

CHAPTER I: General provisions SECTION 1: Purpose and scope of Article 1

The methodology sets out the method of drawing up the annual report by licence holders in the electricity and heat sector, in accordance with the conditions associated with licences and legislation in the force of force,

► (Ta date 23 to May 2017, Article 1 of Chapter I, Section 1 as amended by Article 1, point 3., letter I of Order 34/2017)

Art. 2

The content of the Annual Report and the reporting format provided by this methodology shall take into account the impact of each type of activity, which is the subject of a license granted by ANRE, on the functioning of the NES and of the electricity market.

Art. 3

The methodology shall be applied by all license holders granted by ANRE for carrying out activities within the electricity sector.

SECTION 2: Abbreviations and definitions

Art. 4

(1) The abbreviations used in this methodology have the meanings provided in the regulations specific to the electricity sector and the normative acts in force.

(2) In addition to the abbreviations referred to in paragraph 1, the following shall be used:

- a) ANRE – National Energy Regulatory Authority;
- b) EE – electricity;
- c) Et – thermal energy;
- d) TSOs – transmission system operator;
- e) Ope – operator of the electricity market.

Art. 5

The terms and expressions below have the following meanings:

1. licensed activities – are the activities that are the subject of licenses granted by ANRE in the electricity and heat sector, as defined by the legislative framework and detailed in the regulations approved by ANRE, as well as the activities that are subject to licenses for the provision of public utilities services in the centralised system, contained in the regulatory area of ANRE according to the provisions of the Law on Community Public Utilities Services no. 51/2006, republished, as amended and supplemented;

► (Ta date 23 to May 2017, Art. 5, point 1 of Chapter I, Section 2 as amended by Article 1, point 3., letter B. of Order 34/2017)

- 2. year of submission of the Annual Report to ANRE – is the calendar year [n+1], considering year [n] as the reporting year;
- 3. reporting year – is calendar year [n] and the results of the activities carried out by the licence holder in year [n] are presented in the Annual Report;
- 4. financial year/financial year – shall be considered as having 12 months and its scope coincides with that of the calendar year (from 1 January to 31 December);
- 5. license holder – natural or legal person holding one or more licenses granted by ANRE in the electrical and thermal energy sector, as well as holders of licenses for the provision of public utilities services related to the supply of heat in centralised system, which are within the regulatory area of ANRE according to the provisions of Law no. 225/2016, with subsequent additions;

► (Ta date 23 to May 2017, Art. 5, point 5 of Chapter I, Section 2 as amended by Article 1, point 3., letter B. of Order 34/2017)

- 6. Annual report-documentation prepared and transmitted to ANRE, according to this methodology;
- 7. annual financial statements – represent the annual accounting reports and annual financial statements as at 31.12.[n], drawn up by licence holders and submitted to the tax administration authority, according to the legislation in force.

CHAPTER II: Section 1

Annual Report: Responsibilities

Art. 6

License holders shall draw up an annual annual report according to this methodology, which shall be submitted to ANRE according to the provisions of this methodology.

Art. 7

(1) Licence holders shall be responsible for organising administrative, technical, organisational, economic and financial-accounting records (financial and management accounting) (at the level of the entire legal entity, so that they comply with the legislative framework in force and allow accurate reflection of information related to each licensed activity, separately from the rest of the activities carried out by that economic operator.

(2) Within the administrative, technical, organisational, economic and financial accounts (financial and management accounts) referred to in paragraph 1, related to the licensed activities, activities which are carried out by the licence holder according to an additional right contained in the conditions associated with the licence shall be included.

(3) At the end of the financial year, the records referred to in paragraph 1 shall form the basis of the annual report.

Art. 8

The principles, manner of detailing and distribution of financial-accounting elements (in financial and management accounts), allocation keys used in dividing data and accounting records by activities licensed by ANRE and other activities shall be found within the internal procedures and guides of the licence holder provided by the legislation in force.

Art. 9

License holders must ensure that the organisation of administrative, technical, organisational, economic and financial accounting records (financial accounting and management accounts);

- a) are carried out in accordance with the legislation in force;
- b) allow the annual report to be carried out in accordance with the provisions of this methodology;
- c) provides a true, clear and complete picture of the activities carried out in the electricity and heat sector.

► (Ta date 23 to May 2017, Article 9, letter C. of Chapter II, Section 1 as amended by Art 1, point 3., letter I of Order 34/2017)

SECTION 2: General reporting requirements

Art. 10

The reporting obligations of a license holder, provided by this methodology, shall enter into force from the moment the license was granted by ANRE, regardless of the date of the commencement of the respective licensed activity, and regardless of whether the activity in this case was carried out during the reporting period.

Art. 11

(1) The Annual Report contains information of an administrative, technical, organisational, economic and financial-accounting nature (financial accounting and management).

(2) The information referred to in paragraph 1 shall be presented in the framework of the Annual Report, both in total legal entity and broken down by activities licensed by ANRE and other activities carried out by license holders.

(3) When drawing up the Annual Report, the information related to the activities covered by the licenses granted by ANRE in the field of natural gas shall be completed within the headings for other activities carried out by license holders.

Art. 12

The following requirements shall be taken into account when drawing up the Annual Report:

- a) only the information involved in that activity shall be allocated to each type of activity;
- b) the sum of the values of financial-accounting indicators, detailed by activities for which economic operators hold licenses granted by ANRE and other activities for which they do not hold licenses granted by ANRE, shall coincide with the value of the respective indicators on the total legal entity contained within the annual financial statements;
- c) the indicators found in several documents in the structure of the Annual Report, having the same meaning for the same year, shall coincide value values.

Art. 13

The algorithm for allocating data from financial and management accounting, both on activities licensed by ANRE and other activities carried out by licence holders, shall comply with the legislation in force that formed the basis for the preparation of annual financial statements, taking into account the recommendations of this methodology.

Art. 14

Reporting obligations to ANRE shall be deemed to be fulfilled when sending the required data in full format, according to the provisions of this methodology and the legislation in force.

Art. 15

At the express request of ANRE and complying with the deadline specified in the application, license holders shall submit:

- a) comprehensive and detailed information on the principles, accounting policies and legislation underlying the preparation of the Annual Report;
- b) supplements/clarifications/details/corrections on the data contained in the Annual Report;
- c) corrected version of the Annual Report, in case of submission of an annual report that does not comply with the provisions of this methodology.

SECTION 3: Reporting year and deadline for submission of the Annual Report

Art. 16

The annual report shall reflect the results obtained from the performance in year [n] of the licensed activities by ANRE and shall be submitted to ANRE at the latest on the deadline stipulated by law for the submission of annual financial statements with the tax administration authority in Romania.

Art. 17

License holders who have opted for a different financial year from the calendar year shall have the same reporting obligations to ANRE as holders of licences for which the financial year coincides with the calendar year, according to the provisions of this methodology.

Art. 18

Where in the year [n] there are transfers of responsibilities/activities made through one or more contracts, leading to the withdrawal of one or more licenses granted by ANRE to license holders and the granting of licences to other economic operators, the new license holders shall be required to report in the Annual Report for the year [n] the information contained in Table no. 1 of Annex no. 4.

Art. 19

(1) The last year for which the Annual Report is drawn up shall be the one prior to the withdrawal of all licences granted by ANRE, if the withdrawal takes place after the deadline for submission of the annual report provided for in Article 16.

(2) If the withdrawal of all licenses granted by ANRE takes place before the deadline for submission to ANRE of the Annual Report, provided for in Art. 16, the license holder shall be required to proceed in accordance with Article 22.

SECTION 4: Structure of the Annual Report

Art. 20

(1) The annual report shall have the following structure:

- a) the on-call sheet, as set out in Annex No 1;
- b) presentation of the administrative and organisational framework, according to Annex no. 2;
- c) presentation of the technical framework for carrying out activities, as set out in Annex No 3;
- d) the statement on turnover made in year [n] from the performance of the licensed activities by ANRE, according to Annex no. 4;
- e) the statement of revenue and expenditure table, as set out in Annex No 5;
- f) supporting notes on the principles, policies, method of calculation and allocation of financial and accounting items, applied in addition to the statement of revenue and expenditure, as set out in Annex No 6;
- g) copy of the forms concerning: Statement of assets, debts and equity as at 31.12.[n] and Statement of income and expenses as at 31.12.[n], within the annual financial statements as at 31.12.[n], drawn up by license holders and deposited with the tax administration authority, according to the legislation in force;
- h) copy of the Audit Report of the Annual Financial Statements as at 31.12.[n], if the license holder has this obligation under the legal provisions in force.

- (2) Licence holders for the commercial exploitation of power generation capacities and, where applicable, heat produced from cogeneration, with total installed power less than or equal to 100 kW, shall submit an annual report containing the elements referred to in paragraph 1(a) and (c).
- (3) Licence holders for the commercial exploitation of power generation capacities and, where applicable, heat from incogeneration, total installation power more than 100 kW and less than or equal to 1 MW, shall transmit an annual report containing the elements referred to in paragraph 1 (a) to c).
- (4) In the event that the conditions associated with the licence for commercial exploitation of power generation capacities and, where applicable, of the heat produced from cogeneration are changed, in order to increase the total installed electrical power above 1 MW, the following shall be done:
- a) if the modification of the total installed electrical power takes place in the year [n+ 1], before the deadline for submission of the Annual Report to ANRE, license holders shall submit to ANRE an annual report containing the elements referred to in paragraph (1);
- b) If the modification of the total installed electrical power takes place in the year [n+ 1] after the deadline for submission of the Annual Report to ANRE, the license holders shall transmit to ANRE:
- an annual report containing the elements referred to in paragraph 2 or (3), as appropriate, within the deadline for submission to ANRE of the annual report provided for in Article 16;
 - an annual report containing the elements referred to in paragraph 1 at the time of modification of the total installed electrical power.
- (5) The provisions of paragraphs 2 to 4 shall not apply to licence holders for the commercial exploitation of power generation capacities and, where applicable, heat produced from cogeneration, with total installed electrical power less than or equal to 1 MW, if they hold other licences granted by ANRE.
- (6) In addition to the documents referred to in paragraph 1, the annual report drawn up by TSOs and the concessional distribution operator of the electricity distribution service, holder of License

granted by ANRE, it shall include:

- a) the statement of revenue and expenditure table set out in Annex No 5, together with data for year [n-1] prior to the reporting year [n];
- b) the table of the statement of assets, liabilities and equity set out in Annex No 7, supplemented, for both year [n] and, separately, for year [n-1];
- c) the accounting, synthetic, analytical verification balances and the full detail, down to the last level, of the sub-analyticals, in total legal entity, on the basis of which the annual financial statements were drawn up at 31.12.[n], deposited with the tax administration authority, according to the legislation in force;
- d) the status of the contracts concluded with the economic operators affiliated to the licence holder set out in Annex No 8;
- e) control reports of any public control authorities (Court of Accounts, National Agency for Tax Administration, Competition Council, public procurement etc., except for ANRE control reports) received in the reporting year [n].

Art. 21

Within the Annual Report, license holders shall send only the annexes/tables to be completed according to the license/licenses granted by ANRE.

Art. 22

Licence holders to which in the year [n+ 1], before the deadline for submission to ANRE of the annual report referred to in Article 16, shall be withdrawn/withdrawn:

- a) one or more of the licenses granted by ANRE, but they remain holders of other licenses granted by ANRE, shall submit to ANRE, within the deadline provided by this methodology, a complete annual report, which includes information, both for the licences held below and for those withdrawn;
- b) all licenses granted by ANRE shall transmit ANRE, at the date of withdrawal of the last license: the on-call sheet, according to Annex no. 1, and the statement on turnover made in the year [n] from the conduct of the licensed activities by ANRE, according to Annex no. 4.

Art. 23

The table in Annex 5 shall contain the elements of financial and management accounting organised at the level of licence holders, illustrating the economic and financial performance of the economic operator.

Art. 24

- (1) Licence holders who have opted for a different financial year from the calendar year shall draw up and submit to ANRE an annual report on 31.12.[n], containing information of an administrative, technical-organisational, economic, financial-accounting nature (financial and management accounting) and a set of annual financial statements, shall take the date of 31.12.[n], like economic operators for which the financial year coincides with the calendar year.
- (2) Licence holders who have opted for a financial year other than the calendar year shall not be required to deposit the set of annual financial statements with the tax administration authority on 31.12.[n], referred to in paragraph 1.
- (3) Licence holders who have opted for a financial year other than the calendar year shall not be required to draw up an audit report for the set of annual financial statements on 31.12.
- (4) Once the annual financial statements are deposited with the tax administration authority, according to the deadline for drawing up and depositing for which they opted, the license holders referred to in par. (1) shall be obliged to send to ANRE the documents referred to in Art. 20 par. (1) lett. g) and h).

Art. 25

(1) Licence holders who have their registered office abroad and do not have the obligation to prepare and submit annual financial statements on 31.12.[n] to the Romanian tax administration authority, have the obligation to organise information of an administrative, technical and organisational, economic and financial-accounting nature (financial and management accounting) so that they can draw up the Annual Report on 31.12.[n] according to this methodology.

(2) The annual report drawn up by the licence holders referred to in paragraph 1 shall contain:

- a) the documents referred to in Art. 20 par. (1) lett. a)-f);
- b) copy of the forms Situation of assets, debts and equity as at 31.12.[n] and Statement of revenue and expenses as at 31.12.[n], from the annual financial statements as at 31.12.[n], as well as the copy of the related audit report prepared according to the legislation in force, by license holders, and lodged with the tax administration authority of the country in which the respective holders have their registered office.

SECTION 5: Transmission of data

Art. 26

Licence holders shall transmit the Annual Report to ANRE, both in paper and electronic form, as instructed in Annex no. 9.

CHAPTER III: Final provisions

Art. 27

Annexes No 1-9 form an integral part of this methodology.