



Republika e Kosovës - Republika Kosova - Republic of Kosova

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



# Country: Republic of Kosovo

## Regulation, tariffs and sector performance

Sami Hasani,  
Head, Tariff and Finance Regulation Department,  
25-27 November 2013, Florence, Italy

# REGULATORY CHARACTERISTICS

Water Sector Consolidation process (2003–2006);

- Restructuring/regionalization of 27 municipal water service providers into 7 regional water and wastewater service providers

WWRO was established as the Economic Regulator in November 2004;

- independent economic regulator for regulation the activities of water and wastewater services,
- accountability to the Assembly of Kosovo
- regulator has 19 employees, 11 of them are professional staff
- operating budget 300,000 Euro (2013)

Incorporation process for WW Service Providers (2007);

- Transformation of 7 regional public water companies into
- JSC with clear legal and financial status (public owned)

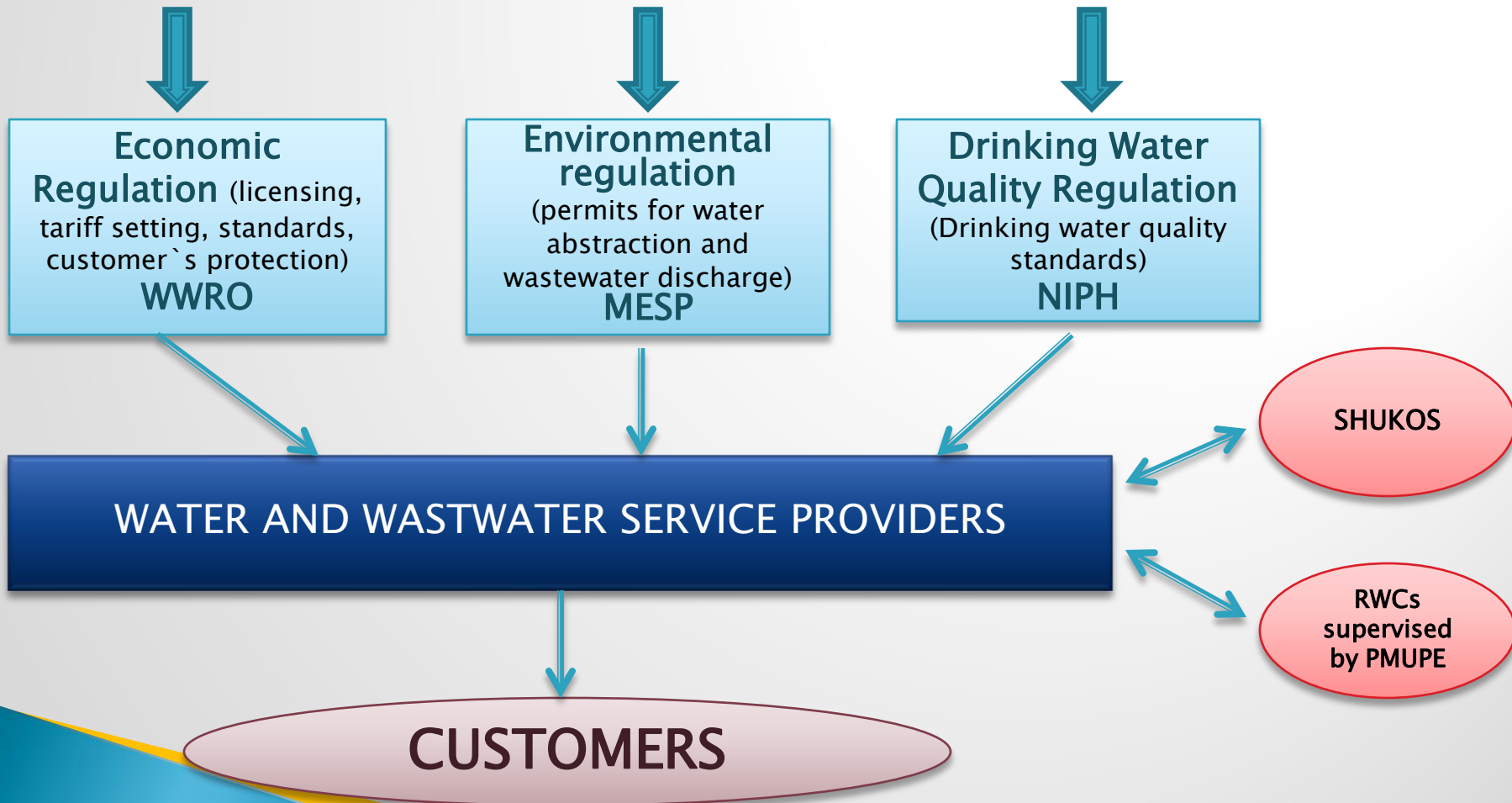
Number of customers served is ca. 260.000, year 2013

# WATER SERVICE-REGULATORY FRAMEWORK

Law no. 03/L-086  
Replaced UNMIK  
Reg. 2004/49

Kosovo Water Law  
No. 04/147

Administrative Instruction  
issued by Government  
No. 16/2012



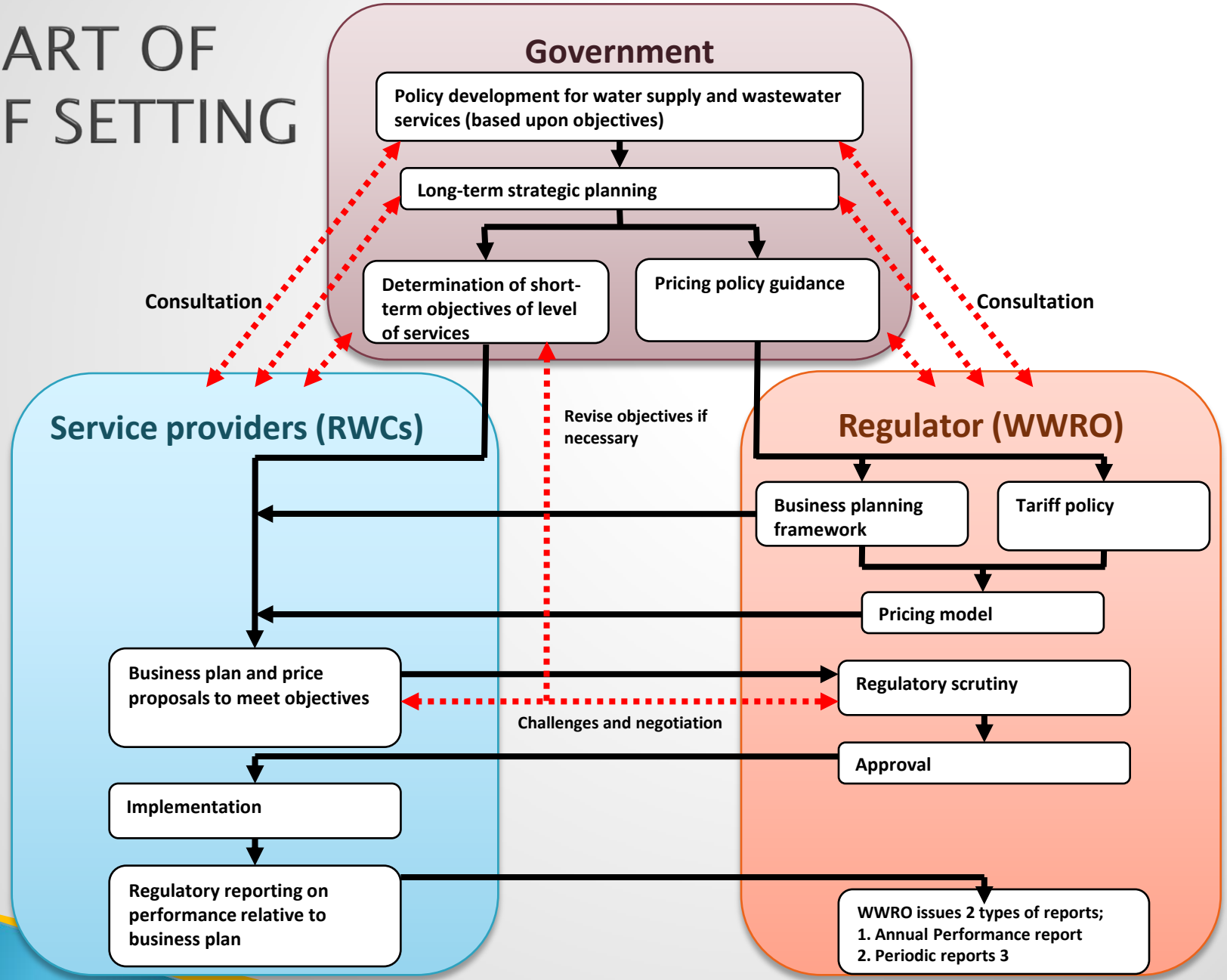
# TARIFF REGULATION

Publicly Owned Company's that's provide Water and Wastewater Services, or Bulk Water Supply in Kosovo follows the Rule, policies, procedures for developing, obtaining approval, and requesting a change to tariffs charged for services provided.

- WWRO regularly invites RWCs to apply for 3 years regular review tariff process, then
- regular process are re-reviewing for the existing second and third year of that process, and
- extraordinary re-review process of the 3 years existing tariffs, whenever reasonably
- tariffs are fixed for the period, and obligatory for implementation
- tariffs are set for 3 years, and at that period of time tariffs are
- re-reviewed for second and third years, adapting with
  - o rate of inflation, and
  - o the degree of compliance with targets set at regulatory process

Tariff & Finance Department regularly monitors 16 indicators for Reports

# CHART OF TARIFF SETTING



# TARIFF SETTING PROCESS

Tariffs are determined with specific procedures and methodology, based on

- demand for revenues obtained by the calculation (O/C+ capital renewal and maintenance + funding+ depreciation in above ground assets+ROC)
- cost centers for water and wastewater services

Tariffs are regional based on costs of production, distribution, repair and maintenances and service capacity expansion

Set Tariffs are;

- fixed for period of time for a customer
- volumetric for water supply, 87% water are measurable, and
- volumetric for wastewater services

Specific tariff requirements from the RWCs can be reviewed from WWRO and might be approved for assessment for certain tariff cases.

# STANDARDS OF SERVICE

Minimum standards of service: (Technical; Commercial, as well as services regarding to Consumers)

Administrative sanctions

- The regulator has the powers to enforce Service Providers to fulfill level of services (standards), also including here the process of solving the complains of consumers.

The failure to fulfill any of the service standards, means:

- Violation and might lead to a penalty for service providers, or
- License revocation


Monitoring the standards of services

- Inspecting different issues on the field
- Annual monitoring plan

Consumer complaints are treated in two levels:

- Service providers
- Consumer Consultative Committees

# PERFORMANCE MONITORING

- Regular activity within the Water Regulatory
  - Development of Annual Monitoring Plan
    - Reporting of data,
    - Verification of data,
    - Processing of indicators and their analysis,
    - Publication of annual performance report,
  - Activities on improvement of Service Providers
  - Categories of performance monitoring
    - Water supply indicators (Technical, financial and consumer service)
    - Wastewater indicators (Technical, financial and consumer service)
    - Financial/commercial indicators (Sales and revenue collection, Profitability)
- 



# PERFORMANCE EVALUATION METHODOLOGY

Group	Performance Measurement	Sub-group weighting		Group weighting	
Water Supply	Drinking water quality	30%	100%	45%	100%
	Pressure	5%			
	Availability	35%			
	Service coverage	20%			
	Cost Efficiency	10%			
Wastewaters	Discharge quality	20%	100%	35%	
	Reliability	20%			
	Service coverage	50%			
	Cost efficiency	10%			
Financial /Commercial	Profitability	10%		20%	
	Commercial Efficiency	10%			

# SUCCESSFUL INITIATIVES AND REMAINING CHALLENGES

Three examples of successfully regulatory initiatives;

- implementing economic regulation for water and wastewater services in a transparent and equitable manner in order to ensure that RWCs deliver qualitative, efficient and reliable services with affordable prices
- exact set of regulatory framework which is adheres from public water services providers and other actors
- regulatory role continually is increasing

Three main challenges to effective regulation (political, legal, technical);

- we still have some small MC that are unlicensed/unregionalized
- courts slow proceedings to solve submitted cases by RWCs
- increasing production and distribution water capacity and implementation of wastewater treatment plants

Three on going regulatory initiatives;

- eventually review existing tariff policies on Wastewater
- meeting the targets from RWCs set on tariff processes
- meeting tariff regulatory calendar for year 2015–2017

# WWRO CONTACT DETAILS

Address: Water and Waste Regulatory Office  
Ferat Dragaj Str. 68  
Pristina  
Kosovo

Phone: +381 38 249 165 ext. 120

Email: [sami.hasani@hotmail.com](mailto:sami.hasani@hotmail.com)

Web-site: [www.wwro-ks.org](http://www.wwro-ks.org)

