

LAW
" ON THE ELECTRICAL POWER"

Pursuant to the article 16 of the Law No.7491, dated 29.04.1991 " On the main Constitutional Provisions", on the proposal of the Council of Ministers

**THE PEOPLE'S ASSEMBLY
OF THE REPUBLIC OF ALBANIA**

D E C I D E D

PART ONE

Article 1

The purpose of the Law

The purpose of this Law is to enhance economic effectiveness and the quality services in the sphere of generation, transmission and distribution of electricity, ensuring the public interest.

Article 2

The object of the Law

This law regulates the conditions of activity in the sector of electrical power, the rights and duties of the physical and juridical persons, as well as of the state administration.

Article 3

The field of activity

Pursuant to the conditions of this law, the activity in the sector of the electrical power within the territory of the Republic of Albania, shall be exercised only by physical and juridical persons provided with the license granted by the Electrical Power Sector Regulation Agency.

Article 4

Electrical Power Sector Regulation Agency (EPSRA).

The establishment and the duties of ESPRA will be defined upon a special law.

Article 5

The transition period

During the transition period, until the ESPRA shall assume its full functions pursuant to the "Regulatory Law", implementation of this law will be exercised by the Ministry of the Mining and the Power Resources, which will carry out the functions of the Chairman of the ESPRA, only for the transition period which will be determined upon a COM decision.

Article 6

Transfer of KESH into a Joint Stock Company

Pursuant to the law "On the transformation of the State Enterprises into Joint Stock Companies" the Council of Ministers is charged with the reorganisation of the Electrical Power Sector.

The juridical persons who will carry out activities in the sectors of electrical power after their reconstruction, will be given state licenses.

The license will be issued based on article 3 of this law, since on the decision of the Council of Ministers on the transformation of KESH functions are determined.

1. When a license is handed out according to article 3 of this law, after consulting the Electrical Power Regulatory Sector and through a transfer scheme can give to the licensee;

- a. property, rights, assets and liabilities, on the same conditions and terms which belong to KESH, up to the date when the transfer scheme is carried into effect, as shall be agreed upon between the Government, the KESH and the licensee.
- b. any right and competence exercised by KESH up to that moment, which the Government deems necessary for the carrying out of the activity which the licensee is charged with;
- c. the working personnel.

2. In consultation with a state licensee (but not with a private licensee), the Government shall ask the actual licensee to draft a transfer scheme whereby another subsequent licensee shall benefit property, rights, assets and working personnel, which the former licensee was entitled to, in conformity with paragraph 1.

3. A transfer scheme may contain :

- a. a definition of the property, rights, assets that will be given a subsequent licensee :
 - i) the said rights and assets accruing from the definition and description of the property;
 - ii) referring to the wholesale property, the rights and assets, included in a special part in the possession of the licensee; or
 - iii) partially in a way and partially in another.
- b. the forecast that some rights or assets, specified or described in the scheme shall be compulsory to one or more licensees.
- c. the obligation binding every licensee to enter into a written agreement or to implement other documents favouring another licensee as specified in the scheme;
or

- d. supplementary minor and insignificant forecasts which the licensee considers noteworthy (including which specify the rules to be considered while making a transfer or transaction).
4. All the existing debts and obligations and all the contracts signed in this field and all the other issues undertaken to be implemented either from, with or for the board of KESH, or by a licensee under the provisions of paragraph 2, prior to a transfer scheme taking effect, to the extent specified in the respective transfer scheme, shall be considered charged to i.e. undertaken to be carried out either by, with or for the licensee, and all other requirements and legal procedures provided by or against KESH or the licensee (as the case may be) may be continued or determined y or against the respective licensee or the subsequent licensee.
5. When a licensee is asked to transfer part of his commitments to another licensee, according to paragraph 2, the Commission shall change the license of the licensee in conformity with article (.....) of the Regulatory Law or shall revoke his license pursuant to this law to make sure the licensee does not violate any of the conditions of his license as a result of the transfer scheme.
6. According to paragraph 1 or 2 a transfer scheme enters into force when the Government notifies it formally.
7. KESH ceases to exist and no longer exerts its functions and tasks provided in paragraph 1 / b from the moment they are transferred to another licensee.
8. Exercise of all rights or power of KESH by the licensee may be done under conditions specified in the rules of license granting.

Article 7.

Amendment to the Transfer Agreements

At any time, prior to the expire of the 12 months period, beginning from the date that the transfer scheme made in conformity with paragraph 1 or 2 of the Article 10, becomes effective, the licensee whose property, rights , assets and / or liabilities have been transferred, with the approval of the Government (or the Commission) may formulate a transfer scheme to authorise part or all the property, rights, assets or liabilities and the staff to be transferred to another licensee, assuring that they are undertaken to be fulfilled. One of these transfer schemes shall enter into force as foreseen in the transfer scheme according to the Article 10.

PART TWO

Article 8

Emergency Situation in the supply of electrical power

1. For the purposes of this law, emergency situation will mean restriction or interruption of supply of electric power for a period longer than 48 hours in the whole of the territory of the Republic of Albania or in part of it due to :
 - a. force majeure
 - b. the measures taken by state bodies to ensure the defence alert state of the country;

- c. break - downs in the generation, transmission and distribution facilities of the electrical power;
 - d. long-term shortages of electric power resources;
 - e. special situations of environment pollution in keeping with special rules : (see " The Law for Environment Protection").
 - f. terrorist acts.
2. During emergency situations, the holder of a license and the consumers shall have to abide by the restrictions on the use of electric power. The Ministry shall decide on the extent and the manner of restriction of electric power use by special regulations.
 3. The Government shall declare through announcements and mass media the emergency situation in the whole of the territory of the country. The Ministry shall declare the emergency situation only for part of the country.
 4. Immediately after the occurrence of a defect or the announcement of the emergency situation, the holders of a license shall begin repairing the defects in conformity with the plans for liquidating the defects compiled by them and approved by the Ministry.
 5. When due to the emergency situation serious defects occur in the supply of electric power, especially during defects in the generation, transmission and distribution facilities of electric power, the license is obliged to be involved in the repair of the defects and the re-establishment of the supply.
 6. Repair of defects and re-establishment of the supply according to the paragraph above shall be run by the Ministry, whose instructions shall be binding for the license.
 7. The Ministry shall determine the course of action during the emergence and liquidation of the defects by special circulars.
 8. Upon the conclusion of the extraordinary situation the Council of Ministers shall inform the Parliament on the measures taken as well as on the cost of their consequences.

PART THREE

OPERATIONAL AND TECHNICAL MANAGEMENT

Article 9

The Grid Network

1. The grid network shall maintain the balance between the sources and use of electric power and the safe and steady operation of the electric system.
2. For the purposes of this law, electric system will mean the mutual connection of the complex facilities for the generation, transmission and distribution of the electric power including the electric networks and electric metering as well as the facilities for the transmission of information for the technical-economic (financial) activity and the information systems.
3. The suppliers who utilise distribution facilities of part of the electric network, shall have their regional grid systems and shall have to meet the expenses of the respective grids themselves .

4. The electric system of the Republic of Albania shall be administered by the National Electroenergetic Grid System (Central Grid). This Grid is run by the respective holder of the license on the basis of a contract for transmission with compulsory co-operation.
5. The National Grid System will provide :
 - a. the unified management of the electric system including the proclamation of the extent of use during defects in the generation, transmission and distribution facilities and during emergency situations;
 - b. international co-operation in the sector of the electric power;
 - c. effective use of resources with a capacity of 50 MW and above, the transmission facilities with a voltage of 400 kW and 220 kW and the selected transmission facilities 110 kW.
6. The rules on the grid management are issued by the "Grid Code" which shall be approved by the Infrastructure Regulatory Commission. The grid rules regulate the preparation for the use of the system and its operational management, the analysis, supervision and assessment of the results and provision of the unified information to the system during the normal operation and the emergency situations.
7. The holder of a license and other physical and juridical entities shall be obliged to observe the instructions of the respective grid office in keeping with the contents of this law and the grid rules approved.
8. The holder of a license shall be obliged to inform the national grid office as well as the Ministry of the emergency situation according to article 9, paragraph 1, letters a, c, e and f right after its declaration.

Article 10.

Supply with electric power

1. The holder of a distribution license (the supplier) shall be obliged to provide electric power to every consumer who :
 - a. has made the electric connection with the receiving electric facilities in conformity with the technical norms and the legal provisions of safety at work;
 - b. meets all the conditions related to the location, manner and term of the connection established by the supplier.
2. The supplier shall sign a written contract of supply of electric power with the consumers for every reception area, which shall contain :
 - a. the power, the quantity and the term of supply with electric power (below the " diagram of use"), even in the case of emergency situations;
 - b. the price and the manner of payment for the supply of electric power according to legal provisions in force;
 - c. the manner of metering electric power provided including the possibility of interference of the supplier in the metering apparatus.
3. The agreement for the diagram of consumption of power is not required for consumers of low voltage power.
4. The consumer shall be obliged to :
 - a. to make sure that his operation facilities connected to the distribution facilities of the supplier shall be equipped with the necessary technical facilities which restrict the influence of reciprocal operation on the quality of electricity supplied to other

- consumers and do not effect the functioning of supervision, measurement, technique of protection and the operation of the common system of telecommand;
- b. to get electric power with a value of voltage coefficient of 0,95 - 1.0 until otherwise agreed upon by the consumer and the supplier, with the exception of domestic consumers; the manner of observation and assessment of this index is decided upon by Infrastructure Regulatory Commission by special regulation.
5. The supplier licensee may operate reserve sources or other sources when he is connected to the distribution facilities of the supplier, as well as provide electric power from his personal facilities to these equipment, only after he has signed a written agreement with the supplier.
 6. No intervention shall be made in the operational electric facilities which transmit unmeasured electricity without the preliminary approval of the supplier.
 7. The consumer shall not make any electrical connections if his operating electric facilities do not meet the technical standards and the legal regulations of technical security.
 8. The consumer shall, depending on the quantity of electricity used, undertake part of the costs incurred by the supplier for the connection and provision of the power demanded, to the extent calculated in the special manner specified by the Commission.
 9. The consumer shall be obliged to maintain the electrical facilities of receiving electricity in such condition that meet the technical requirements and legal provisions of the technical security and to provide the supplier with technical data on it.
 10. When voltage is altered in the interest of technical development, the owners of receiving facilities connected with the consumers shall be obliged to meet through their own expenses the expenditure incurred during the adaptation of the operating and consumer facilities to the changes made and within the scheduled terms agreed upon.
 11. The detailed regulation for the supply with electric power shall be made by the Commission through special regulations.
 12. The supplier shall have the right to restrict or interrupt supply of electric power to the appropriate level in the following cases:
 - a) when there is direct threat of life, health and property of the individuals;
 - b) when there is an emergency situation according to Article 9, paragraph 1, or during the direct preventive activity related to its occurrence;
 - c) during planned scheduled repairs, maintenance and supervision procedures;
 - d) when defects emerge and are repaired in the distribution facilities of electric power (below "distribution facilities");
 - e) when necessary utilisation actions are undertaken and in these cases no longer than 30 minutes;
 - f) when receiving of electric power is done in an improper way, as provided in Article 17, paragraph (1) of the law;
 - g) when it is observed that the use during the reception of electric power utilises equipment which endanger life, health and property of the third parties;
 - h) when during supply of electric power, the user utilises equipment which affect the quality of electric power to the detriment of other consumers and the appropriate technical norms are not applied to avoid this influence;

- i) when instructions are given by the grid service according to Article 10, paragraph 7.
13. In the cases referred to in paragraph 12, letter c), the supply licensee shall notify the beginning and termination of restriction or interruption of supply of electric power in the usual way of notification at least 15 days ahead of time.
14. In those cases referred to in paragraph 4, the supply licensee shall resume supply of electric power after the elimination of the causes which led to its restriction or interruption.
15. Within a month following the granting of a license, its holder shall work out a plan for the liquidation of defects and the elimination of emergency situation and submit it to the Ministry; there is no such thing required from the consumers of electric power with an installed capacity less than 10 mw.
16. The supply licensee has the right to :
- a. trespass the property of others when they are related to the operation, repair and maintenance of his distribution facilities;
 - b. remove or trim trees or other high vegetation which threaten the safe and reliable operation of distribution facilities in those cases when, after the preliminary notification, the owner of such property, or the consumer has failed to do so.
 - c. establish and use his own telecommunication network for the management, metering, protection and automatization of the operation of the electric system, as well as for the transmission of information regarding the financial activity and the information systems;
 - d. conform special rules of every sector, shall have access to all the closed territories and in the equipment which serve to carry out the activity and the services of the organs of the Ministry of Justice and the Ministry of Defence, the Ministry of Interior and the equipment of the exploitation of railways, as well as have access to properties where special equipment for the telecommunication have been installed to the extent and in the manner appropriate for the accomplishment of the licensed activity;
 - e. when there is an emergency situation, the receiving apparatuses of the consumer shall be used to the proper extent.
17. During repair as provided in paragraph above, the supply licensee shall protect at his best the rights of the affected property and inform them when he shall enter their territories. After the completion of work, he shall bring the property to its former state.
18. When due to enforcement of the rights of the supply licensee according to paragraph 10, the owner or the tenant of the real estate is inflicted damage in property or restrictions in the normal use of the solid property, he shall have the right to immediate compensation. The supply licensee shall compensate for this since he has caused the damage to the property or the limitation of the use of real estate, according to the legal provisions of the Civil Code.

Article 11.

Electric Current Connection

1. The electric current connection begins branching from the distribution station to the user and terminates in the connection of the user's power operating equipment.
2. In the electric current station, the electric current connection begins from the commutating or connecting elements; out of the electric current station it begins from the air or wire line.
3. The electric current connection of the low voltage terminates for the air lines at the main case with the building fuses, while for the wire lines at the main wire case of the building. These cases are part of the connection. The main case of the building fuses, or the main wire case of the house is placed in the receiving object or in the border or in the vicinity of its real estate.
4. When the main building fuse case is not the user's real estate, the air connection of the low voltage terminates in the last supporting spot in the realty of the house. The supporting spot is part of the connection.
5. When the main wire case of the building is not in the user's real estate, the electric current connection of the low voltage terminates in the buttons of the main switch of the receiving equipment, or the wire case within the user's object.
6. The electric current connection of the high and very high voltage for the air lines terminates at the supporting isolators of the operating station, for the wire lines at the beginning of the cable of the operating station. The supporting isolators and the head of the cable are part of the connection.
7. The expenses incurred for the implementation of the electric current connection are covered by the one for whom the connection is made, unless this law foresees it differently.
8. The expenses incurred for the implementation of the connection of low voltage for home provision up to 30 meters distance are covered by the supplier on the condition that the user has performed his work within the technical conditions of such a connection.
9. The one who has incurred the expenses for the construction of the line shall be its owner.
10. The owner of the electric line shall be obliged to ensure the operation, maintenance and its repair so that it doesn't pose any risks to the life and health or damage the people's assets.
11. The supplier shall towards a payment ensure operation, maintenance and repair of the electric line when this is required by its owner.

Article 12.

Measurement of Electric Energy

1. The used electric energy is metered and billed from the supplier according to the records of the meter provided by the supplier. The setting up, connection, maintenance and verification of the accuracy in metering is made by the supplier at his expense. The metering transformers are part of the metering equipment.
2. When the user doubts the accuracy of the records of metering or observes failures in the meters, he is entitled to request its control. The supplier on the basis of the user's written request is obliged to this end to replace the meter up to 15 days after the request is received. The user is obliged to furnish the supplier with the appropriate assistance for the replacement of the meters.

3. When there is observed failure in the meters, the expenses incurred for the replacement and its control, are covered by the supplier. When there is no failure observed, these expenses are covered by the user.
4. Whatever kind of interference in the meters without the consent of its owner is prohibited and punished according to the legal provisions in power.
5. The supplier shall furnish every particular part of the metering equipment to prevent unauthorised interference.
6. The supplier is obliged to ensure the appropriate measuring for all the consumers within a schedule defined by the Infrastructure Regulatory Commission. The expenses will be covered by the supplier and will be accounted for as service costs.

Article 13.

Purchase of electric power from secondary and recovering resources.

1. The supplier is obliged to purchase electric power within technical possibilities :
 - a. from the combined production of heat and electric power in dimensions that respond to the technological necessities of heat production;
 - b. from the production of recovered and other resources.
2. In compliance with paragraph 1 the owner of his equipment covers the expenses incurred for the connection of the sources.
3. In compliance with paragraph 1, the supplier defines the mode of connection of the sources with the distribution equipment.
4. The supplier purchases the electric power at a price adhering to the agreement based on the regulations of the prices of Infrastructure Regulatory Commission.

Article 14.

Protection Areas.

1. The equipment for production of electric power, for its transmission as well as the distribution equipment are protected by protection areas.
2. " Protection area" for the purpose of this law will mean the space in direct vicinity of the production, transmission and distribution equipment aimed to insure their safe operation as well as life, health and property protection of the people.
3. The air and underground electric lines and the electric power stations are protected by protection areas.
4. The protection area of the air line is bordered by perpendicular space from both sides of the line in a horizontal distance perpendicular to the line, which from the side conductor of the line of every its part is :
 - a. voltage over 1 kW to 35 kW 10 m included;
 - b. voltage over 35 kW to 110 kW 15 m included;
 - c. voltage over 110 kW to 220 kW 20 m included;
 - d. voltage over 220 kW to 400 kW 25 m included;
 - e. voltage over 400 kW 35 m included;
5. The owners and the users of the forests are obliged to keep a strip of free land four meters wide on each part of the basements of the supporting spots.

6. In the protection area of the air line, it's prohibited :
 - a. setting up of building or construction and other similar equipment, as storage of fuel or explosives;
 - b. planting and growth of plants over 3 meters;
 - c. performing activities that put to risk the air line, the security and the stability of their functioning, or life, health and property of the people.
7. The protection area of the underground lines up to 110 kW, command , measurement and protection technique lines, included extends one meter from each side of the side cable, over 110 kV extends three meters from each side of the side cable.
8. In the protection area of the underground line the following are prohibited :
 - a. performing earth work (excavation) without the consent of its owner;
 - b. setting up of the constructions or buildings or other similar equipment and performance of activities which would make impossible or prevent the possibility of entering in the underground line or would endanger the safety and the stability of its operation;
 - c. continuous sowing of plants and passing of equipment weighing above 3 tons over the line;
9. The protection area of the electric power station is limited with perpendicular planes in 30 m horizontal distance perpendicular to the border or the surrounding wall of the object of the station.
10. In the protection area of the electric power station it's prohibited to perform activities, which may result in endangering life, health or property of the people, the safety and the stability of the operation of the station, or make impossible or very difficult its maintenance.
11. The physical or juridical persons that manage equipment supplied with continuous current in the direct vicinity of the protection area where idle currents that may damage the underground line are likely to be seen, are obliged to communicate this fact to the supplier and take measures for their restriction.
12. The decisions of paragraph 9 and 10 will be applied for the protection of the stations producing electric current.
13. Exemptions from the protection areas are granted from the Infrastructure Regulatory Commission.

Article 15

Move of distribution equipment

1. The removal of distribution equipment for the purpose of this law will mean the partial change of the line track or the move of some elements of this equipment.
2. The removal of the distribution equipment is ensured by its owner with the expenses defrayed by the one who wants this move.
3. The ownership of the distribution equipment, after the move is effectuated, doesn't change.

Article 16

Intersection of electric lines with other equipments.

During the intersection of electric lines with communication equipment irrigated railways and other equipment of any kind, the owners, or the users of the electric lines shall, in reciprocal co-operation, take technical measures to assure stability and safety of their operation and the possibility of regular maintenance.

Article 17

Irregular reception of Electric Power

1. Reception of electric power shall be deemed irregular in the following cases :
 - a. reception without a contract agreement ;
 - b. reception from that part of the equipment, through which unmetered power flows;
 - c. reception with or without meters through which as a result of the user's interference this reception it's either not recorded or it's recorded less than its real value;
 - d. the reception with meters which have not been installed by the supplier, or at which the security has been destroyed because of irregular interference.
2. Calculation of the damage inflicted to the supplier resulting from irregular reception as well as the respective sanctions are defined by the supplier and are approved by Infrastructure Regulatory Committee..

PART FOUR

Article 18

Transitional Provisions

1. Unless otherwise specified in this law, legislation in power is observed in establishing the rights and duties of the juridical and physical persons.
2. The right towards the real estate of the electric power sector and the restriction of its use generated prior to the enforcement of this law, are not affected, since they do not contradict this law.
3. Protection areas established according to the thus far regulations and exemptions to the decisions on protection areas, are sustained even after this law is enforced.
4. The Infrastructure Regulatory Commission issues respective instructions towards the implementation of this law.

Article 19

Every other provision inconsistent with this law is invalidated.

This law shall be enforced on 1995