



IURC and ERE Partnership	
<h2>Expenses and Budgeting</h2>	
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ERA- Albania	June 2003

<h2>ERE's Financing</h2>	
<ul style="list-style-type: none"> • Provided by the law of the regulation of the electrical power sector • Companies that operate in the territory of Albania. • Regulating tariff – based on the total revenue of the companies. 	
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Revenues



- Revenue report is made according to the law of accounting No.7661 date 19.01.1993
- Revenue review
 - - Verified with the companies' annual report
 - - Archived

Budgeting



- By the end of each year there are calculated the expenses for the forthcoming year.
- The licensed companies' revenues are calculated using the uniform system of accounts.
- It is determined the regulated tariff for each operator

Expenses



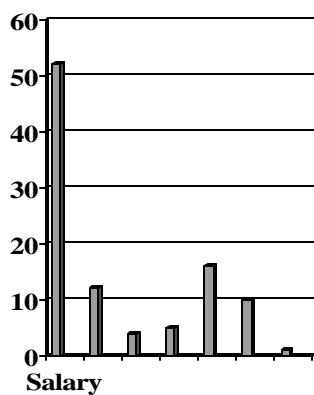
- The Expense Planning for the forthcoming year is calculated based in:
 - Previous year balance-sheet
 - Actual needs for additions in investments and expenses

Cost Structure



- Salary
- Social Insurance
- Taxes revenues
- Deterioration (wear-and-tear)
- Phone expenses and services from third parties
- Diets, consults and trainings
- Other financial expenses

The cost tuned in relative indicator



- 52 %
- 12 %
- 4 %
- 5 %
- 16 %
- 10 %
- 1 %

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