



KEDS

FOOD
prior

Establishing Tariffs

Basic steps :



1.

Revenue requirements
(MAR determination)



2.

Cost of service
(Cost allocation and classification)



3.

Tariff Design
(Prices to cover cost)



Regulatory Approval
(MAR)



Step 1 - MAR Determination

DSO MAR Components:

- OPEX
- Depreciation
- Return
- Cost of Losses

PES MAR Components:

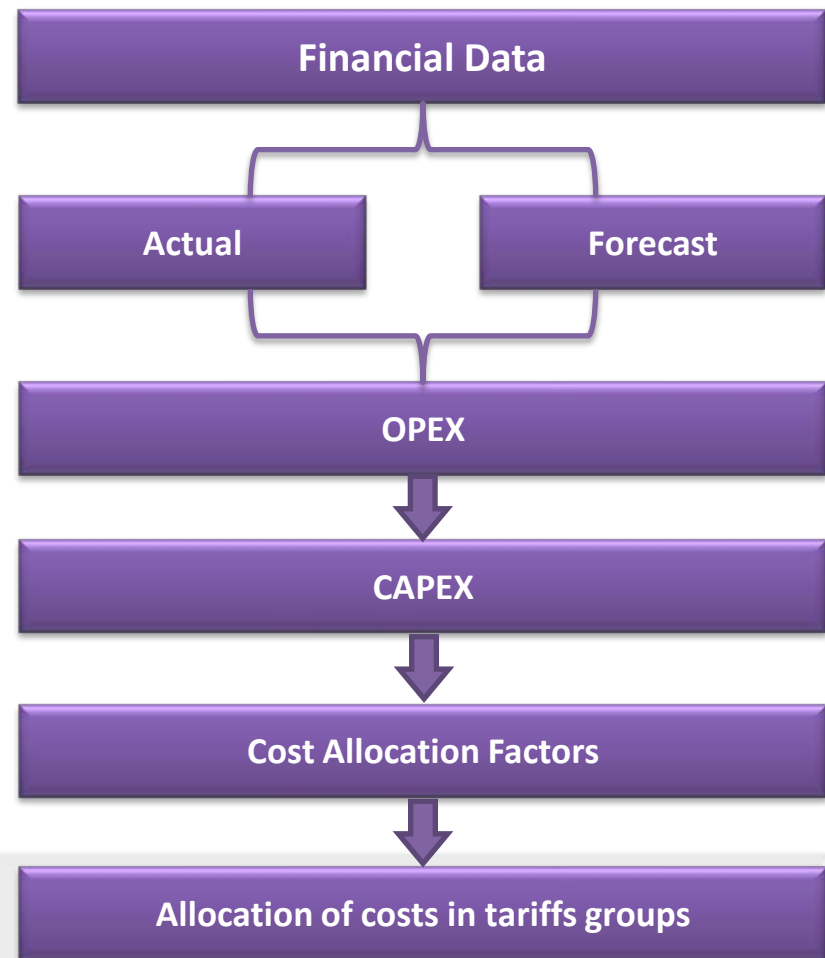
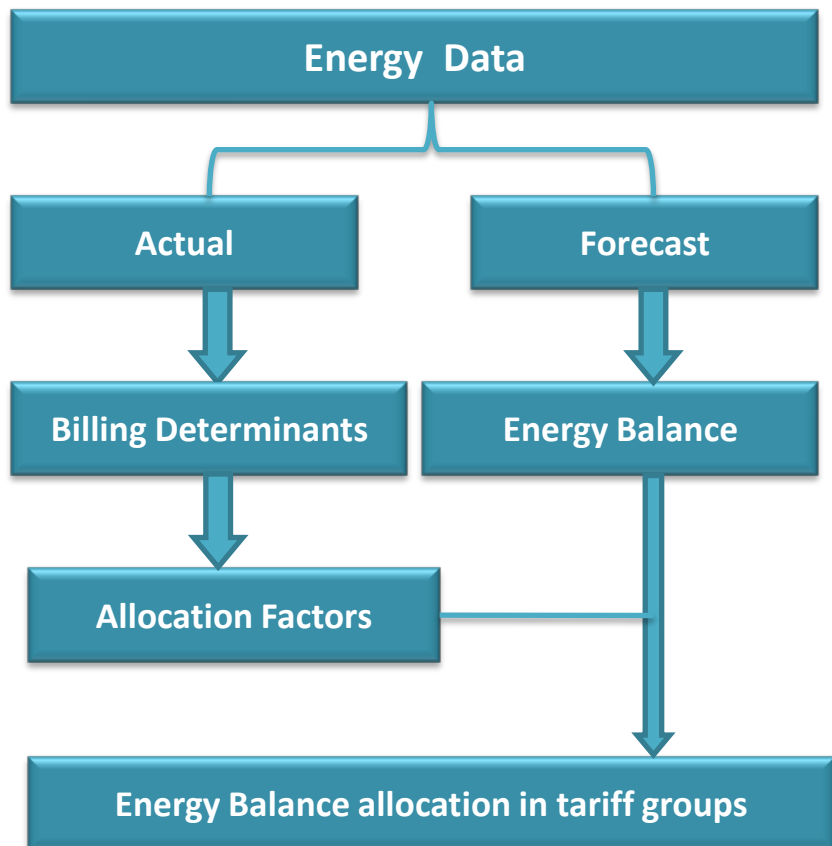
- Wholesale Cost
- Pass-through Costs (TSO, DSO)
- OPEX
- Working Capital
- Bad Debt
- Retail Margin

Regulatory Parameters :

- WACC
- Losses
- Bad Debt

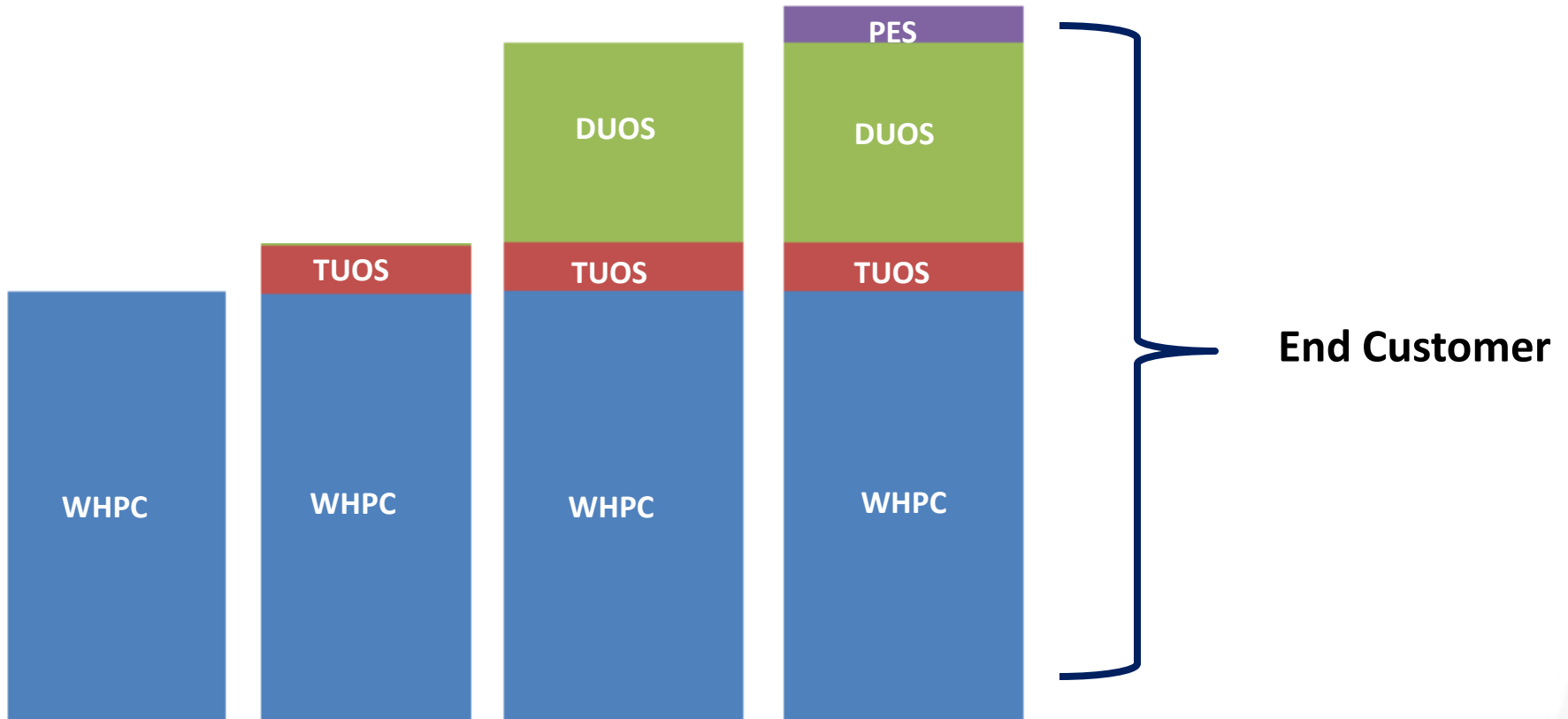
are set in a period of 5 years for DSO and PES. Pass-through costs are set on yearly basis

Base for MAR Determination

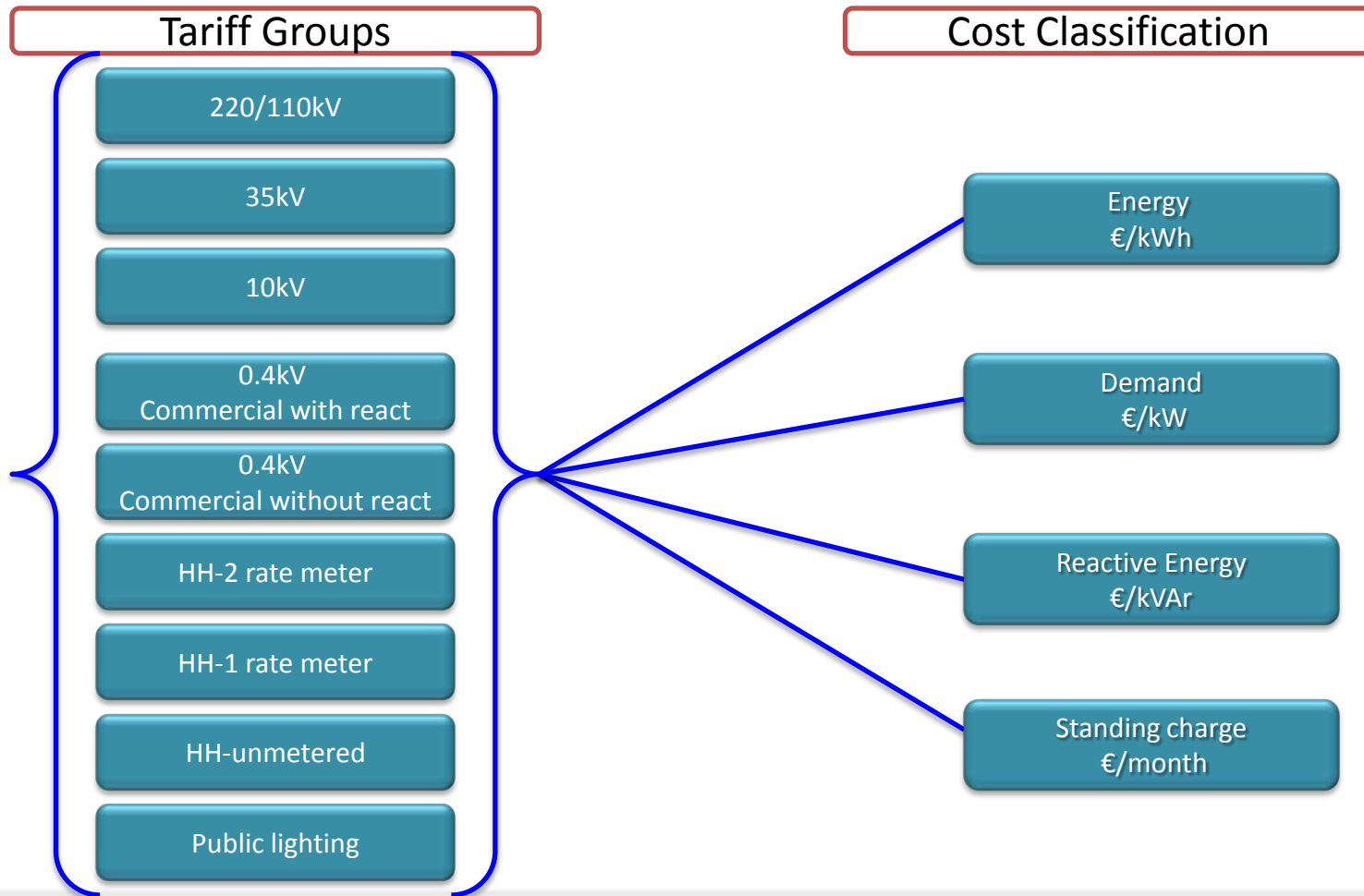


Step 2 - Cost of service

Tariff is a mixture of Generation, Transmission, Supply and Distribution costs



Step 2 - Cost of service



Step 3 - Tariff Design

Tariff Structure is designed based on seasonal and daily consumption:

Seasonal Pricing Period

- Winter : 1 October to 31 March
- Summer: 1 April to 30 September

Daily Pricing Periods

- Winter High: Daily hours between 07:00 - 22:00
- Winter Low: Daily hours between 22:00 - 07:00
- Summer High: Daily hours between 08:00- 23:00
- Summer Low: Daily hours between 23:00 - 08:00

The average price per customer in 2013 is 5.80€/kWh



Retail Tariff Structure

Tariff Groups	Supply Charge Level	Charge Element	Unit	Time during the day	ETR 7	
					High Season	Low Season
					1 Oct - 31 Mar	1 Apr - 31 Sep
0-1	220kV	Standing charge	€/consumer/month		182.53	
		Demand	€/kW/month		14.44	
		Active Energy	€/kWh		2.23	
0-2	110kV	Standing charge	€/consumer/month		91.27	
		Demand	€/kW/month		6.09	6.09
		Active Energy	€/kWh	High Tariff	7.07	2.09
			€/kWh	Low Tariff	2.94	1.72
		Reactive Energy (Q)	€/kVArh		0.00	0.00
		1	35kV	Standing charge	€/consumer/month	
Demand	€/kW/month			6.33	6.33	
Active Energy	€/kWh			High Tariff	7.39	3.20
	€/kWh			Low Tariff	3.91	2.88
Reactive Energy (Q)	€/kVArh				0.72	0.72
2	10kV	Standing charge	€/consumer/month		4.99	
		Demand	€/kW/month		5.45	5.45
		Active Energy	€/kWh	High Tariff	8.28	3.69
			€/kWh	Low Tariff	4.46	3.36
		Reactive Energy (Q)	€/kVArh		0.72	0.72
3	0.4 kV Category I (Consumer with react)	Standing charge	€/consumer/month		2.81	
		Demand	€/kW/month		3.17	3.17
		Active Energy	€/kWh	High Tariff	9.20	5.11
			€/kWh	Low Tariff	5.80	4.82
		Reactive Energy (Q)	€/kVArh		0.72	0.72
4	0.4kV Kategorija II (Consumer without	Standing charge	€/consumer/month		3.18	
		Active Energy	€/kWh	Tarif e vetme	11.33	7.33
			€/kWh	High Tariff	13.64	8.94
		€/kWh	Low Tariff	6.82	4.46	
5	0.4kV Household 2-rate-meter	Standing charge	€/consumer/month		2.27	
		Active Energy per consumption (P)				
		<200kWh/month (First Block):	€/kWh	High Tariff	5.05	3.63
			€/kWh	Low Tariff	2.54	1.81
		200-600kWh/month (Second Block):	€/kWh	High Tariff	7.00	5.01
			€/kWh	Low Tariff	3.51	2.51
		>600 kWh/month (Third Block):	€/kWh	High Tariff	10.16	7.27
			€/kWh	Low Tariff	5.07	3.65
6	0.4kV Household 1-rate-meter	Standing charge	€/consumer/month		2.27	
		Active Energy per consumption (P)				
		<200kWh/month (First Block):	€/kWh	Single Tariff	4.51	3.22
		200-600kWh/month (Second Block):	€/kWh	Single Tariff	6.24	4.46
		>600 kWh/month (Third Block):	€/kWh	Single Tariff	9.05	6.49
7	0.4kV Household un-metered	Estimated Consumption				
		<200 kWh/month	€/consumer/month		23.41	
		200-600 kWh/month	€/consumer/month		42.37	
		>600 kWh/month	€/consumer/month		71.40	
8	Public Lighting	Standing charge	€/consumer/month		3.18	
		Active Energy per consumption (P)	€/kWh	Single Tariff	9.17	9.17

DSO Charges Structure

Tariff Group	Supply voltage level	Charge Element	Unit	Charges
0	35kV	Use of System Charge	€/kWh	0.88
1	10kV	Use of System Charge	€/kWh	1.17
2	0.4kV	Use of System Charge	€/kWh	2.26

DSO design it charges based on MAR approved by ERO.



Challenges

- Loss Target
- Moving toward cost reflective tariffs and designing new Tariff Structure
- Regulating North Kosovo
- Affordability payments



Thank You!

