



Republika e Kosovës - Republika Kosova - Republic of Kosova

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



# PERIODIC EVALUATION REPORT

## ON TARGETS FULLFILMET OF THE FIRST 9 MONTHLY PERIOD DETERMINED WITH TARIFF PROCESS 2015-2017

Reporting period: January – September 2015



DFTR/WWRO

Prishtina, December 2015

## **Vision**

“Water quality, safe and efficient services for all customers throughout Kosovo”.

## **Mission**

“Effective and transparent regulation of water and wastewater services, in accordance with the best European practices, which ensure quantitative and qualitative services, sustainable with affordable prices throughout Kosovo, taking into account the preservation of the environment and public health protection.”

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## Acronyms and Abbreviations

BPR	Regulatory Business Plan
RWC	Regional Water Company
FE	Regional Water Company "Bifurkacioni" j.s.c - Ferizaj
GJA	Regional Water Company "Radoniqi" j.s.c – Gjakova
GJI	Regional Water Company "Hidromorava" j.s.c –Gjilan
MIT	Regional Water Company "Mitrovica" j.s.c – Mitrovica
PE	Regional Water Company "Hidrodrini"j.s.c – Peja
PR	Regional Water Company "Prishtina" j.s.c – Prishtina
PZ	Regional Water Company "Hidroregjioni-Jugor" j.s.c – Prizren
MEPS	Ministry of Environment and Spatial Planning
MPUPE	Monitoring and Policy Unit of Public Enterprises
WWRO	Water and Wastewater Regulatory Office
SAK	Statistical Agency of Kosovo
CPIK	Consumption Price Index in Kosovo
RAB	Regulatory Asset Base

# 1 INTRODUCTION

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We are pleased to present to you the second periodic report for the first ninth monthly period of 2015 with the evaluation of target fulfillment degree, determined with regulatory process of midterm tariffs 2015-2017. This report provides specific performance data for seven regional water and wastewater companies which assess the degree of targets fulfillment, determined with regulatory process of tariffs during the first ninth months of 2015 and gives a general overview of the sector for the reviewed period.

In order to comply this report, initially the approved data of tariff process 2015-2017 were obtained, for nine months period of 2015, which also present the basic data through which is evaluated the business of all RWCs in Kosovo. Afterwards, there are presented data collected from RWCs for the same period of 2015 for comparison with data approved by WWRO. To get a clear picture of developments in the sector, this report presents the historical data which occurred during the first nine monthly period of 2014.

The purpose of this report is:

- (i) To provide information on trends of financial and operating indicators of RWCs, and in particular for capital investments carried out for the reviewed period.
- (i) To compare indicators of RWCs with the objectives (targets) determined with tariff process of the reviewed period, and on the occasion of deviations in this plan, to enable the companies to undertake actions timely, and in order to change or correct such trends during the last part of tariff process 2015 of regulatory process 2015-2017.

Given the fact that RWC "Mitrovica", Mitrovica acts on specific operating conditions, as it provides bulk treated water to the northern part of the city, the company's data are reflected for the entire region with all services offered by this company, including the supply services of bulk water treated to the Northern part of their town.

## 2 CHALLENGING OF REGULATORY BUSSINESS PLANS

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The basic principle of the tariff regulatory process of tariff period 2015-2017 is to create preconditions for financial sustainability for companies, which means: optimal operations costs for specific quantity and quality service to customers, which hopefully will be achieved with reasonable tariffs that are affordable for all categories of customers served, as we have set challenging targets for the improvement of their overall performance, and that:

1. WWRO believes that operating costs are much higher than they should be, and their role is raised due to the direct impact on tariffs. During our discussions with some of the representatives of the companies, we have asked from them to approximate the higher costs with the sector average costs.
2. We believe that RWCs have a high ratio of commercial losses, many illegal connections and unsatisfactory billing, which should be as a management focus in order to minimize them, or to bring them in optimal relations.
3. Although the performance in revenue collection is being improved, we firmly believe that the improvements are very low compared that they should be, even though we have been very careful not to be too ambitious to this main indicators with regulatory process 2015-2017.

Therefore, WWRO shall carry out the regular monitoring during the whole tariff process period 2015-2017, in order to assess the degree of targets fulfillment determined by the current regulatory process, as we are doing in this report.

### 3 INFLATION APPLICATION

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While the purpose of this report mainly deals with the assessment of the degree of target fulfillment determined with the tariff process 2015-2017, for the first nine monthly period 2015, and in order this report to be more real, the financial data approved by WWRO presented in the following tables are adjusted with the Consumption Price Index published by the Kosovo Statistical Agency for the specified time period.

It should be noted that the financial data approved for the first nine (9) monthly period of 2015 have been taken into account the price of mid- 2014 (June 2014 = when CPIK - was 127.3), because the RBP of tariff process 2015-2017 has been submitted during that time, which during the setting of tariff for 2015 were indexed to the Consumption Price Index of the Statistical Agency of Kosovo, clarified in paragraph 4 of this section.

For this, the financial information approved by WWRO varies from the financial data that exist in RBP, to each RWC, but the same were introduced in details with such financial amounts after indexing, since all companies individually have received final tariffs reports of 2015-2017. Differences of two identified periods are small in absolute terms, but these are reflected due to the correctness of the calculations and the exact reporting of the first 9 months of RWCs business.

The financial data approved in this report has taken as a base the data of RBP, multiplying with CPIK 0.99668. This index is obtained by dividing the average of CPIK for the first nine (9) monthly period of 2015 (126.878) with CPIK of mid- 2014 (127.3).

As was noted above, the main purpose of this report is concerned with assessing the target's ratio with tariff process 2015-2017 for nine (9) monthly period of 2015.

## 4 EVALUTION METHODOLOGY OF TARGETS

Evaluation methodology for target fulfillment determined by tariff process 2015-2017 for the first nine (9) monthly period of 2015, will be uniform for all categories of data generated by RWCs for viewed period of time.

This methodology will be reflected in the respective tables for all data categories, as follows:

- historical data carried out from RWCs for first nine monthly period of 2014,
- data approved by WWRO for first nine monthly period of 2015,
- data carried out by RWCs for first nine monthly period of 2015,
- comparative percentage for first nine monthly period of 2014 with first nine monthly period of 2014,
- the percentage of target realization for nine monthly period of 2015, and
- the final evaluation.

Comparative percentage comparison of nine (9) monthly period of the year 2015 with the same period of time of the year 2014 is the ratio of the data derived from the reached indicators of viewed years, and multiplied by 100. Percentage of target realization for the first nine (9) monthly period of 2015 comes as a result of the report data set as a target for each company separately, and the sector in general with the realized data from RWCs and multiplied by 100. The final assessment for the first nine (9) monthly period of 2015 presented in the last column is the regulatory evaluation, identified as:

Individual target evaluation for operational costs data and water losses in m<sup>3</sup>.

Limits	Abbreviation	Description	Evaluation
< 98.00 %	PE	Positively exceeded	Positive +
98.00% - 102.00%	R	Realized	Positive
102.01%- 106.00%	A	Approximated	Negative
> 106.00%	Not-R	Not realized	Negative -
	NC	Not – Comparable	Without comparative data

Individual target evaluation for other data

Limits	Abbreviation	Description	Evaluation
> 102.00 %	PE	Positively Exceeded	Positive +
98.01% – 102.00%	R	Realized	Positive
94.00% – 98.00%	A	Approximated	Negative
<94.00%	Not-R	Not realized	Negative -
	NC	Not – Comparable	Without comparative data



## 5. PRODUCTION ANALYSIS, BILLING AND CUSTOMERS

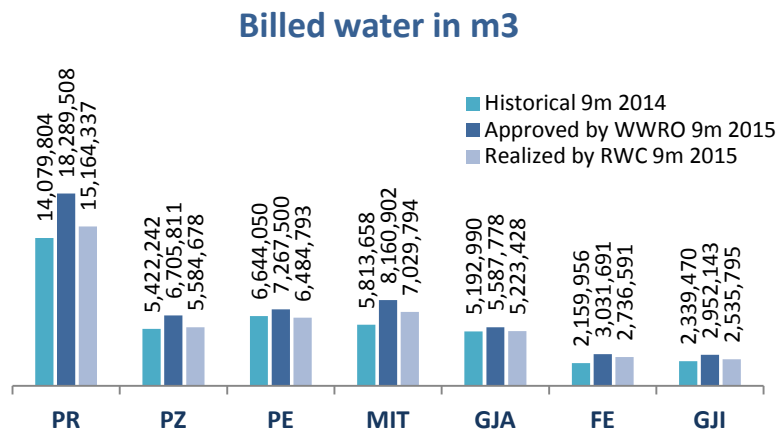
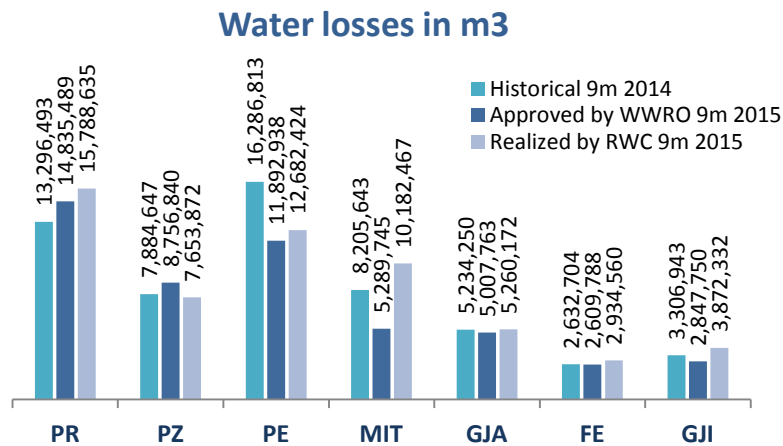
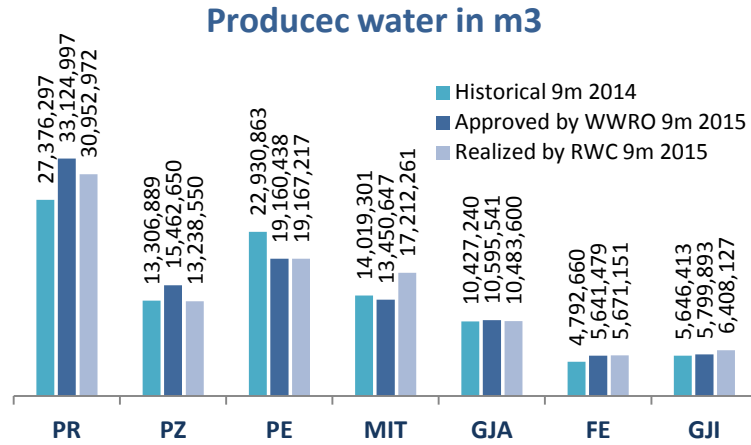
The following analysis provides data for these operating categories of water services from which is made comparison of data generated by these historic data and conducted with data approved, by which at the same time the target fulfillment is assessed.

Table Nr. 1. Statement of quantitative data of water produced, water wasted, water billed and number of serviced customers in 20154 compared with 2014 data and set targets for the first 9 monthly period of 2015

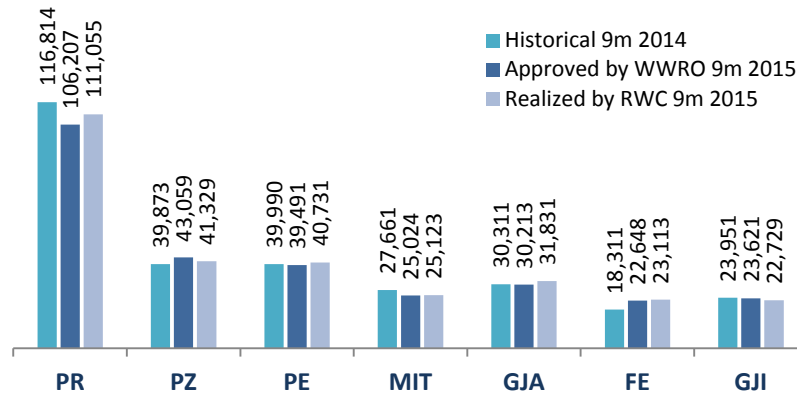
Name of Company	Operational data	Unit	Historic 9m 2014	Approved 9m 2015	Realized by RWC 9m 2015	% Comparative 2015/2014	% real of targeted 9m2015	Assessment 9m 2015
Prishtina (PR)	Produced water	m <sup>3</sup>	27,376,297	33,124,997	30,952,972	113.06%	93.44%	Not R
	Water losses	m <sup>3</sup>	13,296,493	14,835,489	15,788,635	118.74%	106.42%	Not R
	Billed water	m <sup>3</sup>	14,079,804	18,289,508	15,164,337	107.70%	82.91%	Not R
	Customers	No	116,814	106,207	111,055	95.07%	104.56%	R
Hidroregjioni Jugor (PZ)	Produced water	m <sup>3</sup>	13,306,889	15,462,650	13,238,550	99.49%	85.62%	Not R
	Water losses	m <sup>3</sup>	7,884,647	8,756,840	7,653,872	97.07%	87.40%	R
	Billed water	m <sup>3</sup>	5,422,242	6,705,811	5,584,678	103.00%	83.28%	Not R
	Customers	Nr	39,873	43,059	41,329	103.65%	95.98%	A
Hidrodrini (PE)	Produced water	m <sup>3</sup>	22,930,863	19,160,438	19,167,217	83.59%	100.04%	R
	Water losses	m <sup>3</sup>	16,286,813	11,892,938	12,682,424	77.87%	106.64%	Not R
	Billed water	m <sup>3</sup>	6,644,050	7,267,500	6,484,793	97.60%	89.23%	Not R
	Customers	No	39,990	39,491	40,731	101.85%	103.14%	R
Mitrovica (MIT)	Produced water	m <sup>3</sup>	14,019,301	13,450,647	17,212,261	122.78%	127.97%	R
	Water losses	m <sup>3</sup>	8,205,643	5,289,745	10,182,467	124.09%	192.49%	Not R
	Billed water	m <sup>3</sup>	5,813,658	8,160,902	7,029,794	120.92%	86.14%	Not R
	Billed -South	m <sup>3</sup>	3,201,049	4,635,902	3,444,501	107.61%	74.30%	Not R
	Billed -North	m <sup>3</sup>	2,612,609	3,525,000	3,585,293	137.23%	101.71%	R
	Customers	No	27,661	25,024	25,123	90.83%	100.40%	R
Radoniqi (GJA)	Produced water	m <sup>3</sup>	10,427,240	10,595,541	10,483,600	100.54%	98.94%	R
	Water losses	m <sup>3</sup>	5,234,250	5,007,763	5,260,172	100.50%	105.04%	A
	Billed water	m <sup>3</sup>	5,192,990	5,587,778	5,223,428	100.59%	93.48%	Not R
	Customers	No	30,311	30,213	31,831	105.01%	105.36%	R
Bifurkacioni (FE)	Produced water	m <sup>3</sup>	4,792,660	5,641,479	5,671,151	118.33%	100.53%	R
	Water losses	m <sup>3</sup>	2,632,704	2,609,788	2,934,560	111.47%	112.44%	Not R
	Billed water	m <sup>3</sup>	2,159,956	3,031,691	2,736,591	126.70%	90.27%	Not R
	Customers	No	18,311	22,648	23,113	126.22%	102.06%	R
Hidromorava (GJI)	Produced water	m <sup>3</sup>	5,646,413	5,799,893	6,408,127	113.49%	110.49%	R
	Water losses	m <sup>3</sup>	3,306,943	2,847,750	3,872,332	117.10%	135.98%	Not R
	Billed water	m <sup>3</sup>	2,339,470	2,952,143	2,535,795	108.39%	85.90%	Not R
	Customers	No	23,951	23,621	22,729	94.90%	96.22%	A
SECTOR	Produced water	m <sup>3</sup>	98,499,663	103,235,64	103,133,87	104.70%	99.90%	R
	Water losses	m <sup>3</sup>	56,847,493	51,240,312	58,374,462	102.69%	113.92%	Not R
	Billed water	m <sup>3</sup>	41,652,170	51,995,333	44,759,416	107.46%	86.08%	Not R
	Customers	No	296,911	290,262	295,911	99.66%	101.95%	R

## 5.1 Graphical presentation of water produced, water losses, water billed in m<sup>3</sup> and the customers' number

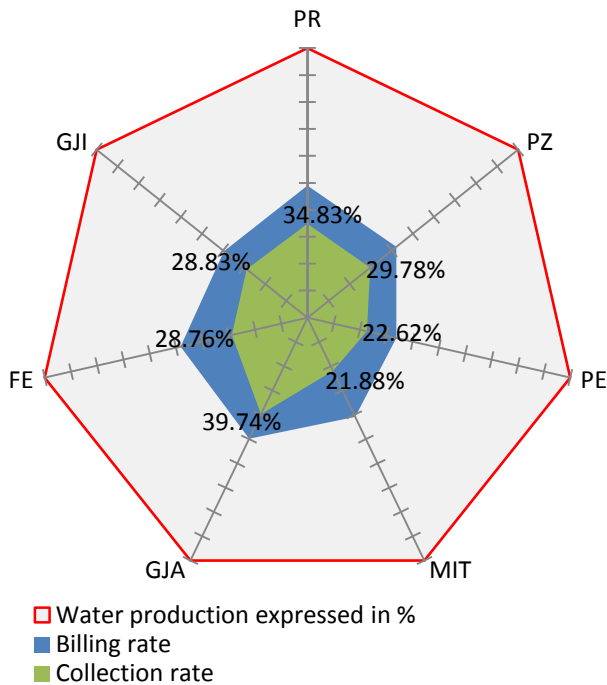
The data in Table No 1 are presented graphically through graphs, that enable easier visual comparison of historical data for the period of 2014 and data approved by WRRO, and those data carried out by RWCs during 2015.



## Customers



## Billing and collecting rate of produced water for the first 9 month of 2015



**Septagram (curve) red** (seven angles) represents the amount of water produced from all RWCs in Kosovo expressed in percentage. The blue space shows what percentage of produced water is billed. Meanwhile, green space represents the percentage of how many of produced water is collected.

The space with grey color presents the water losses for each company separately and for the sector, whereas the blue space presents collectable accounts, customers' debts to companies, for the viewed period of 2015. And the green space shows in a figurative way the percentage of how much of produced water is turned in to money.

For the RWCs to be in a good financial condition and at satisfied level of service to their customers, companies need to improve their performance compared to what is currently.

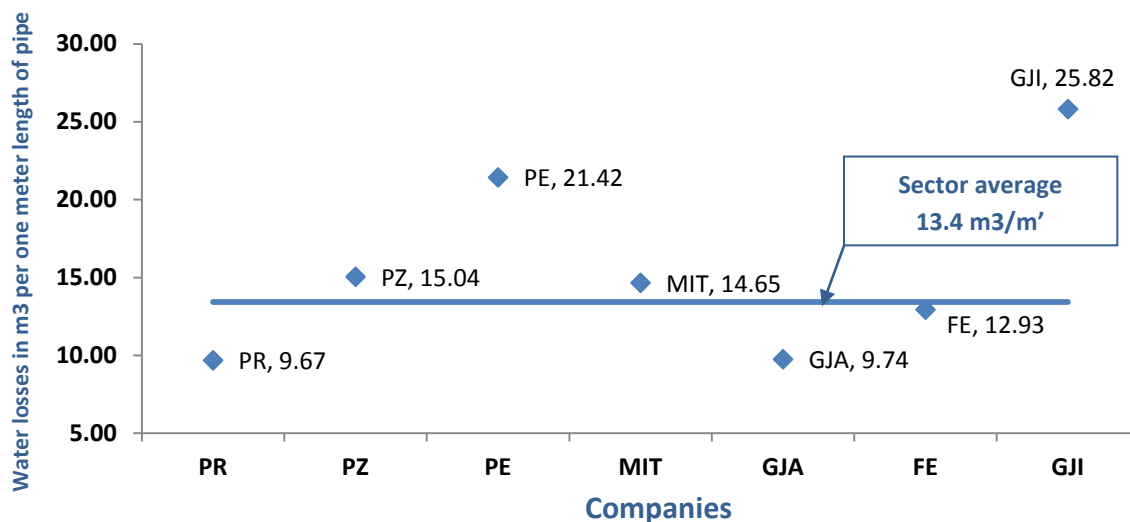
## 5.1. Analysis of water losses

In a joint meeting held in September 2015 in Prishtina the WWRO and RWCs officials discussed the findings of target fulfillment of six months, and the RWCs were requested to present the water losses separately in a table, and then ranking the RWCs. We as the WWRO have used the method regarding the water losses, and as a ranking we have used the criteria of water losses per meter length of pipes. This means that this analysis would be relative if the data reported by RWCs are not accurate. The best company that manages the water losses in Kosovo is RWC “Prishtina”, whereby the weakest company in this regard is “Hidromorava”.

Table. No. 1.1. Analysis of water losses per meter lengths of pipes for 9 months period of 2015

Company	Water produced per m <sup>3</sup>	Water losses per m <sup>3</sup>	Percentage of Water losses	Average of water supply network per km. Length	Report of losses per m <sup>3</sup> and network meter length
PR	30,952,972	15,788,635	51.01%	1,633	9.67
PZ	13,238,550	7,653,872	57.82%	509	15.04
PE	19,167,217	12,682,424	66.17%	592	21.42
MIT	17,212,261	10,182,467	59.16%	695	14.65
GJA	10,483,600	5,260,172	50.18%	540	9.74
FE	5,671,151	2,934,560	51.75%	227	12.93
GJI	6,408,127	3,872,332	60.43%	150	25.82
<b>Sector</b>	<b>103,133,878</b>	<b>58,374,462</b>	<b>56.60%</b>	<b>4,346</b>	<b>13.4</b>

Water losses in m3 per one meter length of pipe



## 6. ANALYSIS OF OPERATING EXPENSES

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As noted above, during the tariff process 2015-2017, WWRO has asked from RWCs to be more careful with their direct operating costs, and also have required to reduce the same ones to reasonable optimum.

In order to be more consistent in approving of operating expenses, which have a direct impact on the tariff amount, we have used the regression method for those companies that had operating costs above the optimal average costs of some of the companies evaluated as reasonable costs, and for this reason we have considered that it is the most reasonable and transparent method for reducing of operating costs by RWCs that are considered not very rational expenses.

Data of operating cost presented in this report are categorized according to regulatory accounting guidelines, initially by dividing the operating costs for water and wastewater.

According to RAG the RWCs operating costs for water we have presented by divided into three categories:

- operating costs in resources and treatment
- operating costs in the distribution, and
- operating costs in business activities

Meanwhile, the wastewater operating costs are divided into 4 categories, as follows:

- operating costs in the wastewater collection
- operating costs in wastewater treatment
- operating costs in sludge treatment
- operating costs in business activities

For further details, respectively what voices of operating are included in respective categories, you can be consulted by Regulatory Accounting Guidelines, which can be found published on the official website of WWRO ([www.wwro-ks.org](http://www.wwro-ks.org)).

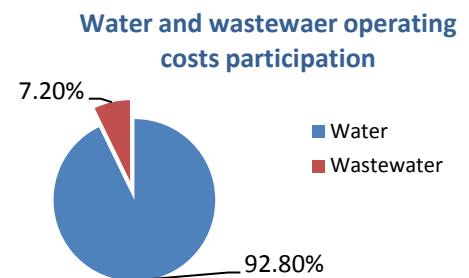
## 6.1 Water and Wastewater Operating Expenses

In this table are presented water and wastewater operating costs for each RWC and sector presenting historical operating expenses for the period of 2014, those approved by WWRO, as well as those carried out by RWCs during 2015, the target fulfillment ratio in%, and final assessment for this period.

Table No. 2 Overview of operating expenses data for water and wastewater in €

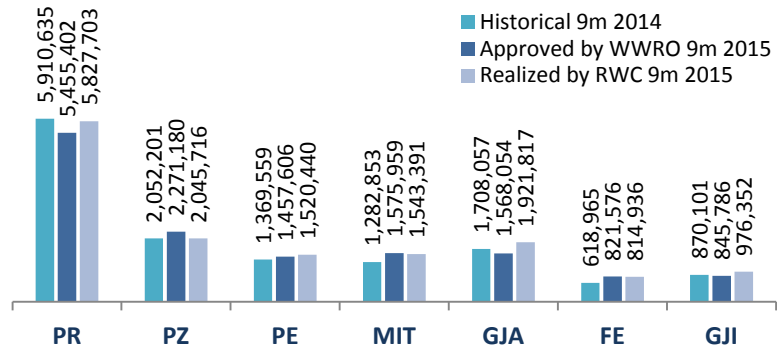
Name of Company	Voices of operating expenses	Unit	Historic 9m 2014	Approved by RWC 9m 2015	Realized by RWC 9m 2015	% Comparative 9m 2015/2014	% real. Targeted 9m2015	Final assessment for 9m 2015
Prishtina (PR)	Water	€	5,910,635	5,455,402	5,827,703	98.60%	106.82%	Not R
	Wastewater	€	175,803	390,471	178,073	101.29%	45.60%	Not R
	<b>Total</b>	€	<b>6,086,437</b>	<b>5,845,872</b>	<b>6,005,776</b>	<b>98.67%</b>	<b>102.74%</b>	<b>A</b>
Hidroregjioni jugor (PZ)	Water	€	2,052,201	2,271,180	2,045,716	99.68%	90.07%	Not R
	Wastewater	€	246,252	153,635	308,934	125.45%	201.08%	Not R
	<b>Total</b>	€	<b>2,298,453</b>	<b>2,424,816</b>	<b>2,354,650</b>	<b>102.44%</b>	<b>97.11%</b>	<b>Not R</b>
Hidrodrini (PE)	Water	€	1,369,559	1,457,606	1,520,440	111.02%	104.31%	A
	Wastewater	€	123,842	91,560	33,334	26.92%	36.41%	Not R
	<b>Total</b>	€	<b>1,493,401</b>	<b>1,549,166</b>	<b>1,553,774</b>	<b>104.04%</b>	<b>100.30%</b>	<b>R</b>
Mitrovica (MIT)	Water	€	1,282,853	1,575,959	1,543,391	120.31%	97.93%	Not R
	Wastewater	€	190,529	146,506	251,837	132.18%	171.89%	Not R
	<b>Total</b>	€	<b>1,473,382</b>	<b>1,722,465</b>	<b>1,795,228</b>	<b>121.84%</b>	<b>104.22%</b>	<b>A</b>
Radoniqi (GJA)	Water	€	1,708,057	1,568,054	1,921,817	112.51%	122.56%	Not R
	Wastewater	€	73,935	189,278	71,828	97.15%	37.95%	Not R
	<b>Total</b>	€	<b>1,781,992</b>	<b>1,757,332</b>	<b>1,993,645</b>	<b>111.88%</b>	<b>113.45%</b>	<b>Not R</b>
Bifurkacioni (FE)	Water	€	618,965	821,576	814,936	131.66%	99.19%	R
	Wastewater	€	148,449	117,138	190,933	128.62%	163.00%	Not R
	<b>Total</b>	€	<b>767,413</b>	<b>938,714</b>	<b>1,005,869</b>	<b>131.07%</b>	<b>107.15%</b>	<b>Not R</b>
Hidromorava (GJI)	Water	€	870,101	845,786	976,352	112.21%	115.44%	Not R
	Wastewater	€	86,693	78,969	101,417	116.98%	128.43%	Not R
	<b>Total</b>	€	<b>956,794</b>	<b>924,755</b>	<b>1,077,769</b>	<b>112.64%</b>	<b>116.55%</b>	<b>Not R</b>
Sector data	Water	€	<b>13,812,370</b>	<b>13,995,563</b>	<b>14,650,355</b>	<b>106.07%</b>	<b>104.68%</b>	<b>A</b>
	Wastewater	€	<b>1,045,502</b>	<b>1,167,558</b>	<b>1,136,356</b>	<b>108.69%</b>	<b>97.33%</b>	<b>Not R</b>
<b>Total sector data</b>		€	<b>14,857,872</b>	<b>15,163,121</b>	<b>15,786,711</b>	<b>106.25%</b>	<b>104.11%</b>	<b>A</b>

From the total of operating expenses incurred during 9m of 2015, 92.80% of expenses incurred in the water services, while 7.20 % are wastewater expenses. The total operating expenses amount carried out for both services by RWC in 9m of 2015 is 15,786,711€, which as such are exceeded by the amount approved by WWRO for this period for 4.11%.

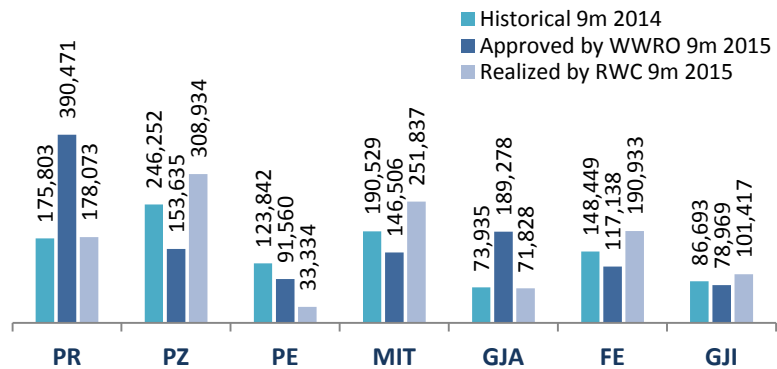


## 6.2 Graphical presentation of water and wastewater operating expenses

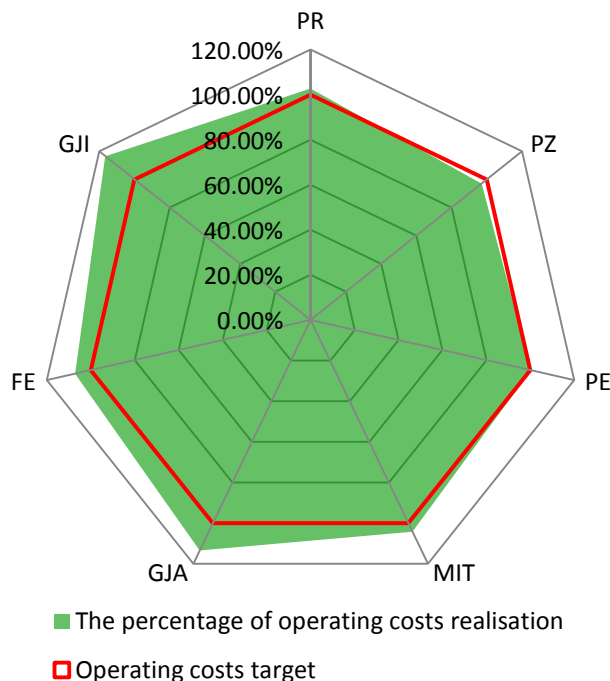
### Water operating costs



### Wastewater operating costs



### Realised operating costs in percentage



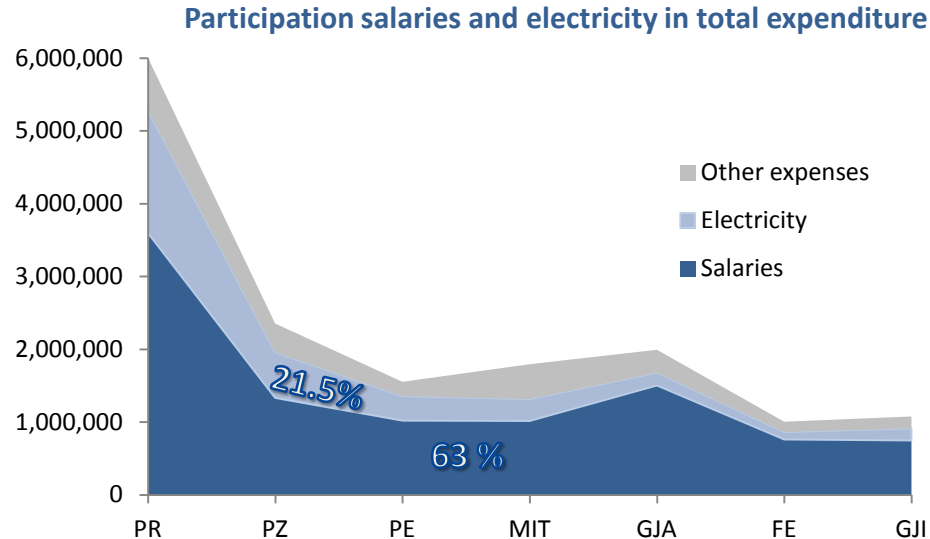
The above graph shows the amount of approved expenses for the viewed period of the year. RWC “Hidroregijoni Jugor”, “Hidrodrini” managed to keep the operating costs within the limits set by the Regulator its own expenses.

## 6.2 Salary and electricity costs

It is known that salary costs for all RWC employees, presents their highest category of costs in relation to other costs, as it is presented in the table below, which let us understand which of company manages in a best way the costs of salaries . As we know that this item of costs is most influential, we present the average salaries for each company and sector.

Table No. 3 Salary costs in relation to total costs and electricity for the first 9 months of 2015

Company	Total of operational expenses realliz.	Total of salary expenses real.	Number of staff	Percentage of salaries in relation to expenses realized	Average monthly salary	Electricity costs
	€	€	Nr	%	€/months	€
PRISHTINA	6,005,776	3,598,437	546	59.92%	732	1,685,304
HIDROREGJIONI-JUGOR	2,354,650	1,333,176	312	56.62%	475	625,746
HIDRODRINI	1,553,774	1,020,968	212	65.71%	535	335,657
MITROVICA	1,795,228	1,016,450	227	56.62%	498	299,154
RADONIQI	1,993,645	1,503,538	260	75.42%	643	175,814
BIFURKACIONI	1,005,869	762,177	172	75.77%	492	101,164
HIDROMORAVA	1,077,769	748,631	153	69.46%	544	165,935
<b>SEKTORI</b>	<b>15,786,711</b>	<b>9,983,377</b>	<b>1,882</b>	<b>63.24%</b>	<b>589</b>	<b>3,388,774</b>



The above data shows that water sector in Kosovo during the first nine months of 2015, 63% of expenses comprise salaries, electricity 21% , while the rest includes other operating expenses.

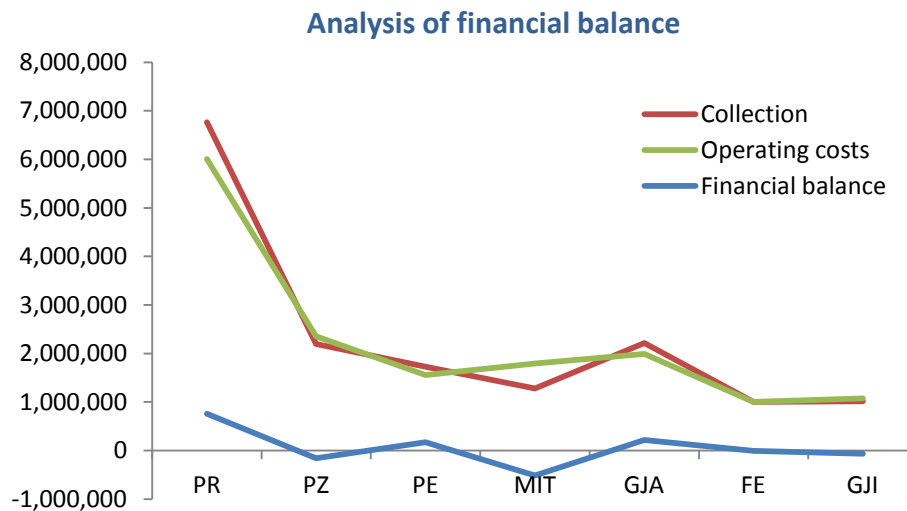


### 6.3 Coverage of operational expenses and own capital investments from collection amount

In the table below are presented data of the amount of expenses incurred for each company separately and amount of collection for the first nine months of 2015, in which it appears the coverage rate of operating expenses without depreciation with collection, and the coverage rate of operating expenses without depreciation, and with capital investment with collection. The same shows that efficient data of each company and sector during the reviewed period.

Table No.4 Statement of coverage data of revenues with total operating expenses before depreciation and own capital investments

Company	Collection €	Operational expenses before depreciation €	Financial surplus €	Own capital investments €	Coverage rate of operational expenses without depreciation €	Coverage rate of operational and investment expenses without depreciation and with collection €
	A	B	C=(A-B)	D	E=A/B	F=A/(B+D)
PRISHTINA	6,763,931	6,005,776	758,155	519,205	1.13	1.04
HIDROREGJIONI-JUGOR	2,198,860	2,354,650	-155,790	75,855	0.93	0.90
HIDRODRINI	1,725,885	1,553,774	172,111	9,169	1.11	1.10
MITROVICA	1,021,456	1,795,228	-773,772	0	0.57	0.57
RADONIQI	2,214,138	1,993,645	220,493	397,578	1.11	0.93
BIFURKACIONI	1,002,708	1,005,869	-3,161	36,379	1.00	0.96
HIDROMORAVA	1,013,694	1,077,769	-64,075	11,680	0.94	0.93
<b>SECTOR</b>	<b>16,201,218</b>	<b>15,786,711</b>	<b>414,507</b>	<b>1,049,866</b>	<b>1.03</b>	<b>0.96</b>



In the graph above, collection for RWC "Mitrovica" it is also included the amount of subsidy by Government .

## 7. BILLING AND COLLECTION AMOUNT IN MONETARY VALUE

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Billing and collection data in monetary value will be presented also in tabular form, in order to compare easily the results achieved by the companies and sector during the period of the first 9 month f 2015, with those approved by WWRO and those realized by RWC for the same period of 2015, according to the regulatory process of tariff determination of 2015-2017.

These data will be also presented according to the services provided; separately for water services and wastewater services, and then summarized will be presented for each company separately and for the sector as a whole during the reviewed period for the first months of 2015, while for comparisons will be presented the data realized during this year with the historical data for the same period of 2014.

According to tariff policies which are published by WWRO, billing and collection from fixed and volumetric tariff is attributed to water supply services, while wastewater volumetric tariff is attributed only for wastewater service.

Having into consideration that not all RWCs have been able to make division of water and waste water collection WWRO has been obligated to do this division according to its judgment which we have considered as a reasonable option for conditions in which we are. This division is based on the planned billing by RPB approved by WWRO, and those carried out by RWCs.

*Note:*

*It should be noted that for RWC "Mitrovica" j.s. Mitrovica, the Government of the Republic of Kosovo allocates the budget of the Republic of Kosovo every year since after the war, to cover a certain amount of operating expenses that are created in the case when water is supplied in the Northern part of the City of Mitrovica. In order the assessment of WWRO to be more real, the following data is attributable to two service areas (North and South), and as a such will be identified where possible (billing and collection) for the reviewed period.*

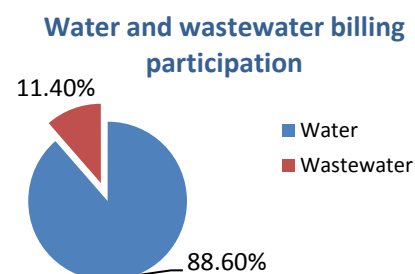
## 7.1. Water and Wastewater Services Billing Amount

In the table below is presented the water and wastewater services in monetary value for historical data for first nine months of 2014, those approved by WWRO and carried out by RWC and sector during the first nine months of 2015.

Table No. 5 Statement of water and wastewater billing data in monetary value

Name of Company	Data of billing for:	Currency	Historic 9m2014	Approved by WWRO 9m2015	Realized by RWC 9m2015	% Comparative 9m 2015/ 9m 2014	% real. target 9m2015	Final assessment
Prishtina (PR)	Water	€	7,901,510	9,868,175	8,607,457	108.93%	87.22%	Not R
	Wastewater	€	775,267	961,174	845,114	109.01%	87.93%	Not R
	<b>Total</b>	€	<b>8,676,777</b>	<b>10,829,34</b>	<b>9,452,571</b>	<b>108.94%</b>	<b>87.29%</b>	<b>Not R</b>
Hidroregjioni jugor (PZ)	Water	€	2,702,187	3,217,407	2,779,717	102.87%	86.40%	Not R
	Wastewater	€	270,796	376,706	335,557	123.92%	89.08%	Not R
	<b>Total</b>	€	<b>2,972,983</b>	<b>3,594,112</b>	<b>3,115,274</b>	<b>104.79%</b>	<b>86.68%</b>	<b>Not R</b>
Hidrodrini (PE)	Water	€	2,317,106	2,450,407	2,340,427	101.01%	95.51%	A
	Wastewater	€	249,987	244,988	240,087	96.04%	98.00%	A
	<b>Total</b>	€	<b>2,567,093</b>	<b>2,695,395</b>	<b>2,580,514</b>	<b>100.52%</b>	<b>95.74%</b>	<b>A</b>
Mitrovica (MIT)	Water-South	€	1,507,453	2,053,734	1,627,048	107.93%	79.22%	Not R
	Water-North	€	444,144	599,358	609,608	137.25%	101.71%	R
	Wastewater	€	303,770	368,914	330,931	108.94%	89.70%	Not R
	<b>Total<sup>1</sup></b>	€	<b>1,811,223</b>	<b>2,422,648</b>	<b>1,957,979</b>	<b>108.10%</b>	<b>80.82%</b>	<b>Not R</b>
Radoniqi (GJA)	Water	€	2,357,566	2,528,533	2,396,168	101.64%	94.77%	A
	Wastewater	€	299,517	333,823	378,852	126.49%	113.49%	R
	<b>Total</b>	€	<b>2,657,083</b>	<b>2,862,356</b>	<b>2,775,020</b>	<b>104.44%</b>	<b>96.95%</b>	<b>A</b>
Bifurkacioni (FE)	Water	€	1,061,438	1,341,948	1,337,352	125.99%	99.66%	R
	Wastewater	€	222,648	408,788	345,192	155.04%	84.44%	Not R
	<b>Total</b>	€	<b>1,284,086</b>	<b>1,750,736</b>	<b>1,682,544</b>	<b>131.03%</b>	<b>96.10%</b>	<b>A</b>
Hidromorava (GJI)	Water	€	1,094,332	1,316,551	1,175,026	107.37%	89.25%	Not R
	Wastewater	€	198,313	200,248	208,950	105.36%	104.35%	R
	<b>Total</b>	€	<b>1,292,645</b>	<b>1,516,799</b>	<b>1,383,976</b>	<b>107.07%</b>	<b>91.24%</b>	<b>Not R</b>
Sector	Water	€	<b>19,385,73</b>	<b>23,376,11</b>	<b>20,872,803</b>	<b>107.67%</b>	<b>89.29%</b>	<b>Not R</b>
	Wastewater	€	<b>2,320,299</b>	<b>2,894,641</b>	<b>2,684,683</b>	<b>115.70%</b>	<b>92.75%</b>	<b>Not R</b>
<b>Total sector data</b>		€	<b>21,706,03</b>	<b>26,270,75</b>	<b>23,557,486</b>	<b>108.53%</b>	<b>89.67%</b>	<b>Not R</b>

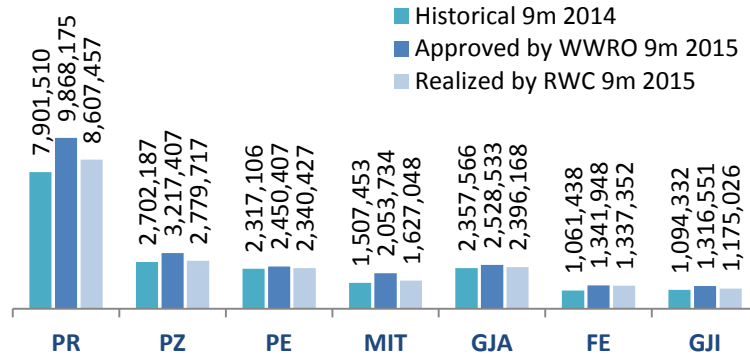
It is important to note that in the water sector in Kosovo, 88.60 % of the billing amount is carried out by water service, and 11.40% is derived from wastewater service. In total, for the sector during 9 months of 2015 billing was carried out in the amount of 23,557,486€, which represents 89.67% of the amount approved by the regulatory process for nine months of 2015.



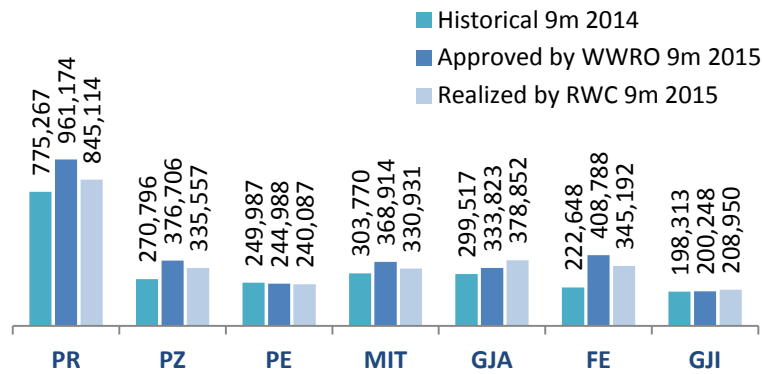
<sup>1</sup> At this point, the total does not include the amount of billing for the northern part of Mitrovica. But, to inform stakeholders about the amount of water billed for that part, we have presented it only as an illustrative figure.

## 7.2 Water and Wastewater billing graphical presentation

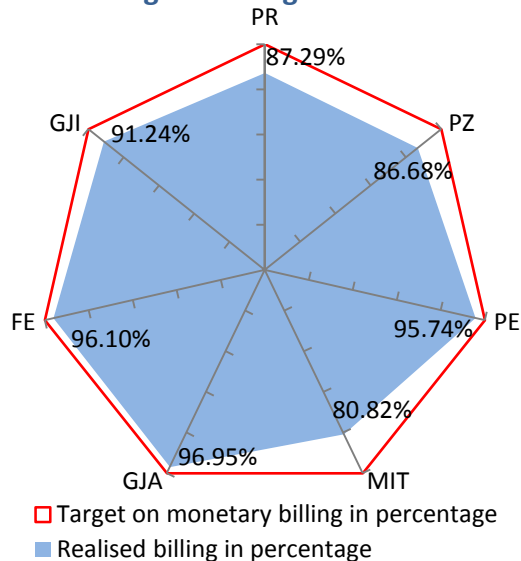
### Billed water in Euro



### Wastewater billed in euro



### Percentage of billing realization in euro



The spider chart shows that none of RWCs has achieved to perform billing in Euro, as approved by WWRO in tariff process 2015-2017, for nine 9 months of 2015. It should be noted that RWC "Radoniqi", "Bifurkacioni" and "Hidrodrini" have realized billing in monetary value over 95%.

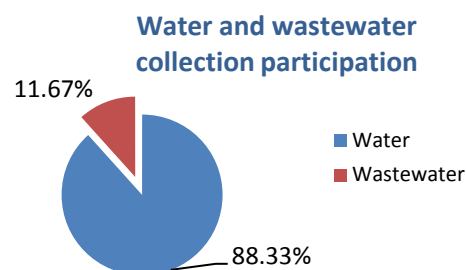
### 7.3 Water and Wastewater service collection amount

In the table below is presented the water and wastewater collection in monetary value for historical data for the first nine monthly period of 2014, and those approved by WWRO and realized y RWC during the same period of 2015.

Table No. 6 Statement of water and wastewater billing data in monetary value

Company	Billing for related services	Unit monetary	Historical 9m 2014	Approved by WWRO 9m 2015	Realized by RWC 9m 2015	% comparative 9m 2015/ 2014	% real. the target 9m 2015	Final Assessment
Prishtina (PR)	Water	€	6,337,989	7,684,946	6,118,590	96.54%	79.62%	Not R
	Wastewater	€	621,971	757,609	645,341	103.76%	85.18%	Not R
	<b>Total</b>	€	<b>6,959,960</b>	<b>8,442,555</b>	<b>6,763,931</b>	<b>97.18%</b>	<b>80.12%</b>	<b>Not R</b>
Hidroregjioni jugor (PZ)	Water	€	1,982,660	2,514,447	1,962,017	98.96%	78.03%	Not R
	Wastewater	€	198,411	298,022	236,843	119.37%	79.47%	Not R
	<b>Total</b>	€	<b>2,181,071</b>	<b>2,812,469</b>	<b>2,198,860</b>	<b>100.82%</b>	<b>78.18%</b>	<b>Not R</b>
Hidrodrini (PE)	Water	€	1,414,094	1,783,327	1,564,884	110.66%	87.75%	Not R
	Wastewater	€	152,931	185,553	161,001	105.28%	86.77%	Not R
	<b>Total</b>	€	<b>1,567,024</b>	<b>1,968,880</b>	<b>1,725,885</b>	<b>110.14%</b>	<b>87.66%</b>	<b>Not R</b>
Mitrovica (MIT)	Water	€	702,429	1,197,829	871,740	124.10%	72.78%	Not R
	Subsidies	€	275,140	390,000	260,546	94.70%	66.81%	Not R
	Wastewater	€	141,620	226,238	149,716	105.72%	66.18%	Not R
	<b>Total<sup>2</sup></b>	€	<b>844,048</b>	<b>1,424,068</b>	<b>1,021,456</b>	<b>121.02%</b>	<b>71.73%</b>	<b>Not R</b>
Radoniqi (GJA)	Water	€	1,813,023	1,929,267	1,911,024	105.41%	99.05%	R
	Wastewater	€	229,988	258,657	303,114	131.80%	117.19%	R
	<b>Total</b>	€	<b>2,043,010</b>	<b>2,187,924</b>	<b>2,214,138</b>	<b>108.38%</b>	<b>101.20%</b>	<b>R</b>
Bifurkacioni (FE)	Water	€	638,410	934,747	796,992	124.84%	85.26%	Not R
	Wastewater	€	134,590	287,055	205,716	152.85%	71.66%	Not R
	<b>Total</b>	€	<b>773,000</b>	<b>1,221,802</b>	<b>1,002,708</b>	<b>129.72%</b>	<b>82.07%</b>	<b>Not R</b>
Hidromorava (GJI)	Water	€	729,847	1,021,613	855,944	117.28%	83.78%	Not R
	Wastewater	€	132,593	156,905	157,750	118.97%	100.54%	R
	<b>Total</b>	€	<b>862,440</b>	<b>1,178,519</b>	<b>1,013,694</b>	<b>117.54%</b>	<b>86.01%</b>	<b>Not R</b>
Sectorial data	Water	€	13,618,451	17,066,178	14,081,191	103.40%	82.51%	Not R
	Wastewater	€	1,612,104	2,170,040	1,859,481	115.35%	85.69%	Not R
<b>Total sector overall</b>		€	<b>15,230,555</b>	<b>19,236,218</b>	<b>15,940,672</b>	<b>104.66%</b>	<b>82.87%</b>	<b>Not R</b>

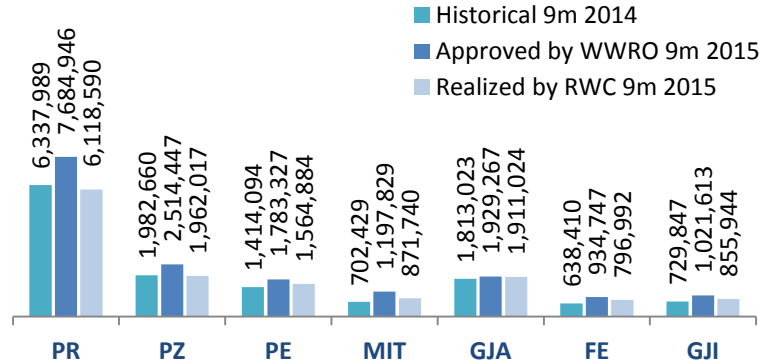
For the water sector in Kosovo, according to assessments of WWRO for the first nine months of 2015, 88.33% of the collection is derived from water service, while the remaining part of 11.67% is derived from wastewater service. In total, for the sector, during the first nine monthly period is carried out collection in the amount of 15,940,672 €, which represents 82.87 % of the approved amount during period of 2015.



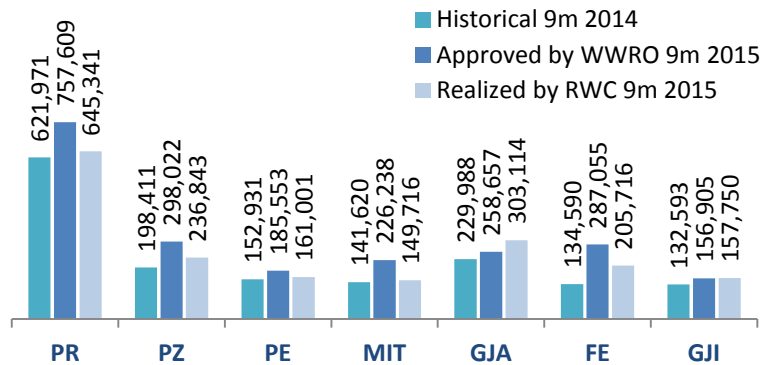
<sup>2</sup> Subsidies granted by the Government of the Republic of Kosovo to cover the costs of treated bulk water to the northern part of Mitrovica, does not represent the total at this point, but they are placed only as an illustrative figure to inform stakeholders.

## 7.4. Water and Wastewater billing graphical presentation

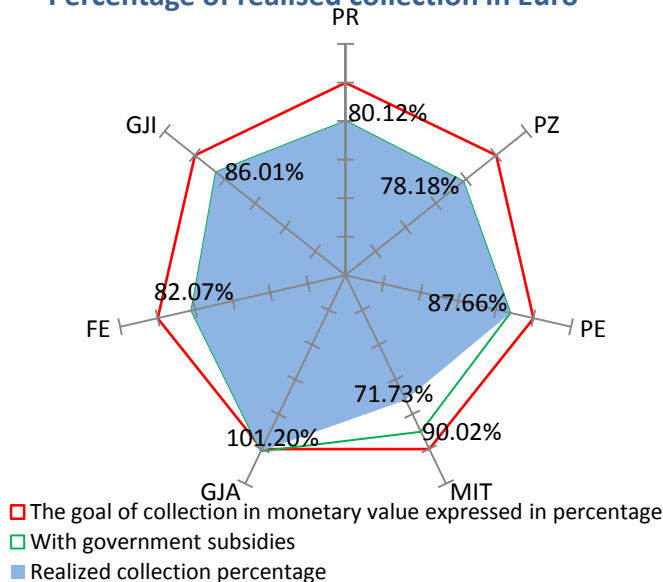
### Water collection in euro



### Wastewater collection in euro



### Percentage of realised collection in Euro



It is noticed from the spider chart that none of RWCs achieved to perform collection as was approved by WWRO during the nine months reviewed tariff period of 2015, for tariff process 2015-2017.

The revenues from subsidies to cover operating costs at RWC "Mitrovica" j.a.c. Mitrovica for reviewed period are € 260,546, and this addition is presented with green line in the graph.

## 8. CAPITAL INVESTMENTS

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WWRO, with the approval of new tariffs for the medium term 2015-2017, has foreseen to undertake significant capital investment by all water companies, these investments are necessary in water and wastewater systems, which if are implemented will enable more quality services for costumers.

By RAG, capital investments are classified as investments in **water services and wastewater services**. investments, which are further classified:

I. Investment in water services are then divided into:

- Investment in resources and water treatment.
- Investment in distribution.
- Investment in business activities.

II. Investments in wastewater services are divided into:

- Investment in wastewater collection.
- Investment in wastewater treatment.
- Investment in sludge treatment and disposal.
- Investment in business activities

Then, investment in water and wastewater assets are divided into: **infrastructure and non-infrastructure assets**.

Capital investments in **Infrastructure Assets** are divided into investments *(i)* that are made for the purposes of infrastructure renewal, *(ii)* and in investments infrastructure enhancement. These investments are categorized as investment in underground assets such as: pipes, manholes, dams, reservoirs, underground water channels etc.

Capital investments in **Non-infrastructure Assets** includes all above ground assets such as: *(i)* water treatment plants, *(ii)* administrative buildings, *(iii)* transport equipment, *(iv)* office equipment, etc. This investment group then is categorized into capital maintenance investment and non-infrastructure enhancement.

In order to be informed in more details about these categorizations can be found explanations in RAG which are published on the official website of WWRO.

## 8.1. Capital Investment amounts by own funding

In the table below are presented the capital investment amounts financed by own sources of companies for water services category during first nine monthly period of 2015. By this is made comparison of capital investments amount approved by WWRO, with those carried out from RWCs for the first nine (9) monthly period of 2015, % of planned investments realization and our final assessment.

Table No. 7. Water capital Investment amounts financed by own sources of the companies according to the categories outlined as above during period of 2015 in €

Company	Investments Category	Approved 9m 2015	Realized 9m 2015	% real.of targets 9m 2015	Final Assessment
PRISHTINA	Water resources and treatment	732,562	105,319	14.38%	Not R
	Distribution	809,181	129,947	16.06%	Not R
	Business activities	667,940	275,421	41.23%	Not R
	<b>Total</b>	<b>2,209,683</b>	<b>510,687</b>	<b>23.11%</b>	<b>Not R</b>
Hidroregjioni- Jugor	Water resources and treatment	71,014	64,013	90.14%	Not R
	Distribution	84,469	1,018	1.21%	Not R
	Business activities	11,899	9,664	81.22%	Not R
	<b>Total</b>	<b>167,381</b>	<b>74,695</b>	<b>44.63%</b>	<b>Not R</b>
Hidrodrini	Water resources and treatment	11,213	0	0.00%	Not R
	Distribution	407,768	3,496	0.86%	Not R
	Business activities	108,389	5,673	5.23%	Not R
	<b>Total</b>	<b>527,370</b>	<b>9,169</b>	<b>1.74%</b>	<b>Not R</b>
Mitrovica	Water resources and treatment	0	0	!	Not C
	Distribution	0	0	!	Not C
	Business activities	0	0	!	Not C
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>!</b>	<b>Not C</b>
Radoniqi	Water resources and treatment	224,254	92,798	41.38%	Not R
	Distribution	74,751	140,949	188.56%	OK
	Business activities	48,215	163,830	339.79%	OK
	<b>Total</b>	<b>347,220</b>	<b>397,578</b>	<b>114.50%</b>	<b>OK</b>
Bifurkacioni	Water resources and treatment	103,904	3,915	3.77%	Not R
	Distribution	89,701	15,247	17.00%	Not R
	Business activities	2,243	14,752	657.83%	OK
	<b>Total</b>	<b>195,848</b>	<b>33,915</b>	<b>17.32%</b>	<b>Not R</b>
Hidromorava	Water resources and treatment	67,276	8,387	12.47%	Not R
	Distribution	186,878	0	0.00%	Not R
	Business activities	0	3,293	!	NC
	<b>Total</b>	<b>254,154</b>	<b>11,680</b>	<b>4.60%</b>	<b>Not R</b>
Sector	<b>Water resources and treatment</b>	<b>1,210,223</b>	<b>274,433</b>	<b>22.68%</b>	<b>Not R</b>
	Distribution	1,652,749	290,658	17.59%	Not R
	Business activities	838,685	472,633	56.35%	Not R
	<b>Total</b>	<b>3,701,657</b>	<b>1,037,724</b>	<b>28.03%</b>	<b>Not R</b>



Table No. 8. Wastewater capital Investment amounts financed by own sources of the companies according to the categories outlined as above during period of 2015 in €

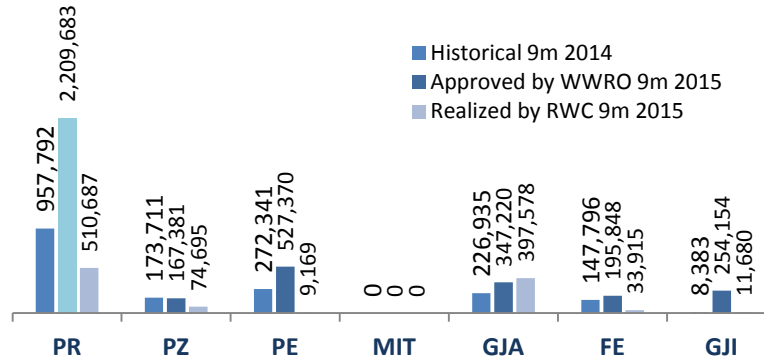
Company	Investments Category	Approved 9m 2015	Realized 9m 2015	% real. of targets	Final Assessment
Prishtina	Wastewater collection	168,190	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	41,823	8,518	20.37%	Not R
	<b>Total</b>	<b>210,014</b>	<b>8,518</b>	<b>4.06%</b>	<b>Not R</b>
Hidroregjioni-Jugor	Wastewater collection	748	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	0	1,160	!	NC
	<b>Total</b>	<b>748</b>	<b>1,160</b>	<b>155.18%</b>	<b>OK</b>
Hidrodrini	Wastewater collection	63,539	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	112,127	0	0.00%	Not R
	<b>Total</b>	<b>175,665</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Mitrovica	Wastewater collection	37,376	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	0	0	!	NC
	<b>Total</b>	<b>37,376</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Radoniqi	Wastewater collection	14,950	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	0	0	!	NC
	<b>Total</b>	<b>14,950</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Bifurkacioni	Wastewater collection	159,220	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	561	2,464	439.50%	OK
	<b>Total</b>	<b>159,781</b>	<b>2,464</b>	<b>1.54%</b>	<b>Not R</b>
Hidromorava	Wastewater collection	32,143	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	0	0	!	NC
	<b>Total</b>	<b>32,143</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
SEKTORI	Wastewater collection	476,165	0	0.00%	Not R
	Wastewater Treatment	0	0	!	NC
	Sludge Treatment	0	0	!	NC
	Business Activities	154,511	12,142	7.86%	Not R
	<b>Total</b>	<b>630,676</b>	<b>12,142</b>	<b>1.93%</b>	<b>Not R</b>

Table No. 9. Capital Investment amounts financed by own sources of the companies for water and waste water services during period of 2015.

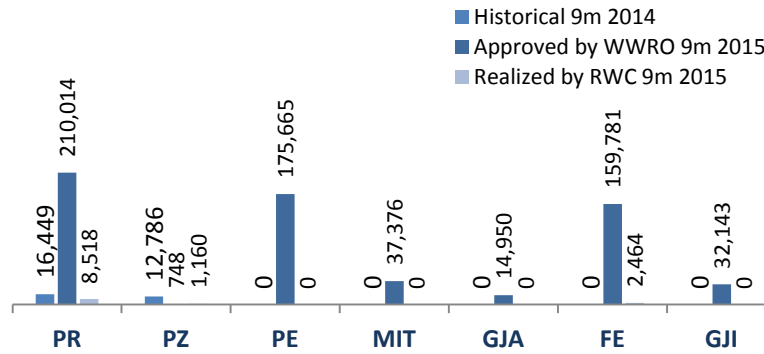
Company	Investments in relevant services	Unit monetary	Historic 9m 2014	Approved 9m 2015	Realized 9m 2015	% Comparat. 9m 2015/ 2014	% real. Of targets 6m 2015	Final assessment for 6 month 2015
Prishtina	Water	€	957,792	2,209,683	510,687	53.32%	23.11%	Not R
	Wastewater	€	16,449	210,014	8,518	51.78%	4.06%	Not R
	<b>Total</b>	€	<b>974,242</b>	<b>2,419,697</b>	<b>519,205</b>	<b>53.29%</b>	<b>21.46%</b>	<b>Not R</b>
Hidroregjioni jugor (PZ)	Water	€	173,711	167,381	74,695	43.00%	44.63%	Not R
	Wastewater	€	12,786	748	1,160	9.07%	155.18%	NC
	<b>Total</b>	€	<b>186,497</b>	<b>168,129</b>	<b>75,855</b>	<b>40.67%</b>	<b>45.12%</b>	<b>Not R</b>
Hidrodrini (PE)	Water	€	272,341	527,370	9,169	3.37%	1.74%	Not R
	Wastewater	€	0	175,665	0	!	!	NC
	<b>Total</b>	€	<b>272,341</b>	<b>703,035</b>	<b>9,169</b>	<b>3.37%</b>	<b>1.30%</b>	<b>Not R</b>
Mitrovica (MIT)	Water	€	0	0	0	!	!	NC
	Wastewater	€	0	37,376	0	!	!	NC
	<b>Total</b>	€	<b>0</b>	<b>37,376</b>	<b>0</b>	<b>!</b>	<b>!</b>	<b>NC</b>
Radoniqi (GJA)	Water	€	226,935	347,220	397,578	175.19%	114.50%	NC
	Wastewater	€	0	14,950	0	!	!	NC
	<b>Total</b>	€	<b>226,935</b>	<b>362,170</b>	<b>397,578</b>	<b>175.19%</b>	<b>109.78%</b>	<b>NC</b>
Bifurkacioni (FE)	Water	€	147,796	195,848	33,915	22.95%	17.32%	Not R
	Wastewater	€	0	159,781	2,464	!	1.54%	Not R
	<b>Total</b>	€	<b>147,796</b>	<b>355,629</b>	<b>36,379</b>	<b>24.61%</b>	<b>10.23%</b>	<b>Not R</b>
Hidromorava (GJI)	Water	€	8,383	254,154	11,680	139.33%	4.60%	Not R
	Wastewater	€	0	32,143	0	!	!	NC
	<b>Total</b>	€	<b>8,383</b>	<b>286,297</b>	<b>11,680</b>	<b>139.33%</b>	<b>4.08%</b>	<b>Not R</b>
Sector data	<b>Water</b>	€	<b>1,786,958</b>	<b>3,701,657</b>	<b>1,037,724</b>	<b>58.07%</b>	<b>28.03%</b>	<b>Not R</b>
	<b>Wastewater</b>	€	<b>29,235</b>	<b>630,676</b>	<b>12,142</b>	<b>41.53%</b>	<b>1.93%</b>	<b>Not R</b>
<b>Overall sector data</b>		€	<b>1,816,193</b>	<b>4,332,333</b>	<b>1,049,866</b>	<b>57.81%</b>	<b>24.23%</b>	<b>Not R</b>

## 8.2. Graphical presentation of data on own capital investments of the companies

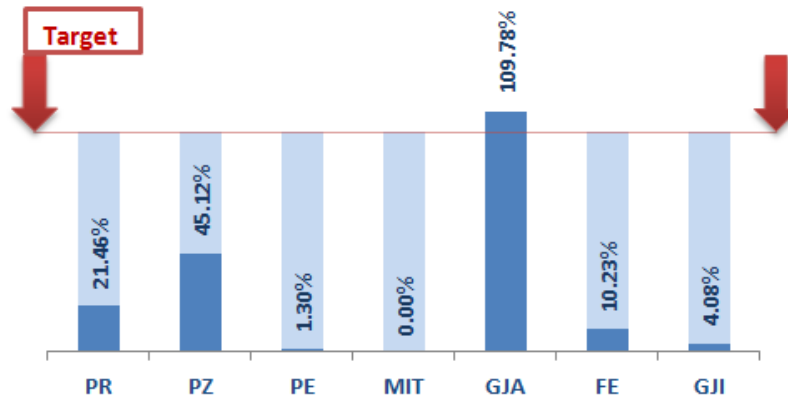
### Water RWC investments



### Wastewater RWC investments



### Realized investments from RWC in %



### 8.3. Capital investment amounts financed by donors

In this table are presented amounts data approved and carried out by donors' funding, that have been as a part of project planning for capital investments realization for water services during the 9 months period of 2015. Comparison of these data reflects the ratio of objectives fulfillment set for this period of time, which are given in % with final assessments.

Table No. 10. Capital investment amounts of water financed by donors to the outlined categories in first 9 month period of 2015 in €.

Company	Investments Category	Approved 9m 2015	Realized 9m 2015	% real. of targets 9m 2015	Final assessment
PRISHTINA	Water resources and treatment	3,737,562	148,135	3.96%	Not R
	Distribution	6,789,904	0	0.00%	Not R
	Business Activities	0	0	!	NC
	<b>Total</b>	<b>10,527,467</b>	<b>148,135</b>	<b>1.41%</b>	<b>Not R</b>
Hidroregjioni-Jugor	Water resources and treatment	3,225,516	9,710	0.30%	Not R
	Distribution	1,166,119	26,708	2.29%	Not R
	Business Activities	44,851	0	0.00%	Not R
	<b>Total</b>	<b>4,436,486</b>	<b>36,418</b>	<b>0.82%</b>	<b>Not R</b>
Hidrodrini	Water resources and treatment	0	0	!	NC
	Distribution	306,480	0	0.00%	Not R
	Business Activities	0	0	!	NC
	<b>Total</b>	<b>306,480</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Mitrovica	Water resources and treatment	0	0	!	NC
	Distribution	2,719,824	0	0.00%	Not R
	Business Activities	191,588	0	0.00%	Not R
	<b>Total</b>	<b>2,911,412</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Radoniqi	Water resources and treatment	971,766	0	0.00%	Not R
	Distribution	1,868,781	147,118	7.87%	Not R
	Business Activities	0	3,534	!	NC
	<b>Total</b>	<b>2,840,547</b>	<b>150,652</b>	<b>5.30%</b>	<b>Not R</b>
Bifurkacioni	Water resources and treatment	0	0	!	NC
	Distribution	0	0	!	NC
	Business Activities	3,738	40,489	1083.29%	Yes
	<b>Total</b>	<b>3,738</b>	<b>40,489</b>	<b>1083.29%</b>	<b>Yes</b>
Hidromorava	Water resources and treatment	183,141	0	0.00%	Not R
	Distribution	149,502	0	0.00%	Not R
	Business Activities	0	0	!	NC
	<b>Total</b>	<b>332,643</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Sector	<b>Water resources and treatment</b>	<b>8,117,985</b>	<b>157,845</b>	<b>1.94%</b>	<b>Not R</b>
	<b>Distribution</b>	<b>13,000,611</b>	<b>173,826</b>	<b>1.34%</b>	<b>Not R</b>
	<b>Business Activities</b>	<b>240,176</b>	<b>44,023</b>	<b>18.33%</b>	<b>Not R</b>
	<b>Total</b>	<b>21,358,773</b>	<b>375,693</b>	<b>1.76%</b>	<b>Not R</b>

Table No. 11. Capital investment amounts of wastewater financed under the categories during the first nine monthly period of 2015 in €.

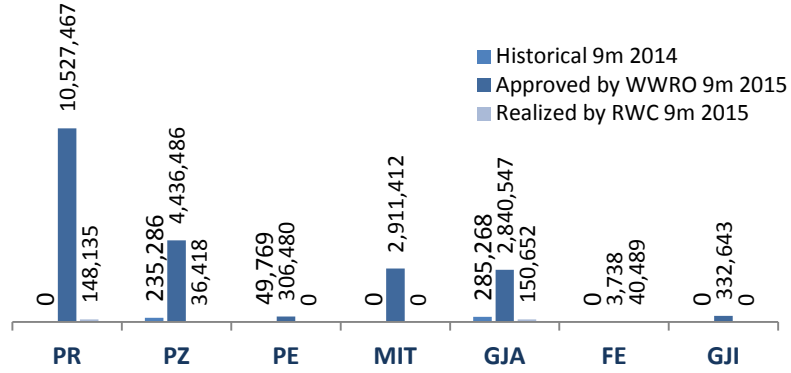
Company	Investment category	Approved 9m 2015	Realized 9m 2015	% real. of target	Final Assessment
Prishtina	Wastewater collection	0	0	!	NC
	Treatment of wastewater	0	0	!	NC
	Treatment of sludge	0	0	!	NC
	Business activities	0	0	!	NC
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>!</b>	<b>NC</b>
Hidroregjioni-Jugor	Wastewater collection	4,568,796	529,661	11.59%	Not R
	Treatment of wastewater	254,154	322,652	126.95%	OK
	Treatment of sludge	112,127	0	0.00%	Not R
	Business activities	74,751	0	0.00%	Not R
	<b>Total</b>	<b>5,009,828</b>	<b>852,313</b>	<b>17.01%</b>	<b>Not R</b>
Hidrodrini	Wastewater collection	11,960	0	0.00%	Not R
	Treatment of wastewater	0	0	!	NC
	Treatment of sludge	0	0	!	NC
	Business activities	0	0	!	NC
	<b>Total</b>	<b>11,960</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Mitrovica	Wastewater collection	0	0	!	NC
	Treatment of wastewater	0	0	!	NC
	Treatment of sludge	0	0	!	NC
	Business activities	0	0	!	NC
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>!</b>	<b>NC</b>
Radoniqi	Wastewater collection	3,737,562	0	0.00%	Not R
	Treatment of wastewater	0	0	!	NC
	Treatment of sludge	0	0	!	NC
	Business activities	0	0	!	NC
	<b>Total</b>	<b>3,737,562</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
Bifurkacioni	Wastewater collection	0	0	!	NC
	Treatment of wastewater	0	0	!	NC
	Treatment of sludge	0	0	!	NC
	Business activities	0	0	!	NC
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>!</b>	<b>NC</b>
Hidromorava	Wastewater collection	254,154	0	0.00%	Not R
	Treatment of wastewater	0	0	!	NC
	Treatment of sludge	0	0	!	NC
	Business activities	0	0	!	NC
	<b>Total</b>	<b>254,154</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
SECTOR	<b>Wastewater collection</b>	<b>8,572,473</b>	<b>529,661</b>	<b>6.18%</b>	<b>Not R</b>
	<b>Treatment of wastewater</b>	<b>254,154</b>	<b>322,652</b>	<b>126.95%</b>	<b>OK</b>
	<b>Treatment of sludge</b>	<b>112,127</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
	<b>Business activities</b>	<b>74,751</b>	<b>0</b>	<b>0.00%</b>	<b>Not R</b>
	<b>Total</b>	<b>9,013,505</b>	<b>852,313</b>	<b>9.46%</b>	<b>Not R</b>

Table No. 12. Capital investment amounts approved and carried out by donors for water and wastewater services during the first nine monthly period of 2015

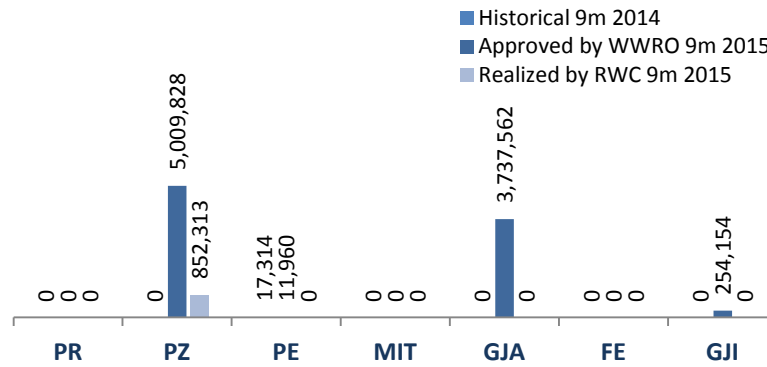
Company	Investments in relevant services	Monetary unit	Historic 9m 2014	Approved by RWC 9m 2015	Realized by RWC 9m 2015	% Comparat 9m 2015/ 2014	% real. of target 9m 2015	Final Assessments
Prishtina (PR)	Water	€	0	10,527,467	148,135	!	1.41%	Not R
	Wastewater	€	0	0	0	!	!	NC
	<b>Total</b>	€	<b>0</b>	<b>10,527,467</b>	<b>148,135</b>	<b>!</b>	<b>1.41%</b>	<b>Not R</b>
Hidroregjioni jugor (PZ)	Water	€	235,286	4,436,486	36,418	15.48%	0.82%	Not R
	Wastewater	€	0	5,009,828	852,313	!	17.01%	Not R
	<b>Total</b>	€	<b>235,286</b>	<b>9,446,315</b>	<b>235,286</b>	<b>100.00%</b>	<b>2.49%</b>	<b>Not R</b>
Hidrodrini (PE)	Water	€	49,769	306,480	0	0.00%	!	NC
	Wastewater	€	17,314	11,960	0	0.00%	!	NC
	<b>Total</b>	€	<b>67,083</b>	<b>318,440</b>	<b>0</b>	<b>0.00%</b>	<b>!</b>	<b>NC</b>
Mitrovica (MIT)	Water	€	0	2,911,412	0	!	!	Not R
	Wastewater	€	0	0	0	!	!	Not R
	<b>Total</b>	€	<b>0</b>	<b>2,911,412</b>	<b>0</b>	<b>!</b>	<b>!</b>	<b>Not R</b>
Radoniqi (GJA)	Water	€	285,268	2,840,547	150,652	52.81%	5.30%	Not R
	Wastewater	€	0	3,737,562	0	!	!	NC
	<b>Total</b>	€	<b>285,268</b>	<b>6,578,109</b>	<b>150,652</b>	<b>52.81%</b>	<b>2.29%</b>	<b>Not R</b>
Bifurkacioni (FE)	Water	€	0	3,738	40,489	!	1083.29%	PE
	Wastewater	€	0	0	0	!	!	NC
	<b>Total</b>	€	<b>0</b>	<b>3,738</b>	<b>40,489</b>	<b>!</b>	<b>1083.29%</b>	<b>PE</b>
Hidromorava (GJI)	Water	€	0	332,643	0	!	!	NC
	Wastewater	€	0	254,154	0	!	!	NC
	<b>Total</b>	€	<b>0</b>	<b>586,797</b>	<b>0</b>	<b>!</b>	<b>!</b>	<b>NC</b>
Sector data	<b>Water</b>	€	<b>570,323</b>	<b>21,358,773</b>	<b>375,693</b>	<b>65.87%</b>	<b>1.76%</b>	<b>Not R</b>
	<b>Wastewater</b>	€	<b>17,314</b>	<b>9,013,505</b>	<b>852,313</b>	<b>4922.68%</b>	<b>9.46%</b>	<b>Not R</b>
<b>Overall sector data</b>		€	<b>587,637</b>	<b>30,372,278</b>	<b>1,228,006</b>	<b>208.97%</b>	<b>4.04%</b>	<b>Not R</b>

## 8.4. Data Graphical Presentation on capital investments by donors

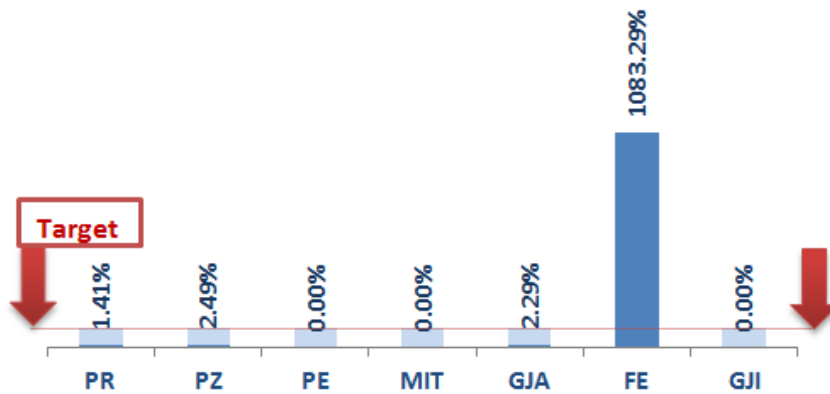
### Water donor investments



### Wastewater donor investments



### Realized investments financed by donors in %



## 9. RWC RANKING BY TARGET FULFILMENT

From the report of target fulfillment, which is compiled by RFTD/WWRO, it is noticed that for each RWC is assigned a respective target through which is monitored their compliance rate. This report presents a range of data set as target, and each of them has its own importance which enables RWCs to provide water supply and wastewater services at satisfactory level. But if we want to have an overall overview of which of the RWC has achieved best approaches to fulfilling the targets in comparison with other RWCs, RFTD/WWRO will present a ranking methodology which considers as the most reasonable in the circumstances in which the water sector actually is in Kosovo.

This ranking methodology of RWC consists of the data presented in the targets fulfillment report, where for this category of the data is also set their importance of evaluation. The data were divided in two groups and each group has its own significance. Also the data within the group have their respective importance. This methodology can be best illustrated through the following explanatory table.

Table No. 13. RWC Ranking methodology

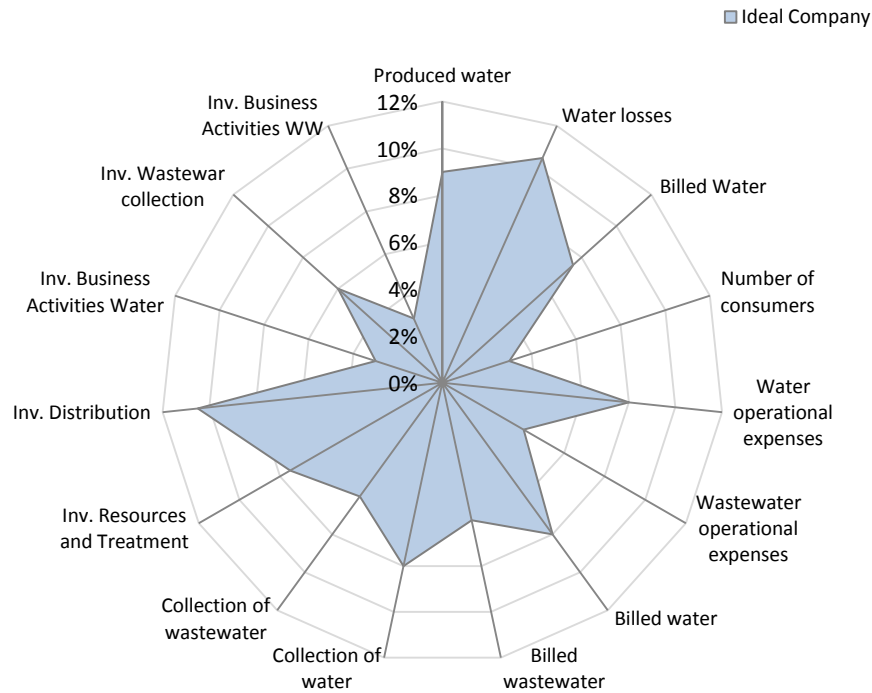
The data group	Components of performance measuring	Weight of components	Weight of group	Individual impact
Technical data	Produced water	30%	30%	9.00%
	Water losses	35%		10.50%
	Billed water (m3)	25%		7.50%
	No of customers	10%		3.00%
Financial data	Operating expenses for water	20%	40%	8.00%
	Operating expenses for W.W	10%		4.00%
	Billed water (€)	20%		8.00%
	Billed W.WZ (€)	15%		6.00%
	Water collection (€)	20%		8.00%
	W.W. collection (€)	15%		6.00%
Own Investments	Water resources and treatment	25%	30%	7.50%
	Water distribution	35%		10.50%
	Business activities for water	10%		3.00%
	Wastewater collections	20%		6.00%
	Business activities for wastewater	10%		3.00%
Overall performance			100%	100%

An ideal company should at all these measured targets to get close to their performance near 100% value. It is understood that the WWRO during all tariff processes has paid a special attention to the realization of investments from own resources of the companies, because they affect the amount of the tariffs as well as in improving the level of services. In this way any given weight of components



has its own value which individually identify their impact on the overall performance, getting a total of 100%.

Graphically this methodology would best be presented through the following diagram, which also represents all the data as a target by DFTR/WWRO, along with their respective weight. This implies that a company should as much as possible to reach filling the space within the zone of targets. Therefore, we can say that the company that has achieved the greatest area within the targets area, will be one of the companies that performed best during the certain year.



And, all the calculations for each company are presented in the following table with the data of how much is the percentage of targets fulfillment and their impact on the weight of that fact. If we say that a company in a target of “produced water” has managed to realize for 90 %, then according to the methodology calculations would be as follows:

$$90\% \times 30\% \times 30\% = 8.1\%$$

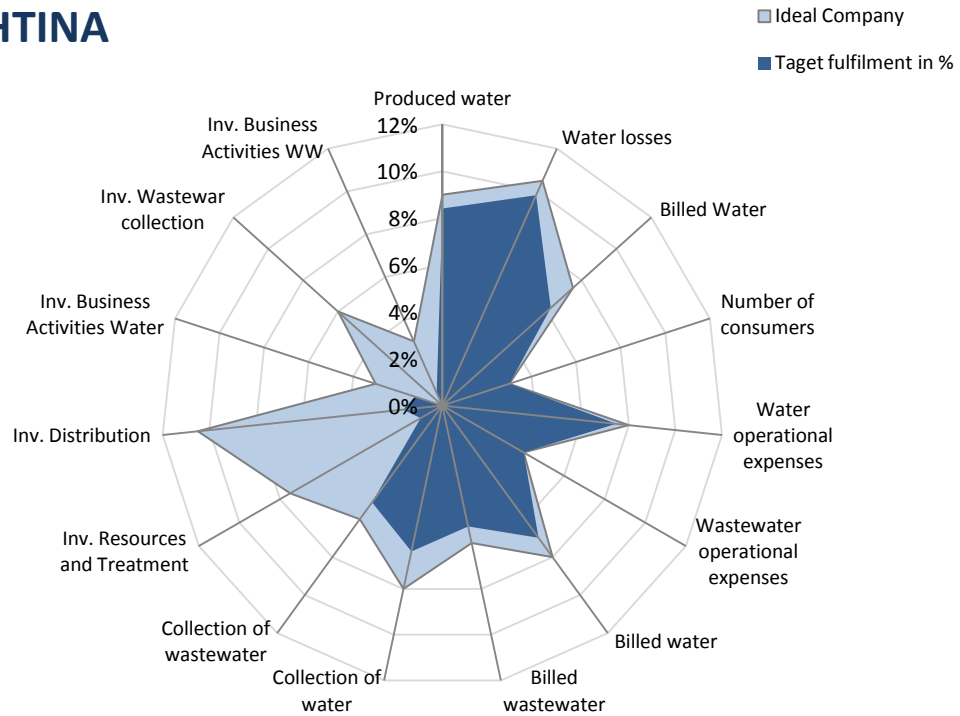
And this way to all other data the targets fulfillment analysis are carried out under the weight of the respective component by getting at the end an overall evaluation of targets fulfillment set by the WWRO.

Table No. 14. Calculations of overall performance of the RWC by the weight data

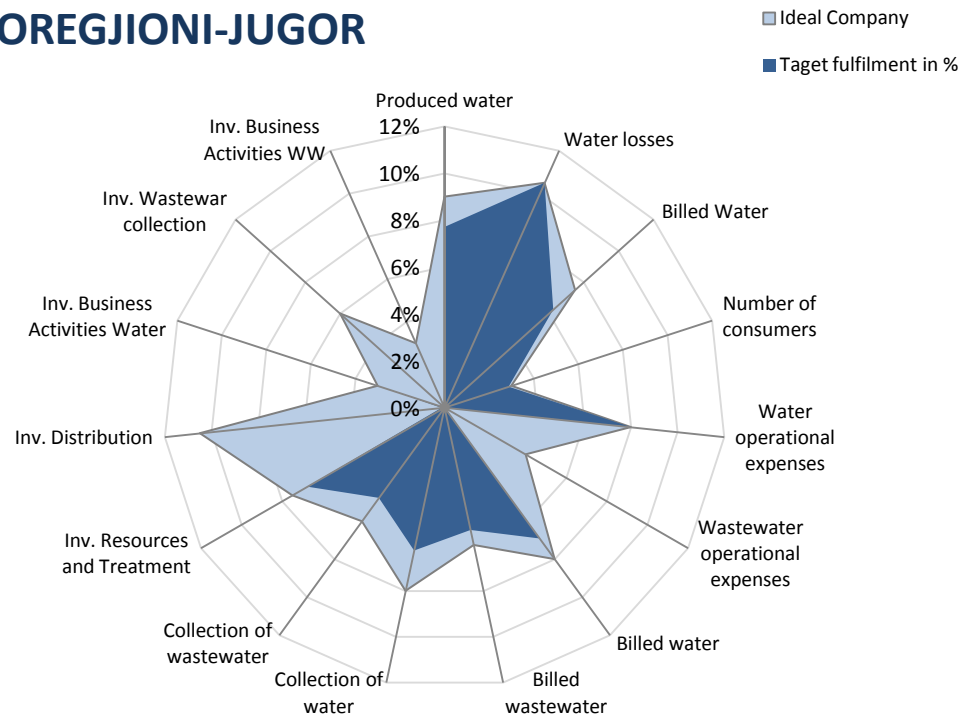
Components	PR		PZ		PE		MIT		GJA		FE		GJI	
	% target	Weight of comp.	% target	Weight of comp.	% target	Weight of comp.	% target	Weight of comp.	% target	Weight of comp.	% target	Weight of comp.	% target	Weight of comp.
<b>Produced water</b>	93.44%	8.410%	85.62%	7.705%	100.04%	9.000%	127.97%	9.000%	98.94%	8.905%	100.53%	9.000%	110.49%	9.000%
<b>Water losses</b>	106.42%	9.825%	87.40%	10.500%	106.64%	9.803%	192.49%	0.788%	105.04%	9.971%	112.44%	9.193%	135.98%	6.722%
<b>Water billed</b>	82.91%	6.218%	83.28%	6.246%	89.23%	6.692%	86.14%	6.460%	93.48%	7.011%	90.27%	6.770%	85.90%	6.442%
<b>No of customers</b>	104.56%	3.000%	95.98%	2.880%	103.14%	3.000%	100.40%	3.000%	105.36%	3.000%	102.06%	3.000%	96.22%	2.887%
<b>Operational expenses for water</b>	106.82%	7.454%	90.07%	8.000%	104.31%	7.655%	97.93%	8.000%	122.56%	6.195%	99.19%	8.000%	115.44%	6.765%
<b>Operational expenses for W.W.</b>	45.60%	4.000%	201.08%	-0.043%	36.41%	4.000%	171.89%	1.124%	37.95%	4.000%	163.00%	1.480%	128.43%	2.863%
<b>Billing for water</b>	87.22%	6.978%	86.40%	6.912%	95.51%	7.641%	79.22%	6.338%	94.77%	7.581%	99.66%	7.973%	89.25%	7.140%
<b>Billing for W.W</b>	87.93%	5.276%	89.08%	5.345%	98.00%	5.880%	89.70%	5.382%	113.49%	6.000%	84.44%	5.067%	104.35%	6.000%
<b>Water collection</b>	79.62%	6.369%	78.03%	6.242%	87.75%	7.020%	72.78%	5.822%	99.05%	7.924%	85.26%	6.821%	83.78%	6.703%
<b>W.W. collection</b>	85.18%	5.111%	79.47%	4.768%	86.77%	5.206%	66.18%	3.971%	117.19%	6.000%	71.66%	4.300%	100.54%	6.000%
<b>inv. Resources and water treatment</b>	14.38%	1.078%	90.14%	6.761%	0.000%	0.000%	0.00%	7.500%	41.38%	3.104%	3.77%	0.283%	12.47%	0.935%
<b>inv. Distribution</b>	16.06%	1.686%	1.205%	0.127%	0.857%	0.090%	0.00%	10.500%	188.56%	10.500%	16.998%	1.785%	0.000%	0.000%
<b>inv. Water Business Activities</b>	41.23%	1.237%	81.218%	2.437%	5.234%	0.157%	0.00%	3.000%	339.794%	3.000%	657.826%	3.000%	0.000%	0.000%
<b>Inv. Wastewater Collection</b>	0.00%	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>Inv. Wastewater business activities</b>	20.37%	0.611%	0.000%	0.000%	0.000%	0.000%	0.00%	3.000%	0.000%	0.000%	439.502%	3.000%	0.000%	0.000%
<b>Final Assessments</b>	67.254%		67.922%		66.144%		49.886%		83.191%		69.671%		61.457%	

From the data obtained in the above table we can already produce diagrams individually for each RWC, what can be seen graphically which of them has achieved more to fill the space with bright blue color, what DFTR/WWRO considers as a zone of ideal company in case of targets fulfillment.

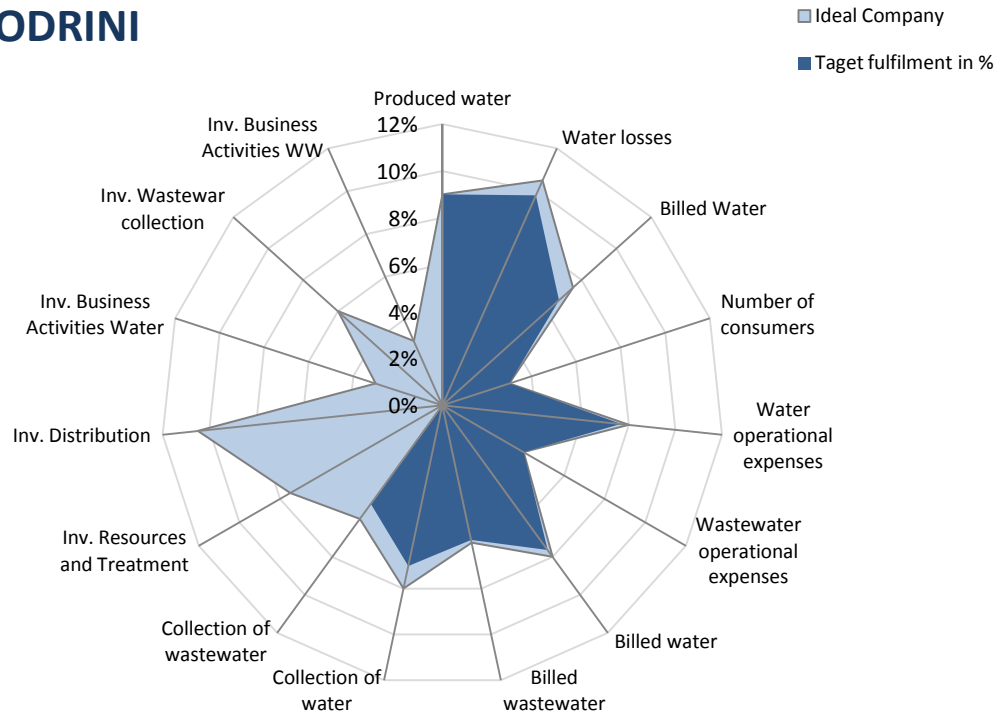
## PRISHTINA



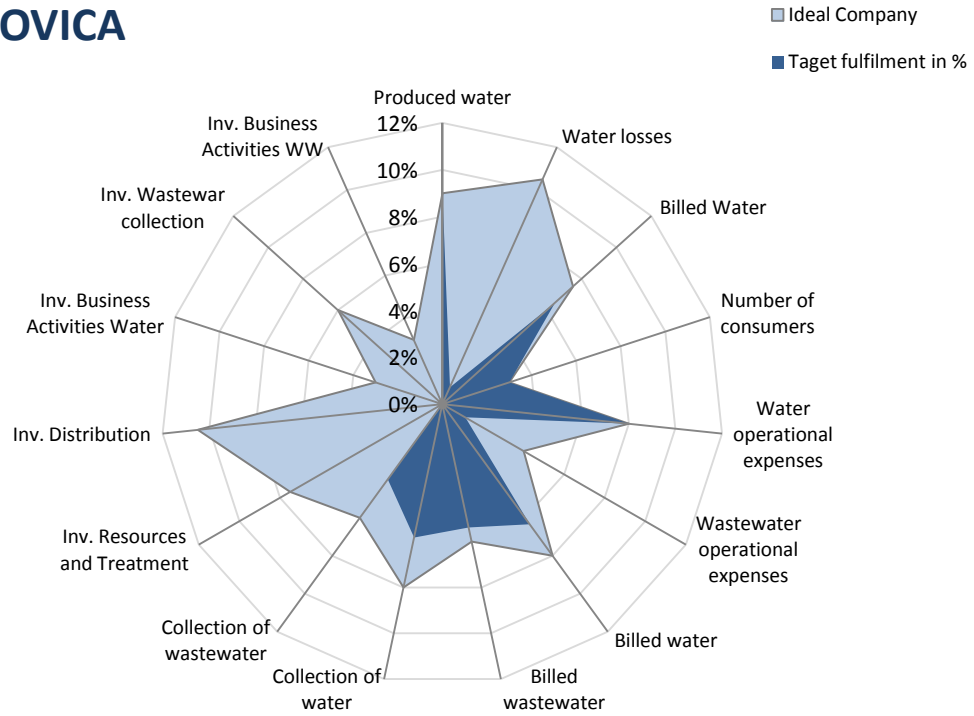
## HIDROREGJIONI-JUGOR



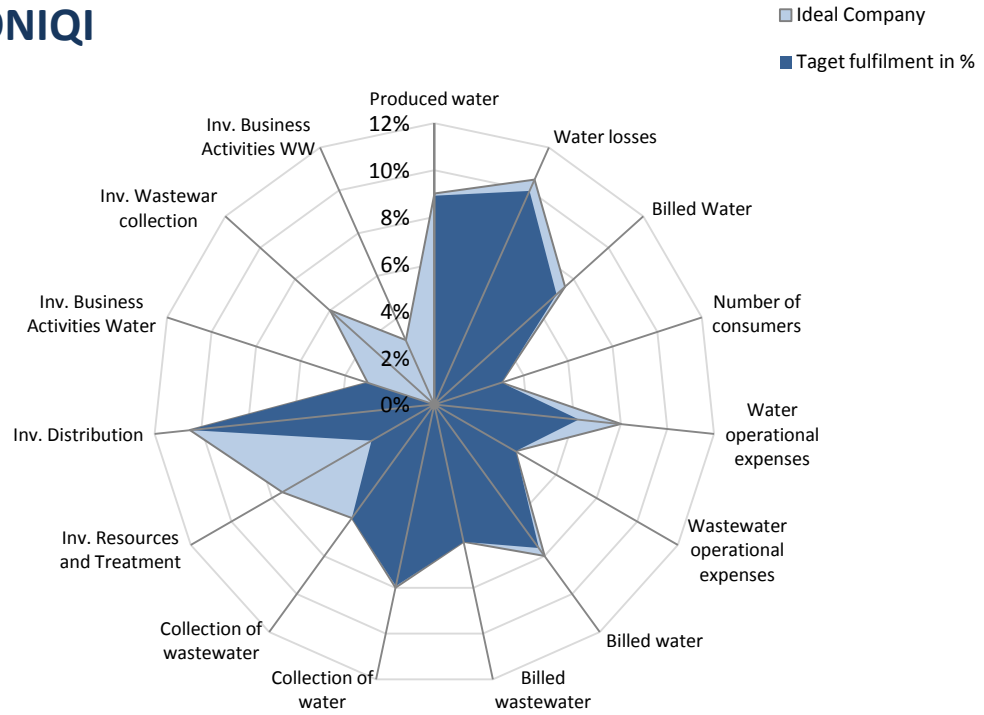
# HIDRODRINI



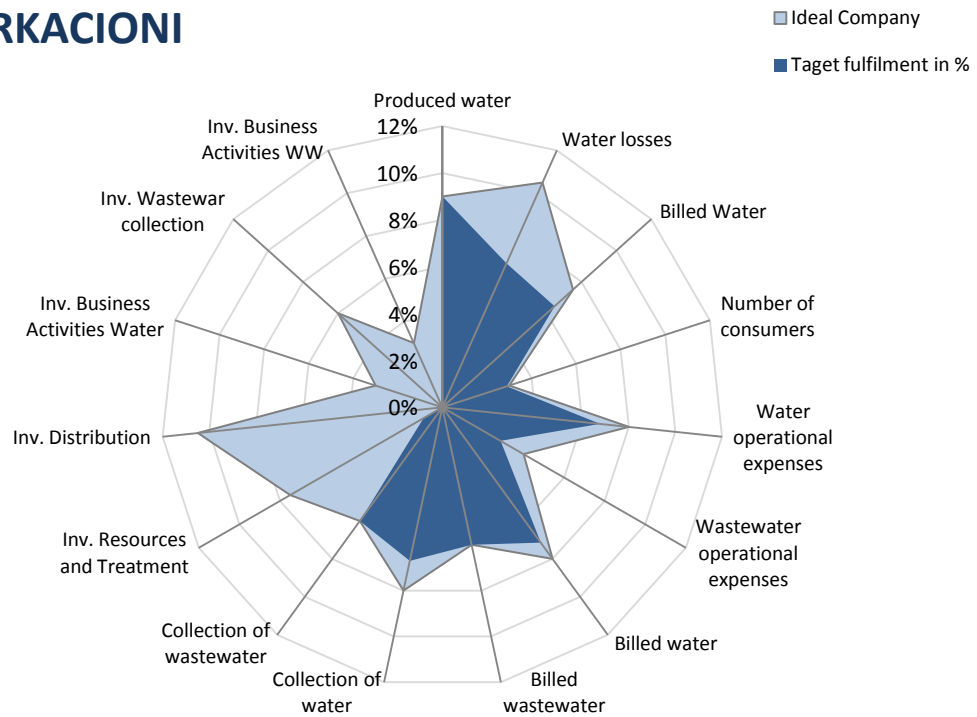
# MITROVICA



# RADONIQI



# BIFURKACIONI



# HIDROMORAVA

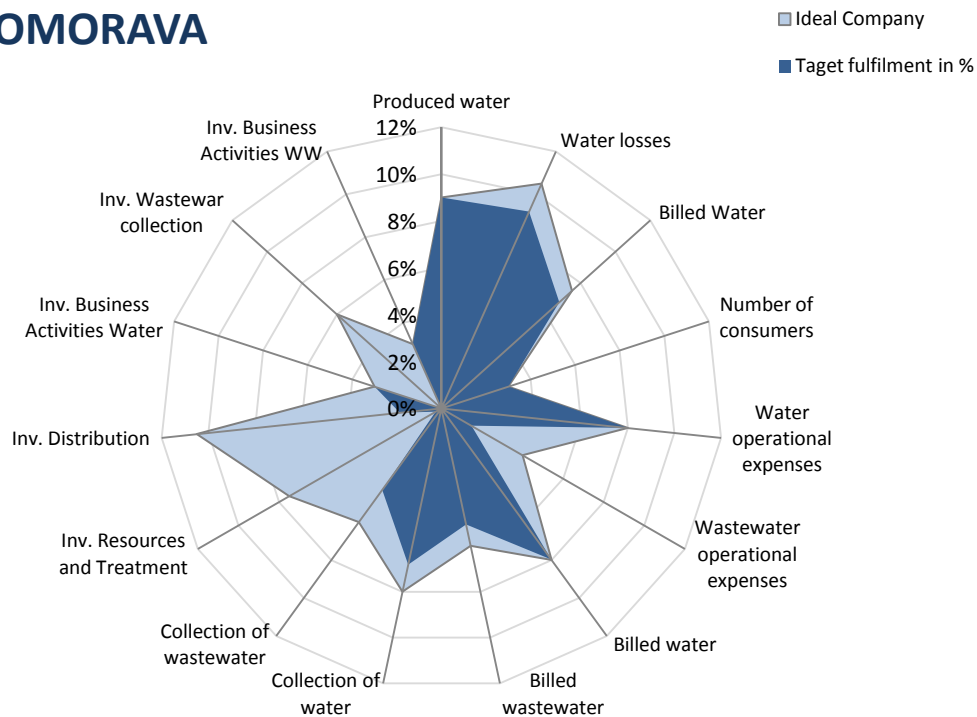


Table No. 15. RWC Ranking for the best performance in targets fulfillment during first 9 month in 2015

No	Company	Total percentage of targets fulfillment
1	RWC "RADONIQI" J.S.C - GJAKOVĚ	83.19%
2	RWC "BIFURKACIONI" J.S.C - FERIZAJ	69.67%
3	RWC "HIDROREGJIONI JUGOR" J.S.C – PRIZREN	67.92%
4	RWC "PRISHTINA" J.S.C – Prishtinë	67.25%
5	RWC "HIDRODRINI" J.S.C – PEJË	66.14%
6	RWC "HIDROMORAVA" J.S.C – GJILAN	61.46%
7	RWC "MITROVICA" J.S.C - MITROVICĚ	49.89%
<b>Weighted average of the sector in targets fulfillment</b>		<b>67.109%</b>

## 10. CONCLUSIONS

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As stated above the key indicators, it is clearly seen that the main indicators are not fulfilled in which group are also included indicators that are related to monetary sphere, as there are indicators that are not fulfilled in capital investments approved by the regulatory tariff process for the viewed period, except for RWC “Radoniqi” j.s.c. Gjakovë and RWC “Hidroregjioni Jugor” j.s.c. Prizren, which fulfillment is questionable.

The purpose of this report is to alert management of companies to stage the data derived from their business of the first 9 months of this year and to sensitize all stakeholders in the water sector on the progress of fulfillment/non-fulfillment of targets defined in the 2015 tariff process of the viewed period. As it is known, the objectives set by WWRO with RWCs represent “Contractual Agreement” which RWCs are obliged to work to meet them as they charged the same applied tariffs. The conclusion of this report describes specific sector data with some specifics for any of the RWCs.

### **Operating Data**

Based on the methodology of rating scale targets fulfillment for these data and other information it can be concluded that the operational data for this group of four indicators in table no. 1. Two of those indicators we have evaluated them positively and two negatively and this has to do with the amount of produced water which is aligned performance, while the number of customers supplied with water is fully realized. Two other indicators, NRW and billed water in m<sup>3</sup> are not carried out with a significant degree and which have affected other indicators, which contribute to assess the trend as not the best in the sector for this period.

### **Operational expenses**

Regarding these indicators it should be noted that RWC: “Prishtina”, Hidroregjioni Jugor”, “Hidrodrini” and Bifurkacioni” have been responsive to this group of costs by keeping them under control and the RWC “Prishtina” j.s.c. Prishtina is to be praised, for the first time after some viewed periods. In the group of companies that exceeded the approved cost amounts are included: “Mitrovica”, “Radoniqi” and “Hidromorava”. Sector data are good as they are within the limits of approved amounts.

### **Billing in monetary value**

None of the companies achieved to carry out the collection ratio approved for the viewed period of time, and this situation reflects the state of sector which is significantly below the planned indicators.

### **Collection in monetary value**

Also the amount of planned collection for the period is failed and it was significantly below forecast, which concerns the WWRO that expected performance is not achieved and its trends are not good. Some of the companies are in a bad position according to our conviction and should make efforts to improve their trend without exception.

### **Capital Investments**

The issue of own capital investments remains one of the weakest points to be implemented by RWCs in Kosovo. Only RWC "Radoniqi" j.s.c. Gjakova has achieved to fulfill the target, although it should be noted that the amount planned was not to be appraised. Nevertheless it deserves to mention as a positive example in this case exactly this indicator had the impact that ranked first in the overall rate of achievement of objectives in comparison with other companies for the reviewed period of time. Whereas all other RWCs are in a very weak position to realize the investments from own resources. RWCs are recommended to efficiently manage and realize investments which the Regulator has approved on the regulatory process.

The report data show that even though we have some positive indicators, the companies and the sector are still far from meeting the objectives set for, that should be additional commitments to their management, which in the following will be assessed according to the methodology assessment that have affected the height of tariffs.