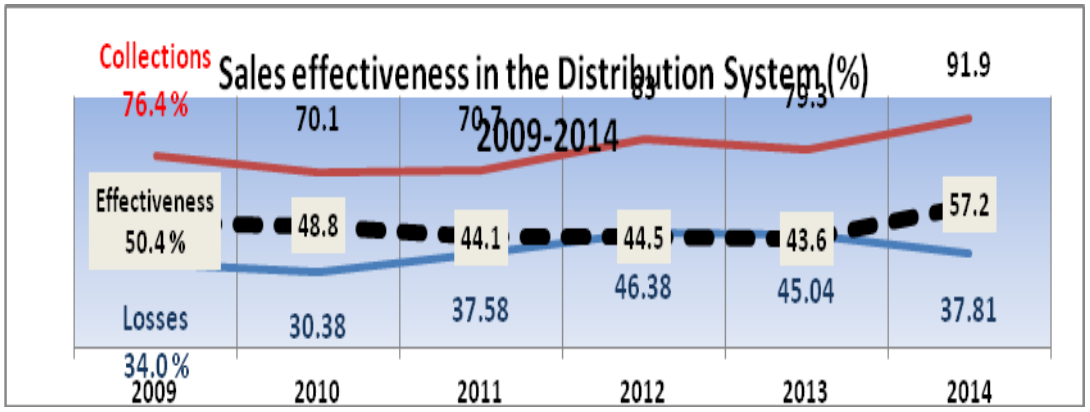


Figure 48: Sales effectivity for OSHEE during 2009-2014 period (Source: OSHEE)

As it can be seen from the above table the annual effectivity coefficient for the Distribution System OSHEE company, which shall take in consideration the annual level of losses and collections) which results higher that the one of the previous year.

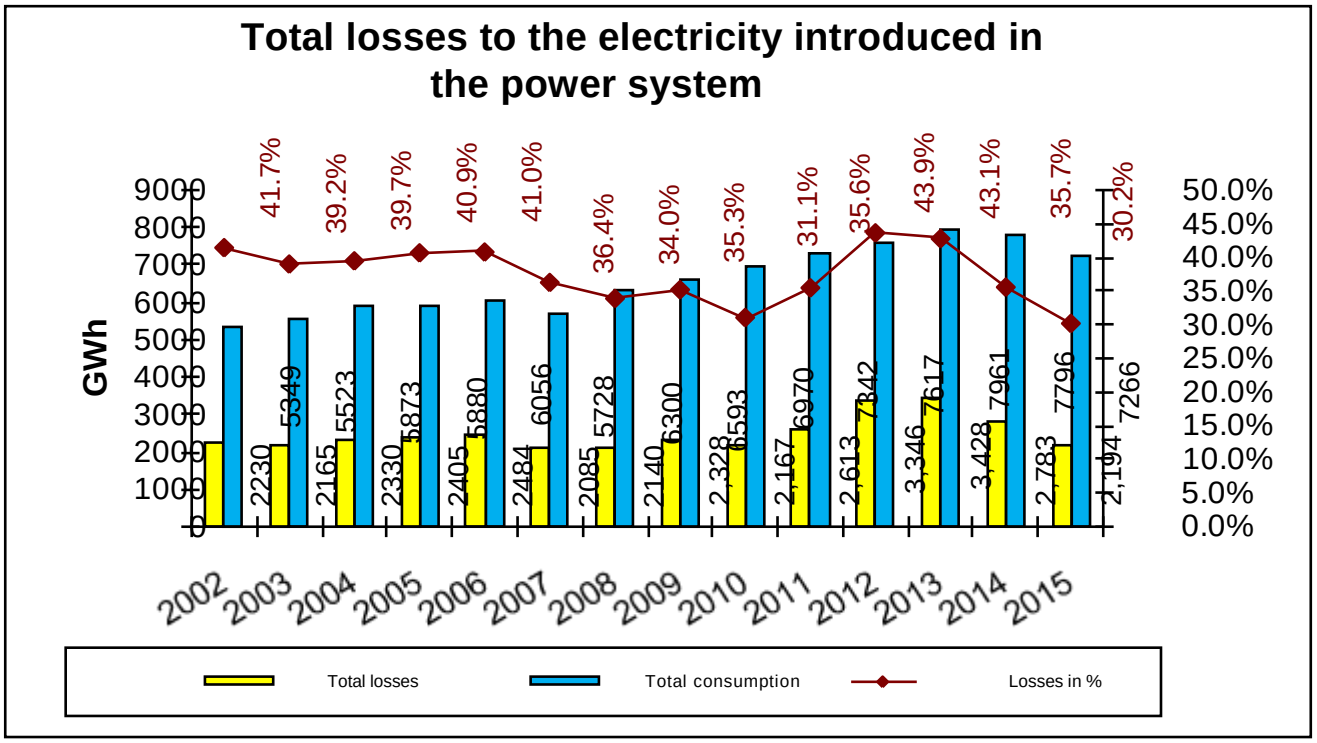


Figure 49: Total Losses to the Electricity introduced in the Power System

On figure -49- it is submitted the progress of total losses in the transmission system, during 2002 – 2015, while on the graph of figure 50- it is submitted invoice-collection relation for the same period.

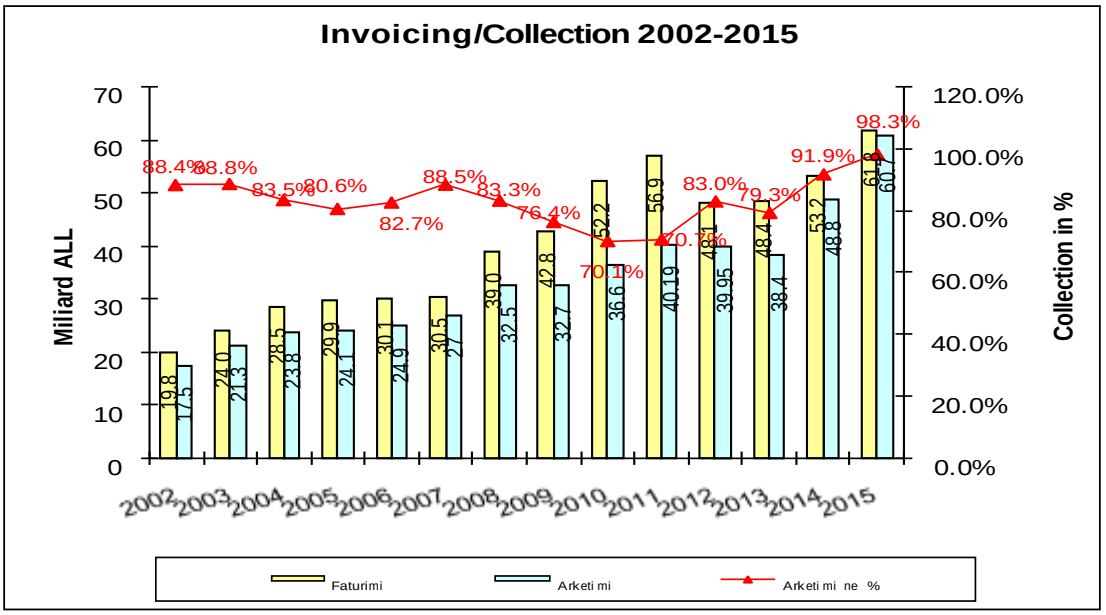


Figure 50: Invoicing/Collection 2002-2014 (Source: OSHEE)

1.10 Licensing and Monitoring Electricity Activity

1.10.1 The Licenses and Requirements during 2015

During 2015, ERE has performed a broad activity in licensing companies in power and gas sector activities, implementing the legal and by-legal framework in force.

For 2015 there has been an increase of the licensing application, submitted at ERE from different companies. From 64 submitted applications from the companies in 2014, for 2015 are submitted 73 applications. Are increased the applications submitted for generation, trading and electricity supply as well in natural gas activities. There is a decrease in the entities application for license modification, while the applications submitted for license renewal or license transferring as in the same level as in 2014.

Even during this year it is strictly respected the licensing procedure according to the regulation, as well as implementing the terms to review the applications and approving the licenses for the applying companies, pursuant to Law No. 9072 of May.22.2003 "On Power Sector" as amended and "the Regulation for the Procedures of Licensing, Modification, Full/Partial Transferring and License Renewal". Also in accordance with the above legal framework are correctly implemented the terms to publish in the printed media Board of Commissioners Decisions that all the interested parties to be informed with these decisions. Any application for license was subject to regularity analysis and correctly completing the legal, administrative, financial, technical documentation and obtaining the appropriate permissions for using the waters or environmental ones, given from other institutions in conformity with the activity that the companies have requested to be licensed.

From 73 applications submitted at ERE for 2015, from different entities, for 61 of them, ERE Board has decided their licensing, while 12 other applications are in process and their licensing shall be finalized during 2016 in conformity with the licensing procedures set by ERE.

On the following tables are submitted the licenses approved by ERE Board according to different activities during 2015.

Figure 51: Licenses Approved by ERE Board according to Different Activities during 2015

LICENSED ACTIVITY	No.of approved licenses
Electricity generation	13
Electricity supply	13
Electricity trading	24
Qualification of the generation plant as renewable energy resource	1
Modification of Existing License	1
Renewal of Existing License	4
License Transfering	4
Natural gas trading	1

1.10.2 Licenses in electricity generation activity

For electricity generation activity are licensed 13 private companies for electricity generation from 15 HPP-s with total installed capacity 169,944 MW, from which:

- 15 have a capacity up to 5 MW
- 3 have a capacity 5-10 MW
- 2 have a capacity 10-30 MW
- 1 has a capacity 63,8 MW

On the following table are submitted the licensing entities, in electricity generation activity as well as entities for license transferring or modification in this activity:

Figure 52: Companies licensed in electricity generation activity

Licensed companies, in electricity generation activity 2015		
COMPANY	**OBJECT**	**INSTALLED CAPACITY**
"Fatlum" company	"Perrollaj" HPP	0,5 MW
"Ayen AS Energy"company	"Gojan" HPP "Gjegjan"HPP "Peshqesh" HPP "Fangu" HPP	12,25 MW 6,55 MW 27,94 MW 63,8 MW
"Koxherri Energji"company	"Koxherraj" HPP	0.62 MW
"Euron Energy"company (Transfering)	"Bele 1" HPP "Topojan 2" HPP	5 MW 5,8 MW
"Alb-Energy"company (Transfering)	"Bele 2" HPP "Topojan 1" HPP	11 MW 2,9 MW
"Energal"company (Transfering)	"Orgjost I Ri" HPP	4,8 MW
"Kisi-BIO-Energjii"company	"Kacnij" HPP	3,87 MW
"Diteko"company	"Borove" HPP "Zabzun" HPP "Sebisht+Prodan 1" HPP "Prodan 2" HPP "Okshtun Ekologjik" HPP "Okshtun+Ternove+Lubalesh 1" HPP "Lubalesh+Gjorice" HPP	1,92 MW 0,3 MW 3,8 MW 1 MW 0,45 MW 14,95 MW 10,86 MW
"Hec Lanabregas" HPP (Transfering)	"Lanabregas" HPP	5 MW
"Gama Energy" company	"Lena 1" HPP "Lena 2" HPP "Lena 2A" HPP	1,95 MW 2,3 MW 0,25 MW
"Hec Kabash Porocan"company	"Holta Kabash" HPP "Holta Porocan" HPP	2,2 MW 3,3 MW
"Lengarica&Energy"company	"Lengarica" HPP	8,94 MW
"Mesopotam Energy"company	"Driza" HPP	3,408MW
"Denas Power"company	"Denas" HPP	14,5 MW
"HP Ujaniku Energy" company	"Ujakik 2" HPP	2,5 MW
"Strelca Energy" company	"Strelca 1" HPP "Strelca 2" HPP "Strelca 3" HPP	1,504 MW 0,325 MW 3,52 MW
"C & S Energy"company	"Rrapun 3 & 4" HPP	8,857 MW
"Nishova Energy"company	"Nishove" HPP	1,36 MW

Tre other entities are in electricity generation process from 4 hydro power plants (HPP-s), with installed capacity 25,6 MW :

In licensing process for electricity generation during 2016		
"Përparimi SK"company	" Shtika" HPP	1,3 Mw
"Liria Energji"company	"Shpella Poshtë 2" HPP	2,3 MW
"Dragobia Energy"company	"Ceremi" HPP	8,6 MW
	"Dragobia" HPP	13,4 MW

Figure 53: In licensing process for electricity generation during 2016

1.10.3 Licenses in electricity trading activity

In electricity trading activity are licensed 27 entities. Implementing Article 5 point 2 and point 1 letter g, (the Regulation for the procedures of licensing, modification, full/partial transferring and licenses renewal), 15 from these entities, since they had the electricity generation license are licensed for a 30 year period, while 12 entities representing the trading companies are licensed for a 5 year period, (for three of them it is approved the trading license renewal for a 5 year period).

There are in licensing process 4 other entities.

Licensee in Electricity Trading activity for 2015 are:

No.	COMPANY	LICENSED ACTIVITY	DATE OF BOARD DECISION
1	"Noa Energy Trade" company	Trading	Decision No .7, of date 02.02.2015
2.	" Power Elektrik Sllabinje" company	Trading	Decision No. 17, of date 11.02.2015
3.	" Hidropower Elektrik" company	Trading	Decision No. 19, of date 11.02.2015
4.	"Fatlum" company	Trading	Decision No. 21, of date 11.02.2015
5.	"Future Energy Al" company	Trading	Decision No. 23, of date 11.02.2015
6.	"Devoll Hydropower" company	Trading	Decision No. 35, of date 04.03.2015
7.	"Albanian Energy Supplier" company	Trading	Decision No. 37, of date 18.03.2015
8	"Roberto Oil" company	Trading	Decision No. 49, of date 17.04.2015
9	"Gaea Energjia Alternative e Gjelber" company	Trading	Decision No. 57, of date 23.04.2015
10	" Green Energy Trading Albania" company	Trading	Decision No. 59, of date 23.04.2015
11	"Elektral" company	Trading	Decision No. 64, of date 11.05.2015
12	"Koxherri Energji" company	Trading	Decision No. 71, of date 13.05.2015
13	"Alpiq Energy Albania" company	Trading	Decision No. 72, of date 13.05.2015
14	" Energal" company	Trading	Decision No. 91, of date 28.07.2015
15	"Euron Energy" company	Trading	Decision No. 92, of date 28.07.2015
16	"Hec Kabash Porocan" company	Trading	Decision No. 94, of date 28.07.2015
17	"Gama Energy" company	Trading	Decision No. 95, of date 10.04.2015

18	"Kisi Bio Energy" company	Trading	Decision No. 96, of date 28.07.2015
19	"Ylliad" company	Trading (Renewal)	Decision No. 97, of date 28.07.2015
20	"Lengarica & Energy" company	Trading	Decision No. 104, of date 18.08.2015
21	"Mesopotam Energy" company	Trading	Decision No. 111, of date 07.09.2015
22	"Denas Power" company	Trading	Decision No. 121, of date 14.10.2015
23	" Energy Supply AL" company	Trading (Renewal)	Decision No. 122, of date 14.10.2015
24	" HP Ujaniku Energy" company	Trading	Decision No. 139, of date 26.11.2015
25	"Energjia D O O Veternik" company	Trading	Decision No. 140, of date 26.11.2015
26	"C&S Energy" company	Trading	Decision No. 143, of date 26.11.2015
27	"GSA" company	Trading (Renewal)	Decision No. 160, of date 28.12.2015
28	"Dragobia Energy" company	Trading	In Process
29	"Nishova Energy" company	Trading	In Process
30	"Përparim SK" company	Trading	In Process
31	"Liria Energji" company	Trading	In Process

Figure 54:Licensee in Electricity Trading activity during 2015

1.10.4 Licenses in electricity supply activity

In this activity are licensed 13 entities, for one entity it is approved the license renewal and are in licensing process three other ones. Implementing article 5 point 1 letter f (the Regulation for the procedures of licensing, modification, full/partial transferring and licenses renewal), these entities are licensed for a 5 year period

Figure 55: Companies licensed in Electricity Supply activity for 2015

No.	COMPANY	LICENSED ACTIVITY	DATE OF BOARD DECISION
1	"Noa Energy Trade" company	Supply	Decision No.8. of date 02.02.2015
2.	"Power Elektrik Sllabinje" company	Supply	Decision No.18, of date 11.02.2015
3.	"Hidropower Elektrik" company	Supply	Decision No.20, of date 11.02.2015
4	"Future Energy AL" company	Supply	Decision No.24, of date11.02.2015
5	"Devoll Hydropower" company	Supply	Decision No.36, of date 04.03.2015
6	"Albanian Energy Supplier" company	Supply	Decision No.38 of date 18.03.2015
7	"Roberto Oil" company	Supply	Decision No.50 of date17.04.2015
8	"GAEA -Energjia Alternative e Gjelber" company	Supply	Decision No.58 of date23.04.2015
9	"Elektral" company	Supply	Decision No. 65 of date 11.05.2015
10	"Alpiq Energy Albania" company	Supply	Decision No. 73 of date 13.05.2015
11	"Lengarica & Energy" company	Supply	Decision No.105 of date 18.08.2015
12	"Energy Supply AL" company	Supply (Renewal)	Decision No. 122, of date 14.10.2015
13	"Energjia D O O Veternik" company	Supply	Decision No. 141, of date 26.11.2015
14	"Le Trading Albania" company	Supply	Decision No. 159, of date 28.12.2015
15	"Dragobia Energy" company	Supply	In Process
16	"Albanian General Elektricity" company	Supply	In Process
17	"Liria Energji" company	Supply	In Process

Natural Gas Sector

In natural gas sector, during 2015 there have been three applications in different activities for this sector. For one of these applications, ERE Board, has decided its license in natural gas trading activity, while two other applications are in process.

Figure 56: Companies licensed in natural Gas activity for 2015

No.	COMPANY	ACTIVITY	DATE OF BOARD DECISION
1	"Anio Oil & Gas" company	Trading	Decision No.26. of date 11.02.2015
2.	"Phoenix Petroleum" Company	Trading	In process
3	"Phoenix Petroleum" company	Supply	In process

For all entities licensed by ERE, it is keept and archieved the licensee register for each activity, with the necessary data for the entity and the type of license, which are reflected updaten on ERE Website and may be consulted by any interested party.

1.11 Monitoring Electricity Trading Activities

1.11.1 Electricity Market Monitoring

Implementing law No.9072, of date 22.5.2003 "On Power Sector" as amended, article 8, point 2 letters f) and g) as well as article 63 and Law No. 43/2015 "On Power Sector", article 7, article 20, letter ç), d), f) and g), article 22, article 58, point 9, letter 62, point 4 as well as article 72, letter dh) the services of the operators licensed by ERE are object of monitoring regarding the respect of the legal obligations and implementing ERE regulations, decisions and orders.

Monitorings are conducted based on Law No. 9072, of May.22.2003 "*On Power Sector*" as amended and law no.43/2015 "On Power Sector", the Market Rules, as well as relevant regulations on which basis the market participants operate.

These monitorings are conducted based on preliminary thematic plans and organized in such a way to continuously monitor electricity market participants. The monitoring process is done periodically following the below steps.

- Gathering and processing the periodic (monthly) results and information.

- Processing the results and determining the values of performance indicators.
- Reporting the analysis of electricity market participants performance indicators to ERE Board of Commissioners.
- Broad discussion of issues on ERE Board of Commissioners periodic meetings.
- Defining ERE attitude regarding opetators performance as well as the preparation of attitudes and recommendations for them.
- Identifying the issues that should be monitored on the terrain.
- Performing the monitoring on the terrain and analysing them.
- Defining ERE attitude and recommendation regarding the observations from the monitorings.

On the following table are submitted thematic monitoring performed during 2015 by ERE.

Thematic monitoring in the companies during 2015

Monitoring Order	Monitoring Object	Monitoring period	Monitored company
No. 5, of date 29.01.15	Analysing 2014 results and those of January 2015, planification process, setting the objectives, as well as invoicing system status	06.02.2015-17.02.2015	OSHEE company
No. 6, of date 29.01.15	Analysing 2014 results and those of January 2015, electricity transactions and electricity procurement procedures for 2014 and January 2015, hydropower situation and hydro reserves management	06.02.2015-17.02.2015	KESH company
No. 7, of date 29.01.15	Analysing 2014 results and those of January 2015, implementing the obligations for new connections in the transmission system for 2014 and for January 2015, electricity imbalances and the capacity auctions, the operation of SCADA system	06.02.2015-17.02.2015	TSO company
No. 22, date 03.04.2015	Handling the complaint status for January - March 2015 period; The comp;laints regarding bad billings of January 2015; complaints sent to ERE to be handled during November – December 2014 period; the procedure followed by Customer Care Center , for handling the customer complaints	07.04.2015-13.04.2015	OSHEE company
No. 27, date 18.05.2015	Opposing electricity invoicing made by OSHEE company	19.05.2015, 10.00 AM	Propshtit Municipality
No. 28, of date 18.05.2015	Repeated problems with 35 kV line and substation of Maliq municipality	20.05.2015, 12.30 PM	Hydro Power Plant of Korca
No. 32, of date 12.06.2015	Terminating electricity supply contracts for some objects that do not exist	16.06.2015	OSHEE company (Cakran, Fier Municipality)
No. 34, of date 17.06.2015	Analysing technical-economic indicators for January - May 2015 period, Electricity procurement procedures for January - May2015 period, procedures for invoicing system operation , progress of implementing the investment plan for 2015, expenses analysis and the Cash Flow for January - May 2015 period	18.06.2015- 03.07.2015	OSHEE company
No. 35, of date 17.06.2015	Analysing technical-economic results for January – May 2015 period, the electricity transactions and procurement procedures for January - May 2015 period, hydro-power situation and hydro reserves management, ancillary services for January - May 2015, the progress of implementing the investment plan for 2015, expenses analysis and the Cash Flow for January – May 2015 period	18.06.2015- 03.07.2015	KESH company

No. 36, of date 17.06.2015	Analysing the technical-economic results for January - May 2015 period, implementing the obligations for New Connections in the transmission system for January - May 2015 period, electricity imbalances, electricity capacity auctions, ancillary services for January - May 2015 period, progress of implementing the investment plan for 2015, expenses analysis and Cash Flow for January - May 2015 period	18.06.2015- 03.07.2015	TSO companya
No. 57, of date 23.10.2015	Realizing the investment plan for 9-month period of 2015	28.10.2015 - 04.11.2015	TSO company
Nr.58, date 23.10.2015	Realising the investment plan for 9-month period of 2015	28.10.2015 - 04.11.2015	KESH company
Nr. 59, date 23.10.2015	Realising the investment plan for 9-month period of 2015	28.10.2015 - 04.11.2015	OSHEE company

Figure 57: Thematic Monitoring during 2015

1.11.2 OSHEE monitoring

During 2015 thematic monitoring are realized implementing ERE Chairman orders while periodic monitoring are performed imlmenting the approved annual plan.

From the monitoring performed regarding the implementation of electricity import procedure to cover the losses in the distribution system was observed that there were no violations of the laws and regulations into force. Procurement procedures for electricity are performed in conformity with the "Standard Regulations and Procedures of Electricity Procurement from OSHEE company", approved with ERE Board of Commissioners Decision No. 42, of May.25.2009.

Regarding the expenses analysis and the Cash Flow was observed that the economical-financial situation of OSHEE company is improved. This improvement comes mainly as result of the action for collecting the current invoices and the arrears.

The trend of payments made to third parties (mainly by KESH and OST) has been increasing compared with the same period of 2014 as consequence of the collection increase from the company.

Regarding OSHEE transparency for 2015 it is observed that on OSHEE company website are not published the following requirements:

- The processed results of continuing quality indicators for electricity Supply of every distribution area classified within March 31 of the next year, according to Article 17, point 3 of the Regulation for minimum Conditions of Electricity Distribution Service Quality and Purchase.

- Information and data for the performed services in the previous year, entities according to service quality trade companies, according to article 36, point 3 of the Regulation for the minimum Conditions of electricity Distribution Service and Purchase.

ERE has required from OSHEE company the implementation of the legal framework to increase the Electricity Market transparency.

By Decision no. 138, of date 26.12.2014, Energy Regulator Authority approved the Investment Plan of OSHEE company for 2015 in the amount 5,567,468,923 ALL in total.

On the following table it is summarized OSHEE company Investment Plan for 2015 which is approved by ERE:

No.	INVESTMENT NAMING	FORESEE VALUE (ALL)
I	Substations	610 601 764
II	Priority Investments (20 kV grid, LV grid)	3 604 020 159
III	Metering Investment	742 000 000
IV	Investiments in the Billing System	610 847 000
TOTAL		5 567 468 923

Figure 58: investment plan of OSHEE company for 2015

On the following data the Supervisory Council of OSHEE company because of the priorities in the investment and the emergences has reviewed 4 times the Investment Plan approved by ERE with Decision No. 138, of date 26.12.2014.

- The plan approved in the supervisory council on date 06.02.2015
- The plan approved in the supervisory council on date 06.05.2015
- The plan approved in the supervisory council on date 15.07.2015
- The plan approved in the supervisory council on date 05.10.2015

Figure 59: Additions and amendments in the investment plan for 2015 of date 05/10/2015

From the monitoring of the investment realized for January-September 2015 period it resulted that:

- Projects removed from the Investment Plan or postponed on time 29 investments 1,883,237,463 ALL
- Same projects that have been on the initial investment plan for 2015 are 81 but they have a change on the amount from the foreseen one. The foreseen amount for this project has been 3,056,217,227 ALL and the final amount in total is 2,800,703,820 ALL.

- Added projects are 280 in total amount 8,538,760,242 ALL divided in tow years according to the expectations for their realization. Many of these projects shall commence on 2015 but their biggest financial effect (installment payment) shall be on 2016.

- It is also viewed the foresee for :

- Investment in Information technology system 16 projects that reach the amount 610 847 000 ALL

- Construction investment for OSHEE premises which reach the amount 473 807 671 ALL

From the monitoring of the 9-month period for 2015 it resulted that:

On approving the Investment Plan by ERE for 2015, it is required from OSHEE to submit within April 2015 the correct Investment Plan mainly by the metering investment and the Billing System which is not realized by the company.

For the amendments it is not required ERE approval according to the Regulation. Although the investment plan is changed 4 times during the year, their implementation is not expected to be realized in a considerable percentage nor to be capitalized during 2015. The payment level performed for the investment is in 26 % level.

On March 2016 by OSHEE company were send the operational data regarding the investment implementation for 2015.

As follows are submitted the data regarding the realization of the investments for 2015 .

Investment Results for 2015 *(Declared by OSHEE march 2016)* *ALL*

No	THE INVESTMENT GROUPS	Carried from 2014	2015 Planning according to OSHEE	Realised until 31.12,2015
I	Electricity Construction/reconstruction for the Substations	416,496,969	574,863,897	299,971,427
II	Line Construction/Reconstruction in HV	-	30,000,000	-
III	Construction reconstruction for the Substations	-	86,781,945	5,623,356
IV	Purchase of machinery equipments for the Substations and overhauls liquidation	-	686,058,195	346,646,000
V	Grid Construction in MV	89,112,558	1,079,630,175	146,835,481
VI	Construction/Reconstruction MV/LV Grid	-	2,434,256,099	1,172,843,796
VII	Cosntruction /Reconstruction of electricity cabins	-	107,148,801	45,779,364
VIII	PRIORITY INVESTMENTS (LV Grid - ABC lines)	-	893,227,069	161,618,711
IX	Monitoring Technology	-	623,778,492	248,640,000
X	METERING INVESTMENT	-	776,968,000	561,185,000
XI	Emergencies	-	197,347,403	11,582,059
XII	Opponency, Supervision, Colaudation		20,000,000	14,008,127
XIV	Studies with third parties to take construction permissions		5,000,000	42,703,713
XV	System for managing the Human Resources		25,000,000	-
	Construction and reconstruction of OSHEE premises		169,364,036	18,500,000
	Unplanned investments			51,222,473
		505,609,527	7,709,424,112	3,127,159,508
These data are considered operational by ERE, until the report according to the regulation approved by ERE and the approval of OSHEE balance sheet for 2015		%	100	41
		Capitaliyed value 2015 (addition)		1,626,099,000

1.11.3 TSO Monitoring

During 2015 ERE has performed monitorings to implement the obligations arising from licensing conditions as well as Market Rules and other legal acts in force. Realising the investment has been one of the monitoring objects.

The investment Plan for 2015 was approved with ERE Board decision no.137 date 26.12.2014 and with decision no. 46 of date 07.04.2015; the Board approved the review of TSO investment plan with some changes required from the company.

During 9-month monitoring for 2015, a considerable percentage of the investments approved for 2015 were not realized.

- From 30 investment projects 5-of them are realized, 9-are in process and 16 are not procured
- There are procured about 76 % of the foreseen funds (including the changes)
- About 28 % of the procured funds are realized until September 2015
- About 72 % of the procured funds are in process until September 2015
- About 40% of the projects are likely not to be procured until the end of the year and this may be considered as a defect in planning the investments despite the problems or emergences which may emerge throughout the year.

- The progress of foreign funds investment is good
- Given the resultswhere the failure to realize the foreseen investments is safe, it is required the attention of the company for more responsibility in planning the investments.
- On March 2016 by TSO company were send operational data regarding the investment realization for 2015.

As follows are submitted the data regarding the investment plan for 2015 .			
Operational results on the realization of the investments for 2015 by TSO company (Declared by TSO march 2016) ALL			
	Carried out from 2014	2015 Plan	Realised in total until on 31.12.2015
These data are considered operational by ERE, until the report according to the regulation approved by ERE and the approval of TSO balance sheet for 2015	362,027,682	2,834,220,048	1,859,891,919
	%	100	66
	Capitalised value 2015 (addition)		1,859,891,919
Note: On the realized investment list are noted the amendments in naming and the value of the project compared with the investments approved by ERE.			

Capacities allocation in interconnections

For the capacities allocation in interconnections, for 2015 are followed the procedures according to the rules approved with ERE decision no. 140 of date 22/11/2013 "Rules on capacities allocation in interconnection" and the Regulation off the coordinated auction office for SouthEast Europe (SEE CAO)" approved with Decision No. 156 of date 01.12.2014.

In conformity with ERE decisions are developed the Annual auctions for 1 January to 31December 2015 period for the border with Monte Negro and Greece as well as Monthly and Daily auctions for the border with Monte Negro, Kosovo and Greece.

On table 60 are summarized some of the data for the Annual auction for, 1 January until 31 December 2015 period

		Annual auction (January 1 - December 31) 2015								
		AL-ME		AL-RS		AL-GR		TOTAL OST		
		imp	exp	imp	exp	imp	exp	imp	exp	imp + exp
Value of the Participants Bids	Euro	9,567,146	141,036			134,728	8,831,131	9,701,874	8,972,167	18,674,041
Value of the Winning Bids	Euro	4,029,600	35,040			19,710	3,291,570	4,049,310	3,326,610	7,375,920
Average Price of the Winning Bids	Eur/MWh	4.60	4.00			0.03	5.01	2.64	2.17	2.41
Number of the Participants Bids	No.	48	25			19	41	67	66	133
Number of the Winning Bids	No.	10	16			11	12	21	28	49

Figure 60: Annual Auction, for January 1 December 31 2015 period

- In the annual auction, are submitted the bids for 7 entities.
- On the annual auction are submitted and assessed 133 bids in a total of 8'795'040 MWh, and total value of the bids 18'674'041 Euro.
- have resulted winner in the auction 49 bids, with a total of about 3'066'000 MWh, in a total value of 7'735'920 Euro.
- Should be evidenced that the request of the participants has been generally expressed the same regarding the import (53.4%) and the export (46.6%).
- By the end of the annual auction procedure there has not been a complaint expressed by the participants, for the procedures and results of the auction.

		T O T A L (Annual + Monthly) 2015								
		AL-ME		AL-RS		AL-GR		TOTAL TSO		
		imp	exp	imp	exp	imp	exp	imp	exp	imp + exp
Value of the Participants Bids	Euro	11,043,448	198,691	4,935,401	275,827	174,391	15,890,698	16,153,240	16,365,216	32,518,456
Value of the Winning Bids	Euro	4,623,279	64,856	1,739,151	74,469	35,662	6,493,594	6,398,092	6,632,919	13,031,011
Average Price of the Winning Bids	Eur/MWh	4.04	0.06	1.91	0.09	0.04	6.11	2.09	2.20	2.15
Number of the Participants Bids	No.	201	96	603	213	110	436	914	745	1,659
Number of the Winning Bids	No.	66	50	196	121	68	115	330	286	616

Figure 61: Annual + Monthly auctions for January 1 up to December 31 2015 period

- On the monthly auctions developed by TSO, from 30 market participants registered at the Market Operator, 14 entities took part.
- On the monthly auctuins are submitted and assessed 1'659 bids in total 15'458'036 MWh, with a total value of the bids 32'518'456 Euro.
- Have resulted winner in the auction 616 bids, in total 6'610'33 MWh, with a total value of 13'031'011 Euro.
- Have won without congestion, in a price 0.00 Euro/MWh, 46 bids, in total 400'386 MWh

- The Maximum price of the submitted offers is 40 Euro/MWh, the maximum price of the auction has resulted 16.03 Euro/MWh

- Minimal price of the submitted bids is 0.01 Euro/MWh (as allowed by the respective allocation rules), the minimum price of the auction has resulted 0.00 Euro/MWh (when there is not congestion in the auction)

- The monthly auctions beginning from May 2015 for Monte Negro are developed from the regional capacities auction office (CAO).

Auctions for capacities in interconnection are developed from the respective commission of TSO, in conformity with the deadlines and procedures defined as well as the guidelines or respective ERE decisions.

In this context should be underlined that there is any complaint from the Market Participants, which participate in the auction, for the deadlines, procedures, auction development process, bidd access process, defining the winners and the auction prices, communication and publication of the auction announcement and their results.

Assessing that electricity market implementation is in cooperation process and mutual access between the MO and the Market Participant according to their respective role in the electricity market, MO continues its contacts, meetings and continuous consultations with the Market Participants.

It is regularly realized and in conformity with the respective obligatory deadlines the periodic information of TSO at ERE for the auctions performed at ATC (Available Transmission Capacity) as well as the publication of the results according to the requirements on TSO company website.

- Actually in the absence of the Market operation Soft, for developing the Daily auctions it is used by TSO the electronic platform NOVITA.

- For May 2015 and as follows, even the Daily allocation of the capacities in interconnection for MonteNegro border is developed in SEE CAO

- In conformity with ERE Board decision no. 61 of date 07/07/2014, are thrown by MO in the daily auction the unallocated capacities in the annual auction, the unallocated capacity in the following monthly auction as well as the "free" capacities, which are not nominated at (D-2) by Market Operators.

- In total, are allocated with congestion in daily auctions, performed by OST, 20'776 MW (498'624 MWh) with an average price about 0.065 Euro/MWh and the annual value of ATC allocated on daily auctions of TSO is 32'604 Euro.

- From the daily ATC allocation at SEE CAO, the annual value for TSO company is 4'898 Euro.

- So, in total, the annual value of the daily ATC allocation for TSO is 37'502 Euro

Imbalances

Implementing the Market Rules regarding the treat of the balancing market issue, on the hourly data basis received from the metering system of TSO company, are calculated the disbalances for each market operator, on hourly basis. Every 10 days are informed by TSO the Market Operators for their performed imbalances in a way to plan the respective compensations. Are estimated the imbalances of the parties on hourly basis, which are invoiced to the market participants.

On the following graphs it is submitted a summary in total of the deviations volume within ±2% interval of the market participants, for January – December 2015 period. The imbalances in these borders are not penalized in monetary values, but are compensated in energy by market participants.

The penalisations for the deviations caused by Market Participants during 2015, outside ±2% interval in MWh, are calculated and invoiced according to the Market Rules approved with the respective ERE Board decisions.

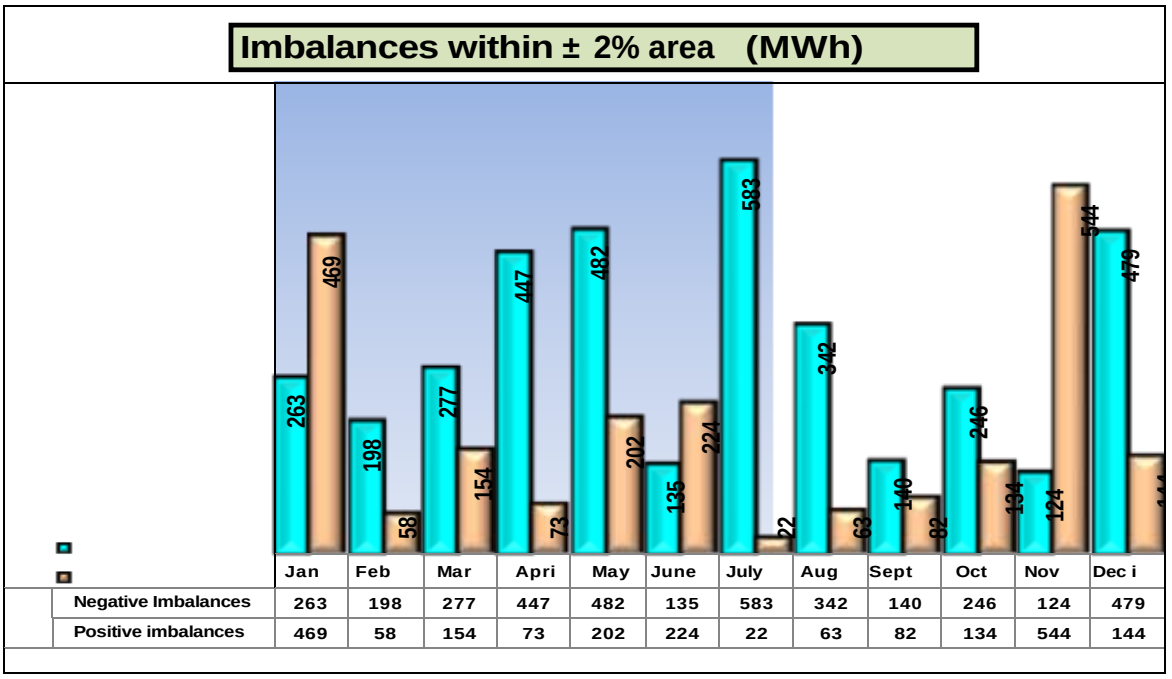


Figure 62: Imbalances within ±2% area

** The imbalances, calculated for each hour of the month, are grouped in positive imbalances (when the measured energy is bigger than the programmed electricity) as well as negative imbalances (when the measured energy is smaller than the programmed energy), and is invoiced to the market participants that are responsible for these imbalances, according to the respective price.*

Register of Market Participants during 2015					
				GENERATOR	G
				TRADER	T
				QUALIFIED SUPPLIER	QS
				WHOLESALE PUBLIC SUPPLIER	WPS
				RETAIL PUBLIC SUPPLIER	RPS
				DISTRIBUTION	D
No	Name of the Company	EIC Code	No MPT	Registration date	Role at TEE
1	A&A Group	23X--150311-A-A2	54	*MARCH.10.15*	T,QS
2	Albanian Energy Supplier		58	*MAY.26.15*	T,QS
3	Albanian General Electricity	23X--150420-AGE8	45	*OCTOBER.30.14*	T
4	ALPIQ Energy Albania	23X--141204AEA-T	11	*APRIL.29.11*	T,QS
5	AXPO Albania	12XEGL----H----0	3	*JANUARY.20.11*	T,QS
6	Ayen AS Energji	23X--150416-A—N	47	*DECEMBER.17.14*	T,QS,G
7	Ayen Energy Trading	23X--140426-AY-W	40	*MAY.7.14*	T,QS
8	Danske Commodities Albania	23X--121120DCALG	21	*OCTOBER..31.12*	T,QS
9	Devoll Hydropower	23X--150409-DHP5	62	*JUNE.11.15*	T,QS
10	EFT Albania	23X--150302-EAL6	18	*MAY.27. 11*	T,QS
11	EMIKEL		56	*APRIL.16.15*	T
12	Energija doo Veternik	54X-EDOOV-15-020	68	*DECEMBER.30.15*	T,QS
13	Energji Ashta		20	*MAY.25.12*	G
14	Energy Supply-AL	34X-0000000017-C	24	*MAY.15.13*	T,QS
15	Erdat Lura		32	*SEPTEMBER.17.13*	G
16	Future Energy AL	23X--150301-FE-3	50	*MARCH.6.15*	T,QS
17	GAEA-Energjia Alternative e Gjelber	54X-GAEA11-1501R	66	*JULY.12.15*	T,QS
18	GEN-I Tirana	23X---120709GEN0	4	*JANUARY.31.11*	T,QS
19	Gjo-Spa Power		33	*SEPTEMBER.17.13*	G
20	Green Energy Trading Albania	23X--150702GE--3	65	*JULY.1.15*	T
21	Grupi Sistemeve Automatike	22XGSA---------N	16	*MAY.9. 11*	T,QS
22	Albanian Power Coorporation	23X--130918APC-M	12	*APRIL.25.11*	G,T,WPS
23	KURUM International	23X--131115KI--1	35	*DECEMBER.17.13*	T,QS
24	Le Trading Albania	23X--150309-LT-Y	49	*FEBRUARY.16.15*	T
25	NOA Energy Trade	23X--150630-NE-6	52	*MARCH.10.15*	T,QS
26	Electricity Distribution Operator	23X--130503--CS-2	7	*APRIL.25.11*	D,RPS
27	Roberto Oil	23X--150602-RO-6	60	*MAY.22.15*	T,QS
28	Stravaj Energy		38	*MAY.25. 14*	G,T
29	WENERG		64	*JUNE.10.15*	G

Figure 63: Market Participants during 2015

1.11.4 KESH company monitoring.

During 2015, ERE has mainly performed monitoring regarding electricity import/export and electricity exchange, realizing the investments and analyzing KESH company results, the ancillary services and the analysis of the expenses and the Cash Flow.

From monitoring the transactions that has to do with electricity import/export and electricity exchanges it is noticed that electricity sale and purchase is made refering to:

- ✓ Completing the demand for electricity to tariff customers (OSHEE company), Retail Public Supplier;
- ✓Providing electricity generation from KESH company for every month;
- ✓Providing small HPP-s generation;
- ✓ Big flows aiming to avoid water discharge without electricity generation;
- ✓ Economic benefit;

and in conformity with the "Regulations and Procedures of Purchasing electricity" approved by ERE Decision No. 30, of March.23.2011, as well as the "Regulations and Procedures of Electricity Sale" approved by ERE with Decision No.1 of January.10.2011.

Planing and Realizing the investments at KESH company is monitored by analysing the results of the 9-month period for 2015.

With Decision No. 136, of date 26.12.2014, the Energy Regulator Authority approved the Investment Plan for 2015 for KESH company in total amount of about 6,053,306,000 ALL where 2,747,306,000 ALL are investments of foreign finances and the other part with finances from the company.

The Supervisory Board of KESH company with Decision No. 7, of date 31.03.2015 "On approving the Amendments in the Economical-Financial program of KESH company" has decided the amendment of the Investment Plan approved by ERE, bringing it for approval at ERE with the official letter No. 353/1, of date 24.04.2015.

On the proposed e addition was mainly provided the taken of the measures to access the defect in the TPP cooling plant, by fund allocation for consulting services for detailed design of resetting the cooling system, which shall enable the plan of the actions that will be undertaken in the future to eliminate the defect and reset into operation of the termo power plant.

From the monitoring and data elaboration for the 9-months of 2015

- Are postponed during the years, including 2015, 18 investments in amount 981 500 000 ALL or 28 %
- Are realized 27 investments in amount 1 058 752 000 ALL or 30 %
- There are in process 41 investments in amount 1 485 500 000 ALL or 42 %
- Investments with foreign funds are provided in the amount 2 669 806 000 ALL

On march 2016 from KESH company were send the operational data regarding the investment realization for 2015.

As follows are submitted the data regarding the investment realization for 2015 .				
Operative results of the investments for *(Declared by KESH, March 2016)* *000/ALL*				
NO	NAMING OF THE INVESTMENT GROUP	*Carried out from 2014*	2015 Plan KESH (Local + Foreign costs)	Realiyed until 31.12,2015
	Fierzë HPP		**915,600**	707,367
	Koman HPP		**805,000**	186,364
	Vau i Dejës HPP		**1,138,500**	239,297
	Dam Safety Project		**2,669,806**	1,047,925
	KESH Center		**518,000**	180,906
	Vlora TPP		**148,252**	-
	KESH Security		**400**	-
	These data are considered operational by ERE , to the report according to the regulation approved by ERE and the balance sheet of KESH company for 2016	-	6,195,558	2,361,859
		%	100	38
		Capitalised value 2015 (addition)		2,100,000

2. PART II: Natural Gas Sector Regulation

2.1 TAP Project, (Trans Adriatic Pipeline)

Trans Adriatic Pipeline Project (TAP) is part of gas transmission system generated from Shah Deniz 2 (SD 2) source country in Azerbaijan toward European Gas Market. Transportation through Azerbaijan and Georgia will be performed by South Caucasian Pipeline, while transportation through Turkey will be performed by TANAP pipeline to the Turkish-Greek border.

The further transportation will be performed by Trans Adriatic Pipeline (TAP). TAP will be expanded through Greece, Albania, Adriatic Sea floor to join the Italian Transmission Gas System in San Foca South Italy area which enables further movement toward European markets.

It is known that the territory where it is taken this gas quantity is the biggest one compared with Europe, North Africa and Russia. On the following figure are given the reserves owned by these regions. (trillion M^3)

Figura 64: World Energy Statistical Review 2014

The project is mainly projected to transport 10 bcm/year, with the ability to further expand the capacity up to 20 bcm/year by adding new compressor stations. TAP is designed to enable physical gas flow in the upstream direction.

TAP Project is developed from TAP AG company. The initial shareholders of the company have been: Swiss Company Axpo (42.5%), Norwegian company Statoil (42.5 %) and German Company E.ON Ruhrgas (15%). Statoil is also a shareholder (25,5 %) in Shah Deniz Consortium is the company that uses SD2.

On July 30 2013 structure of TAP shareholders changed as follows; BP (20%), SOCAR (20%), Statoil (20%), Fluxys (16%), Total (10%), E.ON (9%) and Axpo (5%).

There have been some changes of the shareholders for which are informed all the stakeholders including here three natinoal autorities, the Greek, Italian and Albanian Authority.

Some amendments in TAP AG ownership – mainly, general outage of Total Gas Transport Ventures S.A.S. and E.ON (through Global Commodities SE), the exit of Statoil ASA as shareholder and the entry of Enagás Internacional SLU and SNAM

Shareholders	The shareholders before the foreseen change on 23 July 2013	Actual shareholders For 2015	Amendment
AzTAP (before known as SOCAR GAS Pipelines GmbH)	20%	20%	0%
BP Gas Marketing Ltd	20%	20%	0%
SNAM S.p.A(Italy)	0%	20%	+20%
Fluxys Europe BV	16%	19%	+3%
Enagás Internacional S.L.U	0%	16%	+16%
Axpo Holding AG	5%	5%	0%
Total Gas Transport Ventures SAS	10%	0%	-10%
E.ON,Global Commodities SE	9%	0%	-9%
Statoil ASA	20%	0%	-20%

Figure 65: TAP actual shareholders

2.2 Progress of TAP-AG project so far

One of the main issues for settlement during 2015 has to do with TAP-AG Certification from Energy /regulator Authority, in the conditions where the new natural gas law was not issued yet and shall be transposed the "Third Energy Package". One of the main issues for this thing was the approval of the Regulation on TSO certification for natural gas.

During 2015, ERE took the preliminary decision for the Certification of Trans Adriatik Pipeline AG (TAP-AG), as Transmission System Operator for Natural Gas based on the Regulation on TSO certification for natural gas".

This decision is approved on date 31 October 2015 based on articles 13, 37 and 38 of Law no.102/2015, "On Natural Gas Sector" as well as article 11 of ERE Regulation, "On the Certification of Transmission System Operators".

The preliminary decision is prepared in close cooperation with the Regulatory Authorities of Italy, Greece which have issued similar decisions for TAP-AG certification. These decisions are in full conformity with Article 10, of 2009/73/EC Directive as well as Article 3, of (EC)No.715/2009 Regulation.

The Certification Application was based on the independent transmission operator model, where TAP shall met all the conditions set on Chapter IV of Gas Directive except article 22 of this Directive.

Also, during 2015, Albania started the works for the construction of TAP-AG pipeline, on 03 July 2015, by a ceremony where took part even the Prime Minister of Albania Mr. EDI RAMA. Actually we are the first country from the three ones where this Pipeline will pass and constructed, that are performing ancillary works for the track where the pipeline will pass and for new roads and the repair of existing ones or for the change of the bridges and other works necessary for this project.

On the same time we shall inform that:

It has started the coming of the pipelines to the Main Marshalling Yard in Durres, it continues their transport on the defined places during the track and very soon on May 2016 will commence the spread and the mount of this pipeline.

2.2.1 Exemption Decision of TAP AG-s

The Exemption Decision is supported on 4.5 paragraph of the FJO which exempts TAP-AG from ownership provisions, as defined on article 9(1) of Gas Directive.

All the investment for this project shall be about 45 billion dollars traversing six countries with a pipeline length of about 3500 km.

Figura 66: Projekti TAP

- TAP has a length of about 878 km.
- Its track begins on Greek-Turkish border, passes on the Greek territory and enters in Albania on Bilisht area.
- It traverses 204 km in Albania (from Bilisht- Centerr Greek-Albanian border to the coastal area in Seman on the north of Fier),
- It expands 105 kilometers across Adriatic Sea, comes out Melendugno and continues even 5 kilometers in the Italian territory.
- The length of this project is estimated to be up to 1800 m mountain altitude in our country
- About 820m of the pipeline shall pass beneath the Adriatic Sea. This makes that the hardest terrain for this project shall be on our territory.

Final Joint Opinion of June 2013 defined that Exemption Decision will loose its effect and validity if the construction will not begin within 3 years (so, within June 2016) and if the operational activity does not start within the next 6 years. However, EU Commission could approve a prolongation in case of any delay caused by major obstacles beyond TAP authorities. (this based on article 36.9 Directive 79/2003/EC).

In European Commission decision of May 2013 it was provided that TAP role is only one element in the series of investments performed to ensure Shah Deniz 2 Gas generation and gas transport in EU. In particular, the decision provided that TAP has no influence on further development of the process; so, any influence on Shah Deniz 2 gas field, transport infrastructure from Azerbaijan and Georgia, as well as transport infrastructure along Turkey.

On the time that TAP Exemption Decision was taken, considering the request for postponement from the Consortium by TAP and approved by the three Authorities, January 2020 until December 2020, is estimated as the period when

gas will enter for the first time on TAP transport system.

2.2.2 The Planned Commencement Date (PCD) for TAP project.

TAP-AG has a very good progress which is in conformity with the graph approved by the consortium regarding gas generation from Shah Deniz gas field, but also further actions until on May 2016, when it is the final date for the commencement of the pipeline construction in the three countries that this pipeline passes.

Regarding TAP, the procedure to determine PCD is explained on Tariff Define Agreement (TDA) of July 2013, where the agreed parties are BP Exploration (Shah Deniz) Limited (for the account of South Gas Corridor), SOCAR and TAP AG. On TDA (Tariff Define Agreement) it is sanctioned SDC right to define PCD (Planned Commencing Date) within the specified parameters.

TAP is not an existing infrastructure, and as a cross-border gas pipeline and self – sustained project to be constructed yet, TAP shall not take TSO activities, before the date when the TAP pipeline shall terminate and be able to transport and send Natural Gas, as define on the Commercial Operation Data (COD) of the FJO.

On August 2013, three National Regulators were notified by an official letter by TAP company where was summarised TDA (Tariff Define Agreement), including here the 'funneling mechansim' principles. The process of defining PCD (Planned Commencing Date) is also included in the final version of TAP Tariff Code, that was approved by National Regulators on November 2013.

2.3 Actual situation of TAP Project and other projects of gas sector

TAP Project emerged as a National Importance Project on December 2012, the draft of an inter-governmental agreement between the three countries; Greece, Italy and Albania was reached on February 2013. The Albanian government made an agreement with TAP, Host Goverment Agreement, (HGA) on April 2013 and a Memorandum of Understanding (MoU) to support TAP & IAP on May 2013.

The Albanian government approved on 03 May 2013, the social and environmental impact assessment, which paved the way for further actions.

TAP-AG project is seen as a project establishing the "Ring" in Europe, that will make diversity in Natural Gas supply but at the same time the connection in the

near future with the IAP Project, shall make our country a connection node for MonteNegro, Kosovo, Macedonia and Croatia.

Regarding the IAP project, the government has actually applied for project financing at the European Commission and it is closely worked with the governments of two other countries (MonteNegro and Croatia) where this project passes to ensure the funds and going toward the realization of this project.

At the same time IAP project, moving northward, longitudinally corsses our territory and as consequence shall serve as a highway, high pressure transmission grid, ensuring a sustainable and long term supply with gas.

This project will make the connection with TAP-AG project, through Albania, Monte Negro and shall end in Croatia. From this project shall benefit even Kosovo and Bosnia Herzegovina. The length of this pipeline shall be 511 km, shall transport 5 bcm/per year and the beneficiaries from this gas quantity shall be; Albania 1bcm/per year, Monte Negro 0,5 bcm/per year, Bosnia Herzegovina 1bcm per year, Croatia 2.5 bcm/per year. Kosovo shall receive gas through Albania.

In our country TAP Project has entered in its implementation stage, or execution stage and after this shall be the interconnection with IAP project.

Activities during 2015 regarding TAP Project.

On 03 July 2014, was made the inauguration for the commencement of the works on TAP project. Actually it is being worked on and concretely:

- On 150 km new roads and repairing or expansions of the existing ones

-On the construction of 52 new bridges and the repairing of the new ones

-It is being worked on the track where the pipeline with a length of 215 km lenth will pass

-Preliminary works for a Compressor Station in Fier and a Metering one in Bilisht

- The pipeline will traverse on 570 roads and 440 streams, rivers and canals as well as one railway
- Have arrived the pipelines on the Marshalling Yard in Durres and they are transported, it has began the work on the Compressor Station in Fier and the rehabilitation of some roads.

Other activities during 2015 regarding the developments on the gas sector

There is a satisfactory performance regarding the "Natural Gas Master Plan for Albania and the Identification of Priority Projects on Natural Gas Field ", the

Energy Regulatory Authority in an Interested Party in this project and we are very active in the participation through debates, opinions and data support which influence on the quality of this project.

This project shall terminate on October 2016 and then the way is free for further developments to the construction of gas grid and the Transmission and Distribution one. Our purpose shall be that this transmission and distribution grid, shall terminate on the same time when the gas by TAP will come in our country.

2.2.4 Prolongation of the Exemption Period

It is very important to underline the "Prolongation of the Exemption Period", because: TAP project is a unique and self sustainable one, it is subject of an extensive and strictly regulatory regime, in conformity with the exemption conditions by FJO and that this project is self-sustainable, financed by its shareholders and may not be certified on the same conditions as an existing infrastructure.

2.3 Other developments about TAP project

2.3.1 About the decisions taken for the project.

2015 has been a year where the work for TAP project has been intensified and where the results have been concrete and significant. We are the first country that commenced TAP works compared with the two neighbouring countries Italy and Greece.

Energy Regulator Authority together with the Regulatory Authorities of Greece and Italy, have taken joint decisions regarding TAP-AG project. These decision are taken in conformity with the Directive of the European Parliament and of the Council, 2009/73/EC, the Regulation (EC) N0.715/2009, of the Ministerial Council Decision No.D/2011/02/MC-EnC, as well as "Natural Gas Law" No.102/2015, which has reflected all the requirements of the European Union.

2.3.2 Decisions taken during 2015 for natural gas

During 2015 are taken a series of important decisions in natural gas sector. It should be mentioned: The approval of the preliminary decision for TAP-AG certification as TSO and the primary approval of the regulation for certification in conformity with the new natural gas law nr.102/2015. And concretely the taken decisions are:

- ✓ Decision No. 25 of date 11.02.2015, For licensing "Anio Oil & Gas" company in natural gas trading activity for a period of 5 years
- ✓ Decision No.26 of date 11.02.2015, For approving the application payment for license in natural gas sector
- ✓ Decision No.43, of date 07.04.2015, For beginning the procedures to license "Phoenix Petroleum" company in natural gas trading activity.
- ✓ Decision No. 52, of date 17.04.2015, On applying the amendments required from the European Commission and Energy Community Secretariat for the Joint Opinion of the Albanian, Italian, and Greek regulatory authorities approved with ERE decision No.135 date December 24.2014
- ✓ Decision No. 87, of date 30.06.2015, On refusing the license request of "Phoenix Petroleum" company in natural gas trading activity.
- ✓ Decision no.90, of date 15.07.2015, On beginning the procedures to approve the regulation on the procedures to certify transmission system operator for Natural Gas
- ✓ Decision No.100, of date 05.08.2015, On approving the regulation for the certification of transmission system operator in Natural Gas.
- ✓ Decision No.101, of date 05.08.2015, On beginning the procedures to review the application of TAP AG company to be certified as independent transmission operator for natural gas.
- ✓ Decision No.130, of date 31.10.2015, For the Preliminary Certification of TAP AG company as Transmission System Operator in Natural Gas.
- ✓ Decision No. 129, of date 31.10.2015, On some amendments in the rules for the certification of transmission system operator in natural gas.
- ✓ Decision No. 137, of date 26.11.2015, On beginning the procedures to license "Phoenix Petroleum" company in natural gas supply activity.

2.3.3 Natural Gas Tariff Methodology for TAP AG

Energy Regulator Authority approved the Tariff Methodology for Gas by Decision No. 127, date 7.11.2013 , "On approving the Tariff Methodology TAP Tariff Code, proposed by TAP AG, according to the obligations defined in the "Final Joint Opinion"

On November 8 2013, the three Albanian (ERE), Greek (RAE) and Italian (AEEG) Regulators approved the Tariff Code proposed by TAP AG for TAP, gas pipeline that will bring Azerbaijan gas in Italy, through Greece and Albania.

Tariff Code for TAP describes the used methodologies to define the terms and conditions for the prices that will be applied by TAP for the capacities subject to obligatory third party access, even for the capacities excluded from these requirements.

The tariff methodology proposed by TAP AG is transparent and non discriminatory. The Tariff Code provides a tariff reduction in case of reserved capacity increase in the future. On the other hand, in conformity with the Final Joint Opinion, the tariff structure takes into consideration the different risk level between the investment in the initial capacity and the investment capacity for future expansion.

Tariff Methodology has undergone a series of amendments from its final version because of the comments made by the three regulators in order the document reflect the basic principles mentioned in the Final Joint Opinion. The final version of Tariff Methodology is submitted at ERE for approval on date 14 October 2013.

On the content of this methodology are implemented the essential requirements defined on the Joint Opinion regarding the tariffs, reflecting in the tariff of the efficient cost, those to be transparent and non discriminatory; the mechanism that the tariffs to decrease following the increase of the transport capacities that will be used; taking in consideration the different risk level of the initial investment and the further expansion; same tariffs for the same product despite if it is offered from the exempted capacity from third party acess or from the non exempted capacity .

2.3.4 The problems deriving for settlement on Natural Gas sector

With the approval of the new gas law No.102/2015, "On Natural Gas" our country has implemented the "Third Energy Package" and is one of the first countries together with Serbia and Monte Negro that is applying this package, when before it was not implemented the "Second Energy Package".

In these conditions it is emergent the application of this package which requires a total engagement not only by Energy Regulator Authority, but also from other institutions regarding this concern.

Above emergent concerns should be mentioned:

1. The establishment of TSO-G.

It shall be certified by ERE, in conformity with the national natural gas law, because it shall be the Transmission System Operator for Gas in our country.

Now it is known that our country has ratified the Treaty for Establishing Energy Community and is obligatory contracting party to undertake all the steps to fulfill the obligations issued by this Treaty.

At the same time by the end of October 2015, has entered into force the new law "On Natural Gas Sector ", which on article 35 point 6, defines that: *License for the transmission of natural gas issued before this law came into force and allowing the natural gas undertaking (in this case Albpetrol company) to carry out the duties and fulfil the tasks related to the transmission of natural gas shall be deemed as a temporary license authorising respective activities before the TSO but in any case no longer than until 1 June 2016.*

The institutions working for the adoption as soon as possible of TSO gas (Albpetrol company), in conformity with gas Directive 2009/73/EC of the European Parliament and of the Council on date 13 July 2009, of (EC) Regulation no. 715/2009 of the European Parliament and of the Council of date 13 July 2009 and the new gas law No. 102/2015.

This is an obligation that derives from:

- TAP has commenced the constructuion works in our territory.
  Within 2019 shall terminate its construction and shall be ready for gas transport to Italy, but even for the needs of our country. It is on the benefit of our country that the new gas TSO to become functional immediately after it has entered on contractual relation with TAP-AG for ancillary works.
- These relations of TAP-AG meanwhile are constructed with the neighbouring countries like Greece and Italy.
- The existing license (actually by Alpetroli company) terminates on 30 May 2016 and the new established company shall be licensed by ERE, but firstly it should be Certified as TSO-G, a process which takes time and contains long procedures. Above all we could say that:
  a) The last deadline to applyat ERE by TSO-G shall be 30 May 2016.
  b) The last deadline for ERE to issue its decision is four months.
  c) The last deadline for the Secretariat to issue at ERE an Opinion fir the applicant is four months.
  d) The prolongation of the deadline for the Secretariat to send ERE an opinion if it includes the EC Regulatory Board is two months
  e) The last deadline for ERE to issue the final decision for the certification, including the Secretariat Opinion is two months
- Non later that the commencement of TAP operations shall be a Market Test , for the capacities allocation. Then the Market Tests should be every two years according to FJO.

3. IIIrd Part: Energy Regulator Authority Activity

3.1 Electricity Prices and Tariffs

Based on Law no. 43/2015 "On Power Sector" respectively articles 19, 20, 79, 83 and 85 ERE is the responsible authority to define the tariffs and prices for the regulated activities realized on power sector, based on the methodology approved by ERE Board.

3.1.1 Letting into force for 1 January 2016 - 30 June 2016 of the existing tariffs and retail electricity prices.

Based on article 20 of Law no. 43/2015 ERE with decision No.156 of date 24.12.2015 decided to let into force the existing tariff and prices for generation, wholesale supply, transmission service, distribution and the prices for electricity retail supply approved by ERE with decisions no. 139, 140 ,141, 145, 146, 147, and 148 of date 26.12.2014 as well as decision no. 27 of date 16.02.2015 "On approving the fix electricity tariff for 2015, that shall be paid to electricity generators from the hydro-power plants", until the issue of ERE Board decision for its abrogation.

The taken of this decision was conditioned by:

- It has not finished the draft of the secondary legislation and the regulations in conformity with Law no. 43/2015 "On Power Sector". There were missing the secondary legislation and the regulations implementing the new Law no. 43/2015 which clearly define the obligations and functions of each of electricity market participants, as well as the obligation to offer the public service.

  Article 108 of Law 43/2015 has let ERE and the respective bodies such as the Council of Ministers, the Ministry of Energy and Industry (MEI) or the licensee a 12 months deadline to draft and approve the secondary legislation.
- The process of concluding the mutual obligations between KESH , OST and OSHEE companies has not terminated. The conclude of the mutual obligations is an issue carried out from 2012 for which referring to Council of Minister Decision no.126, of date 11.02.2015, it has began erase with compensation process of the mutual obligation for the power sector companies. This is a complex process which requires time to be evidenced, for reconciliation, their payment and compensation. On ERE assessment, the process of concluding the mutual obligations is closely related with the process of adjusting the tariff and prices for the previous period which shall be reflected on the tariffs for the next period.

- KESH , OST and OSHEE companies have not submitted the Investment Plans for 2016. ERE considers the investment plan an important component to define the incomes required for the regulated activities. For this reason, the application of the Investment Plan for the regulated companies normaly precedes to the submission of the requirements for tariff review.

- KESH, OST and OSHEE companies did not submit the application for the review of the respective tariff for 2016. This above all relates with the fulfillment of the new sector law obligations and especially with the draft of the Electricity Market Model and the draft of other secondary and regulatory acts. Power Sector Law provides a transitory period to transfer Wholesale Public Supplier activity to the Retail Public Supplier, part of OSHEE company.

  Being in this transitory period, the perform of an analysis and assess of the incomes for 2016 by the public KESH, OST and OSHEE companies was connected with the calculation of the operational costs to fulfill the activity in conformity with the criteria defined by the law, and the update of the tariff for previous regulatory periods. This update was impossible to be realized as consequence of the inherited financial situation, reflected at the mutual relations between the three operators.

- The Ministry of Energy and Industry as well as the three public companies agreed to the extension of actual tariff and prices until on 30 June 2016.

- Was considered an improving situation of the sector which served as a sufficient indicator for the tariff and prices for 2015, which are sufficient to perform a normal activity for the three public operators for the first sic months of 2016.

  This ascertainment made by ERE during the period of taking the decision results accurate from the latest reports of KESH , OST and OSHEE companies regarding the financial statements for 2015 (which are not audited). As follows are submitted the required incomes approved by ERE and the realized ones during 2015:

KESH company Required/realized incomes for 2015	Approved by ERE			Realized by KESH company (Income and Expenditure Statement)
	Aktiviteti i Gjenerimit	Aktiviteti i Furnizimit me Shumice	Total KESH sh.a.	
Operational Expenses (OPEX)	1,749	42	1,791	1,724
Year amortization	1,026		1,026	1,954
Expensed for energy purchase		9,057	9,057	10,542
Debt service for Vlora TPP	1,531		1,531	
Interest Expenses		1,772	1,772	1,769
Income adjustment for the previous regulatory period			(2,030)	
Incomes for electricity sale with market prices		(2,030)		
The profit before the taxes	687	69	756	3,308
TOTAL	**4,993**	**8,909**	**13,902**	**19,296**

Table 67: Incomes for 2015 KESH company (Source KESH company , ERE)

TSO company Required/realized incomes for 2015	Approved by ERE	Realized by TSO company (Income and Expenditure Statement)
Operational Expenses (OPEX)	2,283	1,985
Year amortization	1,625	1,718
Adjustment of the income from the allocation capacities	(900)	
Financial-net expenses		119
The profit before taxes	1,086	2,764
TOTAL	**3,008**	**6,585**

Table 68: Incomes for 2015 TSO company (Source TSO company, ERE)

OSHEE company Required/realized incomes for 2015	Approved by ERE			Realised by OSHEE company (Income and Expenditure Statement)
	Distribution Activity	Retail Supply Activity	Total OSHEE company .	
Operational Expenses (OPEX)	7,883	2,069	9,952	8,526
Year amortization	3,331		3,331	2,102
Electricity purchase cost for the losses	9,323		9,323	13,004
Electricity purchase cost from the Wholesale Public Supplier		13,632	13,632	13,378
Electricity transmission cost for the Retail Public Supplier and the Losses	787	2,954	3,741	3,969
Expenses for the Bad Debt /Provisions		4,497	4,497	(1,525)
Annual amount for liquidating CEZ a.s. (governmental agreement)		3,433	3,433	
Financial-net expenses				1,366
Incomes from new connections and reactive energy	(652)		(652)	
Extraordinary incomes				(3,874)
The profit before taxes	1,084	300	1,384	17,605
TOTAL	**21,757**	**26,884**	**48,641**	**54,552**

Table 69: Incomes for 2015 OSHEE company (Source OSHEE company, ERE)

Should be underlined that the expenses of the three public companies for 2015 shall be object of a detailed analysis in a process of tariff and prices review for 2016.

3.1.2 Electricity sale price from the hydro-power plants with installed capacity up to 15 MW.

For this category of generators, the definition of the electricity generators tariff from the hydro-power plants for 2016 was conditioned from the publication of the annual report of the Hungarian exchange as provided on Council of Ministers Decision No. 1033, of date 16.12.2015 which defined the "Methodology for calculating the fix tariff for electricity, that should be paid to electricity generators from the hydropower plants". For this reason, ERE with decision no. 156 of date 24.12.2015, let into force the existing tariff approved with ERE Board decision, no.27 of date 16.02.2015. The legal effect of this decision extends until on 16.02.2016. After the publication of the annual report from the Hungarian exchange in conformity with the definitions of Council of Minister Decision No. 1033, of date 16.12.2015, ERE proceded with the definition of the fix electricity tariff that shall be paid to electricity generators from the hydropower plants", for 2016 according to the Methodology defined with the abovementioned Council of Ministers Decision:

Council of Minister Decision No. 1033 of date 16.12.2015, "On approving the methodology of defining the fix electricity tariffs that shall be paid to electricity generators from hydro power plants", defined the form for calculating the electricity sale price generated from the small generators where the main element is the average price of the Hungarian exchange:

"The sale price (ALL /kWh) = The average price of the respective year of the Hungarian exchange (HUPX) for electricity in euro cent/kWh X coefficient 1.24 X the average exchange rate euro/ALL for the last year".

Pu=42.92/1000*1.24*139.95=7.448 ALL /kWh

The price 7.448 ALL /kWh approved with ERE Board Decision no. 13 of date 16.02.2016 shall be the price with which the electricity producers from the hydro-power plants shall sale the electricity produced from them during 2016.

This price resulted approximate with the one of 2015 (7.636 ALL/kWh), by not creating large fluctuations of the costs for the Wholesale Public Supplier, a cost that is transferable for tariff customers.

AREA enterprise by lawsuit filled in the Administrative Court in Tirana has required:

- The opposition and abrogation of ERE decision no. 156 of date 24.12.2015 "On letting into force decisions no. 139; 140 ; 141; 145; 146; 147; 148 of date 26.12.2014 as well as ERE Board decision no. 27 of date 16.02.2015 for 1 Jnaurary -30 June 2016 period";
- ERE Obligation as the Administrative competent body, to issue the normative act to define the electricity fix tariff, according to the definitions of article 15 of Law 138/2013 "On Renewable Energy Sources"
- "Taking the security measure of the lawsuit by suspending the implementation of ERE decision no. 156 "

AREA on the lawsuit addressed to the Administrative Court of Tirana , above all expressed that Decision no. 156 of date 24.12.2015 "On letting into force decisions no. 139; 140 ; 141; 145; 146; 147; 148 of date 26.12.2014 as well as ERE Board decision no. 27 of date 16.02.2015 for 1 January -30 June 2016 period" this decision is taken opposing the legal framework in force and violates the rights of small electricity generators provided by Renewable Sources Law and the concessionary agreements between the license and the responsible Ministry for Energy.

Actually regarding this lawsuit the court accepted ERE request for the declaration of the non-jurisdiction and as such this issue has passed for review at the Administrative Court of Appeal.

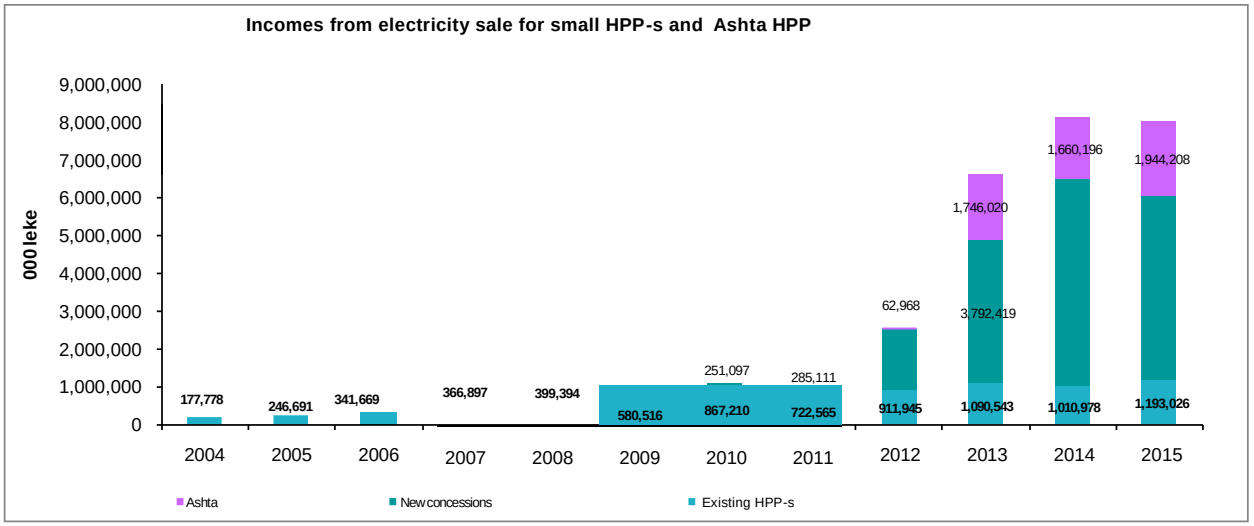
With decision no. 13 of date 16.02.2016, above all ERE has defined the entry into force of this decision, abrogating ERE Board decision no. 27 of date 16.02.2015, "On approving the fix electricity tariff for 2015, që do t'i paguhet prodhuesve të energjisë elektrike nga hidrocentralet.

ERE has opened the procedure for approving the "Methodology of defining the electricity sale Price for the electricity generators from the hydro-power plants " which is expected to terminate during march 2016 and shall be applicable for 2017, if the review of Law 138/2013 "On Renewable Sources" shall not provide the amendments of the form for calculating this tariff.

With all the repeated complaints of this small generators from the hydro-power plant enterprise, it seems that the feed-in tariff defined according to the methodology approved with Council of Ministers Decision no, 126 of date 11.12.2015 as well as Council of Ministers Decision no.1033 of date 16,12,2015, is

sufficient, because the companies in general have had a positive financial result for the exercising period.

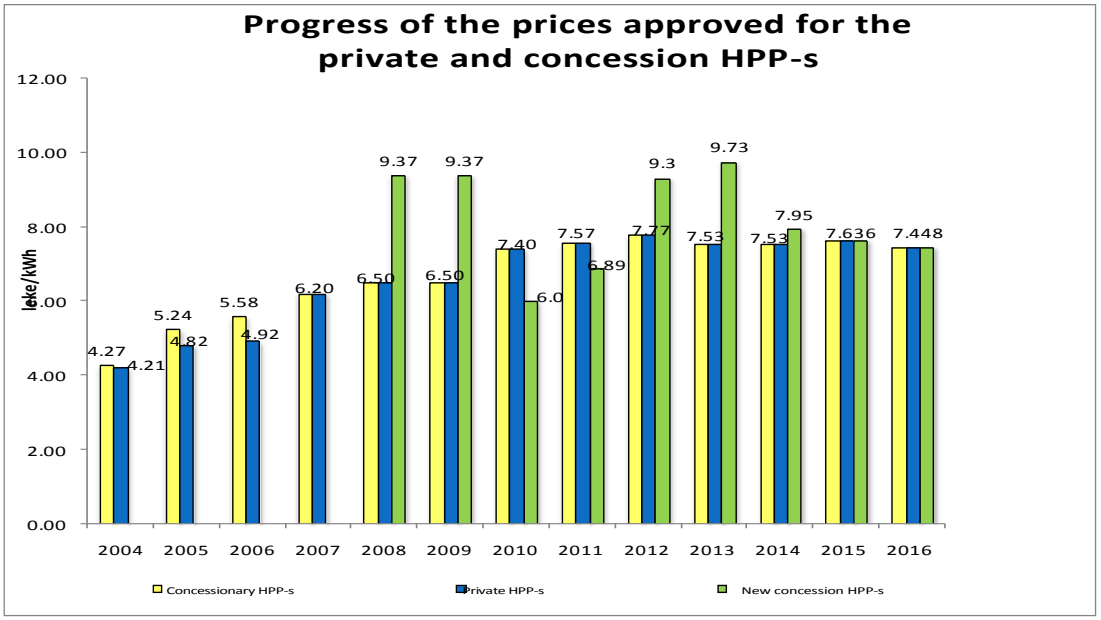
The following chart submits the progress of the incomes realized from electricity sale for the Small Generators of Electricity (PVE) and Ashta HPP during the years.



Graph 70: Incomes from Small HPP-s and Ashta HPP (Source: KESH company)

It is noted that the incomes have been in a constant level during 2015 compared with 2014 not creating fluctuations in the costs of the Wholesale Public Supplier. This for the fact that with decision no. 27 of date 16.02.2015 ERE approved a tariff of 7.636 ALL /kWh for the generated electricity from the hydro power plants with capacity up to 15 MW which results approximate with the weighted average realized for 2014 as seen from graph 74. With this decision, for the first time was unified the methodology of calculating the tariffs for two generating categories (existing hydro-power plants and new hydro-power plants with concession up to 15 MW). For calculating this tariff it is taken as reference the electricity market price (Hungarian Exchange) plus an incentive of about 24 % of this price.

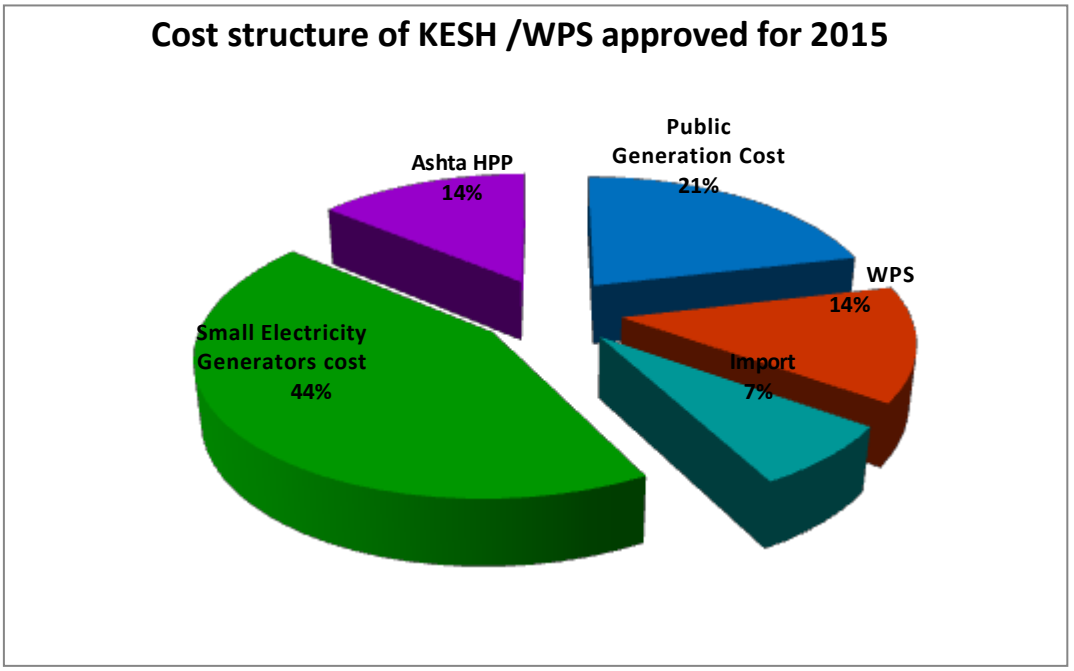
The following graph submits the progress of approved prices for electricity generators from the hydro-power plants for 2004-2016 period.



Graph 71: Progress of the prices for private HPP-s

Despite the fact that the incomes from electricity sale from small hydro-power plants for 2015 were not increased, emphasizing the fact that they compose/remain a considerable cost for KESH company that has an obligation for electricity purchase from this generator's category.

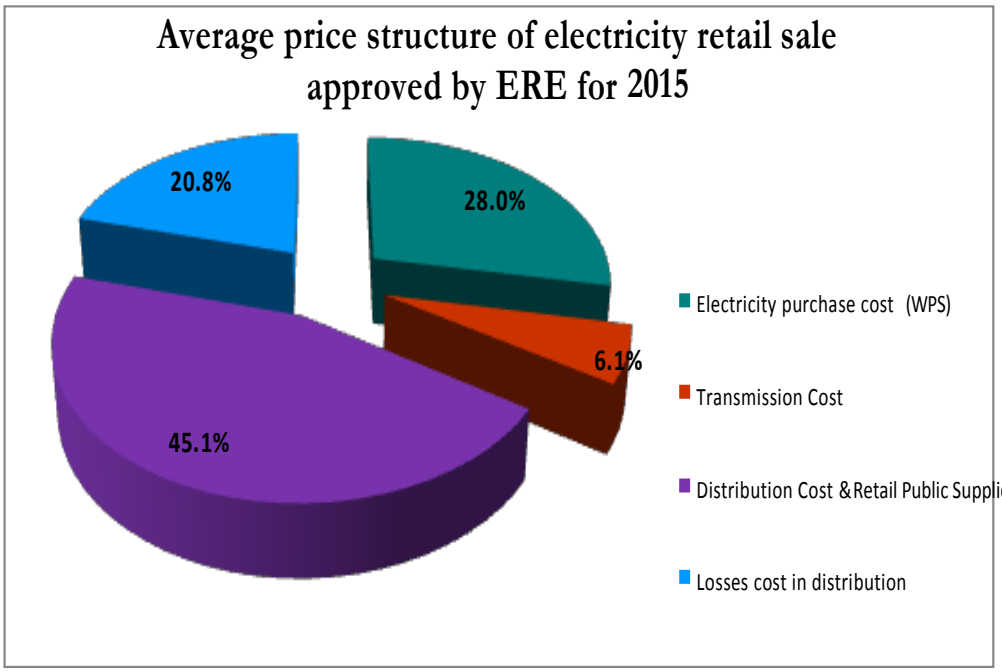
The following graph submits the approved structure of KESH costs in the function of Wholesale Public Supplier for 2015.



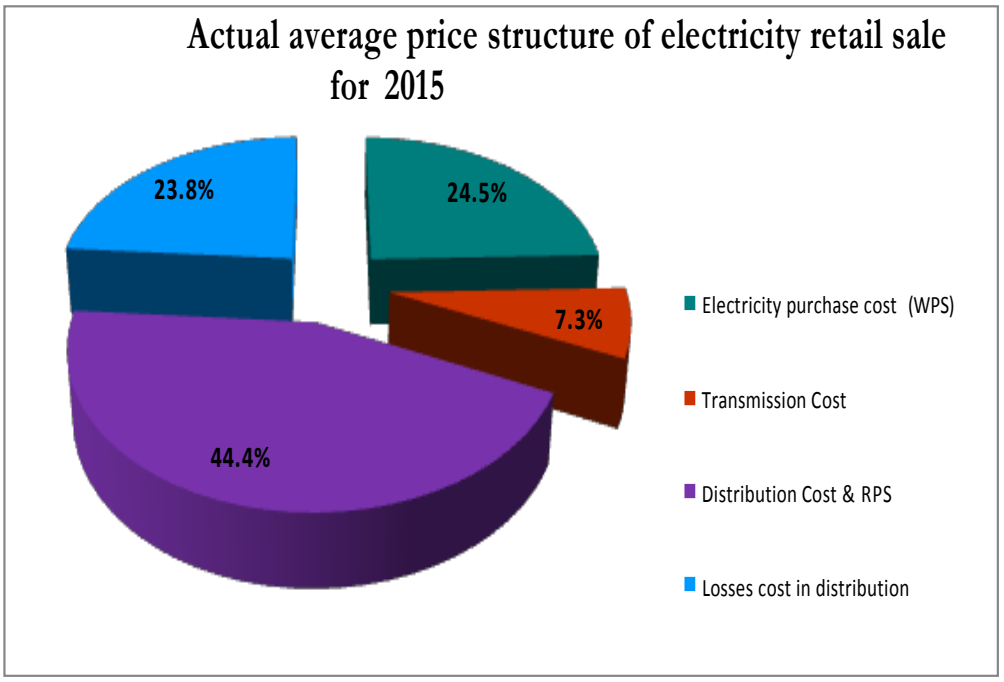
Graph 72: Approved structure of KESH company cost as Wholesale Public Supplier for 2015 (Source: ERE)

Customer Category	Approved price (ALL/kWh)		Realised price (ALL /kWh)	
	Active	Peak hour	Active	Peak hour
Customers in 35 kV	9.50	10.93	9.40	10.84
Bakeries and flour generation in 20/10/6 kV	7.10	8.17	7.10	8.17
Customers in 20/10/6 kV	11.00	12.65	10.53	12.32
Bakeries and flour generation in 20/10/6 kV Metered in LV	7.60	8.74	7.60	8.74
Customers in 20/10/6 kV Metered in LV	14.00	16.10	13.94	16.10
Bakeries and flour generation in 0.4 kV	7.60	8.74	7.58	8.74
Customers in 0.4 kV	14.00	16.10	13.84	15.97
Households	9.50		9.52	
Tariff for electricity consumption in joint facilities (scale lightening, water pump, elevator)	9.50		9.37	
Average price	10.7		11.22	

Table 73: Electricity retail sale prices for 2015 (Source: OSHEE company, ERE)

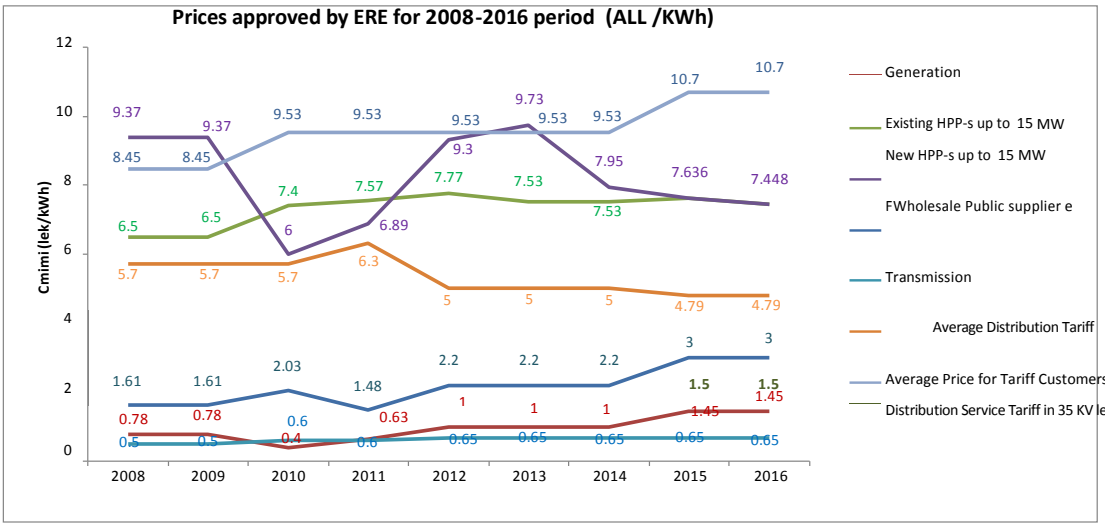


Graph 74: Average price structure of the retail sale approved by ERE for 2015



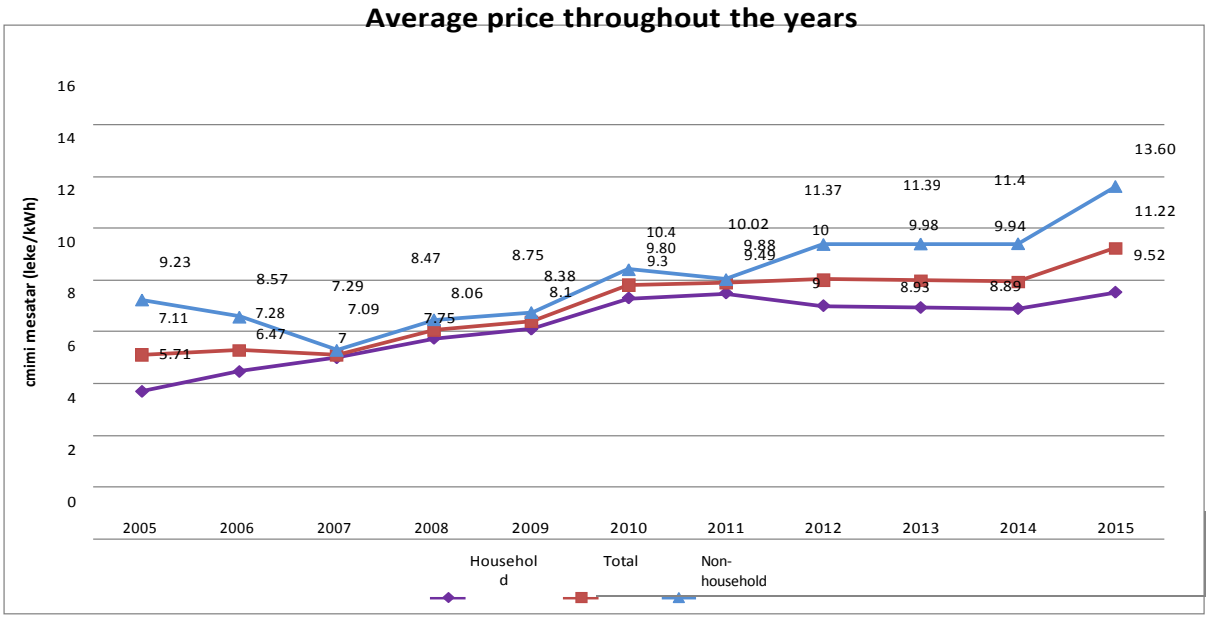
Graph 75: The structure realized for the average price of sale retail for 2015

On the following graph it is submitted the electricity price progress approved by ERE during 2008-2015 period:



Graph 76: Prices approved by ERE for 2008-2015 period

The following graph submits the progress of realized electricity average prices for household and non household customers

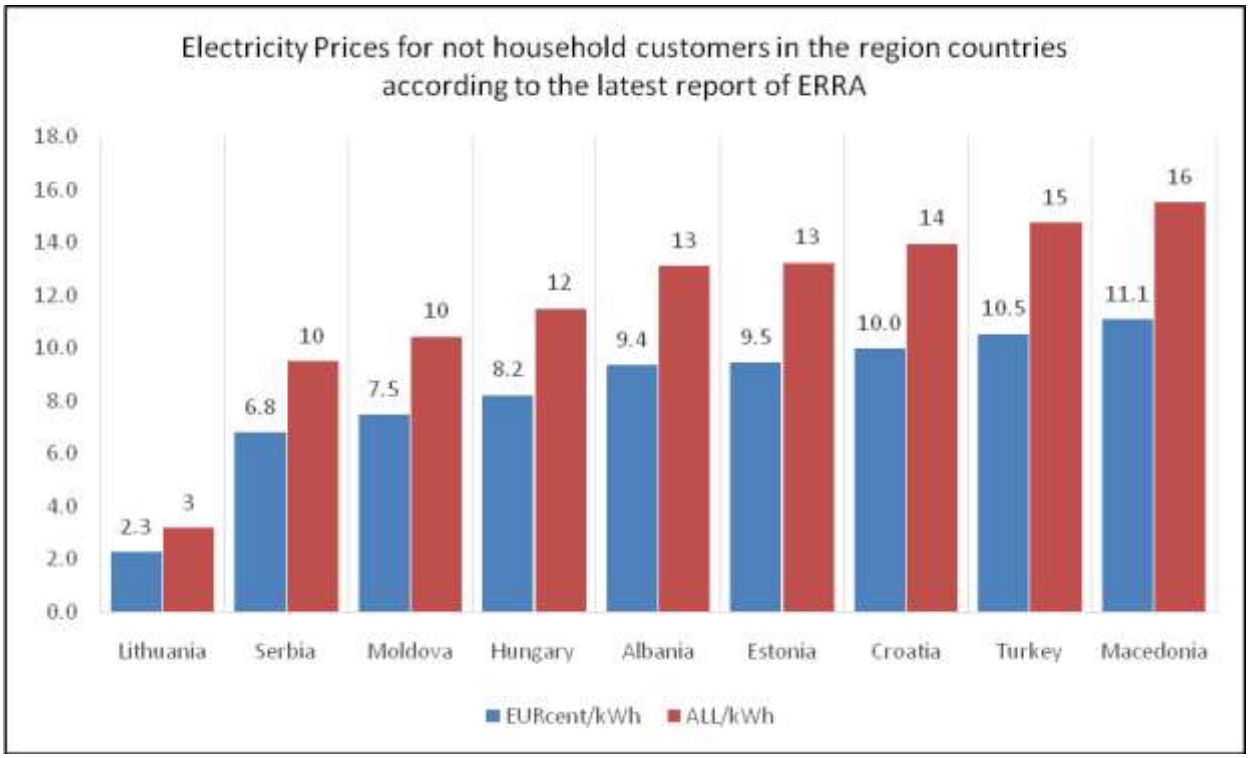


Graph 77: Realised average price (Source ERE, OSHEE)

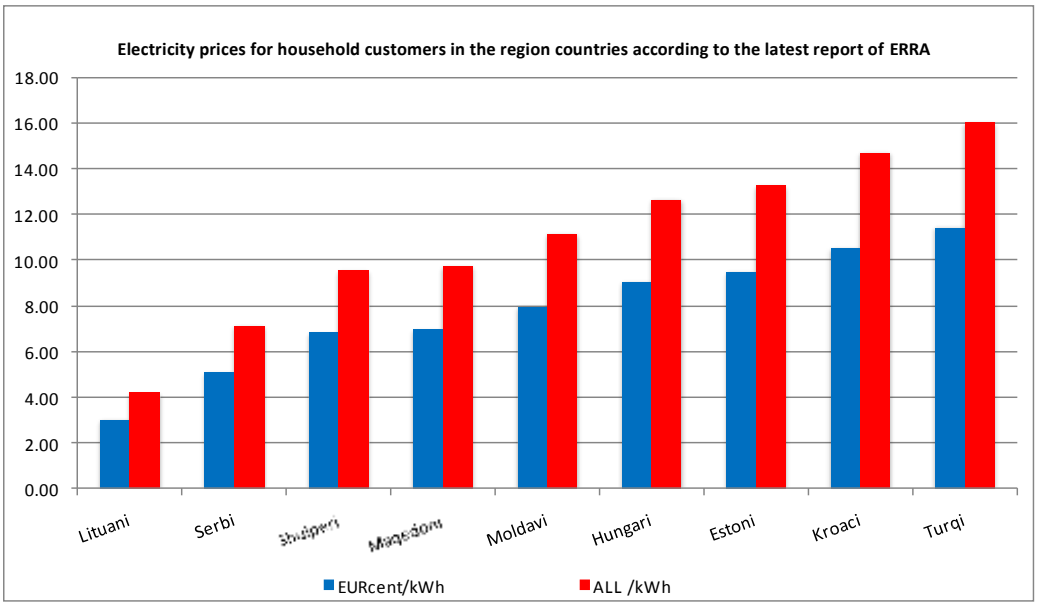
3.1.3 Electricity Prices in Region Countries, for 2015

Energy Regional Regulators Association (ERRA) database for electricity tariffs is the main source of the official electricity data in Central/Eastern Europe.

On 7-7 graph are presented the electricity tariffs before taxing (VAT) for not household customers, for ERRA countries, in Euro cent/kWh and ALL/kWh. The average electricity price for not household customers in the region countries is 11.69 ALL/kWh.



Graph 78: Electricity prices of not household customers in the region countries (Source: ERRA)



Graph 79: Electricity prices of household customers in region countries (Source: ERRA)

On 7-8 graph are presented the electricity prices for household customers,

for all ERRA countries in Euro cent/kWh and in ALL/kWh. The electricity average price for household customers in region countries is 10.91 ALL/kWh.

3.2 ERE Activity in Drafting the Secondary Legislation, the other Legal amendments during 2015 and the court processes followed by ERE

A part of ERE activity is also the draft of the secondary legislation which composes the regulatory framework in the Power Sector. Implementing Law no. 43/2015, "On Power Sector" during 2015 are opened the procedures for approving the regulatory by-laws a considerable part of which are actually in elaboration process by ERE, some by-laws of great importance.

ERE consideres of greatest importance the complete of this law with the other by-legal acts a considerable part of which is ERE responsibility and shall be approved within the deadlines defined in the law (mainly within one year from the entry into force of the law) which shall complete the regulatory framework as the main element for the operation of the power sector, taking in consideration that the the completion of power sector law with the regulatory framework provided in the law are the basis for regulating the relations between the market participants that exercise their activity in this sector, enabling the establishment of a competitive, efficient market which increases the security and quality of supply with electricity in the country with the final purpose its integration in the regional market.

The draft and review of the secondary legislation by ERE, is made in any case taking in consideration; firstly create the opportunity to third parties to be informed with the content of the documents, the opportunity to hear to the interested parties by sending different opinions or comments or even by helding hearing sessions with the presence of the parties that have shown interest for the documents in elaboration process by ERE, which in any case are made public for the parties through their publication in ERE website. By this process ERE has aimed the receive of the comments and be informed with the view of the third parties for the regulation of electricity market through the secondary legislation that ERE approves. Also the finalization of the process guarantees the transparency of ERE decisions through the meetings which are open for the public.

In each case before the approval of the regulatory by-laws ERE has required opinion from the institutions within and outside the country such as the Ministry of

Energy and Industry, the Competition Authority, Energy Community Secretariat, USAID etc.

During 2015, ERE has taken 31 decisions regarding the review of the by-laws in the power sector, to adopt them with the new "Power Sector Law" no. 43/2015 . Two of them are finalized with the approval of the Rules for the certification of transmission system operator for natural gas and the Rules for the certification of transmission system operator for electricity. Five of them have been decisions regarding electricity sale-purchase agreement, for the ancillary services and the balancing services, electricity transmission and supply services between: KESH /WPS, OST and OSHEE /RPS.

In review process by ERE, but also waiting or elaborating the comments from the interested parties or Energy Community Secretariat, are 14 regulatory by-laws as follows for which are opened the procedures for drafting them during 2015:

- The regulations and requirements for license issue, modification, transferring, renewal and license termination in the power sector.
- Regulation for ere organization, operation and procedures_
- Electricity generation license.
- Electricity trading license.
- Electricity distribution service agreement between OSHEE company and the Electricity Supplier.
- Electricity purchase procedure regulation from OSHEE company to the licensed companies for electricity trading.
- Regulation on imposing the fines and the conditions for facilitation from them.
- License for electricity transmission system operation.
- License for electricity market operator activity.
- License for electricity supply activity.
- Regulation on the procedures of asset transferring from the licensee.

- Transmission Grid Code.
- Regulation for the quality of supply and security performance of the transmission grid.
- Rules for managing the cross-border capacity.

Among the most frequent decisions of ERE during this year have been those regarding the amendments of the Electricity Market Rules for issues that have to do with the electricity imbalances as well as decisions regarding the approval of the auction rules of the coordinated auction office for SouthEast Europe (SEE CAO) version 1.2 and 1.3.

3.3 Court processes at which ERE has been a party during 2015

3.3.1 ERE as the third party

ERE is called in the quality of a third person as a party with which the defendants have in common the issue that is presented in the court. There are in total 15 court processes at which ERE is called to help the litigants and the court in settling the conflicts which in all cases are administratively reviewed before by customer protection sector at ERE. This confirms Law No. 43/2015 "On Power Sector " which with article 2, letter "ç" which defines that : "above all the objective of the law is the regulation of electricity activities, customer protection, security of supply and establishment of competitive electricity market structures; and article 18, point 1, letter "e"; defines that the "the guarantee of standards in fulfilling the universal public service obligations in electricity supply, protection of vulnerable customers and ensuring the required compatibility of the data sharing process regarding the switch of the supplier" article 24, " settling the disputes".

These processes are initiated during 2014-2015 and a part of which have finalized judgement on the First Instance Court, being accepted the lawsuit of the Defendant, electricity customer. Should be underlined that ERE in all cases, during the review of these court processes, has taken care to give priority to the customers interest assisting them in protecting their rights before the competent courts.

On the other hand ERE, was careful that the protection of customer interest not to clash with the legislation in force, neither violate the licensee interest, defendant in these processes. Should be underlined that in 15 court processes reviewed from the Court during 2015, OSHEE company has been defendant and jurisdictionaly affected for the review of implementing the legislation in force.

3.3.2 ERE as defendant

ERE is defendant in 11 court processes. Should bring into attention that in 6 of them, ERE is sued by former CEZ Shpërndarje regarding its decision which date on 2010-2011 years, and as consequence the request object itself which is claimed by the substitutional defendant party OSHEE company, has lost topicality. We are speaking for ERE decisions regarding the Supply Agreements provisiosn for household customers on 2011-2012 years, or agreements of licensed companies like OSHEE-OST, etc, which exactly because of new substitutional decisions not juridictionaly affected in the coming years, have lost their topicality. Announcing void of these decisions does not generate any effect over the parties, for the abovementioned causes. Six of these processes have finalized their review in the first instance court and some of them at the appeal court, after the failure of the lawsuits from the competent courts.

There are 4 other court processes that are raised and reviewed in competent courts, 2 of them in Administrative Court with the same lawsuit object, objecting ERE Board decisions no. 143 and no. 144, of date 26.12.2014. The Administrative Court of Appeal is expressed with the final decision of this Court panel, rejecting the lawsuit with this object. Consequently, except of the recourse in the High Court, these decisions of the administrative court of appeal panel, are final and extend their effect, over any actual or future project with the judgement object, of the litigant's party. Also two other court processes raised by the defendant of the licensee for electricity generation, Albanian Green Energy company and Balkan Green Energy company for objecting decision no. 143 of date 26.12.2014, are finalized failing the lawsuits of the parties and thus legitimating the compatibility with the legislation in force of ERE decisions.

1. The court process in the Administrative Court of Appeal, issue no. 36 **"C & S Construction" company & AREA vs ERE** with the object: The partial repeal ERE decision no. 144, of date 26.12.2014.

2. The court process at Tirana Administrative Court for the issue no 31005 - 03032-86-2015 with the defendant **OSHEE company,** sued by ERE and third party KESH company, the State Attorney with lawsuit object the invalidity of Declaration and partial cancellation of decision no. 134 of date 17.09.2012"
3. The court process at Tirana Administrative Court for the issue no. 10382, with the defendant **CEZ Shpërndarje company** lawsued ERE and with lawsuit object: The cancellation of decision no. 128 of date 11/09/2012. On administrative processing of imposing the fine to CEZ Shpërndarje company.
4. The court process at Tirana Administrative Court for issue no. 5496, defendant **CEZ Shpërndarje company ,** lawsued ERE and third party the General Directorate of Metrology, Certified Solution Corporator company or CSC company with object : The invalidity of decision no. 62 of date 22.07.2011 no. 73 of date 09.08.2011. Contract for the verification of the meter service.
5. The court process at Tirana Administrative Coirt on issue no. 5472, defendant **CEZ Shpërndarje company** and lawsued ERE object: Invalidity and partial cancellation of decision no. 110 of date 21.10.2011. Rules for the quality of service, distribution and electricity sale
6. The court process at Tirana Administrative Court on issue no. 10625, defendant **CEZ Shpërndarje company,** lawsued **ERE** and third party OST and object: Cancellation of decision no. 102 of date 19/07/2012, TSO-CEZ transmission agreement.
7. The court process at Tirana Administrative Court on issue no.31103-03033-86-2015, me palë paditëse **OSHEE sh.a,** të paditur ERE dhe palë e tretë KESH sh.a
8. The court process at Tirana Administrative Court on issue no. 6305 defendant **CEZ Shpërndarje company,** lawsued ERE and object: Invalidity of decision no. 1 of date 10.01.2013. On approving the regulation for appointing CEZ Shpërndarje company administrator.
9. The court process at Tirana District Court on issue no.7413 defendat **GEN-I company** lawsued ERE and third party: CEZ Shpërndarje object: Cancellation of decision no. 78 of date 22/10/2010 liability to pay the damage.
10. The court process at the Administrative Court of Apeal, defendant **Albanian Green Energy** and lawsue ERE and KESH company, object: Declaring invalid ERE decision no. 143 of date 26.12.2014.
11. The court process at the Administrative Court of Appeal , no. 31103-03503-86-2015, defendant **Ballkan Green Energy** and lawsued ERE and

KESH company , object: Declaring invalid ERE decision no. 144 of date 26.12.2014

12. The court process at the District Court of Tirana, defendant **Mr. Grigor Zoraqi** and lawsued ERE etc.

3.4 ERE activity in Customer Protection

Law No. 43/2015 "On Power Sector" gives to Energy Regulatory Authority the responsibility to implement effective measures to guarantee the protection of electricity customers, to have tariffs and prices that reflect the right and justified costs for an uninterrupted electricity supply and within the standards of the supply quality. The organization of ERE activity, is oriented above all in settling the disputes between the licensee and electricity customers in condormity with article no. 24 of Law No.43/2015 "On Power Sector" and also between the licensee and natural gas customers, according to article 98 of Law no. 102/2015 "On Natural Gas". ERE role in customer protection activity, during 2015 has mainly consisted in monitoring the implementation of legal anmd by-legal acts in force such as: Law no. 9072, of date 22.05.2003 "On Power Sector" (now revoked); Law No. 43/2015 "On Power Sector"; Electricity Supply Agreement for Household and Non-Household Customers (etc.)

Should be underlined the fact that Law No. 43/2015 "On Power Sector " articles 108 and 110, for the by-legal acts and the transitory provisions defines that: the legal acts regulating power sector activity approved before the entry into force of Law No. 43/2015, shall be implemented but not contradict with this Law, until their review and the issue of new acts in conformity with the terms and requirements set from the law.

In performing its functions and obligations Customer Protection Sector has administered the data regarding the complaints of the customers submitted at ERE during 2015 and has evienced that this considerable number, about 58% is bigger than in 2014. This expressed in numbers during 2014 are submitted and handled 2225 complaints, while for 2015 are submitted and handled 3519 complaints. Except the complaints submitted, ERE implementing its responsibilities and objectives has offered assistance in giving information, explanations, and verbal consulting even by email and phone to all electricity customers. The awareness of the customers for their rights regarding electricity supply service has significantly increased the number of the complaints handled by ERE.

The object of the complaints has mainly considered in violating two secondary legislations such as: "The general conditions of Electricity Supply Agreement for Household Customers" approved with ERE decision no. 108 and the "General conditions of Electricity Supply Contract for Non-Household Customers" approved with ERE decision No. 109, of date 21.10.2011, at which are defined the reciprocal obligations of the parties in the agreement. ERE referring to Law no. 9072, of date 22.05.2003 "On Power Sector" now revoked, Law No.43/2015 "On Power Sector" and supported on the by-laws, has handled and analysed the complaints of electricity customers sending it to "OSHEE" company together with the respective guidelines.

Figure 80: Table for the complaints handled by ERE during 2015

Subject	Unmeasured Electricity	Economical Damage	Flat-rate Invoicing	Over-invoicing/ Incorrect Invoicing	Bad Invoicing	Fictitious Invoicing	Fictitious Contract	Payments Non credit	MJKT	New Connection Request	Tariff Change	Various	Total
Jan	143	30	58	109	8	24	10	19	25	5	5	11	447
Feb	336	44	184	329	22	63	32	33	54	2	5	11	1115
Mar	225	42	117	167	20	35	27	9	40	6	10	9	707
April	77	11	30	61	7	18	11	3	16	3	3	4	244
May	106	13	23	41	1	12	9	4	18	3	10	8	248
June	50	1	14	32	0	7	2	3	16	1	2	5	133
July	41	2	12	15	1	5	2	1	9	2	3	6	99
Aug	39	7	10	26	0	3	8	6	18	3	1	3	124
Sept	38	4	10	22	1	1	5	0	4	0	2	9	96
Oct	35	9	15	45	0	4	8	1	6	2	4	7	136
Nov	36	9	11	12	2	3	6	1	8	1	0	1	90
Dec	35	2	5	16	1	2	6	5	1	4	0	3	80
Total	1161	174	489	875	63	177	126	85	215	32	45	77	3159

During January –December 2015 period are handled by ERE, in total about 3519 complaints. From the data administered by Customer Protection Sector it is noticed that "unmeasured energy" complaints occupy the main place in handling the complaints, followed by "over-invoicing" and "flat-rate invoicing".

As above there are observed about 1161 complaints for "unmeasured electricity"; about 875 complaints for "over invoicing" and 489 for "flat rate" invoicing of electricity.

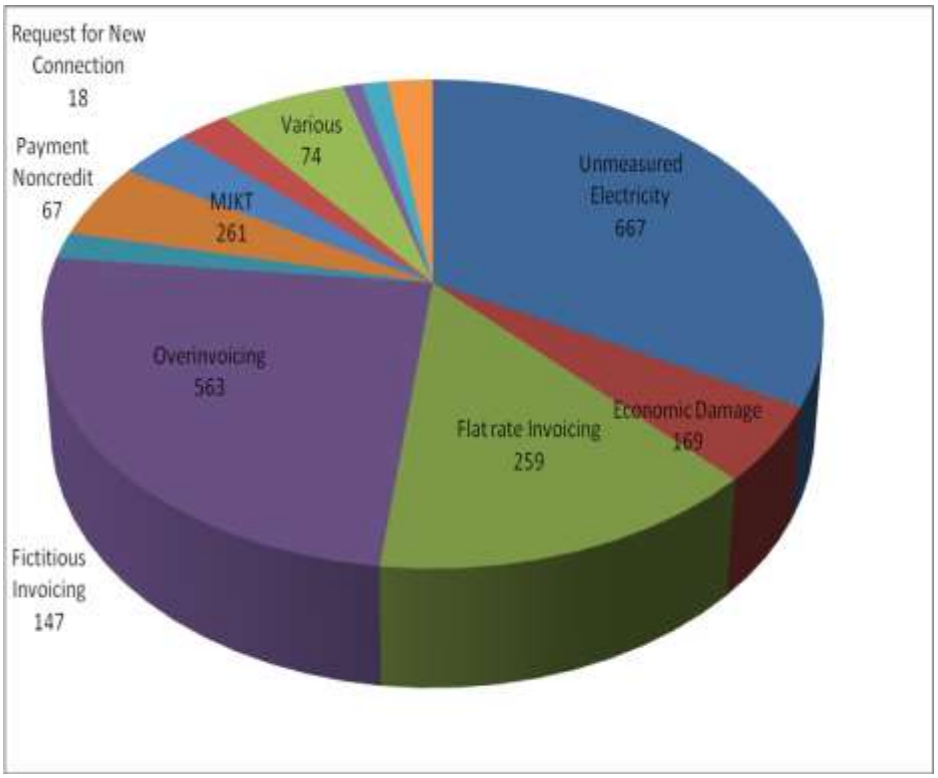


Figure 81: The graph and the complaints handled by ERE during 2015

3.4.1 Complaints for "Unmeasured electricity"

From the analysis of statistic indicators it is observed that the considerable spectrum of the complaints for "unmeasured electricity" about 1161 complaints or 33% of the total. It is noticed that these complaints include "unmeasured electricity" invoices during 2011-2012 period. These invoices are as consequence of controls executed by "CEZ Shpërndarje" during the above mentioned period, where it is observed that the minutes for observing the unauthorized interventions in the metering syste, are executed not in the presence of the customer, as well as in collective boxed of electricity meters. During this period it is observed the dublication or triplication phenomena of "unmeasured electricity" invoices, which means for the same minute it is issued more that one "unmeasured electricity" invoice.

Despite the handling of a considerable part of this invoices by "OSHEE" there are still unsettled complaints relating to this issue.

Should be underlined that during 2015, "OSHEE", implementing ERE Board decision No. 90 of date 15.11.2010 "On fining Cez-Shperndarje for the observed violations regarding the failure to implement of ERE decisions", which on point 2

defines that: "All invoices executed by CEZ Shpërndarje to household and non-household customers , as "Economic Damage" or "Unmeasured Electricity " after the entry into force of Law No. 9997, of date 22.09.2008, are illegal ", cancelled abour 51 000 "economic damage" and "unmeasured electricity" invoices executed during October 2008 – April 2011 period. This information has resulted from monitoring "OSHEE"company .

Implementing the abovementioned decision it is observed during the handling of the complaints another very problematic phenomenon. Are evidenced many minutes which date before April 2011 period and their upload in the invoicing system is made after April 2011, avoiding these invoices from the definition made in ERE Board Decision No. 90, of date 15.11.2010. In all cases ERE has required the handling of these complaints supported on the minutes held, for observing the "Unmeasured Electricity" or "Economic Damage".

3.4.2 Complaints for "bad invoicing" of electricity.

With the new structure of electricity tariffs and prices during

With the new structure of electricity tariffs and prices during 2015, removing the two consumption blocks tariff system and implementing an unique price of electricity for household customers, are drastically reduced the complaints regarding the bad invoicing of electricity. These complaints in the previous years come as result of not benefiting from the tariffs approved by ERE for household customers supplied with electricity. During this year, the claims submitted at ERE for electricity bad invoicing resulted during 2011-2014 period, have 1% of the total complaints.

3.4.3 Complaints for electricity over-invoicing

Over-invoicing of electricity continues to generate complaints. These complaints mainly come because of not respecting article 7 of the "Electricity Supply Contract for Household and non-Household Customers". There are also cases when the reading of the meter does not correspond with the upload in the system of the electricity invoicing.

The complaints registered at ERE for electricity "over invoicing" for 2015 are 875 complaints, or about 25% of the complaints in total. These complaints are caused even from different problems such as: nor-reconciliation of the situation uploaded in the system with the real situation of the meter, mistakes by the meter readers, delays in uploading the data of the new meters in the system. For all these complaints, ERE has required from "OSHEE", the verification of the practices and procedures regarding the invoices performed together with the respective corrections that should be realized implementing the terms defined for handling he complaints.

Are also evidenced the cases where after the over-invoicing of this customers, from the company is not issued the corrective invoice, but the customer is invoiced with 0 kWh consumption for the following months and this is named by "OSHEE"company, as service tariff.

3.4.4 "Flat rate invoicing"

The complaints submitted at ERE for "flat rate invoicing" of electricity occupy a considerable place even during 2015. There are submitted and handled about 498 cases or 14% of the total complaints, a big number compared with 2014, when the "flat rate" invoices were about 259. Remain problematic the electricity flat rate invoices for January 2007 – April 2010 period, regarding the quantity of electricity flat rate invoicing defined on ERE Board Decisions and the final deadline of application for this invoicing based on ERE Board Decision No.104, of date 22.12.2009 "On defining the duration for flat rate invoicing for household customers without electricity metering". There are observed complaints from electricity supply customers, regarding flat rate invoicing for January 2014 and in continuance. There have been complaints from the customers, who although equipped with electricity meters, are flat rate invoiced contradicting ERE Board Decision No. 146, of date 24.12.2013 "On the request of "Cez-Shpërndarje", in temporary administration, to impose flat rate invoice". Also for the household customers with damaged meters and those out of the technic condition, for whom ERE Board Decision No. 146 point 2, of date 24.12.2013, clearly defines that "for the customers with damaged meters and those our of technical condition the flat rate invoicing according to the table attached to this decision is applied for a period not more than 2 (two) months".

During 2015 are imposed flat rate invoices on the electricity quantity defined by ERE and for excessing the deadline defined on ERE Decision No. 146, of date 24.12.2013.

Refering to the submitted complaints, it is noticed that during 2015 there has been electricity flat rate invoicing for household and non household customers. This invoice consists in not respecting the deadline and also the electricity consumption amounts defined on ERE Board Decision No. 146, of date 24.12.2013.

3.4.5 Complaints for "a change on the electricity price tariff ".

After the approval of the electricity price with ERE Board Decision No. 148, of date 26.12.2014, during 2015 are administered, about 45 complaints, regarding the customer which complain that on February and in continuance invoices are tariffed with the price 14 ALL/kWh, which corresponds to non-household customers in 0.4 kV, while the price for 35 kV and 20/10/6 kV customers according to ERE Board

Decision No. 148 of date 26.12.2014 is respectively 9.5 ALL /kWh and 11 ALL/kWh. The same phenomenon has happened even for electricity consumption invoicing during peak hours.

To explain this problem ERE, supported on article 31 points 1 and 2 and article 32 of "ERE Practice and Procedures Rules", approved with ERE Board Decision No. 21, of date 18.03.2009 as amended, organized two hearing sessions.

From the presentation of the problem by each submitted customers in these sessions was observed that all customers have in common the fact that they are connected in MV while the metering point is after the transformation that means in LV.

ERE to give final solution to occasional problems regarding this issue, informed "OSHEE"company with its interpretarion and attitude, requiring to the company:

- To apply the respective tariffs for the group of the customers connected in MV implementing ERE Board Decision No. 148, of date 26.12.2014
- OSHEE company to execute the compensation on the next months invoices for the added value that results from the application of the tariffs in LV on February and in continuance invoices.
- Regarding the group of customers connected in cabins from which are supplied even other customers, they have low consumption and there isn't an opportunity to postpone the metering system because they do not comply with the technical conditions and shall continue to be invoiced with the LV price.

Should be mentioned the fact that different customers of electricity supply, in the conditions where "OSHEE", has not implemented the recommendations and guidelines of ERE expressed on the official letter Protocol No.508, of date 14.07.2015, are addressed to Tirana District Court, to settle the issue on court way. ERE is invoived in these court processes as a third person.

3.4.6 Complaints for electricity "interruption".

Notification of electricity customers regarding their debit to "OSHEE" company, shall be by the monthly electricity invoice. Problematic regarding electricity interruptions during 2015 by "OSHEE" company has mainly consisted to the customers that have been in complaining process for different electricity invoices and are confronted with electricity interruption without a response from "OSHEE" company and without finishing the complaining procedure.

3.4.7 Complaints for electricity "metering calibration".

The requests submitted at ERE, by the electricity supply customers, regarding electricity metering calibration for 2015 has been minimal. The Electricity Distribution Operator has mainly fulfilled the customer requests for testing the accuracy of the electricity meters, transmitting these requests to the authorized entities for the electricity meter verification, from the General Directory of Metrology (DPM). Energy Regulator Authority, for all submitted requirements, i has asked "OSHEE", the handling of these requirements in conformity with the respective procedures.

3.4.8 Electricity invoice for "meterings out of technical conditions".

The complaints submitted at ERE regarding this problematic have been about 215 or 6% of the total. This invoicing is made in cases of evidencing the electricity metering, out of the level of metering accuracy or because of their damage. The invoicing is based on the minutes taken by the authorized companies for electricity meter accuracy verification as mentioned on point IV.9 of the Metering Code. Should be underlined that the failure to replace these meters on time has brought the charge of the customers with electricity invoiced for "metering out of technical conditions", in contradiction with the Electricity Supply Contract for Household and Non household Customers, article 8 point 2 where it is defined that "if the Supplier does not respect the 30 days period to set the accurate meter, them it is the responsibility of the Supplier and the invoice for the days without meter beyond this period, shall be zero".

3.4.9 Complaints on "fictitious contracts" and "fictitious invoicing".

During 2015 are observed 126 complaints regarding the fictitious contracts and 177 complaints for fictitious invoicing by "OSHEE" company. These complaints are mainly connected with the electricity supply contracts dublicated with the original contracts of the customers, with contracts made unilaterally without agreement between the parties, temporary contracts made during the previous years, fictitious invoicing for the contracts that are separated from the electricity supply grid or for objects that does not exist any more. Should be mentioned that the main problems regarding the contracts and fictitious invoicing come from informal construction areas, objects that have been and are part of the legalization process by the Agency of Legalisation, Urbanisation and Integration of Informal Areas/Constructions (ALUIZNI). During 2015, by "OSHEE" company it is undertaken a process regarding the transferr of 100 thousand provisional contracts for electricity supply in

definitive contracts. From 100 thousand provisional contracts, 87 thousand belong to household customers and 13 thousand to non-household customers.

3.4.10 Complaints for "new connection of the electricity contract".

Any entity that that is not debtor to the Supplier and has a connection point approved with the electricity distribution grid is eligible to have an electricity supply contract. This according to the definitions made in the "Regulation for New Connections", approved with ERE Board of Commissioners Decision No. 22, of date 25.02.2012. The request for the connection of electricity supply contract, as defined in the legislation in force, not in all cases is implemented by "OSHEE" company. Offten "OSHEE" company has refused the request of the applicant for new connection, of the Electricity Supply Contract, connecting the electricity supply contract with the object, which it supplies with electricity and not the entity as defined on article 4 of the "General Conditions of Electricity Supply for Household and Non-Household Customers" approved with ERE Board Decisions No. 108 and 109, of date 21.10.2011 as well as the "Regulation for New Connections " approved with ERE Board Decision No. 22, of date 25.02.2012.

During 2015, at ERE are submitted and handled 32 complaints for refusing new connection contract, that is made to the applicants by "OSHEE" company, wit the argumentation that the object for which the contract is to be connected is a debtor. By OSHEE company it is accepted the reduction of the requirements regarding the new connections in 50 % compared with the years 2012-2014, a fact that derives from the lack of the necessary documents to realize them.

3.4.11 Complaint on "non-crediting the payments" of electricity invoices.

The phenomena of non crediting the payments of electricity invoices for electricity supply customers continues to be observed even during 2015, where are submitted at ERE 85 complaints. The object of these complaints is related with the non credit of the payments for the previous years invoices, where have resulted problematic the payments executed at OSHEE company those executed at the post office or at the bank. The electricity customers, although having executed all the payments of electricity invoices, resulted debtors and are punished with the incorrect electricity supply interruption. The procedure followed for these customers, has been the verification of the electricity booklet, the extracts issued from the post office and the collection mandates of the banks, their scan or photocopy and their forward at OSHEE offices to take the necessary measures for crediting the payments.

3.4.12 Handling the complaints from the Ombudsman Office, the Prime Ministry, from MEI and Central Premises of "OSHEE" company

As viewed even from the table No. 1, the total number of the complaints received at ERE from "OSHEE" company, they are handled according to their special complaint object (a customer may have more than one object for complaining).

From the monitoring at "OSHEE"company for the settled complaints during 2015, are received these data:

Figure 82: Complaints submitted during 2015

INSTITUTION	OMBUDSMAN	ERE	OSHEE (HO)	PRIME MINISTRY	MEI
OBJECT OF THE COMPLAINT					
Flat-rate Invoicing	19	78	3	0	0
Over-invoicing	30	110	9	1	0
Economic Damage Invoicing	24	1,568	633	66	37
Meter crossing Invoicing	1	7	25	0	2
2 contracts invoicing	4	166	107	11	17
Other issues – Invoicing	3	23	0	0	0
Other invoices	92	1,901	1124	119	116
Suspension, Termination, Accuracy of the Contract	3	9	117	1	3
Change of the contract holder	1	8	215	2	5
Crediting payment channels	0	5	0	0	0
Other crediting	3	20	9	3	3
Application tariff invoice	6	31	157	3	4
TOTAL	**186**	**3,926**	**2399**	**206**	**187**
TOTAL NO OF THE COMPLAINTS					**6904**

On table No. 85 are submitted the complaints administered from "OSHEE" company, from all complaining sources mentioned above. As evidences the administered complaints from OSHEE company, they are based on the complaining object, (about 3926) while ERE administers these data taking into consideration the number of the complaining companies (about 3519 complainers).

The main problem regarding the complaints submitted from ERE for the verification and handling of "OSHEE" company , remains the failure to respect the deadlines for handling the complaints as defined in the "Contract for Electricity Supply of Household and Non-Household Customers" and the "Regulation for handling the complaints"

Table 83: Complaints settled during 2015

INSTITUTION	OMBUDSMAN	ERE	OSHEE (HO)	PRIME MINISTRY	MEI
OBJECT OF THE COMPLAINT					
Flat-rate Invoicing	19	21	3	0	0
Over-invoicing	29	24	9	1	0
Economic Damage Invoicing	23	1,136	633	58	33
Meter crossing Invoicing	1	5	25	0	2
2 contracts invoicing	3	109	107	9	15
Other issues – Invoicing	3	-	0	0	0
Other invoices	87	1,584	1124	96	95
Suspension, Termination, Accuracy of the Contract	3	8	117	1	3
Change of the contract holder	1	8	215	2	5
Crediting payment channels	0	2	0	0	0

Other crediting	2	20	9	3	3
Application tariff invoice	6	25	157	3	4
TOTAL	**177**	**2,942**	**2399**	**173**	**160**
TOTAL NO OF THE COMPLAINTS					**5851**

On table 86, are given the complaints settled by "OSHEE" company, where during 2015 are archieved about 6904 complaints regarding electricity customers and are settled from the company 5851 complaints. So for 2015 "OSHEE" company, has settled 84.7% of the complaints administered by all complaining sources mentioned above. Although it is observed that it is generally given priority to the complaints settle for exceeding the deadlines defined in the "Regulation for handling the complaints".

From the information of the company it results that from 3926 complaints of ERE are settled 2942 complaints or 75% of them.

3.4.13 Complaints submitted at OSHEE during 2015

The requests /complaints submitted at Customer Care Centers by the electricity customers compose the main source of the complaints submitted at OSHEE. Their typology is categorized and divided into requests/complaints related to electricity supply activity, with distribution activity, with the information right and the quality of service. During 2015 at Customer Care Centers of all the regions are deposited 121 thousand requests/complaints for electricity invoice and 63 thousand for technical problems ijë për probleme teknik in total 184 thousand requests/complaints. In total the number of customers supplied by "OSHEE" company is about 1.2 million, from which about 1.04 million are households, 153 thousand private and 11 thousand are part of the budgetary and non-budgetary categories.

Figure 84: The demands /complaints submitted at OSHEE regarding the electricity invoicing during 2015

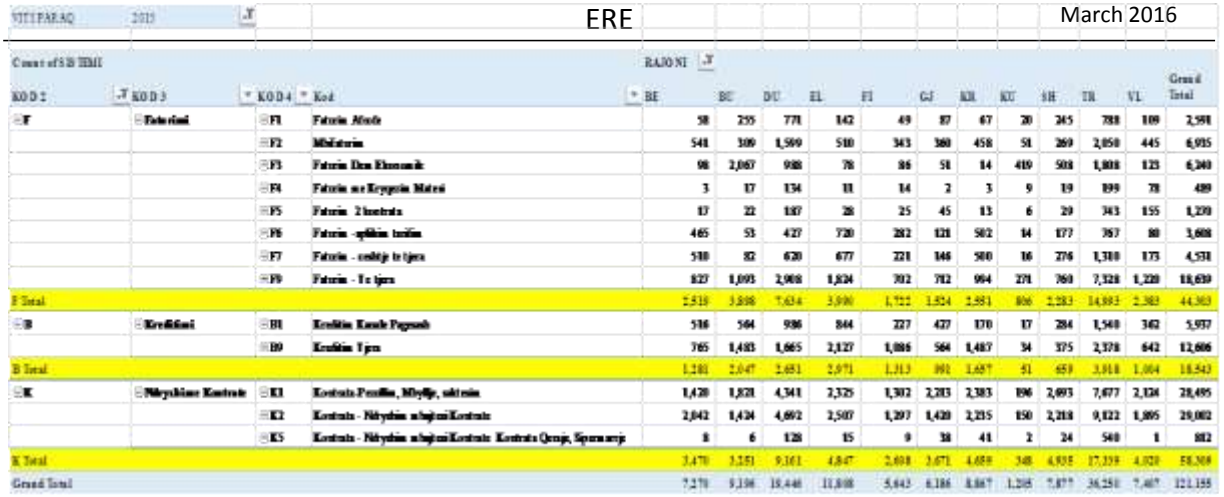


Figure 85: The demands/complaints settled by OSHEE regarding electricity invoice during 2015

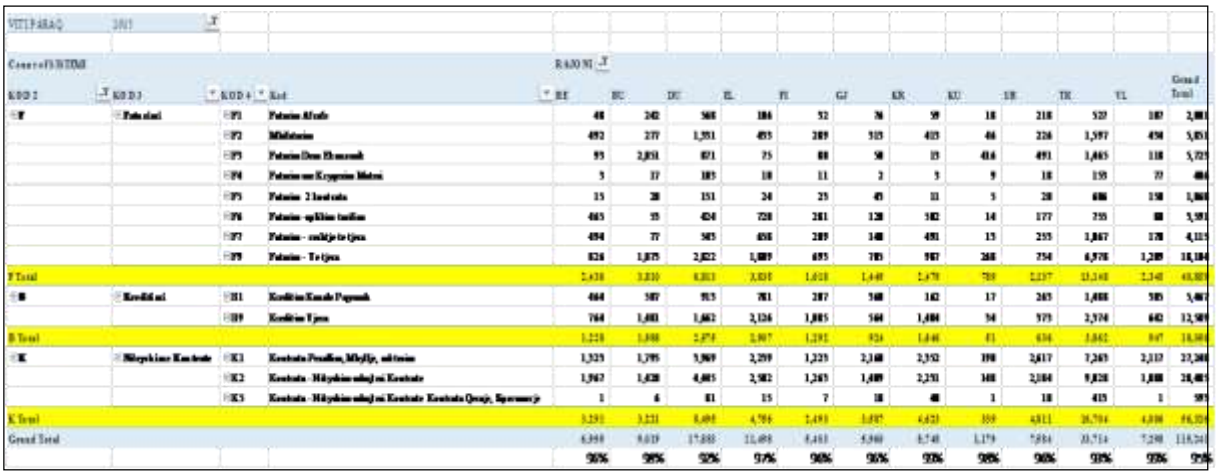


Figure 86: The demands /complaints submitted at OSHEE regarding the technical services during 2015

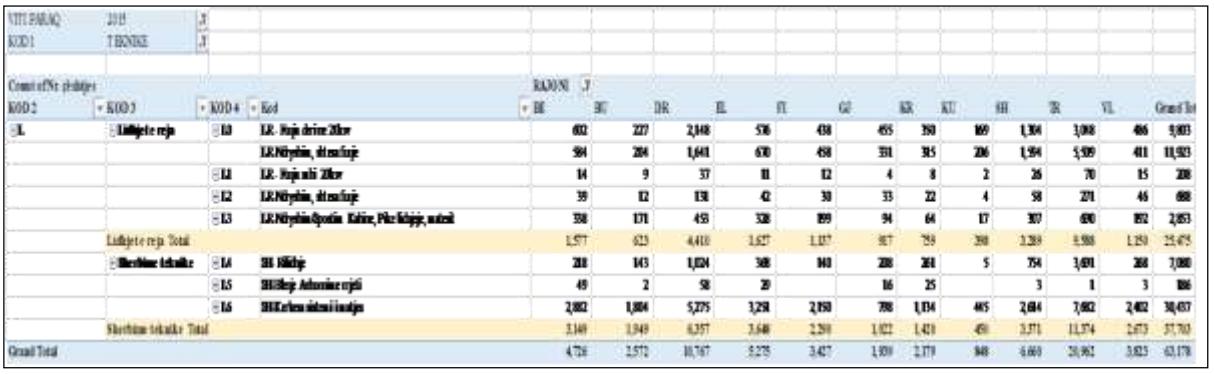
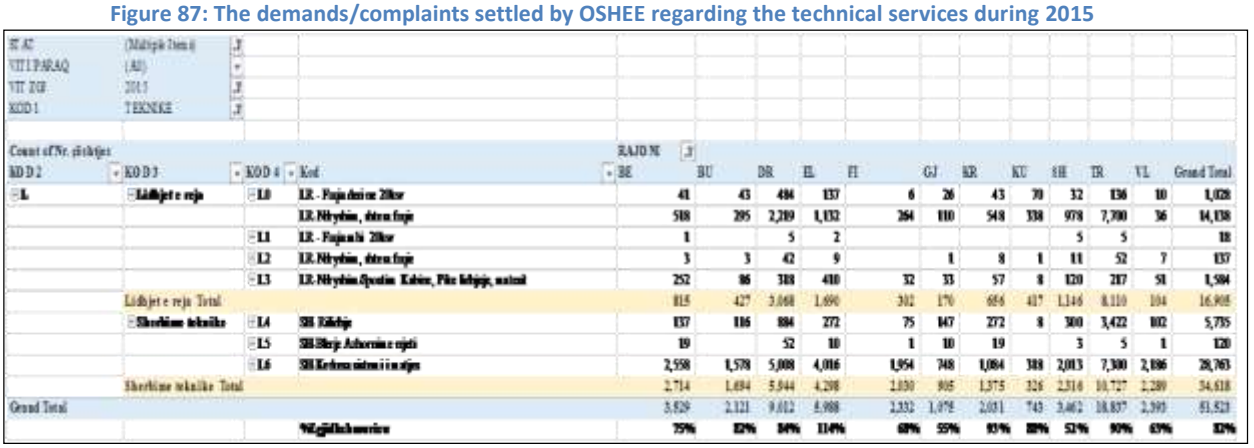


Figure 87: The demands/complaints settled by OSHEE regarding the technical services during 2015



3.5 Continuity and quality indicators of electricity supply service

Figure 88: Quality indicators of the electricity supply service for 2015

INDICATORS OF THE CONTINUOUS QUALITY OF ELECTRICITY SUPPLY FOR OSHEE CUSTOMERS IN MEDIUM AND HIGH VOLTGE FOR 2015

Month		AGON OF THE INTERRUPTIO				NUMBER OF THE CUSTOMERS			PLANNED INTERRUPTIONS					NOT PLANNED INTERRUPTIONS					SAIFI
		Planned interruptions	Force Majeure	Other Parts Responsibilities	OSHEE Responsibilities	TOTAL	URBAN AREAS	RURAL AREAS	No. of the customers affected in total	No of the customers affected in URBAN AREAS	No of the customers affected in RURAL AREAS	No of the customers in X Time	DURATION (hour)	Number of the affected Customers in TOTAL	Number of the affected Customers in URBAN AREAS	Number of the affected Customers in RURAL AREAS	No of the customers in X Time	DURATION (hour)	No of the customers affected from the interruptions / No of the customers in total
January	TotalMV																		
	TotalNV																		
February	TotalMV																		
	TotalNV																		
March	TotalMV																		
	TotalNV																		
April	TotalMV																		
	TotalNV																		
May	TotalMV																		
	TotalNV																		
June	TotalMV																		
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July	TotalMV																		
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October	TotalMV																		
	TotalNV																		
November	TotalMV																		
	TotalNV																		
December	TotalMV																		
	TotalNV																		
OSHEE	TotalMV																		
	TotalNV																		
TOTALS	TotalNV																		

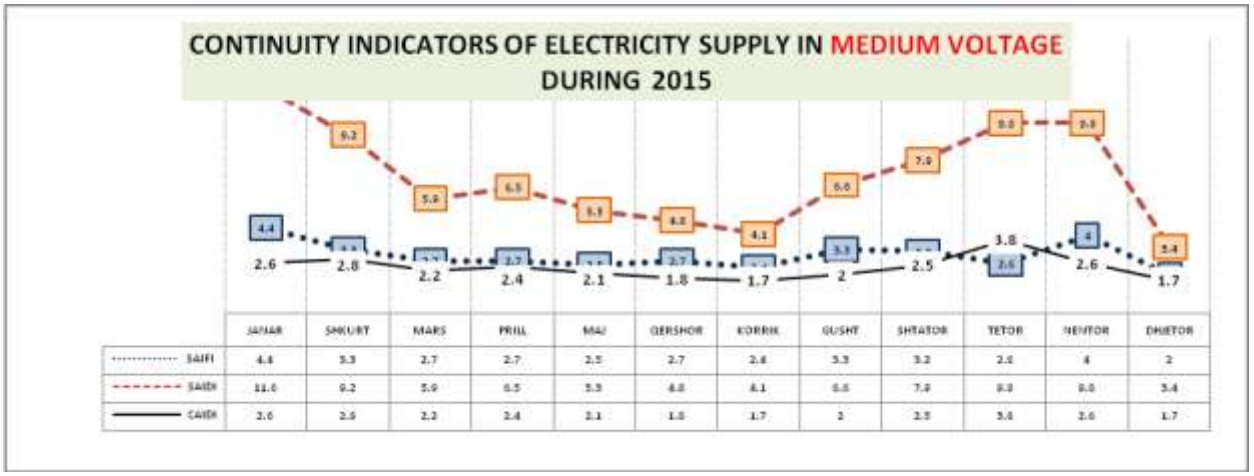
As seen from table 91, the quality of service indicators are within the defined paramenters from the "Regulation on minimal conditions for the quality of service, distribution and electricity sale", approved with ERE Board decision No. 110, of date 21.10.2011.

SAIDI – Average duration coefficient for the customer's interruption

SAIFI- Disconnection coefficient per customer.

Dynamics of SAIDI and SAIFI values measured in MV, in a chronological way are reflected on the following graph.

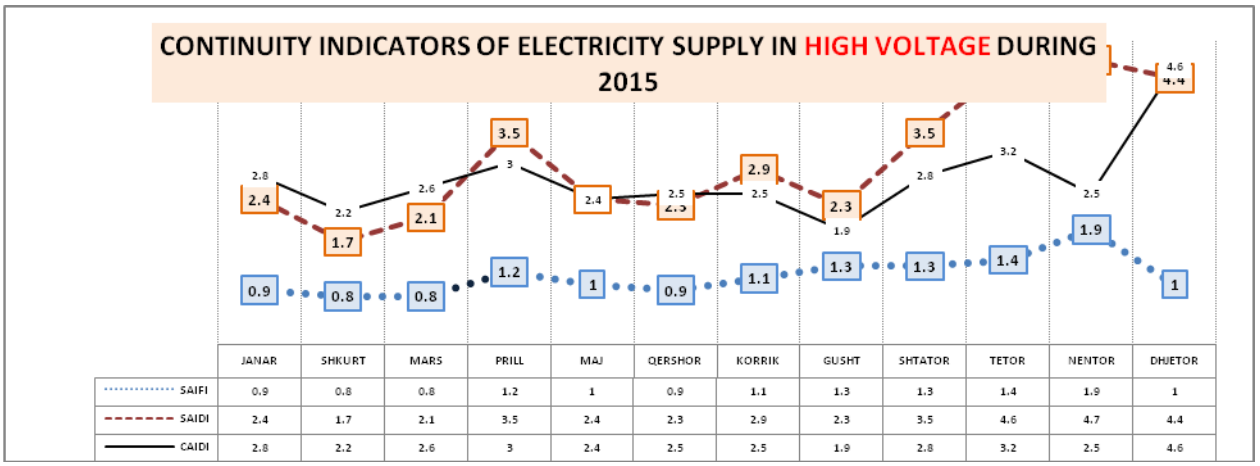
Figure 89: Continuity indicators of electricity supply in medium voltage during 2015.



SAIFI = TOT NO OF AFFECTED CUSTOMERS / TOT NO OF THE CUSTOMERS

SAIDI = TOTAL PERIOD OF THE DISCONNECTION / TOTAL NO OF THE CUSTOMERS

Figure 90: Continuity indicators of electricity supply in high voltage during 2015



	JANAR	SHKURT	MARS	PRILL	MAJ	QERSHOR	KORRIK	GUSHT	SHTATOR	TETOR	NENTOR	DHJETOR
SAIFI	0.9	0.8	0.8	1.2	1	0.9	1.1	1.3	1.3	1.4	1.9	1
SAIDI	2.4	1.7	2.1	3.5	2.4	2.3	2.9	2.3	3.5	4.6	4.7	4.4
CAIDI	2.8	2.2	2.6	3	2.4	2.5	2.5	1.9	2.8	3.2	2.5	4.6

3.5.1 Public, Written and Visual Media Relations

ERE implementing the obligations deriving from Law No. 43/2015 "On Power Sector", mainly article 19, point "f" and "gj", has given importance and special priority to the communication with the public. The transparency of the communication is guaranteed by instruments such as, publication of information regarding the level of services from power sector participants and public sessions and meetings. The communication of information is realized through, systematically keeping in contact by ERE managers and the availability of the data to the journalists that cover the power sector respecting the law for information right. Public transparency has made ERE to respond positively and on time to the continuous requests of the media for clarifications about different issues, especially to the issues of "OSHEE"company, but even to TAP project developments. For the information of the third parties has functioned the access to the grid and the communication by the web page, offering a more complete and accurate picture of the offered information and services. This page ensures access and online completion of the complaint form from all the interested persons, an updated information for the primary and secondary legislation in power sector, licensing conditions and all ERE decisions, the licensee register, detailed information on electricity supply agreements, on the respective rights and obligations of the parties in the electricity market.

3.5.2 Communications with the Market Participants.

Communication with the market participants is one of the main ERE priorities and obligations, deriving from the primary legislation of the power sector. In this view to balance the state interests of the customers and the investors, ERE has decided cooperation with the market participants in the power sector for a better and transparent coordination of the electricity market. The consultations and meetings with electricity market operators, their elaboration and giving on time the required information from the companies, has been another form of communication between ERE and interested companies regarding electricity market issue, the legislation and implementing the obligations deriving from it..

3.5.3 Hearing Sessions

The hearing sessions has been a modality used by ERE, respecting the legal principles, public interest protection and private persons, the principle of fairness and cooperation for a fair judgement of settling the disputes between the licensees and settling customers complaints, also in the process of drafting the by-laws. Supported even in its transparency principle ERE, based on the "Practice and Procedure Regulation", has organized a series of hearing sessions. About 15 hearing sessions are held for handling and settling the complaints, grouping the encountered problems. In their purpose these sessions faced the concerns of all market participants and electricity customers. In this framework are given the guidelines and recommendations by ERE which are obligatory for the market participants to settle the problems encountered with the customers or the disagreements between the licensee and other electricity market participants. There are also organized hearing sessions with the main market participants such as "KESH", "OST" and "OSHEE" and licensed companies, about the consultations for the regulatory acts or the handling of different problems, such as: KESH company discussions about the deviations of electricity import program, discussions regarding the Commissioners proposals on the "Information Right" for the amendments on "new connections" regulation in the distribution system; flexibility from electricity import agreement of "OSHEE" company. There are also developed hearing sessions regarding OSHEE company complaints, on the non-recognision by KESH company of the electricity generated from Hurdhas HPP and the refusal of respective invoices ; on the approval and covering of electricity generation and trading licenses; the invoices and recordation acts for the electricity quantities purchased by KESH company for May 2015 and the complaining requests to settle the disputes between KESH and OSHEE companies, for the penalties invoice.

4 hearing sessions were about the electricity customers, household and non household customers, which are complained for the electricity price opposing ERE Board Decision No. 148, of date 26.12.2014; the incorrect invoicing; the invoicing for metering out of technical conditions; refusal for "new connection" with the distribution system.

Regarding these sessions ERE, implementing a transparent procedure, evidencing and analyzing the observed problems, informed the interested persons with its attitude giving the respective recommendations. Should be underlined the fact that there is a lack of will by "OSHEE" company, to implement ERE recommendations especially those relating to the implementation of ERE Board decision No.148, of date 26.12.2014 "On defining the electricity sale retail price for the tariff customers for 2015".

Not implementing these ERE guidelines and recommendations, for some companies has derived to court conflicts between the companies affected by the changed price and "OSHEE" company. In these court conflicts ERE is included as a third party.

3.5.4 Information on the Official Website

ERE Website, is developed offering a complete and correct picture of the offered information and services. A major priority continue to be the systematic update of the internet page, offering to the interested person an updated information on the primary and secondary legislation in the power sector of all ERE decisions, licensee register, licensing conditions, publication on the internet website of the four month data for electricity market operation. Detailed information for the electricity customers, on the electricity supply contracts, informing brochure on the respective rights and obligations of the parties in the electricity market. Also on the official website continues to be ensured the access and completion of the complaints online form from all the interested person.

Even during 2015, ERE website continues to offer information on the Board meetings, the respective decisions as well as for ERE activity in national and regional level. All ERE decisions are translated in the English language and

are published on the website, as well as any other information, related to ERE activity.

3.6 ERE Inter-Institutional and International Relations

A special importance even during 2015 was dedicated to inter-institutional relations within the country and to the international multilateral and bilateral relations. For 2015 from the International Affairs Sector it has been worked hard ERE to be represented with dignity in the international arena and in strengthening its role at the institutions where ERE adheres.

Mainly ERE has shared information and attitudes with the Albanian Parliament, Ministry of Energy and Industry, the Ministry of Economic Development and Entrepreneurship, Ministry of Integration, Competition Authority, also other institutions that operate in the Republic of Albania which activity is related in a certain extent with electricity and gas sector issues.

During 2015 are handled a series of thematic correspondences which consisted in the legal interpretation, the draft of the by-legal framework referring to the two new laws which are recently approved by the Parliament, the proposals for the regulatory framework from licensed companies, request for ERE decisions, request for ERE opinion, settling the disputes between the licensees, publication of the decisions in the Official Publications Center.

3.6.1 ERE Relations with the Parliament

Even during 2015 ERE has continued the cooperation with the Parliament in the framework of the sessions developed from the Generation Activities Commission to review the draft-laws for power and natural gas sectors. By the Parliament are approved two very important laws in power and natural gas sectors.

The approval of these laws aims the establishment of the legal framework in these sectors, for the establishment and efficient and competitive operation of the electricity and natural gas market. With the approval of these Laws ERE is before the responsibility of implementing on time the objectives defined by them in the framework of fulfilling the commitments that Albania has undertaked in the framework of Energy Community Treaty and the full harmonization of power sector law with Eu Directives and Regulations especially those the third legislative package of the power sector.

3.6.2 ERE Relations with the Ministry of Energy and Industry (MEI)

As in the previous years even during 2015 ERE has cooperated and coordinated a part of its work with MEI to settle different issues and challenges encountered during the power sector regulation process in Albania.

ERE has contributed by proposals issued by it or by giving different proposed opinions, but even by active participation in the inter-institutional Working Groups to review the Power Sector Law, Natural Gas Sector Law (3rd Directive), Renewable Energy Law and future projects in Power and Natural Gas Sector.

Some issued are handled within the cooperation with MEI consisted in:

- Preparing the information for MEI on the price/unit for 2015,
- On electricity operation of Lanabregas HPP,
- On the repeated problems in the 35kv line sub-station of Maliq,
- On the creation of the Working Group for handling Kalivaç HPP problems,
- On the difficulties in defining the electricity tariffs and prices regarding the draft Regulation "On the procedures for TSO certification in natural gas and power sectors".
- On the implementation of Law no.138/2013 'On Renewable Resources'.
- On drafting the national action plan for renewable electricity resources
- Regarding an amendment in Electricity Market Rules.
- Regarding the procurement of electricity ancillary services to cover the losses in the transmission system

ERE shall continue to access and have one of its priorities the cooperation with MEI. Also ERE has been an active member of MEI Working Group to Fulfill EUQuestionaire the Electricity Chapter and is regularly invited on different working groups held by MEI. Also during 2015 it is developed the meeting between the private generators and the Ministry of Energy and Industry on the sector problems, power sector prospective and the cooperation forms.

3.6.3 ERE Relations with the Ministry of Integration

During this year ERE has cooperated with the Ministry of Integration regarding the Follow Up Report within Transport, Energy, and Regional Development Sub-Committee and has prepared the annual report in cooperation with the Ministry of Integration for the annual meeting in Brussels.

3.6.4 ERE Relations with the Competition Authority

During 2015 ERE has cooperated with the Competition Authority to exchange information and within EU-Albania sub-committee 'the Internal Market and competition, including the protection and health of the customers', on decisions with special rights issued by ERE. Also to draft the by-laws in the power and natural gas sector ERE has required in any case the opinion of the Competition Authority and concretely:

- On the draft of TSO Certification Regulation for natural gas.
- On the draft of the Regulation on the Procedures of TSO certification for electricity.
- Regarding an amendment in Electricity Market Rules.
- Regarding the 'Exclusion of electricity sale-purchase Agreement between KESH and OSHEE companies'.
- SEE CAO Regulation

During 2015 ERE has confirmed to the Competition Authority differet requests submitted by the last one mentioned within the investigations undertaked by the Competition Authority such as the investigation about the prices applied by OSHEE the customers connected in MV.

ERE has based its relations with the Competition Authority within the Memorandum of Understanding signed between ERE and the Competition Authority from 17.01.2007.

As evidenced above ERE has informed the Competition Authority on the implementation of the recommendations given by this institution regarding the power sector. ERE has sent all the by-legal acts to the Competition Authority for opinion before their approval and has participated in the activities organized by this institution.

3.7 International Relations

ERE priority is the dignified representation of the country and the Regulator in regional and international activities, aiming the consistency and harmonization of its practices with EU countries. The participation in international activities is considered by ERE as one of the main elements that serves to institutional strengthening, increasing the knowledge and experience of its staff. This is one of the reasons for which we can mention ERE activity and role in membership and active participation in international organizations, in organizing international conferences, in collaboration with other institutions for organizing international activities, workshops or multilateral and bilateral meetings.

For 2015 ERE has worked in high intensity to realize fruitful collaborations to the benefit of the country's power sector. Setting up these priorities, ERE has collaborated in intensifying the multilateral relations with international organisations like Energy Secretariat in Vienna, ECRB, MEDREG, ERRA, USAID, NARUC, IGU, Florence School of Regulation etc. But to strengthen its role and the harmonisation of the Regulatory framework ERE has held bilateral relations with other Regulatory institutions, realizing common meetings and taking part actively in international conferences and activities that are related with energy.

3.7.1 Active Participation as a Member

- ERE is a member with full rights in the Regulatory Authorities Association for the South East Europe and Euro Asian Countries (ERRA), by realizing a regular participation at ERRA Chairman General Assembly,in the annual Conference for Investments of ERRA meetings of two ERRA permanent Committees, that of License and Monitoring and the Tariff and Prices one that are held on ERRA member countries.

- ERE is a member of the Regulators Association for the Mediteranean Countries (MEDREG) for electricity, from November 2014 ERE Chairman Mr. Petrit Ahmeti, is vice President of Mediteranean Regulators. Also the Commissioner Mr. Maksim Shuli is the vice chairman of the Gas working group of MEDREG. This shows ERE commitment in the international arena and ensures a dignified representation of the country.

ERE staff has activively participated in the working group meetings for the customers, renewable energy, gas issues, and the electricity working group being the designer of the working group materials.

High level representatives of ERE has participated on MEDREG General Assembly meetings, steering commities meetings of MEDREG and presidency meetings of MEDREG. Also on December 2015 ERE hosted in Tirana MEDREG General Assembly meeting. This association supported by the European Commission is a valuable opportunity to be informed about the opportunities, harmonization of the regulatory framework and the power potentials of the Mediteranean Countries. But on the same time gives the opportunity to set an understanding and cooperation climate of these countries regulators for different issues of interest between them.

ERE staff has actively taken part in the working group meetings for renewable energy, gas issues, Electricity Working Group, as well as MEDREG's General Assembly meetings. Also ERE on March 2014 has organized in Tirana MEDREG's Steering Committe meeting. This association is supported by the European Commission is a valuable opportunity to the acknowledgement of opportunities, regulatory framework and energy potentials harmonization in the Mediteranean countries. At the same time gives the opportunity to set up an understanding climate and collaboration of these country's regulators for different interest issues between them.

For 2015 ERE held a fruitful cooperation with USAID and NARUC in a long-term joint project supported from USAID and NARUC, where are included the representatives of the regional regulators and the companies of the distribution system as well as retail sale of the region. Among the main projects where ERE participated has been the draft of the joint guidelines for the distribution companies and electricity retail supply for South-East European countries. Also this project has brought positive results in the coordination of distribution operators for the Balkan region.

- ERE within the Energy Community Treaty during 2015 has actively participated on the Electricity Forums of Athens, Gas Forums in Ljubjana and Energy Community activities organized by the Secretariat. Also ERE has actively participated by intensively cooperating the the Energy Secretariat of Vienna, by consulting for the decisions requiring them opinions for delicate issues. Also the draft decisions taken from ERE and the draft regulations drafted by ERE are sent to the Energy Community Secretariat for consultation and they assisted us in drafting the secondary legislation within the new laws. ERE has regularly and actively followed the Working Groups meetings for customer issues, those of electricity and regional market, natural gas, gas platform issues, as well as the forums

organized by Vienna Secretariat and the law forum or the Athens forum, ECRB Regulaory Board meetings. To realize a better performance and to achieve high results, ERE has held joint meetings with Vienna Secretariat regarding the implementation of the third legislative package within the secondary legislation that is in drafting and approval process by the Board, regarding the certification process as a new concept in implementing the new power and natural gas laws as well as regarding the establishment of the power exchange in Albania. Should be underlined that ERE has taken part in the workshops organized by the Secretariat for the security of supply, renewable energy and for the statistics. Vienna Secretariat representatives has actively supported ERE for settling the disputes encountered during 2015.

Our institution has tried to benefit as much as it can from these activities and European Union regulator's experience, to harmonise the legislation, the practice and procedures aiming to establish a joint regional electricity market which is transparent, competitive, non discriminatory and with equal access for all the participants.

3.7.2 ERE Bilateral Relations

ERE Bilateral Relations for 2015 aimed at strengthening its institutional capacity and setting successful collaborations to improve the power sector. ERE has worked for bilateral relations, where we could mention the mutual meetings to exchange experience about the tariffs, the legislation and the joint market issue.

During 2015 are further intensified the bilateral relations with the Italian Regulator (AEEG) and the Greek one (RAE). This cooperation has made possible on time realization of three regulators joint decisions regarding TAP project and for the next year shall be planned the activities to benegit from the Italian Regulator experience in natural gas and power sectors. Also during this year ERE has held an active cooperation with the regulatory institutions of the region where we could mention the Regulators of Kosovo, Macedonia, MonteNegro, Turkey, the French Regulator etc.

3.7.3 Participation in Conferences and International Activities

During 2015 ERE has dedicated special importance to the conferences and international activities. The interest of the institution in these activities has been high to be informed with the European and world experiences in the power sector,

also the latest developments and wider in global level by participating in international activities. Above the most important activities we could mention the European and SouthEast Conferences for Renewable Energy, MEDREG General Assemblies, Presidency MEDREG meetings, MEDREG working group meetings and the bilateral relations within the draft of the documents (benchmark reports on the power sector of the Mediteranean region, Peer reviews), Power World Forum, workshops organized by Florence School of Regulation, Conferences organized for gas issues, as well as workshops organized on the role of the regulators on renewable energy issues, energy efficiency, customer protection and security of supply.

Chapter VI

Administration of ERE Financial and Human Resources

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E-mail: erealb@ere.gov.alwww.ere.gov.al

1.Administration of ERE Financial Resources

In finance and administration area are correctly implemented the respective legal and by-legal acts for ERE finances administration, including Law no. 9072 of date 02.05.2003 "On Power Sector ", as amended, and as follows Law no.43/2015 "On Power Sector", Law no. 9643, of date 20.11.2006 on "Public Procurements", as amended, Law no. 9228, of date 29.4.2004 "On accounting and financial statements", as well as other legal acts.

There are implemented all the deadlines regarding the execution of public funds procurements, in conformity with the procurement law and other by-legal acts.

It is also perfomed the inventarization of the asset that ERE administers. Regarding the monetary funds, they are ensured by the regulatory and licensing payments, that ERE has set for the licensee. For 2015 the collections from the regulation payments are realized in 86.5%.

The balance of the expenses performed by ERE, as part of fulfilling the legal obligation to guarantee a normal work of the institution, as previous have consisted in covering ERE most important needs during the year, where we could mention:

Staff payments, social and health security payments, income taxes, which are liquidated by our institution and we are not a debtor.

Consultancy service Payments

Publications for informing the public opinion

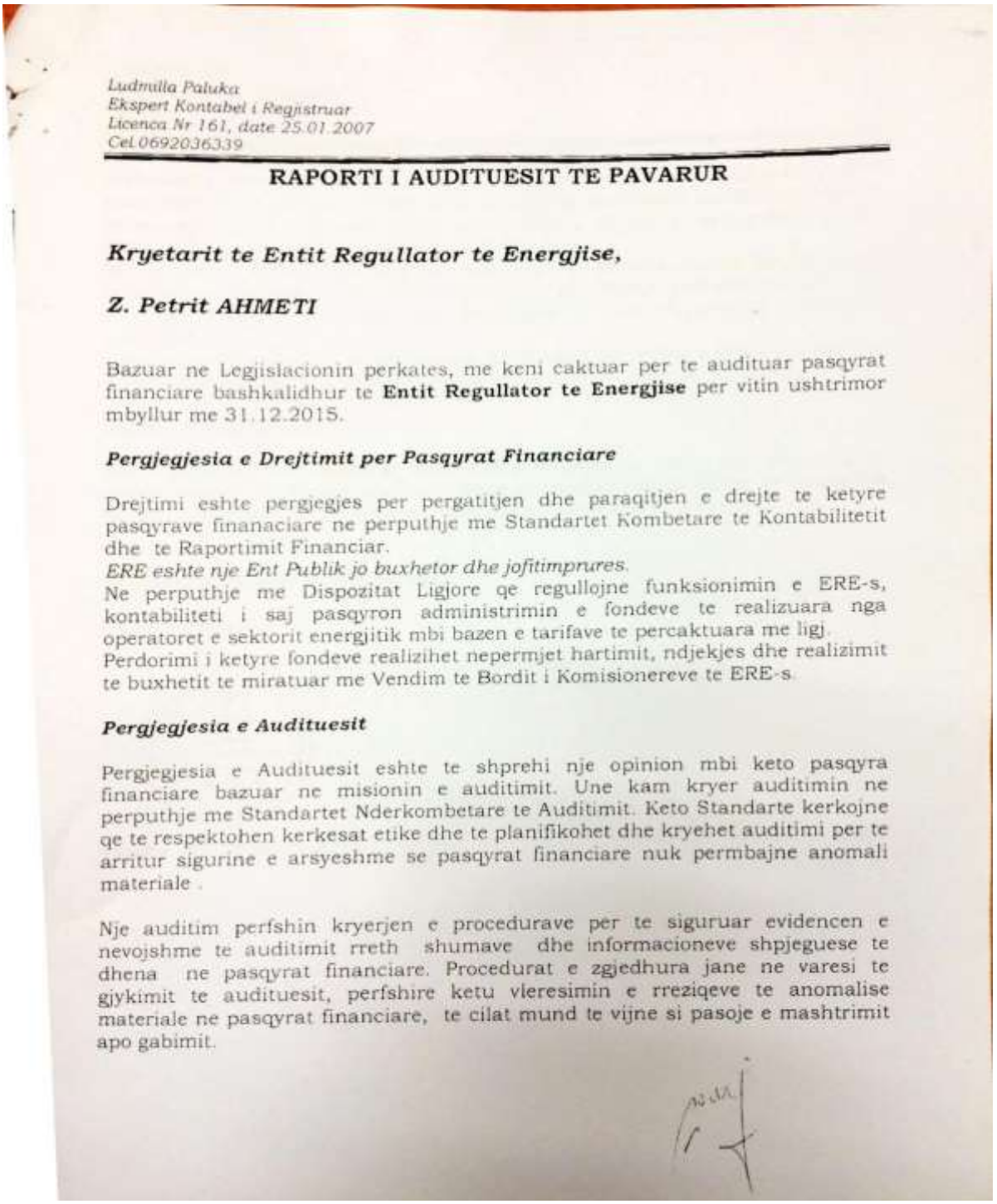
Payment of payable services such as water, electricity, telephone for which our institution is not a debtor, necessary service expenses to maintain the work as well as and the deppreciation of the fixed tangible assets, etc.

The premium tariff for the mandatory motor vehicle insurance, as well as the annual tax for vehicle registration.

There are also performed the procedures for procurement of the small purchases (as an activity of the Commission of small procurements) implementing the legislation of electronic procurements for public funds.

ERE economical-financial activity during 2015 was audited by a licensed accounting expert registered and licensed for this activity according to the law no.10091, of date 05.03.2009 "On legal auditing, organization of the professions of registered accounting experts and accredited accountants". As follows it is submitted the respective accounting expert report.

2. The Audit Report from the Accounding Expert for 2015



Ludmilla Paluka
Ekspert Kontabel i Regjistruar
Licenca Nr 161, date 25.01.2007
Cel.0692036339

RAPORTI I AUDITUESIT TE PAVARUR

Kryetarit te Entit Regullator te Energjise,

Z. Petrit AHMETI

Bazuar ne Legjislacionin perkates, me keni caktuar per te audituar pasqyrat financiare bashkalidhur te **Entit Regullator te Energjise** per vitin ushtrimor mbyllur me 31.12.2015.

Pergjegjesia e Drejtimit per Pasqyrat Financiare

Drejtimi eshte pergjegjes per pergatitjen dhe paraqitjen e drejte te ketyre pasqyrave finanaciare ne perputhje me Standartet Kombetare te Kontabilitetit dhe te Raportimit Financiar.
ERE eshte nje Ent Publik jo buxhetor dhe jofitimprures.
Ne perputhje me Dispozitat Ligjore qe regullojne funksionimin e ERE-s, kontabiliteti i saj pasqyron administrimin e fondeve te realizuara nga operatoret e sektorit energjitik mbi bazen e tarifave te percaktuara me ligj.
Perdorimi i ketyre fondeve realizihet nepermjet hartimit, ndjekjes dhe realizimit te buxhetit te miratuar me Vendim te Bordit i Komisionereve te ERE-s.

Pergjegjesia e Audituesit

Pergjegjesia e Audituesit eshte te shprehi nje opinion mbi keto pasqyra financiare bazuar ne misionin e auditimit. Une kam kryer auditimin ne perputhje me Standartet Nderkombetare te Auditimit. Keto Standarte kerkojne qe te respektohen kerkesat etike dhe te planifikohet dhe kryehet auditimi per te arritur sigurine e arsyeshme se pasqyrat financiare nuk permbajne anomali materiale .

Nje auditim perfshin kryerjen e procedurave per te siguruar evidencen e nevojshme te auditimit rreth shumave dhe informacioneve shpjeguese te dhena ne pasqyrat financiare. Procedurat e zgjedhura jane ne varesi te gjykimit te audituesit, perfshire ketu vleresimin e rreziqeve te anomalise materiale ne pasqyrat financiare, te cilat mund te vijne si pasoje e mashtrimit apo gabimit.

Ludmilla Paluka
Ekspert Kontabel i Regjistruar
Licenca Nr 161, date 25.01.2007
Cel.0692036339

Ne vleresimin e ketyre rreziqeve, audituesi merr ne konsiderate kontrollin e brendshem te entitetit qe ka te beje me pergatitjen dhe paraqitjen e sinqerte te pasqyrave financiare me qellim qe te percaktoje procedura auditimi qe jane te pershtatshme per rrethanat, por jo per qellime te shprehjes se nje opinioni mbi efektivitetin e kontrollit te brendshem te entitetit.
Nje auditim perfshin gjithashtu, vlersimin e pershtatmerise se politikave kontabel te perdorura, te arsyeshmerise se cmuarjeve kontabel te bera nga drejtimi, si edhe vlersimin per paraqitjen e pergjithshme te pasqyrave financiare.
Ne besojme se evidenca e auditimit qe kemi siguruar eshte e mjaftueshme dhe e pershtatshme per te sherbyer si baze per opinionin tone te auditimit.

Opinioni i audituesit

Sipas opinionit tim, pasqyrat financiare paraqesin ne menyre te drejte ne te gjitha aspektet materiale, pozicionin financiar te ***Entit Regullator te Energjise*** *ne date 31.12.2015, ne pajtim me Standartet Kombetare te Kontabilitetit.*

Eksperte Kontabel e Regjistruar

Ludmilla Paluka

Institutit i Ekspertëve Kontabël të Autorizuar
E.K.R. Ludmila PALUKA
NIPT K71616038S
Licenca Nr. 161
Tirana-Albania

Tirane me 30 Mars 2016

Emertimi dhe Forma ligjore Ent Publik

NIPT -i K 51717024 I

Adresa e Selise Bul "Bajram Curri" Rr "Viktor Eftimiu" Godina KESH Tirane

Data e krijimit

Nr. i Regjistrit Tregetar

Veprimtaria Kryesore

PASQYRAT FINANCIARE

(Ne zbatim te Standartit Kombetar te Kontabilitetit Nr.2 te Permiresuar dhe Ligjit Nr. 9228 Date 29.04.2004 Per Kontabilitetin dhe Pasqyrat Financiare)

Viti 2015

Pasqyra Financiare jane individuale		po
Pasqyra Financiare jane te konsoliduara		po
Pasqyra Financiare jane te shprehura ne		Lek
Pasqyra Financiare jane te rumbullakosura ne		po (te plote)
Periudha Kontabel e Pasqyrave Financiare	Nga	01.01.2015
	Deri	31.12.2015
Data e mbylljes se Pasqyrave Financiare		31.03.2016

Pasqyra e Pozicionit Financiar (Bilanci)

Nr	A K T I V E T	Shenimet	2015	2014
	Aktivet Afatshkurtra			
	▶ **Aktivet monetare**	1	**67,459,093**	**78,244,586**
	1 *Banka*		67,459,093	78,244,586
	2 *Arke*		0	
	▶ **Investime**	2	0	0
	1 *Në tituj pronësie të njësive ekonomike brenda grupit*	2.1		
	2 *Aksionet e veta*	2.2		
	3 *Te tjera Financiare*	2.3		
	▶ **Të drejta të arkëtueshme**	3	**15,717,915**	**4,600,828**
	1 *Kerkesa te arketueshme(punonjes)*	3.1	102,615	163,828
	2 *Nga njësitë ekonomike brenda grupit*	3.2		
	3 *Nga njësitë ekonomike ku ka interesa pjesëmarrëse*	3.3		
	4 *Të tjera pagesa rregullimi*	3.4	15,615,300	4,437,000
	5 *Kapital i nënshkruar i papaguar*	3.5		
	▶ **Inventarët**	4	**4,410,424**	**3,289,320**
	1 *Lëndë e parë dhe materiale të konsumueshme*	4.1		
	2 *Prodhime në proces dhe gjysëmprodukte*	4.2		
	3 *Produkte të gatshme*	4.3		
	4 *Mallra*	4.4	4,410,424	3,289,320
	5 *Aktive Biologjike (Gjë e gjallë në rritje e majmëri)*	4.5		
	6 *AAGJM të mbajtura për shitje*	4.6		
	7 *Parapagime për inventar*	4.7		
	▶ **Shpenzime të shtyra**	5		
	▶ **Të arkëtueshme nga të ardhurat e konstatuara**	6		
I	**TOTALI AKTIVEVE AFATSHKURTRA**		**87,587,432**	**86,134,734**
	Aktivet Afatgjata			
	▶ **Aktive financiare**	7	0	0
	1 *Tituj pronësie në njësitë ekonomike brenda grupit*	7.1		
	2 *Tituj të huadhënies në njësitë ekonomike brenda grupit*	7.2		
	3 *Tituj pronësie në njësitë ekonomike ku ka interesa pjesëmarrëse*	7.3		
	4 *Tituj të huadhënies në njësitë ekonomike ku ka interesa pjesëmarrëse*	7.4		
	5 *Tituj të tjerë të mbajtur si aktive afatgjata*	7.5		
	6 *Tituj të tjerë të huadhënies*	7.6		
	▶ **Aktivet materiale**	8	**4,777,452**	**14,484,779**
	1 *Toka dhe ndërtesa*	8.1	0	7,470,010
	2 *Impiante dhe makineri*	8.2	2,360,268	2,950,335
	3 *Të tjera Instalime dhe pajisje*	8.3	2,417,184	4,064,434
	4 *Parapagime për aktive materiale dhe në proces*	8.4		
	▶ **Ativet biologjike**	9		
	▶ **Aktive jo materiale:**	10	0	0
	1 Koncesione,patenta,licenca,marka tregtare,të drejta dhe aktive të ngja	10.1		
	2 *Emri i Mirë*	10.2		
	3 *Parapagime për AAJM*	10.3		
	▶ **Aktive tatimore të shtyra**	11		
	▶ **Kapitali i nënshkruar i papaguar**	12		
II	**TOTALI AKTIVEVE AFATGJATA**		**4,777,452**	14,484,779
	AKTIVE TOTALE		**92,364,885**	**100,619,513**

Pasqyra e Pozicionit Financiar (Bilanci)

Nr	DETYRIMET DHE KAPITALI	Shenimet	2015	2014
	▶ **Detyrime afatshkurtra:**	13	**3,901,692**	**3,382,589**
	1 *Titujt e huamarrjes*	*13.1*		
	2 *Detyrime ndaj institucioneve të kredisë*	13.2		
	3 *Arkëtime në avancë për porosi*	*13.3*		
	4 *Të pagueshme për aktivitetin e shfrytëzimit*	13.4	0	574,732
	5 *Dëftesa të pagueshme*	*13.5*		
	6 *Të pagueshme ndaj njësive ekonomike brenda grupit*	13.6		
	7 *Të pagueshme ndaj njësive ekonomike ku ka interesa pjesëmarrëse*	*13.7*		
	8 *Të pagueshme ndaj punonjësve dhe sigurimeve shoqërore/shëndetsore*	13.8	3,841,497	1,059,298
	9 *Të pagueshme për detyrimet tatimore*	*13.9*	0	1,686,384
	10 *Të tjera të pagueshme*	*13.10*	60,195	62,175
	▶ **Të pagueshme për shpenzime të konstatuara**	*14*		
	▶ **Të ardhura të shtyra**	15		
	▶ **Provizione**	*16*		
	Totali i Detyrimeve afatshkurtera		**3,901,692**	**3,382,589**
	▶ **Detyrime afatgjata:**	*17*	0	0
	1 *Titujt e huamarrjes*	17.1		
	2 *Detyrime ndaj institucioneve të kredisë*	*17.2*		
	3 *Arkëtimet në avancë për porosi*	17.3		
	4 *Të pagueshme për aktivitetin e shfrytëzimit*	*17.4*		
	5 *Dëftesa të pagueshme*	17.5		
	6 *Të pagueshme ndaj njësive ekonomike brenda grupit*	*17.6*		
	7 *Të pagueshme ndaj njësive ekonomike ku ka interesa pjesëmarrëse*	17.7		
	8 *Të tjera të pagueshme*	*17.8*		
	▶ **Të pagueshme për shpenzime të konstatuara**	*18*		
	▶ **Të ardhura të shtyra**	19		4,437,000
	▶ **Provizione:**	*20*	0	0
	1 *Provizione për pensionet*	20.1		
	2 *Provizione të tjera*	*20.2*		
	▶ **Detyrime tatimore të shtyra**	21		
	Totali i Detyrimeve afatgjata		0	**4,437,000**
	DETYRIMET TOTALE		**3,901,692**	**7,819,589**
	▶ **Kapitali dhe Rezervat**	22	88,463,193	92,799,924
	▶ **Kapitali i Nënshkruar**	23		
	▶ **Primi i lidhur me kapitalin**	*24*		
	▶ **Rezerva rivlerësimi**	25		
	▶ **Rezerva të tjera**	*26*	0	0
	1 *Rezerva ligjore*	26.1		
	2 *Rezerva statutore*	*26.2*		
	3 *Rezerva të tjera*	26.3		
	▶ **Fitimi i pashpërndarë**	*27*		
	▶ **Fitim / Humbja e Vitit**	28		
	Totali i Kapitalit		**88,463,193**	**92,799,924**
	TOTALI I DETYRIMEVE DHE KAPITALIT		**92,364,885**	**100,619,513**

Pasqyra e Performancës
(Pasqyra e të ardhurave dhe shpenzimeve)

Formati 1 – Shpenzimet e shfrytëzimit të klasifikuara sipas natyrës

Nr	Pershkrimi i Elementeve	Shenimet	2015	2014
▶	Të ardhura nga aktiviteti i shfrytëzimit	29	94,209,650	122,180,540
▶	Të ardhura nga aktiviteti i shfrytëzimit	30	1,229,112	1,410,588
▶	Puna e kryer nga njësia ekonomike dhe e kapitalizuar	31		
▶	Të ardhura të tjera të shfrytëzimit	32		
▶	Lënda e parë dhe materiale të konsumueshme	33	0	0
	1 *Lënda e parë dhe materiale të konsumueshme*	33.1		
	2 *Të tjera shpenzime*	33.2		
▶	Shpenzime të personelit	34	-64,944,563	-49,499,709
	1 *Paga dhe shpërblime*	34.1	-58,280,469	-44,251,135
	2 *Shpenzime të sigurimeve shoqërore/shëndetsore (paraqitur veçmas nga shpenzimet për pensionet)*	34.2	-6,664,093	-5,248,574
▶	Zhvlerësimi i aktiveve afatgjata materiale	35	0	0
▶	Shpenzime konsumi dhe amortizimi	36	-1,919,055	-2,806,464
▶	Shpenzime të tjera shfrytëzimi	37	-30,300,971	-28,648,876
▶	Të ardhura të tjera	38	51,187	48,752
	1 *Të ardhura nga interesi*	38.1	39,062	18,406
	2 *Të ardhura nga kursi kembimit*	38.2	7,425	4,646
	3 *Te ardhura tjera*	38.3	4,700	25,700
▶	Zhvlerësimi i aktiveve financiare dhe investimeve financiare të mbajtura si aktive afatshkurtra	39		
▶	Shpenzime financiare	40	0	0
	1 *Shpenzime interesi dhe shpenzime të ngjashme (paraqitur veçmas shpenzimet për t'u paguar tek njësitë ekonomike brenda grupit)*	40.1		
	2 *Shpenzime të tjera financiare*	40.2		
▶	Pjesa e fitimit/humbjes nga pjesëmarrjet	41		
▶	Fitimi/Humbja para tatimit	42	-1,674,639	42,684,831
▶	Shpenzimi i tatimit mbi fitimin	43	0	0
	1 *Shpenzimi aktual i tatimit mbi fitimin*	43.1		
	2 *Shpenzimi i tatim fitimit të shtyrë*	43.2		
	3 *Pjesa e tatim fitimit të pjesëmarrjeve*	43.3		
▶	Fitimi/Humbja e vitit	44	-1,674,639	42,684,831
▶	Fitimi/Humbja për:	45		
	Pronarët e njësisë ekonomike mëmë	45.1		
	Interesat jo-kontrolluese	45.2		

Pasqyra e të Ardhurave Gjithëpërfshirëse

Nr	Pershkrimi i Elementeve		2015	2014
▶	Fitimi/Humbja e vitit	46	-1,674,639	42,684,831
	Të ardhura të tjera gjithëpërfshirëse për vitin:	46.1		
	Diferencat (+/-) nga përkthimi i monedhës në veprimtari të huaja	46.2		
	Diferencat (+/-) nga rivlerësimi i aktiveve afatgjata materiale	46.3		
	Diferencat (+/-) nga rivlerësimi i aktivet financiare të mbajtura për shitje	46.4		
	Pjesa e të ardhurave gjithëpërfshirëse nga pjesëmarrjet	46.5		
▶	Totali i të ardhurave të tjera gjithëpërfshirëse për vitin	47	0	0
▶	Totali i të ardhurave gjithëpërfshirëse për vitin	48	-1,674,639	42,684,831
▶	Totali i të ardhurave/humbjeve gjithëpërfshirëse për:	49		
	Pronarët e njësisë ekonomike mëmë	49.1		
	Interesat jo-kontrolluese	49.2		

SHENIMET SPJEGUESE

Sqarim:

Dhënia e shënimeve shpjeguese në këtë pjesë është e detyrueshme sipas SKK 2 i permiresuar

Plotesimi i te dhenave të kësaj pjese duhet të bëhet sipas kërkesave dhe strukturës standarte te percaktuara ne SKK 2 te permiresuar. Rradha e dhenies se spjegimeve duhet te jete :

a) Informacion i përgjithshëm dhe politikat kontabël

b)Shënimet qe shpjegojnë zërat e ndryshëm të pasqyrave financiare

c) Shënime të tjera shpjeguese

A I Informacion i përgjithshëm

1 Kuadri ligjor: Ligjit 9228 dt 29.04.2004 "Per Kontabilitetin dhe Pasqyrat Financiare"
2 Kuadri kontabel i aplikuar : Stndartet Kombetare te Kontabilitetit ne Shqiperi.(SKK 2;)
3 Baza e pergatitjes se PF : Mbi bazen e konceptit te materialitetit.(SSK 1, 1-3)
4 Parimet baze per pergatitjen e Pasqyrave Financiare: (SKK 1; 40 - 90)

1. Parimi i njesise ekonomike: mban ne llogarite e saj aktivet,detyrimet dhe transaksionet ekonomike te veta.

2. Parimi i vijimesise: veprimtaria ekonomike e njesise sone raportuse eshte e siguruar duke mos pasur ne plan ose nevoje nderprerjen e aktivitetit te saj.

3. Kompensimi: midis nje aktivi dhe nje pasivi nuk ka , ndersa midis te ardhurave dhe shpenzimeve ka vetem ne rastet qe lejohen nga SKK.

4. Kuptushmeria e Pasqyrave Financiare eshte realizuar ne masen e plote per te qene te qarta dhe te kuptushme per perdorues te jashtem qe kane njohuri te pergjitheshme te mjaftueshme ne fushen e kontabilitetit.

5. Materialiteti eshte vleresuar nga ana jone dhe ne baze te tij Pasqyrat Financiare jane hartuar vetem per zera materiale.

6. Besushmeria per hartimin e Pasqyrave Financiare eshte e siguruar pasi nuk ka gabime materiale duke zbatuar parimet e meposhteme :

- Parimin e paraqitjes me besnikeri
- Parimin e perparesise se permbajtjes ekonomike mbi formen ligjore
- Parimin e paaneshmerise pa asnje influencim te qellimshem
- Parimin e maturise pa optimizem te teperuar,pa nen e mbivleresim te qellimshem
- Parimin e plotesise duke paraqitur nje pamje te vertete e te drejte te PF.
- Parimin e qendrushmerise per te mos ndryshuar politikat e metodat kontabel
- Parimin e krahasushmerise duke siguruar krahasimin midis dy periudhave.

A II Politikat kontabël

Per percaktimin e kostos se inventareve eshte zgjedhur metoda "FIFO" (hyrje e pare , dalje e pare.(SKK 4:)

Vleresimi fillestar i nje elementi te AAM qe ploteson kriteret per njohje si aktiv ne bilanc eshte vleresuar me kosto. (SKK 5;)

Per prodhimin ose krijimin e AAM kur kjo financohet nga nje hua,kostot e huamarrjes (dhe interesat) eshte metoda e kapitalizimit ne koston e aktivit per periudhen e investimit.(SKK 5:)

Per vleresimi i mepaseshem i AAM eshte zgjedhur modeli i kostos duke i paraqitur ne bilanc me kosto minus amortizimin e akumuluar. (SKK 5;)

Per llogaritjen e amortizimit te AAM (SKK 5:) njesia jone ekonomike ka percaktuar si metode te amortizimit te A.Agj.M metoden e amortizimit mbi bazen e vleftes se mbetur ndersa normat e amortizimit jane perdorur te njellojta me ato te sistemit fiskal ne fuqi dhe konkretisht :

- Per ndertesat me 5 % te vleftes se mbetur.
- Kompjutera e sisteme informacioni me 25 % te vleftes se mbetur
- Te gjitha AAM te tjera me 20 % te vleftes se mbetur

Per llogaritjen e amortizimit te AAJM (SKK 5:) njesia ekonomike raportuese ka percaktuar si metode te amortizimit ate lineare me normen e amortizimit 15 % ne vit.

Referenca

B Shënimet qe shpjegojnë zërat e ndryshëm të pasqyrave financiare

I AKTIVET AFAT SHKURTERA

1 Aktivet monetare

1.1 *Banka*

Nr	Emri i Bankes	Monedha	Nr llogarise	Vlera ne valute	Kursi fund vitit	Vlera ne leke
	BKT lek	lek				63,402,458
	BKT euro	euro		10889.57		1,494,835
	Raiffeisen	lek				838,088
	Union bank mast.card	euro		2334.69		320,553
	Union bank lek	lek				1,306,701
	Union bank mast.card	euro		642.22		88,177
	BKT dollar	dollar		75.03		8,282
	Totali					**67,459,093**

1.2 *Arka*

Nr	EMERTIMI	Vlera ne valute	Kursi fund vitit	Vlera ne leke
	Arka ne Leke	0		0
	Arka ne Euro	0		0
	Arka ne Dollare	0		0
	Totali	0		0

3 Të drejta të arkëtueshme — **15,717,915**

3.1 *Nga aktiviteti i shfrytëzimit*

Kliente per mallra,produkte e sherbime

> Fatura te pa likuiduara nen nje vit — 15,717,915
> Pagesat e rregullimit — 0
> Zhvleresimi i te drejtave dhe detyrimeve

4.4 *Mallra*

> Iventar I imet ne perdorim — **4,410,424**
> Zhvlerësimi i mallrave dhe (produkteve) për shitje

II AKTIVET AFATGJATA

8 Aktive materiale

8.1 *Toka dhe ndërtesa* — **4,777,452**
8.2 *Makina* — 2,360,268
8.3 *Të tjera paisje zyre e info* — 2,417,184
8.4 *Parapagime për aktive materiale dhe në proces*

III DETYRIMET DHE KAPITALI — **92,364,885**

13 Detyrime afatshkurtra: — **3,901,692**

13.8 *Të pagueshme ndaj punonjësve dhe sigurimeve shoqërore/shëndetsore*

> Paga dhe shpërblime — **0**
> Paradhënie për punonjësit
> Sigurime shoqërore dhe shëndetsore — 3,841,497
> Organizma të tjera shoqërore
> Detyrime të tjera — 60,195

13.9 *Të pagueshme për detyrimet tatimore*

> Akciza

> Tatim mbi të ardhurat personale

17.4 *Të pagueshme për aktivitetin e shfrytëzimit*

> Furnitorë për mallra, produkte e shërbime mbi një vit

22	**Fondi pasuror I ERE-s**	88,463,193
	PASIVI	92,364,885

C Shënime të tjera shpjegeuse

Ngjarje te ndodhura pas dates se bilancit per te cilat behen rregullime apo ngjarje te ndodhura pas dates se bilancit per te cilat nuk behen rregulline nuk ka.

Gabime materiale te ndodhura ne periudhat kontabel te mepareshme te konstatuara gjate periudhes rraportuese dhe qe korigjim nuk ka.

Hartuesi i Pasqyrave Financiare

Per Drejtimin e Njesise Ekonomike

2. Human Resources

For 2015 as before, regarding the Human Resources area it is strictly implemented Law no. 9367 of date 07.04.2005 "On preventing the conflict of interest in exercising the public functions" as amended with Law no.86/2012 of date 18.09.2012, as amended with Law no.44/2014 of date 24.04.2014 and Law no. 9049, of date 10.04.2003 "On the declaration and audit of the assets, financial obligations of the elected persons and certain public officials" as amended with Law no.85/2012 of date 18.09.2012 and Law no.45, of date 24.04.2014.

Are fulfilled the declarations of the private periodic/annual interests from 9 officials (subject of this obligation), according to the time deadlines provided by the law.

Also there are regularly followed the trainings organized by ILDKPKI.

Implementing the Albanian Assembly Decision no. 181, of date 05.05.2008 on approving the structure and the organization chart it is strictly implemented Law No. 9584 of date 11.07.2006, "On the salaries, compensations of the constitutional structure institutions and other independent institutions established by law", as well as Decision no. 589, of date 17.07.2013 "On approving the structure and the salaries level of the civil servants/officials, the vice minister and the cabinet officials in the prime ministry, line ministries, the presidents, assembly, central elections commission, general prosecution administration and some independent institutions, institutions depending from the council of ministers, the prime minister, institutions depending of the line ministry and the mayor administration" as well as Decision no. 610, of date 24.07.2012 " On some additions and amendments on Council of Ministers decision no. 717, of date 23.06.2009 "On the payments of the supporting employers of budgetary institutions and some employees of the budgetary institutions" as amended.

Based on Law no. 9072, of date 22.5.2003 "On Power Sector" as amended, and as follows based on law no.43/2015 " On the election, appointment and promotion in duty of ERE staff it is implemented Law no. 152/2013, of date 30.05.2013 "On the cvil servant" as well as all the secondary legislations issued in the function of strictly implementing the legislation in force.

Annex 1 ERE Decisions Register for 2015

Number	Date of Approving the Decision	Object of the Decision	Publication in the Official Gazette
No.1	Date February.02.2015	On approving the agreement between KESH (Albanian Power Corporation) company and OST (Transmission System Operator) company for electricity sale-purchase to cover the technical losses in the transmission system for 2015.	Official Gazette No. 21, Date February.18.2015
No.2	Date, February.02.2015	To license "Fatlum"company in electricity generation activity from "Perrollaj" HPP with installed capacity of 0.5 MW.	Official Gazette No.21 date, February.18.2015
No.3	Date, February.02.2015	For qualifying the generation plant of "Fatlum" company from "Perrolaj" HPP, with a capacity of 0.5 MW	Official Gazette No.21 date February.18.2015
No.4	Date, February.02.2015	For beginning the procedures to license "Roberto Oil" company, in electricity trading activity.	Official Gazette No.21 date February.18.2015
No.5	Date February 02.2015	For beginning the procedures to license "Roberto Oil" company, in the activity of electricity qualified supplier.	Official Gazette No.21 date February 18.2015
No.6	Date February.02.2015	On the request of OST (Transmission System Operator) company to review and suspend decision No.141, date December.26.2014 of ERE Board of Commissioners "To determine the ancillary services tariff for 2015	Official Gazette No.21 date February.18.2015
No.7	Date February.02.2015	For licensing "Noa Energy Trade" company in electricity trading activity	Official Gazette No.21 date February.18.2015

No.8	Date February.02.2015	For licensing "Noa Energy Trade" company in the activity of electricity qualified supplier.	Official Gazette No.21 date February.18.2015
No.9	Date February.04.2015	On approving the agreement between KESH (Albanian Power Corporation) company and OST (Transmission System Operator) company for ensuring the ancillary and balancing services of the electricity system.	Official Gazette No.21 date February.18.2015
No.10	Date February.04.2015	On approving the "Transmission Service Agreement" for electricity between OST (Transmission System Operator) company and OSHEE (Distribution System Operator) company for 2015.	Official Gazette No.21 date February.18.2015
No.11	Date February.04.2015	On approving the agreement for electricity supply between KESH (Albanian Power Corporation) company, (wholesale public supplier) and OSHEE (Distribution System Operator) company (retail public supplier) for 2015.	Official Gazette No.21 date February.18.2015
No.12	Date February.06.2015	On approving the electricity sale-purchase agreement between KESH (Albanian Power Corporation) company, and OSHEE (Distribution System Operator) company for electricity surpluses including those in conditions of large flows for fulfilling the losses in the distribution system for 2015	Official Gazette No.21 date February.18.2015
No.13	Date February.11.2015	For licensing "Dragobia Energy " company in the activity of electricity qualified supplier.	Official Gazette No. 31, date March.06.2015
No.14	Date February.11.2015	On the request of OST (Transmission System Operator) company for reviewing and suspending decision No.156, date December.01.2014 of ERE Board of Commissioners on approving the Auction Regulations for the Coordinated Auction Office of South East Europe (SEE CAO)"	Official Gazette No. 31, date March.06.2015
No.15	Date	For beginning the procedures to license "Gaea-Energjia	Official Gazette

	February.11.2015	Alternative e Gjelber" company in electricity trading activity	No.31, date March.06.2015
No.16	Date February.11.2015	For beginning the procedures to license "Gaea-Energjia Alternative e Gjelber" company in electricity trading activity	Official Gazette No.31, date March.06.2015
No.17	Date February.11.2015	For licensing "Power Elektrik Sllabinje" company in electricity trading activity	Official Gazette No. 31, date March.06.2015
No.18	Date February.11.2015	For licensing "Power Elektrik Sllabinje" company in the activity of electricity qualified supplier	Official Gazette No. 31, date March.06.2015
No.19	Date February.11.2015	For licensing "Hidro Power Electric" company in electricity trading activity	Official Gazette No. 31, date March.06.2015
No.20	Date February.11.2015	For licensing "Hidro Power Elektrik" company in the activity of electricity qualified supplier	Official Gazette No. 31, date, March.06.2015
No.21	Date February 11.2015	For licensing "Fatlum" company in electricity trading activity	Official Gazette No. 31, date,March.06.2015
No.22	Date February.11.2015	For beginning the procedures to license "Green Energy Trading Albania" company in electricity trading activity	Official Gazette No. 31, date,March.06.2015
No.23	Date February.11.2015	For licensing "Future Energy Al" company in electricity trading activity	Official Gazette No.31, date,March.06.2015
No.24	Date February.11.2015	For licensing "Future Energy Al" company in the activity of electricity qualified supplier	Official Gazette No.31, date,March.06.2015
No.25	Date February.11.2015	For licensing "Anio Oil & Gas" company in natural gas trading activity for a period of 5 years	Official Gazette No.31, date,March.06.2015
No.26	Date February.11.2015	For approving the application payment for license in natural gas sector	Official Gazette No.31, date,March.06.2015
No.27	Date February.16.2015	On approving the fix electricity tariff, for 2015, that will be payed to electricity generators from the hydro power plants	Official Gazette No.31, date,March.06.2015
No.28	Date March.04.2015	For beginning the procedures to license "KOXHERI ENERGJI" company, in electricity generation activity from "KOXHERAJ" Hpp with total capacity 0.62 MW.	Official Gazette No.54, date April.09.2015
No.29	Date	For beginning the procedures to license "Koxheri	Official Gazette

	March.04.2015	Energji" company in electricity trading activity.	No. 54, date,April.09.2015
No.30	Date March.04.2015	For beginning the procedures to license "Electral" company in electricity trading activity.	Official Gazette No. 54, date April.09.2015
No.31	Date March.04.2015	For beginning the procedures to license "Electral" company in the activity of electricity qualified supplier.	Official Gazette No. 54, date April.09.2015
No.32	Date March.04.2015	For licensing "Ayen As Energji" company in electricity generation activity from "Gojan", "Gjegjan", "Pershesh" and "Fangu" Hpp-s, with a capacity of 110.54 MW	Official Gazette No. 54, date April.09.2015
No.33	Date March.04.2015	For beginning the procedures to license "Alpiq Energy Albania" company, in electricity trading activity	Official Gazette No.54, date April.09.2015
No.34	Date March.04.2015	For beginning the procedures to license "Alpiq Energy Albania" company, in the activity of electricity qualified supplier	Official Gazette No. 54, date April.09.2015
No.35	Date March.04.2015	For licensing "Devoll Hidropower" company in electricity trading activity	Official Gazette No.54, date April.09.2015
No.36	Date March.18.2015	For licensing "Devoll Hidropower" company in the activity of electricity qualified supplier	Official Gazette No. 54, date April.09.2015
No.37	Date March.18.2015	For licensing "Albanian Energy Supplier" company in electricity trading activity.	Official Gazette No.64, date April.27.2015
No.38	Date March. 18.2015	For licensing "Albanian Energy Supplier" company in the activity of electricity qualified supplier.	Official Gazette No.64, date April.27.2015
No.39	Date March. 18.2015	On approving an amendment in the Albanian Electricity Market Rules.	Official Gazette No.64, date April.27.2015
No.40	Date March.18.2015	On approving ERE annual report "On Power Sector Situation" and ERE activity during 2014	Official Gazette No.64, date, April.27.2015

No.41	Date April.07.2015	For beginning the procedures to transfer the electricity generation license of "Euron Energy Group" company, approved with ERE Board of Commissioners Decision No.87 of September.26.2011, at "Alb-Energy", "Euron Energy" and "Energal" companies.	Official Gazette No. 67, date April.30.2015
No.42	Date April.07.2015	For beginning the procedures of license modification no.138, series PV11K for electricity generation from "Pellgut te Okshtunit" HPP with a capacity of 31,489 MW, of "Diteko" company approved with ERE Board of Commissioners decision no.114 date November.16.2011.	Official Gazette No. 67, date April.30.2015
No.43	Date April.07.2015	For beginning the procedures to license "Phoenix Petroleum" company in natural gas trading activity.	Official Gazette No.67, date April.30.2015
No.44	Date April.07.2015	For beginning the procedures to license "Kisi-Bio-Energji" company, in electricity generation activity from "Kacni" HPP.	Official Gazette No.67, date April.30.2015
No.45	Date April. 07.2015	For beginning the procedures to license "Kisi-Bio-Energji" company in electricity trading activity.	Official Gazette No.67, date April.30.2015
No.46	Date April.07.2015	For reviewing the investment plan of Transmission System Operator (OST) company for 2015.	Official Gazette No.67, date April.30.2015
No.47	Date April.17.2015	For beginning the procedures to license "Mesapotam Energy" company, in electricity generation activity from "Driza" Hpp with total capacity of 3.408 MW.	Official Gazette No.75, date May.14.2015
No.48	Date April.17.2015	For beginning the procedures to license "Mesapotam Energy" company in electricity trading activity.	Official Gazette No.75, date May.14.2015
No.49	Date April.17.2015	For licensing "Roberto Oil" company in electricity trading activity.	Official Gazette No.75, date May.14.2015
No.50	Date April.17.2015	For licensing "Roberto Oil" company in the activity of electricity qualified supplier.	Official Gazette No. 75, date May.14.2015
No.51	Date April.17.2015	For licensing "Koxheri Energji" company in electricity generation activity from "Koxherraj" Hpp with installed	Official Gazette No. 75, date May.14.2015

		capacity 0,62 MW for a 30 years period.	
No.52	Date April.17.2015	On applying the amendments required from the European Commission and Energy Community Secretariat for the Joint Opinion of the Albanian, Italian, and Greek regulatory authorities approved with ERE decision No.135 date December 24.2014	Official Gazette No. 75, date May.14.2015
No.53	Date April.17.2015	For some amendments in the Regulation for new connections in the distribution system	Official Gazette No.75, date May.14.2015
No.54	Date April.23.2015	For transferring electricity generation license, of "Euron Energy Group" company, approved with ERE Board of Commissioners decision no.87, of September.26.2011 at "Alb-Energy", "Euron Energy" and "Energal" companies	Official Gazette No.75, date May.14.2015
No.55	Date April.23.2015	For beginning the procedures to license "Nishova Energy" company in electricity generation activity from "Nishova" Hpp with total capacity of 1.36 MW.	Official Gazette No.75, date May.14.2015
No.56	Date April.23.2015	For beginning the procedures to license "Nishova Energy" company, in electricity trading activity.	Official Gazette No.75, date May.14.2015
No.57	Date April.23.2015	For licensing "Gaea-Energjia Alternative e Gjelber" company in electricity trading activity.	Official Gazette No.75, date May.14.2015
No.58	Date April.23.2015	For licensing "Gaea-Energjia Alternative e Gjelber" company in the activity of electricity qualified supplier.	Official Gazette No.75, date May.14.2015
No.59	Date April.23.2015	For licensing "Green Energy Trading Albania" company in electricity trading activity.	Official Gazette No.75, date May.14.2015
No.60	Date April.23.2015	For beginning the procedures to license "Perparimi SK" company, in electricity generation activity from "Shtika" Hpp.	Official Gazette No.75, date May.14.2015
No.61	Date April.23.2015	For beginning the procedures to license "Perparimi SK" company, in electricity trading activity.	Official Gazette No.75, date May.14.2015
No.62	Date May.11.2015	For beginning the procedures to license "Euron Energy" company, in electricity trading activity.	Official Gazette No.89, date May.29.2015

No.63	Date May.11.2015	For beginning the procedures to license "Energal" company, in electricity trading activity.	Official Gazette No.89, date May.29.2015
No.64	Date May.11.2015	For licensing "Electral" company in electricity trading activity.	Official Gazette No.89, date May.29.2015
No.65	Date May.11.2015	For licensing "Electral" company in the activity of electricity qualified supplier.	Official Gazette No.89, date May.29.2015
No.66	Date May.11.2015	For beginning the procedures to license "Gama Energy" company in electricity generation activity from "Lena 1", "Lena 2" and "Lena 2A" with installed capacity respectively 1.95 MW, 2.3 MW and 0.25 MW (total capacity 4.5 MW)	Official Gazette No.89, date May.29.2015
No.67	Date May.11.2015	For beginning the procedures to license "Gama Energy" company, in electricity trading activity.	Official Gazette No.89, date May.29.2015
No.68	Date May.11.2015	For beginning the procedures of qualifying the generation plant as energy renewable resource of "Gama Energy" company, for "Lena 1", "Lena 2" and "Lena 2A" respectively with capacity 1.95 MW, 2.3 MW and 0.25 MW (total capacity 4.5 MW).	Official Gazette No.89, date May.29.2015
No.69	Date May.11.2015	On approving and implementing ERE transparency programs provided in Law no. 119/2014 Article 4 "For the Information Right"	Official Gazette No.89, date May.29.2015
No.70	Date May.13.2015	For licensing "Kisi-Bio-Energji" company in electricity generation activity from "Kacni" HPP, with total capacity 3.87 MW.	Official Gazette No.89, date May.29.2015
No.71	Date May.13.2015	For licensing "Koxherri Energji" company, in electricity trading activity.	Official Gazette No.89, date May.29.2015
No.72	Date May.13.2015	For licensing "Alpiq Energy Albania" company, in electricity trading activity.	Official Gazette No.89, date May.29.2015
No.73	Date May.13.2015	For licensing "Alpiq Energy Albania" company in the activity of electricity qualified supplier.	Official Gazette No.89, date May.29.2015
No.74	Date	For beginning the procedures to renew the license of	Official Gazette

	June.08.2015	"Ylliad" company in electricity trading activity, approved with Board of Commissioners Decision No. 108 date December.22.2010.	No. 112, date June.30.2015
No.75	Date June.08.2015	For approving the modification of license No.138, series PV11K for electricity generation from "Pellgu te Okshtunit" Hpp, with installed capacity 31.489 MW, of "Diteko" company, approved with ERE Board of Commissioners decision no. 114 date November.16.2011.	Official Gazette No. 112, date June.30.2015
No.76	Date June.08.2015	For beginning the procedures to license "Kabash Porocan" Hpp in electricity generation activity from – "Holta Kabash" and "Holta Porocan" Hpp-s with installed capacity respectively 2.2 MW and 3.3 MW, (total capacity 5.5 MW).	Official Gazette No. 112, date June.30.2015
No.77	Date June.08.2015	For beginning the procedures to license "Kabash Porocan" HPP in electricity trading activity.	Official Gazette No. 112, date June.30.2015
No.78	Date June.08.2015	For transferring electricity generation license from "Water Supply and Sewerage Tirana" company to "Lanabregas" Hpp.	Official Gazette No. 112, date June.30.2015
No.79	Date June.08.2015	For transferring electricity trading license from "Water Supply and Sewerage Tirana" company to "Lanabregas" HPP.	Official Gazette No. 112, date June.30.2015
No.80	Date June.30.2015	For beginning the procedures to review and approve the regulation for the procedures of licensing, modification, full/partial transferring, renewal, and termination of the licenses on the power sector.	Official Gazette No. 117, date July.08.2015
No.81	Date June.30.2015	For beginning the procedures to approve the regulation on the procedures of certifying electricity transmission system operator.	Official Gazette No. 117, date July.08.2015
No.82	Date June.30.2015	For beginning the procedures to review and approv the regulation for ERE organisation, functioning and procedures.	Official Gazette No. 117, date July.08.2015

No.83	Date June.30.2015	For licensing "Gama Energy" company, in electricity generation activity from "Lena 1" Hpp with installed capacity 1.95 MW, "Lena 2" Hpp with installed capacity 2.3 MW and "Lena 2A" Hpp with installed capacity 0.25 MW, (total capacity 4.5 MW).	Official Gazette No. 117, date July.08.2015
No.84	Date June.30.2015	For beginning the procedures to license "Lengarica&Energy" company in electricity generation activity from "Lengarica" Hpp with installed capacity 8.94 MW.	Official Gazette No. 117, date July.08.2015
No.85	Date June.30.2015	For beginning the procedures to license "Lengarica&Energy" company in electricity trading activity.	Official Gazette No. 117, date July.08.2015
No.86	Date June.30.2015	For beginning the procedures to license "Lengarica&Energy" company in electricity supply activity.	Official Gazette No. 117, date July.08.2015
No.87	Date June.30.2015	On refusing the license request of "Phoenix Petroleum" company in natural gas trading activity.	Official Gazette No. 117, date July.08.2015
No.88	Date June.30.2015	On approving an amendment in the albanian electricity market rules.	Official Gazette No. 117, date July.08.2015
No.90	Date July.15.2015	On beginning the procedures to approve the regulation on the procedures to certify transmission system operator for gas	Official Gazette No. 131, date July.27.2015
No.91	Date July.28.2015	On licensing "ENERGAL" company, in electricity trading activity	Official Gazette No.143 date August.06.2015
No.92	Date July.28.2015	On licensing "EURON ENERGY" company in electricity trading activity	Official Gazette No.143 date August.06.2015

No.93	Date July.28.2015	For licensing "Kabash Poracan" HPP in electricity generation activity from "Holta Kabash" and Holta Poracan" HPP-s with installed capacity respectively 2.2 MW and 3.3 MW, (total capacity 5.5 MW)	Official Gazette No.143 date August.06.2015
No.94	Date July.28.2015	For licensing "Kabash Poracan" HPP in electricity trading activity	Official Gazette No.143 date August.06.2015
No.95	Date July.28.2015	For licensing "Gama Energy" company in electricity trading activity	Official Gazette No.143 date August.06.2015
No.96	Date July.28.2015	On licensing "Kisi-Bio-Energji" company in electricity trading activity	Official Gazette No.143 date August.06.2015
No.97	Date July.28.2015	On renewing the license of "Ylliad" company in electricity trading activity, approved with ERE Board of Commissioners decision no.108 of December.22.2010.	Official Gazette No.143 date August.06.2015
No.98	Date July.28.2015	On beginning the procedures to license "Denas Power" company in electricity generation activity from "Denas" HPP with installed capacity 14.5 MW	Official Gazette No.143 date August.06.2015
No.99	Date July.28.2015	On beginning the procedures to license "Denas Power" company, in electricity trading activity	Official Gazette No.143 date August.06.2015
No.100	Date August.05.2015	On approving the regulation for the certification of transmission system operator in natural gas.	Official Gazette No.152 date August.26.2015
No.101	Date August.05.2015	On beginning the procedures to review the application of TAP AG company to be certified as independent transmission operator for natural gas.	Official Gazette No.152 date August.26.2015
No.102	Date August.18.2015	On beginning the procedures to review and approve the Auction Rules For the Coordinated Auction Office of	Official Gazette No.152 date

		South East Europe (SEE CAO) version 1.2	August.26.2015
No.103	Date August.18.2015	On licensing Lengarica&Energy company in electricity generation activity from "Lengarica" HPP (with installed capacity) 8.94 MW.	Official Gazette No.152 date August.26.2015
No.104	Date August.18.2015	On licensing "Lengarica&Energy" company in electricity trading activity.	Official Gazette No.152 date August.26.2015
No.105	Date August.18.2015	On licensing "Lengarica&Energy" company in electricity supply activity.	Official Gazette No.152 date August.26.2015
No.106	Date August.18.2015	On beginning the procedures to renew the licence of "Energy Supply"company in electricity trading activity, approved with ERE Board of Commissioners decision No.06 of February.02.2011.	Official Gazette No.152 date August.26.2015
No.107	Date August.18.2015	On beginning the procedures to license "Energy Supply" company in electricity supply activity.	Official Gazette No.152 date August.26.2015
No.108	Date September.07.2015	On beginning the procedures to approve electricity generation license.	Official Gazette No.168 date September.25.2015
No.109	Date September.07.2015	On beginning the procedures to approve the electricity trading license.	Official Gazette No.168 date September.25.2015
No.110	Date September.07.2015	On licensing "Mesapotam Energy" company in electricity generation activity from "Driza" HPP (with installed capacity 3.408 MW).	Official Gazette No.168 date September.25.2015
No.111	Date September.07.2015	On licensing "Mesapotam Energy" company in electricity trading activity.	Official Gazette No.168. date September.25.2015
No.112	Date September.22.2015	On beginning the procedures to license "Strelca Energy" company in electricity generation activity from "Strelca 1"HPP with installed capacity 1504 KW, "Strelca 2"	Official Gazette No.174.date October.06.2015

		HPP with installed capacity 325 KW and "Strelca 3" HPP, with installed capacity 3520 KW (total installed capacity 5349 KW)	
No.113	Date September.22.2015	On beginning the procedures to license "C&S Energy" company in electricity generation activity from "Rapun 3&4" HPP-s with installed capacity 8857 KW	Official Gazette No.174.date October.06.2015
No.116	Date September.30.2015	On approving an amendment in the Albanian Electricity Market Rules	Official Gazette No.174.date October.06.2015
No.117	Date October.14.2015	On beginning the procedures to review electricity distribution service between OSHEE company and Electricity Supplier	Official Gazette No.185.date October.26.2015
No.118	Date October.14.2015	On beginning the procedures to license "Energjia D.O.O Veternik" company, in electricity trading activity	Official Gazette No.185.date October.26.2015
No.119	Date October.14.2015	On beginning the procedures to license "Energjia D.O.O Veternik" company in electricity supply activity.	Official Gazette No.185.date October.26.2015
No.120	Date October.14.2015	On licensing "Denas Power" company in electricity generation activity from "Denas" HPP with installed capacity 14.5 MW.	Official Gazette No.185.date October.26.2015
No.121	Date October.14.2015	On beginning the procedures to license "Energjia D.O.O Veternik" company, in electricity trading activity	Official Gazette No.185.date October.26.2015
No.122	Date October.14.2015	On renewing the electricity trading license of "Energy Supply" company, approved with ERE Board of Commissioners decision No.6 of December.02.2011	Official Gazette No.185.date October.26.2015
No.123	Date October.14.2015	On renewing electricity supply license of "Energy Supply" company approved with ERE Board of Commissioners Decision No.5, date February.02.2011	Official Gazette No.185.date October.26.2015
No.124	Date	On beginning the procedures for licensing "C & S"	Official Gazette

	October.14.2015	company, in electricity trading activity.	No.185.date October.26.2015
No.125	Date October.29.2015	On beginning the procedures to license "Le Trading Albania" company in electricity supply activity	Official Gazette No.194 date November.12.2015
No.126	Date October.29.2015	On beginning the procedures to license "Ujaniku Energy" company in electricity generation activity from "Ujanik 2" HPP with installed capacity 2.5 MW	Official Gazette No.194 date November.12.2015
No.127	Date October.29.2015	On beginning the procedures to license "HP Ujaniku Energy" company in electricity trading activity .	Official Gazette No.194 date November.12.2015
No.128	Date October.29.2015	On beginning the procedures to license "Strelca Energy"company in electricity generation activity from "Strelca 1" HPP with installed capacity 1504 KW, "Strelca 2" HPP with installed capacity 325 KW and "Strelca 3" HPP with installed capacity 3520 KW (Total installed capacity 5349 KW).	Official Gazette No.194 date November.12.2015
No.129	Date October.31.2015	On some amendments in the rules for the certification of transmission system operator in natural gas.	Official Gazette No. 198, date November 20.2015
No.130	Date October.31.2015	For the preliminary certification of TAP AG company as Independent Transmission Operator in Natural Gas.	Official Gazette No. 127, date December.12.2015
No.131	Date October.31.2015	On approving the Auction Rules for the Coordinated Auction Office of SouthEast Europe (SEE CAO) Version 1.2.	Official Gazette No.198, date November 20.2015
No.132	Date 2 October.31.2015	On beginning the procedures to review and approve the Auction Rules for the Coordinated	Official Gazette No.198, date

		Auction Office of South East Europe (SEE CAO) Version 1.3.	November 20.2015
No.133	Date October.31.2015	On defining the regulatory payments during 2015 for the licensees in the power sector.	Official Gazette No.198, date November 20.2015
No.134	Date November 11.2015	On an amendment in decision No.131, of October.31.2015 "For approving the Auction Rules of the Coordinated Auction Office for SouthEast Europe (SEE CAO) version 1.2.	Official Gazette No. 200, date November.23.2015
No.135	Date November 13.2015	On approving the Auction Rules for the Coordinated Auction Office for SouthEast Europe (SEE CAO)" version 1.3.	Official Gazette No.200, date November.23.2015
No.136	Date November.26.2015	On beginning the procedures to approve an amendment in the Albanian Electricity Market Rules.	Official Gazette No. 217, date December.16.2015
No.137	Date November.26.2015	On beginning the procedures to license "Phoenix Petroleum" company in natural gas supply activity.	Official Gazette No.217, date December.16.2015
No.138	Date November.26.2015	On licensing "Hp Ujaniku Energy" company in electricity generation activity from "Ujanik 2" HPP with installed capacity 2500 KW.	Official Gazette No.217, date December.16.2015
No.139	Date November.26.2015	On licensing "Hp Ujaniku Energy" company in electricity trading activity.	Official Gazette No.217, date December.16.2015
No.140	Date November.26.2015	On licensing "Energjia D.O.O Veternik" company, in electricity trading activity.	Official Gazette No.217, date December.16.2015
No.141	Date November.26.2015	On licensing "Energjia D.O.O Veternik" company in electricity supply activity.	Official Gazette No.217, date December.16.2015

No.142	Date November.26.2015	On licensing "C&S Energy" company in electricity generation activity from "Rapun 3&4" HPP with installed capacity 8857 KW.	Official Gazette No.217, date December.16.2015
No.143	Date November.26.2015	On licensing "C&S Energy" company in electricity trading activity.	Official Gazette No. 217, date December.16.2015
No.145	Date November.26.2015	On beginning the procedures to renew "GSA" company in electricity trading activity, approved with ERE Board of Commissioners decision no. 57, of June.22.2011.	Official Gazette No. 217, date December.16.2015
No.146	Date November.26.2015	On beginning the procedures to license "Liria Energji" company in electricity generation activity from "Shpella Poshte 2" HPP with installed capacity 2300 KW	Official Gazette No. 217, date December.16.2015
No.147	Date November.26.2015	On beginning the procedures to license "Liria Energji" company, in electricity trading activity	Official Gazette No. 217, date December.16.2015
No.148	Date November.26.2015	On beginning the procedures to license "Liria Energji" company, in electricity supply activity	Official Gazette No. 217, date December.16.2015
No.150	Date December.11.2015	On beginning the procedures to approve the "Methodology for fix tariff calculation of electricity generated from priority producers that use renewable energy resources.	Official Gazette No. 234, of December.30.2015
No.151	Date December.11.2015	On beginning the procedures to approve the "Regulation for electricity purchase procedure from OSHEE company to the licensed companies for electricity trading.	Official Gazette No. 234, of December.30.2015
No.152	Date December.11.201	On beginning the procedures to approve the regulation on imposing the fines and the facilitation	Official Gazette No. 234, of December.30.2015

	5	from them.	
No.153	Date December.11.2015	On the operations in the market of the generators with installed capacity up to 1 MW and electricity self-generators.	Official Gazette No. 234, of December.30.2015
No.154	Date December.11.2015	On approving the regulation for electricity transmission system operator certification.	Official Gazette No. 234, of December.30.2015
No.156	Date December.24.2015	To let into force ERE Board of Commissioners Decisions no. 139, 140, 141, 145, 146, 147, 148 of December.26.26.2014 as well as decision no. 27 of February.16.2015 for january.01.2016-June.30.2016 period.	Official Gazette No. 237 of January.06.2016
No.157	Date December.28.2015	On approving an amendment in the Albanian Electricity Market Rules	Official Gazette No. 237 of January.06.2016
No.158	Date December.28.2015	On beginning the procedures to license "Abanian General Electricity" company, in electricity supply activity	Official Gazette No. 237 of January.06.2016
No.159	Date December.28.2015	On licensing "Le Trading Albania" company in electricity supply activity	Official Gazette No. 237 of January.06.2016
No.160	Date December.28.2015	On renewing "GSA" company license in electricity trading activity, approved with ERE Board Decision No. 57, of June.22.2011	Official Gazette No. 237 of January.06.2016

No.161	Date December.28.2015	On licensing "Nishova Energy" company in electricity generation from "Nishove" HPP with installed capacity 1360 KW	Official Gazette No. 237 of January.06.2016
No.162	Date December.28.2015	On beginning the procedures to review the request of "Kisi-Bio-Energji" company, to pledge its assets as colateral at Raiffeisen Bank	Official Gazette No. 237 of January.06.2016
No.163	Date December.28.2015	On beginning the procedures to review the request of "Tervoli" HPP, to pledge its assets as collateral at Raiffeisen Bank.	Official Gazette No. 237 of January.06.2016
No.164	Date December.28.2015	On amending ERE Board decision no.143 of November.26.2015	Official Gazette No. 237 of January.06.2016
No.165	Date December.28.2015	On amending ERE Board Decision no. 142, of November.26.2015	Official Gazette No. 237 of January.06.2016
No.166	Date December.28.2015	On the request of KESH company to approve the electricity sale-purchase contract between KESH company and "Lanabregas" HPP	Official Gazette No. 237 of January.06.2016