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Regional Workshop on Uniform System of Accounts and Regulatory Reporting

Questionnaire for Accounting Workshop Participants

Republic of Moldova - National Energy Regulatory Agency (ANRE)

I. USOA implementation

For your commission or company:

1. Have International Accounting Standards been implemented?

In Moldova International Accounting Standards have been implemented in 1997 as National Accounting Standards that are in accordance with IAS.

2. Have Regulatory Accounting Standards been implemented?

Regulatory Accounting Standards have been implemented in 2002. They are in total accordance with National Accounting Standards (which are in accordance with IAS).

3. Have Reporting Forms been developed?

On the basis of Regulatory Accounting Standards, Reporting Forms have been developed. The utilities submit these forms completed to the regulator.

4. Has the information reported in the charts of accounts or the reporting forms been complete?

The information required by the regulator in the Reporting Forms is complete and serves well the regulatory purpose. Additional data are normally provided by utilities based on formal regulator's request.

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5. Has the staff of the regulatory agency met with the utility concerning implementation?

Immediately upon the implementation of Regulatory Accounting Standards, the regulator organized several meetings with utilities, during which introduction and explanatory work was conducted. These meetings, together with separate consultations, have been useful for utilities, which normally conformed to the newly established regulatory framework.

6. Based on your experience to date with the implementation of regulatory charts of accounts, what recommendations to you have for regulatory agencies and companies which have not yet completed the process?

The implementation of reporting forms, based on regulatory standards was very useful for ANRE, since it considerably simplified work and contributed to an effective regulatory process. And from this standpoint we highly appreciate and would strongly recommend the implementation of IAS to all regulators and companies, which have not yet completed the process.

II. Case Studies

Identify a specific substantive area where you have made use of information from the regulatory charts of accounts. If possible, select an area where there has been a dispute or disagreement. With respect to that area, provide the information below.

1. What is the substantive area?

National Energy Regulatory Agency of Moldova constantly encounters disagreement situations in the area of economic regulation of the utilities. In this area regulatory information is particularly helpful for the regulator.

2. What is the context in which it was used? (E.g. license compliance, rate proceeding, market monitoring, etc.)

The information provided by utilities in the reporting forms was mainly used for regulator's rate proceeding process, during which parties (the regulator and the utility) had to consider various issues.

3. What issues arose concerning the use of the data?

While analyzing the data submitted by utilities, the most frequent issue concerned utility's expenditure, over which the greatest share of ratemaking activity focused. In Moldovan regulatory practice this was usually the main issue that had to be treated carefully while establishing the tariff rate for utility's service.

4. What was the process to resolve the dispute?

Normally, all dispute questions were subject to consultations and negotiations conducted between parties' expert groups, which analyzed regulatory information and worked out specific issues.

5. How was the dispute resolved?

A mutually agreed tariff approval decision was adopted, taking into consideration the interests of parties involved.

III. Comparative Data

1. Have you used data in regulatory charts of accounts obtained from utilities in other jurisdictions to compare with data provided by utilities in your jurisdiction?

No. ANRE normally uses the data from it's own jurisdiction only. Sometimes, general economic indicators provided by state statistics for all economy areas are employed for comparison with data provided by utilities (e.g. average salary, official exchange rates, state bond interest rate, etc.)

2. What data from other jurisdictions would be most useful to you in analyzing data in your own jurisdiction?

As stated above, except for own regulatory data, general macroeconomic indicators are also useful for data analysis.

3. What is most efficient and effective way for you to be able to access data from other jurisdictions?

On-line access (internet) and subscription to official state statistics.

4. Is the data obtained from utilities in your jurisdiction posted on the internet?

Certain data only are posted on ANRE free access web page. Information limitations on access are imposed for confidentiality reasons.