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



WATER AND WASTEWATER REGULATORY OFFICE (WWRO)

(R06)

**RULE FOR
FORGIVENESS AND SETTLEMENT OF PAST DEBT
BY
WATER AND WASTEWATER SERVICES PROVIDERS IN KOSOVO**

22 October 2014

TABLE OF CONTENTS

PART I: GENERAL PROVISIONS.....	3
Section 1: Authority for this Rule	3
Section 2: Scope	3
Section 3: Purpose	3
Section 4: Definitions	3
Section 5: Rules of Interpretation.....	5
Section 6: Applicability	6
PART II: GENERAL PRINCIPLES.....	6
Section 7: Basic Principles	6
PART III: PROCEDURES.....	6
Chapter 1: Past Debts	6
Section 8: Past Debts Forgiveness and Settlement.....	6
Section 9: Conditions for Past Debts Forgiveness and Settlement.....	7
Section 10: Past Debt Write-Off.....	7
Chapter 2: Payment Arrangements And Disputes.....	7
Section 11: Payment Arrangements	7
Section 12: Good Faith Disputes	8
Section 13: Continued non-Payment	8
Chapter 3: Special Situations.....	8
Section 14: Indigent and Destitute	8
Section 15: Abandoned or Empty Property.....	9
Section 16: New Owner or Occupant.....	9
Chapter 4: Records and Reports	9
Section 17: Records	9
Section 18: Reports.....	10
PART IV: MISCELLANEOUS	10
Section 19: Official Language of the Rule	10
Section 20: Entry into Force.....	10
APPENDICES.....	11
APPENDIX 1	12
SAMPLE FORM FOR PAST DEBT SUMMARY	12
APPENDIX 2	14
SAMPLE CONTRACT FOR THE PAYMENT OF PAST DEBTS	14

PART I: GENERAL PROVISIONS

Section 1: Authority for this Rule

The Regulator issues this Rule under authority of the Law Nr.03/L-086 on amendments of the UNMIK Regulation No. 2004/49 “On The Activities of Water and Waste Services Providers”.

Section 2: Scope

All currently operating Water and Wastewater Service Providers in Kosovo shall follow this Rule for a one-time forgiveness and settlement of unpaid Past Debts owed by their Customers.

Section 3: Purpose

3.1 The purpose of this Rule is to:

- (a) facilitate efficient and sustainable operations of Water and Wastewater Service Providers to ensure sufficient services;
- (b) establish procedures, terms, and conditions applicable to Customers to benefit from forgiveness of their Past Debt and from a settlement for Past Debt in the part that it will not be forgiven; and
- (c) Assist Water and Wastewater Service Providers to write-off from their books Past Debts that are unlikely to be recovered.

3.2 Eligibility for forgiveness or settlement of Past Debt to the Customer pursuant to this Rule is conditioned under the responsibility to pay all Invoices or acknowledging their inability to do so, as well as entering into a written agreement with their Water and Wastewater Service Provider to that effect.

Section 4: Definitions

The terms and expressions used in this Rule shall bear the following meanings:

Past Debt means all debt of a Customer evidenced by undisputed invoices issued by a Service Provider to that Customer on or before 31 December 2002, which have not been paid in full as defined and regulated in the appropriate Past Debt Rule as issued, amended, or supplemented by the Regulator from time to time;

Guarantee Deposit means the deposit required by a Water and Wastewater Service Provider;

Business Day means any day other than Saturday, Sunday, or a day which is a public holiday in Kosovo;

Past Debt Forgiveness means the Waste Collection Services Provider, as creditor shall cease any ongoing or future action against any debtor Customer to collect any unpaid Invoices or parts thereof and shall write off the forgiven amount from its business records;

Invoice means a notice in writing to pay for the services of Water and Wastewater, which specifies the amount payable debt, and the period during which the services were rendered, issued to Customer by the Service Provider to the Customer in Albanian and Serbian;

Good Standing means in relation to a Customer of a Water and Wastewater Service Provider, that such Customer has paid his undisputed invoices within twenty-four (24) days of the date such invoices became due, or has entered into and complied with a Payment Arrangement with the Water and Wastewater Service Provider;

Customer Consultative Committee means a committee established by the Regulator for each Service Area to investigate and resolve Customer Complaints.

Customer means a Person that has entered into a Water and Wastewater Services Contract or Bulk Water Supply contract with a Services Provider or lawfully has received Water Services supplied by a Service Provider;

Abandoned or Empty Property means immovable Property that previously had a water service connection that was disconnected due to lack of human habitation or at request of owner or occupant;

- i. **Domestic Customers:** Any Customer classified by the Service Provider as a person using the Services at his or her residence or household.
- ii. **Commercial/Industrial Customer:** Any person, legal entity or business organization classified by the Service Provider as a Customer using the Services for or in connection with the exercise of a commercial or industrial activity of any sort.
- iii. **Institutional Customer:** Any legal entity classified by the Service Provider as a governmental authority, local authority, international organization or institution that carries out activities of common or public interest and that it is not registered as a business organization.

Good Faith Dispute means a dispute about a invoice issued by a Water and Wastewater Service Provider that is initiated by the Customer in writing before such invoice falls due for payment, provided that the total amount payable exceeds the seasonal average consumption paid by that Customer during the twelve (12) month period prior to the date of the invoice by at least twenty per cent (20%) and such dispute is not unreasonable or vexatious;

Service Contract means an agreement between a Service Provider and its Customer

Unlawful Connection means a link between the premises of a Person and a distribution network for Water Services supplied by a Water and Wastewater Service Provider that has not been established by that Water and Wastewater Service Provider or its predecessors as per the applicable law;

Service Tariff Schedule means all applicable Service Tariffs for a Service Area including Tariffs by service type, location, and Customer class and charges for Water and Wastewater Services provided to Customers that have been approved by the Regulator;

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

Payment Arrangement means an arrangement between a Waste Collection Services Provider and a Customer for the purpose of paying or forgiving Past Debts and as defined and regulated in the appropriate Rule on Past Debts as issued, amended and/or supplemented by the Regulator from time to time;

Water and Wastewater Service Provider means a Person providing or intending to provide Water and Wastewater Services;

Indigent Customer: a Customer registered in the Kosovo Social Assistance Scheme or a similar scheme operated by the Ministry of Labour and Social Welfare;

Person means an individual, legal or public entity including a corporation, a partnership, a trust, an unincorporated organisation, a government or any agency or subdivision thereof;

Immovable Property means land and buildings, installations or structures on or below the surface of the land that are firmly connected to the land. Immovable property shall include units within buildings, including but not limited to, apartments or areas used for commercial activities.

Regulator means the authority responsible for the economic regulation of Water and Waste Services Providers, also referred to as The Water and Waste Regulatory Office (“WWRO”) created under the Law Nr.03/L-086 on amendments of UNMIK Regulation No. 2004/49 On The Activities of Water and Waste Services Providers or its successor organization;

Past Debt Settlement means the system by which the Waste Collection Service Provider agrees to exonerate the Customer from paying any Past Debts in full or in part as per the terms and conditions of a Payment Arrangement.

Water Services means abstracting, treating, and distributing water for human consumption and operating networks and facilities for such purpose.

Wastewater Services means collecting, disposing, and treating wastewater and sewage, and operating networks and facilities for such a purpose.

Disconnection means the discontinuation of a link between the premises of a Customer and a distribution network for Water Services that allows the Customer to receive such Services from a Water and Wastewater Service Provider and “Disconnect”, “Disconnecting” and “Disconnected” shall have similar meanings;

Social Assistance Scheme means the program administered by the Kosovo Ministry of Labour and Social Welfare (“MLSW”) that sets criteria and certifies eligibility of economically disfavoured.

Service Tariff: any rates, charges or fees of a Service Provider in relation to the provision of its Services to Customers;

Section 5: Rules of Interpretation

In this Rule:

- (a) Any terms and expressions used in this Rule, not specifically defined herein and that might be in question, shall bear the meanings as defined in the legal acts referred to in the Law Nr.03/L-086 on amendments of the UNMIK Regulation No. 2004/49 “On the Activities of Water and Waste Services Providers”; and
- (b) References to a Rule shall be construed as meaning any Rule issued, modified, amended, supplemented, and/or replaced by the Regulator from time to time as per the powers that have been granted to the Regulator; and
- (c) The singular includes the plural and vice versa; and
- (d) Words of any gender used in the present Regulation shall include any other gender; and
- (e) References to Parts, Chapters, and Sections are, unless otherwise expressly stated, references to Parts, Chapters and Sections of this Rule.

Section 6: Applicability

All currently existing Water and Wastewater Service Providers are required to comply with this Rule should they wish to forgive or otherwise settle Past Debt.

PART II: GENERAL PRINCIPLES

Section 7: Basic Principles

Nothing stipulated in this Rule shall be construed as to:

- (a) Exonerate Water and Wastewater Service Providers to provide Service to Customers and the Customers to pay the Invoice submitted for services received.
- (b) Prevent a Customer who has not paid his Bill within specified time limits or who has not entered into a written agreement with Service Provider for an adjusted payment schedule to be subject to Disconnection;
- (c) Prevent a Customer to question in good faith, the amount of an Invoice by filing a Customer Complaint as per procedures established by the Regulator.

PART III: PROCEDURES

Chapter 1: Past Debt

Section 8: Past Debt Forgiveness and Settlement

- 8.1 Past Debt evidenced in Invoices issued by Water and Wastewater Service Providers prior to the 31st of December of 2000 shall be forgiven for all Customers in one hundred per cent (100%) of the respective amounts.
- 8.2 Past Debt evidenced in Invoices issued by Water and Wastewater Service Providers to Domestic, Industrial and Commercial Customers from the 1st of January 2001 to the 31st of December 2001 shall be forgiven in fifty per cent (50%) of its amount being the remainder amount due and payable in full.
- 8.3 Past Debt evidenced in Invoices issued by Water and Wastewater Service Providers from the 1st of January 2001 to the 31st of December 2001 for Institutional and International Customers shall be due and payable in full.
- 8.4 Past Debt evidenced in Invoices issued by Water and Wastewater Service Providers from the 1st of January 2002 and further on shall be due and payable in full for all Customers.

Section 9: Conditions for Past Debt Forgiveness and Settlement

Forgiveness and Settlement of Past Debt can be granted under the following conditions:

- (a) The Customer signs the Services Contract;
- (b) The Customer shall be liable to pay in total any Past Debt that has not been forgiven as per the Payment Arrangements contemplated in the provisions of Chapter 2;
- (c) The Customer shall disclose any Unlawful Connections to the Water and Wastewater Network and undertake not to proceed to any further Unlawful Connection;
- (d) The forgiveness of Past Debt shall be cancelled if the Customer fails to pay the part of the Past Debt that has not been forgiven related to the terms and conditions of the Payment Arrangement, or fails to promptly pay three (3) or more of their Invoices issued after the Past Debt forgiveness.

Section 10: Past Debt Write-Off

Water and Wastewater Service Providers shall follow the dispositions of a Law on Public Financial Management and Accountability or International Accounting Standards to adjust accounts receivable on their accounting records and financial reports to reflect the part of the Past Debt that may have been forgiven or settled pursuant to this Rule.

Chapter 2: Payment Arrangements and Disputes

Section 11: Payment Arrangements

- 11.1. As it can be agreed with the Customer, the Service Provider shall allow the Customer to pay Past Debt in instalments over a period of time not exceeding thirty-six (36) months. During the instalment payment period agreed with the Water and Wastewater Service Provider, the Customer shall also be required to pay current Invoices.
- 11.2. The Service Provider shall confirm all Payment Arrangements in writing and issue a copy to the Customer not later than five (5) Business Days after the date the arrangement is made to enable the Customer to review and verify the terms of the agreed Payment Arrangement.
- 11.3. The written confirmation of the Payment Arrangement sent to the Customers shall specifically note that:
 - (a) Failure to comply with the Payment Arrangement may result in Disconnection; and
 - (b) The Customer is entitled to contact their local Customers' Consultative Committee within ten (10) Business Days of receiving written confirmation if the Customer disagrees with the terms of the confirmation of such Payment Arrangement.

Section 12: Good Faith Disputes

- 11.1. In the event of a Good Faith Dispute, on any amounts due under a Payment Arrangement, a Water and Wastewater Service Provider shall not be entitled to disconnect the Customer until it completes an investigation.
- 11.2. The investigation shall include:
 - (a) Review of Water and Wastewater Service Provider records to identify date and amount of Invoices sent to the Customer and date and amount paid by the Customer; and
 - (b) Review of Customer's receipts for payments; and
 - (c) Summary of results showing amount of Past Debt.
- 11.3. The Water and Wastewater Service Provider will report the results of the investigation conducted pursuant to Section 12.1 and 12.2 above to the Customer and maintain written records for a minimum of two (2) years after the investigation results are reported to the Customer.
- 11.4. Good Faith Disputes that cannot be resolved amicably may be referred to the Customers' Consultative Committees at the request of the Customer as per procedures established for the Committee.
- 11.5. A Water and Wastewater Service Provider shall not be entitled to disconnect the Customer until the Customers' Consultative Committee announces a decision in favour of the Service Provider and the Customer does not comply.

Section 13: Continued Non-Payment

- 13.1 Customers who do not comply with terms of any Payment Arrangement shall have the full amounts due on their Invoices, including all Past Debt, falling due and payable within twenty-four (24) Business Days.
- 13.2 Water and Wastewater Service Providers shall prepare an Invoice showing full amount due and date payable, and deliver it to the Customer.
- 13.3 Non-payment by the Customer of all amounts falling due and payable pursuant to Section 13.1 may also result in Disconnection.

Chapter 3: Special Situations

Section 14: Indigent and Destitute

- 14.1. A Customer registered with the Kosovo Social Assistance Scheme or a Customer classified by the Ministry of Labor and Social Welfare as indigent and destitute as of the date of entry into force of this Rule shall not be required to pay any arrears prior to year 2003.
- 14.2. Notwithstanding the limitations of sub-section 14.1 above, the referenced Customer shall pay all Invoices issued from January 1st, 2003 by the Waste Collection Services Provider for Waste Collection Services.

Section 15: Abandoned or Empty Property

- 15.1. Customers requesting Water Service to be resumed to Abandoned or Empty Property shall not be responsible for any unpaid Invoices or Past Debt referred to previous years but they must prove non-prior occupancy of such property by them or by any family members or relatives and they must pay a reconnection fee.
- 15.2. If the Customer or any family member or relative of the Customer accumulated Past Debt for the Abandoned or Empty Property, then the Customer requesting resumption of Water Service must settle Past Debt as per this Rule.

Section 16: New Owner or Occupant

- 16.1 Customer will be responsible for unpaid Invoices beginning with period of their ownership or occupancy.
- 16.2 Water and Wastewater Service Provider shall assume occupancy of one full year unless the New Owner or New Occupant proves the date they moved in, in which case amounts owed will be only for actual time owned or occupied.
- 16.3 Date of occupancy can be proven by
 - a) Date on application for service submitted by the Customer to the Water and Wastewater Service Provider for Water Services; or
 - b) Date on application for service submitted by the Customer for electricity or district heating services; or
 - c) Name and date of registration for Immovable Property; or
 - d) Any other official document that could serve to prove date of occupancy.
- 16.4 Time of occupancy will be calculated in units of whole months beginning with the first full month of occupancy. Days less than one month will be prorated based on a 30-day month.

Chapter 4: Records and Reports

Section 17: Records

- 17.1 Water and Wastewater Service Providers shall annotate their Register of Customers to show at any time
 - a) Amounts of Past Debt owed by each Customer
 - b) Amount of Past Debt forgiven under this Rule
 - c) Amount of remaining Past Debt to be paid by the Customer under agreed Payment Arrangements; and
 - d) Amount of other Invoices owed by Customers.
- 17.2 Records to be organized and kept pursuant to Section 17.1 shall be confidential and subject to inspection by the Regulator.

Section 18: Reports

- 18.1 For Institutional Customers and for Socially Owned Enterprises (SOEs), Water and Wastewater Service Provider shall prepare for the Regulator a summary report listing organization, amount owed, period owed, and status of repayment.
- 18.2 For International Customers, Water and Wastewater Service Provider shall prepare for the Regulator a summary report listing organization, amount owed, period owed, and status of repayment and shall send a copy to Commander KFOR and the Head of EU Pillar 4.

PART IV: MISCELLANEOUS

Section 19: Official Language of the Rule

- 19.1. This Rule is issued and published in three (3) versions written in the official languages in use in Kosovo:
- (a) Albanian;
 - (b) Serbian and
 - (c) English.
- 19.2. In case of any discrepancy between any of the versions in which this Rule has been issued, the version Albanian shall prevail.

Section 20: Entry into Force

This Rule shall enter into force thirty (30) days from the date of its issuance.

Director, Raif Preteni
Water and Waste Regulatory Office

APPENDICES

APPENDIX 1

SAMPLE FORM FOR PAST DEBT SUMMARY

DEMAND FOR PAYMENT			
Date		WWRO Inspector	
Service Provider		Contact Person	
International Customer		Customer Code No.	

Financial Year 20			
Month	Invoiced	Paid	Balance
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
		TOTAL:	

Financial Year 20			
Month	Invoiced	Paid	Balance
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
		TOTAL:	

Financial Year 20			
Month	Invoiced	Paid	Balance
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
		TOTAL:	

Financial Year 20			
Month	Invoiced	Paid	Balance
January			
February			
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
		TOTAL:	

APPENDIX 2

**SAMPLE CONTRACT FOR THE PAYMENT OF PAST DEBTS
AND CURRENT DEBTS TO THE WATER AND WASTEWATER SERVICE PROVIDER**

(NAME OF THE WATER AND WASTEWATER SERVICE PROVIDER)

(Address of the Water and Wastewater Service Provider)

(Name of the Municipality)

Service Providers Reference No.: _____ Customers Identification No.: _____

Date: _____ Customers Account No.: _____

CONTRACT
FOR PAYMENT OF PAST DEBTS AND CURRENT DEBTS

This contract is made to acknowledge the amount of and undertaking to pay Water & Wastewater Services Past and Current Debts (the” Contract”) at _____, Kosovo on _____, 200X

BETWEEN:

(1) _____ Water and Wastewater Service Provider (the “Service Provider”) and

(2) _____ with ID number _____, and principal address

_____ (“the Customer”).

Referred to individually as a “Party” and collectively as “the Parties”.

RECITALS

Whereas, the Customer acknowledges that:

- (a) has been connected to the Water Network operated by the Service Provider, either by way of a Lawful Connection or an Unlawful Connection, and hasn’t settled Delinquent Account, and

- (b) the Costumer acknowledges that he or she is not identified as a Vulnerable Customer.

Whereas the Parties agree that Service Provider has satisfactorily demonstrated that it has in its records the following information:

- (a) the Customer's correct name and address; and/or
- (b) the Customer's payment history on file, including meter records when available, and

Whereas the Parties agree that this Contract is entered into in accordance with, Rule for Forgiveness and Settlement of Past Debt and Rule on Disconnection of Water Services;

Now therefore, in view of the foregoing the Parties hereby agree as follows:

1. Definitions:

“Current Debts” means all debts evidenced by undisputed Invoices issued by a Service Provider to that Customer on or after 1 January 2003, which have not been paid in full as defined in the Rule for Forgiveness and Settlement of Past Debt by the Regulator;

“Delinquent Account” means an account between a Customer and a Services Provider that has not been settled by the Customer in the ordinary course of business, regarding the Past and Current Debts where the Customer has received Invoice due and a reasonable time to pay.

“Invoice” means the document issued by a Services Provider to a Customer which itemizes the services rendered, the goods delivered, the applicable Service Tariffs, their prices or applicable fees, any taxes or other official charges, levies and the total amount owned by the Customer. The Services Provider may at his discretion, if it is required by law or may be determined by the Regulator from time to time include additional information;

“Past Debts” means all debts of a Customer evidenced by undisputed Invoices issued by a Service Provider to that Customer on or before 31 December 2002, which have not been paid in full as defined in the Rule for Forgiveness and Settlement of Past Debt issued by the Regulator;

“Vulnerable Costumer” means

- any natural Person certified by a licensed physician as being in risk with respect to life of health without Water and Wastewater Services;
- any Customer classified by the Ministry of Labour and Social Welfare, as indigent and destitute, and advised to the Service Provider as entitled to have his Invoice paid by the competent social welfare authorities;

All other terms and expression used in this Contract in capitalized words shall be construed and interpreted in accordance with the definitions provided in Rule on Forgiveness and Settlement of Past Debts,

2. Receipt of and Accuracy of Invoice:

(a) The Customer hereby acknowledges receipt of Service Providers Invoice attached to this Contract, that Invoice accurately reflects the full amount of the Delinquent Account due to the Service Provider.

(b) The Costumer further acknowledges that all debts covered under this Contract were incurred during the period starting on the [redacted] day of the month of [redacted], XXXX and ending on the [redacted] day of the month [redacted], XXXX.

(c) The payment to be made by the Customer as stipulated in this Contract shall constitute payment in full of all debts of the Customer to the Service Provider.

3. Payment Terms:

(a) Full Payment in Respect of Registered and Invoiced Customers: The Customer hereby acknowledges its obligation to settle his Delinquent Account due to the Service Provider for

the total amount of [redacted] Euro as reflected in the Invoice issued by the Service Provider pursuant to the terms of this Contract and attached hereto;

- (b) No Interest Payable: The Service Provider shall *not* apply any interest to the amount that shall be paid to settle the Delinquent Account.
- (c) Payment Arrangement: The Service Provider hereby offers, and the Customer accepts to pay the full amount to settle his Delinquent Account under the Payment Arrangement consisting in paying in equal monthly installments, an amount of [redacted] EUR (*insert amount in written format*) (Euro [redacted]) for [redacted] months, with the first payment to be made on [redacted].

4. Miscellaneous

- (a) Governing Law and Disputes: This Contract and the rights and obligations of the Parties herein shall be governed by, interpreted and construed in accordance with the current laws of Kosovo and any dispute hereunder shall be subject to resolution in the courts of competent jurisdiction.
- (b) Entire Agreement: This Contract, together with the Invoice attached hereto, constitute the entire arrangement and agreement between the Parties related to the payment of the amount to settle the Delinquent Account, and supersedes any and all previous oral or written agreements, or arrangements between the Parties in respect thereof.
- (c) Assignment: The Parties agree that the Service Provider shall *not* be entitled to assign any and all of its rights and interests under this Contract to any other Person without the consent of the Customer; and the Customer shall *not* be entitled to assign any of the rights or obligation pursuant to this Contract to any third party without the expressed written consent of Service Provider.
- (d) Parties: This Contract is issued in two (2) original copies, each of which when signed shall constitute an original.

IN WITNESS WHEREOF, this Contract has been executed on the day first above written by:

For and on behalf of: [redacted]
(*Name of the Service Provider*)

Represented by: [redacted]
(*Name of authorized representative*)

Signature: [redacted] Date: [redacted]

For and on behalf of: [redacted]
(*Name of Customer*)

Represented by: [redacted]
(*Name of authorized representative*)

Signature: [redacted] Date: [redacted]