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au Kosovo

UNMIK/DIR/2002/20  
20 September 2002

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**ADMINISTRATIVE DIRECTION NO. 2002/20  
ON  
DISCONNECTION OF ELECTRICITY SERVICES**

**IMPLEMENTING UNMIK REGULATION NO. 2000/49  
ON THE ESTABLISHMENT OF THE ADMINISTRATIVE  
DEPARTMENT OF PUBLIC UTILITIES**

The Special Representative of the Secretary-General,

Pursuant to the authority given to him under section 5 of United Nations Interim Administration Mission in Kosovo (UNMIK) Regulation No. 2000/49 of 19 August 2000 on the Establishment of the Administrative Department of Public Utilities,

Acting in conformity with the Constitutional Framework for Provisional Self-Government in Kosovo (UNMIK Regulation No. 2001/9 of 15 May 2001),

Taking into account UNMIK Regulation No. 2001/19 of 13 September 2001 on the Executive Branch of the Provisional Institutions of Self-Government in Kosovo, UNMIK Administrative Direction No. 2001/14 of 4 October 2001 implementing UNMIK Regulation No. 2001/19 and UNMIK Regulation No. 2002/12 of 13 June 2002 on the Establishment of the Kosovo Trust Agency,

Cognizant of the need to facilitate efficient and sustainable operations of electricity service providers in order to ensure the sufficient power supply as an important precondition for further improvement of living conditions of all inhabitants of Kosovo,

Cognizant of the need to regulate the provision of electricity to consumers in a fair and equitable manner, and recognizing the special needs of the indigent and disadvantaged,

For the purposes of setting out provisions for the disconnection of electricity services in cases of non-settlement of delinquent accounts and debts with the electricity sector,

Hereby issues the following Administrative Direction:

## **Chapter 1**

### **Applicability and Definitions**

#### Section 1

##### Applicability

The present Administrative Direction shall apply to all Electricity Service Providers in Kosovo and shall be implemented according to its terms.

#### Section 2

##### Scope and Definitions

2.1 Scope: The present Administrative Direction shall govern the disconnection of electricity service by all Electricity Service Providers in Kosovo.

2.2 Definitions: Wherever the following terms appear in the present Administrative Direction, whether in the singular or plural, they shall have the meanings stated herein:

“Bill” means a written notice to pay for electricity services, which specifies the amount due and owing, and the period for which the service was provided, issued by the Electricity Service Provider to a Customer or Consumer in Albanian, Serbian, and English.

“Collective Disconnection” means the contemporaneous disconnection of numerous Customers in a region, municipality or locality pursuant to Chapter 4 of the present Administrative Direction.

“Consumer” means any end user of electricity service in Kosovo that is not a Customer.

“Customer” means any Person, firm, corporation, municipality or other political subdivision of Kosovo that is lawfully connected with an Electricity Service Provider to purchase electricity. For the avoidance of all doubt, any Person that is Unlawfully Connected with an Electricity Service Provider shall not be construed as being a Customer under the present Administrative Direction.

“Damages” means damages as defined for each Customer in its particular electricity services contract or service agreement with its Electricity Service Provider.

“Delinquent Account” means an account between a Customer and an Electricity Service Provider that has not been settled by the Customer in the ordinary course of business, where the Customer has received notice of the amount due and a reasonable opportunity to pay.

“Disconnect” means the act by the Electricity Service Provider that effectuates a Disconnection.

“Disconnection” means an act by the Electricity Service Provider that results in the discontinuation of the link allowing a Customer or Consumer to receive electricity services from a transmission or distribution network, provided, however, that operational events and necessities affecting the electricity services system shall be excluded from the definition of Disconnection. Such operational events and necessities affecting the electricity system shall include, without being limited to system faults, auto-reclose or automatic operation of protective equipment, interruption in order to carry out operational or maintenance tasks, and electricity rationing when demand exceeds supply.

“Electricity Service Provider” means KEK, or any Person that is licensed to provide electricity services in Kosovo.

“Good Faith Dispute” means any dispute between an Electricity Service Provider and a Customer, initiated by a Customer by way of a written complaint made within the payment period allowed related to a Bill issued by the Electricity Service Provider where the amount billed is not less than twenty percent (20%) greater than the seasonal average consumption paid by that Customer during the previous twelve (12) month period.

“Good Standing” means a Customer that regularly pays its Bills in the ordinary course of business or within the time provided for in its supply contract and that is not a Non-Paying Customer, provided, however, that occasional short payment delays shall not be construed to deny status as a Customer in Good Standing.

“Lawful Connection” means:

- (a) The link that enables a Customer to receive electricity services from a transmission or distribution network; together with
- (b) A Customer’s registration within KEK’s database, whether or not due and complete.

“Lawfully Connected” means any connection made that is in compliance with the terms of the present Administrative Direction.

“Non-Paying Customer” means any commercial or household Customer that is sixty (60) or more days in arrears in respect of an electricity Bill, provided, however, that the following kinds of Customers shall not be classified as Non-Paying Customers:

- (a) A Customer that has not physically received a Bill from an Electricity Service Provider; and
- (b) A Customer that has not received its Bill printed in each of the Albanian, Serbian and English languages.

“Person” means an individual, legal or public entity including, a corporation, a partnership, a trust, an unincorporated organization, an Electricity Service Provider, a government or any agency or subdivision thereof.

“Physically Precluded” means denied access by physical force or the threat of physical force, provided, however, that Physically Precluded shall not include inability of a meter reader to gain access as a result of an act of God.

“Public Announcement” means a notice published in the national or regional media released in the form and in accordance with the terms set by the Regulator, in English, Albanian, and Serbian, reasonably calculated to reach all Persons that will be affected, evidencing an Electricity Service Provider’s intention to effectuate a Collective Disconnection. A public announcement shall be made only after a reasonable attempt has been made to serve individual notice to Persons affected by the order for disconnection. Public announcements shall be supplemented by notifications, Albanian, English and Serbian, posted in a prominent location accessible to Customers/Consumers who will be subject to the Collective Disconnection.

“Qualified Group of Collective Customers/Consumers” (“Qualified Group”) means:

- (a) A defined group of Customers/Consumers in a common geographical area, sharing common connection, or delivery points to an Electricity Service Provider, provided, however, that such number shall not exceed one thousand (1,000) Customers; nor be less than 100 Consumers/Customers
- (b) A substantial portion of whom, as determined by the Regulator, are Non-paying Customers/Consumers.

“Regulator” means the authorities responsible for the regulation of the electricity sector under the applicable law.

“Special Needs Certification Authority” means the UNHCR, the Office of Community Affairs of Pillar II of UNMIK, and KFOR, or the regional representatives thereof, acting through the guidelines of the Regulator.

“SRSG” means the Special Representative of the Secretary-General of the United Nations.

“Unlawful Connection” and “Unlawfully Connected” means any connection made that does not comply with the terms of the present Administrative Direction.

## **Chapter 2**

### **General Provisions on Disconnection of Electricity Service**

#### Section 3

#### Disconnection as a Last Resort

No Electricity Service Provider shall be entitled to Disconnect electricity service to any Customer for violation of the Electricity Service Provider’s terms of supply or for non-payment of Bills without first attempting to cause such Customer to comply with such terms of supply or to pay its Bill and without giving notice thereof to the Customer.

Section 4  
Disconnection for Health and Safety Risks

Electricity Service Providers shall be entitled to Disconnect electricity service where there is an immediate risk to life or health to the Customer, the staff of the Electricity Service Provider or a third party.

Section 5  
Non-Discrimination and Records

An Electricity Service Provider shall maintain records in a manner that shall be open to review by the Regulator, and the Customer through means established by the Regulator, and that demonstrate that the Electricity Service Provider has not acted with any undue bias, prejudice or discrimination with respect to the Disconnection of any Customer group or based upon ethnicity or any other factor, and with due regard to the hardships imposed by disconnection.

**Chapter 3**  
**Individual Disconnections**

Section 6  
Grounds for Disconnection

The following Customer/Consumer acts shall be grounds for Disconnection:

- (a) Fraudulent acquisition or use of electricity services, including theft;
- (b) Interruption of or interference with electricity services supplied to third parties;
- (c) Wrongful refusal of access of a representative of an Electricity Service Provider for the purpose of inspecting equipment or reading meters, including, *inter alia*, refusal by means of physical force or threat of physical force;
- (d) Tampering with meters;
- (e) Allowing an electricity service Bill to remain in arrears for sixty (60) or more days after delivery of the Bill;
- (f) For failure to register as a commercial customer, where consumption is for commercial purposes and the level of consumption exceeds the 90<sup>th</sup> percentile of domestic consumption;
- (g) For Commercial Customers, exceeding the amount of electricity that such Customer has contracted for from its Electricity Service Provider; and
- (h) Being party to the unlawful resale or assignment of use of electricity provided by the Electricity Service Provider to other commercial or Customer groups.

Disconnections undertaken pursuant to paragraph (e) above shall, when an individual to be disconnected is designated indigent and disadvantaged, be made with due regard for special hardships of such persons, and in accordance with guidelines to be issued by the Regulator.

Section 7  
Disconnection Fee Charges

A Customer shall be entitled to pay a past due Bill at any time prior to Disconnection, provided, however, that where an Electricity Service Provider dispatches its employees to the premises of any Customer for the purpose of Disconnecting such Customer, a fee not to exceed ten (10) euro may be added by the Electricity Service Provider to such Consumer's delinquent Bill to cover cost to the Electricity Service Provider of dispatching such employee to a Customer's premises.

Section 8  
Disconnection Notices

8.1 An Electricity Service Provider that can demonstrate that a Customer is not lawfully connected or that a dangerous condition posing an immediate threat to health and safety on the Customer's premises exists shall not be required to provide any advance notice to the Customer to Disconnect electricity service.

8.2 In those instances where section 6 (e) provides the grounds for Disconnection and there is no evidence adduced either by the Customer or the Electricity Service Provider of the existence of a Good Faith Dispute, an Electricity Service Provider shall deliver to the premises where the electricity service is delivered written notice of its intention to Disconnect, not less than ten (10) working days prior to such Disconnection.

8.3 An Electricity Service Provider's notice of its intention to Disconnect under section 8.2 shall:

- (a) State the amount that the Customer's account is in arrears and the period during which such services were rendered;
- (b) Provide the address of the office where payment is to be made and the hours during which such office is open for business;
- (c) Provide information regarding the grounds and the procedures for challenging the validity of a Bill;
- (d) Be printed in each of the Albanian, Serbian and English languages;
- (e) State what action the Customer must take to prevent the pending disconnection from taking place;
- (f) State when the disconnection will be effected; and

- (g) If the supply is disconnected, the conditions and procedures for reconnection.

8.4 In the event that an Electricity Service Provider dispatches an employee to the premises of any Customer for the purpose of delivering notice of the Electricity Service Provider's intention to Disconnect, a fee not to exceed ten (10) euro may be added by an Electricity Service Provider to a Consumer's delinquent Bill to cover the cost to the Electricity Service Provider of dispatching such employee to a Customer's premises.

### Section 9 Good Faith Disputes

In the event of a Good Faith Dispute, an Electricity Service Provider:

- (a) Shall not be entitled to Disconnect electricity service; and
- (b) Shall be entitled to require the Customer to pay the lesser of:
  - (i) the uncontested sum of the Bill that is the subject of the dispute, if any; or
  - (ii) at a minimum, for contracts that have lasted for more than one (1) year, the average of all uncontested Bills paid by the Customer during the previous six (6) months or in the alternative, for contracts that have been in effect for less than one (1) year, the average of all uncontested Bills paid by the Customer during the previous three (3) months.

### Section 10 Execution of Disconnection

10.1 All disconnections shall be executed by at least two (2) employees of the Electricity Service Provider.

10.2 The Customer shall be informed that it is subject to the penalties outlined under section 11 of the present Administrative Direction if it commits an act of unlawful reconnection.

10.3 In the event that an Electricity Service Provider is Physically Precluded from gaining access to a Consumer's/Customer's premises, the Electricity Service Provider may request the support of the police to execute the disconnection. The request must be approved by the Distribution District Manager.

Section 11  
Unlawful Connections and Reconnections

11.1 A Customer or Consumer that unlawfully reconnects subsequent to a Disconnection shall be subject to penalties as specified by the Regulator, such penalty to be added by the Electricity Service Provider to the Customer's Bill.

11.2 Any unlawful reconnections subsequent to the first unlawful reconnection referred in paragraph 11.1 shall entitle the Electricity Service Provider to confiscate all electrical equipment, including all metering equipment and wires at the Customer's or Consumer's premises.

11.3 The Electricity Service Provider shall be entitled to Disconnect the Customer or Consumer immediately and without notice upon identification of an unlawful reconnection.

Section 12  
Reconnection by the Electricity Service Provider

12.1 An Electricity Service Provider shall reconnect a Customer's electricity service not later than (2) two working days after such Customer has paid the full amount owing on its Bill.

12.2 Where an Electricity Service Provider Disconnects a Customer's electricity service on the grounds that a Customer has violated the Electricity Service Provider's terms of supply or other rules or regulations, or on the grounds that a Customer has fraudulently acquired or used electricity, an Electricity Service Provider shall be entitled to make a charge of ten (10) euro to a Customer to re-establish electricity service.

12.3 An Electricity Service Provider may agree to reconnect electricity services to a Customer prior to such Customer's repayment in full of an outstanding debt. Under such circumstances, a debt repayment program shall be agreed by the Customer and the Electricity Service Provider and be added to the future monthly energy Bills over the agreed period. Debt repayment programs shall at minimum be in accordance with the following formula:

- (a) Debt having a duration of three (3) months or less may be paid in two equal installments;
- (b) Debt having a duration of more than three (3) months but less than twelve (12) months may be repaid in equal installments over six (6) months; and
- (c) Debt having duration greater than twelve (12) months may be paid in equal installments over a not to exceed thirty-six (36) months.



Section 13  
Guarantee Deposits and Pre-Payment Requirements

13.1 An Electricity Service Provider shall be entitled to require a Customer that has previously been subject to Disconnection to:

- (a) Pay an advance financial deposit (“Guarantee Deposit”) against future electricity services on credit; not to exceed twice the Customer’s average monthly bill over a 12 month period, or
- (b) Pre-pay for electricity service by way of a prepayment meter, the costs of which shall be borne by the Customer and recovered through a prepayment tariff approved by the Regulator.

13.2 Where an Electricity Service Provider requires a Customer to make a Guarantee Deposit, such guarantee deposit shall not relieve the Consumer of its obligation to pay the Electricity Service Provider’s Bills as they come due.

13.3 Where a Consumer has made a Guarantee Deposit and where service to such Customer is subsequently discontinued on the grounds of nonpayment of Bills, unless the Customer shall, not later than four working days after having been Disconnected apply for reconnection of electricity service and pay the arrearages on its Bill, the Electricity Service Provider shall be entitled to apply the Guarantee Deposit toward the discharge of such account and may require the Customer to replace the original Guarantee Deposit.

13.4 In the extreme event of a Customer’s repeated non-payment of energy Bills, an Electricity Service Provider may choose to refuse to supply such Customer. In such case, the Electricity Service Provider shall be entitled to remove the Customer’s service connection. In the event that the premises formerly serviced by such service connection requires reconnection, either by the same or a new occupant, the Electricity Service Provider shall be entitled to treat such reconnection of service to those premises as a new connection, one week after the Electricity Service Provider has notified or has made reasonable attempts to notify Customer of its intentions under this section.

Section 14  
Compensation

In the event that an Electricity Service Provider fails to follow the Disconnection procedures established in the present Administrative Direction:

- (a) An aggrieved Customer shall be entitled to claim compensation from the Electricity Service Provider for damages sustained as a result thereof;
- (b) Compensation described under (a) of this section, if any, shall be determined by the Regulator according to guidelines that the Regulator shall establish and taking fully into consideration the nature of the violation; and

- (c) The Customer and the Electricity Service Provider shall each have a right of legal recourse in respect of any such ruling.

## **Chapter 4**

### **Collective Disconnections**

#### Section 15

#### Grounds for Collective Disconnection

Collective Disconnections shall be permitted in accordance with the terms of the present Administrative Direction if an Electricity Service Provider can demonstrate to the satisfaction of the Regulator that:

- (a) A group of Non-Paying Customers/Consumers satisfies the definition of a Qualified Group of Collective Customers or Consumers (“Qualified Group”) in the present Administrative Direction; or
- (b) The Electricity Service Provider has been Physically Precluded from taking meter readings or conducting maintenance activities within a defined area; or
- (c) Within a specific geographical area approved by the Regulator the Electricity Service Provider can demonstrate to the satisfaction of the Regulator a pattern of unlawful connections and/or reconnections that:
  - (i) is of a substantial proportion; and
  - (ii) substantially interferes with the Electricity Service Provider’s ability to manage the electricity system.

#### Section 16

#### Permission from the Regulator

16.1 No Electricity Service Provider shall employ Collective Disconnection procedures in the absence of an expressed written authorization to do so from the Regulator that shall be issued on a case-by-case basis.

16.2 An Electricity Service Provider’s application to the Regulator to use Collective Disconnection procedures pursuant to section 15(b) shall be accompanied by a formal police report so substantiating, or other evidence as shall be required by the Regulator.

16.3 An Electricity Service Provider’s application to the Regulator to use Collective Disconnection procedures in respect of a Qualified Group shall contain, *inter alia*, the following information:

- (a) The point in the electricity service distribution chain (i.e., the substation, transformer, or other unit) from which the Collective Disconnection shall occur;

- (b) The number and percentage of non-paying Customers/Consumers within the Qualified Group;
- (c) Copies of Bills and late notices as evidence of non-payment or, as determined by the Regulator, an extract taken from the Non-Paying Customer's current account statement;
- (d) In its application to the Regulator for authorization to employ Collective Disconnection procedures, an Electricity Service Provider must demonstrate that it has:
  - (i) made a Public Announcement of a pending Disconnection for a minimum of two days, not less than five (5) working days prior to such Disconnection, and such Public Announcement shall clearly set out the rights of any Customers in Good Standing to claim compensation from the Electricity Service Provider pursuant to the terms of the present Administrative Direction; and
  - (ii) provided written notification of such pending Disconnection to:
    - (A) the Municipality where the disconnections will occur;
    - (B) the Special Need Certification Authority that will be affected; and
    - (C) the Regional Representatives of UNMIK Pillar IV.

### Section 17

#### Execution of Collective Disconnection

Collective Disconnections shall be conducted in accordance with the following procedures:

- (a) The initial Disconnection period shall be for not longer than twenty-four (24) hours;
- (b) Upon the conclusion of the initial Disconnection period, the Electricity Service Provider shall re-connect electricity services for a period of not less than forty-eight (48) hours;
- (c) If, upon the conclusion of the reconnection period the grounds for the Collective Disconnection remain, the Electricity Service Provider may effectuate a second Disconnection for a period not to exceed forty-eight (48) hours;
- (d) Upon the conclusion of the second Disconnection period, the Electricity Service Provider shall re-connect electricity services for a period of not less than twenty-four (24) hours;
- (e) If, upon the conclusion of the second reconnection period, the grounds for the Collective Disconnection remain, the Electricity Service Provider shall effect a Disconnection of indefinite duration, upon approval of the Regulator, with due consideration and provision for Customers in Good Standing affected by such disconnection;
- (f) If, at any time during the Disconnection procedure described in this Order the grounds for the Collective Disconnection change such that the

criteria for Collective Disconnection are no longer satisfied, the Electricity Service Provider shall immediately cease the Collective Disconnection process and restore supply;

- (g) Upon the conclusion of Collective Disconnection procedures described in this paragraph, all Customers that are members of the formerly Qualified Group and that remain not in Good Standing with the Electricity Service Provider shall remain subject to the individual Disconnection procedures described in the present Administrative Direction; and
- (h) Provision for Customers in Good Standing affected by disconnections undertaken under section 15 shall be made to the extent technically feasible, as determined by the Regulator.

#### Section 18 Reconnection Fee

The Electricity Service Provider shall be entitled to levy an additional reconnection fee not to exceed twenty-five (25) euro for each Customer or Consumer Disconnection related to a Collective Disconnection and the Electricity Service Provider shall only be entitled to levy such fee one (1) time per month; provided, however, that disconnections for Customers in good standing affected by a Collective Disconnection shall not be so charged.

#### Section 19 Compensation for Damages

In the event that an Electricity Service Provider fails to follow the procedures set forth in this Chapter:

- (a) Any aggrieved Customer within the Qualified Group shall be entitled to compensation for Damages sustained as a result thereof;
- (b) The amount of Damages shall be determined by the Regulator; and
- (c) The Customer and the Electricity Service Provider shall each have the right of legal recourse in respect of any such ruling.

#### Section 20 Claims by Customers in Good Standing Adversely Affected

20.1 Upon the conclusion of a Collective Disconnection, Customers in Good Standing with the Electricity Service Provider that have been adversely affected by the Collective Disconnection shall, upon request, be entitled to claim compensation from the Electricity Service Provider. For domestic customers, such compensation shall be three (3) euro per day disconnected during the months of April through October, and eight (8) euro per day disconnected for the months of November through March.

20.2 Compensation for commercial customers shall be in an amount that shall be determined by the Regulator.

20.3 In the event that a claim for compensation cannot be resolved between the Customer lodging such claim and the Electricity Service Provider, the claim shall be referred to the Regulator for resolution.

## **Chapter 5 Miscellaneous**

### Section 21 Judicial Review

Any decision made by KEK or the Regulator pursuant to the present Administrative Direction may be subject to judicial review in a court of competent jurisdiction in Kosovo.

### Section 22 Entry into Force

The present Administrative Direction shall enter into force on 20 September 2002.

Michael Steiner  
Special Representative of the Secretary-General