



***Reporting system used during
monitoring of regulated companies
and tariffs***

Vilnius, 2016

Legal framework



Information for the monitoring and tariffs regulation is obtained according to:

- *The laws of the Republic of Moldova with regard to electricity and natural gas*
- *Accounting law*
- *National Accounting Standards (NAS)*
- *Reporting systems for the electricity and natural gas regulated utilities, approved by the ANRE*
- *Statistical reports*
- *Unique reports systems, which are submitted to the ANRE by the license holders*
- *Conditions of issued licenses*

Legal framework



- ***“To carry out its functions effectively, the Agency has the right to have access to documents relating to the activities carried on under the license, including those containing information constituting state secret, trade secret or other confidential information” // Law No. 123/23.12.2009 regarding natural gas (art. 9, para. (1) (c)), Law No. 124/23.12.2009 regarding electricity (art. 9, para. (1) (c))***
- ***“The licensee is obliged to submit in duty date annual reports within the Agency, including the activity carried on the electricity market (or natural gas market) on fixed criteria, other information requested by the Agency, required by its duties according to the law” // Law No. 123/23.12.2009 regarding natural gas (art. 18, para. (1) (g)), Law No. 124/23.12.2009 regarding electricity (art. 18, para. (1) (g))***

The goal



- ❖ To ensure AGENCY, consumers and other interested parties with the necessary information, based on a single framework for submitting reports of activity by the regulated enterprises of the electricity and natural gas sector.
- ❖ The database is composed of indicators from reports systems which are submitted to the AGENCY by the holders of licenses, **approved**:
 - for the electricity sector, by ANRE Decision No. 78 from 29 December 2002;
 - for natural gas sector, by ANRE Decision No. 79 from 29 December 2002.
- ❖ Activity reports **represents** an inter-dependent system of indicators, which characterizes the activity of the regulated enterprises.
- ❖ The indicators from the reports reflect **a set of comparative and accurate data** regarding the economic, financial and technical status of the utilities, data necessary for assessing the activity results and analyzing financial and technical condition created at the entity.

Objectives



- ❖ ***Monitoring compliance with the conditions provided in the license***
- ❖ ***Accumulation of economic and technical information required for:***
 - **monitoring, analysis, determination and approval of tariffs for regulated activities;**
 - **assessment of economic and financial situation of enterprises;**
 - **analysis of income and expenditure;**
 - **analysis of purchases and sales;**
 - **monitoring losses of electricity and natural gas in transmission and distribution networks;**
 - **development of electricity and natural gas market;**
 - **protection of consumers rights.**

Monitored sectors



Reporting systems are developed by the AGENCY for:

- *License holders from heating and electricity production branch;*
- *License holders in electricity sector (transmission and dispatch, distribution, supply)*
- *License holders in the natural gas sector (transport, distribution and supply).*

Reporting content and deadlines



- **The annual report** contains the financial report, the report on the company's income and expenditures and the report on other aspects of the enterprise. Shall be submitted not later than March 31.
- **Quarterly report** contains only financial report, the report on the income and expenditures of the enterprise, as well as some information about the activity of the enterprise which is required to be monitored permanently. Shall be submitted not later than the 25th day of the month following the reporting period.
- **Monthly report** contains only information regarding procurement of energy resources, supplies (sales), and network losses. Shall be submitted not later than the 15th day of the following month.

The activity reports shall be drawn up on the basis of the bookkeeping and operative data of the enterprises.

Reports classification



Aspects of basic activity:

- Energy/gas purchases divided by each month and suppliers (quantity, purchase price, energy/gas losses in transportation networks, transport payment)
- Energy/gas sales for each month, depending on the voltage/pressure level of the networks/pipes and the category of consumers.
- Natural gas/energy consumption and consumer's payments
- Information concerning the economic and technical indicators in the production of heat and electricity

Other aspects of activity (technical condition of the equipment, extension of the networks, the number of consumers and interruptions during the supply process of energy resources, the number of consumer inquiries)

Requirements for reports



The activity reports are presented on the basis of the accounting and operative data of the enterprise

- The bookkeeping must strictly comply with the requirements of NAS and the provisions of the Regulatory System of Accounting for regulated enterprises, approved by ANRE.
- Operative record of other indicators (data) that are not reflected by the bookkeeping (for example: the number of consumers, the number of complaints, etc.) must be organized by the enterprise properly in order to reflect existing realities. The requirements of quality and truthfulness are the same as for bookkeeping data.

Requirements for reports



- **The accuracy** of the data presented in the reports should be:
 - In financial report - as required by the NAS and the forms approved by the Minister of Finance;
 - in other reports – according to the requirements approved by ANRE.
- Activity reports are required to be presented to the ANRE **in the volume and deadlines established** by the approved system for all electricity and natural gas enterprises, which hold licenses.
- Activity reports differ by the volume and content of information from one type of activity to another, depending on **specificity of activity** and **their place** in the energy and natural gas markets.

Financial report



- ❖ **The enterprise's financial report** *shall be drawn up in accordance with the standard form approved by the Minister of Finance and includes:*
 - 1. Balance sheet:**
 - A. *Assets (part I)*
 - B. *Passive (part II)*
 - 2. Profit and loss statement;**
 - 3. The statement on the equity capital flow;**
 - 4. The statement on the funds flow.**

Other reports presented to ANRE



- 1. Report on incomes;**
- 2. Report on expenses;**
- 3. Cost of core production sales;**
- 4. Purchases of electricity;**
- 5. Information about electricity infrastructure (network, transformers);**
- 6. Information about measuring equipment;**
- 7. Information regarding the number of customers;**
- 8. Sales of electricity to the final consumers:**
 - ✓ according to the voltage/pressure level to which consumers are connected;
 - ✓ according to the categories of consumers.
- 9. Consumer's payments for the consumed electricity;**
- 10. Electricity/gas losses in distribution and transmission networks;**
- 11. Information on outages in electricity/natural gas supply;**
- 12. Information on customers complaints.**

**Thank you
for your attention!**

