



Javna agencija RS za energijo

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Reference/Heading: Exposure Draft Regulatory Deferral Accounts

Based on the »*Exposure Draft Regulatory Deferral Accounts*«, published on the website of the IASB: <http://www.ifrs.org/Current-Projects/IASB-Projects/Rate-regulated-activities/Exposure-Draft-April-2013/Pages/Exposure-Draft-and-Comment-Letters.aspx> as a part of the revival of the project »*Rate-regulated Activities*« the Energy Agency of the Republic of Slovenia (hereinafter referred to as AGEN-RS) gives its opinion as follows.

AGEN-RS performs regulatory, development and professional tasks relating to the energy sector. As a national regulatory authority determines, Inter alia, the network charge (the system operator incomes for the use of the network), and the tariffs for the use of the electricity and gas networks.

The regulation carried out by the AGEN-RS is implemented on the basis of the "revenue cap" method, which determines the maximum allowed annual revenue of the system operator from charging tariffs, and sets the use of the network tariffs for the users of the network. An inevitable consequence of the use of the "revenue cap" method is either surplus on behalf of charged tariffs according to the regulated annual revenue of the system operator, or a deficit on behalf of charged tariffs according to the regulated annual revenue of the system operator. The system operator must use the surplus for covering the eligible costs in the coming years, and the deficit is taken into account in determining the tariffs for the coming years.

In Slovenia, for many years the AGEN-RS has been facing serious substantial problems with the exposure of surpluses and deficits in respect of the charged tariffs in the annual reports of the system operators. Therefore, the AGEN-RS supports the efforts and substantive solutions in the proposed »*Exposure Draft Regulatory Deferral Accounts*«.

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Due to current lack of detailed regulation of accounting standards (we do understand that all specific solutions are based on general accepted accounting principles of recognizing assets, debts, revenues and expenses), the AGEN-RS as the Slovenian regulator has already managed to incorporate similar substantive solutions into the sectoral energy law.

Therefore, the proposed regulation in the »Exposure Draft Regulatory Deferral Accounts«, according to which the surpluses and deficits relating to the charged tariffs are under certain conditions recognized as »Deferral Accounts«, to the greatest extent meets the efforts of the AGEN-RS so far made to deal with this issue.

Yours sincerely

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Director

