



PUBLIC  
UTILITIES  
COMMISSION  
OF LATVIA

# ANNUAL REPORT

2022

# CONTENTS

|   |    |
|---|----|
| CHAIR’S FOREWORD  | 3  |
| TERMS AND ABBREVIATIONS   | 8  |
| ABOUT THE PUC   | 10 |
| THE PUC’S TEAM  | 12 |
| THE PUC’S KEY PERFORMANCE INDICATORS                              | 16 |
| PUBLIC SERVICE SECTORS IN THE LATVIAN ECONOMY                     | 19 |
| OVERVIEW OF THE ENERGY SECTOR                                     | 25 |
| OVERVIEW OF THE ELECTRONIC COMMUNICATIONS AND POSTAL SECTOR       | 35 |
| OVERVIEW OF THE WATER, DEPOSIT SYSTEM AND WASTE MANAGEMENT SECTOR | 42 |
| INTERNATIONAL COOPERATION   | 48 |
| COMMUNICATION TO THE PUBLIC                                       | 52 |
| FINANCING AND SPENDING  | 56 |
| AUDITORS’ REPORT  | 59 |
| CONTACT THE PUC   | 61 |



# **CHAIR'S FOREWORD**





**Alda Ozola,**  
Chair of the PUC

At the beginning of 2022, the Public Utilities Commission's operational strategy 2022-2026 was approved. Two of the most important challenges in the strategy are concern about promoting the well-being of public service users in changing market conditions and the impact of the European green deal on the development of regulated sectors. Soon thereafter, large-scale hostilities in Ukraine shook energy markets, significantly affecting the regulated sectors and the work of the PUC. Challenges in finding the best possible solutions for regulated sectors and companies to adapt to changing conditions as successfully as possible, while ensuring continuous and accessible services to their recipients, became the daily routine of the PUC.

We were and still are with Ukraine in our thoughts and actions. Our colleagues in Ukraine are among our cooperation partners – the electronic communications regulator (National Commission for the State Regulation of Communications) and the energy regulator (National Energy and Utilities Regulatory Commission).

At the same time, Baltic and Polish energy regulators addressed the Energy Regulators Regional Association (ERRA) in a joint statement, calling for the suspension of any participation of Russia and its experts in the association. ERRA is an important international organization because it unites the energy regulators from Europe, Asia, Africa, the Middle East, North America and South America. The position of the Baltic and Polish regulatory institutions is united - the Russian aggression is a clear violation of international law and poses a threat not only to Ukraine and its neighbouring countries, but also around the world. We unanimously agree that the Russian aggression should be strongly condemned and the strongest possible sanctions must be imposed, including isolating Russia from international cooperation.

When evaluating **international cooperation** in regulated sectors, in the reporting year the PUC actively participated in more than 260 working meetings, plenary sessions, forums, regional and high-level meetings of 22 international organizations and regional groups, both remotely and in person. The PUC's contribution was appreciated - in October, I was elected as one of the Vice Presidents of the Council of European Energy Regulators (CEER) for the next two and a half years. This will be the third time when a representative of the Latvian regulator will hold a leading position in a high-level organization of European energy regulators. When managing the work of the organization, it is particularly important to ensure that the regulators of smaller countries, such as Latvia, also contribute to the determination of common strategic goals and tasks in energy policy. The PUC, together with CEER members, will continue to work on the creation of dynamic regulatory framework in the energy sectors and the advancement of user interests.

The performance of the PUC experts has also been recognized internationally. Our colleagues have been re-elected to continue holding three important positions - the head of the CEER Work Programme Development Committee, the vice-chair of the ERRA Natural Gas Markets and Economic Regulation Committee, as well as the duties of a member of the Finance Committee.

Paying attention to **the principles of sustainable operation**, for the third consecutive

PUC participated in the Sustainability Index organized by the Institute of Corporate Sustainability and Responsibility. In the assessment of independent experts, the PUC won the high gold category for its performance in 2021, receiving confirmation of the compliance of its operations with the principles of sustainable management. For the second time, the PUC also participated in the study of the e-index of state institutions and local governments, continuing the progress towards the implementation of digital solutions in organizational processes.

During the reporting period, the PUC also became the first state administrative institution to sign the Sustainability Code. Its purpose is to promote the provision of truthful information in order to protect consumer interests and fair competition, as well as to promote the reduction of the negative impact of entrepreneurship in environmental, social and governance aspects.

In December, the environmental policy developed by the PUC was approved. It defines the principles that employees observe in the performance of their individual duties in cooperation with clients (supervised companies) and cooperation partners (suppliers, state and local government institutions, non-governmental organizations, etc.). The direct impact of the PUC as an institution on the environment is relatively small, and its responsibility in this area is focused on compliance with the sustainability policy. Therefore, the PUC looks for environmentally friendly solutions not only in its operations, but takes such conditions into account as much as possible when choosing cooperation partners, and also places significant emphasis on the supervision of the activities of the regulated sectors, including environmental issues

Meanwhile, briefly looking back at what happened in the regulated sectors, **in the energy sector**, the year 2022 was full of challenges due to the war waged by Russia in Ukraine. In Europe, it was necessary to find immediate solutions both for reducing the energy price shock and for strengthening energy independence. Despite the upheavals, Europe has managed to ensure the stable and continuous operation of energy systems; however, it is expected that we will continue to experience medium and long-term restructuring, including the strengthening of infrastructure, this year, in 2023, and in the years to come. Continuing to strengthen Latvia's natural gas supply security, in November, the PUC approved significant amendments to the regulations regarding the use of Inčukalns underground gas storage facility.

In Latvia and in the Baltics, natural gas is an important energy resource in the production of electricity, therefore the increase in the price of natural gas also caused a rise in the price of electricity. The highest average monthly price of the electricity wholesale market in the Latvian trading area was observed in August, when it reached 467.75 EUR/MWh. Moreover, the price remained highly volatile. Changes in the wholesale price also affected the price of electricity in the retail market. The price in the fourth quarter of 2022, compared to the fourth quarter of 2021, increased by 65% for households, and by 80% for legal entities.

Due to the price of natural gas, heating costs also increased rapidly. The highest thermal energy tariff set by the PUC was 324.44 EUR/MWh at the end of the year, which is more than three times higher than the highest tariff a year earlier. In the heat supply sector, during the year the PUC approved a record number of tariffs of regulated thermal energy companies – 171 (evaluation of self-determined tariffs and full tariff proposals taken together). This is more than three times the number of tariffs approved in 2021.

**The water management sector**, similar to other sectors, was most significantly affected in 2022 by the rapid increase in the costs of energy resources, which also caused an increase in other costs. As a result, the number of evaluated tariff proposals for water management services increased significantly. In total, the PUC evaluated 54 tariff proposals for water management services. Of these, 45 were approved in the reporting year, which is five times more than the year before, while the evaluation of the rest continued in 2023. Of the tariffs approved last year, only the costs of energy resources changed in 33% of cases.

To balance the interests of companies and users in these changing conditions, the PUC made changes to the regulatory framework of the water management sector, as a result of which the amendments to the methodology for calculating tariffs for water management services were approved last November.

**In the waste management sector**, in which the PUC only regulates the disposal of municipal waste in landfills, the PUC was actively involved in the development and harmonisation of amendments to the Waste Management Law and other regulatory acts in order to achieve the goals set in the National Waste Management Plan 2021-2028. One of the main conditions in the plan is to dispose in landfills no more than 10% of the total amount of generated municipal waste in 2035. Amendments to the Waste Management Law provide for the PUC's obligation to develop a methodology for calculating tariffs for treatment of unsorted municipal waste by the middle of 2024.

Along with the start of operation of **the beverage packaging deposit system** in Latvia, on February 1 of the reporting year, the provision of a new PUC-regulated service provided by LLC Depozīta Iepakojuma Operators (DIO) was initiated in the deposit packaging management sector. In December, DIO submitted the first proposal for the deposit system participation fee to the PUC for evaluation. The PUC completed the evaluation process in February 2023, and accordingly the new participation fee entered into force on April 1, 2023. In the future, it is expected that the participation fee of the DIO deposit system could be revised and submitted to the PUC for evaluation every year. During the reporting year, the PUC also actively participated in the development of amendments to the regulations regarding the operation of the deposit system advanced by the ministry of the sector.

The most significant event in **the electronic communications sector** was the entry into force of the Electronic Communications Law in July, in which the PUC participated, providing opinions, as well as being involved in the work of the Saeima committees. Along with the adoption of the law, the norms established by the European Union were taken over, which obliged the PUC to develop several regulatory acts. Thanks to the work of the PUC experts, in total, 20 regulatory acts were prepared and adopted by the PUC in the electronic communications sector during the reporting period.

As a particularly significant event, it should also be mentioned that in January, the results of the auction for the 1.5 GHz range of radio frequency spectrum bands organized by the PUC were approved. The rights to use the radio frequency spectrum were obtained by three mobile operators, while the auction revenue was 780 thousand EUR and went to the state budget. This is one of the radio frequency bands that can also be used for 5G services in the future. It strengthens the capacity of the mobile communications network, including ensuring high download speeds and data coverage in the country, taking into account the currently increasing volume of download data to be transmitted.

Regulatory changes were also made in **the postal sector**. In April, the regulations

developed by the PUC entered into force, combining two previously existing regulatory acts. In the Regulations Regarding the General Authorisation and Registration in the Postal Sector, both the conditions of the general authorisation and the registration procedure of postal operators have been improved. Thanks to the changes, users' awareness of their rights in the market and the quality of servicing will be promoted. By choosing the best postal service provider for their needs, users will have the opportunity to obtain more information in the future. For example, information about postal service quality requirements that operators must comply with, procedures for receiving compensation, and other essential information.

At the end of the year, in December, the PUC approved the evaluated tariffs of the universal postal service of the state-owned JSC Latvijas Pasts. The new tariffs for letter-post items and postal parcel items entered into force on January 1, 2023, while the tariffs for the delivery of the subscribed press publications - on March 1, 2023.

In 2023 and beyond, there will be quite a few challenges and events in the regulated sectors. We will continue to work, taking into account our vision - every resident and company is entitled to public services that contribute to their welfare, and service providers evolve in an efficient, sustainable and reliable market. I invite you to read the PUC's annual report for more information about the PUC's achievements in 2022.



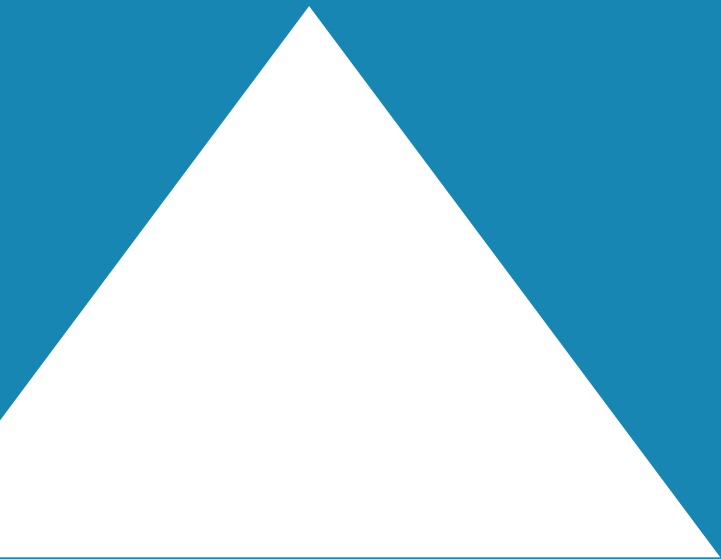
Sincerely yours,  
**ALDA OZOLA**,  
Chair of the PUC

# **TERMS AND ABBREVIATIONS**

**ACER** – Agency for the Cooperation of Energy Regulators  
**BEREC** – Body of European Regulators for Electronic Communications  
**CEER** – Council of European Energy Regulators  
**CSB** – Central Statistical Bureau  
**DIO** – LLC Depozīta Iepakojuma Operators  
**EC** – European Commission  
**EU** – European Union  
**GB** – gigabyte  
**GDP** – gross domestic product  
**HHI** – Herfindahl–Hirschman Index  
**IoT** – Internet of Things  
**IRG** – Independent Regulators Group  
**LLC** – limited liability company  
**LMT** – Latvijas Mobilais Telefons  
**MHz** – megahertz  
**min** – minute  
**MWh** – megawatt hour  
**No** – number  
**NRT** – national resources tax  
**OECD** – Organisation for Economic Cooperation and Development  
**PESQ** – Perceptual Evaluation of Speech Quality

**POLQA** – Perceptual Objective Listening Quality Analysis  
**PUC** – the Public Utilities Commission  
**Q1** – first quarter  
**Q2** – second quarter  
**Q3** – third quarter  
**Q4** – fourth quarter  
**SAIDI** – System Average Interruption Duration Index  
**SAIFI** – System Average Interruption Frequency Index  
**SMS** – Short Message Service  
**t** – ton  
**TTF** – Title Transfer Facility – natural gas exchange in the Netherlands  
**TWh** – terawatt hour  
**UPS** – universal postal service  
**VAT** – value added tax  
**VoLTE** – voice over Long-Term Evolution  
**WAREG** – European Water Regulators  
**XII** – December  
**5G** – fifth generation mobile communications technology

# **ABOUT THE PUC**



**The Public Utilities Commission** is an independent state institution that monitors the activities of public service providers (regulated companies) and market development in Latvia and ensures that residents receive continuous, safe and high-quality public services at economically reasonable prices.

The activities of public service providers are monitored in **eight** public service sectors – natural gas, electricity, thermal energy, water management, electronic communications, postal services, packaging deposit and municipal waste disposal.

Concern for promoting the well-being of public service users in changing market conditions and the impact of the European Green Deal on the development of regulated sectors are among the most important challenges. Considering the above, the PUC has developed a new operational strategy for 2022-2026.

It emphasizes **professionalism, cooperation, responsibility and development** as core values.

The **strategic goals** set in this PUC's operational cycle are high user literacy to effectively use their rights and get the maximum benefit from the market, sustainable and efficient market and infrastructure, responsible and targeted regulatory practice.

For each goal, the three most important tasks are set, as well as certain performance indicators, which allow evaluating the fulfilment of the overall goals and the impact of the operations on the market.

**VISION** Every resident and company is entitled to public services that contribute to their welfare, and service providers evolve in an efficient, sustainable and reliable market.

**MISSION** To ensure high-quality public services at economically reasonable prices, promoting efficient provision of services and competition in the regulated sectors.

**The operation of the PUC is financed** from the revenue of the state fee for the regulation of public services. All public service providers in the regulated sectors pay the state fee to provide for the operation of the PUC.

ESTABLISHMENT YEAR  
OF THE AUTHORITY

**2001**

NUMBER OF  
EMPLOYEES

**112**

ACTUAL  
EXPENDITURE

**5.26** million EUR

# THE PUC'S TEAM



## DECISION-MAKING AUTHORITY

The Board is the decision-making body of the PUC and includes the Chair and four Board members. The Chair and each Board member have a subordinate consultative employee – an advisor who performs the function of an adviser on the support related matters of the regulated sectors.

The Chair and Board members are appointed for a term of office that is no shorter than five and no longer than seven years, thus ensuring adequate rotation. A Board member, including the Chair, can be reappointed only once.

The Board adopts decisions by voting. A decision is adopted if at least three Board members vote for it. Applicants for the positions of the Chair and Board members are selected by the Cabinet of Ministers in an open competition, but are appointed by the Saeima (Parliament).



### **Alda Ozola, Chair of the Board**

Chair of the PUC Board from 2021. Previously, since 2013, she performed the duties of the Deputy State Secretary of the Ministry of Environmental Protection and Regional Development. She has also served as a board member of the state JSC Vides investīciju fonds and the port of Mērsrags. Before that, she was the head of several non-governmental environmental organizations in Latvia, and also worked internationally.

**Term of office:** until July 1, 2028.



### **Intars Birziņš, Commissioner**

The PUC Commissioner for the second term. From January 28 to July 1, 2021, he was the acting Chairman of the PUC. Before taking up duties at the PUC, he worked for the Competition Council, managing the work of the Analytical Department for many years. He also worked for the State Revenue Service.

**Term of office:** until July 1, 2027.



### **Imants Mantiņš, Commissioner**

The PUC Commissioner for the second term. He previously provided consultations on business management and investment issues. He was a member of the board of the state JSC Latvijas Pasts. He was a member of the council of the state JSC Latvijas gaisa satiksme and the municipal LLC Rīgas satiksme, as well as fulfilled the duties of both the board and the council member of the state JSC Privatizācijas aģentūra.

**Term of office:** until July 1, 2026.



### **Rota Šņuka, Commissioner**

The PUC Commissioner for the second term. Previously, she worked for many years in the Ministry of Economics with matters of energy, European Union (EU) affairs and international relations. She gained extensive experience by participating in various EU-funded and international projects.

**Term of office:** until July 1, 2027.



### **Anna Upena, Commissioner**

The PUC Commissioner for the first term. Prior to that, she mainly worked at the Ministry of Economics and was an advisor at the Permanent Representation of the Republic of Latvia in the EU. She chaired Latvia's presidency of the EU Council in Brussels on the matters of economic development. She was the deputy head of the association Latvijas būvuzņēmēju partnerība.

**Term of office:** until July 1, 2026.

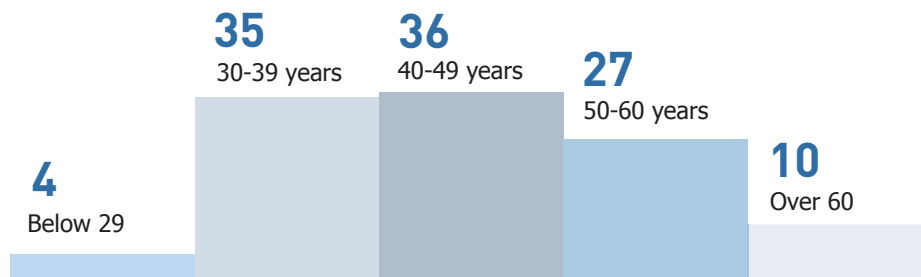
## **EXECUTIVE BODY**

The executive body is subordinated to the Board and performs the functions of the Board's secretariat and experts, preparing documents for consideration at the Board meetings; it also implements the decisions adopted by the Board and the issued administrative acts.

The executive body consists of the executive director, six departments, including corresponding structural units for each regulated sector. The PUC's employees are highly qualified, knowledgeable professionals who regularly improve their skills and competences in working groups and seminars in Latvia and abroad.

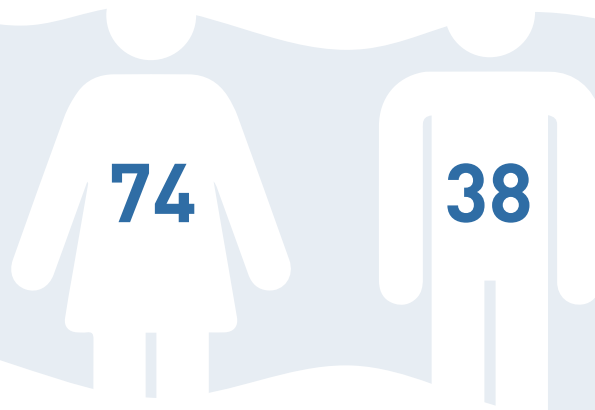
As of 31 December 2022, the PUC had **112** employees. During the year, **nine** new employees joined the team while **10** employees left the PUC for new challenges.

## AGE\*

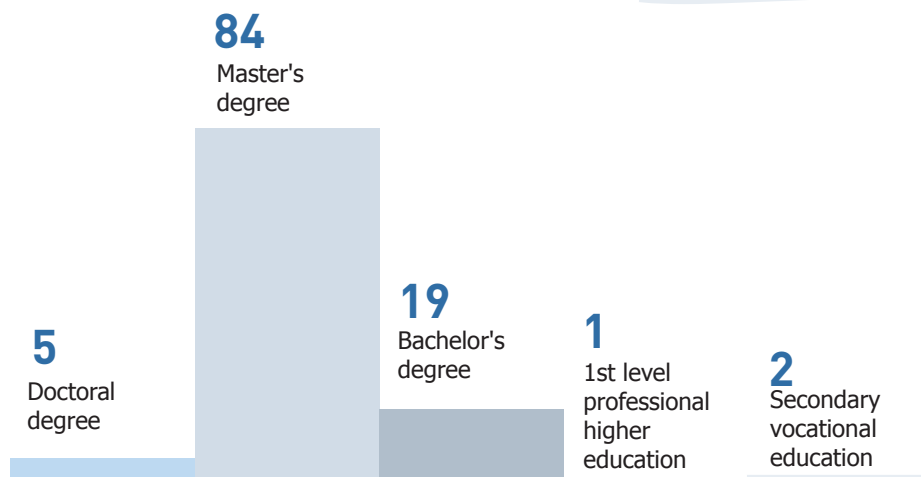


\* Average age: ~44

## GENDER




## EDUCATION LEVEL

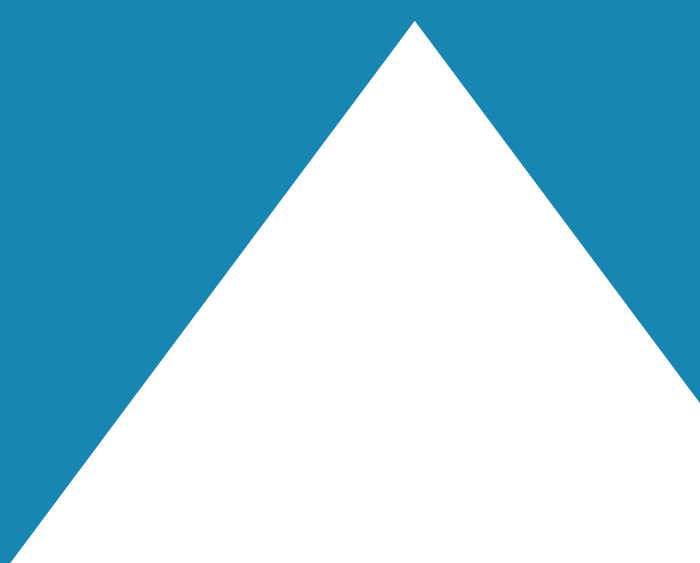


## DISTRIBUTION OF TRADES AND PROFESSIONS





# **THE PUC'S KEY PERFORMANCE INDICATORS**



# THE PUC'S KEY PERFORMANCE INDICATORS 2022

NUMBER OF  
REGULATED  
SECTORS

8



REGISTER OF  
COMPANIES

530

Total (31 December 2022)



58

New



92

Excluded



MEETINGS

57

Board meetings

4

Advisory  
Council  
meetings



RECORD  
KEEPING

11 291

Documents  
received

568

Applications by  
individuals

273

Decisions  
adopted

LEGAL  
FRAMEWORK



43

Issued external  
regulatory acts



30

Public  
consultations

LICENSES

4

New

3

Cancelled

13

Amended

OPINIONS ON

Cabinet of  
Ministers draft  
regulations

79

draft laws

23

informative  
reports

19

Cabinet of  
Ministers  
draft orders

2

SOLVING PROBLEM SITUATIONS



187

Complaints



DISPUTES

2

Heard

0

Initiated



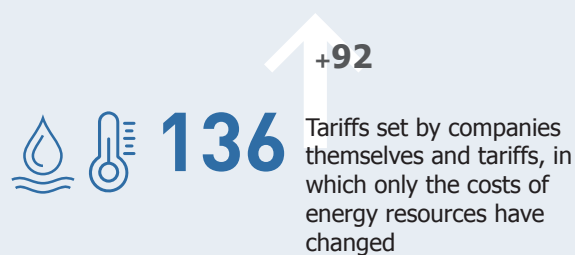
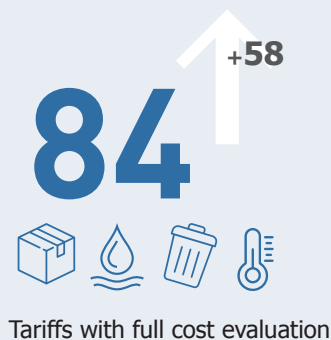
48

Heard cases of administrative  
violations

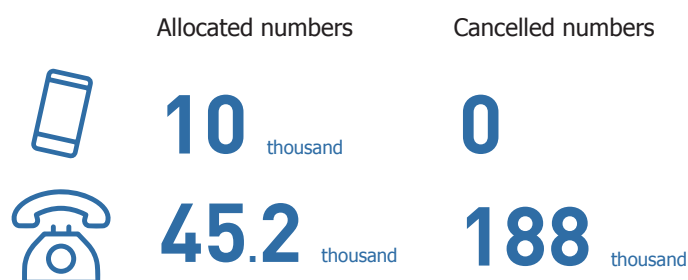
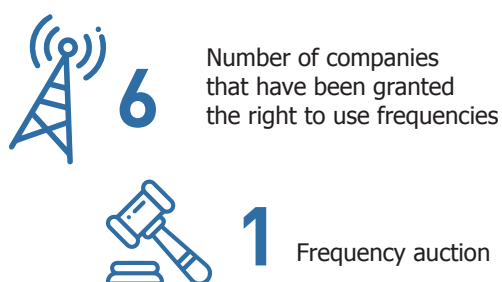
6

Heard cases of non-compliance  
with requirements

## APPROVED TARIFFS (VAT EXCLUDED)



## ALLOCATION OF SCARCE RESOURCES



## INSPECTIONS AND MEASUREMENTS

### INSPECTED FACILITIES THROUGH OPERATIONAL COMPLIANCE CHECKS OF COMPANIES' FACILITIES



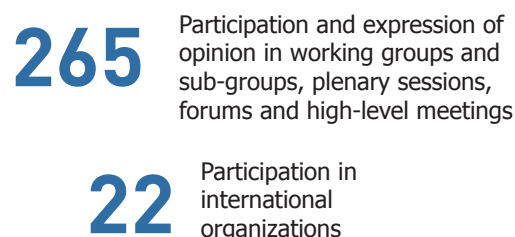
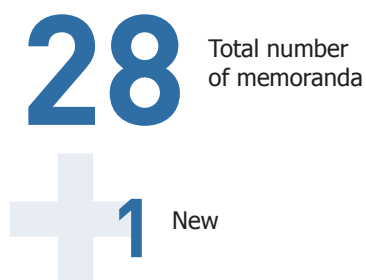
### VOLTAGE AND POWER SUPPLY QUALITY MEASUREMENTS



### NUMBER OF VOICE TELEPHONY MEASUREMENTS ON MOBILE AND FIXED NETWORKS



## INTERNATIONAL COOPERATION



Indications on comparisons against the year 2021

# **PUBLIC SERVICE SECTORS IN THE LATVIAN ECONOMY**





**Māra Bērziņa,**  
Director of Economic  
Analysis Department

The growth and trends of the sectors regulated by the PUC develop along with the general tendencies of the national economy. Companies whose activities are regulated by the PUC represent the sectors of electricity, gas, district heating, water management, electronic communications, postal services, and waste management (in which the PUC regulates only one part – the disposal of municipal waste in landfills), as well as the management of deposit packaging.

The proportion of activities of regulated companies of different sectors varies in each of the sectors, therefore the published statistical data on the overall performance of the sectors do not always reflect the trends in the work of specific regulated companies.

This review will provide a brief overview of the sectors regulated by the PUC in the context of the national economy. It should be emphasized that the 2022 data on the turnover of the regulated sectors will be available to the PUC in 2024. This is common practice, taking into account the practical

aspects of preparing financial statements of regulated companies and their alignment with the planning calendar of the national budget.

## GROSS DOMESTIC PRODUCT

According to the data of the Central Statistical Bureau (CSB), the gross domestic product (GDP) increased by 2.00% in 2022, reaching 31.9 billion euro. Economic slowdown in 2022 is mainly explained by the great uncertainty in the geopolitical situation, which has also affected supply chains of raw materials, energy and food prices.

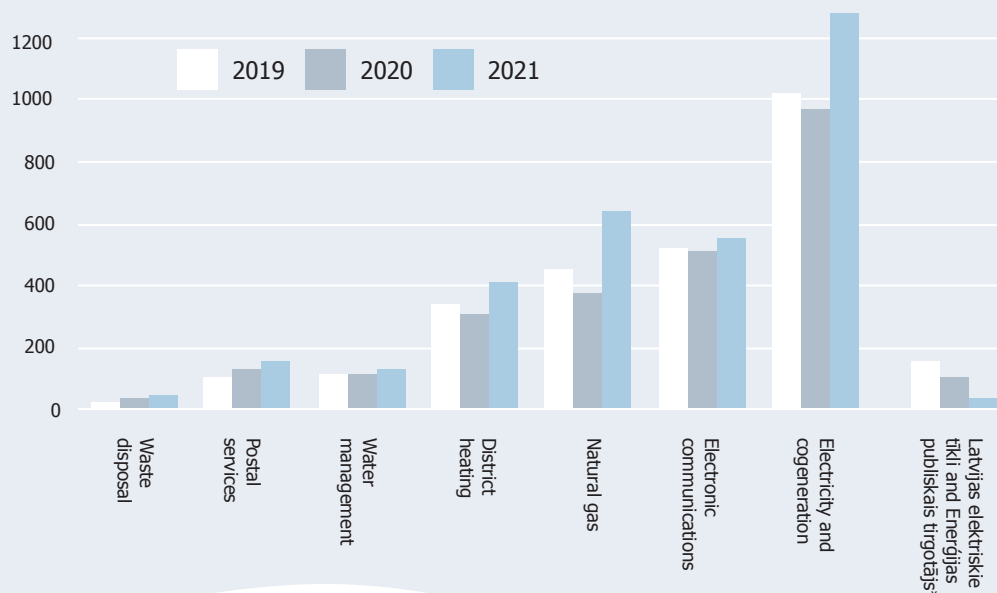
The turnover of regulated companies in 2021 was approximately 10% of GDP, which is a significant part of the national economy.

## TURNOVER OF REGULATED SECTORS

The net turnover of regulated services, calculated from data provided by regulated companies, was 3216 million euro in 2021, which is 31% higher than in 2020. This increase was mainly determined by the rise in the prices of energy resources - natural gas, electricity and fuel - on the world market, which was affected by the war in Ukraine. The net turnover in the postal sector continued to increase (by 23%), as demand for postal services remained high.

## FEE-BASED REVENUE FROM REGULATED SERVICES BY SECTOR (EUR)

JSC Latvijas elektriskie tīkli pays no fee because it was merged with JSC Augstsprieguma tīkls from 25 November 2020

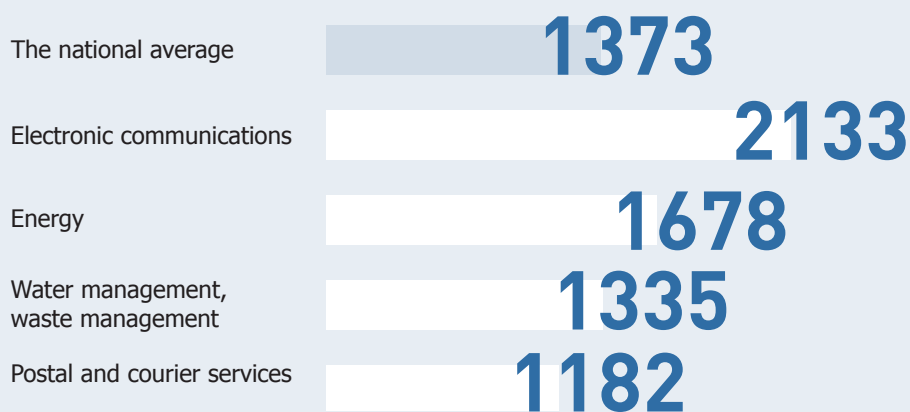


## REMUNERATION IN THE REGULATED SECTORS

The wage increase in 2022 was moderate, and it will continue in 2023 in connection with the increase of the minimum wage on January 1, 2023. However, the rate of price increase in 2022 was faster than the increase in wages, which in general negatively affected the purchasing power of the population.

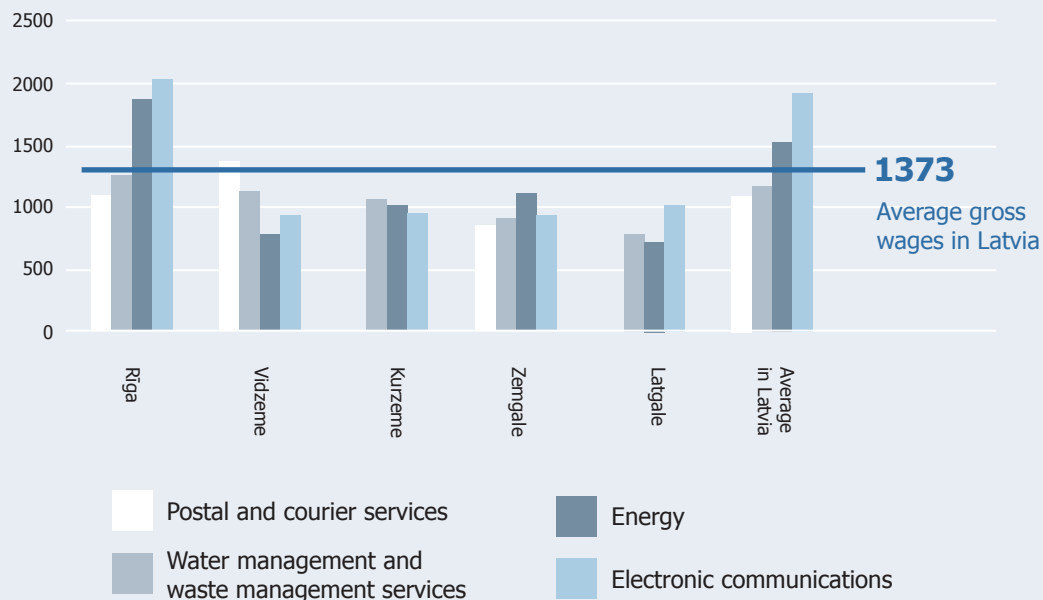
According to CSB data, the average wage in Latvia increased by 7.50% in 2022 compared to 2021. The increase in wages was also observed in all sectors regulated by the PUC.

## AVERAGE MONTHLY GROSS WAGES IN PUBLIC SERVICE SECTORS IN 2022 (EUR)



Remuneration in public service sectors is different in statistical regions of Latvia – in Kurzeme, Latgale, Pierīga, Rīga, Vidzeme and Zemgale. For example, Latgale still has the lowest wages in the energy, water management and waste management sectors. Meanwhile, in the electronic communications sector, the lowest wages are in Kurzeme. According to the available CSB data on the postal and courier sector, Vidzeme has the highest monthly average gross salary compared to the average salary in the relevant sector in the country and other regions of Latvia. It should be emphasized that data on the average monthly wages in the postal and courier sector in certain regions are not published by the CSB due to their confidentiality.

**AVERAGE MONTHLY  
GROSS WAGES IN  
PUBLIC SERVICE  
SECTORS IN  
STATISTICAL  
REGIONS IN 2022  
(EUR)**



## IMPACT OF REGULATED PRICES ON INFLATION

According to the CSB data, in 2022, services with regulated prices made up 10.89% of all household expenditures (goods and services in the consumer price index basket). The table below includes both public services regulated by the PUC and other regulated services which are not supervised by the PUC.

### Administratively regulated prices and consumer price index in 2022

|  | Share in expenditures of residents | Price increase (2022 XII vs 2021 XII) | Inflation component (percentage points) |
|--|------------------------------------|---------------------------------------|---|
| Public services regulated by the PUC   | <b>6.79%</b>                       | <b>72.08%</b>                         | <b>4.89</b>                             |
| Other regulated services (compensated medication, patient's fee, passport issuance fee, car parking, notary services, passenger transport, pre-school education, etc.) | <b>4.10%</b>                       | <b>3.07%</b>                          | <b>0.13</b>                             |
| Public services regulated by the PUC and other regulated services, total   | <b>10.89%</b>                      | <b>46.10%</b>                         | <b>5.02</b>                             |
| Consumer Price Index (inflation), total  | <b>100%</b>                        | <b>20.80%</b>                         | <b>20.8</b>                             |

Last year, compared to 2021, consumer prices increased by 20.80%, while administratively regulated prices – by 46.10%, which was facilitated by a 72.08% increase in the prices of public services in the sectors regulated by the PUC. This was largely influenced by the secondary effect of the rapid increase in the prices of energy resources on the tariffs of other regulated services.

Of the services regulated by the PUC, prices rose the fastest in the natural gas and electricity sector; as a result, heat energy prices also increased significantly by 75.70%. This was facilitated by the start of hostilities in Ukraine and the consequent increase in the prices of energy resources in world markets in 2022. Prices also increased for waste management services - by 28.90%, water supply services by 34.40%, sewerage services by 47.50% and postal services by 15.90%.

## MARKET CONCENTRATION LEVEL (HHI INDICES)

The market concentration level characterises both the options of users to choose a service provider and the mutual competition among service providers or market power. If the Herfindahl–Hirschman Index (HHI) value is smaller than 0.18, but larger than 0.1, such a market may be regarded as moderately concentrated. The HHI value above 0.18 indicates that the market is concentrated.

In recent years, market concentration has been falling in all sectors regulated by the PUC, except the electronic communications sector, where it has been assessed as moderately concentrated for several years. The concentration level of the postal services market also continues to fall. The electricity and natural gas trade market is still considered concentrated. This means that the specific market has a small number of participants.

| Sector                    | 2016         | 2017         | 2018          | 2019         | 2020         | 2021         |
|---------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Electronic communications | <b>0.164</b> | <b>0.164</b> | <b>0.168</b>  | <b>0.168</b> | <b>0.173</b> | <b>0.176</b> |
| Postal services           | <b>0.268</b> | <b>0.257</b> | <b>0.232</b>  | <b>0.183</b> | <b>0.163</b> | <b>0.134</b> |
| Electricity trade         | <b>0.609</b> | <b>0.532</b> | <b>0.406*</b> | <b>0.375</b> | <b>0.275</b> | <b>0.265</b> |
| Natural gas trade         | —            | <b>0.874</b> | <b>0.767</b>  | <b>0.594</b> | <b>0.424</b> | <b>0.554</b> |

\*The HHI calculation for 2018 and 2019 has been clarified by making a correction for the electricity wholesale revenue share of JSC Latvenergo.

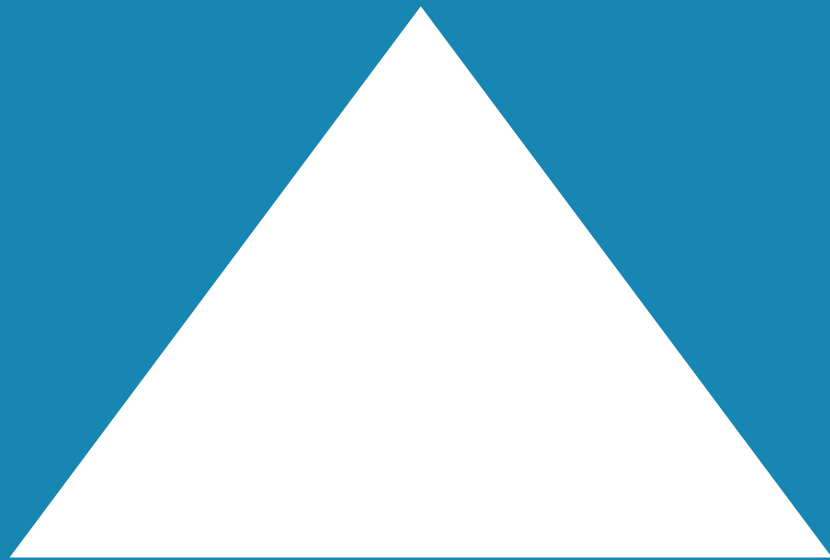
## SUMMARY

After Russia's invasion of Ukraine, economic growth in Latvia slowed down to 2% in 2022. The economic development in 2022 was significantly affected by supply chain disruptions caused by the war, the rise in inflation caused by high energy and food prices, as well as the decrease in global demand.

Uncertainty and high prices continue to affect both consumers and companies, and thus also economic development.

Consequently, the regulated sectors in the context of the national economy had become more significant at the beginning of the year and the significance continued to grow in the second half of the year, therefore several indicators increased, including inflation.

# **OVERVIEW OF THE ENERGY SECTOR**





**Jānis Negribs,**  
Director of Energy Department

In the energy sector, the year 2022 was full of challenges – the war in Ukraine shook the energy markets. In Europe, it was necessary to find immediate solutions both for reducing the energy price shock and for strengthening energy independence. Despite the upheavals, last year Europe managed to ensure stable and continuous operation of energy systems. However, it is expected that we will continue to experience medium and long-term restructuring, including the strengthening of infrastructure, this year, in 2023, and in the years to come.

The differentiation of natural gas supply sources became crucial. Alternatives for natural gas supplies from Russia had to be sought in a short time, which meant a rapid increase in liquefied natural gas supplies to Europe from other natural gas supplying countries. Changes of this scale in the natural gas market were not planned in advance, so the limitations of the existing infrastructure in extraction, transportation and reception of liquefied natural gas were highlighted. As demand exceeded supply, tensions arose in the wholesale market. The price of natural gas reached its peak on the Euro-

pean market in August, when the monthly average wholesale price of natural gas on the TTF exchange exceeded 235.00 EUR/MWh. The efforts made to pump natural gas into storage facilities before the beginning of the heating season, the additional measures to save energy resources, as well as high price incentives for users to reduce consumption in December resulted in a wholesale price of 117.00 EUR/MWh, which was close to the price observed on the TTF exchange in December 2021.

In Latvia and also in the Baltics, natural gas is an important energy resource in the production of electricity, so the increase in the price of natural gas also caused a rise in the price of electricity. The highest average monthly price of the electricity wholesale market in the Latvian trading area was observed in August, when it reached 467.75 EUR/MWh. Moreover, the price remained highly volatile. Depending on production factors and electricity demand, it continued to fluctuate at the end of the year, significantly decreasing in October, but increasing again in November and December. Changes in the wholesale market price also affected the price of electricity in the retail market. The electricity price in the fourth quarter of 2022, compared to the fourth quarter of 2021, increased by 65% for households, and by 80% for legal entities.

Due to the price of natural gas, heating costs also increased rapidly. The highest thermal energy tariff in Latvia set by the PUC was 324.44 EUR/MWh at the end of the year, which is more than three times higher than the highest tariff a year earlier. In the heat supply sector in 2022, the PUC approved a record number of regulated tariffs of thermal energy companies – 171 (evaluation of self-determined tariffs and full tariff proposals taken together). This is more than three times the number of tariffs approved in 2021.

In the heating sector, the search for an alternative fuel to natural gas was underway, which at the same time contributed to the rise in the prices of other types of fuel. High energy prices facilitated decisions (for service providers, households, corporate users, etc.) on infrastructure rearrangements, with some of the larger rearrangements continuing this year as

well. After the end of the 2022/2023 heating season, heat energy tariffs have decreased in 42% of the urban areas, while they are higher in 28% of the territories, but have remained unchanged in 30% of the urban areas, compared to the beginning of last year's heating season.

Price fluctuations and changing conditions created additional confusion for users. The number of user complaints received by the PUC increased by 38% compared to the previous year. Most of the objections received were about the increase in the prices and tariffs of energy resources. Of the received complaints, five were justified; in all five cases disagreements between the users and the service providers were resolved.

Every year, operational compliance checks are carried out in the facilities of electricity supply and heat supply companies. In the electricity sector, inspections were carried out in 52 facilities, and in 42 cases non-compliances were found, which were mostly related to the operation of electrical equipment, the maintenance of buildings and the condition of building structures, as well as documentation. Meanwhile, in the heat supply sector, inspections were carried out in 46 facilities, where non-compliances were found in half of the cases related to the operation and documentation of heating and electrical equipment. Meanwhile, in the natural gas supply sector, where inspections were carried out in 43 facilities, one non-compliance related to the operation of gas equipment was found.

We also ensure that the quality of the services provided by the regulated companies meets certain quality standards. For example, a lower system service tariff is set for the provision of inadequate electricity voltage quality to Latvian electricity users, which was granted to 129 users last year.

It is positive that the indicators of the security of electricity supply services in Latvia have stabilized. This demonstrates that the funds invested by the system operator in the reconstruction and maintenance of the infrastructure of distribution networks have made it possible to maintain the achieved reliability and availability of electricity supply.

Dynamic growth was observed in the development of renewable electricity generation – the total number of micro-generators increased fivefold during the year. At the same time, there was a rapid increase in interest in new connections of generation equipment to the electricity system, which exceeded the overall available system capacity. It became essential to align the regulatory framework that provides an advantage for the implementation of generation capacities that are ready for construction. As a result, at the end of the year the PUC approved the capacity reservation charge for electricity producers in order to prevent situations where producers book network capacity on a long term basis without taking actual steps to build the connections, while other developers cannot implement their projects due to the lack of system capacity.

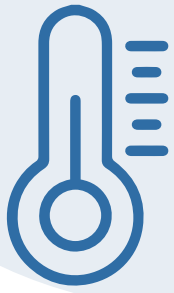
Observing the dynamics dictated by external conditions, the PUC saw the need to make the methodology for calculating heat energy tariffs more flexible. The innovations allow reflecting fuel costs in the tariffs more swiftly even in cases where an alternative fuel to natural gas is used. In order to promote both the stability of tariffs and the liquidity of companies, it is essential to exclude risks related to the accumulation of unexpected revenues and expenditures; therefore the approach for the review of these expenditures was standardized and simplified.

Strengthening of regulatory framework in the natural gas sector is related to both changes in external conditions and planned development of the regulatory framework. The single natural gas market of Estonia, Latvia and Finland established in 2020 allows natural gas traders to cross the territory of Latvia in transit in order to trade natural gas in the Baltic Sea region or to store it in the Inčukalns underground gas storage facility. This creates new opportunities for the dynamics of natural gas trade, which is why the regulations regarding the use of the Inčukalns underground gas storage facility are of international importance. In connection with external circumstances, amendments were made to the regulations regarding the use of the Inčukalns underground gas storage facility - providing for the possibility for system users to inject natural gas into the storage facility at a time when natural gas is being withdrawn from it. This is especially relevant in conditions where existing natural gas supply routes are changing. On the other hand, while continuing the development of the regulatory framework, the natural gas sector adopted a similar experience from the electricity sector, setting an obligation for operators of the natural gas transmission and distribution system to develop and submit a 10-year development plan to the PUC. Development of the plan and public consultation will promote both coordinated infrastructure development and users' opportunities for greater transparency.

Work on coordinated strengthening of the electricity systems of the Baltic States continued last year. The creation of the Baltic regional coordination centre was completed. Tallinn (Estonia) was chosen as its seat. The range of services of the regional coordination centre includes provision of individual and common network models, coordinated cross-system capacity calculations, security analysis, short-term provision analysis, network shutdown coordination and provision of other services related to network security for the Baltic system operators' region and Europe.

Currently, the second stage of the project on the synchronization of the Baltic States with continental Europe is developing successfully. The implementation of the project is planned by the end of 2025. Last year, an investment agreement with the European Climate, Infrastructure and Environment Executive Agency (CINEA) for 170 million euro was also signed. However, taking into account the current geopolitical situation, the transmission system operators of the Baltic States have also developed an emergency scenario of desynchronization from the combined electricity system of Russia and Belarus in case the Baltic States were disconnected from this system without warning, and switching to synchronous operation with the electricity system of continental Europe using existing infrastructure. Currently, the transmission system operators of the Baltic States already work in such a way as not to use the Russian electricity system as an open balance provider, providing balancing energy with available balancing energy capacities of the Baltic States, Poland and the Nordic countries.

Changes in external conditions in the past year have prioritized the issues of energy independence and safe, continuous operation of systems. Reorganizations of this scale are not possible in one day, so it is expected that these issues will be the focus of attention in 2023 and in the following years. Experience shows that realignments can call high risks of uncertainty and price fluctuations in wholesale energy markets. The task of the PUC's Energy Department remains unchanged - to monitor the fair commercial practices of the regulated companies and determination of economically justified prices, to promote the development of the sector, including by coordinating actions together with the European Union regulators, as well as to inform the public about user rights and the work of the PUC.



## THERMAL ENERGY 2022



### REGISTER OF COMPANIES

#### TRADERS

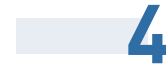
**68**

Total (31 December 2022)



**5**

New



**4**

Excluded

#### PRODUCERS

**95**

Total (31 December 2022)



**7**

New



**12**

Excluded

### LEGAL FRAMEWORK



**0**

Issued external  
regulatory acts



**3**

Public consultations

#### LICENCES



**4**

New



**3**

Cancelled

**10**

Amended

### SOLVING PROBLEM SITUATIONS



**31**

+24

Complaints

#### TYPES OF COMPLAINTS

**2**

Accounting  
and settlements

**9**

Other issues

**20**

Tariffs

**0**

Cases of administrative  
violations

### OPERATIONAL COMPLIANCE CHECKS



**18**

Inspected  
companies

**23**

Number of  
non-compliances found

**46**

Inspected  
facilities

**13**

Number of non-compliances  
eliminated



Indications on comparisons against the year 2021

## TARIFFS (VAT EXCLUDED)



**6** Issued tariff application procedures

**121** Approved tariffs set by the companies themselves

**50** Approved tariffs of companies with full cost evaluation

**5** Permits granted to companies to set their own tariffs



**HIGHEST IN THE COUNTRY\***

**324.44** EUR/MWh  
Ikšķile

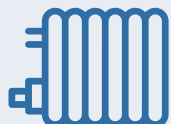
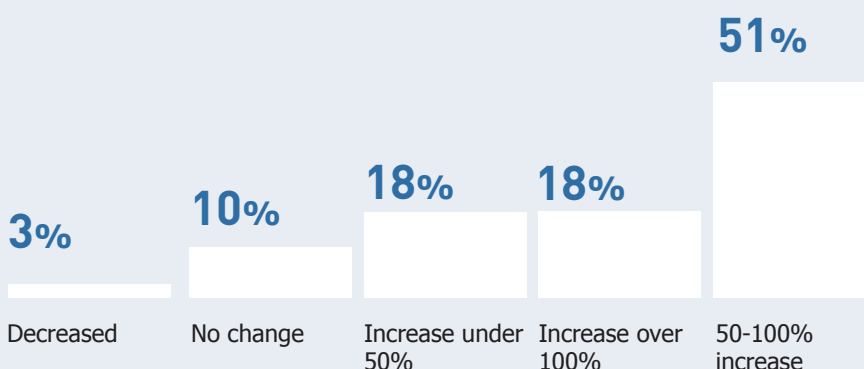
**LOWEST IN THE COUNTRY\***

**35.40** EUR/MWh  
Ogre

\* As of 31 December 2022

## SECTOR INDICATORS

### CHANGES IN TARIFFS OF REGULATED COMPANIES (MAY 2023 VS MAY 2022)



**AMOUNT OF HEAT ENERGY DELIVERED TO USERS**

**5 492 165** MWh  
-5%



**NATURAL GAS WHOLESALE MARKET PRICE IN DECEMBER**

**117.10** EUR/MWh  
+108%



**PRICE OF WOODCHIPS ON THE BALTPOL EXCHANGE IN DECEMBER**

**40** EUR/MWh  
x2



Indications on comparisons against the year 2021



## ELECTRICITY 2022

### AGGREGATORS

**3**

Total (31 December 2022)

**1**

New

**1**

Excluded



### REGISTER OF COMPANIES

#### TRADERS

**44**

Total (31 December 2022)

**11**

New

**11**

Excluded

#### PRODUCERS

**59**

Total (31 December 2022)

**6**

New

**16**

Excluded

## LEGAL FRAMEWORK



**4**

Issued external regulatory acts

### LICENCES

**0**

Cancelled

**0**

New

**3**

Amended



**4**

Public consultations

## SOLVING PROBLEM SITUATIONS

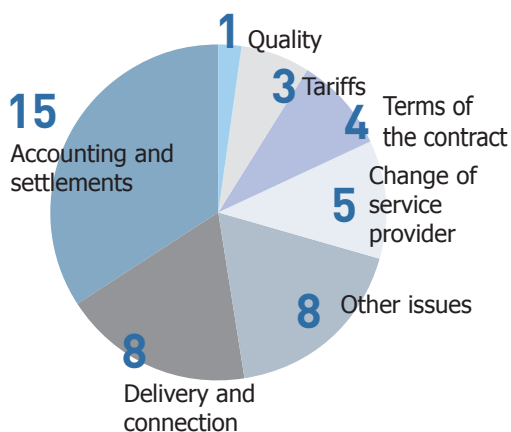
### TYPES OF COMPLAINTS



**44**

Complaints

-7



**9**

Proceedings for non-compliance with requirements

## MEASUREMENTS OF SERVICE QUALITY



**90**

Measurements of voltage and power supply quality

**129**

users were granted a reduced distribution tariff for inadequate quality in 2022

**617**

Users received a reduced distribution tariff for inadequate quality (total number as of 31 December 2022)



### DISPUTES

**2**

Heard

**0**

Initiated

## OPERATIONAL COMPLIANCE CHECKS

**24**

Inspected companies

**42**

Number of non-compliances found

**52**

Inspected facilities

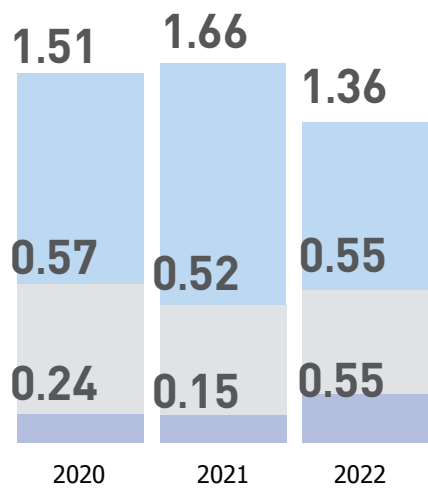
**15**

Number of non-compliances eliminated

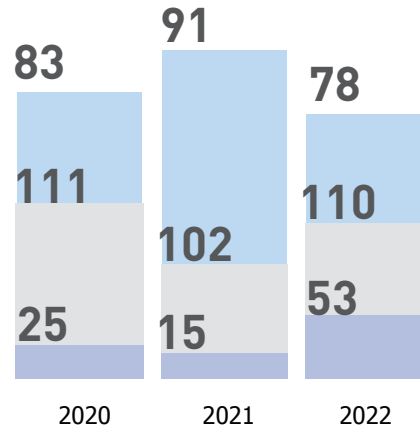


Indications on comparisons against the year 2021

**SAIFI: AVERAGE NUMBER OF POWER OUTAGES PER CUSTOMER PER YEAR**



**SAIDI: AVERAGE DURATION OF POWER OUTAGES (MIN) PER CUSTOMER PER YEAR**

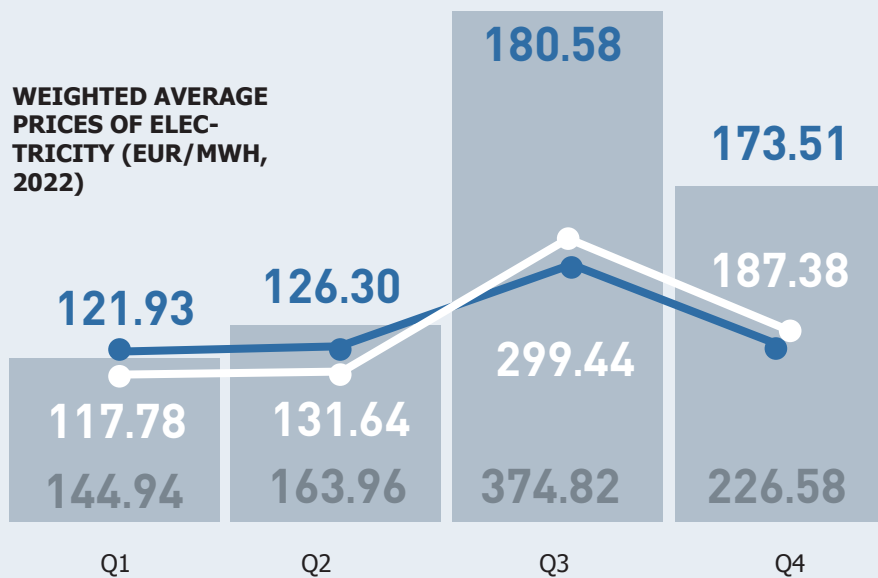


Unplanned under normal circumstances    Planned    Unplanned in emergency circumstances

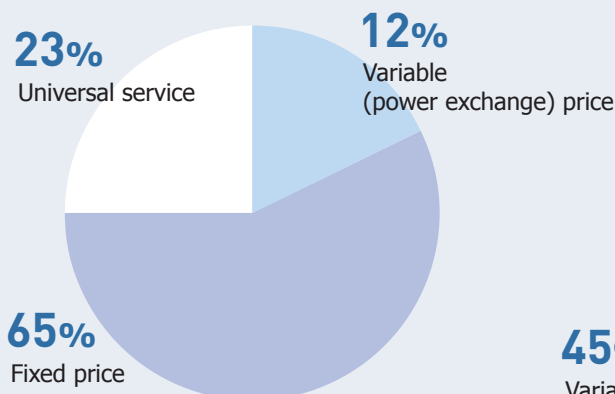
**SECTOR INDICATORS\***

- FOR LEGAL ENTITIES
- FOR HOUSEHOLDS
- NORD POOL EXCHANGE

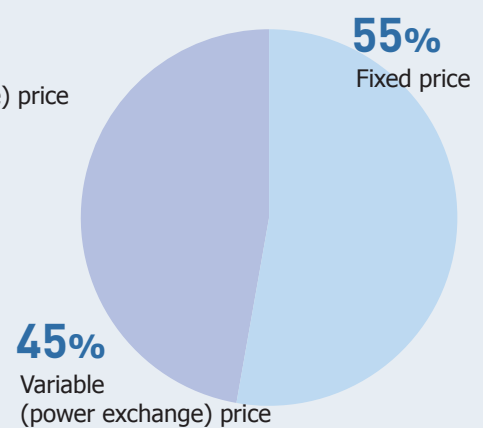
**WEIGHTED AVERAGE PRICES OF ELECTRICITY (EUR/MWH, 2022)**



**HOUSEHOLDS**



**LEGAL ENTITIES**



**PROPORTION OF FIXED/VARIABLE PRICE CONTRACTS**



Indications on comparisons against the year 2021

\* According to the information provided by electricity undertakings



## NATURAL GAS 2022



### REGISTER OF COMPANIES

TRADERS

**33**

Total (31 December 2022)



**8**

New

**5**

Excluded

### LEGAL FRAMEWORK

#### LICENSES



**3**

Issued external regulatory acts

**0**

New

**0**

Cancelled

**0**

Amended



**2**

Public consultations

### SOLVING PROBLEM SITUATIONS

#### TYPES OF COMPLAINTS

**12**

Accounting and settlements

**2**

Delivery and connection

**4**

Terms of contract

**6**

Other issues

**10**

Tariffs



**34**

Complaints

+13

**1**

Heard case of non-compliance with requirements



**0**

DISPUTES Initiated

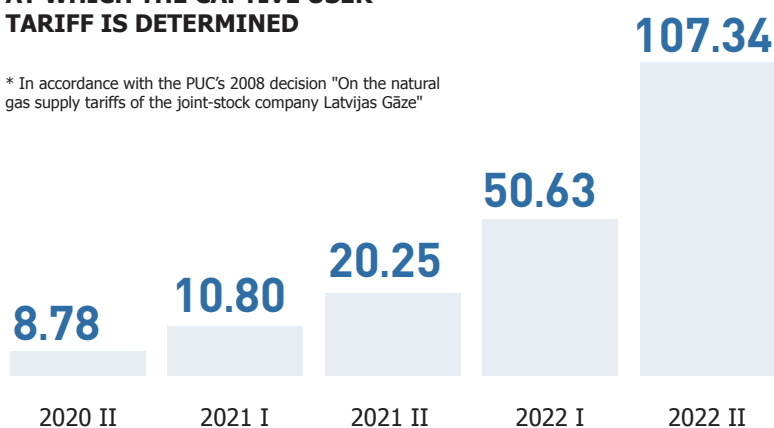
### TARIFFS (VAT EXCLUDED)



#### REVISION OF TARIFFS\*

#### NATURAL GAS TRADE PRICES AT WHICH THE CAPTIVE USER TARIFF IS DETERMINED

\* In accordance with the PUC's 2008 decision "On the natural gas supply tariffs of the joint-stock company Latvijas Gāze"



#### NATURAL GAS TRANSMISSION SERVICE TARIFFS FOR THE SUPPLY OF CONSUMERS IN LATVIA\*\*

**1.93** EUR/MWh

\*\* Tariff valid since October 1, 2021

### OPERATIONAL COMPLIANCE CHECKS

**2**

Inspected companies

**43**

Inspected facilities

**1**

Number of non-compliances found

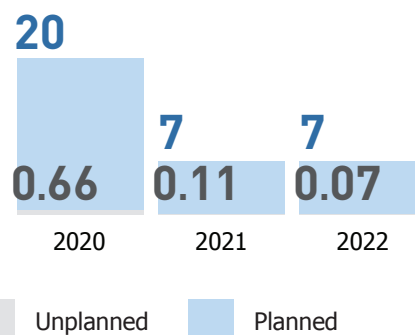
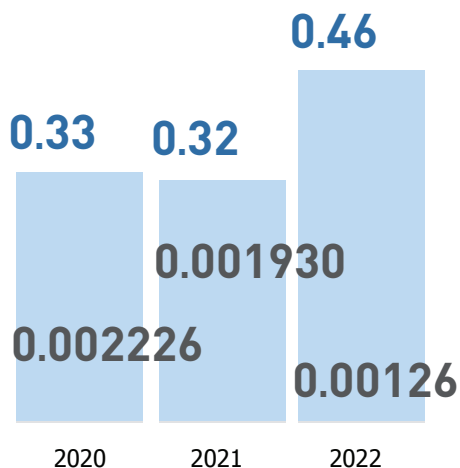
**1**

Number of non-compliances eliminated

## MEASUREMENTS OF SERVICE QUALITY

**SAIDI: DURATION OF NATURAL GAS SUPPLY INTERRUPTIONS (MIN) PER USER**

**SAIFI: NUMBER OF NATURAL GAS SUPPLY INTERRUPTIONS PER USER**

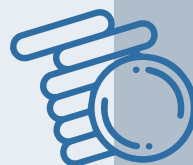


Unplanned Planned

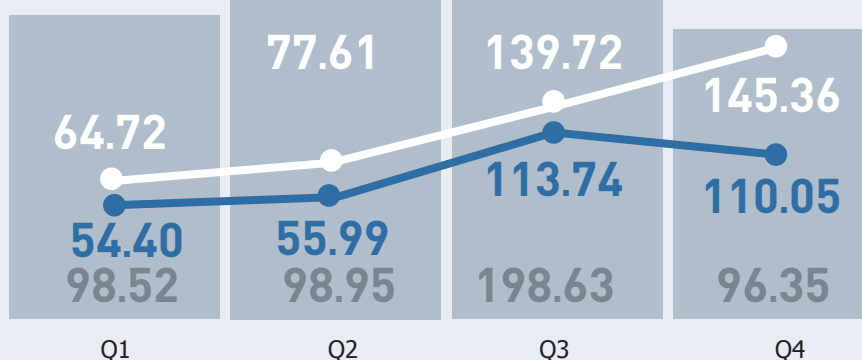
## SECTOR INDICATORS\*\*\*

\*\*\* According to the information provided by natural gas companies

**WEIGHTED AVERAGE NATURAL GAS PRICES (EUR/MWH, 2022)**



● FOR LEGAL ENTITIES  
● FOR HOUSEHOLDS  
■ TTF EXCHANGE



**INCUKALNS**



**52%**

Filling of the Incukalns storage facility

At the end of the injection season

# **OVERVIEW OF THE ELECTRONIC COMMUNICATIONS AND POSTAL SECTOR**





**Ivars Tauniņš,**  
Director of Electronic Communications  
and Post Department

In general, the year 2022 was dynamic and full of changes for the Electronic Communications and Post Department. There were quite a few challenges, especially in the preparation of regulatory acts both in the electronic communications and postal sectors. In total, 25 regulatory acts were issued in both sectors. The sector indicators compiled by the PUC show that the social habits formed during the Covid-19 restrictions have strengthened, which are influenced by the benefits of remote opportunities (study, work, communication, consignments, etc.).

In the reporting year, the most important event in the **electronic communications sector** was the entry into force of the Electronic Communications Law in July, in the development of which the PUC participated, by providing opinions and being involved in the work of the Saeima committees. Along with the adoption of the law, the norms established by the European Union were taken over, which obliged the PUC to develop several regulatory acts. Thanks to the work of the PUC experts, a total of 20 regulatory acts were prepared and adopted in the electronic communications

sector during the reporting period. As usual, all regulatory acts were publicly consulted upon, so that interested parties had the opportunity to read them before approval, as well as to provide opinions and proposals.

After compiling data on the indicators of electronic communications companies in 2022, we concluded that remote opportunities still had a significant impact on changes in the telecommunications sector by promoting an active use of Internet services. Among users, the consumption of mobile Internet increased significantly, while the duration of calls in the mobile network decreased. Meanwhile, the role of the fixed network voice service in the market continues to decrease. On a positive note, the users of fixed Internet services are gradually being provided with increasingly higher connection speeds.

Significant changes related to the new requirements of the Electronic Communications Law were foreseen in the use of limited radio frequency bands. Accordingly, the PUC improved the regulations on the rights to use radio frequencies, as well as the allocation of the rights by auction, approving the corresponding regulations in August. The regulations on the rights to use a limited radio frequency band provide that in the future the PUC will grant, cancel, extend, transfer or lease the rights to use radio frequencies only for limited bands of the radio frequency spectrum. Meanwhile, the state JSC Elektroniskie Sakari will be the institution responsible for the other radio frequency bands.

According to the regulations, mobile operators will also have the right to jointly use limited bands in the future, provided that the conditions of competition in the market are not distorted. Accordingly, the first application for the joint use of radio frequency bands was received in August. In the application, LLC Bite Latvija and LLC UNISTARS asked for permission to jointly use the limited radio frequency bands already used by each company separately - 1.8 GHz and 3.6 GHz. The final decision on the granting of the permission was adopted by the PUC at the beginning of 2023 after conducting an evaluation, analysing the benefits of joint cooperation, as well as the impact on competition.

Another significant change was related to the National Numbering Plan, which previously

was under the supervision of the state The Ministry of Environmental Protection and Regional Development. Henceforth, it will be monitored by the PUC. A new version of the National Numbering Plan developed by the PUC came into force in October. The changes apply to electronic communication companies which provide the voice communication service.

One of the functions of the PUC is to monitor the quality of Internet, voice communications, SMS and television program distribution services. To describe the performance of service quality measurements more precisely and clearly, the PUC made improvements to the methodology, which entered into force in October. Scheduled service quality measurements for the voice services are provided by the PUC throughout the calendar year, but extraordinary measurements are performed upon receipt of complaints from users or companies.

Continuing to carry out measures to reduce numbering fraud, in September, the PUC approved the regulations that provide how electronic communications operators should act in the future if they detect a possible case of numbering fraud. These regulations entered into force on October 1. The regulations contain several indicators of numbering fraud that allow determining whether certain calls may be considered fraudulent. At the same time, an easy-to-understand procedure was also developed for how a company should act in the event of a fraud, in order to minimize the negative consequences for the overall electronic communications market. In total, the PUC detected 12 cases of fraud in the reporting year.

To help users make an informed choice, the PUC developed guidelines for electronic communications companies with requirements for the information to be included in the summary of a service contract, which were approved at the beginning of November. Companies must prepare a contract summary for each tariff plan, which must be available to the end user before concluding the contract. The information included therein is in a uniform format, so the user can easily compare it with the conditions of services offered by other companies, for example, regarding price, contract term, Internet speed, etc.

During the reporting year, the PUC continued to monitor the quality of voice services. Taking into account the technological development of mobile electronic communication networks, at the end of the year the PUC started to measure the quality of voice services by using VoLTE technology, ensuring a more accurate assessment of the quality of voice services. In the 2022 review conducted by the PUC, it was concluded that the overall speech transmission quality is still good, the average call set-up time is generally consistently fast, the unsuccessful call ratio is lower and voice services in the mobile network with VoLTE technology are of excellent quality.

As a particularly important event, it should also be mentioned that the results of the auction organized by the PUC for the 1.5 GHz range of radio frequency spectrum bands were approved in January. The rights to use the radio frequency spectrum were obtained by three mobile operators, while the auction revenue in the amount of 780 thousand EUR was transferred to the state budget. This is one of the radio frequency bands that can also be used for 5G service in the future. It strengthens the capacity of the mobile communication network, including ensuring high download speeds and data coverage in the country, taking into account the increasing volumes of download data to be transmitted. Since 2010, the PUC has organized 12 radio frequency auctions.

Regulatory changes were also made in the **postal sector**. In April, the regulations developed by the PUC entered into force, combining two previously existing legislative acts. In the elaborated Regulations Regarding the General Authorisation and Registration in the

Postal Sector, both the terms of the general authorisation and the registration procedure of postal operators have been improved. Thanks to the changes, users' awareness of their rights in the market and the quality of servicing will be promoted. By choosing the best postal service provider for their needs, users will have the opportunity to obtain more information in the future. For example, information about postal service quality requirements that an operator must comply with, procedures for receiving compensation, and other essential information.

After compiling the data submitted by postal operators to the PUC for the year 2022, we concluded that the total number of sent postal packages decreased by 1.3 million or 5.2%, while the number of letter correspondence decreased by 24%. Users still preferred to send and receive postal items by using parcel machines or locations for the provision of postal services.

It should be reminded that the PUC sets quality requirements only for the provider of the universal postal service (UPS), which is currently the state JSC Latvijas Pasts. Meanwhile, the other postal operators registered with the PUC determine the quality requirements themselves. However, all postal operators registered with the PUC are obliged to comply with the regulatory acts of the postal sector, which the PUC supervises within the scope of its competence.

Accordingly, the PUC also developed the methodology according to which the UPS provider will calculate the net costs of fulfilling UPS obligations in the future. The methodology was approved in April. Namely, if the fulfilment of UPS obligations for the previous year has caused losses and the UPS provider is exposed to an unfair financial burden. The PUC needs this information to evaluate the net costs calculated by the UPS provider. The new methodology was developed due to the amendment of the legal norm by which the Postal Law established the delegation for the PUC to determine the methodology for calculating and determining net costs.

At the end of the year, the PUC approved the evaluated UPS tariffs submitted by the state JSC Latvijas Pasts. The new tariffs for letter correspondence and postal parcels entered into force on January 1, 2023, while the tariffs for subscribed press delivery services came into force on March 1, 2023.

One of the tasks of the PUC is to ensure protection of users' interests. User complaints and questions about electronic communication services were mainly received about bills, service quality and contracts. Meanwhile, users in the postal sector have addressed the PUC regarding lost and damaged items, as well as about deliveries of postal items.

Looking ahead to the year 2023, one of the biggest challenges will be to monitor that the changes introduced in the regulatory framework in the reporting year are complied with. It is also planned to develop guidelines for joint use of a limited radio frequency band and active infrastructure, and in connection with numbering fraud - proposals to minimize cases and possibilities of numbering fraud. Work will continue on the implementation of a tariff comparison tool, as well as the organization of procurement for the Internet quality measurement tool and other significant activities. In the postal sector, the PUC will continue to monitor the provision of the universal postal service by the state-owned universal postal service provider JSC Latvijas Pasts, and will also assess the aspects of providing the universal postal service.



## ELECTRONIC COMMUNICATIONS 2022



### REGISTER OF COMPANIES

# 220

Total (31 December 2022)



## 11

New

## 29

Excluded

### LEGAL FRAMEWORK



## 21

Issued external regulatory acts



## 9

Public consultations

### SOLVING PROBLEM SITUATIONS



## 34

Complaints

-24%



## 125

Consultations

+4%



## 27

Cases of administrative violations

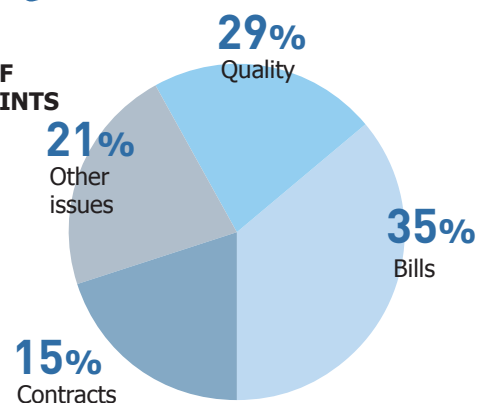


## 12

Applications of companies about numbering fraud

-37%

### TYPES OF COMPLAINTS



### MEASUREMENTS OF SERVICE QUALITY



#### VOICE SPEECH TRANSMISSION QUALITY (ON A 5-POINT SCALE)



In the fixed network  
**>40 000**



In mobile network  
**>75 000**

## 3.39

BITE Latvija

## 3.18

LMT

## 3.36

TELE2

Using the POLQA algorithm without VoLTE support.

## 4.30

BITE Latvija

## 4.35

LMT

## -

TELE2

Using the POLQA algorithm with VoLTE support.



## 4.02

TET

Using the PESQ algorithm.

## 4.38

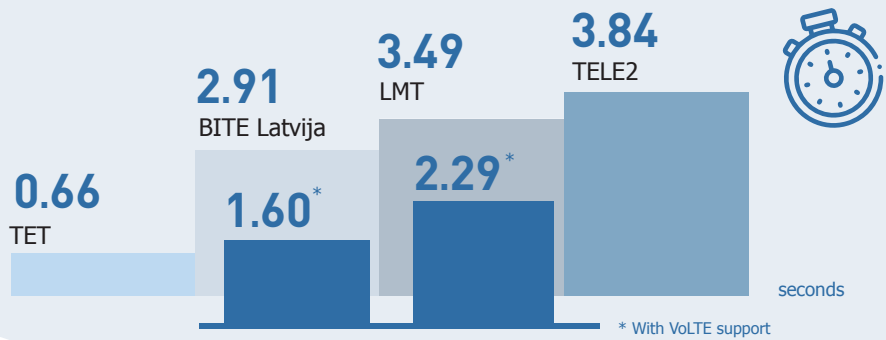
TET

Using the POLQA algorithm.



Indications on comparisons against the year 2021

### AVERAGE CALL SET-UP TIME IN FIXED AND MOBILE NETWORKS (IN SECONDS)



### ALLOCATION OF SCARCE RESOURCES



6

The number of companies  
that have been granted the  
right to use frequencies



1

Frequency auction



Allocated numbers

10

thousand



45.2

thousand

Cancelled numbers

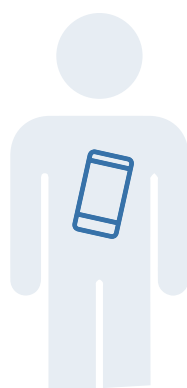
0

188

thousand

### SECTOR INDICATORS\*\*

#### AVERAGE CONSUMPTION PER USER PER MONTH



232

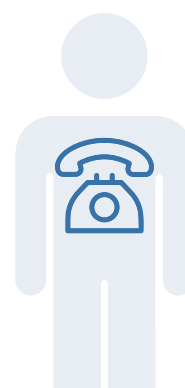
-9%  
min

42

+18%  
GB

32

-13%  
SMS



55

-4%  
min

### SERVICE REVENUES OF ELECTRONIC COMMUNICATIONS COMPANIES (EXCLUDING VAT)



562

million EUR

Total

+5%

+9%

131

million EUR

Mobile Internet

+12%

166

million EUR

Mobile voice  
communications

+6%

66

million EUR

Fixed Internet

-12%

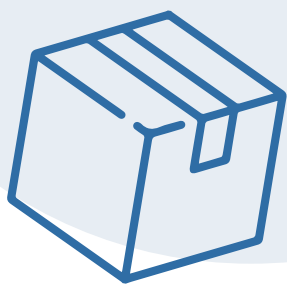
12

million EUR

Fixed voice  
communications

Indications on comparisons against the year 2021

\*\* According to information provided by electronic communications companies



## POSTAL SERVICES 2022



### REGISTER OF COMPANIES

# 62

Total (31 December 2022)

+ **5** New

- **14** Excluded

### LEGAL FRAMEWORK



**7** Issued external  
regulatory acts



**5** Public consultations

### SOLVING PROBLEM SITUATIONS



**21** Cases of  
administrative  
violations



**14** Complaints

-30%



**84**

Consultations

-62%

### TYPES OF COMPLAINTS

**28%**  
Lost and  
damaged items

**29%**  
Various  
reasons

**43%**  
Delivery  
of items

### TARIFFS



New tariffs approved for universal postal services  
provided by the state JSC Latvijas Pasts  
Tariffs are applied from 2023

### POSTAL SERVICE USAGE TRENDS\*



#### NUMBER OF ITEMS

Cross-border  
**10.9** million  
-10%

Domestic  
**13.4** million  
-1%



#### NUMBER OF ITEMS

**7.9** million  
-36%

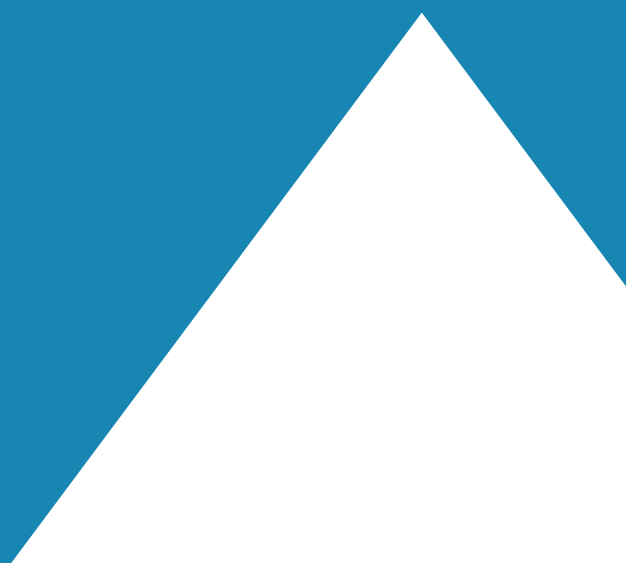
**12.9** million  
-15%



Indications on comparisons against the year 2021

\* According to information provided by postal operators

# **OVERVIEW OF THE WATER, DEPOSIT SYSTEM AND WASTE MANAGEMENT SECTOR**





**Agnese Kozlovskā,**  
Director of Water, Deposit System  
and Waste Management Department

Despite the challenging year, the Water, Deposit System and Waste Management Department continued to protect the interests of users and to promote the development of public service providers in the changing conditions. The department's experts advised users and companies on the occurring changes, tariffs and how to adapt to changing conditions.

**The water management sector**, similar to other sectors, was most significantly affected in 2022 by the rapid increase in the costs of energy resources, which also caused an increase in other costs. As a result, the number of evaluated tariff proposals for water management services increased significantly. In total, 54 tariff proposals for water management services were evaluated by the PUC. Of these, 45 were approved in the reporting year, which is five times more than the year before, while the evaluation of the rest continued in 2023. Of the tariffs approved last year, in 33% of cases, only the costs of energy resources changed.

In order to balance the interests of both service providers and users in these changing conditions, the PUC made changes in the regulatory framework of the water management sector, as a result of which amendments to the methodology for calcu-

lating tariffs for water management services were approved last November. The amendments introduced a new approach – an opportunity for undertakings to set their own tariffs by submitting calculations and their justification to the PUC, if the charge for electricity or the tariff (or the charge approved by the local government) for the purchase of water management services from other companies had changed. These changes make it possible to accelerate the entry into force of tariffs; therefore companies can promptly adjust to rising costs, while users are protected in the event of a decrease in costs. Namely, the amendments also include an obligation to set a new tariff, if changes in charges or tariffs result in a reduction of water service tariffs by more than 10%.

The new amendments also allow companies to recover the economically justified unexpected costs of the previous period (starting from January 1, 2022), if between the tariff evaluation periods the payments for energy resources have been higher than what was planned in the current tariff, as well as compensating users for the overpayment if they have been smaller.

Taking into account the introduced amendments to the methodology for calculating tariffs for water management services, the PUC, in addition to the annual monitoring of the water service costs and volumes, now also regularly monitors the impact of changes in electricity prices on water service tariffs, analyses the impact of unexpected costs and revenues, and controls that water management service providers calculate their self-determined tariffs on time.

As the changes caused by the administrative-territorial reform continued, several regulated water management service providers took over the provision of water services from local government institutions and from smaller companies not regulated by the PUC. In three cases, regulated undertakings were merged during the reporting period.

Meanwhile, in the **waste management sector**, where the PUC only regulates the disposal

of municipal waste in landfills, the PUC was actively involved in the development and harmonisation of amendments to the Waste Management Law and other regulatory acts in order to achieve the goals set in the National Waste Management Plan 2021-2028. One of the main conditions in the plan is to dispose in landfills no more than 10% of the total amount of generated municipal waste in 2035. Amendments to the Waste Management Law provide for the PUC's obligation to develop a methodology for calculating tariffs for unsorted municipal waste processing by the middle of 2024.

In the reporting year, the tariff approved by the PUC for LLC Getliņi EKO entered into force. This is the first regulated undertaking in the country, which, with the co-financing of the European Union (EU), has ensured the construction of a biodegradable waste processing facility that meets EU requirements. Projects for the construction of similar facilities were started by five more waste landfill operators in the reporting year – LLC Atkritumu apsaimniekošanas sabiedrība PIEJŪRA, LLC LIEPĀJAS RAS, LLC ZAAO, LLC Jelgavas komunālie pakalpojumi and LLC Atkritumu apsaimniekošanas Dienvidlatgales starppašvaldību organizācija. Due to the implementation of the projects, a large increase in the costs of the regulated service is expected in connection with the investments made. At the same time, it is important to point out that thanks to the implemented project, the amount of biological waste that is disposed in landfills will be reduced and biodegradable waste will be processed or regenerated in accordance with EU requirements by collecting landfill gas and obtaining energy.

Tariffs for municipal waste disposal increased for all ten regulated companies in the waste management sector due to the annual increase in the natural resource tax rate for waste disposal from 65 EUR/t (in 2021) to 80 EUR/t (in 2022). The increase in tariffs in the reporting year was also facilitated by the rise in electricity, heating and fuel costs. Personnel costs, costs related to stricter environmental protection requirements, as well as investments in landfill infrastructure also increased. As a result, the PUC approved higher tariffs for three providers of municipal waste disposal services (LLC ALAAS, LLC Atkritumu apsaimniekošanas sabiedrība PIEJŪRA, and LLC LIEPĀJAS RAS).

Along with the start of operation of the **beverage packaging deposit system** in Latvia on February 1 of the reporting year, the provision of a new PUC-regulated service by LLC Depozīta Iepakojuma Operators (DIO) was started in the deposit packaging management sector. DIO provides the deposit system provisioning service to deposit packers and package importers which place beverages on the market in certain types of single-use and reusable glass, plastic and metal packaging. Packers pay a deposit system participation fee for each packaging unit placed on the market.

When starting to provide the service, the deposit system participation fee estimate was applied to DIO packers for each of the packaging groups. This was calculated by the service provider according to the methodology developed by the PUC, participating in the tender announced by the State Environmental Service for the position of deposit system operator. Meanwhile, in December, DIO submitted the first proposal of the deposit system participation fee to the PUC for evaluation. The PUC completed the evaluation process in February 2023, and accordingly the new participation fee entered into force on April 1, 2023. In the future, it is expected that the DIO deposit system participation fee could be revised and submitted to the PUC for evaluation every year.

During the reporting year, the PUC also actively participated in the development of amendments to the Regulations Regarding the Operation of the Deposit System advanced by the sector's ministry.



## WATER MANAGEMENT 2022



### REGISTER OF COMPANIES

# 60

Total (31 December 2022)



# 0

New

# 3

Excluded

### LEGAL FRAMEWORK



# 4

Issued external regulatory acts



# 5

Public consultations

### SOLVING PROBLEM SITUATIONS



# 30

Applications/questions



# 40

Consultations

+5 %

### TYPES OF APPLICATIONS/ QUESTIONS

# 43%

Submitted tariff proposals

# 34%

Other issues

# 23%

Application of tariffs

### TARIFFS (VAT EXCLUDED)



HIGHEST IN  
THE COUNTRY

# 4.10\*

EUR/m<sup>3</sup>

in Plavinas town, Aiviekste, Klintaine and Vietlava parishes

LOWEST IN  
THE COUNTRY

# 1.41\*

EUR/m<sup>3</sup>

in Olaine

# 2.73\*

EUR/m<sup>3</sup>

Average tariff for water management

+17 %



Approved tariffs of companies, in which only the costs of energy resources have changed

# 15

Approved tariffs of companies with full cost evaluation

# 30

\*Including the tariff for both water supply and sewerage services. Data as of 31 December 2022

### SECTOR INDICATORS\*\*



# 115 058

Number of water supply connections

+1 %

# 6 194

km

Length of water supply engineering networks

- 5 km

# 97 643

Number of sewer connections

+3 %

# 5 892

km

Length of sewer engineering networks

+17 km

\*\* According to the information provided by the water management companies for the year 2021. Information for 2022 will be compiled from the reports that companies must submit to the PUC by the third quarter of 2023



## MUNICIPAL WASTE DISPOSAL

2022



## REGISTER OF COMPANIES

# 10

Total (31 December 2022)

## SOLVING PROBLEM SITUATIONS



# 12

Consultations

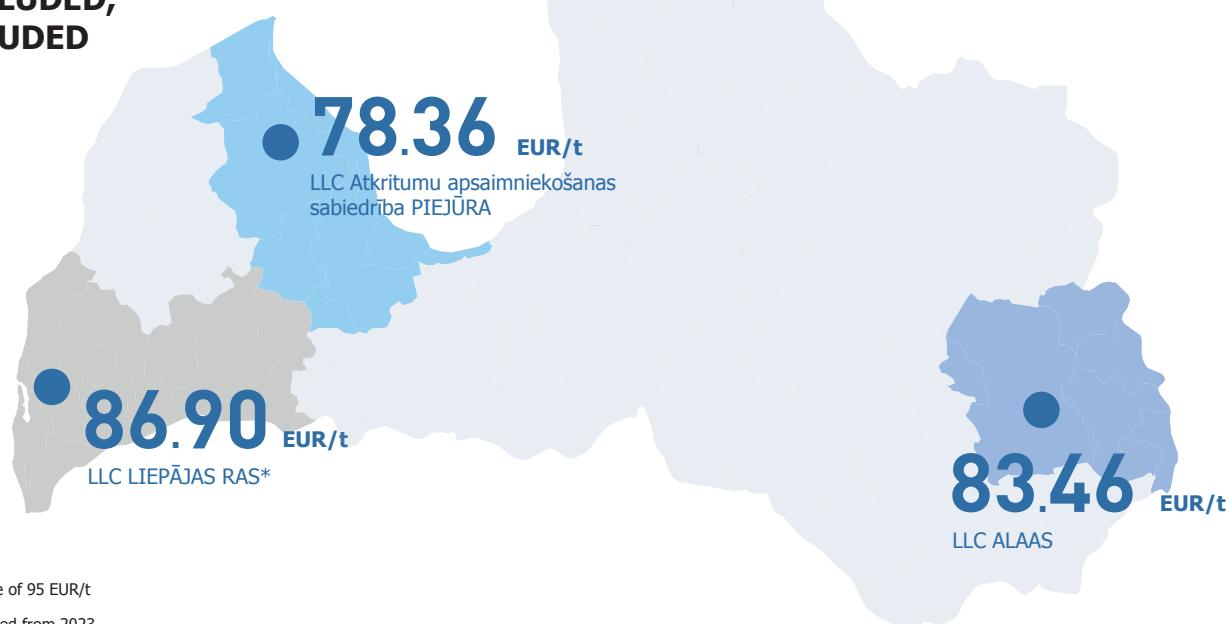


# 5

Applications

## TARIFFS (NRT INCLUDED, VAT EXCLUDED)

APPROVED\*

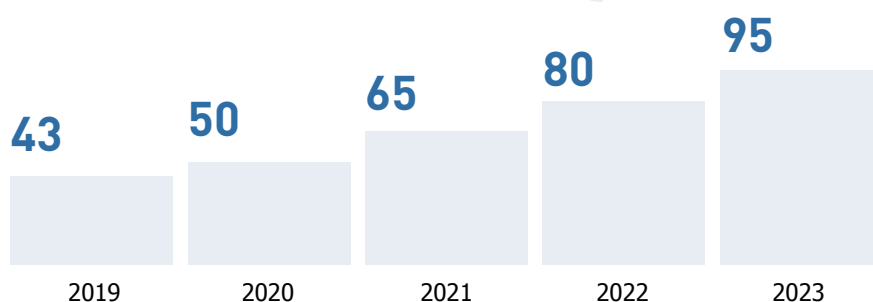


\* At the NRT rate of 95 EUR/t

! Tariffs are applied from 2023

## NATIONALLY APPLICABLE NRT RATES FOR 2019-2023 (EUR/t)

Municipal waste disposal tariffs are approved at different NRT (natural resource tax) rates for waste disposal



## SECTOR INDICATORS\*\*

**496** thousand tons  
Amount of municipal waste accepted at landfills

- 4%

**152** thousand tons  
Amount of municipal waste disposed of at landfills

\*\* According to information provided by companies for the year 2021. Information for the year 2022 will be gathered from the reports that companies must submit to the PUC in the period from June 14 to August 14, 2023



## DEPOSIT SYSTEM 2022



## REGISTER OF COMPANIES

# 1

Total (31 December 2022)

## LEGAL FRAMEWORK



# 2

Issued external  
regulatory acts



# 2

Public  
consultations

## PROBLĒMSITUĀCIJU RISINĀŠANA



# 6

Applications

# 8

Consultations

## PARTICIPATION FEE\* (EUR)



# 0.0009

PET (transparent)

# 0.0037

PET (coloured)

# 0

Metal (Al)

# 0.0093

Metal (Fe)

# 0.0180

Glass (disposable)

# 0.0256

Glass (universal design)

# 0.0126

Glass (individual design)

\* Deposit system participation fee applied by the deposit system operator (DSO) from February 1, 2022 was calculated when applying in the tender for a DSO position

## SECTOR INDICATORS\*\*

# 367

MILLION UNITS

Amount of beverage deposit packaging  
placed on the market

# 229

MILLION UNITS

Amount of beverage deposit packaging  
collected back

# 62.3%

Total rate of deposit return

\*\*According to the information about the actual results of the year 2022 provided during the evaluation of the proposal of the company fee (unaudited data)

# **INTERNATIONAL COOPERATION**





**Lija Makare,**  
Head of International Relations

Without international cooperation, an effective regulatory environment and effective decision-making are unthinkable. In 2022, the PUC actively participated in more than 260 working meetings, plenary sessions, forums, regional and high-level meetings of 22 international organizations and regional groups, both remotely and in person. The PUC's contribution has been appreciated - in October, the PUC's Chair Alda Ozola was elected as one of the vice-presidents of the Council of European Energy Regulators (CEER) for the next two and a half years. The PUC's representatives have also been re-elected to continue holding three important positions - as the head of the CEER Work Programme Development Committee, as the vice-chair of the Natural Gas Markets and Economic Regulation Committee, as well as a member of the Finance Committee, of the Energy Regulators Regional Association (ERRA).

## **ELECTRONIC COMMUNICATIONS**

The PUC was actively involved in 14 working groups of the Body of European Regulators for Electronic Communications (BEREC), continuing its work in accordance with the European Electronic Communications Code in practically all areas of regulation of the electronic communications sector. The participation of BEREC in the important European-level discussion on the possible application of network usage fees to content providers should also be emphasized; it is a matter to be resolved internationally, where BEREC is working towards a common vision. The PUC also provides and updates information for the single Union-wide database of numbering ranges for value added services (premium numbers) developed by BEREC.

In analysing and solving the technical issues of the sector, the PUC contributed to the work of the European Electronic Communications Committee (ECC) in such issues as numbering for cloud services, numbering fraud, conditions for switching the Internet service provider, calculation of the additional cable duct volume, also voting on further proposals. Another important direction of the PUC's activities was related to the international experience in providing Internet quality measurements, including what are the parameters to be measured in order to successfully continue the work on the resumption of Internet quality measurements.

At the annual BaltReg regional meeting of Estonian, Latvian and Lithuanian regulators' electronic communications and postal experts, valuable discussions were held on the development trends of the electronic communications market and the regulators' readiness for future tasks, the implementation practices of the European Electronic Communications Code and 5G news.

Through the Eastern Partnership Electronic Communications Regulators Network (EaPeReg), the PUC also supports EU4Digital activities. In implementing the BEREC-EaPeReg Memorandum of Cooperation, the PUC participated in the discussions at the events organized by EaPeReg, as well as in the BEREC-EaPeReg summit in Riga last November. Meanwhile, in the context of the Memorandum of Cooperation between the PUC and the Egyptian communications regulator, exchange of expertise on the quality of services took place. The Egyptian regulator was particularly interested in how the PUC organizes

quality measurements, what are the quality parameters for voice communications services and other service quality requirements.

## **POSTAL SERVICES**

Discussions of the European Regulators Group for Postal Services (ERGP) continued with the European Commission (EC) on the need to review the current Postal Services Directive, which was last amended in 2008. As a result of the discussions, the EC has agreed to establish working groups for the revision of the directive in order to promote the digitization of the sector and reflect the actual changes in the postal sector.

The PUC invests significant work every year in providing data on the sector to the EC. The information prepared by the regulators serves as the basis for the updating of the indicators of the postal sector carried out by the EC. These data relate to mail volumes and categories, turnover of regulated companies, labour force involved, number of parcel machines, competition and growth indicators and other data.

## **ENERGY**

The PUC participated in the work of 25 working groups of the Agency for the Cooperation of Energy Regulators (ACER) and 23 working groups of CEER, as well as in the work of the EC Electricity and Gas Cross-regional Group, the Regional Gas Working Group and ERRA. The work of regulators in 2022 basically spanned two areas. The first area was the involvement of regulators in discussions and work on joint ACER-CEER amendment proposals for EC legislative proposals for both the electricity and gas markets. Meanwhile, the second area is related to the PUC's regular participation in events of various formats and discussions on the impact of the energy crisis and the tasks of regulators in these conditions, including the PUC sharing its experience as one of ten regulators at the ERRA high-level meeting.

At the Baltic Electricity and Gas Market Forums organized by the PUC in Latvia, the regulators and market participants of the three Baltic States, Finland, Poland, and Sweden discussed various current affairs of the electricity and natural gas markets. These also included issues about the operation of the Baltic balancing market after its synchronization with continental Europe, about available generation capacities in the region, microgeneration from renewable energy resources and its connection to the network, current events in the field of LNG and changes in the gas infrastructure that will result from the use of hydrogen. The opinions of electricity and gas suppliers were also heard.

Meanwhile, at the meeting of regulators on the heat supply sector held during these forums, the main focus was the exchange of experience on regulatory tools to reduce the impact of the energy crisis.

The first visit of the director of ACER to the three Baltic States should also be highlighted. Its special focus in Latvia was on the regional natural gas market, taking into account the achievements of FinEstLat, the importance of the Inčukalns underground gas storage facility in the region and the growing role of European natural gas storage facilities in the new context of the natural gas market.

The PUC has always had close and varied bilateral cooperation with regulators of other countries. For example, last year the PUC organized a meeting with the energy regulator of Ukraine, discussing a wide range of issues. Meanwhile, at the invitation of the US National

Association of Regulatory Utility Commissioners (NARUC), the PUC got involved in the evaluation of the heat supply methodology of Kyrgyzstan.

## **WATER MANAGEMENT AND WASTE MANAGEMENT**

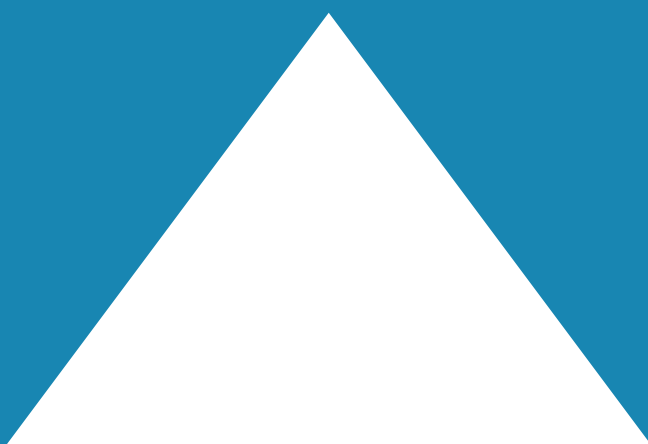
In the Association of European Water Regulators (WAREG), increased attention was paid to how the energy crisis has affected the water management sector and service tariffs. Member States, including the PUC, shared their experiences and practices on which regulatory instruments were applied to overcome the crisis. Information and practices were compiled in a single study.

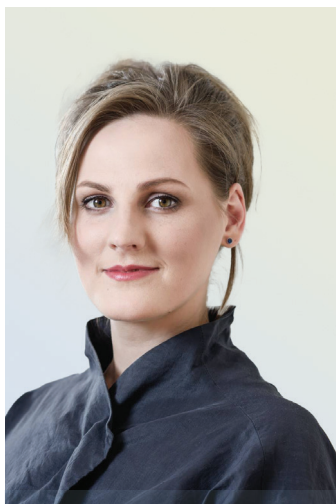
In the Contact Network of European Municipal Waste Regulators (Waste-REG), established under the auspices of WAREG, the PUC presented proposals on the directions of regulators' cooperation with the EC in the waste management sector. The PUC's participation in a study that was recognized at an international conference on sustainable management of municipal waste should also be noted.

## **THE EFFECT OF INTERNATIONAL COOPERATION ON THE FUTURE DEVELOPMENT OF THE PUC**

The regulatory environment is changing rapidly, and regulators need to find the best and most effective tools to keep up with and facilitate these changes. It is important that the OECD will start the third evaluation of the development and progress of the PUC in 2023, so that the PUC can implement the experience and recommendations of the OECD in its future work. The PUC will also cooperate with regulators of other countries to study the possible benefits of using the so-called regulatory sandboxes to solve certain tasks.

# COMMUNICATION TO THE PUBLIC





**Ieva Lazdina,**  
Public Relations Manager

At the beginning of the reporting period, the PUC communication strategy for 2022-2026 was approved. In communication, the PUC aims to make the public more knowledgeable about its activities and how the PUC can be useful to users. The PUC's communication is therefore focused on continuing to explain the complex processes in regulated sectors in a way that is easy for the public to understand and to provide advice to users. This is especially important at a time when dynamic changes are taking place in the regulated sectors and adaptation to the new conditions is necessary on both sides - both users and service providers.

In total, the PUC issued about 250 informative announcements to the media. Meanwhile, more than 250 requests from the media, including foreign ones, were answered and interviews were provided, as well as comments were prepared. When addressing the PUC, increased attention was paid to the issues of the energy sector - thermal energy, electricity and natural gas. Using the moment of the relevance of the topics for the

public and the media and to educate about the ongoing processes in the energy sector, the PUC prepared several informative materials, including practical tips and advice for users.

For example, in the electricity sector, with the involvement of the Consumer Rights Protection Centre, useful advice was provided on how to choose the most suitable electricity trading offer for your consumption habits. In order to disprove various myths about the necessity of the power exchange, informative material on the operation of the power exchange was prepared. In addition to the quarterly PUC interactive indicators of the energy sector, we continued to provide detailed comments on the electricity market developments. The PUC also actively explained developments in the natural gas market, including the impact of price changes on Latvian natural gas users, and also drew attention to why it is important to submit electricity and natural gas meter readings in a timely manner.

The greatest interest of the public and the media was about the rise of thermal energy tariffs, taking into account the dynamic changes in the prices of energy resources. The number of tariffs evaluated and approved by the PUC increased more than three times in the reporting year compared to the previous period. In the weekly news about tariff changes, the PUC additionally informed users about the state aid compensation mechanisms for reducing thermal energy tariffs. To promote public awareness, the approved tariffs in publications and visual materials were indicated not only in full, but also taking into account the state aid. Advice was also given on how to use thermal energy more efficiently, and it was also explained how the evaluation of tariffs submitted by thermal energy companies proceeds until the tariffs are approved.

We also continued to explain sector data and provide useful advice to users in other regulated sectors. For example, information about postal consignments during the holidays in the postal sector and tips to avoid various unpleasant surprises when sending/receiving them. Meanwhile, in the telecommunications sector, user habits were explained - Internet consumption per month, the duration of calls (in minutes) in mobile and fixed networks and other indicators, habits of Internet use in the Baltic and Nordic countries, as well as the quality of voice services in Latvia.

The PUC experts spoke not only on television and radio, but also participated in sector

events in Latvia and abroad. For example, at the energy supply innovation forum AC/DC Tech 2022 organized by JSC Sadales tīkls in May, the PUC explained how the electricity charge is formed and what affects it. Meanwhile, Board member Rota Šņuka participated in a panel discussion on ensuring energy independence in Latvia, the importance of digitization and data in future energy supply, as well as regulatory issues. In November, Executive Director Jānis Miķelsons participated in the discussion "Inflation: then and now" organized by the Bank of Latvia, analysing what and how persistent the price trends are in the global energy resource markets in Europe and the Baltic region and how close is the relationship between global energy resource prices and household expenses.

At the end of spring, the PUC organized several events dedicated to the energy sector, gathering both heat supply companies and natural gas and electricity traders. The PUC informed about the situation in the energy sector, amendments to the methodology for calculating thermal energy tariffs, and upcoming market challenges in the series of seminars "A sip of energy for a clear mind". The participants included system operators, representatives of the Ministry of Economy and the Consumer Rights Protection Centre.

In August, traditionally celebrating the PUC's Independence Day, an anniversary conference was held, this time dedicated to issues about the challenges of the regulatory environment. Among the invited speakers were guests from the Italian regulator, the Financial and Capital Market Commission, state-owned JSC Valsts nekustamie īpašumi, the representative office of the European Commission in Latvia, JSC SEB banka, JSC Sadales tīkls, JSC Conexus Baltic Grid, the University of Latvia and Latvia Brewers Union.

At the end of November, the 15th Baltic Natural Gas Market Forum and the 32nd Baltic Electricity Market Forum took place in Latvia. Regulators and market participants from the Baltic States, Finland, Poland, and Sweden discussed various current affairs of the electricity and natural gas markets.

Continuing the usual practice, four meetings of the Consultative Council were held, with 12 representatives from various organizations, ministries and sector associations discussing the work of the PUC.

For the third time, the Regulator participated in the Sustainability Index of the Institute of Corporate Sustainability and Responsibility. Moving up to a higher category every year, in June the PUC won the Gold category for performance in 2021. The PUC also became the first public administration institution to sign the Sustainability Code. Its purpose is to promote the provision of truthful information in order to protect consumer interests and fair competition, as well as to promote the reduction of the negative impact of entrepreneurship in environmental, social and governance aspects. In June, the Regulator joined the "Family Friendly Workplace" program of the Society Integration Foundation. Meanwhile, in September, the PUC signed a Memorandum of Cooperation between the Ministry of Economy, state administrative institutions, sector associations, state-owned enterprises and joint-stock companies on joint cooperation to achieve the goals of energy, construction and housing availability, sustainable development and energy efficiency, in order to promote the growth of Latvia's economy and the well-being of the population.

In addition to their daily work, the experts of the PUC's departments continue to create various interactive and explanatory visual materials and reports (sector data, service quality, user complaints, etc.), including several interactive maps that are maintained and regularly updated. For example, the tariff map of heat energy services, the tariff map of submitted

water management services, the tariff map of water management services, and the tariff map of municipal waste disposal services. Anyone interested also has the opportunity to contact the PUC experts through the call centre.

The more knowledge users have about regulated services and the usefulness of the PUC, the more thoughtful and suitable choices will be made for their households!

# **FINANCING AND SPENDING**

In 2022, the PUC carried out its activities in a separate budget programme approved by the law "On State Budget for the Year 2022". The PUC's operations are financed by the fees for public utilities regulation; the fees are paid by regulated companies. In the reporting year, the state fee in the regulated sectors was 0.2% of the net turnover of the relevant public service provided by the regulated company in 2020. Companies which started providing public services in 2022 calculated the state fee from the company's planned net turnover of the relevant type of public service in the first year of operation.

The PUC's planned expenditures in 2022 were 5,714,691 EUR. Actual spending amounted to 5,322,795 EUR, which was 93.1% of the planned spending in the reporting year.

In accordance with Article 31(7) of the law "On Regulators of Public Utilities", the actual balance of financing means, which in a given calendar year exceeds the costs necessary for the operation of the PUC, is credited to the PUC's account in the Treasury in the state fee accruals to be used for ensuring the PUC's activities in future periods according to the budget of the PUC approved by the law on state budget. The balance of financial resources as of 31 December 2022 was 1,095,346 EUR.

Revenue and expenditure within the framework of the EU-funded institution strengthening program twinning project No IL 13 ENPI-TE 01 16 (IL/13) "Strengthening Israel's regulatory capacity in the telecommunications sector with a focus on service delivery through networks of other operators" were planned in the amount of 22,726 EUR in the reporting period. In fact, 17,798 EUR or 78.3% of the planned financial resources for the reporting period were spent. The balance of financial resources on 31 December 2022 was 4,927 EUR.

Revenue and expenditure for the EU-funded institution strengthening program twinning project No UA 18 ENI TE 01 19 "Strengthening the regulatory capacity of the Ukrainian national regulatory authority in the telecommunications sector with a focus on market access and service quality monitoring system" are planned in the amount of 64,890 EUR in 2022. 40,612 EUR or 62.6% of planned financial resources for 2022 were actually spent in the reporting period. Unused financial resources in the amount of 1,702 EUR were returned. The balance of financial resources on 31 December 2022 was 22,576 EUR.

The PUC's financial statement 2022 was prepared in accordance with the Cabinet of Ministers Regulations No 344 "Procedure for preparing an annual report" of 19 June 2018. The financial statement 2022 was submitted to the Treasury on 3 March 2023. The PUC's financial statement 2022 was audited without objections by LLC D.Danēvičas revidentu birojs (licence No 33 of the sworn auditor's commercial entity).

In 2022, the PUC concluded 65 economic cooperation agreements including nine public procurements in accordance with the Public Procurement Law.

| Financial resource-   | Previous year (actual numbers)* | In the reporting year (EUR) |                  |
|---|---------------------------------|-----------------------------|------------------|
|   |                                 | Approved by law             | Actual numbers*  |
| <b>Revenues</b>   | <b>5 760 057</b>                | <b>5 429 272</b>            | <b>5 049 926</b> |
| Fee based services and other income   | <b>5 592 923</b>                | <b>5 548 155</b>            | <b>5 032 011</b> |
| Other previously unclassified revenue earmarked for special purposes (EU project No IL 13 ENPI-TE 01 16 (IL/13) Israel) | <b>3 877</b>                    | <b>19 617</b>               | <b>19 617</b>    |
| Other previously unclassified revenue earmarked for special purposes (EU project No UA 18 ENI TE 01 19 Ukraine)         | <b>163 257</b>                  | <b>0</b>                    | <b>(1 702)</b>   |
| <b>Expenditure</b>  | <b>5 284 987</b>                | <b>5 714 691</b>            | <b>5 322 795</b> |
| Administrative costs  | <b>5 041 759</b>                | <b>5 471 825</b>            | <b>5 140 721</b> |
| International cooperation   | <b>35 202</b>                   | <b>50 000</b>               | <b>31 525</b>    |
| Other previously unclassified revenue earmarked for special purposes (EU project No IL 13 ENPI-TE 01 16 (IL/13) Israel) | <b>767</b>                      | <b>22 726</b>               | <b>17 798</b>    |
| Other previously unclassified revenue earmarked for special purposes (EU project No UA 18 ENI TE 01 19 Ukraine)         | <b>98 367</b>                   | <b>64 890</b>               | <b>40 612</b>    |
| Capital investments   | <b>108 892</b>                  | <b>105 250</b>              | <b>92 139</b>    |

\* In accordance with the cash flow principle

# **AUDITORS' REPORT**



13%+46=456.  
3458023365#76,  
59675%3456-735  
2457-8783+89447  
356792\$567-03=7  
57982546%45776  
52388-62457+6  
235-657+672^n

*SIA D. DANĒVIČAS REVIDENTU BIROJS*

Juridiskā adrese: Tērbatas iela 8B-75.  
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Reģ. Nr. LV40003470111  
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## NEATKARĪGU REVIDENTU ZIŅOJUMS PAR SAĪSINĀTO FINANŠU PĀRSKATU

### *Latvijas Republikas Saeimai*

Mēs esam veikuši Sabiedrisko pakalpojumu regulēšanas komisija 2022. gada finanšu pārskata, uz kuru pamatojoties ir sagatavots saīsinātais Sabiedrisko pakalpojumu regulēšanas komisijas 2022. gada finanšu pārskats, revīziju saskaņā ar Starptautiskajiem revīzijas standartiem. Mūsu 2023. gada 28. aprīļa revidentu ziņojumā mēs sniedzām atzinumu bez iebildēm par Sabiedrisko pakalpojumu regulēšanas komisijas 2022. gada finanšu pārskatu, uz kuru pamatojoties ir sagatavots saīsinātais Sabiedrisko pakalpojumu regulēšanas komisijas 2022. gada finanšu pārskats.

Pievienotajā saīsinātajā finanšu pārskatā nav iekļauta visa saskaņā ar Ministru kabineta 2018. gada 19. jūnija noteikumiem Nr. 344 "Gada pārskatu sagatavošanas kārtība" atklājamā informācija. Tāpēc saīsinātais finanšu pārskats neaizvieto pilno Sabiedriskās pakalpojumu regulēšanas komisijas finanšu pārskatu, kas sagatavots saskaņā ar Ministru kabineta 2018. gada 19. jūnija noteikumiem Nr. 344 "Gada pārskatu sagatavošanas kārtība" par gadu, kas noslēdzās 2022. gada 31. decembrī.

### Vadības atbildība

Vadība ir atbildīga par saīsinātā finanšu pārskata sagatavošanu atbilstoši revidētajam pārskatam, kas sagatavots saskaņā ar Ministru kabineta 2018. gada 19. jūnija noteikumiem Nr. 344 "Gada pārskatu sagatavošanas kārtība".

### Revidentu atbildība

Mēs esam atbildīgi par revidentu atzinuma sniegšanu par šo saīsināto finanšu pārskatu, pamatojoties uz procedūrām, kas veiktas saskaņā ar 810 Starptautisko revīzijas standartu "Uzdevums sniegt ziņojumu par kopsavilkuma finanšu pārskatiem".

### Atzinums

Mūsaprāt, pievienotais finanšu pārskats, kas sagatavots, pamatojoties uz Sabiedrisko pakalpojumu regulēšanas komisijas revidēto pārskatu par gadu, kas noslēdzās 2022. gada 31. decembrī, visos būtiskajos aspektos ir atbilstošs revidētajam finanšu pārskatam, kas sagatavots saskaņā ar Ministru kabineta 2018. gada 19. jūnija noteikumiem Nr. 344 "Gada pārskatu sagatavošanas kārtība".

*SIA D. Daņēvičas revidentu birojs(licence Nr.33) vārdā:*

*Dagnija Daņēviča, valdes locekle, zvērināta revidente, sertifikāts Nr 72*

*2023. gada 28. aprīlī, Rīgā, Tērbatas ielā 8B-75*



PUBLIC  
UTILITIES  
COMMISSION  
OF LATVIA

## CONTACT THE PUC

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