

CUSTOMER DEMAND AND ELECTRICAL SUPPLY: ROLE OF THE OPERATOR VERIFICATION PROCESS

**ADRIATIK BEGO
COMMISSONIER**

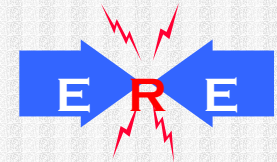
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SUPPLY OF ENERGY. LEGAL FRAMEWORK.

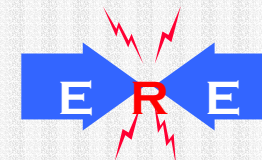


- The Law no. 9072 of May 22, 2004 "On the Energy Sector", Article 43,

Energy Distribution Companies

1. The networks of energy distribution are run by licensed companies, to undertake activities in the field of distribution of energy in a particular territory.
2. The energy distribution company ensures the following from its distribution network for the zones it covers:
 - a) The supply and sale of energy to the clients connected to the distribution network, with the exception of qualified clients;
 - b) Management of the energy distribution network;
 - c) Maintenance of the premises and equipment, in compliance with the technical requirements;
 - d) Development of the energy distribution network in compliance with the prospects of economic development and the change in the demand in any given territory or the region.

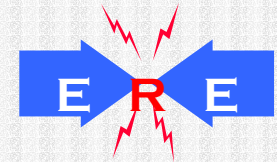
SUPPLY OF ENERGY LEGAL FRAMEWORK



- The Law no. 9072 of May 22, 2004 "On the Energy Sector", Article 45:

Energy Supply Activities

1. The consumers are supplied with energy by the respective companies of energy allocation in the case of tariff clients and by a qualified competitive supplier, licensed by ERE, in the case of the clients with a qualified status.
2. Every competitive qualified supplier can apply for a license and obtain a supply license to serve the qualified clients...
3. The supply license is not given on a monopoly basis and with exclusive rights.

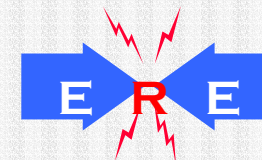


OPERATOR'S ROLE

The company of Energy Distribution owns, maintains and expands the distribution system. Currently, the whole DDC is part of the operation as a division of KESH.

Due to the small capacity of the Albanian energy system, its dependence on hydro-energetic sources in Drini cascade, which must be operated efficiently as the only generating source and also due to the energy policy of national wholesale uniform tariffs, the function of energy distribution must be exercised by no more than a distribution company.

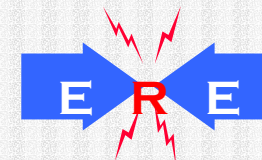
OPERATOR'S ROLE. TRANSITORY MODEL OF THE ENERGY MARKET



ADVANTAGES AND NEEDS TO HAVE A SINGLE DISTRIBUTION COMPANY

- There is no need to calculate and measure the differences between the losses of energy transmission and energy distribution in achieving a uniform national tariff for each consumer category.
- We ensure a better continuity in compliance with all elements of the cost, lifting of the inter-subsidies and uniform tariffs.
- A single company, financially stable and well-managed can be more attractive to the investors.

OPERATOR'S ROLE LEGAL FRAMEWORK

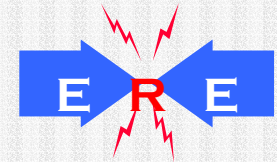


- The Law no. 9072 of May 22, 2004 "On the Energy Sector", Article 46:

The rights and Obligations of the Suppliers

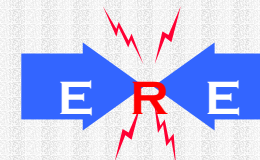
The supplier has the following rights and obligations:

- a) Implements the terms of the supply license;
- b) Meets the request of clients for energy, in accordance with the terms of the company's contract.
- c) Receives the payment that belongs to it according to the contracts;
- d) Buys the energy needed to supply the clients;
- e) Has the right to enter the network, as provided by this law and other effective regulations adopted by ERE;
- f) Measures the energy supply, ensuring the accuracy of the measuring and the right to access the meters;
- g) Meets all other obligations that stem from the implementation of this law and legislation or the respective regulations in effect.



DEMAND FOR ELECTRICAL ENERGY

- The amount of energy projected for distribution during 2004 is 5,950 GWh
- The amount of energy forecast to be sold to consumers is 3,766 GWh
- The total number of consumers is 813,812
 - 731,421 households
 - 73,222 private
 - 5,751 budgetary
 - 3,418 non-budgetary

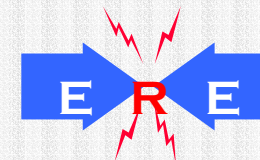


ENERGY DEMAND

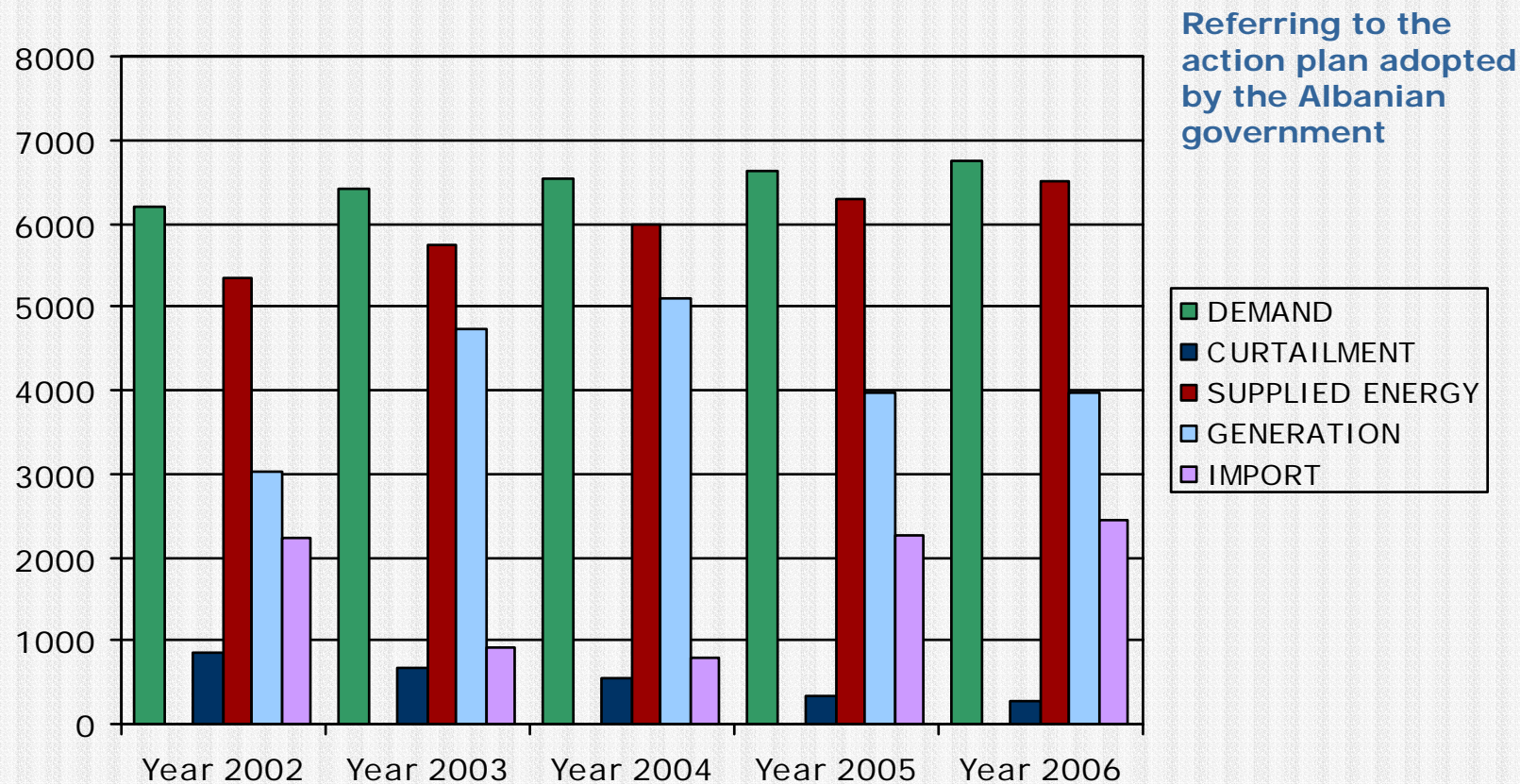
UNIT GWh

	YEAR 2002	YEAR 2003	YEAR 2004	YEAR 2005	YEAR 2006
DEMAND FOR ENERGY	6200	6408	6523	6640	6760
INCREASE IN %	--	3.24	1.8	1.8	1.8
CURTAILMEN TS	851	662	550	340	260
SUPPLIED ENERGY	5349	5746	5973	6300	6500
GENERATION	3038	4748	5085	3962	3960
IMPORT	2226	916	800	2250	2450

Referuar planit të masave të miratuar nga Qeveria Shqiptare



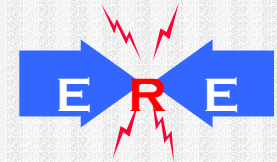
ENERGY DEMAND.



Partneriteti ndermjet IURC
dhe ERE

22 – 26 Nëntor 2004

VERIFICATION PROCESS LEGAL FRAMEWORK

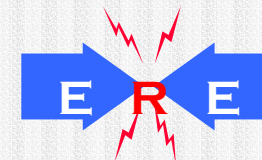


- The Law no. 9072 of May 22, 2004 "On Energy Sector", Article 8

Responsibilities of ERE

- ERE has the following responsibilities:
 - a) Monitors and controls the licensing service, according to the authority it enjoys for the inspection, receiving documents and data;
 - b) Checks whether the licensee, who offers the energy service to the consumers, observes the terms of the contract and provides services according to the standards established in the license or any other regulation adopted by ERE;

VERIFICATION PROCESS LEGAL FRAMEWORK

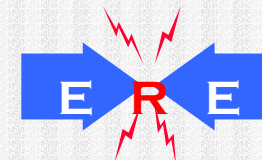


- The License for the Distribution of Energy, Article 3, "The duties of the Licensee"

Accounts and Reporting

- The licensee is required to prepare and submit to ERE by March 31 every year an annual report on its activity for the previous year according to the following content:
 - a) A summary and analysis of the distribution activity of the licensee.
 - b) Sales of energy and data on billing
 - c) Quality of the service and details of every measure taken for the service improvement
 - d) Every fault that occurred during the year
 - e) Every programmed interruption of energy that lasted more than the usual interruption according to rules or regulations.

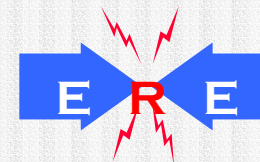
VERIFICATION PROCESS LEGAL FRAMEWORK.



- The license for the Distribution of Energy, Article 4

Control over the performance of the Licensed Activity

1. ERE will monitor the implementation of the Licensing Terms by the Licensee, will examine the reports received by the Licensee and is authorized to inspect, at any time, the registration of accounts of the Licensee. ERE can require a technical and/or accounting audit of the activities of the Licensee.
2. Authorised representatives of ERE have the right to inspect the objects of the Licensee, their equipment and documentation to verify the performance of the Licensed Activity in compliance with the Terms of the License and the Regulations and Rules of ERE.



THANK YOU FOR YOUR
ATTENTION