هيئة تنظيم الكهرباء - عمان
AUTHORITY FOR ELECTRICITY REGULATION, OMAN

ANNUAL REPORT 2014

HIS MAJESTY
SULTAN QABOOS BIN SAID

Contents

GLOSSARY OF TERMS

BOO	Build Own and Operate
Bulk Supply Tariff (BST)	Tariffs charged by PWP and RAEC for bulk supplies of electricity and water, where such tariffs are calculated each year and approved by the Authority;
DPC	The Dhofar Power Company SAOC
DPS	Dhofar Power System connecting the systems of DPC and OETC in Dhofar region
EHC	The Electricity Holding Company SAOC
EPC	Engineering, Procurement and Construction
ERWS	Electricity and Related Water Sector
GCCIA	Gulf Cooperation Council Interconnection Authority
I(W)PP and IPP	Independent Power and Water Project
Main Interconnected System or MIS	The interconnected systems of OETC, and the Muscat, Majan and Mazoon Discos
Majan or MJEC	The Majan Electricity Company SAOC
Mazoon or MZEC	The Mazoon Electricity Company SAOC
MAR	Maximum Allowed Revenue
Muscat or MEDC	The Muscat Electricity Distribution Company SAOC
OETC	The Oman Electricity Transmission Company SAOC
Omanisation	The policy for the employment of Omani nationals as issued from time to time by the Government of Oman
Permitted Tariff	Tariffs Customers are obliged to pay in consideration for Supply of electricity or for Connection to a Distribution System or a Transmission System, which tariff shall be determined in the manner stipulated in Article (9) of the Sector Law
PAEW	The Public Authority for Electricity and Water
PWP	The Oman Power and Water Procurement Company SAOC
RAEC	The Rural Areas Electricity Company SAOC
OMR	Omani Rial
ROP	Royal Oman Police
SCRC	Schedule Charge Restriction Condition
Sector Law	The law for the regulation and privatization of the electricity and related water sector promulgated by Royal Decree 78/2004 as amended by Royal Decree 59/2009
Related Water	Desalinated water in the Sultanate of Oman which is combined or co-located with the electricity sector and which is subject to regulation
The Authority	The Authority for Electricity Regulation, Oman, being the authority established pursuant to Article (19) of the Sector Law as amended

CHAIRMAN'S FOREWORD

On behalf of the Authority, it is with great pleasure that I present our Annual Report for 2014, a year of further strong growth in the demand for electricity and water, and corresponding increases in production to meet demand. The main highlights of 2014 are as follows:

i. The number of electricity Customer accounts in the Sultanate increased by 67,792, or 7.9% from 859,392 in 2013 to 927,184 in 2014. Residential customers accounted for 69% of the increase in accounts. Since the 2005 market restructuring the number of electricity accounts has increased by 396,933 or 75%;

ii. Electricity Supply in 2014 reached 25.2 TWh,10.4% higher than in 2013 and 164% higher than in 2005;

iii. The Authority's measure of electricity intensity (MWh per account) reached 27.1 in 2014, higher than 2013 by 2.4% and 51% higher than in 2005. Increasing intensity is an important driver of electricity demand that has implications for costs and subsidy. If the 927,184 registered accounts in 2014 had the same average intensity as in 2005, electricity supply in 2014 would have been 34 %, or 8.5 TWh lower with corresponding reductions in costs and subsidy;

iv. Sector gas use increased by 7.8% in 2014 to support increases in gross electricity and related water production of 9.6% and 2.6%, respectively. RAEC consumed about 211,904,000 litres of diesel in 2014 to support increases in electricity and related water production of 10.5% and 4.7%, respectively;

v. Technical and non-technical losses accounted for 11.5 % of total units entering electricity systems in the Sultanate in 2014, a decrease on reported losses of 12.7% in 2013. MIS losses decreased from 12.6% in 2013 to 11.6% in 2014, RAEC losses fell from 10.8% in 2013 to 9.2% in 2014, and Dhofar Power System losses fell from 14.1% in 2013 to 12.2% in 2014;

vi. Total electricity and related water sector employment (Direct and Contractor employees) increased by 10.5 % in 2014, reflecting a 1% increase in Direct employment (from 2,798 to 2,825) and a15.4% increase in Indirect employment (from 5,479 to 6,322). The 2014 overall electricity and related water sector Omanisation rate was 58%;

vii. The Authority issued no new Customer Complaint Determination in 2014, and resolved 111 outstanding complaints on the basis of policy precedents established in 65 previously issued Determinations;

viii. The Sur IPP entered full commercial operation providing 2000 MW of highly fuel efficient contracted capacity in 2014;

ix. The electricity sector benefited from 287.1 million Rial Omani of support from the Ministry of Finance in 2014: 214.1 million Rial Omani of MIS subsidy, 44.5 million Rial Omani of RAEC subsidy and 28.5 million Rial Omani of Dhofar Power System subsidy.

x. Electricity licensees approved 359 electricity related projects in 2014 with a total value of 232 million Rial Omani, these projects will support the provision of electricity services in all of the Sultanate's regions; and

xi. The cost of regulating the electricity and related water sector in 2014 was around 3.2 Rial Omani per Customer account, around one ten of one baiza per kWh Supplied and less than 0.25% of total electricity and related water sector turnover, we believe metrics compare favourably to international benchmarks of regulatory costs.

In May 2014 the Council of Ministers approved changes in Authority Members. In welcoming Ayisha bint Zaher Al Mawali and Mohammed bin Ahmed AlShahri, as new Members, we bid farewell to the Authority's previous Chairman Amur bin Mubarak Al Kiyumi and the founding Executive Director & Member John Cunneen with our sincerest thanks and appreciation for their leadership, and contributions to the sector and wish them all the best in the future.

Members would particularly like to acknowledge with thanks the hard work of Authority staff who contributed to and are responsible for the activities and work described in this report.

Members and staff of the Authority express their sincere gratitude to His Majesty Sultan Qaboos bin Said for his vision, guidance and leadership and to His Majesty's government for their continuing support.

Dr. Amer Bin Saif Al Hinai
Chairman
Authority for Electricity Regulation, Oman

Electricity and Related Water Sector Market Structure

Sources: MIS & Dhofar 2014 Capacities from PWP 7-Year Statement (Issue 8), other data AER

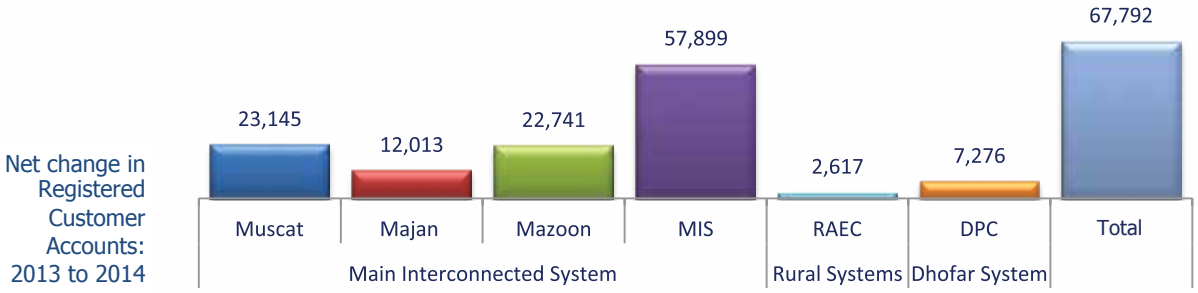
The Sector Law designates certain activities as regulated activities and requires persons seeking to undertake such activities to be authorised by the Authority to do so. Further details of the new market structure and its regulation are available at www.aer-oman.org.

Electricity & Related Water Sector Activity and Statistics

Customer Accounts: 2012 and 2013

The number of registered electricity customer accounts in the Sultanate increased by 7.9% in 2014 from 859,392 in 2013 to 927,184. The MIS accounted for 85.4% of the increase in accounts (85.2% in 2013), RAEC accounted for 3.9% of the increase (4.2% in 2013) and DPC for 10.7% of the increase (10.6% in 2013). Please refer to Figure 1 below and Table 1 of Annex C for further details.

Figure 1: Registered Customer Accounts by Company: 2013 & 2014



	Muscat	Majan	Mazoon	MIS	RAEC	DPC	Total
2013 Accounts	261,480	174,592	318,182	754,254	28,287	76,851	859,392
2014 Accounts	284,625	186,605	340,923	812,153	30,904	84,127	927,184
net change in Accounts	***23,145***	***12,013***	***22,741***	***57,899***	***2,617***	***7,276***	***67,792***
% change in Accounts	8.9%	6.9%	7.1%	7.7%	9.3%	9.5%	7.9%

Source: Company returns

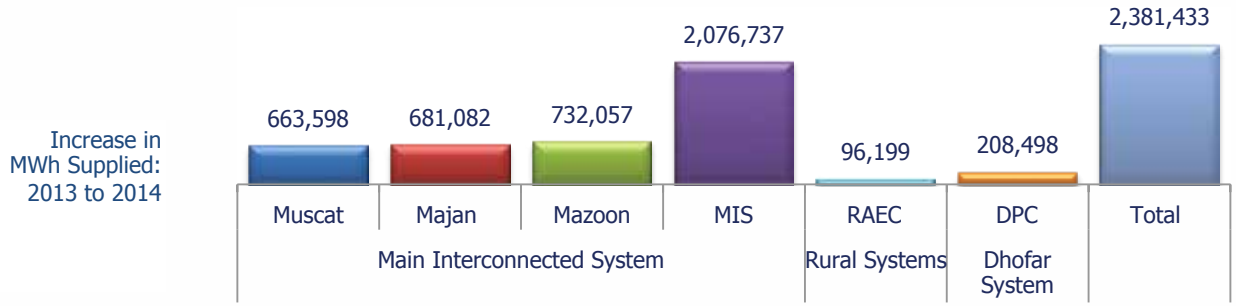
For the Sultanate as a whole, Residential customers accounted for 69% of the 67,792 increase in accounts and Commercial customers for 27.8% of the increase.

Residential customers accounted for 75% of all customer accounts in 2014.

Electricity Supply: 2013 and 2014

Total electricity supply in the Sultanate increased by 2.38 TWh in 2014 from 22.8 TWh in 2013 to 25.2 TWh, an increase of 10.4% following the 8.7% increase in 2013. MIS supply increased by 10.4% (or 2.1 TWh) in 2014, accounting for 88% of the total (2.38 TWh) growth in supply. RAEC supply was 14.8% higher than in 2013, reflecting strong growth in supply to Residential, Industrial and Commercial customers. DPC supply growth of 9.8% in 2014 was lower than the 11.7% increase in 2013. See Figure 2 below and Table 2 of Annex C for further details.

Figure 2: Electricity Supply by Company: 2013 & 2014



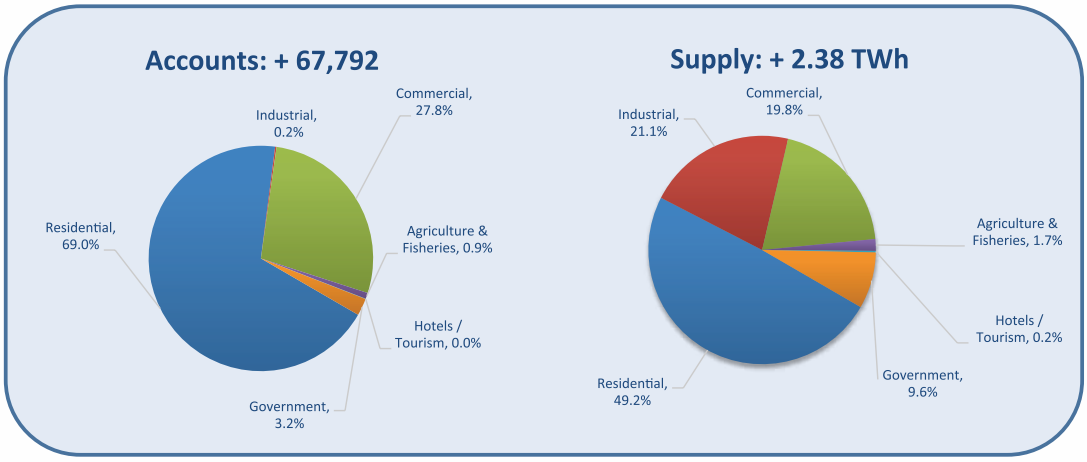
	Muscat	Majan	Mazoon	MIS	RAEC	DPC	Total
2013 MWh	8,024,985	6,022,328	5,973,651	20,020,964	650,920	2,118,773	22,790,657
2014 MWh	8,688,583	6,703,410	6,705,708	22,097,701	747,119	2,327,270	25,172,090
net change in MWh	*663,598*	*681,082*	*732,057*	*2,076,737*	*96,199*	*208,498*	*2,381,433*
% change in MWh	8.3%	11.3%	12.3%	10.4%	14.8%	9.8%	10.4%

Source: Company returns

Residential customers accounted for 47.5% of total supply in 2014, compared to a 55.2% share in 2005.

Figure 3 compares the 2014 increases in accounts and supply by customer category. Residential customers accounted for 69% of the 67,792 increase in accounts, but for just 49% of the 2.38 TWh increase in Supply. Commercial customers accounted for 27.8% of the accounts increase and for 19.8% of the Supply increase. Industrial customers accounted for less than 1% of the increase in 2014 accounts and 21.1 % of the increase in Supply.

Figure 3: 2014 Increases in Accounts & Supply by Customer Category



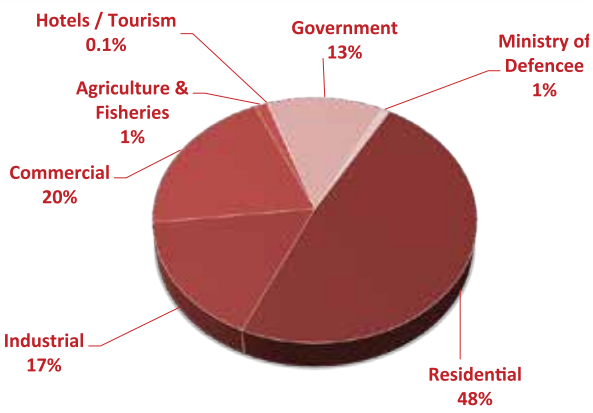
Source: Company returns

The structure of electricity demand in Oman continues to change as the rate of growth in supply to Industrial and Commercial customers exceeds that to other customer categories. Industrial and Commercial customers accounted for 36% of total supply in 2014, up from 23% in 2005. Supply to Majan's Commercial and Industrial customers accounted for 56% of Majan's total 2014 supply, compared to just 21% in 2005, 40% in 2010, and 50% in 2011.

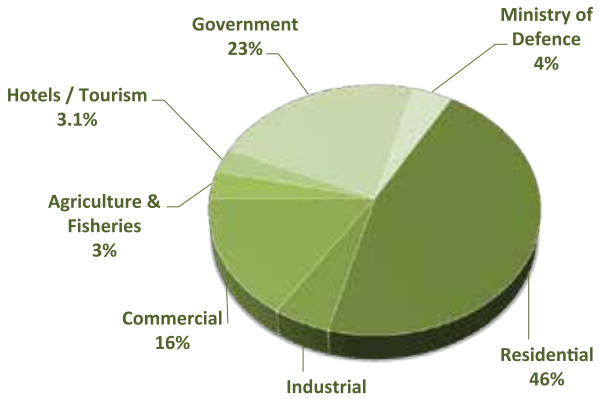
Figure 4 presents electricity Supply by tariff category for each of the three market segments in 2013 and 2014.

Figure 4:Electricity Supply by Tariff Category & System - 2013 & 2014

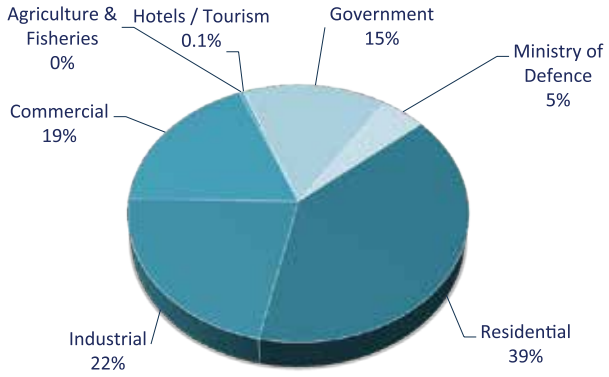
	Main Interconnected System			RAEC Rural Systems			Dhofar Power System		
Category	**2013 MWh**	**2014 MWh**	**% Change**	**2013 MWh**	**2014 MWh**	**% Change**	**2013 MWh**	**2014 MWh**	**% Change**
Residential	9,693,587	10,697,579	10%	301,562	342,148	13%	791,930	919,557	16%
Industrial	3,155,664	3,641,101	15%	32,976	37,989	15%	497,375	509,739	2%
Commercial	4,035,168	4,449,640	10%	106,399	117,944	11%	385,794	431,245	12%
Agriculture & Fisheries	264,656	303,406	15%	25,857	26,191	1%	8,925	9,458	6%
Hotels / Tourism	22,966	25,981	13%	21,031	23,028	9%	2,072	2,124	3%
Government	2,706,551	2,777,264	3%	144,645	168,156	16%	329,325	346,846	5%
Ministry of Defence	142,372	202,731	42%	18,449	31,663	72%	103,351	108,302	5%
Totals	**20,020,964**	**22,097,701**	**10%**	**650,920**	**747,119**	**15%**	**2,118,773**	**2,327,270**	**10%**



Main Interconnected System
Supply by Tariff Category 2014



RAEC Systems
Supply by Tariff Category 2014

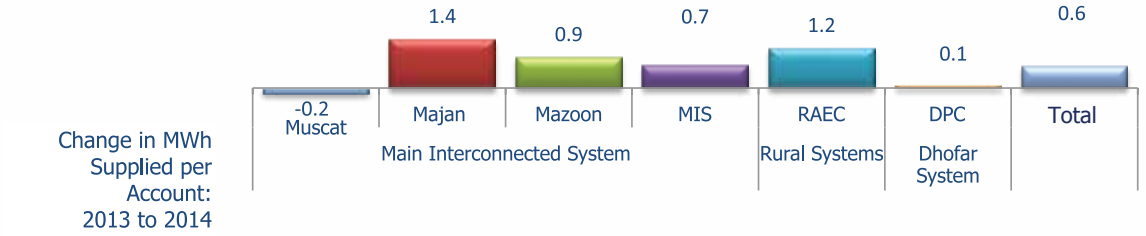


Dhofar Power Systems
Supply by Tariff Category 2014

Electricity Supply per Account: 2013 & 2014

Electricity intensity (MWh per account) increased by 2.4% in 2014, from 26.5 in 2013 to 27.1 MWh per account. Customers of electricity suppliers in the Sultanate registered increased electricity intensity in 2014: MIS customers registered a 4.8% increase, RAEC customers a 5.1% increase and DPC customers a 0.3% increase. Please refer to Figure 5 and Table 3 of Annex C for further details.

Figure 5: MWh Supplied per Registered Account: 2013 & 2014



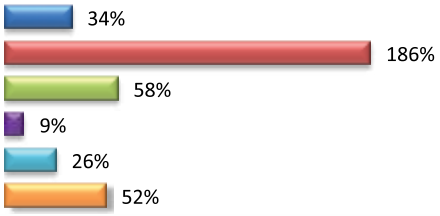
	Muscat	Majan	Mazoon	MIS	RAEC	DPC	Total
2013 MWh Supply/per Acct	30.7	34.5	18.8	26.5	23.0	27.6	26.5
2014 MWh Supply/per Acct	30.5	35.9	19.7	27.2	24.2	27.7	27.1
net change MWh S/per Acct	***-0.2***	***1.4***	***0.9***	***0.7***	***1.2***	***0.1***	***0.6***
% change in MWh S/per Acct	-0.5%	4.1%	4.8%	2.5%	5.1%	0.3%	2.4%

Source: Company returns

The 4.1% and 4.8% increase in electricity intensity for Majan and Mazoon, respectively, reflect continued strong growth in Supply to Industrial and Commercial customers in 2014. Electricity intensity is an increasingly important driver of electricity demand. Figure 6 shows that between 2005 and 2014 the average electricity intensity of all customers increased by 52% with significant variation in intensity changes across customer categories.

Figure 6: Changes in Electricity Intensity between 2005 and 2014

MWh/Account	**2005**	**2014**	***% change***
Residential	12.8	17.2	***34%***
Industrial	1,561.5	4,470.5	***186%***
Commercial	17.2	27.1	***58%***
Agriculture & Fisheries	41.4	45.3	***9%***
Government & MOD	75.5	95.3	***26%***
All Categories	***17.9***	***27.1***	***52%***



The 186% increase in Industrial customer intensity reflects increased supply to a relatively small number of new Industrial customers who are large consumers of electricity. Industrial customers actually account for a smaller proportion of the overall increase in intensity shown in Figure 6 than Residential and Commercial customers, whose intensity in 2014 was 34% and 58% higher, respectively, than in 2005 and who accounted for 67.4% of total 2014 Supply, compared to the 21.1% share of Industrial customers.

Increasing intensity is an important driver of electricity demand that has implications for costs and subsidy. If the 927,184 registered accounts in 2014 had the same average intensity as in 2005, electricity supply in 2014 would have been 34% or 8.5 TWh lower with corresponding reductions in costs and subsidy.

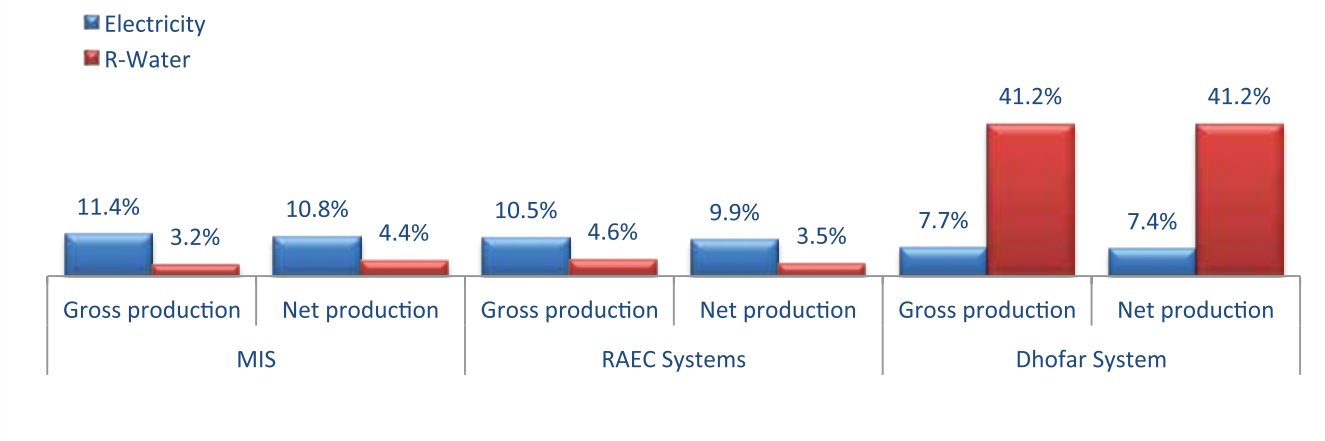
The Authority does not consider intensity increases of this magnitude to be sustainable and continues to believe that the introduction of Cost-Reflective Tariffs (for large Industrial, Commercial and Government customers) coupled with the implementation of measures to improve energy efficiency will help to reduce the electricity intensity of all customers.

Electricity and Related Water Production: 2013 & 2014

2014 gross electricity production of 29.13 TWh was 11% higher than in 2013. The 28.3 TWh of net electricity generation (including PWP and RAEC purchases) was 10% higher than in 2013. Both, gross and net related water production increased by 6.5% and 7.6% (to 211.02 million m³ and 207.9 million m³ respectively). Please refer to Figure 7 and Table 6 of Annex C for further details.

Figure 7: Electricity & Related Water Production by System: 2013 & 2014

% Changes in production: 2013 to 2014



System	Item	Electricity GWh 2013	Electricity GWh 2014	% chng	Related Water '000 m3 2013	Related Water '000 m3 2014	% chng
MIS	*Gross production*	22,923.0	25,535.0	11.4%	179,188.9	184,975.3	3.2%
	Net production	22,558.0	24,993.1	10.8%	174,326.7	181,973.3	4.4%
Rural Systems	*Gross production*	685.0	756.7	10.5%	2,291.0	2,397.5	4.6%
	Net production	635.3	698.1	9.9%	2,160.4	2,236.6	3.5%
Dhofar System	*Gross production*	2,632.4	2,836.3	7.7%	16,753.6	23,652.7	41.2%
	Net production	2,467.9	2,651.7	7.4%	16,753.6	23,652.7	41.2%

Source: Company returns

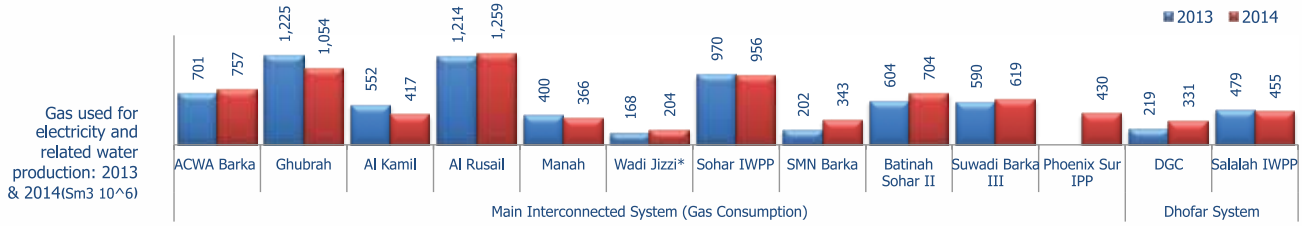
MIS gross generation was 11.4% higher in 2014 than in 2013, RAEC generation was 10.5% higher and generation for the Dhofar Power System was 7.7% higher. Desalinated water production in Dhofar increased by 41.2% in 2014, which accounted for 11.4% of the 2014 increase in total water production in Oman

ERWS Fuel Use in 2014

Natural Gas

The electricity and related water sector consumed 7.8% more gas in 2014 than in 2013, compared to an increase of 9.6% and 2.6% in electricity and water production, respectively, please refer to Figure 8. The specific gas consumption of MIS connected facilities fell to 283 Sm3/MWh in 2014 from 289 Sm3/MWh in 2013 (a 2.3% reduction), and was 21% lower than in 2005.

Figure 8: Gas Consumption at Major Production Facilities: 2013 & 2014



Production Facility:	ACWA Barka	Ghubrah	Al Kamil	Al Rusail	Manah	Wadi Jizzi*	Sohar IWPP	SMN Barka	Batinah Sohar II	Suwadi Barka III	Phoenix Sur IPP	DGC	Salalah IWPP	Total
Fuel	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas
2013 gas use: Sm3 10^6	701	1,225	552	1,214	400	168	970	202	604	590		219	479	**7,324**
2014 gas use: Sm3 10^6	757	1,054	417	1,259	366	204	956	343	704	619	430	331	455	**7,896**
% of total 2014 gas use	*10%*	*13%*	*5%*	*16%*	*5%*	*3%*	*12%*	*4%*	*9%*	*8%*	*5%*	*4%*	*6%*	***100%***
% change in gas use	*7.9%*	*-14.0%*	*-24.3%*	*3.7%*	*-8.6%*	*21.7%*	*-1.4%*	*69.5%*	*n/a*	*n/a*	*n/a*	*51.3%*	*-4.9%*	***7.8%***
% change in Gross Electricity and Gross Water Output: 2014 to 2013														
Electricity	*16.5%*	*-16.8%*	*-25.8%*	*6.0%*	*-7.8%*	*-0.8%*	*-1.2%*	*48.8%*	*n/a*	*n/a*	*n/a*	*53.8%*	*-6.4%*	***9.6%***
Related Water	*23.2%*	*-1.7%*					*-2.3%*	*-1.8%*						***2.6%***

Source: PWP & Company returns

Sm3: Standed Cubic Meter

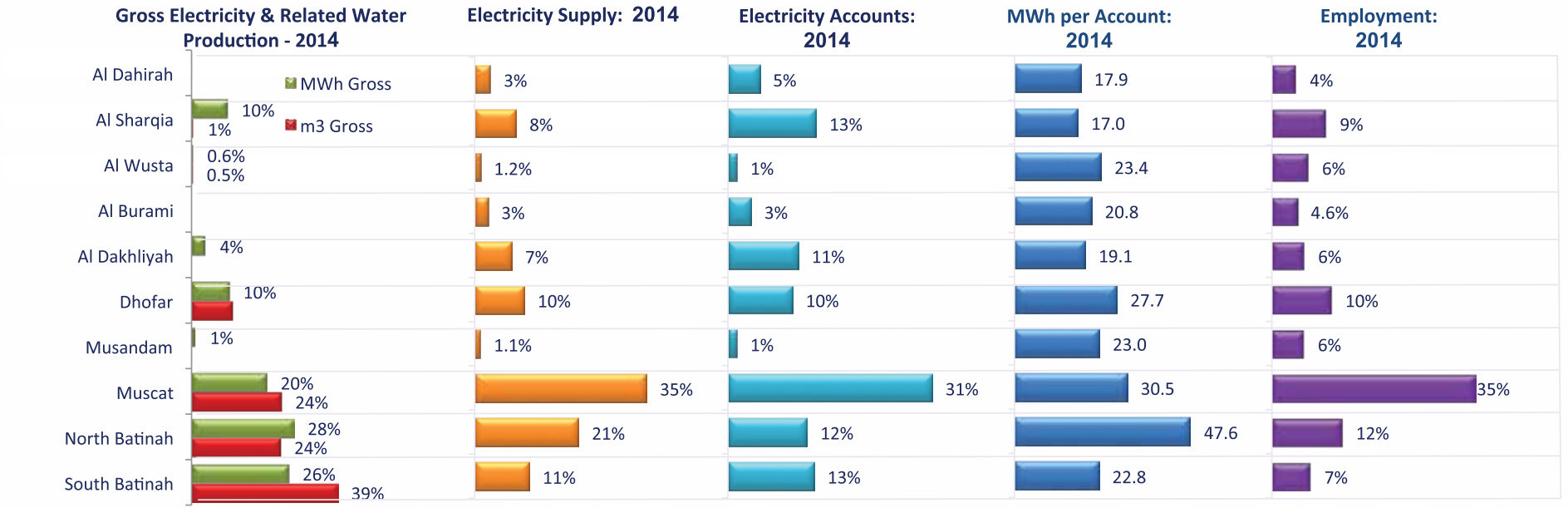
ERWS Activity by Region: 2014

While all regions of Oman benefitted from electricity and related water sector activity in 2014, activity is heavily concentrated in Muscat, North Batinah and South Batinah. These three areas accounted for 74% of 2014 electricity production, 88% of related water production, 66% of supply, 56% of customer accounts and 54% of sector related employment in 2014.

Figure 9 presents details of the regional distribution of electricity and related water sector activities in 2014.

Figure 9: ERWS Activity by Region (Production, Supply, Accounts, Intensity & Employment): 2014

	Electricity Production		Related Water Production		Electricity Supply & Accounts			Employment
Regions	MWh Gross	MWh Net	m3 Gross	m3 Net	MWh Supplied	Accounts	MWh per Account	Direct + Contractors
Al Dahirah	947	894			790,356	44,224	17.9	383
Al Sharqia	2,871,063	2,843,556	1,231,519	1,114,454	2,090,468	122,720	17.0	857
Al Wusta	177,510	160,016	1,027,622	986,184	296,148	12,640	23.4	578
Al Burami					669,014	32,140	20.8	423
Al Dakhliyah	1,110,785	1,102,269			1,870,177	98,044	19.1	516
Dhofar	3,008,527	2,813,456	23,693,655	23,693,176	2,489,769	89,823	27.7	945
Musandam	332,155	315,131	97,407	95,484	288,473	12,568	23.0	512
Muscat	5,929,999	5,774,074	51,234,007	50,380,244	8,688,583	284,625	30.5	3,206
North Batinah	8,049,675	8,199,617	50,703,696	48,785,642	5,244,039	110,241	47.6	1,114
South Batinah	7,647,317	7,133,885	83,037,642	82,807,408	2,745,064	120,159	22.8	613
Totals	**29,127,977**	**28,342,899**	**211,025,548**	**207,862,592**	**25,172,090**	**927,184**	**27.1**	**9,147**

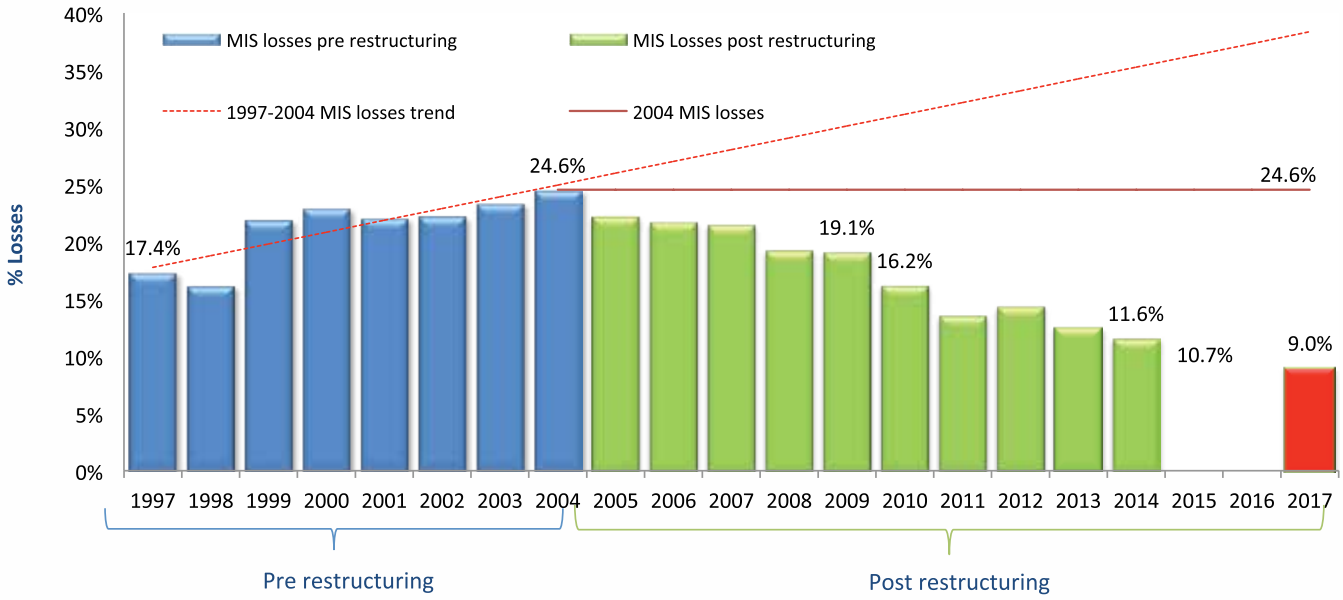


System Losses

Outturn 2014 data of units supplied and units entering electricity systems imply that MIS losses decreased from 12.6% in 2013 to 11.6% in 2014, RAEC losses fell from 10.8% in 2013 to 9.2% in 2014, and Dhofar Power System losses fell from 14.1% in 2013 to 12.2% in 2014.

Figure 10 shows annual MIS losses reductions since 2005.

Figure 10: Technical and non-technical Losses in the MIS



Source: SCRC returns, price control data and Authority calculation

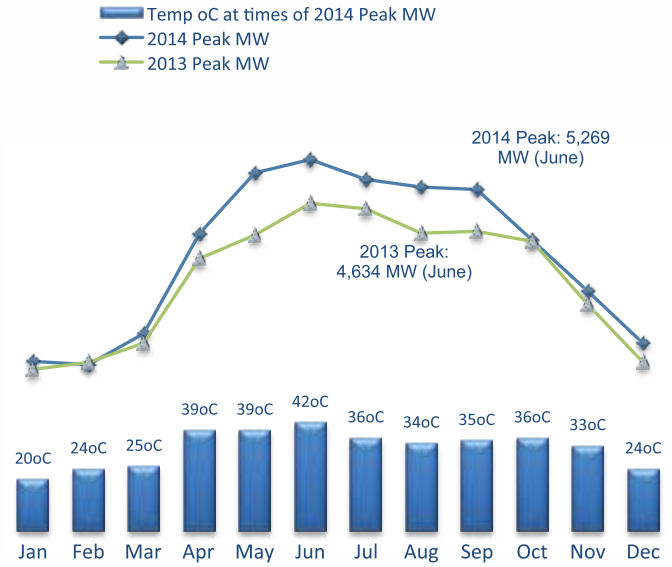
Transmission, Distribution and Supply losses are a key performance indicator of efficiency and the Authority is pleased to note the continuing downward trend in losses across all three systems in Oman.

With MIS losses now at 11.6% (around 13 percentage points lower than the pre-restructuring level), further losses reductions are expected to occur at a lower rate. The Authority has set new losses targets for the MIS Discos as part of their price controls that (if achieved) would result in total MIS system losses of around 9% by 2017.

System Peak Demands: MIS and Dhofar Power System in 2013 and 2014

Figure 11 presents monthly MIS peak demands in 2013 and 2014.

Figure 11: Main Interconnected System Peak Demand - 2013 & 2014

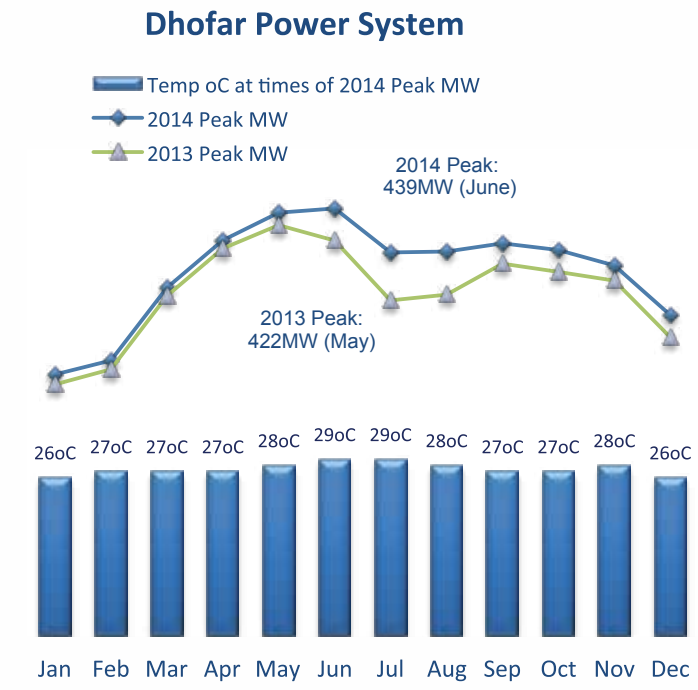


	2013 Peak MW	2014 Peak MW	% change	Temp oC at times of 2014 Peak MW
Jan	2,222	2,338	5%	20
Feb	2,322	2,290	-1%	24
Mar	2,604	2,744	5%	25
Apr	3,833	4,191	9%	39
May	4,175	5,079	22%	39
Jun	4,634	5,269	14%	42
Jul	4,555	4,980	9%	36
Aug	4,202	4,871	16%	34
Sep	4,228	4,835	14%	35
Oct	4,082	4,101	0%	36
Nov	3,165	3,357	6%	33
Dec	2,323	2,602	12%	24
Max MW	**4,634**	**5,269**	**14%**	

Source: OETC

Figure 12 presents Dhofar Power System monthly peak demands in 2013 and 2014.

Figure 12: Dhofar Power System Peak Demand - 2013 & 2014



	2013 Peak MW	2014 Peak MW	% change	Temp oC at times of 2014 Peak MW
Jan	258	268	4%	26
Feb	274	283	3%	27
Mar	349	357	2%	27
Apr	398	406	2%	27
May	422	434	3%	28
Jun	406	439	8%	29
Jul	344	394	14%	29
Aug	350	395	13%	28
Sep	382	403	5%	27
Oct	374	396	6%	27
Nov	365	380	4%	28
Dec	307	329	7%	26
Max MW	**422**	**439**	**4%**	

Source: OETC

Electricity Demand Forecasts

In accordance with Condition 5 of the Power and Water Procurement licence, the PWP publishes an annual statement presenting a 7-year outlook for electricity and desalinated water demand, and the capacities required to meet forecast demand, for the MIS and Dhofar Power System. The electricity demand forecasts in each 7-year statement are official forecasts to which electricity sector planning is referenced. The most recent 7-year statement (Issue 9, for the period 2015 to 2021) is available for review and download from the PWP's website (www.omanpwp.com). The main highlights of the electricity demand forecasts are as follows:

MIS: in the expected case, MIS peak demand is projected to grow at 9% per year to reach 9,530 MW in 2021 which is higher than previous forecasts. The "low case" projects 7% annual growth, resulting in peak demand of 8,372 MW in 2021, the "high case" projects 11% annual growth and peak demand at 10,329 MW In 2021, around 800 MW higher than the central case.
In terms of energy, the expected, low and high case forecasts for 2021 are 47.1 TWh, 41.3 TWh and 51.8 TWh respectively; and

Dhofar System: in the expected case peak demand is expected to grow at 10% per year, reaching 839 MW in 2021. The "low case" projects 8% annual growth, reaching 729 MW by 2021. The "high case" allows for more rapid industrialization, and has peak demand increasing at 12% per year to 965 MW in 2021.
In terms of energy, the expected, low and high case forecasts for 2021 are 5.22 TWh, 4.54 TWh and 5.98 TWh respectively.

Please refer to Issue 9 of the PWP 7-year statement for further details of the electricity demand forecasts and how PWP plans to ensure sufficient contracted capacity will be available to meet forecast demand for electricity and related water.

Approved Projects and Capital Expenditure: 2014

Licensed system operators (OETC, Muscat, Majan, Mazoon, RAEC and DPC) approved 359 projects in 2014, with a total value of 232 million OMR. Table 1 presents details of the approved projects by Licensee, region and value.

Table 1: Project Approvals by Licensees in 2014

		Company							
Region		OETC*	Muscat	Majan	Mazoon	RAEC	DPC	**Totals**	% Total
Al Dahirah	OMR	5,572,336		3,249,008		375,716		**9,197,060**	4.0%
Al Sharqiya	OMR	20,909,721			7,528,906	20,533,144		**48,971,771**	21.2%
Al Wusta	OMR					1,382,945		**1,382,945**	0.6%
Dakhiliya	OMR	11,504,730			6,540,867			**18,045,597**	7.8%
Dhofar	OMR	3,470,000				1,114,016	21,375,303	**25,959,319**	11.2%
Musandam	OMR					2,258,568		**2,258,568**	1.0%
Muscat	OMR	39,964,931	23,298,797					**63,263,727**	27.3%
North Batinah	OMR	19,586,887		6,141,225	6,763,331			**32,491,443**	14.0%
South Batinah	OMR				5,320,062			**5,320,062**	2.3%
Al Buraimi	OMR			1,527,283				**1,527,283**	0.7%
Other**	OMR	20,437,158		143,581	1,529,695	999,075		**23,109,508**	10.0%
Total Value		**121,445,762**	**23,298,797**	**11,061,096**	**27,682,861**	**26,663,465**	**21,375,303**	**231,527,284**	
% of Total		**52.5%**	**10.1%**	**4.8%**	**12.0%**	**11.5%**	**9.2%**		
Number of Projects		23	35	88	28	23	162	**359**	

Source: Company returns

* Projects are categorised under the region where the project commence

** Other: includes material costs and any other costs that are general to the whole region, not specific to one region

Following the restructuring of the Dhofar system, we now report as part of Figure 13 network investments by the licensed Transmission (OETC) and Distribution (DPC) system operators in the Dhofar region.

OETC accounts for 52.5% of approved projects by value, which reflects the significant investment made to connect and transport electricity from new production facilities. Mazoon accounts for 12% of projects by value, RAEC for 11.5%, Muscat 10.1%, DPC 9.2% and Majan 4.8%.

In terms of regional investment, Muscat region accounts for 27.3% (RO 63.3 million) of approved projects and Al Sharqiya 21.2% (RO 49.0 million) due to significant network investments by OETC, Mazoon and RAEC in these regions.

All regions benefited from ERWS sector investment in 2014 in line with the government's policy commitment to provide electricity and related water services throughout the Sultanate.

ERWS Employment & Omanisation: 2013 and 2014

The Authority undertakes an annual survey of electricity and related water sector employment and Omanisation. The survey provides information on Direct and Indirect (contractor) employment by entity, by grade, by regulated activity, by region, and by nationality (Omani nationals and expatriates).

Table 2 summarises the results of the 2014 survey.

Table 2: Total ERWS Employment by Type, Nationality and Function: 2013 & 2014

		2013			2014		
Type	Function	Omani	Expatriate	Total	Omani	Expatriate	Total
Direct	Admin & Supervisory	1,009	97	1,106	882	80	962
	Managerial	164	51	215	196	56	252
	Operations	197	79	276	217	39	256
	Technical	952	119	1,071	1,097	104	1,201
	Others	124	6	130	142	12	154
Direct Total		**2,446**	**352**	**2,798**	**2,534**	**291**	**2,825**
Contractor	Admin & Supervisory	601	129	730	215	197	412
	Managerial	68	42	110	129	111	240
	Operations	943	361	1,304	505	706	1,211
	Technical	722	1,493	2,215	457	1,425	1,882
	Others	842	278	1,120	1,468	1,109	2,577
Contractor Total		**3,176**	**2,303**	**5,479**	**2,774**	**3,548**	**6,322**
Total Employment		**5,622**	**2,655**	**8,277**	**5,308**	**3,839**	**9,147**
% Change from 2013					*-5.6%*	*44.6%*	*10.5%*

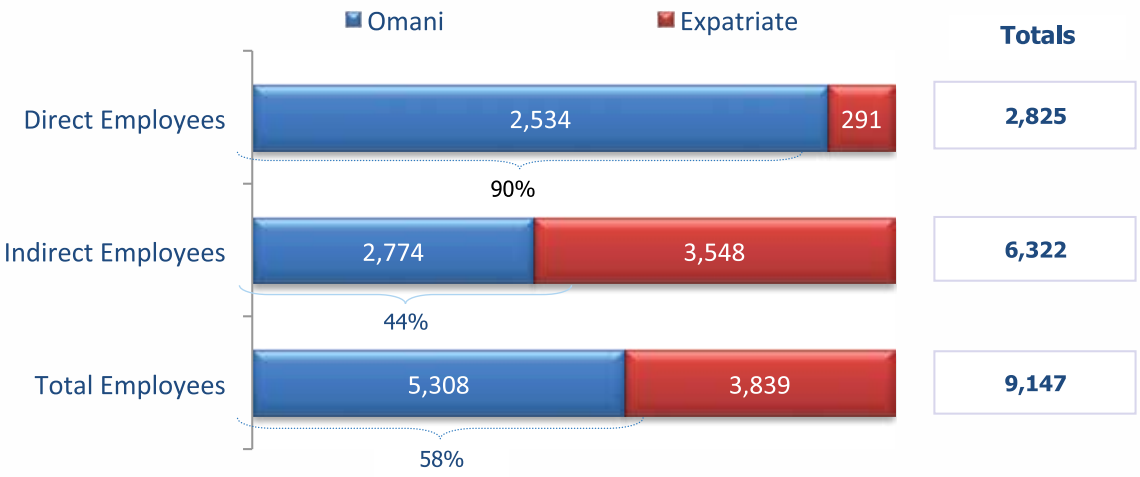
Source: Authority 2014 employment survey

2014 Direct employment was 1% higher than in 2013. Indirect employment in 2014 (6,322) was 15.4% higher than the previous year and reflects the addition of 1,245 contractor expatriate nationals.
Since 2005, total (Direct and Indirect) employment has increased by 91% from 4,796 to 9,147 in 2014. Direct employment accounts for 40% of this increase, with Omani nationals accounting for 89% of the increase in Direct employment.

Figure 13 presents the 2014 Omanisation rates for Direct and Indirect employment.

Figure 13: ERWS Employment & Omanisation: 2014

	Omani	Expatriate	Total	% Omani
Direct Employees	2,534	291	2,825	90%
Indirect Employees	2,774	3,548	6,322	44%
Total Employees	**5,308**	**3,839**	**9,147**	**58%**

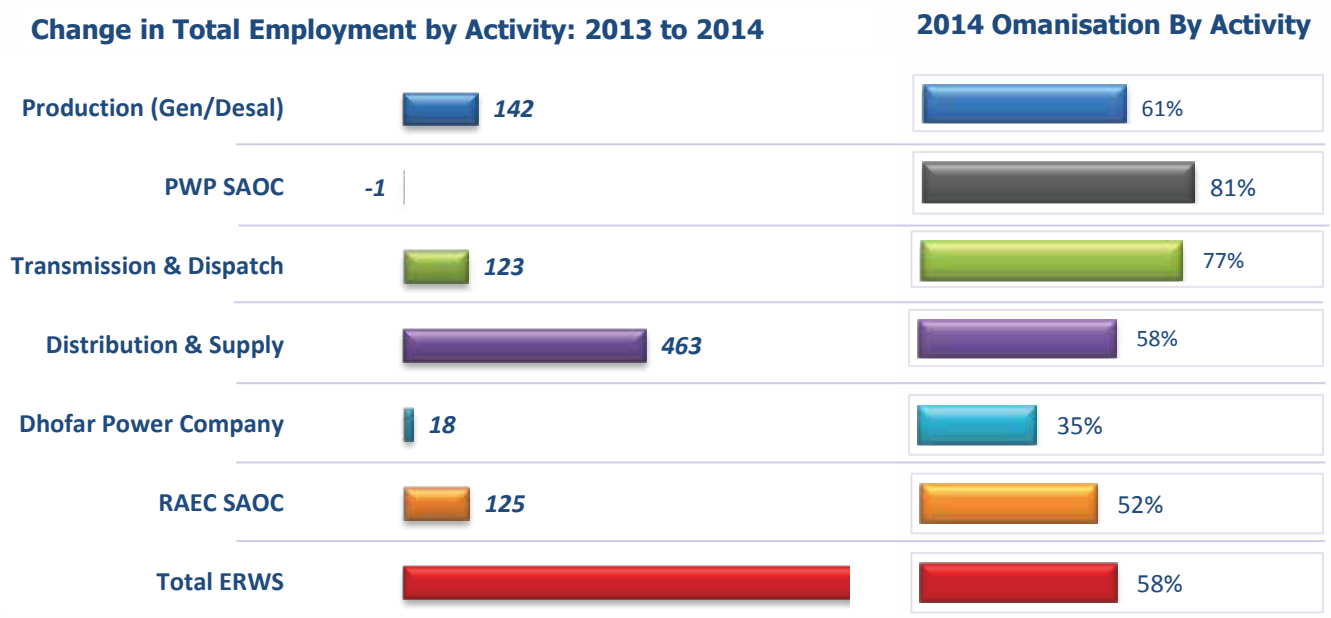


Source: Authority 2014 employment survey

Omani nationals accounted for 90% of Direct employment in 2014 (higher than percentage reported as in 2013), and for 44% of Indirect employment, contributing to a sector Omanisation rate of 58%.

The Authority's annual employment survey highlights changes in the underlying composition of electricity and related water sector employment; these are shown in Figure 14.

Figure 14: Employment & Omanisation by Activity: 2014



The increase in 2014 ERWS employment shown in Figure 14 reflects the continuing employment needs of a sector that is working hard to keep pace with strong electricity demand growth. Licensees have a responsibility to ensure that the new recruits have the training and guidance needed to increase their productivity and thereby help moderate future increases in electricity sector costs.

Electricity & Related Water Sector Issues in 2014

Fatal Accidents

Regrettably, the electricity sector again witnessed a number of fatal accidents in 2014. The high number of deaths is an obvious concern for the Authority, for people working in the electricity sector and those who come into contact with utility assets. The Authority is continuing its efforts to increase awareness of the importance of health and safety to both licensees and contractors in order to minimise the number of accidents that occur, and to reduce the seriousness of any accident that does occur.

Table 3: Summary of Fatal Incident Investigations by the Authority - 2014

Date	Location	Licensee	Incident
18th January 2014	Mudhaibi	OETC	Contractor fell from tower under construction.
14th April 2014	Sayh Al Dhabi	MEDC	Contractor electrocuted whilst undertaking repairs to an underground cable.
12th August 2014	Muscat	MEDC	A worker was electrocuted when a crane arm came into contact with an overhead 11kV line on the boundary of his company yard.
12th September 2014	Bidiya Mazoon	MAZOON	A linesman died whilst working on a live LV connection to a customer's property.
12th November 2014	Musandam	RAEC	A contractor working on tower foundations for a new 132kV overhead line died when his vehicle fell down the mountain side.

Professional Development of Authority Staff

The Authority is committed to the professional development of Omani staff. In 2014, two staff members of the Authority commenced Masters programmes in various disciplines. Hilal Al Ghaithi commenced an MSc in Renewable Energy and Power Systems Management at the City University in London. Bushra Al Maskari is pursuing an MSc in Public Policy Programme at the Blavatnik School of Government at the University of Oxford.

Overseas Visits

In September 2014, the Authority participated in a delegation including senior government officials representing the Steering Committee tasked with restructuring the water sector in Oman. The delegation aimed to visit a number of jurisdictions that have unbundled and restructured their water sectors to learn from their experiences and understand best practices. The Authority is keen to establish a regulatory framework that best addresses the objectives of the government for the water sector and will work closely to ensure the fundamental building blocks for best-practice regulation are established to facilitate the restructuring process.

Customer Awareness Programmes

The Authority's Forward Work Programme for 2014 identified the delivery of successful Road Shows designed to raise customers' and stakeholders' awareness of what they have a right to expect from licensed suppliers, as a key priority.

Three Road Shows were delivered during the year, in Sur, Salalah and Muscat. The Road Shows generated lively debate and have provided a platform to increase liaison between stakeholder groups and the Authority, as well as ensuring that stakeholders better understand the role of the local distribution and supply licensees and their meter reading, billing and collection contractors (OIFC and ONEIC).

In order to support the overall awareness raising programme the Authority prepared a new booklet describing in customer friendly terms the precedent determinations made by the Authority since 2005. This will be published during 2015 and provide a basis for both customers and licensees to understand the issues considered by the Authority when issuing determinations.

New Procedures on Processing Applications for electricity Supply

The Authority has statutory duty to ensure licensees meet all reasonable demand applications for electricity. The Authority introduced new procedures to assess the reasonableness of applications for electricity Supply submitted by new Commercial and Industrial customers whose requirements are in excess of 20 MW. In line with new policy requirements, all new electricity Supply applications submitted by Commercial and Industrial customers whose requirements are in excess of 20 MW will be discussed with the Public Authority for Electricity and Water (PAEW), MOCI (to confirm that the project accords with the commercial and industrial strategy of the ministry) and the Ministry of Oil & Gas (MOG), to confirm, subject to securing MOCI consent, that sufficient gas will be allocated to the electricity sector to meet the project's electricity requirements, and relevant gas pricing arrangements.

OES – Indoor Substations

During 2014 the Authority retained a consultant (Energy People) to prepare a draft Oman Electrical Standard (OES) for Indoor Substations and Dry Type Distribution Transformer. The OES will be used to support the requirement by planning Authorities in Oman for electricity substations to be developed inside buildings.

The review was conducted in close consultation with the distribution licensees, Distribution Code Review Panel and the Public Authority for Civil Defense and Ambulance and will provide an alternative solution to overcome the constraint of land availability outside buildings. The Authority hopes to issue the revised standards in 2015.

Joining GCCIA

On 20 November 2014 the Sultanate signed the General Agreement and the Power Exchange and Trading Agreement to officially join the GCC Interconnection Project. The General Agreement was signed by the Public Authority of Electricity and Water (representing the Government of the Sultanate) and the Power Exchange and Trading Agreement was signed by Oman Power and Water Procurement Company and Oman Electricity Transmission Company. Oman's interconnection with the GCC Electricity Interconnection Authority interconnector will be using the existing interconnection between the Sultanate and the UAE and through the network of Abu Dhabi transmission network.

To enable Oman Power and Water Procurement Company (SAOC) to Import and Export electricity through the GCC Interconnection and in accordance with the provisions of the Power Exchange and Trading Agreement the Authority proposed to modify the Licence granted to PWP to allow the company to Import and Export electricity in accordance with the provisions of Article (114) of the Sector Law. The proposed modification will be implemented after the finalization of the Access Conditions and other relevant procedural matters. The Authority also proposed to modify the Licence granted to the Oman Electricity Transmission Company (SAOC) to allow the company to make an International Interconnection with the GCC Interconnection Authority (through the transmission network of Abu Dhabi) in accordance with Article (115) of the Sector Law. The two License modifications will be implemented simultaneously.

Strategic Study for the Privatization of Muscat Electricity Distribution Company SAOC

The Public Authority for Electricity and Water (PAEW), with approval from the Ministry of Finance (MOF), has tasked the Electricity Holding Company SAOC (EHC) with undertaking a strategic study for the privatization of Muscat Electricity Distribution Company SAOC (MEDC).

A team of consultants has been retained to explore options for the privatization of MEDC, including undertaking a gap analysis and technical, legal, financial, economic and organisational due diligence of MEDC.

In line with our statutory obligation (under Article 7 of the Sector Law) to "facilitate the privatisation of the electricity and Related Water sector in the Sultanate of Oman", the Authority is playing an active role in contributing to and supporting this important study.

Regulatory Focus #1 Health and Safety

Background

The Sector Law (Article 22, para (3)) requires the Authority to secure the safe, effective and economic operation of the electricity and related water sector in the Sultanate and to enhance the safety of the public. The Authority has sought to achieve this duty through the obligations included in the licences and licence exemptions it issues, coupled with audits and inspections. Despite a range of initiatives and approaches taken since 2005 and some improvements that have been secured, it is clear that there remains considerable work to be done to meet the duties prescribed in the Law.

Since restructuring of the Oman electricity industry, there has been a significant increase in capital expenditure in order to meet growth in demand. Access to electricity across the Sultanate has increased dramatically, but the changes have been accompanied by a regrettably high number of incidents and accidents, resulting in injuries in most cases to those working in the electricity sector and in some cases to members of the public. Sadly, some of these injuries have been fatal.

Regulatory actions taken, and Licensee response

The Authority has used a range of regulatory tools in its efforts to increase awareness and enhance performance, and in some cases these have been very effective, in other cases less so.

Table 4: Regulatory actions taken, and Licensee response 2014

Regulatory action	Impact
Advice and request: From 2005, the Authority undertook inspections and noted open substations, unsecure assets, and requested that they be made safe. In 2012, the Authority hosted a seminar to raise awareness of corporate obligations and responsibilities, and in 2014 has had greater liaison with EHC to reinforce appropriate corporate behaviours.	When problems have been identified to licensees some remedial works were completed, but this was reactive and generally limited to the specific cases identified by the Authority. Although some licensees do recognise their corporate responsibilities, the awareness within government owned companies is generally much lower than the private sector, and there is a tendency to pass responsibility to contractors and consultants.
Accident investigations: The Authority has investigated many accidents some of which were on behalf of the Public Prosecution, but with the aim of identifying the root cause of the accident rather than apportioning blame to individuals.	The root causes of many of the fatal accidents suffered by the sector are the same, and the Authority remains concerned with the level of commitment by licensees to make sustained changes to ensure safety
Audit and follow-up: From 2006, the Authority appointed consultants to complete health and safety audits of licensees, starting with production facilities and then distribution companies, RAEC, and finally in 2014 OETC, DPC and OPWP.	The experience with licensed production facilities was generally very good, such that issues were recognised and all similar issues were systematically addressed. Follow-up audits demonstrated significant improvements. The experience with distribution companies so far is less positive, with some audit findings being addressed but not in a systematic way, such that the same issues keep recurring.

Breach of Licence Notice: In 2008 the Authority placed Al Ghubrah power station on breach of licence for its health and safety performance, and the stipulated actions were routinely followed-up In 2009, the Authority placed the MIS discos on breach of licence for unsecure and unsafe distribution assets, which has been followed up by regular inspections by the Authority.	The action at Al Ghubrah power station resulted in significant changes to the way that the business was managed, and is considered to be a major success. This was detailed in the Authority Annual report for 2011
Appropriate Person Criteria: The Authority had expressed concern regarding the manner in which a new power plant was being developed, specifically with respect to safety. Despite assurances being given by the project company, the outturn performance was not to the required standard. The Authority therefore notified the Shareholder that pursuant to the Appropriate Person criteria, it was not minded to issue a Generation Licence.	The initial response to the concerns articulated by the Authority was mainly in terms of documentation. However, following the formal notification of the Authority's position regarding the Appropriate Person eligibility, significant changes and improvements were secured on the ground. A detailed audit confirmed that the measures were effective and therefore the Authority issued a licence for the plant to operate.

The Authority is fully committed to its legal and moral obligations to secure a safe electricity sector for those working in it, and for the general public, and will continue its efforts to ensure others meet their obligations as well. It is clear that there is no single means to enhance safety of the electricity and related water sector, hence the Authority will remain active in its role to ensure complaince and deliver improvements.

Regulatory Focus # 2 Cyber Security

In 2013 the Authority appointed PA Consulting to assist in the development of new regulations to address the risks associated with cyber security for critical infrastructure in the Electricity and Related Water sector in Oman. The current status of cyber security in Oman is enforced by the Oman e-Transaction (the Electronic Transaction law promulgated by Royal Decree No 69/2008) and e-Crime (the Cyber Crime law promulgated by Royal Decree No 12/2011) that addresses general IT crimes rather than industrial automation control systems. The Authority confirmed that there are presently no regulations in Oman dealing with Supervisory Control and Data Acquisition systems (SCADA) and Distributed Control System (DCS) cyber security.

The Authority statutory functions and duties related to security of supply are articulated in Article 22 of the Sector Law and that includes:-

- A duty to secure and develop the safe, effective and economic operation of the Electricity and Related Water sector;
- A duty to secure the Security of Supply in the Sultanate; and
- A duty to secure the preparation of technical specifications and criteria, and Performance Security Standards, for the Electricity and Related Water sector.

The Authority initiated this work by reviewing first what international standards are available to secure the critical infrastructure including industrial control systems and what would be suitable and applicable for the system configurations available in Oman. The scope of work was to:-

- Undertake a review of SCADA and DCS cyber security regulations in other jurisdictions;
- Evaluate and assess the configuration of SCADA and DCS in generation, transmission and distribution networks in Oman which included a risk assessment of the configurations;
- Undertake a cost assessment of implementing cyber security regulations including cost benefit analysis of options to be proposed in new regulations;
- Propose and inform the basis of new regulations suitable for Oman setting up a minimum requirement to safeguard the SCADA and DCS equipment from cyber-attacks;
- Identify the required timeframe for the licensees to implement and fully comply with new regulations; and
- Include recommendations for development of a regulatory framework that will allow the Authority to Audit licensee compliance with the new regulations.

The main conclusion identified from the audit carried out by the Authority is that the sector does not yet have a mature approach to SCADA and DCS cyber security. The areas of concerns includes very little evidence that management systems are in place for SCADA and DCS cyber security, a low level of security awareness and ultimately, the impact of security threats is not only dependent on the level of protection in place, but the capability to detect and the capability to respond.

To raise the awareness across the sector, a seminar was organised on 18 March 2014 and licensees and exemption holders were invited. The Authority explained the scope of the research done, the basis of the recommendations to the Authority, and how implementation of the new regulations will bring the electricity and related water sector in Oman up to date with best practice approaches to Cyber Security in other jurisdictions. The Authority also explained how companies are expected to comply with the new cyber security standard.

Having identified the weaknesses and the current status of cyber security of the SCADA and DCS, the Authority decided to take a proactive regulatory approach which covers regulation through setting baseline mandatory standards, with a phased transition from regular compliance audits to audits by exception. The expected transition period from the regular compliance audits to audits by exceptions would vary between three to five years depending on the progress to develop management systems and capabilities. The licensees would be required to comply with the baseline mandatory standard which is incorporated into a license condition.

As a good Regulatory practice, the Authority consulted with Licensees and exemption holders connected to the main interconnected system on the draft Standards and license modifications and expect to have these in place in 2015. At this stage, the Authority does not propose to require Exemption Holders to comply with these standards. The Authority, however, expects Exemption Holders connected to Licensed Systems or networks put in place adequate measures to secure the SCADA and DCS systems from cyber security risks. Furthermore, the Authority consulted with Information Technology Authority (ITA) who welcomed this important initiative by the electricity sector to secure the critical infrastructure in Oman and provided constructive comments on the draft standard.

ARTICLE (29) REPORTING

Further Market Liberalisation

Table 5 presents the Authority's assessment of the possible implementation of the four Liberalisation measures identified in the Sector Law.

Table 5: Further Market Liberalisation

Liberalisation measure	Authority's assessment of market readiness:
1. Disposal of the Government's interest in the Electricity Holding Company SAOC or the Oman Power and Water Procurement Company SOAC	**The Authority does not consider the market ready for this liberalisation measure.** The Authority does not believe customers, investors or the government would benefit from the implementation of this measure at the present time. The Authority does not propose to take steps to prepare the market for the implementation of this measure.
2. Permitting licensed Production Facilities to sell to persons other than Oman Power and Water Procurement Company SAOC	**The Authority does not consider the market ready for this liberalisation measure. However, work is underway to develop a spot market for electricity trade that would provide an alternative way for licensed Production Facilities to sell power to the PWP. The spot market would operate alongside and in conjunction with the existing system of long-term PPAs and PWPAs.** **The spot market is expected to increase the potential for competition in Oman's power generation market, and to provide a mechanism to make available additional capacity that might otherwise not be readily accessible.**
3. Permitting persons other than Oman Power and Water Procurement Company SAOC and the Rural Areas Electricity Company SOAC to Import or Export electricity from or to another country	**The Authority does not consider the market ready for this liberalisation measure.** Oman became a formal signatory to the GCCIA in 2014 and the Authority ensured the proposals are consistent with the regulatory regime in Oman and provide safeguards to protect the interests of customers, and other stakeholders, The GCCIA opted not to own any assets in Oman and therefore will not be licensed to import or export electricity. While no further action is contemplated to promote this liberalisation measure in the medium term as previously stated by the Authority but discussions continue with the GCCIA on facilitating trade across the GCCIA interconnector
4. Creation of competition amongst Licensed Suppliers	**The Authority believes the market is ready for Supply Competition and will initiate the Consultation required by the Sector Law prior to submitting proposals to government** The Authority progressed the small scale implementation of AMR for the largest 8,000-10,000 customers, requiring distribution and supply licensees to provide information on the likely costs and benefits of the programme. Given the poor quality of the information received the Authority agreed with the distribution and supply licensees that the Electricity Holding Company be asked to appoint consultant advisors to support and co-ordinate their work on the project plan and funding requirements. The consultants commenced work early in 2015.

Electricity Subsidy

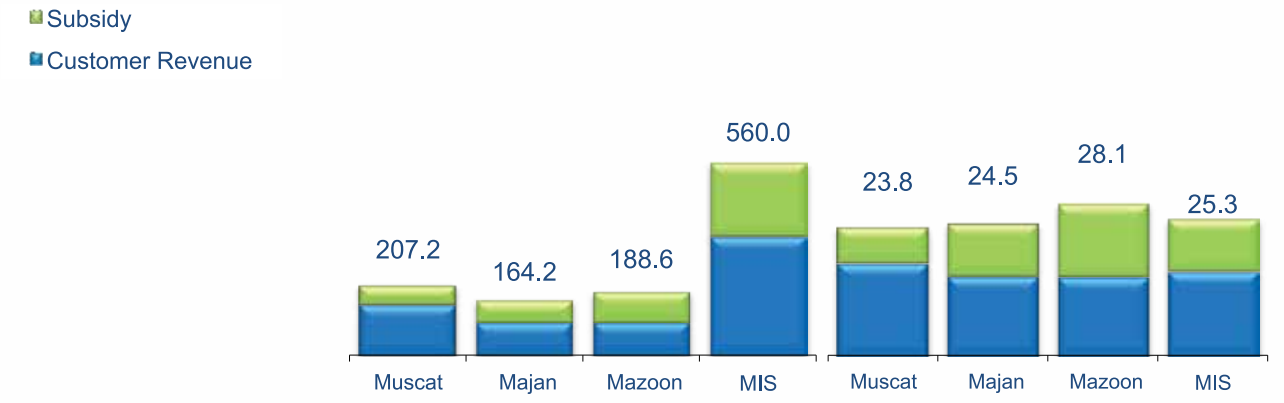
Article (18) of the Sector Law implements a mechanism through which the Ministry of Finance provides electricity Subsidy calculated by the Authority to licensed suppliers on an annual basis. The Authority undertakes three separate Subsidy calculations: the first calculates MIS Subsidy required by MEDC, Majan and Mazoon, the second calculates RAEC Subsidy, while the third calculates the Subsidy requirement of Dhofar Power Company.

Subsidy is defined as the difference between the economic cost of Supply (including financing costs) and Permitted Tariff (and other) revenue.

MIS Subsidy in 2014

Outturn MIS Subsidy in 2014 was OMR 214.1 million. This reflects total economic costs of OMR 560.0 million and customer revenues of OMR 345.9 million. Figure 15 presents outturn MIS Subsidy in 2014 by company.

Figure 15: 2014 MIS Outturn Subsidy by Company



	million OMR				Baiza/kWh			
Item	**MEDC**	**Majan**	**Mazoon**	**MIS**	**MEDC**	**Majan**	**Mazoon**	**MIS**
Customer Revenue	148.7	98.9	98.3	**345.9**	17.1	14.7	14.7	**15.7**
Subsidy	58.5	65.4	90.3	**214.1**	6.7	9.8	13.5	**9.7**
Economic Cost	207.2	164.2	188.6	**560.0**	23.8	24.5	28.1	**25.3**
Subsidy % Economic Cost	28%	40%	48%	**38%**	28%	40%	48%	**38%**
Company share of Subsidy	27%	31%	42%	**100%**				

Source: 2014 audited SCRC Statements & Authority calculations

2014 MIS Subsidy accounted for 38% of the total economic cost of supply (OMR 560.0 million), the remaining 62% of costs was recovered through customer revenue.

MEDC, Majan and Mazoon accounted for 27%, 31% and 42%, respectively, of total 2014 MIS Subsidy. MEDC's 2014 Subsidy of OMR 58.5 million accounted for 28% of its total economic cost requirements, while Subsidy to Majan and Mazoon (OMR 65.4 million and OMR 90.3 million respectively) constituted 40% and 48% of their respective 2014 economic costs. The Subsidy requirement of each company reflects differences in customer mix and the characteristics of their respective distribution systems.

2015 MIS Subsidy Forecast

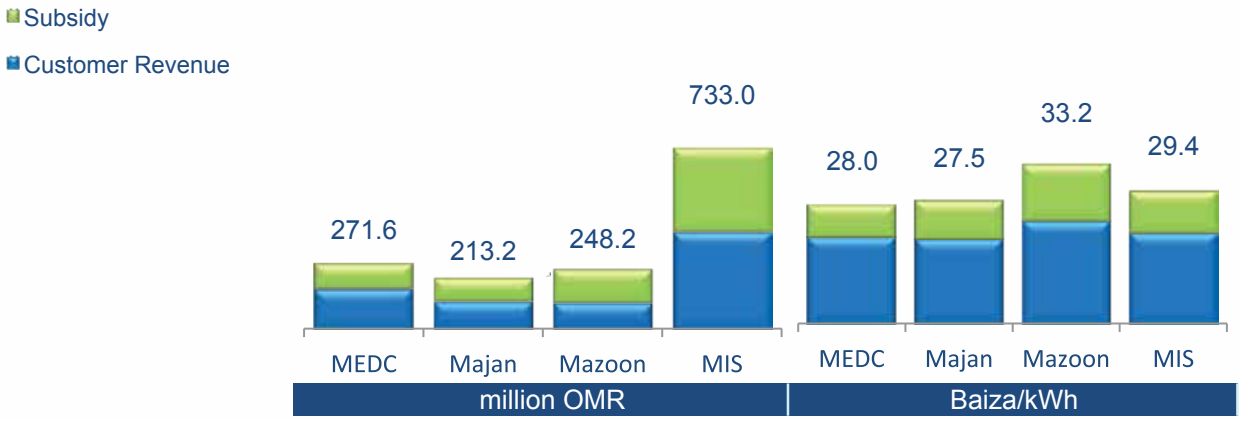
Gas Price Increases

The price of natural gas sold by the Ministry of Oil and Gas ("MOG") to electricity generation plants has been increased, with effect on 1 January 2015 , from USD 1.50 per MMBTU to USD 3.00 per MMBTU,

The increase in the price of gas doubles the fuel cost for power generation in the MIS and Dhofar Power System ("DPS") and has a significant impact on 2015 generation costs and electricity sector Subsidy.

Figure 16 presents the Authority estimates of 2015 MIS Subsidy by company.

Figure 16: Subsidy Forecast - Main Interconnected System 2015



Item	MEDC	Majan	Mazoon	MIS	MEDC	Majan	Mazoon	MIS
Customer Revenue	166.6	115.4	110.6	**392.6**	17.2	14.9	14.8	**15.7**
Subsidy	105.0	97.8	137.6	**340.5**	10.8	12.6	18.4	**13.7**
Economic Cost	271.6	213.2	248.2	**733.0**	28.0	27.5	33.2	**29.4**
Subsidy % Economic Cost	39%	46%	55%	**46%**	39%	46%	55%	**46%**
Company share of Subsidy	31%	29%	40%	**100%**				

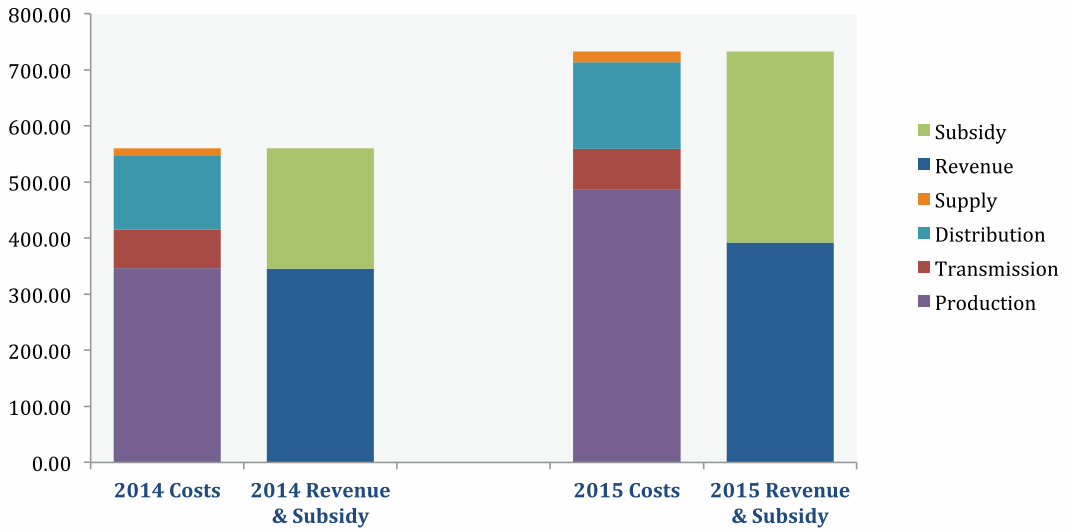
Source: Authority calculations

The Authority's estimate of 2015 MIS Subsidy is OMR 340.5 million. This reflects total estimated economic costs of OMR 733.0 million of which 54% (or OMR 392.6 million) is expected to be recovered through customer revenues.

The Authority's 2015 MIS Subsidy estimate of OMR 340.5 million is around 59% higher than outturn 2014 Subsidy of OMR 214.1 million.

Thereafter, at the start of every subsequent year, the gas price shall be adjusted annually (on a compounded basis) using whichever is higher of the following: (i) a three per cent (3%) annual rate Figure 17 shows the underlying movement in MIS cost components, customer revenue and Subsidy between 2014 and 2015.

Figure 17: MIS costs, customer revenue and Subsidy: 2014 and 2015 estimates



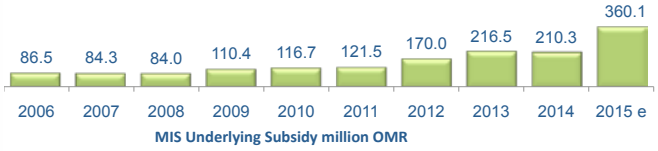
The Authority's 2015 estimate of MIS costs represents a 31% increase over outturn 2014 costs. As Figure 17 shows, this is primarily the result of the 40% increase in electricity production cost that, in turn, is largely driven by the gas price increase.

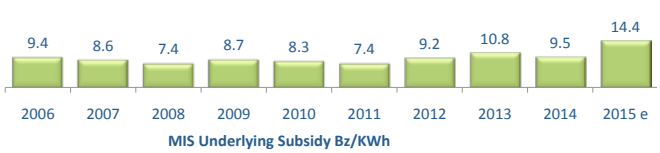
Underlying Movement in MIS Subsidy: 2006 to 2014, and 2015 estimate

Figure 18 presents the Authority's underlying measure of MIS Subsidy between 2006 and 2014 and expected MIS Subsidy in 2015. The underlying measure assumes revenue, costs and efficiencies were correctly forecasted between 2006 and 2014 so as to return zero correction factors. The 2015 estimate of MIS Subsidy reflects the 2015 MAR of PWP, OETC, MEDC, Majan and Mazoon and assumed growth in Supply of 13%.

Figure 18: Underlying Movement in MIS Subsidy: 2006 to 2014 & 2015 Forecast

Economic Cost (OMR m)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 e
PWP (MAR excluding Kt)	140.5	144.5	161.2	177.6	198.3	222.5	249.6	295.4	312.0	483.0
OETC (MAR excluding Kt)	26.5	27.9	31.5	38.5	41.4	44.0	46.9	65.2	68.6	73.6
MEDC (MAR excluding Kt)	22.8	23.8	23.9	32.3	34.9	38.8	55.8	59.2	62.6	65.5
Majan (MAR excluding Kt)	16.6	17.8	19.6	26.0	28.0	30.8	40.8	42.1	44.4	47.9
Mazoon (MAR excluding Kt)	23.0	24.2	27.6	37.5	41.2	45.2	63.3	65.8	68.5	82.7
Underlying Economic Cost	**229.6**	**238.2**	**263.8**	**311.9**	**343.8**	**381.3**	**456.4**	**527.7**	**556.2**	**752.7**
Permitted Tariff (& other) Revenue	143.1	153.9	179.8	201.5	227.1	259.9	286.4	311.2	345.9	392.6
Underlying Economic Subsidy Requirement	**86.5**	**84.3**	**84.0**	**110.4**	**116.7**	**121.5**	**170.0**	**216.5**	**210.3**	**360.1**
Total Units Supplied (GWh)	9,194	9,778	11,317	12,714	14,122	16,374	18,502	20,021	22,098	24,932
Underlying Economic Cost per kWh Supplied	25.0	24.4	23.3	24.5	24.3	23.3	24.7	26.4	25.2	30.2
Customer Revenue per kWh Supplied (bz/kWh)	15.6	15.7	15.9	15.9	16.1	15.9	15.5	15.5	15.7	15.7
Underlying Subsidy per kWh Supplied (bz/kWh)	9.4	8.6	7.4	8.7	8.3	7.4	9.2	10.8	9.5	14.4





Source: Authority calculations

Note: PWP MAR excludes costs associated with plants in the Dhofar Power System that are funded through the MIS

Between 2006 and 2014, the underlying economic cost of MIS supply increased by 142.3% and output (in the form of MWh supplied) by 140.4%. Subsidy per kWh increased by only 0.1 bz/kWh (or 1%) over the same period.

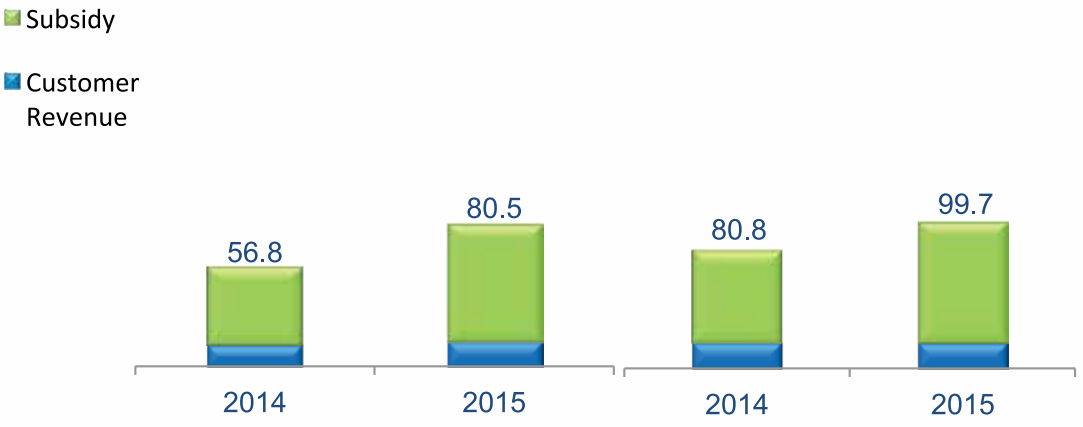
The increase in gas price from 2015 implies a significant increase in underlying Subsidy per kWh in 2015 (14.4 baiza/kWh) which is 52% higher than 2014 (9.5 baiza/kWh), reflecting a 20% increase in economic cost per kWh and no change in Permitted Tariffs.

Rural Systems

Rural System production costs are unaffected by the increase in gas price, as RAEC plants utilise diesel fuel (and not gas) to produce electricity.

Figure 19: compares outturn 2014 Subsidy and our 2015 estimate of RAEC Subsidy.

Figure 19: RAEC 2014 Outturn & 2015 Subsidy Estimate



	million OMR		Baiza/kWh	
Item	**2014**	**2015**	**2014**	**2015**
Customer Revenue	**12.4**	**14.1**	17.6	17.4
Subsidy	**44.5**	**66.5**	63.2	82.3
Economic Cost	**56.8**	**80.5**	80.8	99.7
Subsidy % Economic Cost	**78%**	**83%**	78%	83%

Source: 2014 audited SCRC Statements & Authority calculations

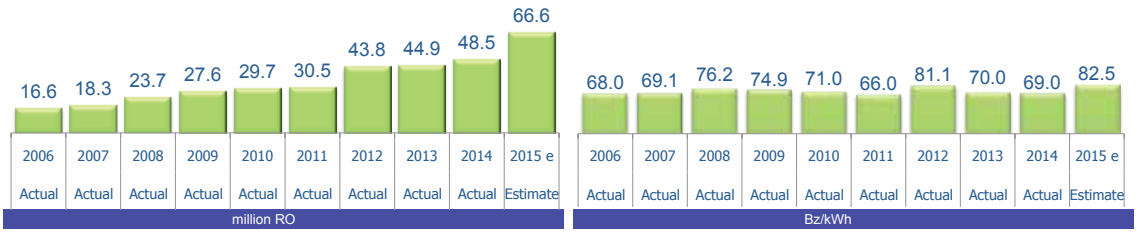
Outturn RAEC Subsidy in 2014 was OMR 44.5 million or 63.2 baiza/kWh. This reflects total economic cost of OMR 56.8 million (80.8 baiza/kWh) and OMR 12.4 million (17.6 baiza/kWh) in Customer Revenue.

RAEC Subsidy will increase substantially in 2015 to OMR 66.5 million (82.3 bz/kWh); this is approximately 50% higher than outturn Subsidy in 2014. The increase in 2015 RAEC Subsidy reflects changes to the company's price controls to accommodate capital expenditure to fund transmission and distribution system investment in Musandam to support a 120MW gas fired power plant that when commissioned will displace expensive diesel fired generation.

RAEC is subject to similar costs pressures as MIS licensees, both with regard to employment directives, staff costs and corresponding increases in general and administrative costs.

Figure 20 presents underlying RAEC Subsidy between 2006 and 2014 and expected underlying RAEC Subsidy in 2015.

Figure 20: RAEC Underlying Movement in Subsidy: 2006 to 2014 & 2015 Forecast



Million OMR	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 e	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 e
Customer Revenue	3.5	3.8	5.4	6.5	7.3	8.7	10.6	12.5	12.4	14.1	14.3	14.5	17.3	17.7	17.6	18.9	19.6	19.5	17.6	17.4
Subsidy	16.6	18.3	23.7	27.6	29.7	30.5	43.8	44.9	48.5	66.6	68.0	69.1	76.2	74.9	71.0	66.0	81.1	70.0	69.0	82.5
Economic Cost	20.1	22.2	29.1	34.1	37.0	39.2	54.4	57.4	60.9	80.7	82.3	83.6	93.5	92.6	88.6	84.9	100.7	89.5	86.6	99.9

Source: 2006 to 2014 audited SCRC Statement, Authority calculations.

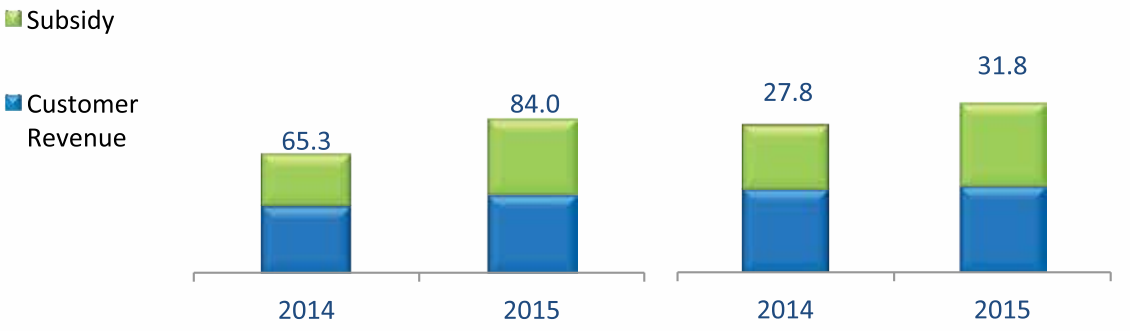
Please refer to Annex D for further details of the 2015 RAEC Subsidy estimate.

Dhofar Power Systems

Following the Salalah electricity market restructuring, DPC (the licensed distribution and supply entity in the Dhofar Power System from 1 January 2014) is subject to the same Subsidy mechanism (prescribed under Article 18 of the Sector Law) as MIS Discos and RAEC.

Figure 21 presents the costs, revenue and Subsidy requirements pertaining to DPC.

Figure 21: DPC 2014 Outturn & 2015 Subsidy forecast



	million OMR		Baiza/kWh	
Item	**2014**	**2015**	**2014**	**2015**
Customer Revenue	**36.9**	**42.7**	15.7	16.2
Subsidy	**28.5**	**41.3**	12.1	15.6
Economic Cost	**65.3**	**84.0**	27.8	31.8
Subsidy % Economic Cost	**44%**	**49%**	44%	49%

Source: 2014 audited SCRC Statements & Authority calculations

Outturn DPC Subsidy in 2014 was OMR 28.5 million. This reflects a total economic cost of OMR 65.3 million and customer revenue of OMR 36.9 million. In 2014 DPC Subsidy accounted for 44% of the total economic cost of supply (OMR 65.3 million), the remaining 56% of costs was recovered through customer revenue.

The Authority's estimate of 2015 DPC Subsidy is OMR 41.3 million. This is 45% higher than 2014 outturn Subsidy. As with the MIS, the increase in the price of gas has a similarly significant impact on the cost of electricity generation and electricity Subsidy in the Dhofar Power System.

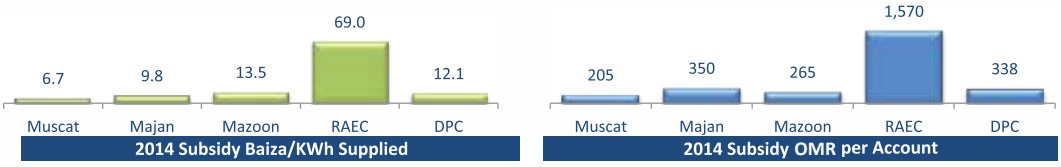
In addition to the increase in gas price, the increase in Subsidy also reflects:

(i) an 13.5% growth in kWh supply to customers;
(ii) a 9.3% growth in customer connections; and
(iii) new price controls for DPC.

Comparison of 2014 Subsidy by Company

Figure 22 presents a comparison of Subsidy provided to MEDC, Majan, Mazoon, RAEC and DPC in 2014. The left hand panel presents Subsidy (baiza) per kWh Supplied, the right hand panel shows Subsidy (OMR) per Customer Account.

Figure 22: 2014 Subsidy Comparisons by Company



	Muscat	Majan	Mazoon	RAEC	DPC	Muscat	Majan	Mazoon	RAEC	DPC
Subsidy per KWh/Account	6.7	9.8	13.5	69.0	12.1	205	350	265	1,570	338
Subsidy mOMR	58.5	65.4	90.3	48.5	28.5	58.5	65.4	90.3	48.5	28.5
GWh/'000 Accounts	8,689	6,703	6,706	703	2,350	285	187	341	31	84

Source: 2014 audited SCRC Statements & Licensee returns
Note 1: Muscat, Majan, Mazoon & RAEC Subsidy as per Article (18) of the Sector Law. DPC Salalah CA net allowance
Note 2: DPC Concession Agreement net allowances plus other Salalah purchase costs (RAEC) and PDO i/c costs

Mazoon accounts for 31.0% of the OMR 291.1 million of Subsidy provided to the companies in 2014, Majan accounts for 22.5%, MEDC 20.1%, RAEC 16.7%, and DPC 9.8%

RAEC Subsidy per kWh supplied and per account is significantly higher than other companies (and excludes RAEC electrification funding provided in accordance with Article (87) of the Sector Law), confirming the significant Subsidy support provided to customers in rural areas.

The Subsidy requirements of all companies reflect nominal increases in economic costs (to support increasing demand) and Permitted Tariffs that are not indexed to inflation and decline in real terms year on year.

Electricity Tariffs

The Sector Law requires all electricity supplied by licensed suppliers to be charged at a Permitted Tariff approved by the Council of Ministers.

Table 6 presents details of the present Permitted Tariffs for different customer categories, and Permitted Tariff fees for the disconnection and reconnection of customer accounts.

Table 6: Permitted Tariffs

A: **Permitted Tariffs for Electricity Supply**

Permitted Tariff Category	Tariff Structure				
Industrial[1]	**All Regions except Dhofar**			**Dhofar Region**	
	September to April: 12 Baiza per kWh			August to March: 12 Baiza perkWh	
	May to August: 24 Baiza per kWh			April to July: 24 Baiza per kWh	
Commercial	Flat rate @ 20 Baiza per KWh				
Ministry of Defence and the Sultan Special Force	Flat rate @ 20 Baiza per KWh				
Residential	0-3000 kWh	3001-5000 kWh	5001-7000 kWh	7001-10000 kWh	above 10000 kWh
	10 Bz / kWh	15 Bz / kWh	20 Bz / kWh	25 Bz / kWh	30 Bz / kWh
Government	0-3000 kWh	3001-5000 kWh	5001-7000 kWh	7001-10000 kWh	above 10000 kWh
	10 Bz / kWh	15 Bz / kWh	20 Bz / kWh	25 Bz / kWh	30 Bz / kWh
Agriculture & Fisheries	0-7000 kWh			7001 kWh & above	
	10 Baiza per kWh			20 Baiza per kWh	
Tourism[2]	0-3000 kWh	3001-5000 kWh	5001-7000 kWh	above 7001 kWh	
	10 Bz / kWh	15 Bz / kWh	20 Bz / kWh	20 Bz / kWh	

1 Customers require a MOCI letter of recommendation and must maintain a power factor of least 0.9
2 Subject to Ministry of Tourism regulations and approval

B: **Permitted Tariff fees for Disconnection & Reconnection of accounts**

Disconnection fee (all types of metered accounts): 7.500 Rial Omani
Reconnection fee (all types of metered accounts): 7.500 Rial Omani

No new Permitted Tariffs or tariff modifications were implemented in 2014.

REGULATION

Authority for Electricity Regulation, Oman

The Authority was established as an administratively and financially independent entity subject to State Audit Law by Article (19) of the Sector Law. The Authority is competent to regulate the electricity and related water sector pursuant to Article (2) of the Sector Law. Authority Members are appointed by the Council of Ministers for three year terms.

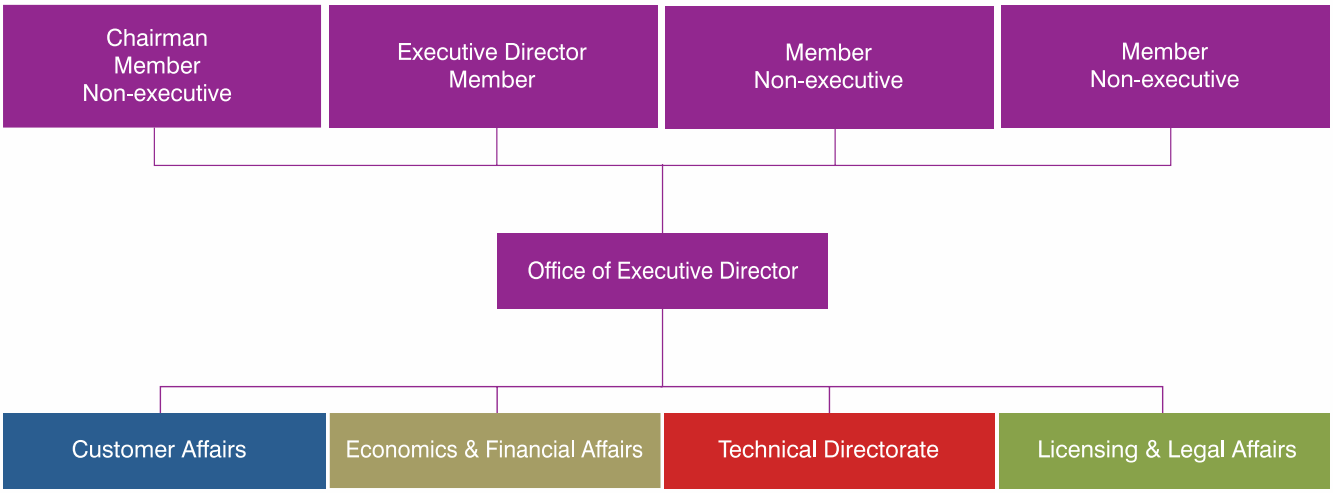
The present Members of the Authority are:

Dr Amer bin Saif Al Hinai - Chairman and non-executive Member (a part time appointment);
Ayisha bint Zaher Al Mawali - non-executive Member (a part time appointment);
Mohammed bin Ahmed AlShahri - non-executive Member (a part time appointment);
Qais bin Saud Al Zakwani - Executive Director and Member (a full time appointment).

Organisation Structure & Staffing

While Members are collectively responsible for managing the Authority's affairs and ensuring the Authority fulfils all of its statutory functions and duties, most day to day work is undertaken by four Directorates that are responsible for different aspects of regulation.

Authority Organisation Structure



Excluding Members, the Authority has a total compliment of 44 Directors and staff, most of whom are Omani national. Professional staff have qualifications relevant to their respective areas of regulation: 26 staff have Bachelor's Degrees and 8 have Master Degrees.

Members Meetings

Members met regularly throughout 2014 on the dates shown in Table 7

Table 7: Members Meetings in 2014

	Amur Al Kiyumi	John Cunneen	Dr Amer Al Hinai
	Chairman & Member	Executive Director & Member	Member
Appointed for term in:	*November-2011*	*November-2011*	*November-2011*
Meeting Dates			
15-January-2014	✓	✓	✓
9-February-2014	✓	✓	✓
17-March-2014	✓	✓	✓
27-March-2014	✓	✓	✓
8-April-2014	✓	✓	✓

	Dr Amer Al Hinai	Qais Al Zakwani	Ayisha Al Mawali	Mohammed AlShahri
	Chairman & Member	Executive Director & Member	Member	Member
Appointed for term in:	*May-2014*	*May-2014*	*May-2014*	*May-2014*
Meeting Dates				
1-July-2014	✓	✓	✓	✓
10-July-2014	✓	✓	✓	✓
16-July-2014	✓	✓	✓	✓
26-August-2014	✓	✓	✓	✓
21-October-2014	✓	✓	✓	✓
5-November-2014	✓	✓	✓	✓
19-November-2014	✓	✓	✓	✓
24-December-2014	✓	✓	✓	✓

Funding & Regulatory Costs

The Authority recovers all of its costs through licence fees that apportion the Authority's costs on the basis of the time expected to be spent regulating each activity. Table 8 presents licence fee income by regulated activity and the number of Licence Holders by activity, for 2007 to 2015, inclusive.

Table 8: Licence Fees 2007 to 2015

Rial Omani		Generation	Generation & Desalination	Transmission & Despatch	Distribution & Supply	RAEC Activities	PWP Activities	PWP: Electricity	PWP: Related Water	PWP: Salalah	Generation(Renewables)	Total Fee income
2007	Fees	50,776	55,854	177,715	399,858	153,279	273,237	88,858	6,664	177,715	0	**1,110,719**
	# licenses	4	3	1	3	1	1					**13**
2008	Fees	95,284	99,087	320,669	474,590	159,345	232,225	192,401	10,359	29,465	0	**1,381,200**
	# licenses	4	3	1	3	1	1					**13**
2009	Fees	154,351	220,501	514,503	782,045	230,792	547,824	288,122	14,700	245,002	0	**2,450,016**
	# licenses	4	4	1	3	1	1					**14**
2010	Fees	112,724	125,096	259,264	428,350	120,009	329,236	206,202	10,310	112,724	0	**1,374,679**
	# licenses	4	4	1	3	1	1	10,310				**14**
2011	Fees	118,360	164,189	285,190	492,601	132,010	362,160	123,996	11,341	226,822	0	**1,554,510**
	# licenses	4	5	1	3	1	1					**15**
2012	Fees	213,048	241,359	427,785	620,676	211,216	386,074	145,075	14,176	386,074	0	**2,100,158**
	# licenses	6	5	1	3	1	1					**17**
2013	Fees	312,470	241,359	410,674	777,914	211,216	179,733	151,381	28,353	0	0	**2,133,367**
	# licenses	8	5	1	4	1	1					**20**
2014	Fees	359,341	334,117	595,477	1,127,975	306,263	283,776	227,071	56,705	0	2,000	**3,008,949**
	# licenses	8	5	1	4	1	1				1	**21**
2015	Fees	427,491	417,316	848,124	908,704	331,875	356,897	272,611	84,286	0	2,000	**3,292,407**
	# licenses	8	5	1	4	1	1				1	**21**

Changes in licence fees year on year reflect the changing scope of regulatory work as the electricity and related water sector market develops. For example, increased desalinated water licence fees reflect anticipated amendments to the Sector Law to bring Independent Water Projects under the purview of Sector Law regulation by the Authority; and, increased generation licence fees reflect the allocation of costs relating to the Authority's renewable energy initiatives to that regulated activity.

The cost of electricity and related water sector regulation in 2014 was around 3.2 Rial Omani per Customer account, around one tenth of one baiza per kWh Supplied and less than 0.25% of total electricity and related water sector turnover, metrics the Authority believes compare favourably to international benchmarks of regulatory costs.

2015 Forward Work Programme

Article (34) of the Sector Law requires the Authority to prepare a Forward Work Programme for the coming year, and consult with Persons who may be affected by the proposed work. In December 2014 the Authority consulted on its proposed 2015 Forward Work Programme and published the programme in accordance with Article (34) of the Sector Law and is in the process of implementing all of its constituent tasks. The 2015 Forward Work programme is presented in Annex E of this report.

Customer Affairs Directorate

The Customer Affairs Directorate is responsible for protecting and promoting the interests of electricity customers. The Directorate carries out these functions by resolving complaints, monitoring and ensuring performance of customer related licence obligations by distribution and supply licensees and enhancing customer awareness of the legal and regulatory framework and the standard of service to which they are entitled.

In 2014 the Directorate:

i. Hosted three well attended stakeholder awareness Road Shows, with representatives from Walis' offices, local and central government organisations and other key stakeholder groups, in Sur, Salalah and Muscat;

ii. Received 91 new customer complaints and resolved 111 outstanding customer complaints;

iii. Advised a further 115 customers on their rights and how to progress their complaints using the approved complaint handling procedure;

iv. Worked with the Economics Directorate to set realistic revenues to cover distribution and supply business customer services activities during the period 2015-2017, including specific allowances for new senior staff to implement a Blueprint for organizational reform;

v. Further progressed the plan for a small scale implementation of automated meter reading (AMR) for customers that consume large amounts of electricity;

vi. Prepared a customer friendly guide to precedent determinations made by the Authority, which will be published in early 2015;

vii. Held regular liaison meetings with distribution and supply licensees to discuss customer related issues.

Licences, Codes, Procedures and Charters:

In 2014 the Directorate focussed on ensuring the New Complaint Handling Procedures, Late Payment Codes of Practice and Customer Charters introduced in 2011 and 2012 are properly implemented. Furthermore the Directorate developed a series of regular monthly and quarterly monitoring reports for different activities such as complaint management and supply disconnection. Individual meetings were held with all companies to ensure that lessons are learned and in some cases follow-up actions were required to be taken.

The review of the Electricity Supply Agreement (Supply Terms) for residential customers that commenced during September 2013 was further progressed and it is expected that a new model agreement will be implemented in early 2015.

Automated Meter Reading for large customers

The Authority continued to progress the small scale implementation of automated meter reading for the largest 8,000 - 10,000 electricity consumers. Following the seminar held for distribution and supply licensees in October 2013 and following a structured data request issued by the Authority in November 2013 distribution and supply licensees provided information on the costs and benefits of such a programme.

The Authority, supported by its expert advisers ESBI, concluded that the information presented by licensees was not a sufficiently robust basis on which to agree the timescales, operational methods and funding necessary for the implementation of the project. As a result and reflecting the need for significant co-ordination between licensees, to support data flows and data standardization, the Authority agreed that the Electricity Holding Company be asked to appoint consultants to work with distribution and supply licensees to progress the project plan in such a manner as would permit the Authority to approve the necessary funding. The Authority has worked closely with distribution and supply licensees as part of this process and it is expected that the consultants will start work early in 2015.

Complaints and Determinations

It is the Authority's policy, as set out in the approved Complaint Handling Procedure, that licensees must first be given an opportunity to resolve customer complaints. Should they fail to resolve the matter to the satisfaction of the customer, or within the timeframes specified in the Complaint Handling Procedure, the customer may refer the case to the Authority. The Authority has legal powers to determine how such complaints should be resolved.

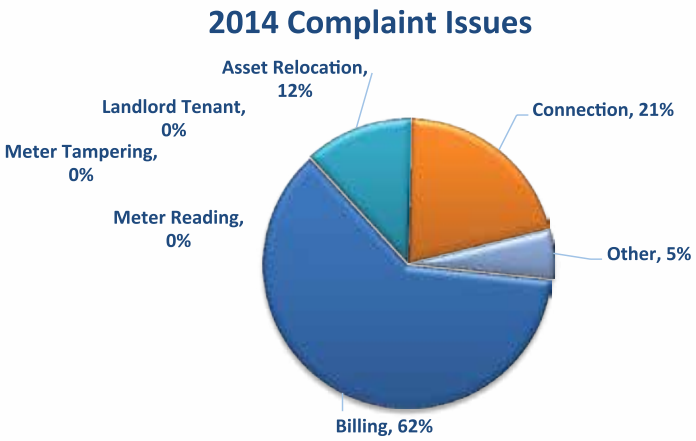
The Authority made 69 Determinations in the period 2005 – 2012, covering all main categories of complaint. This body of precedent was sufficient to enable the Authority's staff to resolve a further 111 unresolved complaints during 2014, compared with 91 complaints received during the year. However, the Authority will continue to make further Determinations when it is necessary to set a further precedent and when a Customer does not accept the resolution of his dispute on the basis of precedent and wishes to pursue the matter in Court.

The figure of 91 complaints received during 2014 was a slight increase over the 88 complaints received during 2013, but this increase was somewhat lower than the overall increase in the number of connected customers. Figure 23 below presents an analysis of the issues that were the causes of those 91 complaints.

Figure 23: Categories of Customer Complaints in 2013 and 2014.

Copmplaint Issue	2013		2014	
	#	%	#	%
Billing	58	66%	56	62%
Meter Reading	0	0%	0	0%
Meter Tampering	0	0%	0	0%
Landlord Tenant	1	1%	0	0%
Asset Relocation	14	16%	11	12%
Connection	11	13%	19	21%
Other	4	5%	5	5%
Totals	**88**		**91**	

Source: Authority complaints database



The number of billing related complaints recorded in 2014 marginally decreased from 58 to 56, which is 62% of the annual total and similar to the 2013 figure. This still reflects problems experienced by licensees and their agents with meter readings and the accuracy of estimated bills. These problems are continuing to be addressed with the implementation of a new billing system which was piloted during 2014 and the introduction of a new estimation methodology approved by the Authority.

The number of complaints relating to customer connection was a little higher than in 2013 at 19 compared with 11. The Authority does not consider this increase especially significant given the relatively low numbers involved and the corresponding decrease in customer contacts relating to new connection (see below).

Customer Support

In addition to formal complaints received, the Directorate also provides advice to customers who contact the Authority before raising the matter formally with their licensed supplier or before they have received a formal response from their supplier. The Authority advises customers of their rights and, where appropriate, of precedent decisions taken in similar cases, as well as the procedure to be followed.

In 2014 the Directorate provided advice to 115 customers, compared with 160 in 2013 and 102 in 2012. Of those 115 cases, 61 related to billing, compared with 77 in 2013, a decrease of 21%. Customer connections represented 13 cases, compared with 25 in 2013.

Economics & Financial Affairs

The Directorate is responsible for the economic regulation of the electricity and related water sector. This includes setting and monitoring RPI-X price controls, reviewing and approving electricity and related water Bulk Supply Tariffs, and calculating licensed suppliers' annual Subsidy requirements.
In 2014 the Directorate:

- Completed price control reviews of the three MIS Discos: MEDC, Majan and Mazoon
- Completed a price control review of the Rural Areas Electricity Company;
- Completed a price control review of the Dhofar Power Company;
- Reviewed the 2015 PWP and RAEC electricity and water Bulk Supply Tariff proposals submitted for approval;
- Reviewed the 2014-2020 PWP 7-Year Statement submitted for approval; and
- Undertook analysis to confirm outturn (2013) and projected (2014 and 2015) Subsidy requirements of Licensed Suppliers.

The approved 2015 PWP and RAEC Electricity and Water Bulk Supply Tariffs are shown in Table 9 & Table 10.

Table 9: RAEC 2015 Water Bulk Supply Tariffs

	Production Facility					
Rial/m^3	AlHallaniyat	AbuMudabi	Kumzar	Masirah	Sograh	Duqm
2015	1.500	1.500	1.500	1.500	1.500	1.500

Source: Authority

Table 10: PWP 2015 Electricity & Water Bulk Supply Tariffs

A. PWP Electricity Bulk Supply Tariff for MIS - 2015

Baiza per kWh	Off Peak	Night Peak	Weekday Day-peak	Friday Day-peak
January to March	12.0	12.0	12.0	12.0
April	14.0	14.0	14.0	14.0
May to July	17.0	22.0	54.0	27.0
August to September	16.0	17.0	22.0	21.0
October	14.0	14.0	14.0	14.0
November to December	12.0	12.0	12.0	12.0

Rate Band	Day(s) / Time(s)
Off Peak	All days : 02:00 to 13:00 and 17:00 to 22:00
Night Peak	All days : 22:00 to 02:00 (following day)
Weekday Day-peak	Saturday to Thursday, 13:00 to 17:00
Friday Day-peak	Friday, 13:00 to 17:00

Source: PWP 2015 Electricity BST Leaflet for MIS

B. PWP Electricity Bulk Supply Tariff for Dhofar - 2015

Baiza per kWh	On-Peak		Off-Peak Morning	Mid-Peak		Off-Peak Night
	Weekday	Friday	All Days	Weekday	Friday	All Days
January to March	12.0	12.0	12.0	12.0	12.0	12.0
April	28.0	28.0	21.0	23.0	21.0	23.0
May to June	50.0	28.0	23.0	36.0	21.0	23.0
July to August	14.0	14.0	14.0	14.0	14.0	14.0
September to October	16.0	14.0	14.0	16.0	14.0	14.0
November to December	12.0	12.0	12.0	12.0	12.0	12.0

Rate Band	Day(s) / Time(s)
On-Peak Weekday	Saturday to Thursday : 00:00 to 04:00 and 15:00 to 17:00
On-Peak Friday	Friday : 00:00 to 04:00 and 15:00 to 17:00
Off-Peak Morning	All days : 04:00 to 11:00
Mid-Peak Weekday	Saturday to Thursday : 11:00 to 15:00
Mid-Peak Friday	Friday : 11:00 to 15:00
Off-Peak Night	All days : 17:00 to 24:00

Source: PWP 2014 Electricity BST Leaflet for Dhofar

C. PWP Water Bulk Supply Tariffs - 2014

Schedule of Charges

	Rate
Fixed charge for committed Water Desalination Capacity	RO 0.374 per day per m^3/day
Variable charge for Desalinated Water	RO 0.092 per m^3
PWP service charge (based on committed Water Desalination Capacity)	RO 0.005 per day per m^3/day
Variable charge for Distillate Water Supplied to MISC[1]	RO 0.3033 to 0.9796

Minimum Availability of Water Desalination Capacity

	Ghubrah Power & Desalination Company	ACWA Power Barka	SMN Barka Power Company	Sohar Power Company	SembCorp Salalah	Sharqiyah Desalination Plant	Muscat City Desalination Plant [3]
Summer[2]	95.0%	92.5%	92.5%	98.0%	92.5%	92.5%	92.5%
Winter	82.0%	85.0%	92.5%	85.0%	92.5%	82.0%	92.5%

Source: PWP 2015 Water BST Leaflet

1 Subject to volume
2 Summer months: April-September for Ghubrah, Sohar & Sharqiyah, May-September for ACWA Barka
3 Availability period of Muscat City Desalination Plant is April to December 2015

Technical Directorate

The Technical Directorate is responsible for approving technical standards and for monitoring compliance with Industry Codes, planning and operating standards, and Oman Electrical Standards. The Directorate represents the Authority on the Grid Code and Distribution Code Review Panels and leads technical and health and safety investigations.

During 2014 the Directorate:

(i) Conducted investigations for and provided technical support to the Public Prosecutor in relation to investigations of serious electricity related accidents, including fatalities;

(ii) Supported the development of protection capabilities within the electricity sector utilising the expertise of Vector Power Solutions to develop a competency framework and outline training plan;

(iii) Conducted a review of capital expenditure requirements of RAEC, DPC, Mazoon, Majan and MEDC to inform the determination of new price control allowances;

(iv) Reviewed the 2014 system capability statements of MEDC, MJEC, MZEC, RAEC and OETC;

(v) Undertook Health and Safety audits of OETC, OPWP and DPC

(vi) Continued routine inspections of licensed distribution systems to ensure the safety and physical security of the networks;

(vii) Finalised the drafts of new standards for indoor distribution substations and dry type transformers;

(viii) Reviewed the progress of MIS Distribution licensees with regard to compliance of their networks with the Distribution Security Standards to assess level of non-compliance and determine associated penalties;

(ix) Took the lead in the Authority's review of RAEC performance in Hamra Al Doroa (Wadi Aswad System) to secure improvements on all levels;

(x) Undertook a high level study of technical feasibility of photovoltaic plants in specific rural areas served by RAEC;and

(xi) Finalised and issued the investigation report into the Sur Desalination Company's complaint on the Quality of Supply (voltage) by Mazoon.

Salalah Blackout investigation

On 14 August 2014, the Salalah system experienced a complete blackout. The Authority commissioned an independent investigation of both the root causes of the blackout and the manner in which supplies were restored. The investigation identified failures on the part of a number of licensees, and concluded that implementation of recommendations from the investigations of the 2007 and 2012 blackouts could have prevented both the system blackout and many of the issues that hampered a quick restoration of supply. The Authority's final report was published in February 2015 and is available on the Authority's website.

Distribution Price Control Review

As part of a holistic view of the investment needs of distribution licensees, including MJEC, MZEC, MEDC, RAEC and DPC, the Authority considered both the capital expenditure drivers and the technical capability of the licensees to deliver the projects. The assessment included the way in which licensees planned their investment, the way in which projects were managed, the effectiveness of training, and how the licensees were ready to take full advantage of the investments.

The review identified some areas where project delivery and training could be improved, and where some licensees needed to coordinate their activities in order to maximise the benefits of the investments that they were undertaking. The price control also identified a number of projects that had been designed in a manner that increased cost and complexity but added little if any material benefit to customers over and above the minimum schemes required by the security standards.

Health and Safety Audit of OETC, OPWP and DPC, plus follow-up of Licensed Production Facilities

In 2014 the Authority conducted Health and Safety audits of Dhofar Power Company, Oman Electricity Transmission Company, and Oman Power and Water Procurement Company. The audit identified a number of positive actions that had been taken in response to recent accidents, and a general good level of commitment and awareness of safety related issues. The Authority intends to follow up on the recommendations in 2015.

In early 2014, repeat visits to two licensed production facilities who had not completed all corrective actions from the 2012/13 audits identified that whilst one facility had satisfactorily addressed all areas of concern, one facility remained in breach of Omani regulations. The Authority communicated its dissatisfaction with the progress to the licensee and offered them additional time to secure compliance. The Authority intends to conduct further visits in 2015 to ensure compliance.

Grid Code Review Panel

The Grid Code Review Panel (GCRP) met four times during 2014, see Table 11

Table 11: Grid Code Review Panel meetings in 2014

Meeting	Meeting date	Chaired by	Location
GCRP 36	17-Feb-14	OETC	Muscat
GCRP 37	05-May-14	OETC	Muscat
GCRP 38	25-Aug-14	OETC	Muscat
GCRP 39	03-Nov-14	OETC	Muscat

Distribution Code Review Panel

The Distribution Code Review Panel (DCRP) met four times during 2014, see Table 12.

Table 12: Distribution Code Review Panel meetings in 2014

Meeting	Meeting date	Chaired by	Location
1/2014	24-Feb-14	RAEC	Muscat
2/2014	22-May-14	RAEC	Muscat
3/2014	18-Sept-14	RAEC	Muscat
4/2014	10-Nov-14	RAEC	Muscat

During 2014 the DCRP continued its efforts to improve the product and contractor approval processes and made significant improvements in its assessment of competent protection engineers, and testing and commissioning engineers. The focus on competency assessment of protection engineers has had a positive impact in the market, sending a strong message of what is expected for the highest grade contractors to provide. The revised assessment process has also facilitated a more effective assessment process of candidates considered for approval. During the year, DCRP has helped increase the number of certified competent protection engineers from 8 to 32, and it is hoped that this improvement will continue.

During 2014 DCRP enhanced its assessment and ongoing monitoring of electrical contractor. The rigorous inspection and enforcement of DCRP procedures has been applied to new and existing contractors who are registered with DCRP. By the end of 2014 there were 189 contractors holding valid DCRP registration, of which sixteen held the highest grade (Grade A) and twelve the next highest (Grade B). The DCRP efforts to improve the quality of contractors have been supported by feedback and contributions from distribution licensees and the Authority.

In 2014 DCRP also issued 13 new product approvals, and continued to support suppliers to ensure that products are designed, manufactured and tested to the appropriate standards.

Licensing & Legal Affairs

The Directorate acts as legal counsel to Authority Members to ensure all Authority decisions comply with the requirements of the Sector Law and other applicable Laws. The Directorate is responsible for monitoring compliance with conditions of authorizations granted by the Authority and for maintain channels of communication with relevant ministries and competent authorities to ensure the Authority has the information needed to provide requisite advice to Licence Holders and Exemption Holders. The Directorate is also responsible for maintaining the public Register.

In 2014 the Directorate:

- Managed the grant of a Generation Licence effective from 1 May 2014 to the Phoenix Power Company.
- Advised on the termination of the Concession Agreement with Dhofar Power Company and the restructuring of the Dhofar Power System;
- Managed and completed the licensing process for the restructured Dhofar Power System including:
    i. Grant of a Distribution and Supply Licence to Dhofar Power Company effective from 1 January 2014;
    ii. Grant of a Generation Licence to Dhofar Generation Company effective from 1 January 2014;
    iii. Modification of the Licenses granted to PWP and OETC to suit the new arrangements in Dhofar. The modification included removing PWP's responsibilities relating to the Concession Agreement and authorizing OETC to operate the electricity transmission network in Dhofar.
- Coordinated with other directorates at the Authority on the modification of the Schedule Charge Restriction Condition of Distribution and Supply Licences of Muscat Electricity Distribution Company, Majan Electricity Company, Mazoon Electricity Company, Dhofar Power Company and Rural Areas Electricity Company. The modification was required to facilitate the implementation of new Price Controls.
- Reviewed a licence application from Oman Oil Company Exploration & Production (Musandam Gas Plant and Abu Tubul Block 60(. The Authority granted the company a Licence Exemption to authorize the Generation of electricity effective from 1 May 2014.
- Reviewed two License Exemption applications for the operation of temporary diesel generation contracted by PWP to support the MIS at times of system peak demand in summer 2014. Time limited authorizations were granted to:
    i. OFSAT LTD. Co; and
    ii. Rental Solutions & Services LLC.
- Reviewed applications for approval for disposal or transfer of assets submitted by Licensees. The Authority granted consents for disposal of assets to Majan Electricity Company, Muscat Electricity Distribution Company, Mazoon Electricity Company and Rural Areas Electricity.

- Coordinated with relevant Directorates at the Authority on the issuance of a breach of License notice to RAEC under Article (116) of the Sector Law. The notice was issued following an investigation conducted by the Authority in relation to prolonged and reoccurring supply interruptions in Hamra Al Drooa in Al Dhahira governorate.

- Handled and represented the Authority in a number of litigation cases involving the Authority before Omani courts. The Authority handled all its cases internally without appointing any external lawyers.

The Directorate is also involved in a number of issues relating to the GCC Electricity Interconnection Project. It assisted and coordinated with PAEW in the preparation for Oman's joining to the GCC Electricity Interconnection and the execution of the General Agreement (signed by PAEW) and the Power Exchange and Trading Agreement (signed by OPWP and OETC) which were signed by the Sultanate in November 2014. The Authority intends to amend OPWP and OETC Licenses and grant the required Export and Import and the International Interconnection Licences respectively. The Directorate also participates in the Advisory Regulatory Committee of the GCC Electricity Interconnection on regular basis.

Annex A: Audited Financial Statements

**Authority for Electricity Regulation,
Oman**

**Report and Financial Statements
for the year ended 31st December 2014**

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MBD
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Sultanate of Oman

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Independent Auditors' report to the members of Authority for Electricity Regulation, Oman

Report on the financial statements

We have audited the accompanying financial statements of the Authority for Electricity Regulation, Oman, ("the Authority") which comprise the statement of financial position as at 31 December 2014 and the statements of revenue and expenses, changes in surplus fund and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 2 to 14. The financial statements of the Authority as at and for the year ended 31 December 2013 were audited by another firm of auditors whose report dated 8 April 2014 expressed an unqualified opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, compliance with the relevant requirements of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector ("the Sector Law"), promulgated by the Royal Decree 78/2004 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Authority's judgment, including the assessment of the risks of material misstatements of the financial statements. In making those risk assessments; the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements, present fairly, in all material respects, the financial position of the Authority, as of 31 December 2014, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

17 June 2015

KPMG

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of financial position at 31 December 2014

	Notes	2014 RO	2013 RO
ASSETS			
Non-current asset			
Property and equipment	5	**163,620**	209,062
Current assets			
Prepayments and other receivables		**66,630**	34,490
Cash and cash equivalent	6	**494,350**	350,860
Total current assets		**560,980**	385,350
Total assets		**724,600**	594,412
RETAINED SURPLUS AND LIABILITIES			
Retained surplus	7	**524,345**	230,875
Liabilities			
Non-current liability			
Provision for employees' end of service benefits	8	**98,279**	150,739
Current liability			
Accruals and other payables	9	**101,976**	212,798
Total liabilities		**200,255**	363,537
Total retained surplus and liabilities		**724,600**	594,412

The financial statements were approved and authorized for issue by the Members on 17 June 2015 and were signed on their behalf by:

Chairman and Member **Member** **Executive Director and Member**

The notes on pages 6 to 14 are an integral part of these financial statements.

The report of the Independent Auditors' is set forth on page 1.

هيئة تنظيم الكهرباء - عمان
Executive Director
Authority for Electricity Regulation, Oman

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of revenue and expenses for the year ended 31 December 2014

	Notes	2014 RO	2013 RO
Licence fees	10	**3,006,935**	1,860,784
Finance income		**2,146**	3,079
Other income		**2,316**	-
Total revenue		**3,011,397**	1,863,863
Salaries and employee related costs	11	**(1,646,919)**	(1,371,360)
Consultancy expense		**(595,404)**	(519,428)
General and administrative expenses	12	**(403,373)**	(443,374)
Depreciation	5	**(72,231)**	(69,983)
Total expenses		**(2,717,927)**	(2,404,145)
Surplus (deficit) for the year		**293,470**	(540,282)

The notes on pages 6 to 14 are an integral part of these financial statements.

The report of the Independent Auditors' is set forth on page 1.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of changes in surplus fund for the year ended 31 December 2014

	Retained surplus RO
Balance at 1 January 2013	771,157
Deficit for the year	(540,282)
Balance at 1 January 2014	230,875
Surplus for the year	**293,470**
Balance at 31 December 2014	**524,345**

The notes on pages 6 to 14 are an integral part of these financial statements.

The report of the Independent Auditors' is set forth on page 1.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of cash flows
for the year ended 31 December 2014

	2014 RO	2013 RO
Operating activities		
Cash receipts from licensees and application fees for license exemptions and other income	**3,008,935**	1,860,784
Cash paid to employees and other suppliers	**(2,840,802)**	(2,248,262)
Net cash from (used) in operating activities	**168,133**	(387,478)
Investing activities		
Purchase of property and equipment	**(26,789)**	(50,444)
Interest income	**2,146**	3,079
Net cash used in investing activities	**(24,643)**	(47,365)
Net change in cash and cash equivalents	**143,490**	(434,843)
Cash and cash equivalents at the beginning of the year	**350,860**	785,703
Cash and cash equivalents at the end of the year (Note 6)	**494,350**	350,860

The notes on pages 6 to 14 are an integral part of these financial statements.

The report of the Independent Auditors' is set forth on page 1.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

1. Activities

The Authority for Electricity Regulation, Oman (hereafter referred to as the "Authority"), was established by Article 19 of the Law for the Regulation and Privatisation of the Electricity and Related Water Sector (the "Sector Law") promulgated by the Royal Decree 78/2004 issued on 1 August 2004.

The Authority is primarily engaged in the regulation of the electricity and related water sector in the Sultanate of Oman. Under the Sector Law regulating the Authority's activities, the Authority levies fees on licensee companies that will enable the Authority to recover an amount not more than its expenses. Accordingly, surpluses of income over expenditure are held for the benefit of the licensee companies as explained in Note 7 to the financial statements.

The registered office of the Authority is P O Box 954, PC 133, Al Khuwair, Sultanate of Oman.

2. Adoption of new and revised International Financial Reporting Standards (IFRSs)

For the year ended 31 December 2014, the Authority has adopted all the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that are relevant to its operations and effective for the year beginning on 1 January 2014.

2.1 Standards and Interpretations adopted with no effect on the financial statements

A number of new relevant standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2014, and have not been applied in preparing these financial statements. Management anticipates that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the Authority in the period of initial application.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

3. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, interpretations issued by the International Financial Reporting Interpretations Committee and the requirements of the Sector Law of the Sultanate of Oman.

These financial statements are presented in Rials Omani (RO) since that is the currency of the country in which the majority of the Authority's transactions are denominated.

The following are the significant accounting policies which have been applied consistently:

Property and equipment

Property and equipment purchased are recorded at cost together with any incidental expenses of acquisition.

The cost of property and equipment is written off in equal installments over their estimated useful economic lives as follows:

	Years
Furniture, fixtures and office equipment	6.67
Vehicles	5
Computers	3 - 4

Gains and losses on disposals of property and equipment are determined by reference to their carrying amount and sale proceeds and are recognised within other operating income in the profit or loss.

Impairment

At each statement of financial position date, the Authority reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

3. Summary of significant accounting policies

Impairment (continued)

The loss arising on an impairment of an asset or cash generating unit is determined as the difference between the recoverable amount and carrying amount of the asset or cash generating unit and is recognised immediately in the statement of revenue and expenses.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount and the increase is recognised as income immediately, provided that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised earlier.

Financial instruments

Financial assets and liabilities are recognised on the statement of financial position when the Authority becomes a party to the contractual provisions of the instrument.

The principal financial instruments are cash and bank balances, license fees receivable, other receivables and accruals and other payables. License fees receivable are stated at their nominal value as reduced by allowances for doubtful balances, if any. Trade and other payables are stated at their amortised cost.

Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, which it is probable, will result in an outflow of economic benefits that can be reliably estimated.

Employee benefits

Payment is made to the Pension and Gratuities Fund for Omani Government Employees pursuant to the provisions of the Law of Post Service Pensions and Gratuities for Omani Government Employees issued by Royal Decree (26/86), as amended. Provision is also made for amounts payable under the Oman Labour Law applicable to expatriate employees, and is based on current remuneration and accumulated periods of service at the statement of financial position date.

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash on hand and bank balances maturing within three months from the date of placement.

Licence fees

Licence fees represent the amounts invoiced to the licensees for the year.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

3. Summary of significant accounting policies (continued)

Foreign currencies

Transactions denominated in foreign currencies entered into during the year have been translated into Rials Omani and recorded at the rates of exchange prevailing at the dates of transactions. Foreign currency monetary assets and liabilities at the reporting date are translated at the rates of exchange prevailing at that date. Exchange differences that arise are taken to the statement of revenue and expenses.

Taxation

The Authority is exempt from taxation as per Article (56) of the Sector Law.

Critical accounting judgements and key source of estimation uncertainty

In preparing the financial statements, the management is required to make estimates and assumptions which affect reported revenue and expenses, assets, liabilities and related disclosures. The use of available information and application of judgment based on historical experience and other factors are inherent in the formation of estimates. Actual results in the future could differ from such estimates.

Licence fees
The significant estimate in the preparation of these financial statements is primarily in respect of licence fee income to be recovered in respect of regulation by the Authority of the licensed companies.

Depreciation
Depreciation is charged so as to write off the cost of assets over their estimated useful lives. The calculation of useful lives is based on management's assessment of various factors such as the operating cycles, the maintenance programs, and normal wear and tear using its best estimates.

4. Financial risk management

Financial instruments carried on the statement of financial position comprise cash and bank balances, license fees receivable, other receivables and trade and other payables.

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been impacted.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

4. Financial risk management (continued)

Financial risk factors

Overview

The Authority's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance.

Risk management is carried out by Accounting and Internal Audit Directorate under policies approved by the management.

(i) Credit risk

Credit risk is the risk of financial loss to the Authority if a licensee or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Authority's receivables from licensees.

Licence fee and other receivables
The Authority's exposure to credit risk is influenced mainly by the individual characteristics of each licensee. All licensees are based in Sultanate of Oman.

The potential risk in respect of amounts receivable is limited to their carrying values as management regularly reviews these balances whose recoverability is in doubt.

(ii) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Authority's reputation.

Typically, the Authority ensures that it has sufficient cash on demand to meet expected operational expenses. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The Authority's functional and presentation currency is Rial Omani and the Authority's performance is substantially independent of changes in foreign currency rates. There are no significant financial instruments denominated in foreign currency and consequently, foreign currency risk is not significant.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

4. Financial risk management (continued)

Financial risk factors (continued)

Interest rate risk

The Authority has balances with banks, which are interest bearing and exposed to changes in market interest rates.

Capital management

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern and benefit other stakeholders. The Authority is not subject to externally imposed capital requirements (Note 1).

Fair value of financial instruments

Fair value of the financial instruments approximate to their carrying value at the statement of financial position date.

5. Property and equipment

	Furniture, fixtures and office equipment	Vehicles	Computers	Total
	RO	RO	RO	RO
Cost				
At 1 January 2013	266,093	87,725	129,698	483,516
Additions	2,219	43,350	4,875	50,444
At 1 January 2014	**268,312**	**131,075**	**134,573**	**533,960**
Additions	**2,049**	**19,700**	**5,040**	**26,789**
At 31 December 2014	**270,361**	**150,775**	**139,613**	**560,749**
Depreciation				
At 1 January 2013	102,214	50,976	101,725	254,915
Charge for the year	38,619	16,182	15,182	69,983
At 1 January 2014	**140,833**	**67,158**	**116,907**	**324,898**
Charge for the year	**38,910**	**20,624**	**12,697**	**72,231**
At 31 December 2014	**179,743**	**87,782**	**129,604**	**397,129**
Carrying value				
At 31 December 2014	**90,618**	**62,993**	**10,009**	**163,620**
At 31 December 2013	127,479	63,917	17,666	209,062

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

6. Cash and cash equivalents

	2014	2013
	RO	RO
Cash on hand	504	55
Cash at bank	493,846	350,805
	494,350	350,860

7. Retained surplus

The retained surplus represents the cumulative amount of excess or deficit of income over expenditure which will be offset against future funding requirements in accordance with Article (55) of the Sector Law.

8. Provision for employees' end of service benefits

At 1 January	150,739	118,980
Paid during the year	(79,589)	-
Charge for the year (Note 11)	27,129	31,759
At 31 December	98,279	150,739

9. Accruals and other payables

Accruals	101,210	210,343
Other payables	766	2,455
	101,976	212,798

10. Licence fees

Licence fees represent the amounts invoiced to licensees for the year.

11. Salaries and employee related costs

Salaries and allowances	1,337,534	1,188,814
Cost of end of service benefits for expatriate employees (Note 8)	27,129	31,759
Contribution to defined contribution retirement plan	107,289	85,779
Other employee related costs	174,967	65,008
	1,646,919	1,371,360

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

12. General and administrative expenses

	2014 RO	2013 RO
Rent	**172,800**	172,800
Insurance	**49,960**	46,214
Communications	**15,001**	15,827
Advertisement and publicity	**26,205**	62,804
Travelling and conveyance	**40,386**	42,054
Printing and stationery	**14,070**	20,404
Utilities	**7,080**	7,802
Repairs and maintenance	**6,227**	9,382
Miscellaneous expenses	**71,644**	66,087
	403,373	443,374

13. Taxation

The Authority is exempt from taxation as per Article (56) of the Sector Law.

14. Related party transactions

The Authority enters into transactions in the normal course of business with the Chairman and Members. These transactions are entered into at terms and conditions which the management believes could be obtained on an arm's length basis from independent third parties.

Such transactions comprise compensation to key management personnel which amounted to:

	2014 RO	2013 RO
Short term employment benefits	**165,671**	171,749
End of service benefits	**6,294**	10,320

15. Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The exposure to credit risk at the reporting date was on account of:

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2014

15. Credit risk

Exposure to credit risk (continued)

	2014 RO	2013 RO
Other receivables	**597**	1,003
Bank balances	**493,846**	350,805
	494,443	351,808

Licence fees receivable at the reporting date were past due for nil days (2013: nil days)

16. Liquidity risk

The following are the maturities of the financial liabilities.

	2014		2013	
	Carrying amount RO	**6 months or less** RO	Carrying amount RO	6 months or less RO
Accruals	**101,209**	**101,209**	210,343	210,343
Other payables	**766**	**766**	2,455	2,455
	101,975	**101,975**	212,798	212,798

17. Interest rate risk

At the reporting date, the Authority's interest bearing financial instruments was:

	2014 RO	2013 RO
Fixed rate instruments		
Financial assets	**493,845**	350,805

18. Commitments

Operating commitments	**11,743**	393,552

Annex B:
Authorised Entities

Licence Holders

Majan Electricity Company SAOC
Regulated Activities: the Distribution and Supply of electricity to Premises

Mazoon Electricity Company SAOC
Regulated Activities: the Distribution and Supply of electricity to Premises

Muscat Electricity Company SAOC
Regulated Activities: the Distribution and Supply of electricity to Premises

Oman Electricity Transmission Company SAOC
Regulated Activities: the Transmission; and Dispatch of electricity

Rural Areas Electricity Company SAOC
Regulated Activities: the Generation and Desalination; Transmission; Dispatch; Distribution and Supply of electricity & Bulk Supply of desalinated water to Water Departments

Wadi Al Jizzi Power Company SAOC
Regulated Activity: the Generation of electricity

Al Rusail Power Company SAOC
Regulated Activity: the Generation of electricity

Al Ghubrah Power and Desalination Company SAOC
Regulated Activity: the Generation of electricity and Desalination of water

Al Kamil Power Company SAOC
Regulated Activity: the Generation of electricity

United Power Company SAOC
Regulated Activity: the Generation of electricity

ACWA Power Barka SAOC
Regulated Activity: the Generation of electricity and Desalination of water

SMN Barka Power Company SAOC
Regulated Activity: the Generation of electricity and Desalination of water

Sohar Power Company SAOC
Regulated Activity: the Generation of electricity and Desalination of water

Oman Power and Water Procurement Company SAOC
Regulated Activities: Demand Forecasting; capacity procurement; bulk supply of electricity & water and procurement of electricity and desalinated water

SembCorp Salalah
Regulated Activities: the Generation of electricity and Desalination of water

Al Batinah Power Company SAOC
Regulated Activities: the Generation of Electricity

Al Suwadi Power Company SAOC
Regulated Activities: the Generation of Electricity

Licence Holders

Phoenix Power Company SAOC
Regulated Activity : the Generation of Electricity

Dhofar Power Company SAOC
Regulated Activity : the Generation of Electricity

Dhofar Generation Company SAOC
Regulated Activity : the Generation of Electricity

Licence Exemption Holders

Sohar International Urea Chemical Industries SAOC
Regulated Activities: the Generation of electricity and Desalination of water

Oman Mining Company LLC
Regulated Activities: the Generation; Distribution; and Supply of electricity

Oman India Fertiliser Company SAOC
Regulated Activities: the Generation of electricity and Desalination of water

Oman Cement Company SAOG
Regulated Activities: the Generation; Distribution; and Supply of electricity

Barr Al Jissah Resort Company
Regulated Activities: the Distribution of electricity

Oman Refineries and Petrochemicals Company LLC
Regulated Activities: the Generation of electricity and Desalination of water; the Transmission; Distribution; and the Supply of electricity

Oman LNG LLC
Regulated Activities: the Generation of electricity and Desalination of water; the Distribution; and the Supply of electricity

Petroleum Development Oman LLC
Regulated Activities: the Generation; Distribution; Transmission; and Supply of electricity

Occidental of Oman Inc
Regulated Activities: the Generation and Distribution of electricity

Sohar Aluminium Company LLC
Regulated Activities: the Generation of electricity and Desalination of water; the Distribution and Transmission of electricity

Sharqiyah Desalination Company SAOC
Regulated Activities: the Generation of electricity and Desalination of water

Occidental Mukhaizna
Regulated Activities: the Generation of electricity and Desalination of water; and the Distribution of electricity

Ministry of Defence
Regulated Activities: the Generation of electricity for sale to PWP

Oman Oil Company Exploration & Production LLC
Regulated Activities: the Generation of electricity co-located with the desalination of water

Exemption Orders granted to providers of temporary rental generation:

1. OFSAT
2. Rental Solution & Services

Annex C:
Electricity & Related Water Sector Statistics

Table 1

Electricity Customer Accounts by System, Company and Tariff Category: 2013 and 2014

2013 Accounts	Main Interconnected System (MIS)								Rural Systems		Dhofar System		Total Oman	
	Muscat	% Total	Majan	% Total	Mazoon	% Total	Total MIS	% Total	RAEC	% Total	DPC	% Total		% Total
Residential	199,742	76.4%	129,111	74.0%	242,044	76.1%	570,897	75.7%	20,054	70.9%	58,104	75.6%	649,055	75.5%
Industrial	276	0.1%	462	0.3%	228	0.1%	966	0.1%	42	0.1%	69	0.1%	1,077	0.1%
Commercial	53,509	20.5%	33,626	19.3%	59,297	18.6%	146,432	19.4%	5,135	18.2%	13,739	17.9%	165,306	19.2%
Agriculture & Fisheries	168	0.1%	3,147	1.8%	3,195	1.0%	6,510	0.9%	300	1.1%	97	0.1%	6,907	0.8%
Hotels / Tourism	53	0.0%	350	0.2%	44	0.0%	447	0.1%	49	0.2%	84	0.1%	580	0.1%
Government	7,538	2.9%	7,829	4.5%	13,334	4.2%	28,701	3.8%	2,662	9.4%	4,660	6.1%	36,023	4.2%
Ministry of Defence	194	0.1%	67	0.0%	40	0.0%	301	0.0%	45	0.2%	98	0.1%	444	0.1%
	261,480	100.0%	**174,592**	100.0%	**318,182**	100.0%	**754,254**	100.0%	**28,287**	100.0%	**76,851**	100.0%	**859,392**	100.0%
% of Oman	30.4%		20.3%		37.0%		87.8%		3.3%		8.9%		100.0%	

2014 Accounts	Main Interconnected System (MIS)								Rural Systems		Dhofar System		Total Oman	
	Muscat	% Total	Majan	% Total	Mazoon	% Total	Total MIS	% Total	RAEC	% Total	DPC	% Total		% Total
Residential	216,795	76.2%	136,854	73.3%	256,731	75.3%	610,380	75.2%	21,688	70.2%	63,750	75.8%	695,818	75.0%
Industrial	234	0.1%	496	0.3%	92	0.0%	822	0.1%	44	0.1%	71	0.1%	937	0.1%
Commercial	59,213	20.8%	37,531	20.1%	66,685	19.6%	163,429	20.1%	5,651	18.3%	15,101	18.0%	184,181	19.9%
Agriculture & Fisheries	174	0.1%	3,420	1.8%	3,459	1.0%	7,053	0.9%	336	1.1%	101	0.1%	7,490	0.8%
Hotels / Tourism	53	0.0%	357	0.2%	53	0.0%	463	0.1%	63	0.2%	84	0.1%	610	0.1%
Government	8,042	2.8%	7,880	4.2%	13,862	4.1%	29,784	3.7%	3,047	9.9%	4,910	5.8%	37,741	4.1%
Ministry of Defence	114	0.0%	67	0.0%	41	0.0%	222	0.0%	75	0.2%	110	0.1%	407	0.0%
	284,625	100.0%	**186,605**	100.0%	**340,923**	100.0%	**812,153**	100.0%	**30,904**	100.0%	**84,127**	100.0%	**927,184**	100.0%
% of Oman	30.7%		20.1%		36.8%		87.6%		3.3%		9.1%		100.0%	
Net Change in Accounts	**23,145**		**12,013**		**22,741**		**57,899**		**2,617**		**7,276**		**67,792**	
Annual % Change	8.9%		6.9%		7.1%		7.7%		9.3%		9.5%		7.9%	

Table 2

Electricity Supplied to Customers by System, Company and Tariff Category: 2013 and 2014

2013 MWh	Main Interconnected System (MIS)								Rural Systems		Dhofar System		Total Oman	
	Muscat	% Total	Majan	% Total	Mazoon	% Total	Total MIS	% Total	RAEC	% Total	DPC	% Total		% Total
Residential	3,855,422	48.0%	2,204,486	36.6%	3,633,679	60.8%	**9,693,587**	48.4%	301,562	46.3%	791,930	37.4%	**10,787,079**	47.3%
Industrial	600,450	7.5%	2,452,330	40.7%	102,884	1.7%	**3,155,664**	15.8%	32,976	5.1%	497,375	23.5%	**3,686,015**	16.2%
Commercial	2,117,690	26.4%	734,253	12.2%	1,183,225	19.8%	**4,035,168**	20.2%	106,399	16.3%	385,794	18.2%	**4,527,361**	19.9%
Agriculture & Fisheries	5,653	0.1%	104,368	1.7%	154,635	2.6%	**264,656**	1.3%	25,857	4.0%	8,925	0.4%	**299,439**	1.3%
Hotels / Tourism	2,137	0.0%	11,649	0.2%	9,180	0.2%	**22,966**	0.1%	21,031	3.2%	2,072	0.1%	**46,070**	0.2%
Government	1,394,211	17.4%	498,891	8.3%	813,449	13.6%	**2,706,551**	13.5%	144,645	22.2%	329,325	15.5%	**3,180,521**	14.0%
Ministry of Defence	49,422	0.6%	16,350	0.3%	76,599	1.3%	**142,372**	0.7%	18,449	2.8%	103,351	4.9%	**264,172**	1.2%
2013 Totals	**8,024,985**	100.0%	**6,022,328**	100.0%	**5,973,651**	100.0%	**20,020,964**	100.0%	**650,920**	100.0%	**2,118,773**	100.0%	**22,790,657**	100.0%
% of Total Oman	35.2%		26.4%		26.2%		**87.8%**		**2.9%**		**9.3%**		**100.0%**	

2014 MWh	Main Interconnected System (MIS)								Rural Systems		Dhofar System		Total Oman	
	Muscat	% Total	Majan	% Total	Mazoon	% Total	Total MIS	% Total	RAEC	% Total	DPC	% Total		% Total
Residential	4,171,574	48.0%	2,448,555	36.5%	4,077,449	60.8%	**10,697,579**	48.4%	342,148	45.8%	919,557	39.5%	**11,959,284**	47.5%
Industrial	545,911	6.3%	2,988,172	44.6%	107,018	1.6%	**3,641,101**	16.5%	37,989	5.1%	509,739	21.9%	**4,188,829**	16.6%
Commercial	2,326,848	26.8%	769,391	11.5%	1,353,401	20.2%	**4,449,640**	20.1%	117,944	15.8%	431,245	18.5%	**4,998,830**	19.9%
Agriculture & Fisheries	9,847	0.1%	118,955	1.8%	174,604	2.6%	**303,406**	1.4%	26,191	3.5%	9,458	0.4%	**339,055**	1.3%
Hotels / Tourism	1,840	0.0%	11,431	0.2%	12,710	0.2%	**25,981**	0.1%	23,028	3.1%	2,124	0.1%	**51,132**	0.2%
Government	1,526,486	17.6%	349,215	5.2%	901,563	13.4%	**2,777,264**	12.6%	168,156	22.5%	346,846	14.9%	**3,292,266**	13.1%
Ministry of Defence	106,077	1.2%	17,690	0.3%	78,964	1.2%	**202,731**	0.9%	31,663	4.2%	108,302	4.7%	**342,696**	1.4%
2014 Totals	**8,688,583**	100.0%	**6,703,410**	100.0%	**6,705,708**	100.0%	**22,097,701**	100.0%	**747,119**	100.0%	**2,327,270**	100.0%	**25,172,090**	100.0%
% of Total Oman	34.5%		26.6%		26.6%		**87.8%**		**3.0%**		**9.2%**		**100.0%**	
Change in MWh	**663,598**		**681,082**		**732,057**		**2,076,737**		**96,199**		**208,498**		**2,381,434**	
Annual % Change	**8.3%**		**11.3%**		**12.3%**		**10.4%**		**14.8%**		**9.8%**		**10.4%**	

Table 3

Customer Accounts, MWh Supplied and MWh per Account by System, Company and Tariff Category 2014

2014

		Main Interconnected System (MIS)				Rural Systems	Dhofar System	
Tariff Category	**Item**	**Muscat**	**Majan**	**Mazoon**	**Total MIS**	**RAEC**	**DPC**	**Total Oman**
Residential	Accounts	216,795.0	136,854.0	256,731.0	610,380.0	21,688.0	63,750.0	695,818.0
Residential	MWh Supplied	4,171,574.0	2,448,555.4	4,077,449.3	10,697,578.8	342,147.8	919,557.0	11,959,283.5
Residential	MWh Supplied per Account	19.2	17.9	15.9	17.5	15.8	14.4	17.2
Industrial	Accounts	234.0	496.0	92.0	822.0	44.0	71.0	937.0
Industrial	MWh Supplied	545,911.0	2,988,172.4	107,017.6	3,641,101.1	37,988.9	509,738.6	4,188,828.6
Industrial	MWh Supplied per Account	2,333.0	6,024.5	1,163.2	4,429.6	863.4	7,179.4	4,470.5
Commercial	Accounts	59,213.0	37,531.0	66,685.0	163,429.0	5,651.0	15,101.0	184,181.0
Commercial	MWh Supplied	2,326,848.0	769,391.2	1,353,400.8	4,449,639.9	117,944.4	431,245.2	4,998,829.5
Commercial	MWh Supplied per Account	39.3	20.5	20.3	27.2	20.9	28.6	27.1
Agriculture & Fisheries	Accounts	174.0	3,420.0	3,459.0	7,053.0	336.0	101.0	7,490.0
Agriculture & Fisheries	MWh Supplied	9,847.0	118,955.1	174,603.9	303,406.0	26,190.7	9,458.0	339,054.7
Agriculture & Fisheries	MWh Supplied per Account	56.6	34.8	50.5	43.0	77.9	93.6	45.3
Hotels / Tourism	Accounts	53.0	357.0	53.0	463.0	63.0	84.0	610.0
Hotels / Tourism	MWh Supplied	1,840.0	11,430.9	12,709.7	25,980.6	23,027.6	2,124.1	51,132.3
Hotels / Tourism	MWh Supplied per Account	34.7	32.0	239.8	56.1	365.5	25.3	83.8
Government	Accounts	8,042.0	7,880.0	13,862.0	29,784.0	3,047.0	4,910.0	37,741.0
Government	MWh Supplied	1,526,486.0	349,214.7	901,563.1	2,777,263.8	168,156.2	346,845.9	3,292,265.9
Government	MWh Supplied per Account	189.8	44.3	65.0	93.2	55.2	70.6	87.2
Ministry of Defence	Accounts	114.0	67.0	41.0	222.0	75.0	110.0	407.0
Ministry of Defence	MWh Supplied	106,077.0	17,689.7	78,963.9	202,730.6	31,663.5	108,301.6	342,695.7
Ministry of Defence	MWh Supplied per Account	930.5	264.0	1,925.9	913.2	422.2	984.6	842.0
Total Customer Accounts in 2014		284,625	186,605	340,923	812,153	30,904	84,127	927,184
Total MWh Supplied in 2014		8,688,583	6,703,410	6,705,708	22,097,701	747,119	2,327,270	25,172,090
MWh Supplied per Account in 2014		**30.5**	**35.9**	**19.7**	**27.2**	**24.2**	**27.7**	**27.1**
% change MWh per Account from 2013		-0.5%	4.1%	4.8%	2.5%	5.1%	0.3%	2.4%

Table 4

Electricity Supply & Registered Accounts by Region & Company: 2013 and 2014

2013

Region	Company	MWh Supplied	% Oman	Accounts	% Oman	MWh Supply per Account
Al Dahirah	Majan	709,628	3.1%	41,153	4.8%	17.2
Al Sharquia North	Mazoon	799,139	3.5%	58,809	6.8%	13.6
Al Sharquia South	Mazoon	1,013,698	4.4%	56,828	6.6%	17.8
Al Wusta	RAEC	246,684	1.1%	11,537	1.3%	21.4
Burami	Majan	605,294	2.7%	30,597	3.6%	19.8
Dakhliyah	Mazoon	1,710,216	7.5%	92,278	10.7%	18.5
Dhofar	DPC	2,118,773	9.3%	76,851	8.9%	27.6
Dhofar	RAEC	148,280	0.7%	4,986	0.6%	29.7
Musandam	RAEC	255,956	1.1%	11,764	1.4%	21.8
Muscat	Muscat	8,024,985	35.2%	261,480	30.4%	30.7
North Batinah	Majan	4,707,406	20.7%	102,842	12.0%	45.8
South Batinah	Mazoon	2,450,598	10.8%	110,267	12.8%	22.2
Sultanate Totals 2013		**22,790,657**		**859,392**		**26.5**

2014

Region	Company	MWh Supplied	% Oman	Accounts	% Oman	MWh Supply per Account
Al Dahirah	Majan	790,356	3.1%	44,224	4.8%	17.9
Al Sharquia North	Mazoon	910,721	3.6%	62,634	6.8%	14.5
Al Sharquia South	Mazoon	1,179,747	4.7%	60,086	6.5%	19.6
Al Wusta	RAEC	296,148	1.2%	12,640	1.4%	23.4
Burami	Majan	669,014	2.7%	32,140	3.5%	20.8
Dakhliyah	Mazoon	1,870,177	7.4%	98,044	10.6%	19.1
Dhofar	DPC	2,327,270	9.2%	84,127	9.1%	27.7
Dhofar	RAEC	162,498	0.6%	5,696	0.6%	28.5
Musandam	RAEC	288,473	1.1%	12,568	1.4%	23.0
Muscat	Muscat	8,688,583	34.5%	284,625	30.7%	30.5
North Batinah	Majan	5,244,039	20.8%	110,241	11.9%	47.6
South Batinah	Mazoon	2,745,064	10.9%	120,159	13.0%	22.8
Sultanate Totals 2014		**25,172,090**		**927,184**		**27.1**
Change from 2013 (%)		*10.4%*		*7.9%*		*2.4%*

Table 5

Electricity & Related Water Production by System: 2009 to 2014

2009	Electricity Production				Related Water Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*	**Gross m3**	*% Year*	**Net m3**	*% Year*
Main Interconnected System	16,292,485	*88.3%*	15,718,788	*88.2%*	112,350,338	*99.2%*	112,928,995	*99.2%*
Rural Systems	396,011	*2.1%*	370,232	*2.1%*	912,305	*0.8%*	894,429	*0.8%*
Dhofar Power System	1,756,801	*9.5%*	1,734,060	*9.7%*				
Total for 2009	**18,445,296**		**17,823,080**		**113,262,643**		**113,823,424**	

2010	Electricity Production				Related Water Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*	**Gross m3**	*% Year*	**Net m3**	*% Year*
Main Interconnected System	17,459,139	*88.1%*	16,854,993	*88.0%*	138,167,171	*99.3%*	129,238,460	*99.3%*
Rural Systems	444,915	*2.2%*	412,787	*2.2%*	958,040	*0.7%*	958,745	*0.7%*
Dhofar Power System	1,914,609	*9.7%*	1,891,420	*9.9%*				
Total for 2010	**19,818,663**		**19,159,199**		**139,125,211**		**130,197,205**	

2011	Electricity Production				Related Water Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*	**Gross m3**	*% Year*	**Net m3**	*% Year*
Main Interconnected System	19,402,273	*88.7%*	18,950,279	*88.7%*	150,807,603	*99.1%*	144,565,124	*99.1%*
Rural Systems	513,039	*2.3%*	470,129	*2.2%*	1,413,080	*0.9%*	1,349,087	*0.9%*
Dhofar Power System	1,958,827	*9.0%*	1,933,682	*9.1%*	0	*0.0%*	0	*0.0%*
Total for 2011	**21,874,139**		**21,354,091**		**152,220,683**		**145,914,211**	

2012	Electricity Production				Related Water Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*	**Gross m3**	*% Year*	**Net m3**	*% Year*
Main Interconnected System	22,040,849	*88.1%*	21,619,110	*88.4%*	170,735,730	*98.9%*	166,527,747	*98.9%*
Rural Systems	605,204	*2.4%*	555,953	*2.3%*	1,985,725	*1.1%*	1,870,628	*1.1%*
Dhofar Power System	2,371,250	*9.5%*	2,269,347	*9.3%*	0	*0.0%*	0	*0.0%*
Total for 2012	**25,017,303**		**24,444,411**		**172,721,455**		**168,398,375**	

2013	Electricity Production				Related Water Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*	**Gross m3**	*% Year*	**Net m3**	*% Year*
Main Interconnected System	22,922,968	*87.4%*	22,558,036	*87.9%*	179,188,868	*90.4%*	174,326,659	*90.2%*
Rural Systems	685,004	*2.6%*	635,315	*2.5%*	2,291,035	*1.2%*	2,160,352	*1.1%*
Dhofar Power System	2,632,050	*10.0%*	2,467,914	*9.6%*	16,753,619	*8.5%*	16,753,619	*8.7%*
Total for 2013	**26,240,023**		**25,661,264**		**198,233,522**		**193,240,630**	

2014	Electricity Production				Related Water Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*	**Gross m3**	*% Year*	**Net m3**	*% Year*
Main Interconnected System	25,534,955	*87.7%*	24,993,101	*88.2%*	184,975,345	*87.7%*	181,973,294	*87.5%*
Rural Systems	756,712	*2.6%*	698,134	*2.5%*	2,397,487	*1.1%*	2,236,582	*1.1%*
Dhofar Power System	2,836,311	*9.7%*	2,651,663	*9.4%*	23,652,716	*11.2%*	23,652,716	*11.4%*
Total for 2014	**29,127,977**		**28,342,899**		**211,025,548**		**207,862,592**	

Table 6

Electricity & Related Water Production by System and Company: 2013 & 2014

	Electricity Production				Related Water Production			
2013	**Gross MWh**	***% Oman***	**Net MWh**	***% Oman***	**Gross m3**	***% Oman***	**Net m3**	***% Oman***
A: Main Interconnected System								
ACWA Power Barka SAOG	2,565,912	*9.8%*	2,371,733	*9.2%*	32,676,943	*16.5%*	31,763,424	*16.4%*
Al Batinah PC SAOC	3,202,037	*12.2%*	3,100,796	*12.1%*				
Al Ghubrah SAOC	2,687,725	*10.2%*	2,513,586	*9.8%*	51,027,960	*25.7%*	50,022,477	*25.9%*
Al Kamil SAOG	1,688,326	*6.4%*	1,672,184	*6.5%*				
Al Rusail SAOG	3,486,581	*13.3%*	3,458,646	*13.5%*				
Al Suwadi PC SAOC	3,041,695	*11.6%*	3,028,412	*11.8%*				
PWP (Rental)			338	*0.0%*				
PWP purchases			559,349	*2.2%*				
SMN Barka SAOG	773,448	*2.9%*	649,589	*2.5%*	43,583,604	*22.0%*	43,536,256	*22.5%*
Sohar Power Company SAOG	3,797,801	*14.5%*	3,538,435	*13.8%*	51,900,361	*26.2%*	49,004,502	*25.4%*
UPC Manah SAOG	1,205,183	*4.6%*	1,194,131	*4.7%*				
Wadi Jizzi SAOC	474,260	*1.8%*	470,837	*1.8%*				
MIS sub-total	**22,922,968**	***87.4%***	**22,558,036**	***87.9%***	**179,188,868**	***90.4%***	**174,326,659**	***90.2%***
B: Rural Systems								
RAEC SAOC	685,004	*2.6%*	635,315	*2.5%*	2,291,035	*1.2%*	2,160,352	*1.1%*
Rural Systems sub-total	**685,004**	***2.6%***	**635,315**	***2.5%***	**2,291,035**	***1.2%***	**2,160,352**	***1.1%***
C: Dhofar Power System								
DGC SAOC	619,702	*2.4%*	607,762	*2.4%*				
SembcorpSalalah SAOC	2,012,348	*7.7%*	1,860,152	*7.2%*	16,753,619	*8.5%*	16,753,619	*8.7%*
Dhofar System sub-total	**2,632,050**	***10.0%***	**2,467,914**	***9.6%***	**16,753,619**	***8.5%***	**16,753,619**	***8.7%***
Totals for 2013	**26,240,023**	***100%***	**25,661,264**	***100%***	**198,233,522**	***100%***	**193,240,630**	***100%***

	Electricity Production				Related Water Production			
2014	**Gross MWh**	***% Oman***	**Net MWh**	***% Oman***	**Gross m3**	***% Oman***	**Net m3**	***% Oman***
A: Main Interconnected System								
ACWA Power Barka SAOG	2,989,303	*10.3%*	2,746,364	*9.7%*	40,242,806	*19.1%*	40,128,046	*19.3%*
Al Batinah PC SAOC	3,722,410	*12.8%*	3,618,816	*12.8%*				
Al Ghubrah SAOC	2,235,115	*7.7%*	2,094,154	*7.4%*	51,234,007	*24.3%*	50,380,244	*24.2%*
Al Kamil SAOG	1,252,347	*4.3%*	1,238,944	*4.4%*				
Al Rusail SAOG	3,694,883	*12.7%*	3,665,728	*12.9%*				
Al Suwadi PC SAOC	3,239,171	*11.1%*	3,140,095	*11.1%*				
Phoenix Power Company SAOC	1,544,832	*5.3%*	1,542,617	*5.4%*				
PWP (Rental)								
PWP purchases			530,198	*1.9%*				
SMN Barka SAOG	1,418,843	*4.9%*	1,247,426	*4.4%*	42,794,836	*20.3%*	42,679,362	*20.5%*
Sohar Power Company SAOG	3,753,524	*12.9%*	3,497,347	*12.3%*	50,703,696	*24.0%*	48,785,642	*23.5%*
UPC Manah SAOG	1,110,785	*3.8%*	1,102,269	*3.9%*				
Wadi Jizzi SAOC	573,741	*2.0%*	569,143	*2.0%*				
MIS sub-total	**25,534,955**	***87.7%***	**24,993,101**	***88.2%***	**184,975,345**	***87.7%***	**181,973,294**	***87.5%***
% change from 2013	**11.4%**		**10.8%**		**3.2%**		**4.4%**	
B: Rural Systems								
RAEC SAOC	756,712	*2.6%*	698,134	*2.5%*	2,397,487	*1.1%*	2,236,582	*1.1%*
Rural Systems sub-total	**756,712**	***2.6%***	**698,134**	***2.5%***	**2,397,487**	***1.1%***	**2,236,582**	***1.1%***
% change from 2013	**10.5%**		**9.9%**		**4.6%**		**3.5%**	
C: Dhofar Power System								
DGC SAOC	953,541	*3.3%*	940,688	*3.3%*				
SembcorpSalalah SAOC	1,882,770	*6.5%*	1,710,975	*6.0%*	23,652,716	*11.2%*	23,652,716	*11.4%*
Dhofar System sub-total	**2,836,311**	***9.7%***	**2,651,663**	***9.4%***	**23,652,716**	***11.2%***	**23,652,716**	***11.4%***
% change from 2013	**7.8%**		**7.4%**		**41.2%**		**41.2%**	
Totals for 2014	**29,127,977**	***100%***	**28,342,899**	***100%***	**211,025,548**	***100%***	**207,862,592**	***100%***
Actual change from 2013	**2,887,954**		**2,681,634**		**12,792,025**		**14,621,962**	
% change from 2013	**11.0%**		**10.5%**		**6.5%**		**7.6%**	

Table 7

Electricity and Related Water Production by Region: 2013 and 2014

2013 Region	Electricity Production				Related Water Production			
	MWh Gross	% Oman	MWh Net	% Oman	m3 Gross	% Oman	m3 Net	% Oman
Al Dahirah	568	0.0%	520	0.0%				
Al Sharqiya	1,744,592	6.6%	1,716,065	6.7%	1,097,946	0.6%	1,068,517	0.6%
Al Wusta	166,645	0.6%	100,038	0.4%	1,032,542	0.5%	932,215	0.5%
Dakhliyah	1,205,183	4.6%	1,194,131	4.7%				
Dhofar	2,791,693	10.6%	2,620,038	10.2%	16,791,764	8.5%	16,791,685	8.7%
Musandam	301,882	1.2%	288,648	1.1%	122,402	0.1%	121,554	0.1%
Muscat	6,174,307	23.5%	5,978,992	23.3%	51,027,960	25.7%	50,022,477	25.9%
North Batinah	7,474,098	28.5%	7,713,098	30.1%	51,900,361	26.2%	49,004,502	25.4%
South Batinah	6,381,055	24.3%	6,049,734	23.6%	76,260,547	38.5%	75,299,680	39.0%
Totals for 2013	**26,240,023**		**25,661,264**		**198,233,522**		**193,240,630**	

2014 Region	Electricity Production				Related Water Production			
	MWh Gross	% Oman	MWh Net	% Oman	m3 Gross	% Oman	m3 Net	% Oman
Al Dahirah	947	0.0%	894	0.0%				
Change from 2013 (%)	*66.5%*		*71.8%*					
Al Sharqiya	2,871,063	9.9%	2,843,556	10.0%	1,231,519	0.6%	1,114,454	0.5%
Change from 2013 (%)	*64.6%*		*65.7%*		*12.2%*		*4.3%*	
Al Wusta	177,510	0.6%	160,016	0.6%	1,027,622	0.5%	986,184	0.5%
Change from 2013 (%)	*6.5%*		*60.0%*		*-0.5%*		*5.8%*	
Dakhliyah	1,110,785	3.8%	1,102,269	3.9%				
Change from 2013 (%)	*-7.8%*		*-7.7%*					
Dhofar	3,008,527	10.3%	2,813,456	9.9%	23,693,655	11.2%	23,693,176	11.4%
Change from 2013 (%)	*7.8%*		*7.4%*		*41.1%*		*41.1%*	
Musandam	332,155	1.1%	315,131	1.1%	97,407	0.0%	95,484	0.0%
Change from 2013 (%)	*10.0%*		*9.2%*		*-20.4%*		*-21.4%*	
Muscat	5,929,998	20.4%	5,774,074	20.4%	51,234,007	24.3%	50,380,244	24.2%
Change from 2013 (%)	*-4.0%*		*-3.4%*		*0.4%*		*0.7%*	
North Batinah	8,049,675	27.6%	8,199,617	28.9%	50,703,696	24.0%	48,785,642	23.5%
Change from 2013 (%)	*7.7%*		*6.3%*		*-2.3%*		*-0.4%*	
South Batinah	7,647,317	26.3%	7,133,885	25.2%	83,037,642	39.3%	82,807,408	39.8%
Change from 2013 (%)	*19.8%*		*17.9%*		*8.9%*		*10.0%*	
Totals for 2014	**29,127,977**		**28,342,899**		**211,025,548**		**207,862,592**	
Change from 2013 (%)	*11.0%*		*10.5%*		*6.5%*		*7.6%*	

Note: Net electricity production includes PWP and RAEC purchases from entities in each Region

Table 8

Electricity & Related Water Production by Region and Company: 2013 and 2014

2013		Electricity Production				Related Water Production			
Region	Company	Gross MWh	% Oman	Net MWh	% Oman	Gross m3	% Oman	Net m3	% Oman
Al Dahirah	RAEC SAOC	568	0.0%	520	0.0%				
Al Sharqiya	Al Kamil SAOG	1,688,326	6.4%	1,672,184	6.5%				
Al Sharqiya	PWP (Rental)			338	0.0%				
Al Sharqiya	PWP purchases			71	0.0%				
Al Sharqiya	RAEC SAOC	56,266	0.2%	43,472	0.2%	1,097,946	0.6%	1,068,517	0.6%
Al Wusta	PWP purchases			-50,512	-0.2%				
Al Wusta	RAEC SAOC	166,645	0.6%	150,550	0.6%	1,032,542	0.5%	932,215	0.5%
Dakhliyah	UPC Manah SAOG	1,205,183	4.6%	1,194,131	4.7%				
Dhofar	DGC SAOC	619,702	2.4%	607,762	2.4%				
Dhofar	RAEC SAOC	159,643	0.6%	152,124	0.6%	38,145	0.0%	38,066	0.0%
Dhofar	SembcorpSalalah SAOC	2,012,348	7.7%	1,860,152	7.2%	16,753,619	8.5%	16,753,619	8.7%
Musandam	RAEC SAOC	301,882	1.2%	288,648	1.1%	122,402	0.1%	121,554	0.1%
Muscat	Al Ghubrah SAOC	2,687,725	10.2%	2,513,586	9.8%	51,027,960	25.7%	50,022,477	25.9%
Muscat	Al Rusail SAOG	3,486,581	13.3%	3,458,646	13.5%				
Muscat	PWP (Rental)			0	0.0%				
Muscat	PWP purchases			6,760	0.0%				
North Batinah	Al Batinah PC SAOC	3,202,037	12.2%	3,100,796	12.1%				
North Batinah	PWP purchases			603,030	2.3%				
North Batinah	Sohar Power Company SAOG	3,797,801	14.5%	3,538,435	13.8%	51,900,361	26.2%	49,004,502	25.4%
North Batinah	Wadi Jizzi SAOC	474,260	1.8%	470,837	1.8%				
South Batinah	ACWA Power Barka SAOG	2,565,912	9.8%	2,371,733	9.2%	32,676,943	16.5%	31,763,424	16.4%
South Batinah	Al Suwadi PC SAOC	3,041,695	11.6%	3,028,412	11.8%				
South Batinah	PWP (Rental)								
South Batinah	SMN Barka SAOG	773,448	2.9%	649,589	2.5%	43,583,604	22.0%	43,536,256	22.5%
Sultanate Totals 2013		**26,240,023**		**25,661,264**		**198,233,522**		**193,240,630**	

2014		Electricity Production				Related Water Production			
Region	Company	Gross MWh	% Oman	Net MWh	% Oman	Gross m3	% Oman	Net m3	% Oman
Al Dahirah	RAEC SAOC	947	0.0%	894	0.0%				
Al Sharqiya	Al Kamil SAOG	1,252,347	4.3%	1,238,944	4.4%				
Al Sharqiya	Phoenix Power Company SAOC	1,544,832	5.3%	1,542,617	5.4%				
Al Sharqiya	PWP (Rental)								
Al Sharqiya	PWP purchases			201	0.0%				
Al Sharqiya	RAEC SAOC	73,884	0.3%	61,795	0.2%	1,231,519	0.6%	1,114,454	0.5%
Al Wusta	PWP purchases			1,494	0.0%				
Al Wusta	RAEC SAOC	177,510	0.6%	158,522	0.6%	1,027,622	0.5%	986,184	0.5%
Dakhliyah	UPC Manah SAOG	1,110,785	3.8%	1,102,269	3.9%				
Dhofar	DGC SAOC	953,541	3.3%	940,688	3.3%				
Dhofar	RAEC SAOC	172,216	0.6%	161,793	0.6%	40,939	0.0%	40,460	0.0%
Dhofar	SembcorpSalalah SAOC	1,882,770	6.5%	1,710,975	6.0%	23,652,716	11.2%	23,652,716	11.4%
Musandam	RAEC SAOC	332,155	1.1%	315,131	1.1%	97,407	0.0%	95,484	0.0%
Muscat	Al Ghubrah SAOC	2,235,115	7.7%	2,094,154	7.4%	51,234,007	24.3%	50,380,244	24.2%
Muscat	Al Rusail SAOG	3,694,883	12.7%	3,665,728	12.9%				
Muscat	PWP (Rental)								
Muscat	PWP purchases			14,192	0.1%				
North Batinah	Al Batinah PC SAOC	3,722,410	12.8%	3,618,816	12.8%				
North Batinah	PWP purchases			514,311	1.8%				
North Batinah	Sohar Power Company SAOG	3,753,524	12.9%	3,497,347	12.3%	50,703,696	24.0%	48,785,642	23.5%
North Batinah	Wadi Jizzi SAOC	573,741	2.0%	569,143	2.0%				
South Batinah	ACWA Power Barka SAOG	2,989,303	10.3%	2,746,364	9.7%	40,242,806	19.1%	40,128,046	19.3%
South Batinah	Al Suwadi PC SAOC	3,239,171	11.1%	3,140,095	11.1%				
South Batinah	PWP (Rental)								
South Batinah	SMN Barka SAOG	1,418,843	4.9%	1,247,426	4.4%	42,794,836	20.3%	42,679,362	20.5%
Sultanate Totals 2014		**29,127,977**		**28,342,899**		**211,025,548**		**207,862,592**	
	Change from 2013 (%)	*11.0%*		*10.5%*		*6.5%*		*7.6%*	

Table 9 i

Monthly Production by System: MIS 2009 to 2014

2009		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
MIS	Jan-09	697.1	4.3%	649.3	4.1%	8,229.3	7.3%	7,765.7	6.9%
MIS	Feb-09	715.6	4.4%	673.0	4.3%	8,433.0	7.5%	8,081.1	7.2%
MIS	Mar-09	1,025.5	6.3%	981.8	6.2%	9,680.2	8.6%	9,378.5	8.3%
MIS	Apr-09	1,153.2	7.1%	1,110.3	7.1%	8,920.4	7.9%	8,602.1	7.6%
MIS	May-09	1,777.2	10.9%	1,741.5	11.1%	10,857.3	9.7%	10,429.1	9.2%
MIS	Jun-09	1,898.7	11.7%	1,844.7	11.7%	10,388.5	9.2%	10,125.1	9.0%
MIS	Jul-09	1,979.9	12.2%	1,925.0	12.2%	10,582.2	9.4%	10,317.7	9.1%
MIS	Aug-09	1,925.1	11.8%	1,865.6	11.9%	10,576.5	9.4%	10,293.2	9.1%
MIS	Sep-09	1,751.2	10.7%	1,705.0	10.8%	10,057.2	9.0%	9,787.7	8.7%
MIS	Oct-09	1,476.3	9.1%	1,417.4	9.0%	9,865.6	8.8%	9,468.9	8.4%
MIS	Nov-09	1,026.8	6.3%	977.6	6.2%	7,133.8	6.3%	8,548.8	7.6%
MIS	Dec-09	865.9	5.3%	827.5	5.3%	7,626.4	6.8%	10,131.1	9.0%
2009 Totals		**16,292.5**		**15,718.8**		**112,350.3**		**112,929.0**	

2010		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
MIS	Jan-10	798.3	4.6%	757.7	4.5%	10,054.9	7.3%	9,871.1	7.6%
MIS	Feb-10	771.2	4.4%	729.7	4.3%	9,479.9	6.9%	9,016.2	7.0%
MIS	Mar-10	1,151.2	6.6%	1,090.8	6.5%	11,309.7	8.2%	10,738.5	8.3%
MIS	Apr-10	1,516.2	8.7%	1,454.1	8.6%	11,626.8	8.4%	11,246.5	8.7%
MIS	May-10	1,898.1	10.9%	1,873.2	11.1%	12,722.0	9.2%	11,969.6	9.3%
MIS	Jun-10	1,845.6	10.6%	1,836.8	10.9%	12,107.4	8.8%	11,013.5	8.5%
MIS	Jul-10	2,029.6	11.6%	1,976.7	11.7%	13,147.1	9.5%	11,494.9	8.9%
MIS	Aug-10	1,964.7	11.3%	1,895.9	11.2%	12,689.1	9.2%	11,305.7	8.7%
MIS	Sep-10	1,731.3	9.9%	1,668.4	9.9%	12,004.8	8.7%	11,191.4	8.7%
MIS	Oct-10	1,651.2	9.5%	1,587.6	9.4%	11,876.5	8.6%	11,063.9	8.6%
MIS	Nov-10	1,115.0	6.4%	1,055.9	6.3%	10,732.0	7.8%	10,309.2	8.0%
MIS	Dec-10	986.6	5.7%	928.4	5.5%	10,417.0	7.5%	10,018.1	7.8%
2010 Totals		**17,459.1**		**16,855.0**		**138,167.2**		**129,238.5**	

Table 9 i

Monthly Production by System: MIS 2009 to 2014

2011		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
MIS	Jan-11	999.0	5.1%	938.4	5.0%	10,955.2	7.3%	10,564.0	7.3%
MIS	Feb-11	957.8	4.9%	908.7	4.8%	9,743.7	6.5%	8,837.2	6.1%
MIS	Mar-11	1,162.4	6.0%	1,098.7	5.8%	11,556.4	7.7%	11,215.7	7.8%
MIS	Apr-11	1,478.1	7.6%	1,409.0	7.4%	11,956.7	7.9%	11,658.9	8.1%
MIS	May-11	2,002.3	10.3%	2,024.0	10.7%	13,696.0	9.1%	13,014.8	9.0%
MIS	Jun-11	2,140.0	11.0%	2,172.8	11.5%	13,406.0	8.9%	12,678.4	8.8%
MIS	Jul-11	2,075.8	10.7%	2,124.9	11.2%	13,867.9	9.2%	13,182.3	9.1%
MIS	Aug-11	2,120.3	10.9%	2,133.6	11.3%	13,891.3	9.2%	13,378.9	9.3%
MIS	Sep-11	2,088.0	10.8%	2,007.0	10.6%	12,828.4	8.5%	12,307.0	8.5%
MIS	Oct-11	1,912.2	9.9%	1,825.4	9.6%	13,892.7	9.2%	13,337.5	9.2%
MIS	Nov-11	1,366.7	7.0%	1,287.3	6.8%	12,276.5	8.1%	11,967.5	8.3%
MIS	Dec-11	1,099.5	5.7%	1,020.4	5.4%	12,736.8	8.4%	12,423.1	8.6%
2011 Totals		**19,402.3**		**18,950.3**		**150,807.6**		**144,565.1**	

2012		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
MIS	Jan-12	1,218.3	5.5%	1,137.3	5.3%	11,738.6	6.9%	11,526.6	6.9%
MIS	Feb-12	1,146.7	5.2%	1,067.1	4.9%	12,223.7	7.2%	11,965.0	7.2%
MIS	Mar-12	1,417.3	6.4%	1,357.0	6.3%	13,698.0	8.0%	13,424.8	8.1%
MIS	Apr-12	1,651.9	7.5%	1,574.4	7.3%	14,348.7	8.4%	14,041.5	8.4%
MIS	May-12	2,297.6	10.4%	2,283.2	10.6%	15,379.7	9.0%	14,904.6	9.0%
MIS	Jun-12	2,361.8	10.7%	2,407.4	11.1%	15,016.5	8.8%	14,531.6	8.7%
MIS	Jul-12	2,491.1	11.3%	2,555.7	11.8%	15,302.9	9.0%	14,926.1	9.0%
MIS	Aug-12	2,453.4	11.1%	2,409.7	11.1%	15,385.1	9.0%	15,015.6	9.0%
MIS	Sep-12	2,339.4	10.6%	2,239.4	10.4%	15,196.1	8.9%	14,870.6	8.9%
MIS	Oct-12	1,828.1	8.3%	1,848.3	8.5%	14,993.7	8.8%	14,506.1	8.7%
MIS	Nov-12	1,509.4	6.8%	1,488.3	6.9%	13,972.8	8.2%	13,627.6	8.2%
MIS	Dec-12	1,325.9	6.0%	1,251.3	5.8%	13,480.0	7.9%	13,187.6	7.9%
2012 Totals		**22,040.8**		**21,619.1**		**170,735.7**		**166,527.7**	

Table 9 i

Monthly Production by System: MIS 2009 to 2014

2013		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
MIS	Jan-13	1,307.3	5.7%	1,234.0	5.5%	13,911.9	7.8%	13,566.7	7.8%
MIS	Feb-13	1,222.6	5.3%	1,157.4	5.1%	12,789.1	7.1%	12,456.9	7.1%
MIS	Mar-13	1,584.6	6.9%	1,514.9	6.7%	15,084.3	8.4%	14,693.7	8.4%
MIS	Apr-13	1,813.3	7.9%	1,727.3	7.7%	14,554.5	8.1%	14,190.1	8.1%
MIS	May-13	2,228.2	9.7%	2,196.6	9.7%	15,738.6	8.8%	15,338.1	8.8%
MIS	Jun-13	2,482.2	10.8%	2,517.8	11.2%	15,759.5	8.8%	15,311.7	8.8%
MIS	Jul-13	2,695.0	11.8%	2,643.1	11.7%	15,959.2	8.9%	15,550.4	8.9%
MIS	Aug-13	2,502.9	10.9%	2,468.7	10.9%	15,772.8	8.8%	15,321.3	8.8%
MIS	Sep-13	2,293.1	10.0%	2,331.0	10.3%	15,439.5	8.6%	15,003.5	8.6%
MIS	Oct-13	2,143.7	9.4%	2,116.0	9.4%	15,331.3	8.6%	14,802.4	8.5%
MIS	Nov-13	1,461.1	6.4%	1,427.6	6.3%	14,303.8	8.0%	13,890.6	8.0%
MIS	Dec-13	1,188.9	5.2%	1,223.8	5.4%	14,544.5	8.1%	14,201.2	8.1%
2013 Totals		**22,923.0**		**22,558.0**		**179,188.9**		**174,326.7**	

2014		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
MIS	Jan-14	1,333.9	5.2%	1,257.8	5.0%	13,708.1	7.4%	13,402.7	7.4%
MIS	Feb-14	1,227.3	4.8%	1,162.2	4.7%	12,328.1	6.7%	12,039.1	6.6%
MIS	Mar-14	1,621.5	6.3%	1,542.4	6.2%	14,216.6	7.7%	13,991.2	7.7%
MIS	Apr-14	2,090.3	8.2%	2,023.7	8.1%	14,681.7	7.9%	14,457.9	7.9%
MIS	May-14	2,528.5	9.9%	2,561.9	10.3%	15,638.1	8.5%	15,374.5	8.4%
MIS	Jun-14	2,927.5	11.5%	2,913.0	11.7%	16,661.8	9.0%	16,448.6	9.0%
MIS	Jul-14	2,968.7	11.6%	2,957.2	11.8%	16,878.2	9.1%	16,591.7	9.1%
MIS	Aug-14	2,655.7	10.4%	2,693.8	10.8%	16,615.8	9.0%	16,354.3	9.0%
MIS	Sep-14	2,694.0	10.6%	2,602.9	10.4%	16,429.8	8.9%	16,189.0	8.9%
MIS	Oct-14	2,350.0	9.2%	2,268.9	9.1%	16,173.2	8.7%	15,963.9	8.8%
MIS	Nov-14	1,694.8	6.6%	1,622.0	6.5%	15,782.8	8.5%	15,567.9	8.6%
MIS	Dec-14	1,442.8	5.7%	1,387.3	5.6%	15,861.1	8.6%	15,592.5	8.6%
2014 Totals		**25,535.0**		**24,993.1**		**184,975.3**		**181,973.3**	

Table 9 ii

Monthly Production by System: Rural Systems 2009 to 2014

2009		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Rural Systems	Jan-09	17.2	4.3%	15.6	4.2%	70.0	7.7%	66.9	7.5%
Rural Systems	Feb-09	17.9	4.5%	16.5	4.4%	69.6	7.6%	63.8	7.1%
Rural Systems	Mar-09	24.9	6.3%	23.2	6.3%	73.1	8.0%	72.5	8.1%
Rural Systems	Apr-09	29.9	7.5%	27.9	7.5%	73.8	8.1%	72.4	8.1%
Rural Systems	May-09	42.9	10.8%	40.1	10.8%	83.4	9.1%	80.5	9.0%
Rural Systems	Jun-09	42.6	10.8%	39.9	10.8%	76.4	8.4%	71.0	7.9%
Rural Systems	Jul-09	44.4	11.2%	41.8	11.3%	72.6	8.0%	68.0	7.6%
Rural Systems	Aug-09	44.8	11.3%	42.2	11.4%	76.0	8.3%	76.9	8.6%
Rural Systems	Sep-09	43.5	11.0%	40.9	11.0%	76.5	8.4%	79.5	8.9%
Rural Systems	Oct-09	37.6	9.5%	35.1	9.5%	83.4	9.1%	82.3	9.2%
Rural Systems	Nov-09	27.6	7.0%	25.8	7.0%	78.3	8.6%	80.0	8.9%
Rural Systems	Dec-09	22.8	5.8%	21.2	5.7%	79.4	8.7%	80.7	9.0%
2009 Totals		**396.0**		**370.2**		**912.3**		**894.4**	

2010		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Rural Systems	Jan-10	20.6	4.6%	19.1	4.6%	77.2	8.1%	78.0	8.1%
Rural Systems	Feb-10	20.1	4.5%	18.6	4.5%	70.1	7.3%	71.5	7.5%
Rural Systems	Mar-10	30.3	6.8%	28.3	6.9%	85.5	8.9%	86.4	9.0%
Rural Systems	Apr-10	39.8	9.0%	36.9	8.9%	91.9	9.6%	88.2	9.2%
Rural Systems	May-10	47.1	10.6%	44.1	10.7%	87.9	9.2%	88.3	9.2%
Rural Systems	Jun-10	46.0	10.3%	43.1	10.4%	68.8	7.2%	67.9	7.1%
Rural Systems	Jul-10	47.6	10.7%	44.4	10.8%	70.1	7.3%	67.6	7.0%
Rural Systems	Aug-10	48.9	11.0%	45.6	11.1%	76.7	8.0%	76.7	8.0%
Rural Systems	Sep-10	45.8	10.3%	42.9	10.4%	81.6	8.5%	82.0	8.6%
Rural Systems	Oct-10	44.6	10.0%	41.3	10.0%	83.8	8.7%	86.5	9.0%
Rural Systems	Nov-10	30.3	6.8%	27.4	6.6%	82.6	8.6%	82.3	8.6%
Rural Systems	Dec-10	23.7	5.3%	20.9	5.1%	81.9	8.5%	83.3	8.7%
2010 Totals		**444.9**		**412.8**		**958.0**		**958.7**	

Table 9 ii

Monthly Production by System: Rural Systems 2009 to 2014

2011		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Rural Systems	Jan-11	23.0	4.5%	20.6	4.4%	78.7	5.6%	76.5	5.7%
Rural Systems	Feb-11	22.6	4.4%	20.3	4.3%	71.6	5.1%	69.9	5.2%
Rural Systems	Mar-11	32.4	6.3%	29.4	6.3%	82.0	5.8%	80.5	6.0%
Rural Systems	Apr-11	41.8	8.1%	38.2	8.1%	88.3	6.3%	86.1	6.4%
Rural Systems	May-11	54.2	10.6%	50.1	10.7%	130.3	9.2%	122.9	9.1%
Rural Systems	Jun-11	53.9	10.5%	49.7	10.6%	121.0	8.6%	111.9	8.3%
Rural Systems	Jul-11	54.2	10.6%	50.0	10.6%	119.7	8.5%	113.4	8.4%
Rural Systems	Aug-11	58.8	11.5%	54.4	11.6%	133.3	9.4%	126.7	9.4%
Rural Systems	Sep-11	56.2	10.9%	52.0	11.1%	137.9	9.8%	130.5	9.7%
Rural Systems	Oct-11	50.1	9.8%	46.2	9.8%	146.8	10.4%	141.4	10.5%
Rural Systems	Nov-11	35.8	7.0%	32.4	6.9%	146.4	10.4%	141.3	10.5%
Rural Systems	Dec-11	30.1	5.9%	26.8	5.7%	157.1	11.1%	148.0	11.0%
2011 Totals		**513.0**		**470.1**		**1,413.1**		**1,349.1**	

2012		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Rural Systems	Jan-12	28.2	4.7%	25.0	4.5%	155.0	7.8%	143.3	7.7%
Rural Systems	Feb-12	27.9	4.6%	24.9	4.5%	141.4	7.1%	127.0	6.8%
Rural Systems	Mar-12	36.5	6.0%	33.1	6.0%	155.0	7.8%	142.0	7.6%
Rural Systems	Apr-12	49.5	8.2%	45.5	8.2%	149.3	7.5%	138.8	7.4%
Rural Systems	May-12	63.8	10.5%	58.9	10.6%	145.8	7.3%	144.0	7.7%
Rural Systems	Jun-12	62.7	10.4%	58.0	10.4%	150.5	7.6%	144.4	7.7%
Rural Systems	Jul-12	65.8	10.9%	60.7	10.9%	170.5	8.6%	160.9	8.6%
Rural Systems	Aug-12	67.7	11.2%	62.7	11.3%	186.1	9.4%	175.7	9.4%
Rural Systems	Sep-12	64.7	10.7%	60.1	10.8%	179.1	9.0%	168.6	9.0%
Rural Systems	Oct-12	57.0	9.4%	52.7	9.5%	182.3	9.2%	172.9	9.2%
Rural Systems	Nov-12	44.3	7.3%	40.5	7.3%	186.2	9.4%	176.9	9.5%
Rural Systems	Dec-12	37.2	6.2%	33.8	6.1%	184.5	9.3%	176.1	9.4%
2012 Totals		**605.2**		**556.0**		**1,985.7**		**1,870.6**	

Table 9 ii

Monthly Production by System: Rural Systems 2009 to 2014

2013		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Rural Systems	Jan-13	33.8	4.9%	30.2	4.8%	193.3	8.4%	177.3	8.2%
Rural Systems	Feb-13	32.8	4.8%	29.6	4.7%	171.6	7.5%	167.3	7.7%
Rural Systems	Mar-13	45.3	6.6%	41.6	6.5%	195.1	8.5%	182.7	8.5%
Rural Systems	Apr-13	57.7	8.4%	53.6	8.4%	189.2	8.3%	179.3	8.3%
Rural Systems	May-13	72.7	10.6%	68.3	10.7%	201.2	8.8%	189.6	8.8%
Rural Systems	Jun-13	70.4	10.3%	66.1	10.4%	193.3	8.4%	181.8	8.4%
Rural Systems	Jul-13	72.9	10.6%	68.3	10.7%	188.8	8.2%	181.0	8.4%
Rural Systems	Aug-13	70.9	10.4%	66.4	10.5%	184.4	8.0%	172.2	8.0%
Rural Systems	Sep-13	70.8	10.3%	66.2	10.4%	191.2	8.3%	179.0	8.3%
Rural Systems	Oct-13	67.2	9.8%	62.7	9.9%	189.3	8.3%	180.6	8.4%
Rural Systems	Nov-13	48.8	7.1%	44.7	7.0%	193.6	8.5%	180.2	8.3%
Rural Systems	Dec-13	41.6	6.1%	37.7	5.9%	200.1	8.7%	189.2	8.8%
2013 Totals		**685.0**		**635.3**		**2,291.0**		**2,160.4**	

2014		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Rural Systems	Jan-14	35.9	4.7%	32.3	4.6%	193.6	8.1%	178.6	8.0%
Rural Systems	Feb-14	35.0	4.6%	31.5	4.5%	167.2	7.0%	158.5	7.1%
Rural Systems	Mar-14	48.2	6.4%	43.4	6.2%	198.9	8.3%	182.1	8.1%
Rural Systems	Apr-14	64.5	8.5%	59.3	8.5%	205.0	8.5%	183.8	8.2%
Rural Systems	May-14	78.7	10.4%	73.4	10.5%	226.9	9.5%	202.9	9.1%
Rural Systems	Jun-14	79.1	10.5%	73.6	10.5%	217.2	9.1%	197.9	8.8%
Rural Systems	Jul-14	83.3	11.0%	77.4	11.1%	205.4	8.6%	187.1	8.4%
Rural Systems	Aug-14	78.5	10.4%	72.9	10.4%	202.6	8.4%	184.7	8.3%
Rural Systems	Sep-14	78.9	10.4%	73.6	10.5%	200.8	8.4%	197.2	8.8%
Rural Systems	Oct-14	74.6	9.9%	69.4	9.9%	201.7	8.4%	195.7	8.8%
Rural Systems	Nov-14	54.5	7.2%	50.1	7.2%	185.8	7.7%	182.3	8.1%
Rural Systems	Dec-14	45.5	6.0%	41.2	5.9%	192.5	8.0%	185.7	8.3%
2014 Totals		**756.7**		**698.1**		**2,397.5**		**2,236.6**	

Table 9 iii

Monthly Production by System: Dhofar Power System 2009 to 2014

2009		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Power System	Jan-09	95.3	5.4%	94.1	5.4%				
Dhofar Power System	Feb-09	100.3	5.7%	99.0	5.7%				
Dhofar Power System	Mar-09	133.6	7.6%	132.0	7.6%				
Dhofar Power System	Apr-09	155.8	8.9%	154.1	8.9%				
Dhofar Power System	May-09	182.4	10.4%	179.6	10.4%				
Dhofar Power System	Jun-09	181.2	10.3%	178.6	10.3%				
Dhofar Power System	Jul-09	170.7	9.7%	168.3	9.7%				
Dhofar Power System	Aug-09	160.2	9.1%	158.0	9.1%				
Dhofar Power System	Sep-09	151.2	8.6%	149.3	8.6%				
Dhofar Power System	Oct-09	155.6	8.9%	153.9	8.9%				
Dhofar Power System	Nov-09	135.5	7.7%	133.9	7.7%				
Dhofar Power System	Dec-09	135.0	7.7%	133.4	7.7%				
2009 Totals		**1,756.8**		**1,734.1**					

2010		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Power System	Jan-10	115.0	6.0%	113.4	6.0%				
Dhofar Power System	Feb-10	112.3	5.9%	110.8	5.9%				
Dhofar Power System	Mar-10	150.1	7.8%	148.3	7.8%				
Dhofar Power System	Apr-10	177.0	9.2%	174.5	9.2%				
Dhofar Power System	May-10	215.3	11.2%	211.7	11.2%				
Dhofar Power System	Jun-10	202.1	10.6%	199.8	10.6%				
Dhofar Power System	Jul-10	170.1	8.9%	168.3	8.9%				
Dhofar Power System	Aug-10	160.7	8.4%	159.0	8.4%				
Dhofar Power System	Sep-10	159.1	8.3%	157.5	8.3%				
Dhofar Power System	Oct-10	179.2	9.4%	177.3	9.4%				
Dhofar Power System	Nov-10	147.0	7.7%	145.5	7.7%				
Dhofar Power System	Dec-10	126.7	6.6%	125.2	6.6%				
2010 Totals		**1,914.6**		**1,891.4**					

Table 9 iii

Monthly Production by System: Dhofar Power System 2009 to 2014

2011		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Power System	Jan-11	128.4	6.6%	127.1	6.6%				
Dhofar Power System	Feb-11	123.2	6.3%	121.9	6.3%				
Dhofar Power System	Mar-11	158.1	8.1%	156.4	8.1%				
Dhofar Power System	Apr-11	182.2	9.3%	180.5	9.3%				
Dhofar Power System	May-11	215.3	11.0%	213.0	11.0%				
Dhofar Power System	Jun-11	201.0	10.3%	198.9	10.3%				
Dhofar Power System	Jul-11	163.0	8.3%	161.2	8.3%	0.0		0.0	
Dhofar Power System	Aug-11	168.9	8.6%	166.8	8.6%	0.0		0.0	
Dhofar Power System	Sep-11	175.1	8.9%	172.0	8.9%	0.0		0.0	
Dhofar Power System	Oct-11	163.6	8.4%	161.6	8.4%	0.0		0.0	
Dhofar Power System	Nov-11	161.2	8.2%	157.8	8.2%	0.0		0.0	
Dhofar Power System	Dec-11	118.9	6.1%	116.6	6.0%	0.0		0.0	
2011 Totals		**1,958.8**		**1,933.7**		**0.0**		**0.0**	

2012		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Power System	Jan-12	143.4	6.0%	135.9	6.0%	0.0		0.0	
Dhofar Power System	Feb-12	144.3	6.1%	132.3	5.8%	0.0		0.0	
Dhofar Power System	Mar-12	175.0	7.4%	165.3	7.3%	0.0		0.0	
Dhofar Power System	Apr-12	208.2	8.8%	202.6	8.9%	0.0		0.0	
Dhofar Power System	May-12	232.1	9.8%	226.3	10.0%	0.0		0.0	
Dhofar Power System	Jun-12	244.7	10.3%	236.0	10.4%	0.0		0.0	
Dhofar Power System	Jul-12	217.4	9.2%	208.3	9.2%	0.0		0.0	
Dhofar Power System	Aug-12	202.9	8.6%	194.5	8.6%	0.0		0.0	
Dhofar Power System	Sep-12	213.7	9.0%	204.7	9.0%	0.0		0.0	
Dhofar Power System	Oct-12	213.9	9.0%	204.5	9.0%	0.0		0.0	
Dhofar Power System	Nov-12	189.4	8.0%	181.2	8.0%	0.0		0.0	
Dhofar Power System	Dec-12	186.2	7.9%	177.7	7.8%	0.0		0.0	
2012 Totals		**2,371.2**		**2,269.3**		**0.0**		**0.0**	

Table 9 iii

Monthly Production by System: Dhofar Power System 2009 to 2014

2013		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Power System	Jan-13	158.1	6.0%	150.8	6.1%	106.0	0.6%	106.0	0.6%
Dhofar Power System	Feb-13	152.4	5.8%	144.9	5.9%	212.6	1.3%	212.6	1.3%
Dhofar Power System	Mar-13	200.6	7.6%	192.4	7.8%	246.7	1.5%	246.7	1.5%
Dhofar Power System	Apr-13	236.5	9.0%	225.1	9.1%	920.4	5.5%	920.4	5.5%
Dhofar Power System	May-13	281.6	10.7%	264.2	10.7%	1,978.3	11.8%	1,978.3	11.8%
Dhofar Power System	Jun-13	260.2	9.9%	244.7	9.9%	1,529.2	9.1%	1,529.2	9.1%
Dhofar Power System	Jul-13	214.7	8.2%	198.7	8.1%	1,744.4	10.4%	1,744.4	10.4%
Dhofar Power System	Aug-13	230.2	8.7%	212.8	8.6%	2,056.6	12.3%	2,056.6	12.3%
Dhofar Power System	Sep-13	239.2	9.1%	224.5	9.1%	2,009.8	12.0%	2,009.8	12.0%
Dhofar Power System	Oct-13	246.9	9.4%	229.5	9.3%	2,005.6	12.0%	2,005.6	12.0%
Dhofar Power System	Nov-13	219.6	8.3%	203.3	8.2%	1,968.8	11.8%	1,968.8	11.8%
Dhofar Power System	Dec-13	192.1	7.3%	176.9	7.2%	1,975.5	11.8%	1,975.5	11.8%
2013 Totals		**2,632.1**		**2,467.9**		**16,753.6**		**16,753.6**	

2014		Electricity Production				Related Water Production			
System	Month	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Power System	Jan-14	172.6	6.1%	157.9	6.0%	2,020.0	8.5%	2,020.0	8.5%
Dhofar Power System	Feb-14	169.2	6.0%	155.6	5.9%	1,848.7	7.8%	1,848.7	7.8%
Dhofar Power System	Mar-14	221.0	7.8%	205.7	7.8%	2,104.4	8.9%	2,104.4	8.9%
Dhofar Power System	Apr-14	254.1	9.0%	238.6	9.0%	1,894.3	8.0%	1,894.3	8.0%
Dhofar Power System	May-14	291.5	10.3%	274.3	10.3%	2,120.0	9.0%	2,120.0	9.0%
Dhofar Power System	Jun-14	291.4	10.3%	273.9	10.3%	2,003.5	8.5%	2,003.5	8.5%
Dhofar Power System	Jul-14	241.4	8.5%	225.5	8.5%	1,980.7	8.4%	1,980.7	8.4%
Dhofar Power System	Aug-14	243.0	8.6%	228.6	8.6%	1,888.3	8.0%	1,888.3	8.0%
Dhofar Power System	Sep-14	255.1	9.0%	240.1	9.1%	1,900.8	8.0%	1,900.8	8.0%
Dhofar Power System	Oct-14	259.9	9.2%	244.2	9.2%	2,047.9	8.7%	2,047.9	8.7%
Dhofar Power System	Nov-14	231.1	8.1%	216.5	8.2%	1,838.2	7.8%	1,838.2	7.8%
Dhofar Power System	Dec-14	205.9	7.3%	190.8	7.2%	2,005.8	8.5%	2,005.8	8.5%
2014 Totals		**2,836.3**		**2,651.7**		**23,652.7**		**23,652.7**	

Table 10 i

Quarterly Production by System: 2009 to 2014

		Electricity Production				Related Water Production			
System	Period	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
MIS	Qtr 1-09	2,438.3	15.0%	2,304.1	14.7%	26,342.4	23.4%	25,225.3	22.3%
MIS	Qtr 2-09	4,829.0	29.6%	4,696.5	29.9%	30,166.3	26.9%	29,156.2	25.8%
MIS	Qtr 3-09	5,656.3	34.7%	5,495.6	35.0%	31,215.9	27.8%	30,398.6	26.9%
MIS	Qtr 4-09	3,368.9	20.7%	3,222.5	20.5%	24,625.8	21.9%	28,148.9	24.9%
2009 Totals		**16,292.5**		**15,718.8**		**112,350.3**		**112,929.0**	
MIS	Qtr 1-10	2,720.8	15.6%	2,578.1	15.3%	30,844.6	22.3%	29,625.8	22.9%
MIS	Qtr 2-10	5,259.9	30.1%	5,164.1	30.6%	36,456.1	26.4%	34,229.6	26.5%
MIS	Qtr 3-10	5,725.6	32.8%	5,541.0	32.9%	37,840.9	27.4%	33,991.9	26.3%
MIS	Qtr 4-10	3,752.8	21.5%	3,571.8	21.2%	33,025.5	23.9%	31,391.2	24.3%
2010 Totals		**17,459.1**		**16,855.0**		**138,167.2**		**129,238.5**	
MIS	Qtr 1-11	3,119.3	16.1%	2,945.9	15.5%	32,255.3	21.4%	30,616.9	21.2%
MIS	Qtr 2-11	5,620.5	29.0%	5,605.8	29.6%	39,058.7	25.9%	37,352.0	25.8%
MIS	Qtr 3-11	6,284.1	32.4%	6,265.5	33.1%	40,587.6	26.9%	38,868.2	26.9%
MIS	Qtr 4-11	4,378.4	22.6%	4,133.2	21.8%	38,906.0	25.8%	37,728.1	26.1%
2011 Totals		**19,402.3**		**18,950.3**		**150,807.6**		**144,565.1**	
MIS	Qtr 1-12	3,782.3	17.2%	3,561.3	16.5%	37,660.3	22.1%	36,916.5	22.2%
MIS	Qtr 2-12	6,311.3	28.6%	6,265.0	29.0%	44,744.9	26.2%	43,477.7	26.1%
MIS	Qtr 3-12	7,283.9	33.0%	7,204.8	33.3%	45,884.0	26.9%	44,812.3	26.9%
MIS	Qtr 4-12	4,663.4	21.2%	4,587.9	21.2%	42,446.5	24.9%	41,321.3	24.8%
2012 Totals		**22,040.8**		**21,619.1**		**170,735.7**		**166,527.7**	
MIS	Qtr 1-13	4,114.5	17.9%	3,906.3	17.3%	41,785.2	23.3%	40,717.3	23.4%
MIS	Qtr 2-13	6,523.7	28.5%	6,441.7	28.6%	46,052.6	25.7%	44,839.9	25.7%
MIS	Qtr 3-13	7,491.1	32.7%	7,442.7	33.0%	47,171.5	26.3%	45,875.2	26.3%
MIS	Qtr 4-13	4,793.7	20.9%	4,767.4	21.1%	44,179.5	24.7%	42,894.2	24.6%
2013 Totals		**22,923.0**		**22,558.0**		**179,188.9**		**174,326.7**	
MIS	Qtr 1-14	4,182.7	16.4%	3,962.5	15.9%	40,252.8	21.8%	39,432.9	21.7%
MIS	Qtr 2-14	7,546.3	29.6%	7,498.6	30.0%	46,981.6	25.4%	46,281.1	25.4%
MIS	Qtr 3-14	8,318.4	32.6%	8,253.8	33.0%	49,923.9	27.0%	49,135.0	27.0%
MIS	Qtr 4-14	5,487.7	21.5%	5,278.2	21.1%	47,817.1	25.9%	47,124.3	25.9%
2014 Totals		**25,535.0**		**24,993.1**		**184,975.3**		**181,973.3**	

Table 10 ii

Quarterly Production by System: 2009 to 2014

		Electricity Production				Related Water Production			
System	Period	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Rural Systems	Qtr 1-09	60.0	15.1%	55.3	14.9%	212.7	23.3%	203.2	22.7%
Rural Systems	Qtr 2-09	115.3	29.1%	107.9	29.2%	233.5	25.6%	223.8	25.0%
Rural Systems	Qtr 3-09	132.7	33.5%	125.0	33.8%	225.0	24.7%	224.3	25.1%
Rural Systems	Qtr 4-09	88.0	22.2%	82.1	22.2%	241.1	26.4%	243.0	27.2%
2009 Totals		**396.0**		**370.2**		**912.3**		**894.4**	
Rural Systems	Qtr 1-10	70.9	15.9%	66.0	16.0%	232.8	24.3%	235.9	24.6%
Rural Systems	Qtr 2-10	133.0	29.9%	124.1	30.1%	248.5	25.9%	244.5	25.5%
Rural Systems	Qtr 3-10	142.3	32.0%	133.0	32.2%	228.4	23.8%	226.3	23.6%
Rural Systems	Qtr 4-10	98.7	22.2%	89.6	21.7%	248.2	25.9%	252.1	26.3%
2010 Totals		**444.9**		**412.8**		**958.0**		**958.7**	
Rural Systems	Qtr 1-11	78.0	15.2%	70.3	15.0%	232.3	16.4%	226.9	16.8%
Rural Systems	Qtr 2-11	149.8	29.2%	138.0	29.4%	339.6	24.0%	320.8	23.8%
Rural Systems	Qtr 3-11	169.2	33.0%	156.4	33.3%	390.8	27.7%	370.6	27.5%
Rural Systems	Qtr 4-11	116.0	22.6%	105.4	22.4%	450.3	31.9%	430.7	31.9%
2011 Totals		**513.0**		**470.1**		**1,413.1**		**1,349.1**	
Rural Systems	Qtr 1-12	92.5	15.3%	83.1	14.9%	451.4	22.7%	412.3	22.0%
Rural Systems	Qtr 2-12	176.0	29.1%	162.4	29.2%	445.7	22.4%	427.3	22.8%
Rural Systems	Qtr 3-12	198.2	32.7%	183.4	33.0%	535.7	27.0%	505.1	27.0%
Rural Systems	Qtr 4-12	138.5	22.9%	127.0	22.8%	553.0	27.8%	525.9	28.1%
2012 Totals		**605.2**		**556.0**		**1,985.7**		**1,870.6**	
Rural Systems	Qtr 1-13	112.0	16.3%	101.4	16.0%	560.0	24.4%	527.3	24.4%
Rural Systems	Qtr 2-13	200.8	29.3%	187.9	29.6%	583.7	25.5%	550.7	25.5%
Rural Systems	Qtr 3-13	214.6	31.3%	200.9	31.6%	564.3	24.6%	532.2	24.6%
Rural Systems	Qtr 4-13	157.6	23.0%	145.1	22.8%	583.1	25.4%	550.1	25.5%
2013 Totals		**685.0**		**635.3**		**2,291.0**		**2,160.4**	
Rural Systems	Qtr 1-14	119.1	15.7%	107.3	15.4%	559.6	23.3%	519.2	23.2%
Rural Systems	Qtr 2-14	222.3	29.4%	206.3	29.5%	649.1	27.1%	584.6	26.1%
Rural Systems	Qtr 3-14	240.8	31.8%	223.9	32.1%	608.8	25.4%	569.0	25.4%
Rural Systems	Qtr 4-14	174.6	23.1%	160.7	23.0%	580.0	24.2%	563.7	25.2%
2014 Totals		**756.7**		**698.1**		**2,397.5**		**2,236.6**	

Table 10 iii

Quarterly Production by System: 2009 to 2014

		Electricity Production				Related Water Production			
System	Period	Gross GWh	% Year	Net GWh	% Year	Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Power System	Qtr 1-09	329.2	18.7%	325.0	18.7%				
Dhofar Power System	Qtr 2-09	519.4	29.6%	512.3	29.5%				
Dhofar Power System	Qtr 3-09	482.1	27.4%	475.5	27.4%				
Dhofar Power System	Qtr 4-09	426.1	24.3%	421.2	24.3%				
2009 Totals		**1,756.8**		**1,734.1**					
Dhofar Power System	Qtr 1-10	377.4	19.7%	372.5	19.7%				
Dhofar Power System	Qtr 2-10	594.4	31.0%	586.0	31.0%				
Dhofar Power System	Qtr 3-10	489.9	25.6%	484.9	25.6%				
Dhofar Power System	Qtr 4-10	452.9	23.7%	448.1	23.7%				
2010 Totals		**1,914.6**		**1,891.4**					
Dhofar Power System	Qtr 1-11	409.7	20.9%	405.4	21.0%				
Dhofar Power System	Qtr 2-11	598.5	30.6%	592.4	30.6%				
Dhofar Power System	Qtr 3-11	507.0	25.9%	500.0	25.9%	0.0		0.0	
Dhofar Power System	Qtr 4-11	443.7	22.7%	435.9	22.5%	0.0		0.0	
2011 Totals		**1,958.8**		**1,933.7**		**0.0**		**0.0**	
Dhofar Power System	Qtr 1-12	462.7	19.5%	433.6	19.1%	0.0		0.0	
Dhofar Power System	Qtr 2-12	685.1	28.9%	664.9	29.3%	0.0		0.0	
Dhofar Power System	Qtr 3-12	633.9	26.7%	607.5	26.8%	0.0		0.0	
Dhofar Power System	Qtr 4-12	589.5	24.9%	563.3	24.8%	0.0		0.0	
2012 Totals		**2,371.2**		**2,269.3**		**0.0**		**0.0**	
Dhofar Power System	Qtr 1-13	511.2	19.4%	488.2	19.8%	565.3	3.4%	565.3	3.4%
Dhofar Power System	Qtr 2-13	778.3	29.6%	734.0	29.7%	4,427.8	26.4%	4,427.8	26.4%
Dhofar Power System	Qtr 3-13	684.1	26.0%	636.1	25.8%	5,810.7	34.7%	5,810.7	34.7%
Dhofar Power System	Qtr 4-13	658.6	25.0%	609.6	24.7%	5,949.8	35.5%	5,949.8	35.5%
2013 Totals		**2,632.1**		**2,467.9**		**16,753.6**		**16,753.6**	
Dhofar Power System	Qtr 1-14	562.9	19.8%	519.2	19.6%	5,973.2	25.3%	5,973.2	25.3%
Dhofar Power System	Qtr 2-14	837.0	29.5%	786.7	29.7%	6,017.8	25.4%	6,017.8	25.4%
Dhofar Power System	Qtr 3-14	739.5	26.1%	694.2	26.2%	5,769.8	24.4%	5,769.8	24.4%
Dhofar Power System	Qtr 4-14	696.9	24.6%	651.5	24.6%	5,891.9	24.9%	5,891.9	24.9%
2014 Totals		**2,836.3**		**2,651.7**		**23,652.7**		**23,652.7**	

Table 11

RAEC Capacity, System Peak demands, Electricity and Water Production, and Fuel consumption by Region

2014				Generating Capacity			Water Capacity			System Peak Demands, Production & Fuel Consumption						
RSNum	Facility	Type	Start Year	Installed kW	Derated kW	Num units	Installed m3/day	Num units	@ Ref SC	System Peak kW	Demand margin 1	Gross MWh	Net MWh	Gross 000'm3	Net 000'm3	Diesel 000'Ltrs
Al Dahirah																
02/020	Masrooq	Electricity	1994	1,700	1,360	4	0	0	50oC	310	77.2%	947	894	0	0	306
	Totals for 1 Systems in Al Dahirah			**1,700**	**1,360**	**4**	**0**	**0**				**947**	**894**	**0**	**0**	**306**
Al Sharqiya																
02/019	Masirah	Cogen	1976	20,323	16,660	13	6,100	10	50oC	13,400	19.6%	62,514	50,973	1,232	1,114	17,615
	Totals for 1 Systems in Al Sharqiya			**20,323**	**16,660**	**13**	**6,100**	**10**				**62,514**	**50,973**	**1,232**	**1,114**	**17,615**
Al Wusta																
02/001	AbuMudabi	Cogen	1985	669	535	7	200	3	50oC					43	42	0
02/027	Sawgrah	Cogen	1998	584	467	3	250	2	50oC					49	49	0
02/037	Al Duqm (new)	Cogen	2010	66,326	53,061	9	6,000	3	50oC	19,040	64.1%	92,371	76,804	935	895	23,675
02/005	Al Khaluf	Electricity	2007	2,508	2,006	3	0	0	50oC	755	62.4%	3,055	2,920			1,005
02/006	Al Khuiaima	Electricity	2004	5,016	4,012	6	0	0	50oC	1,910	52.4%	8,344	7,979			2,386
02/008	Alajaiz	Electricity	2006	1,130	904	4	0	0	50oC	800	11.5%	2,665	2,430			879
02/010	AlNajdah	Electricity	2007	2,200	1,760	3	0	0	50oC	970	44.9%	3,794	3,692			1,252
02/012	AlZhaiah	Electricity	2003	400	320	2	0	0	50oC	350	-9.4%	314	292			98
02/016	Hij	Electricity	1999	11,600	9,280	7	0	0	50oC	9,100	1.9%	35,506	35,251			10,247
02/017	Hitam	Electricity	2007	1,348	745	5	0	0	50oC	940	-26.2%	4,201	3,898			1,412
02/025	Ras Madraka	Electricity	2000	1,780	1,424	4	0	0	50oC	2,185	-53.4%	9,888	9,676			3,061
02/030	Surab	Electricity	2006	2,200	1,760	3	0	0	50oC	1,365	22.4%	5,678	5,557			1,890
02/045	Dhafrat	Electricity	2009	1,860	1,488	4	0	0	50oC	1,080	27.4%	3,026	2,843			1,253
02/046	Al Khadra	Electricity	2011	12,500	10,000	5	0	0	50oC	3,900	61.0%	20,039	18,003			5,983
	Totals for 14 Systems in Al Wusta			**110,121**	**87,762**	**65**	**6,450**	**8**				**188,880**	**169,344**	**1,028**	**986**	**53,142**

Table 11

RAEC Capacity, System Peak demands, Electricity and Water Production, and Fuel consumption by Region

2014				Generating Capacity			Water Capacity			System Peak Demands, Production & Fuel Consumption						
RSNum	Facility	Type	Start Year	Installed kW	Derated kW	Num units	Installed m3/day	Num units	@ Ref SC	System Peak kW	Demand margin 1	Gross MWh	Net MWh	Gross 000'm3	Net 000'm3	Diesel 000'Ltrs
Dhofar																
01/001	Al Halaniyat	Cogen	1987	1,053	842	3	198	3	50oC	335	60.2%	1,711	1,133	41	40	517
01/002	Al Mathfa	Electricity	2002	360	288	4	0	0	50oC	228	20.8%	649	644			283
01/004	Andat	Electricity	2011	760	608	3	0	0	50oC	688	-13.2%	2,700	2,693			849
01/007	Ayun	Electricity	2000	720	576	4	0	0	50oC	182	68.4%	604	591			196
01/008	Barbazum	Electricity	2000	880	704	3	0	0	50oC	685	2.7%	3,013	2,997			900
01/012	Dhahabun	Electricity	2000	2,389	1,911	5	0	0	50oC	1,350	29.4%	5,276	5,263			1,604
01/014	Fatkhat	Electricity	2002	542	434	4	0	0	50oC	220	49.3%	863	841			308
01/016	Hirweeb	Electricity	2001	375	300	3	0	0	50oC	860	-186.7%	3,134	3,112			1,213
01/019	Mahwice	Electricity	2002	397	318	4	0	0	50oC	220	30.8%	788	781			299
01/020	Maqshan	Electricity	2001	1,802	1,442	5	0	0	50oC	585	59.4%	2,386	2,344			760
01/021	Mazyunah	Electricity	2000	9,000	7,200	6	0	0	50oC	5,870	18.5%	22,698	21,315			6,305
01/023	Mitan	Electricity	2001	1,887	1,510	4	0	0	50oC	898	40.5%	3,781	3,758			1,337
01/024	Mothorah	Electricity	2006	600	480	3	0	0	50oC	350	27.1%	1,157	1,115			494
01/032	Saih Alkirat	Electricity	2006	32,400	25,920	14	0	0	50oC	13,850	46.6%	73,556	66,929			22,682
01/035	Shahb Asayb	Electricity	2000	11,000	8,800	7	0	0	50oC	7,320	16.8%	32,054	31,324			8,500
01/037	Sharbatat	Electricity	1998	3,542	2,833	5	0	0	50oC	1,075	62.1%	4,285	4,215			1,321
01/040	Tushnat	Electricity	2001	905	724	4	0		50oC	332	54.1%	1,352	1,328			422
01/046	Mudhai (new)	Electricity	2011	3,848	3,078	6	0	0	50oC	1,640	46.7%	6,428	5,978			1,990
01/047	Hasik (new)	Electricity	2012	50,000	40,000	6	0	0	50oC	1,393	96.5%	5,778	5,431			1,649
	Totals for 19 Systems in Dhofar			**122,460**	**97,968**	**93**	**198**	**3**				**172,216**	**161,793**	**41**	**40**	**51,628**

Table 11

RAEC Capacity, System Peak demands, Electricity and Water Production, and Fuel consumption by Region

2014				Generating Capacity			Water Capacity			System Peak Demands, Production & Fuel Consumption						
RSNum	Facility	Type	Start Year	Installed kW	Derated kW	Num units	Installed m3/day	Num units	@ Ref SC	System Peak kW	Demand margin 1	Gross MWh	Net MWh	Gross 000'm3	Net 000'm3	Diesel 000'Ltrs
Musandam																
03/006	Kumzar	Cogen	1984	468	374	1	450	3	50oC	712	-90.4%	141	111	97	95	40
03/002	Dibba	Electricity	1978	21,970	12,824	7	0	0	50oC	18,400	-43.5%	84,410	81,646			23,633
03/005	Khasab	Electricity	1982	57,400	43,520	12	0	0	50oC	47,700	-9.6%	222,818	210,242			58,580
03/007	Madha	Electricity	1982	12,270	9,040	6	0	0	50oC	5,720	36.7%	24,786	23,133			6,960
	Totals for 4 Systems in Musandam			**92,108**	**65,758**	**26**	**450**	**3**				**332,155**	**315,131**	**97**	**95**	**89,213**
	Totals for 39 RAEC Production Systems			**346,712**	**269,508**	**201**	**13,198**	**24**				**756,712**	**698,134**	**2,397**	**2,237**	**211,904**

note 1 Rental generation supported systems with negative demand margins.

2014 Regional Summary	Generating Capacity			Water Capacity		Production & Fuel Consumption				
	Installed kW	Derated kW	Num units	Installed m3/day	Num units	Gross MWh	Net MWh	Gross 000'm3	Net 000'm3	Diesel 000'Ltrs
Totals for 1 RAEC System in Al Dahirah	1,700	1,360	4	0	0	947	894	0	0	306
Totals for 1 RAEC Systems in Al Sharqiya	20,323	16,660	13	6,100	10	62,514	50,973	1,232	1,114	17,615
Totals for 14 RAEC Systems in Al Wusta	110,121	87,762	65	6,450	8	188,880	169,344	1,028	986	53,142
Totals for 19 RAEC Systems in Dhofar	122,460	97,968	93	198	3	172,216	161,793	41	40	51,628
Totals for 4 RAEC Systems in Musandam	92,108	65,758	26	450	3	332,155	315,131	97	95	89,213
Totals for 39 RAEC Production System	**346,712**	**269,508**	**201**	**13,198**	**24**	**756,712**	**698,134**	**2,397**	**2,237**	**211,904**

Table 12

Technical and non-technical Losses by System: 2007 to 2014

	Main Interconnected System								% Changes 2013-2014
GWh	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	
Sent out Generation:	12,367.5	13,649.0	15,530.2	16,552.4	18,385.5	21,022.7	21,998.3	24,462.9	*11.2%*
'Other' Purchases (note 1):	122.5	385.0	188.6	302.6	564.8	596.4	559.7	530.2	*-5.3%*
GWh entering systems:	12,490.0	14,034.0	15,718.8	16,855.0	18,950.3	21,619.1	22,558.0	24,993.1	*10.8%*
Supply to Customers:	9,757.8	11,317.4	12,713.6	14,121.6	16,374.5	18,502.2	20,021.0	22,097.7	*10.4%*
Total Losses %	**21.9%**	**19.4%**	**19.1%**	**16.2%**	**13.6%**	**14.4%**	**11.2%**	**11.6%**	***0.3%pp***

	Rural Systems								% Changes 2013-2014
GWh	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	
Sent out Generation:	289.2	325.8	370.2	412.8	470.1	556.0	635.3	698.1	*9.9%*
'Other' Purchases (note 1):	29.5	33.5	40.2	48.7	59.9	74.7	94.3	124.7	*32.2%*
GWh entering systems:	318.7	359.3	410.5	461.5	530.0	630.7	729.6	822.8	*12.8%*
Supply to Customers (note 2):	273.0	311.5	368.0	420.1	468.9	559.4	650.9	747.1	*14.8%*
Total Losses %	**14.3%**	**13.3%**	**10.3%**	**9.0%**	**11.5%**	**11.3%**	**10.8%**	**9.2%**	***-1.6%pp***

	Dhofar Power System								% Changes 2013-2014
GWh	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	
Sent out Generation:	1,373.0	1,467.1	1,688.4	1,819.0	1,907.3	2,269.3	2,467.9	2,651.7	*7.4%*
'Other' Purchases (note 1):	14.5	2.1	45.7	72.4	26.4	0.0	0.0	0.0	*n/a*
GWh entering systems:	1,387.5	1,469.2	1,734.1	1,891.4	1,933.7	2,269.3	2,467.9	2,651.7	*7.4%*
Supply to Customers:	1,162.4	1,221.2	1,401.5	1,590.8	1,668.9	1,896.6	2,118.8	2,327.3	*9.8%*
Total Losses %	**16.2%**	**16.9%**	**19.2%**	**15.9%**	**13.7%**	**16.4%**	**14.1%**	**12.2%**	***-1.9% pp***

Note 1: MIS "Other" purchases are PWP purchases from MIS connected Exemption Holders and Rental Generation;
Rural Systems Other purchases are purchases from PDO; and
Dhofar Other purchases are units purchased by PWP from RAEC for sale to DPC SAOC.

Note 2: RAEC Supply includes unallocated 'Other' Supply reported in 2014 SCRC statement.

Annex D:
Electricity Subsidy Calculations

2014 MIS Outturn Subsidy

Maximum Allowed Supply Revenue

Rial Omani	MEDC	MJEC	MZEC	2014 outturn Total	2013 Outturn Total	% Change
PC (Energy cost)	135,529,383	103,093,958	108,081,109	**346,704,450**	**296,428,033**	**16.96%**
TUoS (Transmission cost)	26,475,925	19,229,883	22,249,531	**67,955,339**	**65,163,417**	**4.28%**
DUoS (Distribution cost)	43,252,955	32,190,680	55,987,948	**131,431,583**	**130,564,579**	**0.66%**
SB (Supply cost)	10,474,200	7,481,633	8,625,352	**26,581,185**	**24,868,066**	**6.89%**
LF (Licence fee)	70,498	70,498	70,498	**211,494**	**145,860**	**45.00%**
KS (Correction factor)	8,589,228	(2,172,725)	6,429,316	**12,845,820**	**(20,373,017)**	**-163.05%**
Maximum Allowed Supply Revenue	**207,213,732**	**164,239,378**	**188,585,121**	**560,038,231**	**537,542,972**	**4.18%**

Actual Regulated Supply Revenue

Rial Omani	MEDC	MJEC	MZEC	Total	Total	Variance
Approved Subsidy	66,738,531	64,871,757	92,351,922	**223,962,210**	**238,577,521**	**-6%**
Permitted Tariff (& other) Revenue	148,731,193	98,871,352	98,293,199	**345,895,744**	**311,188,809**	**11%**
Actual Regulated Supply Revenue	215,469,724	163,743,109	190,645,121	**569,857,954**	**549,766,330**	**4%**
Outturn Subsidy Requirement	58,482,539	65,368,026	90,291,922	**214,142,487**	**226,354,164**	**-5%**

Subsidy per kWh

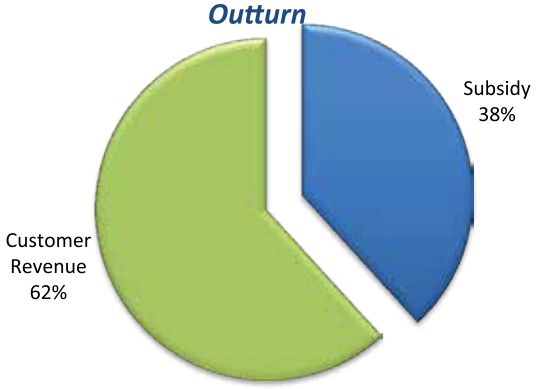
(bz/kWh)	Muscat	Majan	Mazoon	Total	Total	Variance
Economic Cost	23.8	24.5	28.1	**25.3**	**26.8**	**-6%**
Subsidy (Outturn)	6.7	9.8	13.5	**9.7**	**11.3**	**-14%**
Customer Revenue	17.1	14.7	14.7	**15.7**	**15.5**	**1%**

Source: Company SCRCs, Authority calculations

Key:

PC means the cost of bulk supply purchaces from PWP
TUoS means Transmission Use of System costs
DUoS means Distribution Use of System costs
SB means Supply Business costs
LF means the Supply Business Licence Fees
KS means the Supply Business Correction Factor
All in relevant year t

2014 MIS Revenue and Subsidy



2015 MIS Subsidy Forecast

Maximum Allowed Supply Revenue

Rial Omani	Muscat	Majan	Mazoon	2015 Forecast Total	2014 outturn Total	% Change
PC (Energy cost)	189,770,347	145,593,620	150,682,672	**486,046,639**	**346,704,450**	**40.19%**
TUoS (Transmission cost)	28,218,094	21,581,561	23,697,508	**73,497,163**	**67,955,339**	**8.16%**
DUoS (Distribution cost)	51,653,062	37,800,276	64,417,690	**153,871,027**	**131,431,583**	**17.07%**
SB (Supply cost)	10,500,088	7,657,743	11,464,083	**29,621,915**	**26,581,185**	**11.44%**
LF (Licence fee)	56,794	56,794	56,794	**170,382**	**211,494**	**-19.44%**
KS (Correction factor)	8,588,692	(501,500)	2,081,712	**10,168,905**	**12,845,820**	**-20.84%**
Maximum Allowed Supply Revenue	**271,609,693**	**213,191,493**	**248,237,035**	**733,038,222**	**560,038,231**	**30.89%**

Actual Regulated Supply Revenues

Rial Omani	Muscat	Majan	Mazoon	Total	Total	Variance
Approved Subsidy	105,010,215	97,825,120	137,623,622	**340,458,957**	**223,962,210**	**52%**
Permitted Tariff (& other) Revenue	166,599,479	115,366,373	110,613,413	**392,579,265**	**345,895,744**	**13%**
Actual Regulated Supply Revenue	271,609,693	213,191,493	248,237,035	**733,038,222**	**569,857,954**	**29%**

Subsidy per kWh

(bz/kWh)	Muscat	Majan	Mazoon	Total	Total	Variance
Economic Cost	28.0	27.5	33.2	**29.4**	**25.3**	**16%**
Subsidy (Estimate)	10.8	12.6	18.4	**13.7**	**9.7**	**41%**
Customer Revenue	17.2	14.9	14.8	**15.7**	**15.7**	**1%**

Source: Company returns, Authority estimates

Key:

PC means the cost of bulk supply purchaces from PWP
TUoS means Transmission Use of System costs
DUoS means Distribution Use of System costs
SB means Supply Business costs
LF means the Supply Business Licence Fees
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All in relevant year t

2015 MIS Revenue & Subsidy

Forecast

Annex D - (C): RAEC 2014 Outturn Subsidy

MARt = Gt + TD&St + Fuelt + PCt + LFt - Kt

Where TD&St = at + (bt * RUDt) + (ct * CAt)

Item	t=2014
Gt (Generation Costs)	15,707,386
at	**9,681,485**
bt	3.44
RUDt	703,352
bt Revenue	**2,419,531**
ct	109.90
CAt	30,904
ct Revenue	**3,396,350**
TD&St (Trans, Dist & Supply Costs)	15,497,365
Fuelt	28,258,866
PCt (Electricity Purchase Costs)	1,141,690
Licence Fees	284,357
Kt (Correction Factor)	1,513,028
Other adjustments	2,540,000
MARt (Maximum Allowed Revenue)	56,836,636
Customer Revenue	12,362,210
Subsidy	**44,474,426**

Financial Subsidy	**44,474,426**
Actual Subsidy payments	44,646,000

bz/kWh	2014
Economic cost	80.8
Revenue	17.6
Subsidy	**63.2**
Fuel cost	40.2

Sources: RAEC 2014 SCRC, Authority calculation

Key:

MAR means Maximum Allowed Revenue
Gt means Generation costs
TD&S means Transmission, Distribution & Supply costs
Fuel means Fuel costs
PC means PDO Purchase Costs

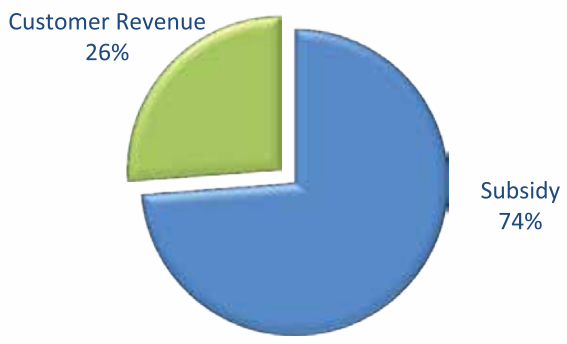
where:

RUD means Regulated Units Distributed
CA means Customer Accounts
a, b and c are the Notified Values (NV)

All in relevent year t

2014 RAEC Revenue & Subsidy

Outturn



2015 RAEC Subsidy Forecast

Maximum Allowed Electricity Revenue *Rial Omani*	2015 Forecast Total	2014 outturn Total	% Change
MAGR (Generation cost)	56,731,720		
MANR (Networks cost)	18,422,170		
MASR (Supply cost)	5,246,705		
LF (Licence fee)	302,901		
K (Correction factor)	173,382		
Maximum Allowed Electricity Revenue	80,530,114	56,836,636	41.7%

Actual Regulated Electricity Revenue	Total	Total	Variance
Approved Subsidy	66,452,279	44,646,000	49%
Permitted Tariff (& other) Revenue	14,077,835	12,362,210	14%
Actual Regulated Electricity Revenue	80,530,114	57,008,210	41%

Subsidy per kWh (bz/kWh)	Total	Total	Variance
Economic Cost	99.7	80.8	23%
Subsidy (Estimate)	82.3	63.2	30%
Customer Revenue	17.4	17.6	-1%

Note: RAEC Licence (MAR formula) was modified in 2015

Source: Company returns, Authority estimates

Key:

MAGR means the Maximum Allowed Generation Revenue

MANR means the Maximum Allowed Networks Revenue

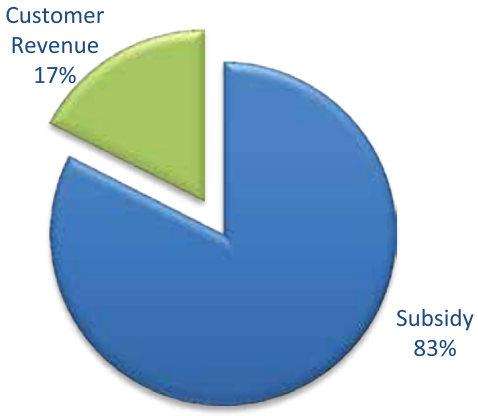
MASR means the Maximum Allowed Supply Revenue

LF means the Licence Fees

K means the Electricity Business Correction Factor

All in relevant year t

2015 RAEC Revenue & Subsidy *Forecast*



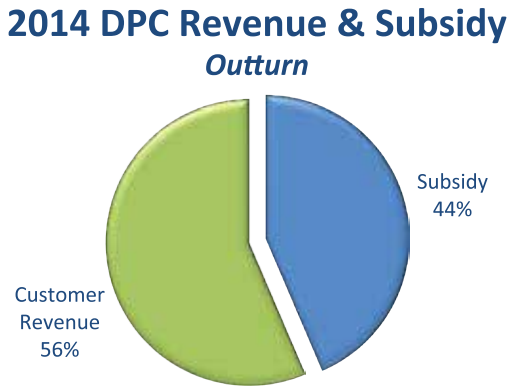
2014 Outturn & 2015 Forecast DPC Subsidy

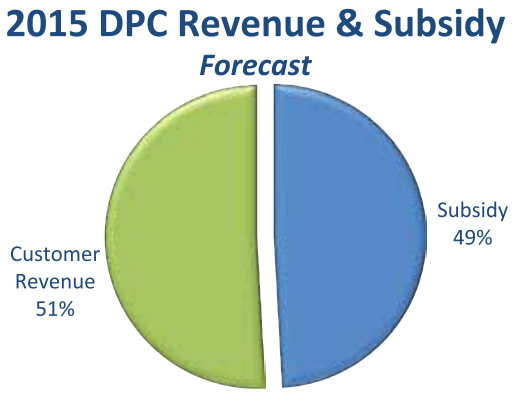
Maximum Allowed Supply Revenue *Rial Omani*	2015 Forecast Total	2014 outturn Total	% Change
PC (Energy cost)	53,015,518	37,665,530	40.8%
TUoS (Transmission cost)	8,463,712	8,124,178	4.2%
DUoS (Distribution cost)	17,080,656	16,221,075	5.3%
SB (Supply cost)	3,926,271	3,259,080	20.5%
LF (Licence fee)	56,794	70,498	-19.4%
KS (Correction factor)	(1,444,399)	0	
Maximum Allowed Supply Revenue	83,987,349	65,340,361	28.5%

Actual Regulated Supply Revenue *Rial Omani*	Total	Total	Variance
Approved Subsidy	41,258,489	27,040,977	53%
Permitted Tariff (& other) Revenue	42,728,861	36,870,051	16%
Actual Regulated Supply Revenue	83,987,350	63,911,028	31%
Outturn Subsidy Requirement		28,470,310	

Subsidy per kWh *(bz/kWh)*	Total	Total	Variance
Economic Cost	31.8	27.8	14%
Subsidy (Estimate)	15.6	11.5	36%
Customer Revenue	16.2	15.7	3%

Source: Company returns, Authority estimates





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SB means Supply Business costs
LF means the Supply Business Licence Fees
KS means the Supply Business Correction Factor
All in relevant year t

Annex E:
2015 Forward Work Programme

2015 Forward Work Programme

The 2015 Forward Work Programme includes a number of 'high priority' areas of work:

GP1 Customer Related KPIs

The Authority will review the data provided by supply licensees on their performance against customer related KPIs incorporated in the Distribution and Supply Price Controls introduced from January 2015. This will include both analysis of reported performance levels, including benchmarking analysis and an assessment of the robustness of the data provided. The review will form a basis for future implementation of an incentive/penalty mechanism.

GP2 Operational & Financial Benchmarks

The Authority aims to publish baseline 'operational and financial' benchmarks to be agreed with the Ministry of Finance to increase the transparency and consistency of performance reporting and highlight trends in electricity and Related Water sector efficiency. The Authority was unable to progress this work last year and views the preparation of benchmarks as an important priority.

GP3 Renewable Energy

The Authority will continue to promote the competitive based deployment of renewable energy in Oman and work on finalising and approving 'Agency contracts' (as defined in the distribution and supply licence) to facilitate the purchase of electricity from small scale renewable facilities. The Authority views the structure of agency contracts as an essential tool to facilitate the deployment of small-scale renewable facilities in the Sultanate.

Other areas of work planned for 2015

In addition to the 'high priority' areas of work outlined above, the Authority expects to progress other areas of work during 2015, including:

GP4 Employment Survey

The Authority intends to undertake a detailed employment survey as was previously conducted in 2009. The scope of the survey will gather information on Direct employment issues such as female participation, staff turnover and employment duration, skill shortages and staff training expenditures.

GP5 Permitted Tariffs & Subsidy

The Authority proposes to undertake a study on sector subsidy, including (i) the distribution of subsidy to various customer categories, and (ii) an assessment of current Permitted Tariffs and their effectiveness in promoting efficient use of electricity.

GP6 Price Control Review – Transmission & Dispatch

Current T&D price controls are due to expire on 31 December 2015. New price controls are therefore required to be set for 1 January 2016.

GP7 Price Control Review – PWP

Current PWP price controls are due to expire on 31 December 2015. New PWP price controls are therefore required to be set for 1 January 2016.

GP8 Health and Safety audits of OETC, PWP and DPC

As with previous work programmes the 2015 programme includes actions to improve health and safety standards throughout the sector, including unannounced health and safety audits of electricity installations, full company audits of PWP, OETC and DPC.

GP9 Protection: Appropriate Person Criteria follow-up

The Authority will conduct a follow-up audit in 2015.

GP10 Cyber Security, Undergrounding, and Incident Reporting Regulations

The Authority will issue new regulatory obligations in 2015. The new requirements will be implemented through new Licence and Licence Exemption Conditions.

GP11 Review of Oman Electrical Standards

The Technical Directorate will re-launch a review of OES and work to update and issue revised and new OES throughout 2015.

GP12 Safety Awareness Campaign

Following the very successful four week campaign hosted at the Children's museum in Muscat in 2013, the Authority will continue to organise safety campaigns in the Sultanate during 2015.

GP13 Article (106) Consents

The Legal Directorate expects to receive and process several applications for Article (106) consents during 2015.

GP14 Communication with Customers and Raising Awareness

The Authority will continue its external liaison programme to raise customer awareness by communicating with local communities and stakeholder organisations and publishing further customer information materials.

Authority for Electricity Regulation, Oman

هيئة تنظيم الكهرباء - عمان

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