



REPUBLIKA E SHQIPËRISË
ENERGY REGULATORY AUTHORITY
BOARD

DECISION

No. 103, dated 14.04.2026

ON

**APPROVING THE TEMPORARY ELECTRICITY DISTRIBUTION SERVICE TARIFFS
BY VOLTAGE LEVEL FOR THE PERIOD FROM 1 MAY 2026 TO 31 DECEMBER 2026**

Pursuant to Articles 16, 19 and 20(c) of Law No. 43/2015 “*On the Power Sector*”, as amended; Council of Ministers Decision No. 456, dated 29.06.2022, “*On the Approval of the Conditions for the Imposition of Public Service Obligations on Licensees in the Electricity Sector Engaged in Electricity Generation, Transmission, Distribution and Supply Activities*”, as amended; Articles 15 and 19(1)(c) of the *Regulation on ERE Organisation, Operation and Procedures*, approved by ERE Board Decision No. 96, dated 17.06.2016; and the *Methodology for the Calculation of Electricity Distribution System Operator Tariffs*, approved by ERE Board Decision No. 182, dated 10.11.2017, the ERE Board, at its meeting held on 14.04.2026, after reviewing Report No. 1087/2, dated 10.04.2026, prepared by the Tariffs and Prices Directorate concerning the determination of electricity distribution service tariffs by voltage level,

Considering that:

- By Decision No. 312, dated 12.12.2025, the ERE Board decided that the electricity distribution tariffs approved by ERE Board Decision No. 73, dated 13.04.2022, would remain in force until 30 April 2026, taking into account, inter alia: (i) the initiation by ERE, through Decision No. 308, dated 21.11.2025, of the procedure for reviewing the five-year Distribution Network Development Plan; (ii) the obligation of DSO to submit its audited financial statements for the 2024 financial year during the first quarter of 2026; and (iii) the submission of technical-economic indicators for 2026, together with any additional information required regarding the implementation of technical, economic and financial indicators for the completed financial years 2022–2025.
- Based on the information submitted, the analysis of the components of required revenues was continued for the entire period 2022–2024, based on audited financial statements, and for the period 2025–2026, based on projected technical and economic indicators submitted through the relevant correspondence.
- The assessment of actual and forecast required revenues has been carried out in accordance with the regulatory principles established in the *Methodology for the Calculation of Electricity Distribution System Operator Tariffs*, approved by ERE Board Decision No. 182, dated 10.11.2017, and in accordance with the principles governing tariff setting under Law No. 43/2015 “*On the Power Sector*”, as amended, taking into account the technical, economic and financial information submitted by DSO.

- A comparison between the ex-ante values of total operating expenditures approved by ERE for 2022 and the ex-post realised values indicates that actual expenditures were approximately 4% lower than those approved for that year. During 2023, operating expenditures remained relatively stable, increasing by approximately 0.9%. In 2024, these expenditures increased by approximately 7% compared to 2023. The information submitted indicates that a similar trend is expected to continue during the review period.
- The information submitted by the company via e-mail dated 09.04.2026 was also reviewed and analysed in response to ERE's request for additional explanations regarding fluctuations in operating expenditures, including materials and consumables, as well as rental expenses.
- The calculation of the Regulatory Asset Base (RAB) is based on realised and recorded investments reflected in the audited financial statements for the period 2022–2024. For 2025 and 2026, where data remain preliminary or projected, the assessment is based on the investments included in the Distribution Network Development Plan for 2023–2027, currently under review by ERE, as well as the additional documentation submitted by DSO.
- The components of required revenues have been assessed on the basis of actual values and forecast costs submitted by DSO for both historical and future regulatory periods. In this regard, the continuity and reliability of the electricity distribution service constitute essential elements for ensuring uninterrupted and high-quality electricity supply to network users and for safeguarding the sustainable operation of the electricity system. The cost associated with service interruptions is estimated to be higher than any other cost component throughout the electricity supply chain, highlighting the importance of maintaining service quality and operational reliability.
- Based on the actual performance of the tariff calculation components, the application of the current distribution tariffs enables DSO to generate sufficient revenues to cover operating expenditures and ensure the continuity of its operations.
- The analysis of the audited financial statements indicates that the company should further improve its capital structure, which currently remains negative and may pose risks to its medium-term financial sustainability.
- The difference between adjusted required revenues and realised revenues remains relatively limited and is considered acceptable for the period under review. The Weighted Average Cost of Capital (WACC) parameters have been maintained at their previous levels due to the absence of updated information and are considered a temporary arrangement pending a comprehensive tariff review during the next regulatory period.
- Taking into account the adjusted required revenues and forecast distributed energy volumes, the average tariff calculated for 2026 remains at 5.89 ALL/kWh, based on which the following distribution tariffs by voltage level have been calculated:
 - 1.55 ALL/kWh for customers connected at the 35 kV voltage level;;
 - 3.99 ALL/kWh for customers connected at the 0.6–20 kV voltage level
 - 6.42 ALL/kWh for customers connected at the 0.4 kV voltage level.
- The applicable tariff for reactive energy remains at 1.92 ALL/kVArh, as previously approved by ERE Board Decision No. 73/2022. In the absence of updated data and a specific application by the company, it is considered appropriate for this tariff to remain unchanged.
- Given that the financial statements for 2025 remain preliminary and that the forecasts for 2026 are based on preliminary results, ERE retains the right, in accordance with the applicable Methodology, to review operating expenditures (OPEX) and capital expenditures (CAPEX) based on actual realised values during future regulatory assessments.
- Based on the above analysis, it is considered appropriate that the electricity distribution tariffs by voltage level remain unchanged until 31 December 2026.

- Furthermore, DSO should undertake the necessary measures to improve the quality, accuracy and level of detail of the information submitted for regulatory purposes.
- In this context, DSO shall ensure the full allocation of costs and revenues by voltage level and align its financial reporting with the requirements of the Regulatory Report in accordance with the Unified and Standardised System of Accounts for Licensees in the Electricity Sector Engaged in Electricity Transmission, Distribution and Universal Supply Activities, approved by ERE Board Decision No. 244/2018.
- DSO shall also submit detailed information regarding operating and capital expenditures, including year-on-year fluctuations, as well as structured information concerning realised and planned investments, in accordance with the principles of efficiency and transparency. Additionally, DSO shall provide an updated analysis of financial parameters, including the Weighted Average Cost of Capital (WACC), in accordance with the requirements of the applicable Methodology.
- In order to enable comprehensive assessments based on sound regulatory principles, DSO shall submit to ERE its audited financial statements for the 2025 financial year together with an application for the determination of electricity distribution service tariffs by voltage level, in accordance with the legal and regulatory framework in force.

Decides:

1. To approve the temporary electricity distribution service tariffs by voltage level for the period from 1 May 2026 to 31 December 2026, as follows:
 - *1.55 ALL/kWh for customers connected at the 35 kV voltage level;*
 - *3.99 ALL/kWh for customers connected at the 0.6–20 kV voltage level;*
 - *6.42 ALL/kWh for customers connected at the 0.4 kV voltage level.*
2. To maintain the applicable reactive energy tariff at 1.92 ALL/kVArh for the period from 1 May 2026 to 31 December 2026.
3. Should any impact on the revenues of DSO occur, the corresponding adjustments and compensation mechanisms shall be applied in accordance with Article 20(c) of Law No. 43/2015 “*On the Power Sector*”, as amended, and the applicable tariff methodology approved by ERE.
4. The Tariffs and Prices Directorate shall notify the applicant of this Decision.

This Decision shall enter into force immediately.

Each party involved in this procedure may request the review of the ERE Board’s decision within 7 calendar days from the date of receipt of this decision, in the presence of new evidence that may lead the Board to issue a different decision or in cases of identified material errors. An appeal against this decision may be filed with the Administrative Court of Tirana within 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