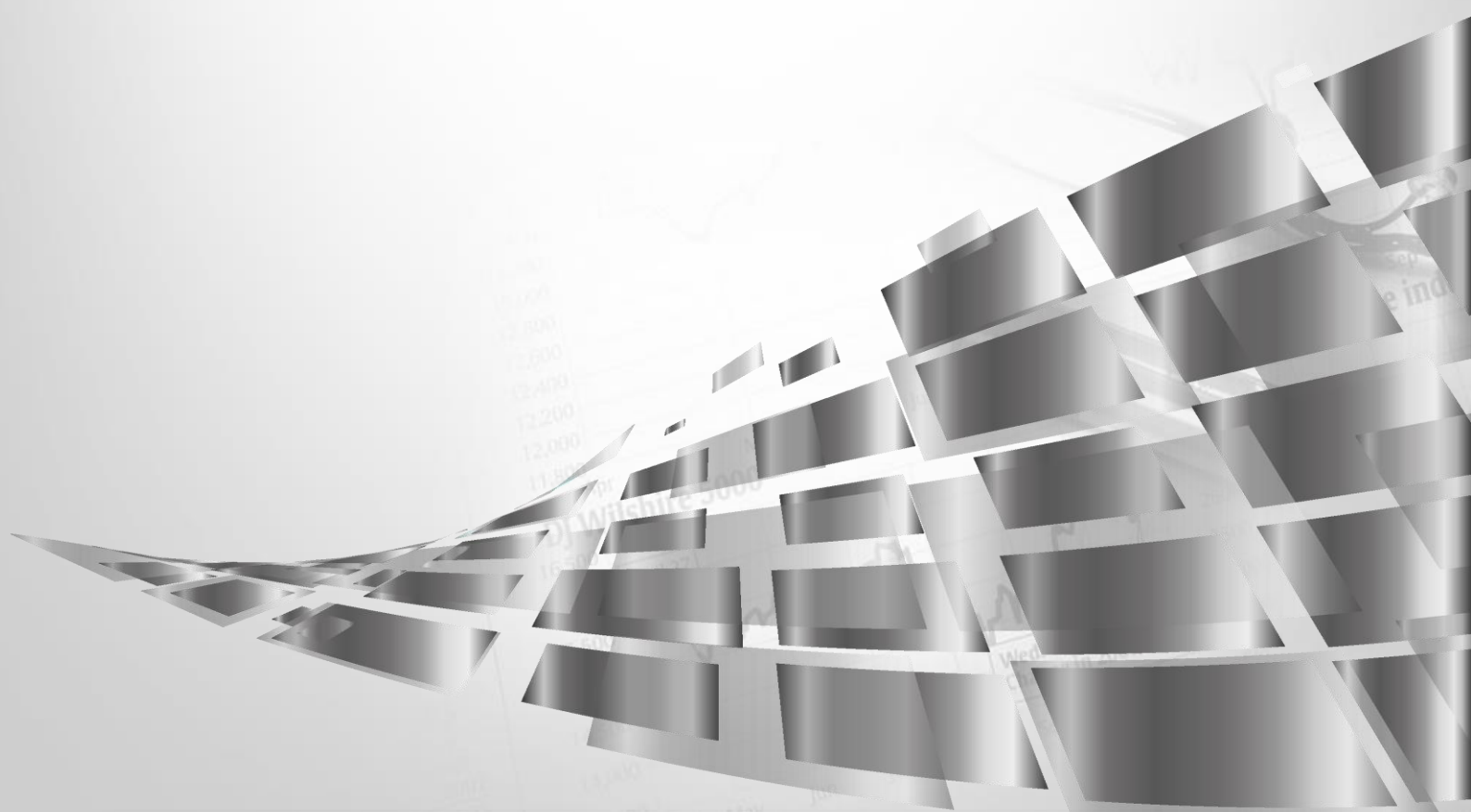




WATER REGULATORY AUTHORITY

MODEL CONTRACT

FOR WATER SUPPLY AND SEWERAGE SERVICES





Model Contract

FOR WATER SUPPLY AND SEWERAGE SERVICES

WATER SUPPLY AND SEWERAGE SERVICE CONTRACT

NO. _____

B E T W E E N

_____ called **"The Operator"**, with license for exercising its activity by the WRA, no. _____ dated _____ represented by _____, with address on _____, mail address _____, tel/fax no. _____, email _____ website address www._____

The consumer as follows

HOUSEHOLD CONSUMER	PUBLIC CONSUMER	PRIVATE CONSUMER	METER DATA
_____ Name _____ Surname	Name of Institution, organ, public entity -----	Trade name _____ TIN NO. _____	Date of installment ----- Place of installation -----
ID No. _____	Authorized Representative _____	Authorized Representative _____	Meter Number -----
Tel/Fax No. -----	Tel/Fax No. -----	Tel/Fax No. -----	Meter's Capacity -----
Address _____ Mail address -----	Address _____ Mail address -----	Address _____ Mail address -----	Model number ----- Place of production ----- Durability

Services Provided	Water supply only <div style="text-align: center;"><input type="checkbox"/></div>	Wastewater collection, disposal and treatment only <div style="text-align: center;"><input type="checkbox"/></div>	Water supply and wastewater collection, disposal and treatment. <div style="text-align: center;"><input type="checkbox"/></div>
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By signing this contract, the authorized representatives of the parties have agreed as follows:

1. This contract is made up of the General Terms and Annex 1, and is based on the legislation in force in the Republic of Albania.
2. The invoice issued by the company for the services provided constitutes an "Executive Title" according to the legislation in force in the Republic of Albania.
3. The consumer agrees to the obligations to the Company, taxes and taxation in force at the moment of signing the Contract and the changes the Contract can have during its duration.
4. If the Consumer does not make the payment of the Invoice within the 28th of the following month, he shall pay interest on arrears at 0,5 % of the amount of the invoice for every day of delay, but not more than 10% of the invoice amount.
5. In case of failure of payment within 30 calendar days after the above deadline, the Company is entitled to interrupt the water supply only after notifying the consumer in writing at least 5 calendar days in advance.
6. The payment will be made on _____
7. Every consumer is entitled to make a request/complaint to the Company offices.
8. The contract is drafted in two copies and each of the parties keeps a copy.

FOR THE COMPANY:

Name: _____

Signature/stamp: _____

Date: (d/m/y): _____

FOR THE CONSUMER:

Name: _____

Signature/stamp: _____

Date: (d/m/y): _____

GENERAL CONTRACT TERMS

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ARTICLE 1

Purpose of Contract

This contract regulates the legal relations between the parties on the water supply and sewerage services in compliance with the legislation in force.

ARTICLE 2

Definitions

The following terms will have the following meaning in the contract, except when otherwise provided for by the specific articles:

1. **“Consumers”** are all private, public and household categories, using the sewerage and/or water supply services.
2. **“Operator”** is the company licensed by the WRA exercising the services of water supply and wastewater treatment and disposal, and it provides one or several of these services according to the categories defined in the license.
3. **“Parties”** are the Companies and the Consumers referred together in this contract.
4. **“Water Regulatory Authority”** (WRA) is the institution controlling and regulating the water supply and wastewater collection and treatment sector.
5. **“Commission”** is the National Regulatory Commission for the Water Supply and Wastewater Disposal and Treatment Sector, operating based on law no.8102, dated 28.03.1999, “On the regulatory framework of the water supply and wastewater disposal and treatment” as amended.
6. **“Water”** means water for consumption, including the drinking water, served through the water supply system that meets the standards required by the governing legislation.
7. **“Water supply system”** consists of the entire elements like the intake, the pumping system, disinfection units, reservoirs, transmission lines and the distribution network.
8. **“Water meter”** is a measuring instrument installed to determine the consumed water quantity.
9. **“Water connection point”** is the point determined by the Company at the distribution network point to make the connection of the consumer water supply with the water supply system.
10. **“Wastewater”** is water used for hydro sanitary and industrial purposes, the collection, disposal and treatment of which was ordered for the public health and commodity.
11. **“Sewerage system”** is the wastewater sewerage system consisting of the discharge line, main collectors, wastewater pumping stations, wastewater treatment plants, (if the system has one) and the discharge facility in the receiving water bodies.

12. **“Wastewater discharge point”** is the point determined by the Company in the sewerage system lines to make the connection of the consumer wastewater collection system inside his property with the wastewater disposal system.
13. **“Wastewater treatment plant”** is the overall operational units treating industrial and/or urban wastewater according to the standards in force.
14. **“WSS services”** is the entirety of services provided by the companies to the consumers through the water supply systems and wastewater collection, disposal and/or treatment systems.
15. **“Legislation in force”** implies all the legal acts or normative acts applicable in the Republic of Albania.

Section I Water Supply and Sewerage Services

ARTICLE 3 Service of water supply and sewerages

1. For the water supply service, according to the governing legislation, the Company is responsible for:
 - a. The operation, maintenance, rehabilitation, renovation and modification of the water supply system;
 - b. The water supply for consumers continually during 24 hours every day of the year, according to the applicable standards of water quality. If the Company cannot provide this service, then measures have to be taken for the provision of the best possible service. In this case, the Company shall notify the Consumer about the water supply hours, so that the Consumer can take measures to cope with the temporary lack of water;
 - c. The administration of the water supply system up to the connection points.
2. For the sewerage service, the Company is responsible for:
 - a. The regulated disposal of wastewater generated in the consumer property and that is connected to the sewerage system in the Company’s service area, and their treatment before discharge in the receiving water bodies (if the service area has a treatment plant);
 - b. The maintenance of the composing elements of the sewerage system;
 - c. The operation and maintenance of the wastewater treatment plant;
 - d. The administration of the sewerage system from the wastewater discharge point to the discharge facility at the receiving water bodies.
3. The company does not have the right to close the water supply system or the sewerage system without first notifying the Consumer and without giving him the possibility of explanation within a reasonable time, except when otherwise provided for in this contract.

4. When necessary and in cooperation with the relevant authorities, the Company can officially notify the Consumer directly or through the media to save water according to the defined requirements.

ARTICLE 4

Temporary interruption of service from the Company

1. The company determines the time and the needed repairs in the water supply and sewerage system. In case of interruptions for planned works, the Company shall notify the Consumers through the media, at least 3 days before the interruption date, about the temporary supply hours and the date when the normal hours will start.
2. The company may reduce or temporarily interrupt the water supply and sewerage service or any of the services for which it was granted its license, due to the unexpected defects in the respective system or in each of the components connecting the Consumer with the systems, even without notifying the Consumer. In this case, the Company shall notify the Consumer about the interval and the reason for the interruption.
3. In case of an emergency, acts of God or serious defects in the water supply and sewerage systems, which can last for more than 24 hours, the Company shall meet the service requirements based on an approved emergency plan.

ARTICLE 5

Quality of water and the relevant authorities

1. The company is responsible and takes proper measures about the regular control of the water quality in accordance with the standards defined in the governing legislation.
2. The company makes the treatment, disinfection, chlorination of the drinking water and guarantees that its chemical and physical indicators are in accordance with the quality standards as provided by the legislation in force.
3. The company is responsible and supervises the sanitary and hygienic conditions of the water supply and sewerage systems in accordance with the legislation in force.
4. The company interrupts the water supply if it is certified that water quality standards are not met, immediately notifying the Consumer about the reasons of this interruption.

ARTICLE 6

Protection of environment and treatment of wastewater

1. The company is responsible and takes the appropriate measures for the treatment and discharge of wastewater in accordance with the standards defined by the legislation in force.

2. Every Company, which based on its license, discharges treated wastewaters in water bodies, shall have the relevant environmental permit, in accordance with the legislation in force.
3. In cooperation with the relevant authorities, the Company guarantees and takes measures to reduce continually the quantity of wastewater discharged into the receiving environment.
4. The Company is responsible and supervises the sanitary and hygienic conditions of the sewerage system according to the legislation in force.

ARTICLE 7

Water Meters

1. Water supply is calculated based on the real consumption and is measured through the measuring devices. The company shall install the water meter for every Consumer according to the legislation in force on metrology.
2. The Company is obliged to supply, install, supervise and replace the water meter.
3. The company takes the necessary measures on the quality and functioning of the water meter according to the standards provided by the legislation in force. The company is responsible of the durability of the water meter according to the contract.
4. The consumer is obliged to pay the supply and the installment of water meter expenses, according to the invoice provided by the Company.
5. The company shall notify one month in advance the Consumer on the water meter replacement at the end of its usage, according to the water meter lists compiled by the Company.
6.
 - a. The Company providing the water supply service is legally responsible for enabling the periodical verification of water meters by the Directorate General of Metrology or a legal entity authorized by the latter, according to the Albanian legislation on metrology.
 - b. Each of the parties is entitled to request from the Directorate General of Metrology or a legal entity authorized to make an extraordinary testing of the water meter in use and make a testing report, if an incorrect functioning of the meter is suspected. The company notifies the Consumer in writing about the conclusion of the verification procedures.
 - c. The costs derived from the extraordinary testing of the meters shall be paid by:
 - i. the person requesting it, if the water meter has a valid verification sign and the testing results to be in compliance with the metrology requirements;
 - ii. the water meter user, if the testing shows that the water meter is not in compliance with the metrology requirements.
 - ç. If it is verified that the water meter was not functioning properly due to some technical causes and as a consequence the calculation of the consumed water quantity was made based on incorrect readings, the Company is responsible for the amount of the last invoice. If it is verified that the water meter is functioning correctly, the Consumer is obliged to pay the amount of the last invoice.

- 7.** If the water meter is damaged unwillingly by the Consumer or as a result of the weather conditions, the Consumer shall notify the Company within 5 days. The Company records the report and gives a written official confirmation to the Consumer with the report date and the date when the damage was caused.
 - a.** The company shall take measures to replace the water meter within 30 days from the date of reporting.
 - b.** The consumer, who does not notify the Company within 5 days, is obliged to pay:
 - I. Non-household Consumer – five times the amount of the tax invoice of the last month;
 - II. Household Consumer – double the amount of the invoice of the last month.
 - c.** The expenses of the removal, reinstallation or replacement of the water meter are the responsibility of the Consumer in cases of unwilling damage to it.
- 8.** The water consumption, during the time when the water meter is not in place, shall be calculated according to the average monthly consumption during the last 12 months from the moment of the absence of the water meter.

Section II Tariffs and Payments

ARTICLE 8 Tariffs

- 1.** The water supply and wastewater treatment and disposal service tariffs are approved by the WRA based on a transparent legal process. The tariff setting procedure starts with the organization of a Public Hearing Session, the proposal submitted by the company to the WRA, provision of opinions of the local government units and it is concluded with the final tariff approval by the National Regulatory Commission of the Water Regulatory Authority.
- 2.** Companies shall organize a Public Hearing Session before submitting the tariff adjustment proposal to the WRA. The purpose of this hearing session is for the company to meet the consumers, informing them about the main developments and the reasons for the tariff adjustment application.
- 3.** The tariffs approved become effective on the date defined by the relevant decisions and are made public by the WRA. The company shall notify the Consumer in writing and by media announcements at least 30 days before applying the adjusted tariffs.
- 4.** The service tariffs approved by a decision of the Water Regulatory Authority are mandatory for the parties in the contract.

ARTICLE 9 Invoicing

1. The drinking water consumption invoice is an executive title.
2. The company is responsible for the issuance of monthly invoices. The water meter reading procedures are defined by the Company and are approved by the WRA.
3. The invoice shall be sent to the Consumer to his house, officially (by mail or delivered in person) and not later than 15 days before the term of payment.
4. The invoice shall contain clearly at least the following components:
 - a. Name, surname, identification code and the Consumer's address;
 - b. Water meter data, security elements and the water meter method of identification;
 - c. Correct reading data;
 - d. The amounts taken from the water meters or whether the amounts were taken without reading;
 - e. The consumed water quantity during the period between two readings;
 - f. The precise price per unit and according to the quantity if it changes;
 - g. The water supply and sewerage service tariff, which includes the tariff of using the water sources;
 - h. The fixed tariffs like the service tariff, reconnection tariff or other tariffs when applied;
 - i. The applicable taxes and their calculation;
 - j. The total price for the service before or after the application of taxes.

ARTICLE 10 Payment of Invoice

1. The consumer shall pay the obligation within the date (28) of the following month at the consumers' assigned desks, by bank accounts or other ways as agreed by the parties.
2. If the payment is not made within the deadline, the Consumer shall pay the interest on arrears of 0.5 per cent of the amount of the water consumed per each day in delay, but not more than 10 per cent of the invoice amount.
3. The company may interrupt the water supply only if it has notified in writing the Consumer at least 5 days in advance. The written notification shall also contain the reconnection tariffs to be applied in this case if applicable.

ARTICLE 11 Complaints about Invoices

1. The consumer not agreeing to the invoice amount is entitled to submit a written complaint to the Company within 30 days from the date of receiving the invoice.
2. For every request submitted, a written official confirmation shall be given to the Consumer certifying the date of submission and the respective complaint registration number.
3. The company shall examine, make a decision and notify the Consumer about the complaint within 10 days from the date of registration of the complaint.

4. If the Company does not notify the Consumer within the fixed term, then the Consumer is not obliged to pay the interest on the arrears for the invoice he complains about.

Section III Consumers' rights and obligations

ARTICLE 12 Consumers' right to damages

1. The consumer is entitled to damages:
 - a. in cases of technical interruptions lasting more than 24 hours, which are not caused by acts of nature, by the state of emergency, or any other emergency, and when they were not notified before and have hindered the consumer from using these services for a period longer than 24 hours;
 - b. if the supplied water does not meet the standards required by the legislation in force and as a result it causes damage to the Consumer.
2. The consumer completes the procedures of indemnification in accordance with the provisions made by this contract and the governing legislation.

ARTICLE 13 Consumer's Obligations

1. The consumer is responsible for the administration of the internal water supply and sewerage network in his property. The consumer shall make reasonable efforts to protect the water meter and the water supply and sewerage network from abuses, damages or criminal acts.
2. The consumer is prohibited to:
 - a. Supply water to third persons;
 - b. Use water for other purposes different from the ones for which he is provided with water;
 - c. Intervene or make other connections in the water supply and sewerage systems without getting first the approval from the Company;
 - d. Damage in any way, the components, parts or the system of water supply and sewerage itself;
 - e. Either himself or by allowing third parties, make connections in the distribution network out of the water meter; and remove or exchange the water meter.
3. The consumer is prohibited to intervene or allow interventions to the water meter or to the security elements without the approval of the Company.
4. The consumer shall immediately notify the Company or any other institution, which is

authorized to control and supervise the water supply and sewerage system, if changes, illegal interventions, damages or abuses with the water supply and sewerage system are noticed.

5. The consumer shall take all the needed measures to prevent or avoid the abuse, pollution or poisoning of the water. If the consumer suspects or notices any abuse, pollution or poisoning of the water, he shall immediately notify the Company.
6. The consumer shall immediately notify the Company if there are changes of the mail address or the contact telephone number.

ARTICLE 14

Entrance to the Consumer Property

1. The company shall notify the Consumer and coordinate the possibility of entrance into his property at a time suitable for both parties.
2. The consumer shall allow the authorized representative of the Company, showing an official document, certifying his authority as the Company representative, to enter into his property any day of the week during the usual working hours, in order to:
 - a. Control the water meter working conditions or any other component of the water supply and sewerage systems.
 - b. Interrupt the service, according to the terms of this contract;
 - c. Carry out controls to verify the water quality.

Section IV

Suspension and dissolution of contract

ARTICLE 15

Suspension of contract by the consumer

1. The consumer, who for different reasons wishes to temporarily suspend the water supply and sewerage services, can suspend the contract with the Company. The consumer submits a written request to the Company for the interruption of the water supply, indicating the date of starting and ending of the interruption. This request shall be submitted not later than 15 days before the date requested for the interruption. If the company does not suspend the contract on the date requested by the consumer, the latter is not responsible for the consumption billed in the succeeding service invoices.
2. The company registers the request and gives a written confirmation to the Consumer, indicating the date of registration of the request and the dates of interruption and reconnection of the service. The company is responsible for the technical realization of the interruption and the reconnection of the service on the dates requested by the Consumer.
3. When the Consumer does not specify the service reconnection date, he shall submit a written request indicating the date when the service should be reconnected.
4. The Company registers the request and gives a written confirmation to the Consumer,

indicating the request registration date and the service reconnection date. The company is responsible for the technical realization of the service reconnection within 2 days from the date requested by the Consumer.

5. The interruption and reconnection expenses shall be paid by the Consumer. The Company may include these expenses in the monthly invoice or send a special invoice only for these expenses. This invoice shall be paid within the deadline of the payment of the monthly invoice of the consumer.

ARTICLE 16

Dissolution of contract by the consumer

1. The consumer is entitled to request the dissolution of this contract at any time and for every reason.
2. Not later than 15 days from the date of contract dissolution, the Consumer shall submit to the Company a written request, indicating the contract dissolution date.
3. The company registers the request submitted and gives the Consumer a written confirmation with the registration date, which also indicates the contract dissolution date.
4. The Consumer is responsible for all the quantities supplied by the Company until the contract dissolution date. If the Consumer does not pay his obligations, he will be prosecuted based on the legal procedures in force and those provided for by the contract.
5. The Company is responsible for:
 - a. Controlling whether the Consumer has paid all his obligations up to the contract dissolution date;
 - b. Realizing technically the interruption of the service on the contract dissolution date.
6. When the Consumer transfers his ownership rights to third parties (new owner), the contract dissolution procedure is applied. The Company enters into a new contract with the new owner, based on the request of the latter.

Section V
Offenses and Complaints by Consumers

NENI 17
Offenses

1. Interventions to the water supply and sewerage systems, the connections not approved by the Company and the damages of any kind constitute an administrative offense and are punishable by:
 - a. Fine up to 10 thousand ALL for household Consumers;
 - b. Fine up to 50 thousand ALL for non-household Consumers;
 - c. An interruption of the water supply service.
2. Upon the request of the Consumer, the Company reconnects the water supply within 3 days, after the Consumer has paid the obligations to the Company and all the expenses for the interruption and the reconnection of the water supply. After the reconnection is concluded, the Consumer enters into a new contract with the Company.
3. The violators are obliged to pay the necessary expenses to bring to its former condition the damaged part and the damage liability is determined according to the legislation in force.

ARTICLE 18
Complaints against the Administrative Decision

1. The competence to find the violation belongs to the Company. The decisions for the administrative offense are given by the authorized representative of the Company, against which an appeal can be brought to the Legal Manager of the Company within 15 days from the announcement or notification of the decision.
2. The examination of the administrative offense is made by the Legal Manager of the Company within 15 days from the date of receiving the complaint.
3. Against the decision of the Company Legal Manager, an appeal can be brought in court.

ARTICLE 19
Consumers' Complaints

1. Every interested Consumer may send to the WRA's Commission a written request for a licensed Company, for which he claims to have violated the provisions of law no. 8102, dated 28.03.1996, "On the regulatory framework of the water supply and wastewater treatment and disposal", as amended or the terms of this contract. The complaint procedures are made in accordance with the Administrative Procedure Code.
2. When finding his rights, provided for by this contract, are being violated, the Consumer is entitled to submit a complaint to the relevant public relations unit at the WRA, as the only regulatory institution in the water supply and sewerage service sector.

3. The consumer may also submit his complaint to the Consumer Protection Commission and to other institutions charged by law for the consumer protection.

SECTION VI

ARTICLE 20 Term of Contract

The contract becomes effective after its signature by the parties and it does not have a definite term.

ARTICLE 21 Contract Interpretation

This contract is drafted, interpreted and implemented in accordance with the legislation in force in the Republic of Albania. The terms of this contract shall be interpreted in good faith by the parties, giving it the meaning derived by its entirety.

ARTICLE 22 Resolution of Disputes

If disputes arise during the implementation of this contract, the parties shall try to resolve these disputes amicably between them; otherwise each of the parties may address the court.

ARTICLE 23 Modification of Contract

1. The general terms of this Contract are subject to modifications by the WRA, according to the same procedure of their approval. The Company notifies any Customer about the changes made to the Contract 30 days before it becomes effective.
2. This contract enters into force on the date set by the WRA and its terms become applicable automatically for all clients.
3. If the Client contests these conditions, he can renounce from the Contract without any sanctions.

ANNEX 1 Legal acts and normative acts for drafting this contract:

Codes and Laws

- Civil Code of the Republic of Albania
- Criminal Code of the Republic of Albania
- Law no. 8102, dated 28.03.1999, "On the regulatory framework of the water supply and wastewater treatment and disposal sector" as amended.
- Law no. 8975, dated 21.11.2002, "On treatment of drinking water tax invoices as Executive Titles" as amended.
- Law no. 8934, dated 5. 9.2002, "On environmental protection".
- Law no. 9115, dated 24.7.2003, "On environmental treatment of wastewater".
- Law no. 9902, dated 17.4.2008, "On consumer protection".
- Law no. 10279, dated 20.5.2010, "On administrative offenses".

Decisions of the Council of Ministers

- Decision no. 1304, dated 11.12.2009, "On the approval of the model of regulations "On water supply and sanitation in the water supply and sewerage service area".
- Decision no. 102, dated 16.3.1992, "On the usage norms and price of the drinking water in the cities and villages".
- Decision no. 236, dated 10.5.1993, "On the administration of the water supply for household and non-household users".
- Decision no. 550, dated 7,11,2002, "On the approval of the policy document "decentralization of the water supply and sewerage service" and its implementing measures".
- Decision no. 23, dated 9.1.2008, "On the approval of water usage tariffs ".
- Decision no. 35, dated 18.1.2006, "On the approval of the construction work regulations for the sanitation systems and disposal of household waters".
- Decision no. 96, dated 21.2.2007, "On some changes in decision no. 236, dated 10.5.1993, "On the administration of water supply for household and non-household users".
- Decision no. 958, dated 6.5.2009, "On the approval of license categories and the license application procedures for physical persons and legal entities, exercising their activity in the water supply and wastewater treatment and disposal systems".

Instruction of the Minister of MPPTT

- Instruction no. 3, dated 28.7.2004, "On the administration of drinking water".

Normative acts of WRA

- Licensing regulations for the procedures of granting and renewing the Professional Licenses for physical persons and legal entities exercising their activity in the water supply and wastewater treatment and disposal sector (Approved by a Decision of the National Regulatory Commission of WRA no. 30, dated 08.12.2012 and a Decision of the National Regulatory Commission of WRA no. 50, dated 30.12.2013).
- Tariff Setting Methodology, approved by a decision of the National Regulatory Commission of the WRA no. 28, dated 28.09.2011.

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