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Review of Sofia Workshop

***“Regulatory Reporting and Accounting Systems
Workshop”***

**Bruce N. Hutchinson
E.M.C.S., Inc.**

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Sofia Workshop Agenda

- Bulgaria Energy Regulation
- Need for Reporting Procedures
- Main Principles of Uniform System of Accounts
- Lessons Learned from Implementing Regulatory Reporting
- Data Requirements for Regulatory Activities
- Lessons learned from Implementing Regulatory USoA and Reporting in Bulgaria
- Assessing USoA Effectiveness in Bulgaria
- Country Reports
 - Albania
 - Croatia
 - Romania
 - Serbia
 - Kosovo
 - Bosnia & Herzegovina (SERC)
 - Federation of Bosnia & Herzegovina
 - Srpsk Republic
 - Macedonia
- EC Assistance to Energy Regulators



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Regulatory Needs and Requirements for USoA and Reporting

- **Tariffs**
 - Revenue Requirements
 - Cost of Service
 - Tariff Design
 - Annual PBR Adjustments
- **Licensing**
- **License monitoring**
- **Benchmarking/reporting**
- **Market monitoring**



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Principles of USoA

“Prescribe accounting classifications and instructions by which public utilities achieve uniform accounting records for use in financial reporting, ratemaking, and other regulatory needs.” . . . *Introduction to Public Utility Accounting; EEI & AGA; 2001*

Do not replace accounting systems and classifications prescribed by law; however, all regulated utilities must adhere to the USoA for all submissions to the regulatory commission.



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Data Requirements

Tariff Setting

- **Cost data**
 - Annual Expenses
 - Assets
 - Depreciation

- **Sales Data (for each customer classification)**
 - Energy Sales (kWh)
 - Number of customers
 - Revenues
 - Peak loads (kW)



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Data Requirements

Licensing

- Assets (current and planned)
- Investments (current and planned)
- Expenses
 - Operations
 - Maintenance
- Sales
- Applicant specific information



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Data Requirements

License Monitoring

- Accuracy of meter reading and billing
- Service and Energy quality
- Resolution of Complaints
- Annual reporting
- Monitoring and repair of equipment
 - Meter testing
 - System improvements
 - Other



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Data Requirements

- **Benchmarking**
 - Cost of assets/customer
 - Cost of customer service
 - Number of employees per (circuit km, customers, etc.)
 - Other needs
- **Market Monitoring**
 - Free market purchases and sales
 - Market prices
 - Customer switching
 - Other monitoring needs



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Lessons Learned

- Design USoA to meet regulator needs
- Conform to country and local laws and regulations
 - Energy Laws
 - Accounting Laws
 - Tariff regulations
 - Accounting standards (e.g. IAS, National accounting standards)
- Implement on realistic time table
- Involvement of all stakeholders
- Training for all involved (regulators and regulated entities)
- Conform to EU Directives (unbundling)



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Country Reports

Participants asked to report on:

- **Data Collection & Analysis**
 - Primary Legislation for the Regulated Sector
 - Secondary Legislation – Ordinances, procedures, Market Rules, Business planning/investment plans, Reporting forms and procedures
- **Legislation**
 - IAS
 - Accounting Laws
 - Commercial Laws
 - Energy Laws
- **Regulatory Accounting Policies**
- **Reporting Forms**
- **Business Plans**
- **Tariff Regulation**
- **Accounting Organizations**
- **Software**



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Conclusions

Questions ?

Comments ?

Discussion ?



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