

Regulatory Reporting and Accounting Systems Workshop Albania

February, 2008

Budapest

Legal Framework

- The applicable law set forth provisions regarding regulatory accounting is Law "On Power Sector", nr. 9072, dated 22.05.2003, as amended; article 21 (Uniform Accounting Standards), article 22 (Licensee annual reports); article 23 (Accounting Balances Record). Since the only power utility is a state owned company, the Albanian Law Nr.7661, dated on 19.01.1993 "On the Accounting" is to apply, which is based on General Accounting Standards, which is followed by all licensees.
- The new law "On the Accounting and Financial Statements" based on IAS has entered into force by January 1, 2008.

Currently in place

- Primary Legislation for the Regulated Sector - Power Sector Law nr. 9072, date 22.05.2003, as amended.
- Secondary Legislation:
 - Market Rules (under revision)
 - License (under revision)
 - Tariff (under revision)
 - Regulatory Accounting Manual and USoA.
 - General Manual for Regulatory purposes
 - Chart of Accounts for:
 - Publicly Owned Generation Utility
 - Transmission System Operator
 - Distribution Company
 - Retail Public Supply Activity
 - Instructions to Chart of Accounts for Generation and Distribution
 - Reporting Forms and Procedures (to be adopted as per drafted Regulatory Accounting Manual)
- Financial Accounting Manual (as per national Accounting Standards) - it is in place as per the new Accounting Law; it is according to the IAS; it is applicable starting from January 1, 2008.

USoA Implementation

- Expected to be implemented starting from January 1, 2008

Regulatory Accounting Manual and USoA

- drafted on December 26, 2007 from the Regulator;
 - Comments and suggestion are expected from the utilities;
 - To be approved in March 2008;
 - to be applicable starting from January 1, 2008.
- Formal and informal meetings have been in place with the staff of utilities.
 - Problems expected due to lack of tradition in recording of transactions as per IAS;
 - Year 2008 will be transitory - necessary adjustments will be identified during the implementation, in order to be reflected in the manual.

THANK YOU