

CERP WORKING GROUP ECONOMICS/ PT Cost Accounting and Price Control Systems

Report "Cost Accounting and Price Control"

Introduction:

"CERP Recommendation on best Practices for Cost Accounting Rules II" was approved unanimously by CERP plenary meeting in Vilnius on 25-26 November 2004. Since then some of CERP members have implemented parts of it. Nevertheless the use of cost accounting rules differs from country to country and the situation nowadays is far from being a common approach.

In addition the legal power of the regulator to enforce cost accounting rules differs from country to country. Some regulators may be in a position to prescribe in detail how cost accounting should be done, while others may only transpose the basic regulations from the Postal Directives.

The calculation of the cost of the universal service is an essential requirement for regulatory decisions. An appropriate calculation is for example required to safeguard the universal service, ensure correct cost allocation and prevent cross subsidization with non USO services.

In CERP member states a wide range of price control systems (e.g. ex-ante, ex-post, pricecap, freezing) is applied nowadays. The kind of system applied may effect prices and/or pricing structures.

Activities:

The Project Team Cost Accounting and Price Control Systems held its first meeting on 27/28 October 2005 in Mainz. Representatives from Belgium, Croatia, France, Germany, Ireland, Poland, Slovenia and Switzerland attended the meeting. Estonia, Malta and Turkey were excused. Romania and Sweden joined the project team hereafter.

The project team decided to launch a review on the existing legislation and practices and therefore has drafted a questionnaire (Annex 1) asking for the following information:

- A: The level of power given to regulators to enforce cost accounting rules in CERP member countries,
- B: Separation of cost between US and non-US,
- C: The different methods used by NRA's and/or PPO's for calculating the costs of universal service,
- D: The price control systems applied and the implication for tariffs.

The questionnaire has been distributed on 11 November 2005 and CERP members were asked to fill in the questionnaire as completely as possible and return it not later than 15 December 2005.

The response rate was very satisfying: Answers from 29 Countries have been received (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom).

To evaluate the answers the project team split up in 3 subgroups and worked until end of March 2005 by (email) correspondence. For better understanding and readability the answers have been grouped into categories.

To avoid any misunderstanding or misinterpretation all responding countries have been asked to check the tables and to report back any modification they may see a need for. Additional comments received from 17 countries are considered in this report.

Summary of basic findings:

A: The level of power given to regulators to enforce cost accounting rules in CERP member countries:

- All except of 1 countries have implemented Cost accounting rules in their national legislation and only a minority (6) plan to establish more detailed regulation;
- The Legal responsibility to determine cost accounting rules differs from country to country, in the majority Regulators (17) are authorized.
- The nature of cost accounting regulations varies from Acts (19), Secondary Legislation (10), Decree (10) to others (8).
- Most of cost accounting regulations do not go beyond the requirements of the Postal Directives (24).
- To prevent cross-subsidization between reserved/non-reserved/non-US all countries have introduced rules, mostly by separate accounts (20).
- To ensure, that the USP is in compliance with the cost accounting regulations most of the countries (19) have installed an independent auditor.
- Enforcement powers to ensure compliance with the cost accounting regulations exist mainly (27) by fines or financial penalties.
- The public availability of regularly accounts on cost accounting varies from "not existing" (2) to "with the exception of confidentiality" (5).

B: Separation of cost between US and non-US:

- Separate accounts are provided by 25 USPs, the majority (15) providing separation between Reserved/US/non US.
- A majority of countries (18) do not have any more detailed regulations for the separation of costs.
- 25 countries apportion common costs between US/non-US by full distribution of costs.

- For the separation of costs when there are non-universal value added features to a US most countries use a separated cost classification (10) or an ABC model (8).
- When US and non-US services are jointly provided the costs are mostly separated based on real use/ABC (19).
- While 20 countries are satisfied with the methodology of separation applied 7 countries are not.

C: The different methods used by NRAs and/or PPOs for calculating the costs of universal service:

- 4 countries study whether or not there are extra costs or special benefits of/from USO, all using different methods.

D: The price control systems applied and the implication for tariffs:

- In most of the countries the regulator (14) and/or the ministry (12) have the legal responsibility to determine price control systems.
- The responsibility for the application of the price control system is mostly given to the regulator (26).
- The majority of countries (19) understand "geared to cost" as "Cost orientated/cost based".
- The understanding of "affordable" varies, where the most common view was "Accessible by all users" (11).
- On "Avoided cost" there was no common understanding, the most common answer was "avoided through specific conditions of services" (7).
- The compliance with the tariff principled are mostly verified by separated accounting documents (16), but 4 countries do not have any method.
- Cost information to justify tariffs have to be provided by all but 2 USPs, mostly by regular reports (14) and/or in case of tariff modifications (15).
- A majority of countries apply individual price regulation only (15), 7 countries use a price cap system or freezing, 6 countries apply both systems.
- The most common processes initiated within the price regulation are "Consultation" (15) and/or "Hearing" (6).
- The notice period given by the operator once the tariffs have been approved before implementation varies from 5 days to 4 month, 11 countries having no rules.
- All but 1 countries have enforcement powers to ensure compliance with the price regulations, most of them fines (25) and/or legal action (14), in 3 countries these actions have already been taken.
- On discounts and/or customer contracts 24 countries have special regulations, where the majority answered "Non-discriminatory" (17), "Based on avoided costs" (16) and "Transparent" (12).
- 8 countries have special regulations on internal transfer pricing, most of them "as retail/market prices (3).
- Consumers/customers have the ability to appeal on applied prices in 10 countries, in most cases to the regulator (8).

Detailed figures are provided in the evaluation of the questionnaire (Annex 2).

Ulrich Dammann (PT Chairman)

CERP PL 2006/1 Doc. 10 E ANNEX 1

CERP

WORKING GROUP ECONOMICS/ PT Cost Accounting and Price Control Systems

"CERP Recommendation on best Practices for Cost Accounting Rules II" was approved unanimously by CERP plenary meeting in Vilnius on 25-26 November 2004. Since then some of CERP members have implemented parts of it. Nevertheless the use of cost accounting rules differ from country to country and the situation nowadays is far from having a common approach.

In addition the legal power of the regulator to enforce cost accounting rules differ from country to country. Some regulators may be in a position to prescribe in detail how cost accounting should be done, while others may only transpose the basic regulations from the Postal Directives.

The calculation of the cost of the universal service is an essential requirement for regulatory decisions. An appropriate calculation is for example required to safeguard the universal service, ensure correct cost allocation and prevent cross subsidization with non USO services.

In CERP member states a wide range of price control systems (e.g. ex-ante, ex-post, pricecap, freezing) is applied nowadays. The kind of system applied may effect prices and/or pricing structures.

This questionnaire therefore asks for the following information:

- **A:** The level of power given to regulators to enforce cost accounting rules in CERP member countries,
- B: Separation of cost between US and non-US,
- **C:** The different methods used by NRA's and/or PPO's for calculating the costs of universal service,
- **D:** The price control systems applied and the implication for tariffs.

CERP members are asked to fill in the questionnaire as completely as possible and return it not later than 15 December 2005.

Thank you very much in advance.

Ulrich Dammann (Chairman)

Questionnaire

	Contact details
Country	
Organisation	
Contact Name	
Postal Address	
Telephone number	
Fax number	
Email address	

A: Enforcement of Cost Accounting Rules

A1: Are cost accounting rules included in your national legislation?

Yes	
No	

A2: Do you plan to establish (more detailed) cost accounting rules and to include them in your national legislation?

Yes	
No	

If yes: please specify:

A3: Who has the legal responsibility to determine cost accounting rules:

Parliament	
Government	
Ministry	
Regulator	
Others	
(please specify)	
specify)	

A4: What is the nature of the cost accounting regulations?

Act	
secondary	
legislation	
decree	
Others (please specify)	
specify)	

A5: Does your cost accounting regulations go beyond the requirements of the Postal Directives?

Yes No

If yes: please specify the details in keywords:

A6: What rules exist to prevent cross-subsidization between reserved/non-reserved US/non-US?

Please specify:

A7: What procedures exist to ensure that the USP is in compliance with your cost accounting regulations (e.g. legal requirement for auditor, their appointment, responsibility of the auditor, content of auditing, owner of auditing, reporting requirements)?

Please specify:

A8: What enforcement powers exist to ensure compliance with your cost accounting regulations (e.g. fines, tariff measures, legal action)? Has any such action already been taken?

Please specify:

A9: In what detail are regulatory accounts on cost accounting of the USP publicly available (e.g. cost, revenues, values at service level, regulated balance sheets), who is responsible for publication and how are they published?

Please specify:

B: Separation of cost between US and non-US

B1: Does the USP provide separate accounts to the NRA for services within reserved/non reserved US/Non US?

Yes	
No	

If yes: Please outline content and details of such accounts:

B2: Are there more detailed regulations on separation of costs?

Yes	
No	

If yes: Please specify:

B3: How are common costs (overhead, network) apportioned between US/non-US (full distribution/incremental costing/marginal costing)?

Please specify:

B4: How are costs separated when there are non-universal value added features to a US (e.g. parcel with cash on delivery, where cash on delivery is not US)?

Please specify:

B5: How are costs separated when US and non-US services are jointly provided (e.g. counter)?

Please specify:

B6: In your opinion: Is the methodology of separation applied in your country satisfactory?

Yes	
No	

If not: Please specify:

C: Calculation of the (extra) costs of US

C1: Do you study whether or not there are extra costs or special benefits of/from USO?



If yes:	
What methodology is used for calculation?	
Do you take into account the costs exceeding	
the costs of efficient provision?	
If this study results in extra costs or special	
benefits: Do you evaluate the costs/benefits?	
Has the incumbent other method(s).	

D: Price control systems

D1: Who has the legal responsibility to determine price control systems?

Please specify:		

D2: Who is responsible for the application of the price control system?

Please specify:

D3: What is your understanding of the following terms:

Term	Please specify
"geared to cost"	
"affordable"	
"avoided cost"	

D4: How do you verify the compliance with the tariff principles (e.g. geared to cost, non-discriminatory, transparent, affordability) and what methods do you apply?

Please specify:

D5: When and in what detail does the USP have to provide cost information to justify its tariffs?

Please specify:

D6: What kind of price control system do you apply (please specify by service)?

Individual price regulation	
o ex-ante	
o ex-post	
Price cap (please indicate	
the formula and baskets	
o ex-ante	
o ex-post	
Freezing	
Others (please specify)	

D7: What process has to be initiated within the price regulation (e.g. consultation, hearing)?

Please specify:

D8: Once the tariffs have been approved: What notice period must be given by the operator before implementation?

Please specify:

D9: What enforcement powers exist to ensure compliance with your price regulations (e.g. fines, tariff measures, legal action)? Has any such action already been taken?

Please specify:	

D10: Are there any special legal regulations on discounts and/or customer contracts?

Yes	
No	

If yes: Please specify:

D11: Are there special regulations on internal transfer pricing?

Yes	
No	

If yes: Please specify:

D12: Do consumers/customers have the ability to appeal on applied prices?

Yes	
No	

If yes: Please specify:

CERP PL 2006/1 Doc. 10 E ANNEX 2

Questi	on	A1	Α	re c	ost a	ICCO	unti	ng ru	ules	inc	lud	ed i	n yo	ur n	atio	onal	l leg	islat	ion	?										
			-	-	-		-						-	-												-				
Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Yes	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х		28
No																													Х	1

Question A2 Do you plan to establish (more detailed) cost accounting rules and to include them in your national legislation?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Yes			Х					Х	Х			Х			Х									Х						6
No	Х	Х		Х	Х	Х	Х			Х	Х		Х	Х		Х	Х	Х	Х	Х	Х	Х	Х		Х	Х	Х	Х	Х	23

Question A3 Who has the legal responsibility to determine cost accounting rules?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Parliament		Х	Х	Х		Х		Х			Х			Х				Х			Х						Х			10
Government		Х		Х			Х			Х								Х			Х							Х		7
Ministry	Х	Х		Х					Х	Х			Х	Х		Х		Х			Х	Х	Х							12
Regulator		Х		Х	Х	Х				Х		Х			Х	Х	Х		Х	Х	Х			Х	Х	Х	Х	Х		17
Other																													Х	1

Question A4 What is the nature of the cost accounting regulations?

Answer	AT	BE	BG		CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Act		Х	Х	Х		Х	Х		Х	Х	Х	Х		Х	Х	Х		Х		Х		Х	Х	Х			Х	Х		19
Secondary legislation			Х		Х				Х				Х				Х		Х			Х	Х		Х		Х			10
Decree	Х	Х		Х			Х	Х		Х		Х		Х	Х									Х						10
Others								Х												x	Х	Х		Х		Х		Х	Х	8

Question A5 Does your cost accounting regulations go beyond the requirements of the Postal Directives?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT		LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Yes		Х						Х									Х					Х		Х						5
No	Х		Х	Х	Х	Х	Х		Х	Х	Х	Х	Х	Х	Х	Х		Х	Х	Х	Х		Х		Х	Х	Χ	Х	Х	24

Question A6 What rules exist to prevent cross-subsidization between reserved/non-reserved US/non-US?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Only prohibition		Х	Х			Х							Х				Х										Х			6
Separate accounts	Х			Х	Х			Х	Х	Х	Х	Х		Х	Х	Х		Х	Х	Х	Х		Х	Х	Х			Х	Х	20
Calculation				Х			Х		Х		Х	Х										Х				Х				7
May be authorized		Х														Х		Х				Х								4

Question A7 What procedures exist to ensure that the USP is in compliance with your cost accounting regulations?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
None			Х																											1
System audited (only)	Х										Х																			2
Independent auditor		Х		Х	Х	Х		Х		Х		Х			Χ	Х	Х	Х		Х	Х	Х	Х	Х	Х		Х	Х		19
Audit by NRA							Х						Х													Х				3
Report by USP									Х		Х			Х			Х	Х	Х		Х		Х				Х		Х	10
Audit published		Х		Х	Х							Х				Х							Х	Х			Х			8

Question A8 What enforcement powers exist to ensure compliance with your cost accounting regulations?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
None				Х																										1
Fine/Financial penalty	Х	Х	Х		Х	Х	Х	Х	Х	Х	Х	Х	Х	Х		Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	27
Legal action	Х										Х				Х		Х			Х										5
Suspension of license												Х													Х	Х				3
Tariff measures																	Х		Х									Х		3
Already been taken											Х																			1

Question A9 In what detail are regulatory accounts on cost accounting of the USP publicly available?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Do not exist			Х		Х																									2
Only principles	Х																Х							Х			Х	Х		5
Not publicly available							Х			Х	Х					Х		Х	Х	Х						Х				8
NRA yearly report/website				Х																				Х						2
USP yearly report/website						Х		Х	Х					Х	Х								Х		Х				Х	8
Ministry/State agency													Х																	1
USP specific report		Х										Х									Х	Х								4
Exception of confidentiality												Х					Х					Х			Х				Х	5

Question B1

Does the USP provide separate accounts to the NRA for services within reserved/non reserved US/Non US ?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Yes		X	Χ	Χ	X	Χ			X	X	Χ	Χ		X	Χ	Χ	Χ	Χ	X	X	Χ	Χ	Χ	X	Χ	X	Χ	X	Χ	25
Reserved/non-reserved						Х									Х									Х						3
Reserved/US non reserved																					Х			Х						2
Reserved/US/non US			Х	Х	Х					Х		Х		Х		Х	Х		Х	Х		Х	Х	Х	Х		Х			15
US/non US									Х		Х													Х		Х			Х	5
Activity/product (line)		Х									Х							Х						Х				Х		5
By product reserved														Х			Х							Х						3
By product (line) US										Х	Х				Х									Х	Х	Х	Х			7
No	Χ						Χ	X					Χ																	4

Question B2 Are there more detailed regulations on separation of costs ?

No	X		Χ		X	X	X			X	X					X	X	X	X	X	X	X	X			X	X		X	18
Na				Λ																										10
By NRA				Χ											X									X				X		4
By USP								Х	Х																					2
In legislation		Х		Х								Х	Х	Х											Х					6
Yes		Χ		X				X	Χ			X	X	X	X									Χ	Χ			X		11
Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total

Question B3	How are common costs (overhead, network) apportioned between US/non-US (full distribution/incremental
	costing/marginal costing)?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
full distribution		Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х		Х	Х	Х		Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х		25
Equipropostieral																													Х	1
Mark-Up (EPMU)																														
No general rules	Х												Х																	2
System under																	Х													1
revision																														

QuestionB4How are costs separated when there are non-universal value added features to a US (e.g. parcel with cash on delivery,
where cash on delivery is not US)?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Separated cost		Х		Х	Х				Х						Х	Х		Х					Х	Х			Х			10
classification																														
ABC model			Х				Х							Х				Х			Х	Х						Х	Х	8
No specific rules	Х											Х													Х	Х				4
Not separated, whole						Х																								1
product is part of US																														
Whole product is no								Х			Х								Х											3
more part of US																														
Not seperated										Х							Х			Х										3

Question B5 How are costs separated when US and non-US services are jointly provided (e.g. counter)?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Based on the real		Х	Х		Х	Х	Х	Х	Х	Х	Х				Х	Х	Х	Х			Х	Х	Х		Х			Х	Х	19
use/ABC																														
Specified cost				Х										Х					Х	Х				Х			Х			6
allocators																														
Volumes											Х		Х																	2
Seperated cost																										Х				1
accounting systems																														
No general rules	Х											Х																		2

Question **B6** In your opinion: Is the methodology of separation applied in your country satisfactory ?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Yes	X	X	Χ	X			Χ			Χ	Χ			X	X	X	Χ	X	Χ	X		Χ	Χ	Χ	X	Χ		Χ		20
No					X			X	Χ			Χ									Χ						Χ		Χ	7

Question C1 Do you study whether or not there are extra costs or special benefits of/from USO?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
No	Х		Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х		Х		Х	Х	Х	Х		Х	Х	Х	Х	Х	Х	Х	25
Yes		Х													Х		Х					Х								4
FDC Methodology		Х																												1
Net avoided costs																						Х								1
Taking into account																						Х								1
the costs of efficient																														
provision																														
Evaluation of																						Х								1
costs/benefits																														

Question D1 Who has the legal responsibility to determine price control systems?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Parliament				Х							Х		Х					Х			Х						Х			6
Government		Х					Х			Х							Х	Х								Х				6
Ministry	Х		Х			Х		Х	Х	Х		Х		Х	Х	Х						Х	Х							12
NRA					Х	Х		Х		Х		Х		Х			Х	Х	Х	Х				Х	Х			Х	Х	14
Competition								Х																					Х	2
Authority																														

Question D2 Who is responsible for the application of the price control system?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Ministry				Х		Х						Х				Х														4
NRA	Х	Х	Х		Х		Х	Х	Х	Х	Х	Х	Х	Х	Х		Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	26
Competitions								Х																						1
Authority																														
USP himself	Х													Х								Х								3

Question D3 What is your understanding of the following terms:

Geared to cost																														
Answer	AT	BE	BG	CH	CY	CZ		DK	EE	ES	FI		HR				LT	LU	LV	MT	NL	NO		PT	RO	SE	SI	SK	UK	Total
Cost orientated/			Х			Х	Х		Х	Х	Х	Х	Х	Х	Х	Х	Х		Х	Х		Х	Х	Х		Х			Х	19
Cost based																														
Recover costs (+		Х			Х													Х			Х				Х			Х		6
event. a profit)																														
Affordable																														
Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Accessible by all					Х		Х			Х	Х		Х			Х		Х		Х	Х			Х			Х			11
users																														
reasonable					Х				Х	Х	Х															Х				5
Accepted by							Х																					Х		2
ordinary public																														
Taking into account															Х										Х					2
views of interested																														
parties																														
Historical prices		Х																						Х					Х	3
In relation to cost			Х																					Х						2
Fair											Х																			1
Based on index												Х																		1

No financial burden			Х				Х									2
consumers																
Not exceeding a									Х							1
certain price level																
Purchasing power												Х				1
Price-cap based													Х			1
(CPI - X)																

Avoided cost																														
Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Avoided through		Х									Х	Х			Х	Х		Х		Х										7
specific conditions																														
of services																														
Cost savings because																	Х							Х				Х		3
of partly provided																														
services																														
Opportunity costs					Х						Х																			2
Costs avoided																										Х	Х			2
through decision																														
Costs exceeding													Х																	1
minimal costs of																														
maintenance																														
Cost costs not														Х																1
incurred if there was																														
no USO																														
Not necessary to																					Х									1
fulfill the service																														
Costs that do not																						Х								1
incur when service																														
determines																														

Costs that would												Х			1
have been incurred if															
additional quantity															
of services would															
have been provided															
Incremental costs			Х												1

QuestionD4How do you verify the compliance with the tariff principles (e.g. geared to cost, non-discriminatory, transparent, affordability) and what methods do you apply?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
By separated									Х	Х	Х	Х				Х	Х		Х	Х	Х	Х	Х	Х		Х	Х	Х	Х	16
accounting																														
documents																														
In case of complaints		Х					Х															Х						Х		4
In case of tariff		Х		Х			Х					Х						Х						Х				Х		7
modifications																														
Analytic cost		Х								Х		Х																Х		4
accounting system																														
External experts	Х																													1
Methodology for			Х																											1
determination of																														
affordability																														
Access to all costing															Х			Х												2
information by NRA																														
No method					Х	Х							Х				-								Х					4

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Regular reports			Х							Х	Х	Х	Х				Х		Х	Х	Х	Х		Х	Х	Х		Х		14
In case of tariff		X	Х	Х		Х	Х		Х	Х		Х			Х			Х		Х		Х		Х			Х	Х		15
modifications																														
As determined by									Х		Х			Х		Х								Х	Х				Х	7
NRA																														
On request of	Х																													1
external experts																														
Analytic cost		Х																						Х						2
accounting system																														
No rules					Х																		Х							2

Question D6 What kind of price control system do you apply (please specify by service)?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Individual price regulation																														
- ex ante	Х		Х	Х		Х	Х			Х		Х		Х	Х		Х	Х	Х	Х		Х		Х			Х	Х		17
- ex-post							Х		Х		Х				Х		Х						Х	Х		Х	Х			9
Price cap																														
- ex-ante			Х				Х	Х								Х					Х			Х						6
- ex-post		Х										Х		Х												Х			Х	5
Freezing																					Х				Х					2
No system					Х																									1

Question D7 What process is initiated within the price regulation (e.g. consultation, hearing)?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Consultation				Х	Х					Х				Х	Х		Х	Х	Х	Х	Х	Х			Х		Х	Х	Х	15
Hearing			Х			Х				Х														Х	Х			Х		6
Price commission	Х															Х														2
No process		Х					Х	Х	Х		Х	Х	Х										Х			Х				9

Question D8 Once the tariffs have been approved: What notice period must be given by the operator before implementation?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
5 days																								Х						1
7 days			Х																								Х			2
15 days													Х																	1
30 days																									Х					1
1 month									Х		Х			Х					Х		Х		Х							6
2 month	Х																					Х								2
10 weeks							Х																							1
3 months								Х							Х														Х	3
4 months																	Х													1
No rules		Х		Х	Х	Х				Х		Х				Х		Х		Х						Х		Х		11

QuestionD9What enforcement powers exist to ensure compliance with your price regulations (e.g. fines, tariff measures, legal action)?
Has any such action already been taken?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Fines	Х	Х	Х		Х	Х	Х	Х		Х		Х	Х	Х		Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	Х	25
Legal action	Х						Х	Х	Х		Х	Х		Х	Х		Х		Х	Х			Х		Х	Х				14
Tariff measures														Х			Х		Х			Х						Х		5
No rules				Х																										1
Action has already							Х		Х		Х																			3
been taken																														

Question D10 Are there special regulations on discounts and/or customer contracts?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
Non-discriminatory		Х			Х					Х	Х	Х	Х	Х	Х	Х	Х	Х			Х	Х	Х	Х		Х	Х			17
Based on avoided		Х				Х				Х	Х	Х			Х	Х	Х	Х			Х	Х	Х	Х	Х	Х	Х			16
costs																														
Transparent		Х								Х			Х		Х	Х	Х	Х			Х		Х	Х		Х	Х			12
Within price			Х				Х				Х													Х						4
regulation																														
Geared to costs				Х																				Х						2
No regulation	Х							Х	Х										Х									Х		5
Objective terms																						Х								1
Element of the																													Х	1
Licensing condition																														
No discounts																				Х										1
allowed																														

QuestionD11Are there special regulations on internal transfer pricing?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
As retail/market																			Х		Х	Х								3
prices																														
At cost price		Х																				Х								2
Geared to costs				Х																										1
Based on justifiable,																	Х													1
non-discriminatory																														
principles																														
Guidelines																				Х										1
Element of licensing																													Х	1
conditions																														
No regulation	Х		Х		Х	Х	Х	Х	Х	Х	Х	Х	Х		Х	Х		Х		Х			Х	Х	Х	Х	Х	Х		21

Question D12 Do consumers/customers have the ability to appeal on applied prices?

Answer	AT	BE	BG	CH	CY	CZ	DE	DK	EE	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	NO	PL	PT	RO	SE	SI	SK	UK	Total
To the regulator						Х			Х	Х		Х					Х					Х		Х				Х		8
In court			Х													Х								Х						3
To Ministry						Х				Х		Х																		3
Costumer												Х																		1
organization																														
No process	Х	Х		Х	Х		Х	Х			Х		Х	Х	Х			Х	Х	Х	Х		Х		Х	Х	Х		Х	19