



IURC and ERE Partnership	
Expenses and Budgeting	
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ERA- Albania	June 2003

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

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## Cost Structure



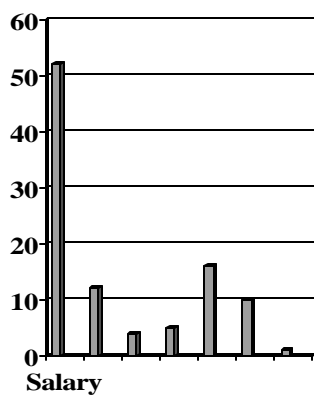
- Salary
- Social Insurance
- Taxes revenues
- Deterioration (wear-and-tear)
- Phone expenses and services from third parties
- Diets, consults and trainings
- Other financial expenses

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## The cost tuned in relative indicator



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

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