

REPUBLIKA E SHQIPËRISË  
ENERGY REGULATORY AUTHORITY  
BOARD

DECISION

No. 312, Dated 12.12.2025

ON

**LETTING INTO FORCE UNTIL 30 APRIL 2026 THE ELECTRICITY DISTRIBUTION  
TARIFFS, APPROVED BY ERE BOARD DECISION NO. 73, DATED 13.04.2022.**

Based on Articles 16, 19, and 20, letter “c”, of Law No. 43/2015 “*On Power Sector*”, as amended; Council of Ministers Decision No. 456, dated 29.06.2022, “*On approving the conditions to set public service obligation, that will be implemented to the licensees on power sector, which perform electricity generation, transmission, distribution and electricity supply activity*” as amended; Article 15 of the *Regulation for ERE Organization, Operation and Procedures*, approved by ERE Board Decision No. 96, dated 17.06.2016; the “*Methodology for the calculation of tariffs of the Electricity Distribution System Operator*”, approved by ERE Board Decision No. 182, dated 10.11.2017; ERE Board, at their meeting dated 12.12.2025, after reviewing the report Protocol No. 2363/1 dated 09.12.2025, as well as the additional information Protocol No. 2363/2 dated 09.12.2025, prepared by Tariff and Prices Directory, “*On letting into force ERE Board Decision No. 73, dated 13.04.2022,*”

**Observed that:**

- ERE Board, with Decision No. 288, dated 23.12.2024, decided to extend the legal effect of Decision No. 73, dated 13.04.2022, until the approval of a new decision, based on the application of DSO company for 2025, in accordance with the applicable legal and sub-legal acts. In the observations of Decision No. 288/2024, among other things, the obligation was also established for DSO company to submit at ERE the actual costs and revenues of electricity distribution, as well as to submit audited financial statements for the closed financial periods, in accordance with the methodology in force.
- During 2025, for the purposes of assessing the adequacy of the revenues of the Distribution System Operator and in the absence of a complete tariff application in accordance with the legislation in force, ERE conducted a series of official correspondences for the submission of technical and financial documentation. With official letter Protocol No. 1888 dated 16.06.2025, ERE requested the submission of the performance statement for the first quarter of 2025, the cash flow statement, the level of losses incurred in the distribution network and the source of their coverage, as well as the quantity of electricity distributed, broken down by voltage levels, while also drawing the company’s attention to the obligation to submit audited financial statements for 2022, 2023, and 2024.

- In response to this request, DSO company by correspondence Protocol No. 6399/1 dated 27.06.2025, protocolled at ERE under Protocol No. 1888/1, dated 30.06.2025, submitted at ERE the performance statement for the first quarter of 2025, the level of losses in the distribution network and the source of their coverage, records on the quantity of electricity distributed by voltage level, as well as the audited financial statements for 2022 and 2023. With regard to the financial statements for the closed 2024 period, the company stated that they are still in the process of preparation and auditing, while with respect to the cash flow statement for the first quarter of 2025, it indicated that it would be made available upon completion.
- Upon the closing of the first half of 2025, ERE, with official letter Protocol No. 2097 dated 15.07.2025, deemed it necessary to address a request to DSO company for the submission of operational financial statements for January–June 2025 period, including a performance statement detailing, in analytical form, the revenues and expenses incurred for each item, a cash flow statement, the level of losses incurred in the distribution network and the source of their coverage, the quantity of electricity distributed during the first half of 2025, broken down by voltage levels, as well as forecasts of revenues, expenses, losses, and the quantity of electricity to be distributed for the second half of 2025.
- DSO company in response to this request, by email dated 22.07.2025, submitted at ERE the Performance Statement January–June 2025 period, the level of losses incurred in the distribution network for the first half of 2025, the quantity of electricity distributed during the first half of 2025 broken down by voltage levels, the forecast of revenues and expenses for the closing of 2025, as well as the forecast of the energy balance for the full year 2025.
- With official letter Protocol No. 2363 dated 26.08.2025, ERE formally reminded FSHU company of its obligation to submit the application for the determination of the distribution network tariff for 2026, within the deadlines prescribed by the applicable legal and regulatory framework. However, based on the documentation administered by ERE, it was established that the company failed to comply with this obligation.
- Furthermore, in December 2025, by official letter Protocol No. 2958 dated 03.12.2025, for the purposes of assessing the adequacy of the revenues of the Distribution System Operator and in the absence of an application submitted in accordance with the legislation in force, ERE requested DSO company to submit forecasts of revenues and expenses in analytical form for the eleven-month period and the closing of 2025; the forecasts prepared by the company regarding the economic and financial indicators expected to be achieved in 2026; forecasts of revenues and expenses in analytical form for 2026, forecasts of the level of electricity losses in the distribution network, the cost of electricity purchases, and the source of their coverage for 2026; as well as forecasts of the quantity of electricity expected to be delivered through the distribution network for 2026, detailed by voltage levels.
- In response to this request, DSO company submitted, by official letter Protocol No. 12736/1 dated 10.12.2025 (protocolled at ERE under Protocol No. 2958/1 dated 10.12.2025), the forecasts of revenue and expense items for 2025, the forecasts of revenues and expenses in analytical form for 2026, the forecast of electricity losses for this period, the cost of electricity

purchases and the source of their coverage, as well as the forecast of the quantity of electricity expected to be delivered through the distribution network for 2026, detailed by voltage levels.

- Based on the information submitted by DSO company in the aforementioned official letter, it is necessary to carry out an assessment of the technical and economic indicators regarding the forecast for 2026, since, even if the level of operating expenses has remained stable over time, both the quantity of electricity expected to be distributed and the level of losses have changed and are projected to continue increasing compared to those realized to date, due to the growth in consumption.
- Since these technical and economic indicators have a significant impact on the company's requested revenues, it is necessary to conduct a comprehensive assessment of the elements of the requested revenues, which in turn serve as the basis for the determination of the electricity distribution service tariffs.
- From the review of the documentation submitted through the aforementioned correspondences (No. 1888/1, dated 30.06.2025, as well as the email dated 22.07.2025), it appears that for 2024 the financial statements are still in the process of preparation, and that the financial data for the first half of 2025, as well as the forecast for the second half of 2025, have been submitted only in a summary form, without accompanying explanatory notes and lacking sufficient analytical detail.
- Under these circumstances, it is noted that the information and documentation submitted by DSO company are neither complete nor sufficient to carry out a full and detailed assessment of the actual components of the requested revenues, as stipulated in the provisions of the "Methodology for the Calculation of Tariffs of the Electricity Distribution System Operator," approved by ERE Board Decision No. 182, dated 10.11.2017, as well as in the requirements of the "Regulation for ERE Organization, Operation and Procedures," approved by ERE Board Decision No. 96, dated 17.06.2016."
- For the purpose of conducting a proper assessment of the realized components of the requested revenues, it is deemed necessary that DSO company finalizes the financial statements for the closed financial period of 2024 and submits at ERE the audited statements, together with the Application for the review of electricity distribution tariffs, in accordance with the deadlines and requirements set forth in the "Methodology for the Calculation of Tariffs of the Electricity Distribution System Operator."
- Considering that we are approaching the end of 2025 and that the remaining time is insufficient to carry out an assessment of the technical and economic indicators projected for 2026, and noting that ERE is also in the process of reviewing the five-year development plan of the distribution network, in order for the company to continue its operations in the next financial period with electricity distribution tariffs approved by ERE, it is deemed necessary that the current electricity distribution tariffs remain in effect until 30.04.2026.

- During this period, the preparation of the financial statements of DSO company should be completed, while the necessary requests for information shall also be sent to the company to provide data, explanations, and other supplementary arguments regarding the realization of technical, economic, and financial indicators for the closed financial periods, which shall serve as the basis for conducting assessments related to their forecasts for 2026.
- DSO must take measures to submit at ERE the certified financial statements for 2024 and 2025 and to fulfill the requirements of the applicable legal and regulatory acts in force.
- Pursuant to the provisions of Article 20, letter “c”, of Law No. 43/2015, “On Power Sector,” as amended, in cases where transmission or distribution operators cause delays in the adjustment of tariffs, ERE approves temporary tariffs and, if the approved tariffs differ from the temporary ones, adopts appropriate compensatory measures.

For all of the above mentioned, ERE Board

**Decided:**

1. To let into force until 30.04.2026 the electricity distribution service tariffs approved by ERE Board Decision No. 73, dated 13.04.2022.
2. Should there be any impact on the revenues of DSO company, their updating and compensation shall be carried out in accordance with the provisions of Article 20, letter “c”, of Law No. 43/2015 “On Power Sector,” as amended, and the relevant methodology approved by ERE Board.
3. Tariff and Prices Directory shall inform DSO company, the Ministry of Infrastructure and Energy and the interested parties about ERE Board Decision.

This decision shall enter into force immediately.

Any party involved in this procedure may request the Energy Regulatory Authority (ERE) to review the Board's decision within seven (7) calendar days from the date of issuance, provided that new evidence is submitted that may lead the Board to reach a different conclusion; or material errors have been identified. This decision may be appealed before the Administrative Court of Tirana within thirty (30) calendar days from the date of its publication in the Official Gazette.

This decision shall be published in the Official Gazette.

**ERE CHAIRMAN**

**Petrit AHMETI**