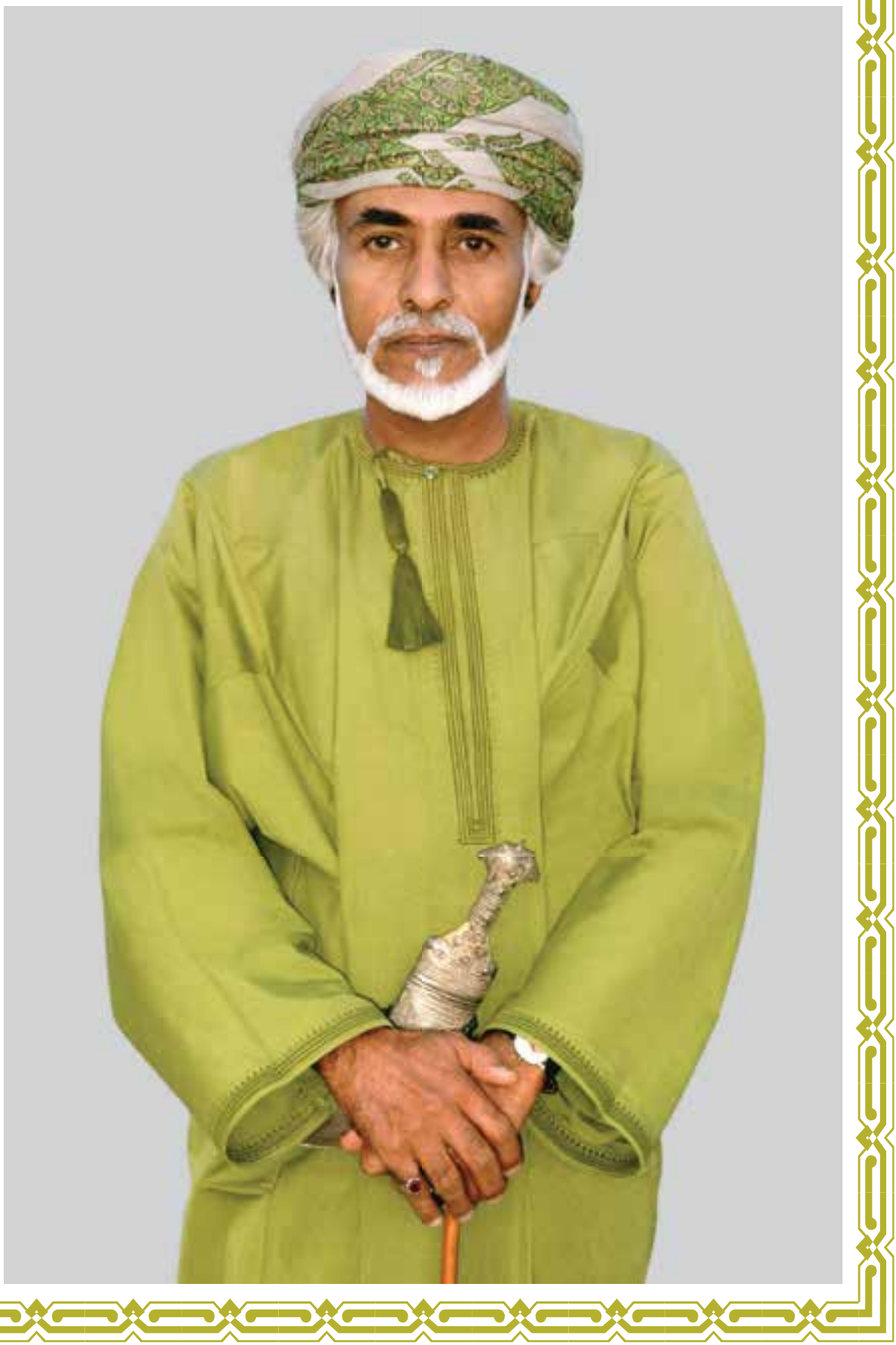


His Majesty
Sultan Qaboos bin Said

Contents

CHAIRMAN'S FOREWORD

On behalf of the Authority, it is with great pleasure that I present our Annual Report for 2015, 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 2015 are as follows:

i. The number of electricity Customer accounts in the Sultanate increased by 73,245, or 7.9% 927,184 in 2014 to 1,000,429. Residential customers accounted for 71% of the increase in accounts. Since the 2005 market restructuring the number of electricity accounts increased by 470,178 or 88.7%;

ii. Electricity Supply in 2015 reached 28.9 TWh,14.9% higher than in 2014 and 204% higher than in 2005;

iii. The Authority's measure of electricity Intensity (MWh per account) reached 28.9 in 2015, higher than 2014 by 6.6% and 61% higher than in 2005. Increasing intensity is an important driver of electricity demand that has implications for costs and subsidy. If the 1,000,429 registered accounts in 2015 had the same average intensity as in 2005, electricity supply in 2015 would have been 38%, or 10.96 TWh lower with corresponding reductions in costs and subsidy;

iv. Sector gas use increased by 4.2% in 2015 to support increases in gross electricity and water production of 12.4% and 18.2%, respectively. RAEC consumed about 239,825,000 litres of diesel in 2015 to support increases in electricity and water production of 14.1% and 16.9%, respectively;

v. Technical and non-technical losses accounted for 10.2% of total units entering electricity systems in the Sultanate in 2015, a decrease on reported losses of 11.6% in 2014. MIS losses decreased from 11.6% in 2014 to 10% in 2015, RAEC losses increased from 9.2% in 2014 to 10.7% in 2015, and Dhofar Power System losses increased slightly from 12.2% in 2014 to 12.3% in 2015;

vi. Total electricity and water sector employment (Direct and Contractor employees) fell by 4.4% in 2015, reflecting a 2.2% increase in Direct employment (from 2,825 to 2,888) and a 7.3% decrease in Indirect employment (from 6,322 to 5,860). The 2015 overall electricity and water sector Omanisation rate was 64%;

vii. The Authority issued no new Customer Complaint Determination in 2015, and resolved 92 outstanding complaints on the basis of policy precedents established in 69 previously issued Determinations;

viii. In 2015 Eng Hilal Al Ghaithi, Deputy Director of Customer Affairs completed an MSc in Renewable Energy and Power Systems Management at the City University London passing with Distinction, an excellent result for which we congratulate Hilal. Also, Bushra Al Maskari, Regulatory Advisor in the Office of the Executive Director completed a MSc of Public Policy Programme at the University of Oxford passing with Merit, a result for which we offer Bushra our sincere congratulation;

ix. In March 2015 the Council of Ministers approved the appointment of the Authority's fifth Member, Eng Saleh bin Hamood Al Rashdi;

x. The electricity sector benefited from OMR 454.4 million of support from the Ministry of Finance in 2015: OMR 344.2 million of MIS subsidy, OMR 67.4 million of RAEC subsidy and OMR 42.8 million Rial Omani of Dhofar Power System subsidy.

xi. Electricity licensees approved 520 electricity related projects in 2015 with a total value of OMR 335.9 million, these projects will support the provision of electricity services in all of the Sultanate's regions; and

xii. The cost of regulating the electricity and water sector in 2015 was around OMR 3.2 per Customer account, around one tenth of one baiza per kWh Supplied and less than 0.25% of total electricity and water sector turnover, metrics we believe compare favourably to international benchmarks of regulatory costs.

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 Water Sector Market Structure

Sources: MIS & Dhofar 2015 Capacities from PWP 7-Year Statement (Issue 9), other data AER

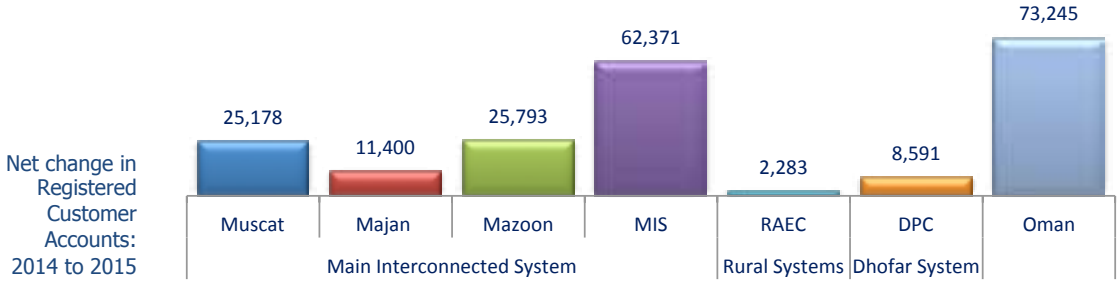
The Sector Law designates certain activities as regulated activities and requires persons seeking to undertake such activities to be authorised by the Authority to do so. Further details of the new market structure and its regulation are available at www.aer-oman.org.

Electricity & Water Sector Activity and Statistics

Customer Accounts: 2014 and 2015

The number of registered electricity customer accounts in the Sultanate increased by 7.9% in 2015 from 927,184 in 2014 to 1,000,429. The MIS accounted for 85.2% of the increase in accounts, same as reported in 2014 (85.2% in 2014), RAEC accounted for 3.1% of the increase (3.9% in 2014) and DPC for 11.7% of the increase (10.7% in 2014). Please refer to Figure 1 below and Table 1 of Annex C for further details.

Figure 1: Registered Customer Accounts by Company: 2014 & 2015



	Muscat	Majan	Mazoon	MIS	RAEC	DPC	Oman
2014 Accounts	284,625	186,605	340,923	812,153	30,904	84,127	927,184
2015 Accounts	309,803	198,005	366,716	874,524	33,187	92,718	1,000,429
net change in Accounts	***25,178***	***11,400***	***25,793***	***62,371***	***2,283***	***8,591***	***73,245***
% change in Accounts	8.8%	6.1%	7.6%	7.7%	7.4%	10.2%	7.9%

Source: Company returns

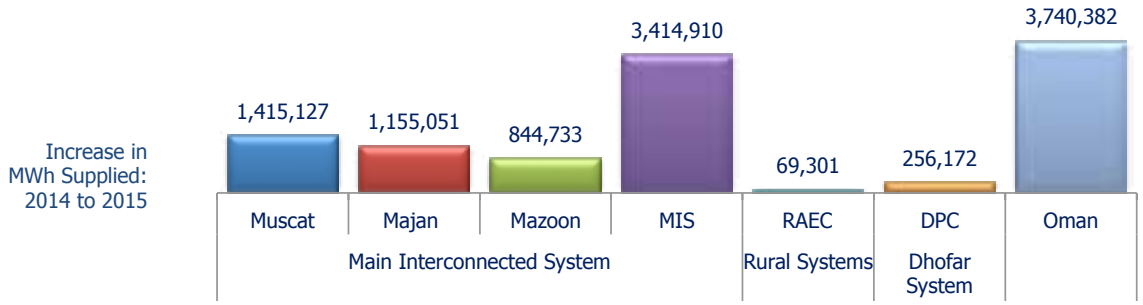
For the Sultanate as a whole, Residential customers accounted for 71.0% of the 73,245 increase in accounts and Commercial customers for 25.5% of the increase.

Residential customers accounted for 74.8% of all customer accounts in 2015.

Electricity Supply: 2014 and 2015

Total electricity supply in the Sultanate increased by 3.7 TWh in 2015 from 25.2 TWh in 2014 to 28.9 TWh, an increase of 14.9% following the 10.4% increase in 2014. MIS supply increased by 15.5% (or 3.4 TWh) in 2015, accounting for 91.3% of the total (3.7 TWh) growth in supply. RAEC supply was 9.3% higher than in 2014, reflecting strong growth in supply to Residential, Industrial and Commercial customers. DPC supply growth of 11.0% in 2015 was higher than the 9.8% increase in 2014. See Figure 2 below and Table 2 of Annex C for further details.

Figure 2: Electricity Supply by Company: 2014 & 2015



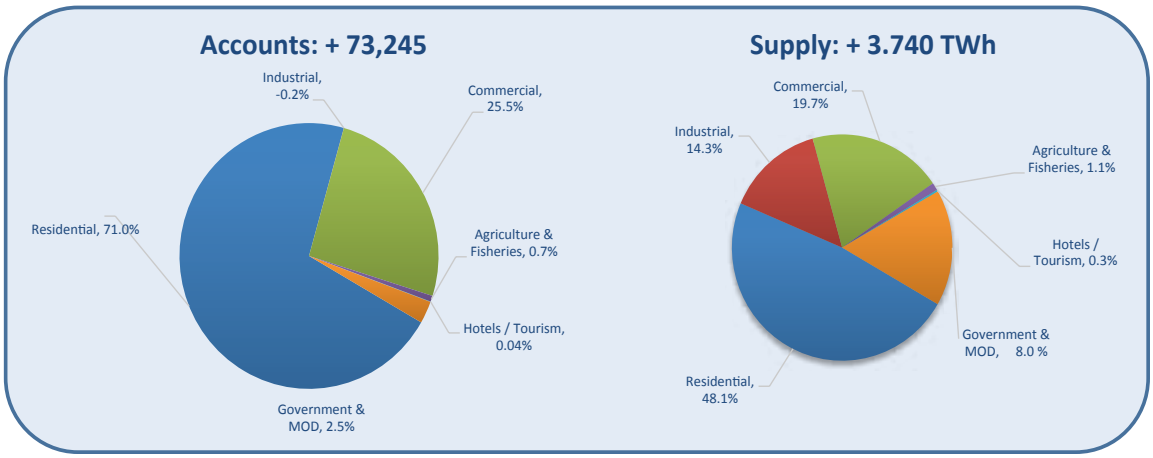
	Muscat	Majan	Mazoon	MIS	RAEC	DPC	Oman
2014 MWh	8,688,583	6,703,410	6,705,708	22,097,701	747,119	2,327,270	25,172,090
2015 MWh	10,103,710	7,858,460	7,550,441	25,512,611	816,420	2,583,442	28,912,474
net change in MWh	*1,415,127*	*1,155,051*	*844,733*	*3,414,910*	*69,301*	*256,172*	*3,740,382*
% change in MWh	16.3%	17.2%	12.6%	15.5%	9.3%	11.0%	14.9%

Source: Company returns

Residential customers accounted for 47.6% of total supply in 2015, compared to a 55.2% share in 2005.

Figure 3 compares the 2015 increases in accounts and supply by customer category. Residential customers accounted for 71.0% of the 73,245 increase in accounts, but for just 48.1% of the 3.7 TWh increase in Supply. Commercial customers accounted for 25.5% of the accounts increase and for 19.7% of the Supply increase. Industrial customers accounted for 14.3 % of the increase in Supply while the number of Industrial accounts slightly reduced.

Figure 3: 2015 Increases in Accounts & Supply by Customer Category



Source: Company returns

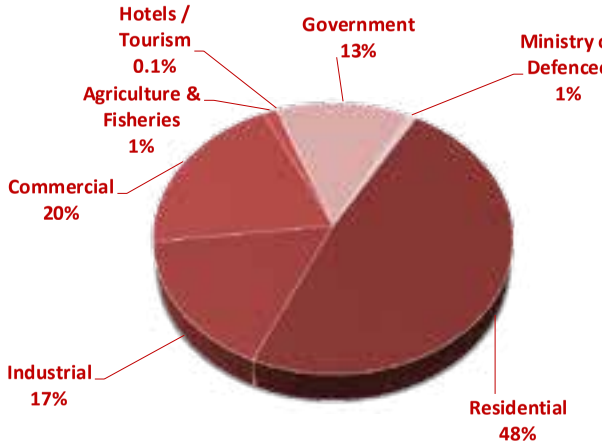
The structure of electricity demand in Oman continues to change as the rate of growth in supply to Industrial and Commercial customers exceeds that to other customer categories. Industrial and Commercial customers accounted for 36.2% of total supply in 2015, up from 23% in 2005. Supply to Majan's Commercial and Industrial customers accounted for 55% of Majan's total 2015 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 2014 and 2015.

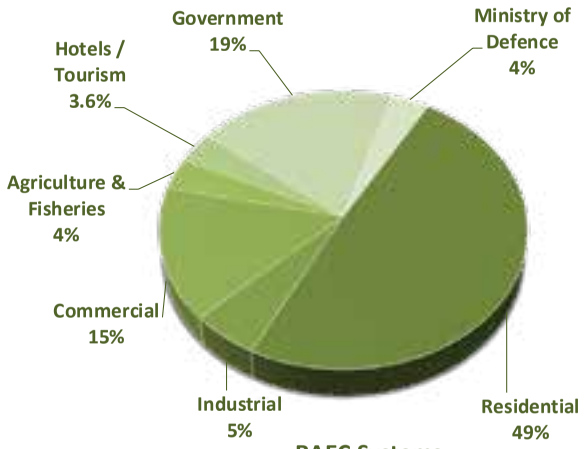
Figure 5 presents registered customer accounts by tariff catergory & Systerm in 2014 and 2015.

Figure 4: Electricity Supply by Tariff Category & System - 2014 & 2015

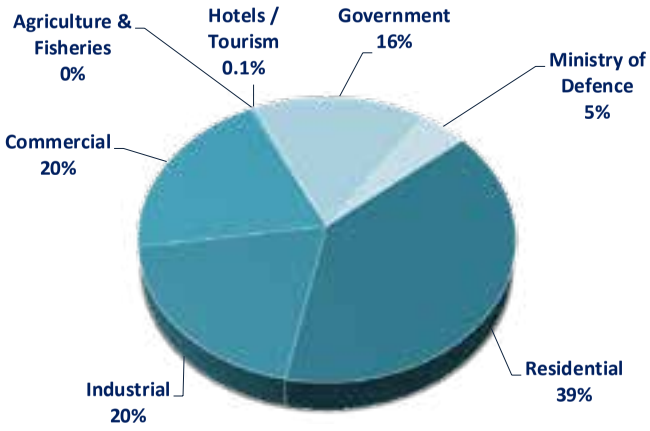
	Main Interconnected System			RAEC Rural Systems			Dhofar Power System		
Category	**2014 MWh**	**2015 MWh**	**% Change**	**2014 MWh**	**2015 MWh**	**% Change**	**2014 MWh**	**2015 MWh**	**% Change**
Residential	10,697,579	12,339,571	15%	342,148	401,818	17%	919,557	1,015,575	10%
Industrial	3,641,101	4,176,110	15%	37,989	44,469	17%	509,739	502,840	-1%
Commercial	4,449,640	5,092,048	14%	117,944	125,672	7%	431,245	518,219	20%
Agriculture & Fisheries	303,406	340,845	12%	26,191	29,849	14%	9,458	9,095	-4%
Hotels / Tourism	25,981	28,872	11%	23,028	29,378	28%	2,124	2,371	12%
Government	2,777,264	3,326,616	20%	168,156	155,883	-7%	346,846	418,792	21%
Ministry of Defence	202,731	208,548	3%	31,663	29,352	-7%	108,302	116,550	8%
Totals	**22,097,701**	**25,512,611**	**15%**	**747,119**	**816,420**	**9%**	**2,327,270**	**2,583,442**	**11%**



Main Interconnected System
Supply by Tariff Category 2015



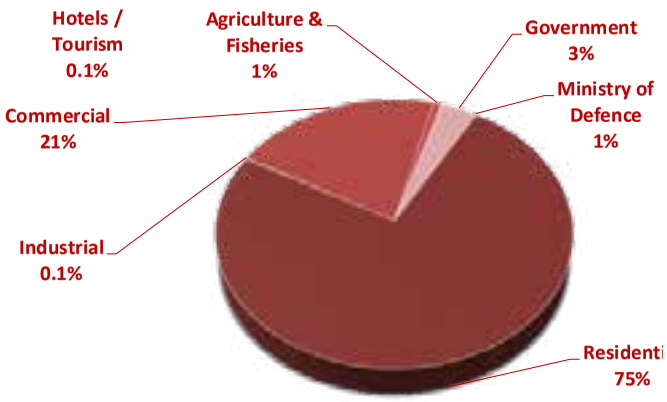
RAEC Systems
Supply by Tariff Category 2015



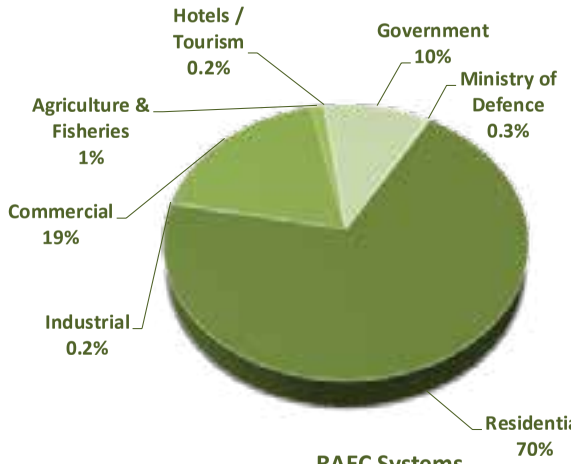
Dhofar Power Systems
Supply by Tariff Category 2015

Figure 5: Registered Customer Accounts by Tariff Category & System - 2014 & 2015

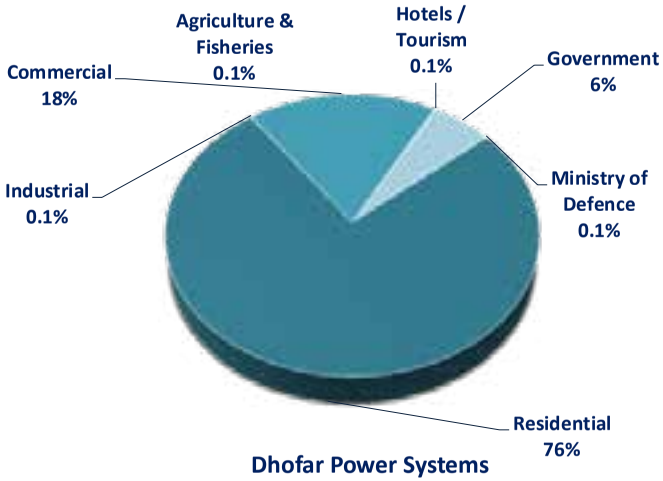
Category	Main Interconnected System			RAEC Rural Systems			Dhofar Power System		
	2014 Accounts	2015 Accounts	% Change	2014 Accounts	2015 Accounts	% Change	2014 Accounts	2015 Accounts	% Change
Residential	610,380	654,118	7%	21,688	23,134	7%	63,750	70,584	11%
Industrial	822	820	0%	44	50	14%	71	58	-18%
Commercial	163,429	180,206	10%	5,651	6,119	8%	15,101	16,549	10%
Agriculture & Fisheries	7,053	7,517	7%	336	394	17%	101	103	2%
Hotels / Tourism	463	496	7%	63	64	2%	84	84	0%
Government	29,784	31,144	5%	3,047	3,322	9%	4,910	5,231	7%
Ministry of Defence	222	223	0%	75	104	39%	110	109	-1%
Totals	**22,097,701**	**25,512,611**	**15%**	**30,904**	**33,187**	**7%**	**2,327,270**	**2,583,442**	**11%**



Main Interconnected System
Accounts by Tariff Category 2015



RAEC Systems
Accounts by Tariff Category 2015

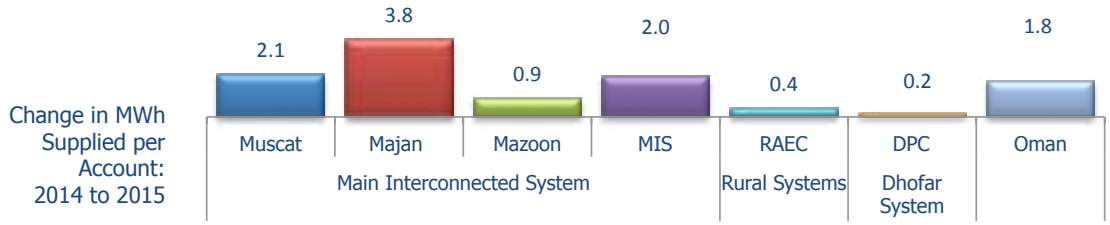


Dhofar Power Systems
Accounts by Tariff Category 2015

Electricity Supply per Account: 2014 & 2015

Electricity intensity (MWh per account) increased by 6.6% in 2015, from 27.1 in 2014 to 28.9 MWh per account. Customers of electricity suppliers in the Sultanate registered increased electricity intensity in 2015: MIS customers registered a 7.2% increase, RAEC customers a 1.8% increase and DPC customers a 0.7% increase. Please refer to Figure 6 and Table 3 of Annex C for further details.

Figure 6: MWh Supplied per Registered Account: 2014 & 2015



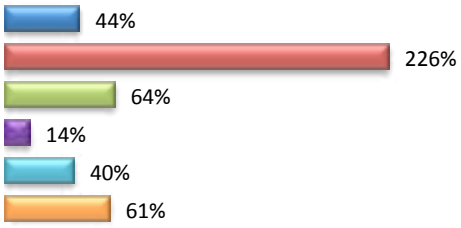
	Muscat	Majan	Mazoon	MIS	RAEC	DPC	Oman
2014 MWh Supply/per Acct	30.5	35.9	19.7	27.2	24.2	27.7	27.1
2015 MWh Supply/per Acct	32.6	39.7	20.6	29.2	24.6	27.9	28.9
net change MWh S/per Acct	***2.1***	***3.8***	***0.9***	***2.0***	***0.4***	***0.2***	***1.8***
% change in MWh S/per Acct	6.8%	10.5%	4.7%	7.2%	1.8%	0.7%	6.4%

Source: Company returns

The increase in electricity intensity, reflects continued strong growth in Supply to Industrial, Commercial and Government customers in 2015. Electricity intensity is an increasingly important driver of electricity demand. Figure 7 shows that between 2005 and 2015 the average electricity intensity of all customers increased by 61% with significant variation in intensity changes across customer categories.

Figure 7: Changes in Electricity Intensity between 2005 and 2015

MWh/Account	**2005**	**2015**	***% change***
Residential	12.8	18.4	***44%***
Industrial	1,561.5	5,089.9	***226%***
Commercial	17.2	28.3	***64%***
Agriculture & Fisheries	41.4	47.4	***14%***
Government & MOD	75.5	106.0	***40%***
All Categories	***17.9***	***28.9***	***61%***



The 226% 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 7 than Residential and Commercial customers, whose intensity in 2015 was 44% and 64% higher, respectively, than in 2005 and who accounted for 67.4% of total 2015 Supply, compared to the 16.3% share of Industrial customers.

Increasing intensity is an important driver of electricity demand that has implications for costs and subsidy. If the 1,000,429 registered accounts in 2015 had the same average intensity as in 2005, electricity supply in 2015 would have been 38% or 10.96 TWh lower with corresponding reductions in costs and subsidy.

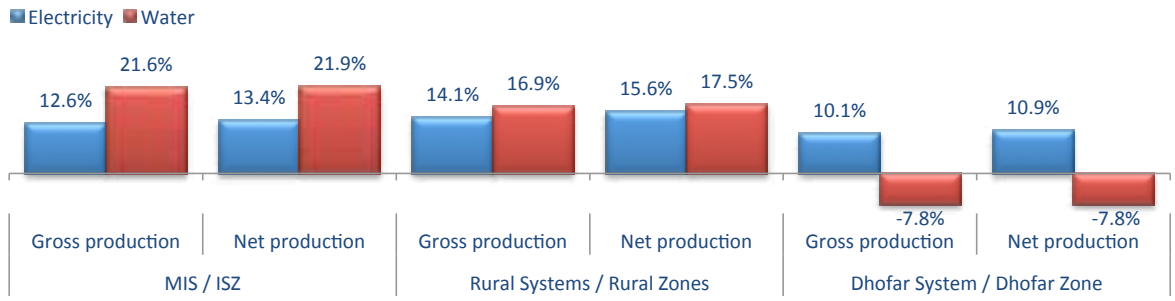
The Authority does not consider intensity increases of this magnitude to be sustainable and continues to believe that the introduction of Cost-Reflective Tariffs (for large Industrial, Commercial and Government customers) coupled with the implementation of measures to improve energy efficiency will help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

Electricity and Water Production: 2014 & 2015

2015 gross electricity production of 32.7 TWh was 12.4% higher than in 2014. The 32.1 TWh of net electricity generation (including PWP and RAEC purchases) was 13.2% higher than in 2014. Both, gross and net water production increased by 18.2% and 18.5% (to 249.53 million m³ and 246.3 million m³ respectively). Please refer to Figure 8 and Table 6 of Annex C for further details.

Figure 8: Electricity & Water Production by System & Zones: 2014 & 2015

% Changes in production: 2014 to 2015



System	Item	Electricity GWh 2014	Electricity GWh 2015	% chng	Water '000 m3 2014	Water '000 m3 2015	% chng
MIS / ISZ	*Gross production*	25,544.2	28,772.3	12.6%	184,975.3	224,926.7	21.6%
	Net production	24,993.1	28,333.6	13.4%	181,973.3	221,891.7	21.9%
Rural Systems / Rural Zones	*Gross production*	756.7	863.1	14.1%	2,397.5	2,801.6	16.9%
	Net production	698.1	807.0	15.6%	2,236.6	2,627.2	17.5%
Dhofar System / Dhofar Zones	*Gross production*	2,836.2	3,122.6	10.1%	23,652.7	21,804.0	-7.8%
	Net production	2,651.7	2,941.7	10.9%	23,652.7	21,804.0	-7.8%
Total Oman	*Gross production*	29,137.1	32,758.0	12.4%	211,025.5	249,532.3	18.2%
	Net production	28,342.9	32,082.3	13.2%	207,862.6	246,322.8	18.5%

Source: Company returns

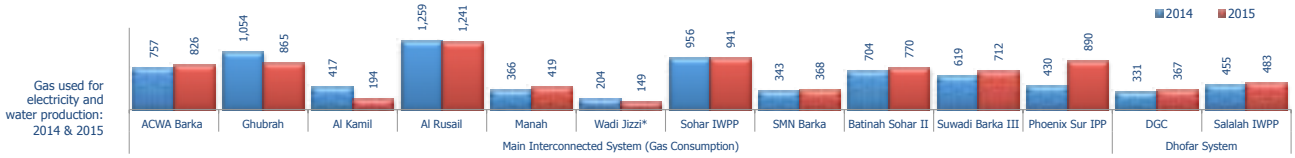
MIS gross generation was 12.6% higher in 2015 than in 2014, RAEC generation was 14.1% higher and generation for the Dhofar Power System was 10.1% higher. The net desalinated water production in the Interconnected and Sharqiyah Zones (ISZ) increased by 21.9% in 2015 which accounted for 90% of the 2015 increase in total Water production in 2015. Net water production in the Rural Zones increased by 17.5% increase from 2014. Alternate (the net production of the Dhofar Zone decreased by 7.8% in 2015 than in 2014, which accounted for 8.9% of the 2015 increase in total water production in Oman).

EWS Fuel Use in 2015

Natural Gas

The electricity and water sector consumed 4.2% more gas in 2015 than in 2014, compared to an increase of 12.4% and 18.2% in electricity and water production, respectively, please refer to Figure 9. The specific gas consumption of MIS connected facilities fell to 256 Sm3/MWh in 2015 from 278 Sm3/MWh in 2014 (a 7.9% reduction), and is 28% lower than in 2005.

Figure 9: Gas Consumption at Major Production Facilities: 2014 & 2015



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	MuscatCity IWP**	Sharqiyah Sur IWP**	Total
Fuel	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas	Gas			Gas
2014 gas use: Sm3 10^6	757	1,054	417	1,259	366	204	956	343	704	619	430	331	455	-	-	**7,896**
2015 gas use: Sm3 10^6	826	865	194	1,241	419	149	941	368	770	712	890	367	483	-	-	**8,226**
% of total 2015 gas use	*10%*	*11%*	*2%*	*15%*	*5%*	*2%*	*11%*	*4%*	*9%*	*9%*	*11%*	*4%*	*6%*	-	-	***100%***
% change in gas use	*9.2%*	*-18.0%*	*-53.5%*	*-1.5%*	*14.5%*	*-27.1%*	*-1.6%*	*7.3%*	*9.3%*	*15.0%*	*107.3%*	*10.9%*	*6.2%*	-	-	***4.2%***
% change in Gross Electricity and Gross Water Output: 2015 to 2014																
Electricity	*11.5%*	*-13.1%*	*-53.3%*	*-0.3%*	*17.3%*	*-27.5%*	*-4.0%*	*-5.7%*	*14.0%*	*21.3%*	*184.2%*	*13.2%*	*8.5%*	-	-	***12.4%***
Water	*24.0%*	*-16.2%*					*-2.0%*	*1.0%*					*-7.8%*	-	-	***18.3%***

Source: PWP & Company returns

* Wadi Jizzi Power Plant only, excludes OMCO units

** Muscat CityIWP & Sharqyiyah Sur IWP plants, no direct gas utilization.

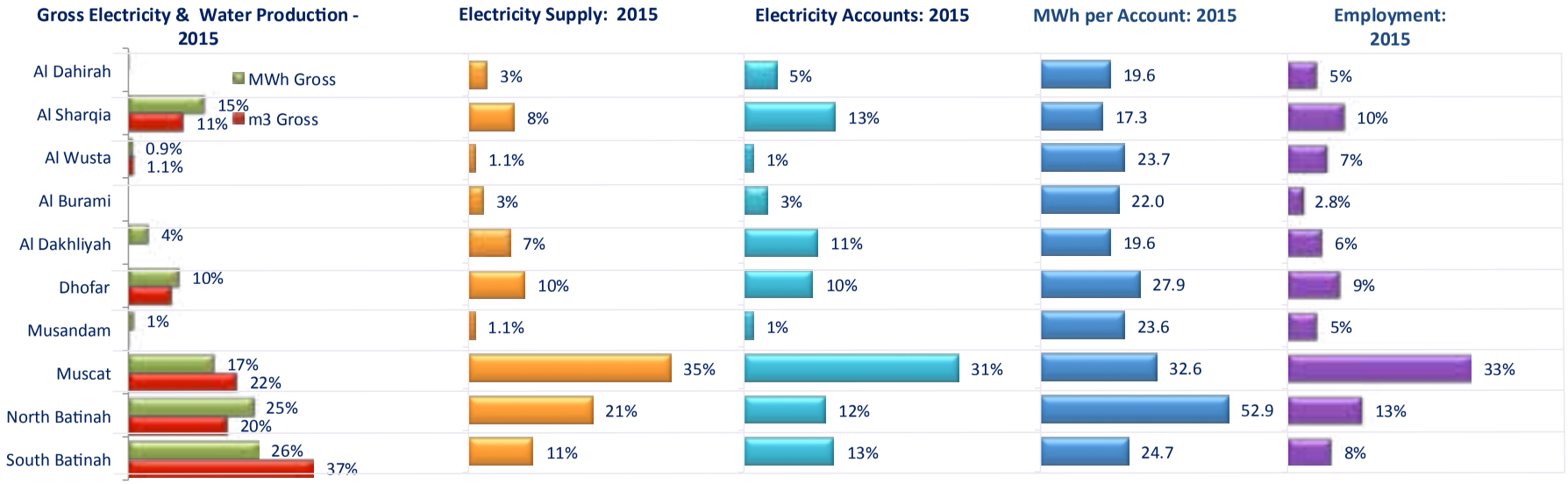
EWS Activity by Region: 2015

While all regions of Oman benefitted from electricity and water sector activity in 2015, activity is heavily concentrated in Muscat, North Batinah and South Batinah. These three areas accounted for 69% of 2015 electricity production, 79% of water production, 67% of supply, 56% of customer accounts and 54% of sector related employment in 2015.

Figure 10 presents details of the regional distribution of electricity and water sector activities in 2015.

Figure 10: EWS Activity by Region (Production, Supply, Accounts, Intensity & Employment): 2015

	Electricity Production		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	1,282	1,246			919,935	47,028	19.6	459
Al Sharqia	4,975,613	4,968,603	27,519,744	27,462,520	2,277,169	131,345	17.3	885
Al Wusta	296,646	280,177	2,696,472	2,523,574	322,805	13,635	23.7	617
Al Burami					742,107	33,777	22.0	249
Al Dakhliyah	1,303,166	1,293,871			2,081,034	106,249	19.6	537
Dhofar	3,329,614	3,140,597	21,838,044	21,837,641	2,764,469	99,004	27.9	819
Musandam	358,212	343,270	71,040	69,938	312,589	13,266	23.6	461
Muscat	5,633,161	5,439,879	54,545,368	53,754,075	10,103,710	309,803	32.6	2,872
North Batinah	8,261,631	8,562,036	49,711,949	47,787,492	6,196,418	117,200	52.9	1,168
South Batinah	8,598,695	8,052,598	93,149,649	92,887,577	3,192,238	129,122	24.7	681
Totals	**32,758,020**	**32,082,276**	**249,532,266**	**246,322,817**	**28,912,474**	**1,000,429**	**28.9**	**8,748**

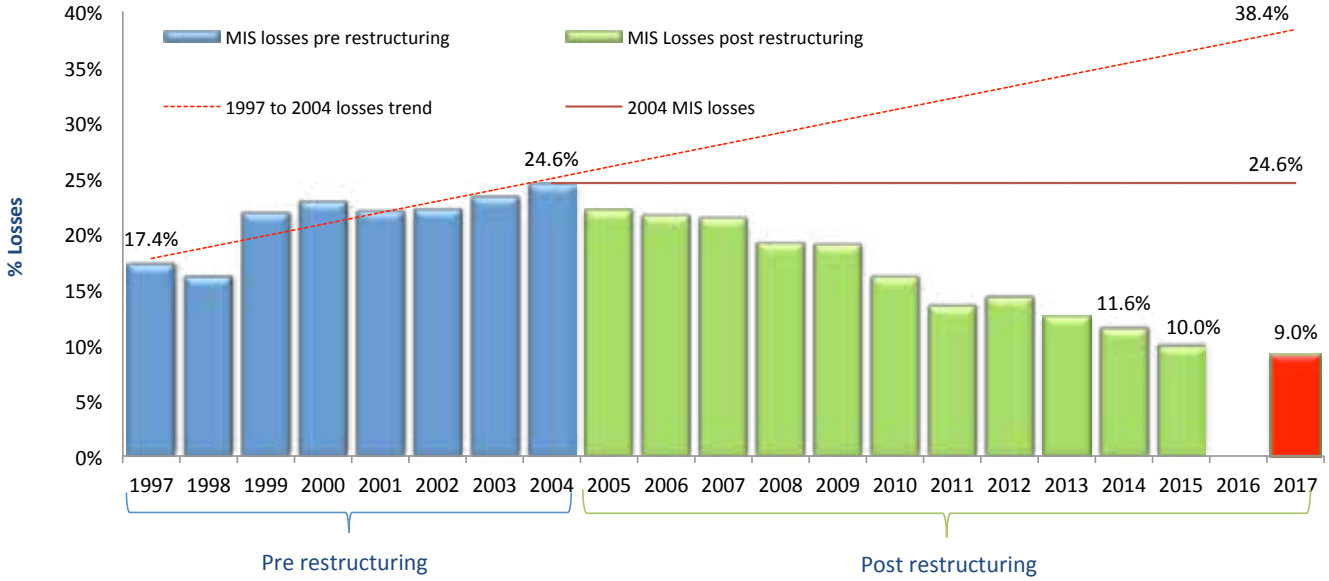


System Losses

Outturn 2015 data of units supplied and units entering electricity systems imply that MIS losses, which accounts for approximately 90% of the total share of electricity supply in Oman, decreased from 11.6% in 2014 to 10.0% in 2015, RAEC losses increased from 9.2% in 2014 to 10.7% in 2015, and Dhofar Power System losses increased slightly from 12.2% in 2014 to 12.3% in 2015.

Figure 11 shows annual MIS losses reductions since 2005.

Figure 11: Technical and non-technical Losses in the MIS



Source: Pre restructuring data from MHEW reports, post restructuring data from the Authority

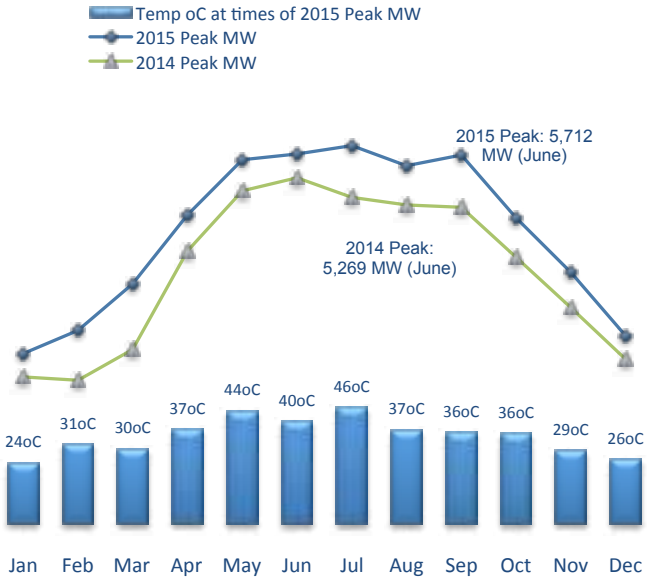
The significant losses reductions achieved since the sector restructuring in 2005 reflects the application of a clear incentive based price control mechanism and the constructive responses of licenses.

Losses reductions are of considerable economic value in terms of achieved and future cost savings. If the cost saving of a 1 MWh reduction in losses is OMR 10, the reduction in MIS losses from 11.6% in 2014 to 10.0% in 2015 returned benefits of around OMR 4 million (the benefit is OMR 41.2 million if assessed against 2004 losses of 24.6%). The cumulative value of MIS losses reductions since 2004 is a little under OMR 26 million, and in present value terms the benefit of MIS losses reductions in 2015 is around OMR 72 million, using a discount rate of 6% (OMR 687 million if assessed against 2004 losses of 24.6%). These figures take no account of investment savings in generation and network infrastructure, which would significantly increase the value of losses reduction benefits.

System Peak Demands: MIS and Dhofar Power System in 2014 and 2015

Figure 12 presents monthly MIS peak demands in 2014 and 2015.

Figure 12: Main Interconnected System Peak Demand - 2014 & 2015

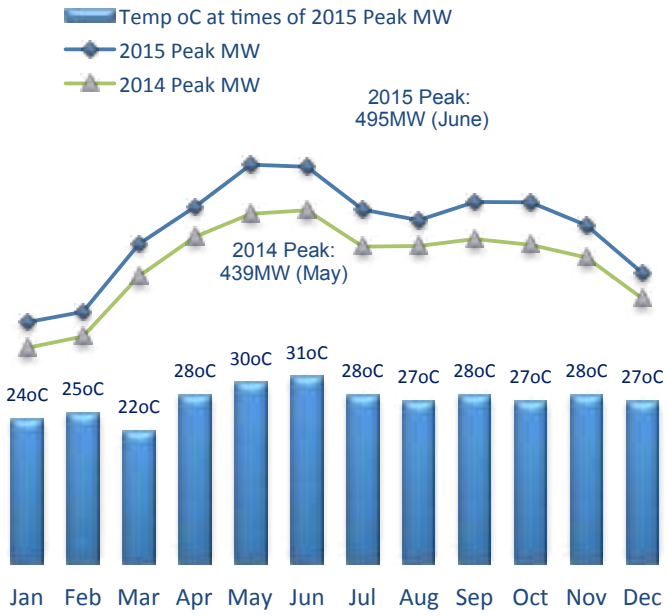


	2014 Peak MW	2015 Peak MW	% change	Temp oC at times of 2015 Peak MW
Jan	2,338	2,682	15%	24
Feb	2,290	3,022	32%	31
Mar	2,744	3,707	35%	30
Apr	4,191	4,722	13%	37
May	5,079	5,534	9%	44
Jun	5,269	5,618	7%	40
Jul	4,980	5,744	15%	46
Aug	4,871	5,448	12%	37
Sep	4,835	5,603	16%	36
Oct	4,101	4,681	14%	36
Nov	3,357	3,879	16%	29
Dec	2,602	2,946	13%	26
Max MW	**5,269**	**5,744**	**9%**	

Source: OETC

Figure 13 presents Dhofar Power System monthly peak demands in 2014 and 2015.

Figure 13: Dhofar Power System Peak Demand - 2014 & 2015



	2014 Peak MW	2015 Peak MW	% change	Temp oC at times of 2015 Peak MW
Jan	268	300	12%	24
Feb	283	313	11%	25
Mar	357	397	11%	22
Apr	406	443	9%	28
May	434	495	14%	30
Jun	439	493	12%	31
Jul	394	440	12%	28
Aug	395	427	8%	27
Sep	403	449	11%	28
Oct	396	449	13%	27
Nov	380	420	10%	28
Dec	329	361	10%	27
Max MW	**439**	**495**	**13%**	

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 10, for the period 2016 to 2022) 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 8% per year to reach 9,529 MW in 2022 which is lower than the previous forecast. The "low case" projects 6% annual growth, resulting in peak demand of 8,266 MW in 2022, the "high case" projects 10% annual growth and peak demand at 11,036 MW in 2022, about 1,500 MW higher than the central case.
In terms of energy, the expected, low and high case forecasts for 2022 are 50 TWh, 42 TWh and 60 TWh respectively; and

Dhofar System: in the expected case peak demand is expected to grow at 9% per year, reaching 884 MW in 2022. The "low case" projects 6% annual growth, reaching 758 MW by 2022. The "high case" allows for more rapid industrialization, and has peak demand increasing at 12% per year to reach 1,089 MW in 2022.
IIn terms of energy, the expected, low and high case forecasts for 2022 are 5.5 TWh, 4.4 TWh and 7.1 TWh respectively.

Please refer to Issue 10 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 forecasted demand for electricity and water.

Approved Projects and Capital Expenditure: 2015

Licensed system operators (OETC, MEDC, Majan, Mazoon, RAEC and DPC) approved 520 projects in 2015, with a total value of OMR 335.9 million. Table 1 presents details of the approved projects by Licensee, region and value.

Table 1: Project Approvals by Licensees in 2015

		Company							
Region		OETC*	Muscat	Majan	Mazoon	RAEC	DPC	**Totals**	**% Total**
Al Dahirah	RO	24,494,343		10,698,530				**35,192,873**	10.5%
Al Sharqiya	RO	8,715,000			4,410,312	7,997,166		**21,122,478**	6.3%
Al Wusta	RO					1,768,096		**1,768,096**	0.5%
Dakhiliya	RO	58,892,266			5,772,697	107,786		**64,772,749**	19.3%
Dhofar	RO	31,143,067				3,835,309	21,208,994	**56,187,370**	16.7%
Musandam	RO					4,586,619		**4,586,619**	1.4%
Muscat	RO	39,051,333	24,762,202			779,764		**64,593,298**	19.2%
North Batinah	RO	15,488,962		21,695,632	535,216			**37,719,810**	11.2%
South Batinah	RO	34,694,304			6,524,107			**41,218,411**	12.3%
Al Buraimi	RO			5,380,773				**5,380,773**	1.6%
Other**	RO			2,747,238		622,507		**3,369,744**	1.0%
Total Value		**212,479,274**	**24,762,202**	**40,522,172**	**17,242,333**	**19,697,246**	**21,208,994**	**335,912,221**	
% of Total		**63.3%**	**7.4%**	**12.1%**	**5.1%**	**5.9%**	**6.3%**		
Number of Projects		18	24	190	19	39	230	**520**	

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

OETC accounts for 63.3% of approved projects by value, which reflects the significant investment made to connect and transport electricity from production facilities. Majan accounts for 12.1% of projects value, MEDC 7.4%, DPC 6.3%, RAEC 5.9% and Mazoon 5.1%.

In terms of regional investment, Dakhiliya region accounts for 19.3% (OMR 64.7 million) of approved projects and Muscat 19.2% (OMR 64.5 million) due to significant network investments by OETC, MEDC and Mazoon in these regions.

All regions benefited from EWS investment in 2015 in line with the government's policy commitment to provide electricity and water services throughout the Sultanate.

EWS Employment & Omanisation: 2014 and 2015

The Authority undertakes an annual survey of electricity and 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 2015 survey.

Table 2: Total EWS Employment by Type, Nationality and Function: 2014 & 2015

		2014			2015		
Type	Function	Omani	Expatriate	Total	Omani	Expatriate	Total
Direct	Admin & Supervisory	882	80	962	998	76	1,074
	Managerial	196	56	252	220	60	280
	Operations	217	39	256	264	38	302
	Technical	1,097	104	1,201	969	94	1,063
	Others	142	12	154	154	15	169
Direct Total		**2,534**	**291**	**2,825**	**2,605**	**283**	**2,888**
Contractor	Admin & Supervisory	215	197	412	248	162	410
	Managerial	129	111	240	89	89	178
	Operations	505	706	1,211	732	462	1,194
	Technical	457	1,425	1,882	593	1,294	1,887
	Others	1,468	1,109	2,577	1,303	888	2,191
Contractor Total		**2,774**	**3,548**	**6,322**	**2,965**	**2,895**	**5,860**
Total Employment		**5,308**	**3,839**	**9,147**	**5,570**	**3,178**	**8,748**
% Change from 2014					*4.9%*	*-17.2%*	*-4.4%*

Source: Authority 2015 employment survey

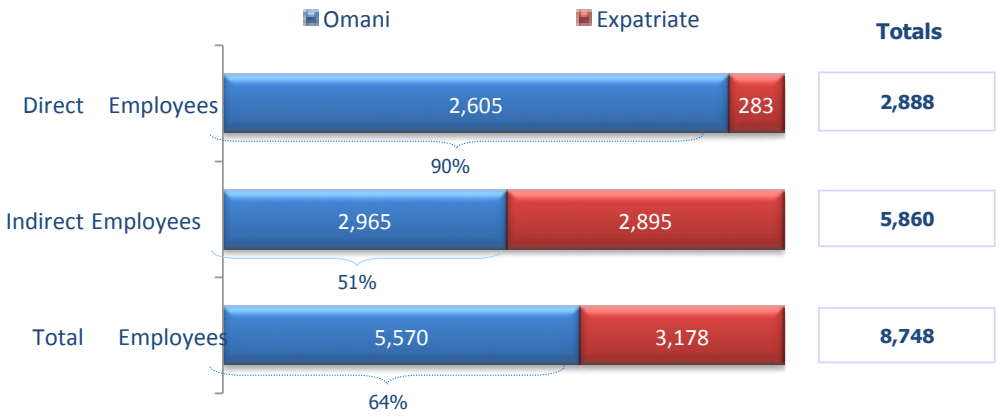
2015 Direct employment was 2.2% higher than in 2014. Indirect employment in 2015 (5,860) was 7.3% lower than the previous year and reflects the reduction of 653 Expatriate contractors.

Since 2005, total (Direct and Indirect) employment has increased by 82% from 4,796 to 8,748 in 2015. Direct employment accounts for 46% of this increase, with Omani nationals accounting for 90% of the increase in Direct employment.

Figure 14 presents the 2015 Omanisation rates for Direct and Indirect employment.

Figure 14: EWS Employment & Omanisation: 2015

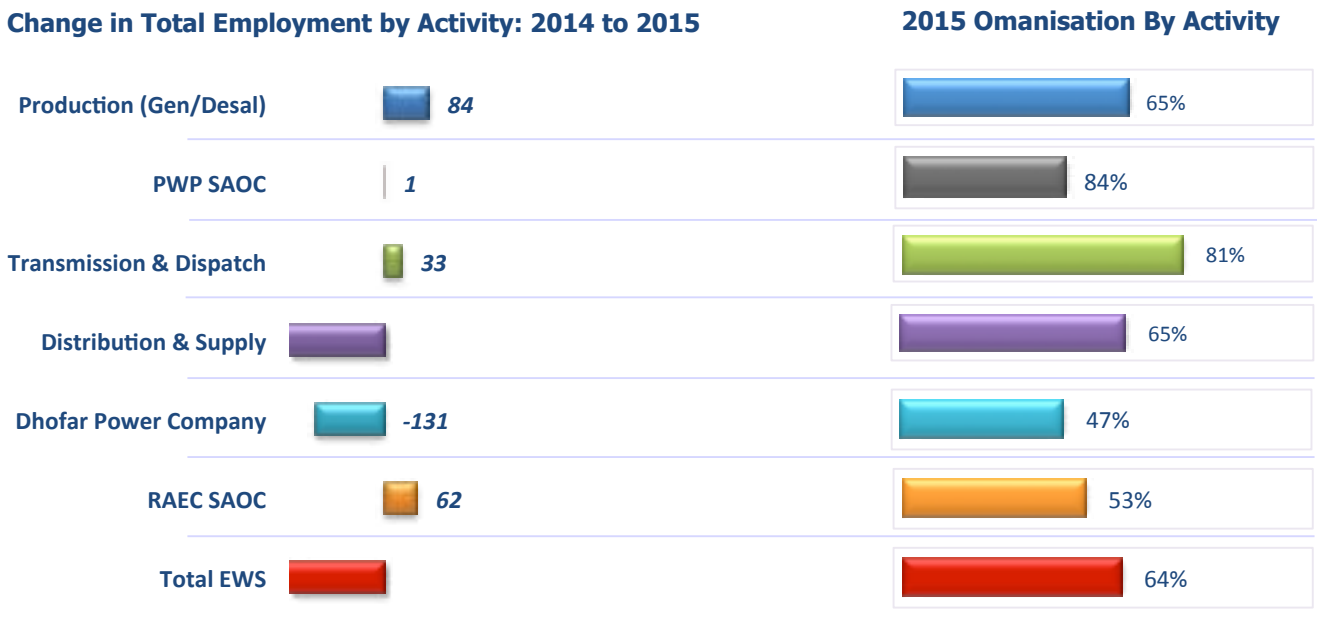
	Omani	Expatriate	Total	% Omani
Direct Employees	2,605	283	2,888	90%
Indirect Employees	2,965	2,895	5,860	51%
Total Employees	**5,570**	**3,178**	**8,748**	**64%**



Source: Authority 2015 employment survey

Omani nationals accounted for 90% of Direct employment in 2015 and for 51% of Indirect employment, contributing to a sector Omanisation rate of 64%. The Authority's annual employment survey highlights changes in the underlying composition of electricity and water sector employment; these are shown in figure 15.

Figure 15: Employment & Omanisation by Activity: 2015



The increase in 2015 EWS employment shown in Figure 15 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 & Water Sector Issues in 2015

Fatal Accidents

Regrettably, the electricity sector again witnessed a number of fatal accidents in 2015. The high number of deaths remains a concern for the Authority, both 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. The Authority conducted a number of formal Health and Safety Audits of Licensees and continues to conduct spot audits. It has to be noted that the records below represent only the accidents that were reported to the Authority. Specifically, accidents of electrocution to the general public are brought to the knowledge of the Authority by the ROP or the Public Prosecution Office.

Table 3: Summary of Fatal Incident Investigations by the Authority - 2015

Date	Location	Licensee	Incident
9 March 2015	Al Kamil	Mazoon	Lineman suffered burns from arc-flash. Succumbed to injuries in hospital on 1 April.
24 March 2015	Musandam	RAEC	Lineman fell from tower under construction
16 June 2015	Musanah	Mazoon	Farmworker electrocuted (customer wiring)
21 June 2015	Tadhoo, Dhofar	RAEC	Two operations contractors killed in a vehicle accident
26 August 2015	Heel	Mazoon	Lineman sustained fatal injuries whilst seeking shelter from a sudden storm
14 November 2015	Bahla	Mazoon	Child electrocuted in a farm (customer wiring)

Professional Development of Authority Staff

The Authority is committed to the professional development of Omani staff. In 2015:

(i) Eng. Hilal Al Ghaithi completed a MSc course in Renewable Energy and Power Systems Management at the City University in London passing with Distinction;
(ii) Bushra Al Maskari completed a MSc of Public Policy Programme at the Blavatnik School of Government at the University of Oxford passing with Merit; and
(iii) Nahrain Al Kharousi successfully completed the Global Remuneration Professional Certification programme (GRP)

Customer Awareness Programmes

The Authority continued the delivery of successful meetings designed to raise customers' and stakeholders' awareness of what they have a right to expect from licensed suppliers.

A total of 10 meetings were held during 2015, with a focus on bilateral meetings with smaller community based organisations that tend to have a lower level of awareness. These meetings generated lively debate and provided the Authority with strong insights into the views and experiences of customers, 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 ONEC). In addition to awareness raising seminars and events, the Authority continued its efforts to produce customer friendly printed materials that explain

customers' rights and responsibilities. During 2015 the Authority published a "Guide to Determinations" as the third in our series of customer guides entitled "How can we help you;" It describes the legal determinations of customer disputes made by the Authority since its establishment in 2005.

Cyber Security Regulation

In February 2015 the Authority consulted with all licensees on the introduction of Cyber Security Standards. Following receipt of feedback, the Authority proposed a modification to Licences to enable the implementation of these new Standards by introducing a new license condition related to Cyber Security. The modification came into effect on 1 January 2016.

Customer Related KPIs

The Authority concluded during 2015 that although good progress was being made, especially in relation to the timescale during which complaints are processed, more needed to be done to ensure that the reporting process is sufficiently robust, especially in relation to reported meter reading performance, the application of the Late Payment Code of Practice and the speed at which new customers are connected to the network. Care also needed to be taken to improve the quality as well as the speed of complaint handling performance and actions have been agreed with Distribution and Supply Licensees to that effect.

As a result of that assessment, the Authority invited consultants to indicate their interest in conducting, in 2016, a more detailed review of licensees' customer services performance and of their information and performance reporting processes, taking into account the Authority's initial assessment. The results will be shared with Distribution and Supply Licensees and Action Plans developed to enhance compliance with the regulatory framework and the quality of performance reporting data.

Joining ERRA

In April 2015 the Authority was invited to join the Energy Regulators Regional Association (ERRA). The ERRA offers the Authority the opportunity to interact with other energy regulators, exchange experience and views, make use of energy related information and data and benefit from specialised training courses on regulations. The Authority officially joined the ERRA in June 2015

Health and Safety Audit of MEDC and RAEC, plus follow-up of audits of other licensees

In 2015 the Authority conducted Health and Safety audits of RAEC and MEDC that sought to review both the progress that had been made since similar audits in 2009 and to confirm compliance with the health and safety requirements of their licence. Whilst the recent audits were able to demonstrate that significant improvements had been made by both licensees, including strong commitment from the board and executive management, the audits identified some worrying failures that resulted in routine contravention of the company safety rules and non-compliance with Omani Occupational Health and Safety requirement. The Authority is following the progress made by each company in implementing the audit recommendations on monthly basis.

Furthermore, the Authority followed the implementation of 2014 audit recommendations for Dhofar Power Company, Oman Electricity Transmission Company, and Oman Power and Water Procurement Company. This process is continuing in 2016.

During 2015, the continued efforts were extended with the remaining licensed production facilities who had not completed all corrective actions from the 2012/13 audits, and during the year the Authority was pleased to note that all actions had been completed and that there had been a substantive improvement in safety and safety management.

The development of the Licensing framework for Desalination Facilities of Special Nature

Following the modification of the Sector Law by Royal Decree 47/2013, the Authority became responsible for the regulation of Desalination Facilities of Special Nature (Independent Water Project procured by PWP based on request from PAEW pursuant to the provisions of the Sector Law). The Authority prepared the regulatory framework for the regulated activity of Water Desalination from a Desalination Facility of a Special Nature. The Desalination Licence of Special Nature was finalised and two Licences are expected to be granted in 2016.

The grant of the first Licence for Electricity Generation from renewable energy

In order to facilitate and promote the use of renewable energy, the Authority undertook a number of initiatives to ensure the current regulatory framework enables the deployment of renewable energy projects. To this effect, the Authority developed a Generation Licence for electricity Generation from renewable energy resources. The Licence was structured considering the technical characteristics of renewable energy resources and contains similar conditions and requirements when compared to the standard generation Licences while placing lower regulatory (and financial) burden on such licensees due to the relative size of the current project. The Authority continues to work towards facilitating the utilisation of renewable energy resources in Oman.

Safety of Electrical Wiring in Homes and in Public Areas

The Authority continued its effort to ensure compliance with the Oman Regulations for Electrical Installations (OES4) which sets the basic requirements for safe electrical wiring. Sadly, in 2015 there were deaths due to unsafe electrical wiring, deaths that would have been prevented had the installations complied with OES4. The Authority has increased its efforts to make the public aware of the importance of ensuring that the electrical wiring within their properties are safe, that protective devices like ELCBs/RCBs work correctly, and to forbid any illegal electrical connections to other properties. Similar efforts are also being taken with the owners of electrical installations in public places, such as street lights, shopping malls etc.

Rusail investigation

On 7 May 2015, a flashover on a 33kV circuit breaker at Rusail Grid led to a significant blackout that affected over 800 customers, including Sultan Qaboos University campus, a hospital, Knowledge Oasis Muscat, industrial and residential customers, with a loss of 73MW for around 13 hours. The Authority commissioned an independent investigation of both the root causes of the blackout and the manner in which supplies were restored. The restoration was delayed by problems of the concerned licensee's making and by a second flashover at Rusail. This incident highlighted some serious technical and customer service failings in the concerned licensees that need to be addressed as a matter of urgency by the business. The Authority's final report was published in June 2015, and the concerned licensee has been required to report on progress made in implementing the recommendations on a monthly basis.

Regulatory Focus #1 Economic Costs of Supply

The electricity sector in the Sultanate continues to experience considerable growth in demand on an annual basis. Higher demand has increased the amount of investments and quantities of fuel needed to ensure future demand for electricity can be supplied in a secure and reliable manner. As the electricity sector absorbs more financial and natural resources the Authority works to ensure electricity is produced, transmitted and distributed efficiently.

Figure 16 shows the movement in cost per kWh supplied in the Main Interconnected System from 2005 to 2015 (in both nominal and real terms):

Figure 16: Economic Cost of Electricity Supply

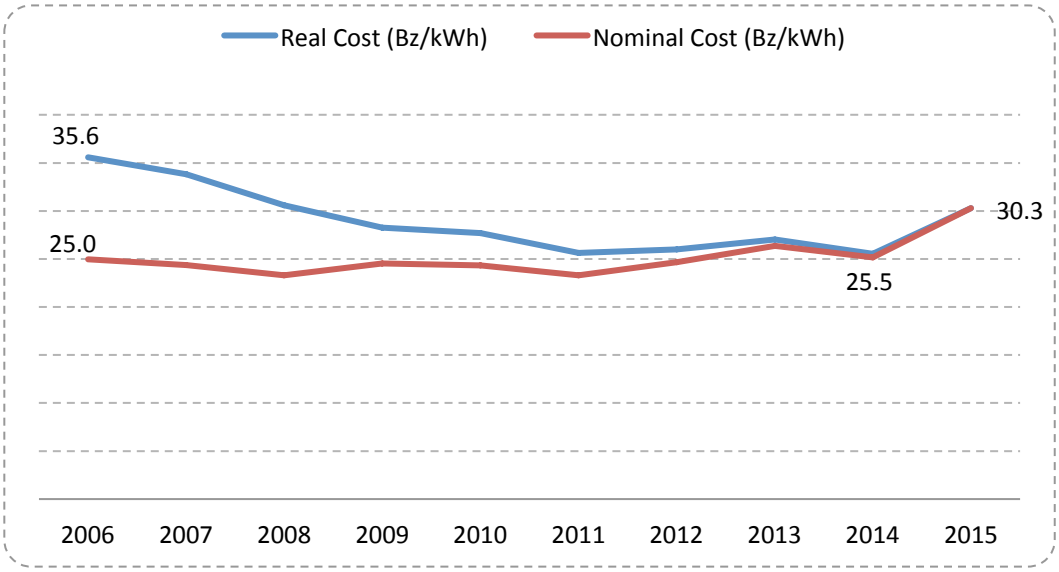
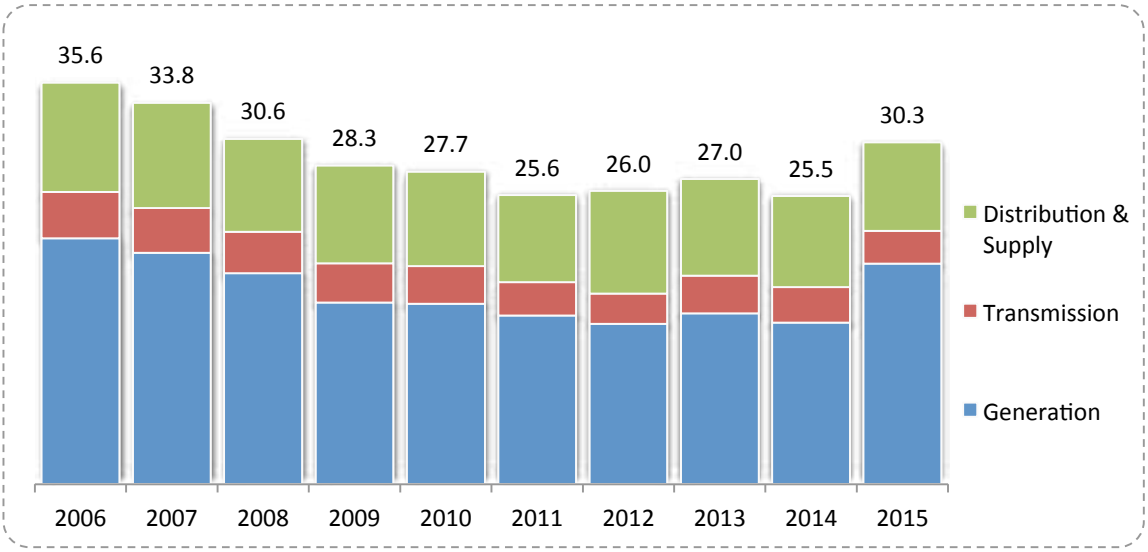


Figure 16 shows that the cost per unit supplied, when accounting for inflation, reduced by 28% from 2006 to 2014.

Impact of 2015 Gas Price Increase

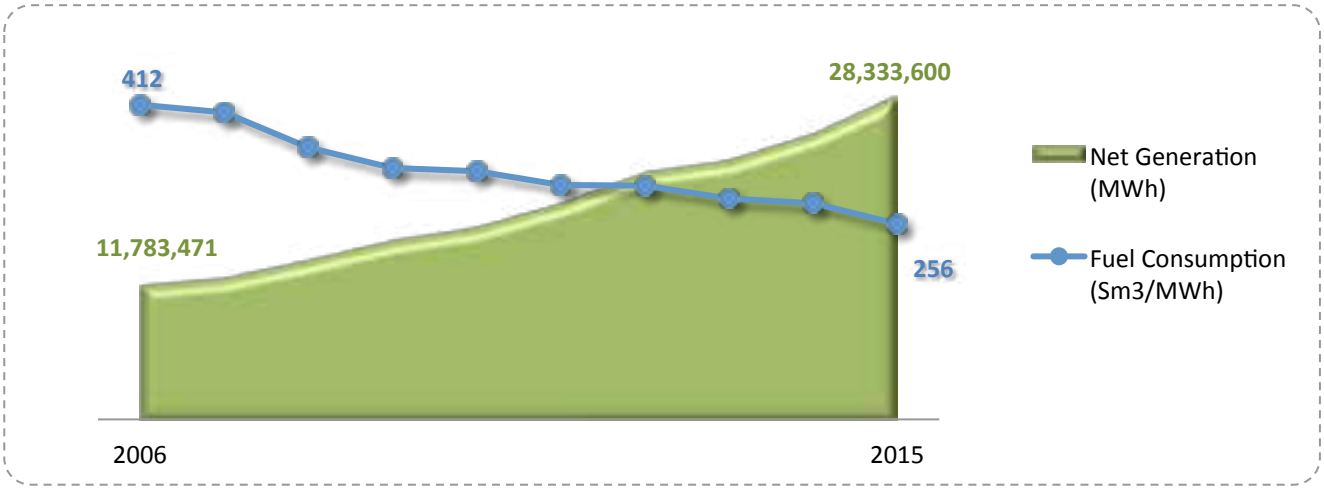
In January 2015 the price of gas sold to electricity generation plants increased from $1.5/mmbtu to $3/mmbtu. The increase in the price of gas doubled the fuel cost for power generation in the MIS, which had a significant impact on the 2015 cost of supply, as shown in Figure 17. The following figure presents a breakdown of overall costs (in real terms), and shows that in 2015 the largest increase was in generation costs:

Figure 17: Breakdown of Economic Costs



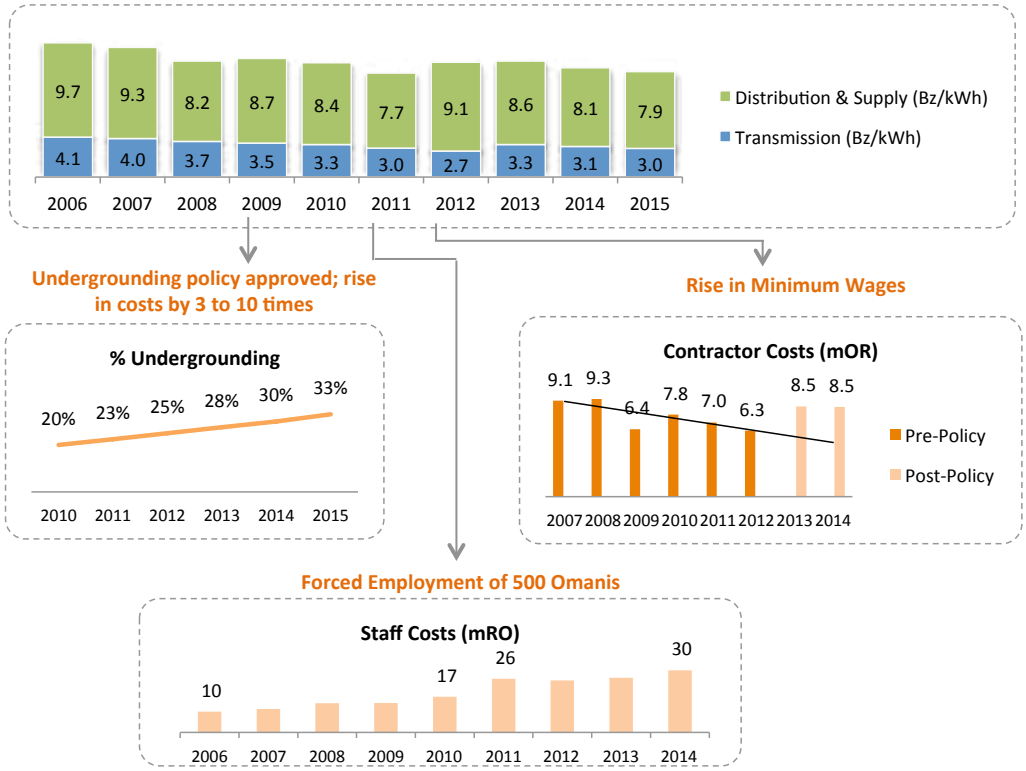
Generation costs are an outcome of a competitive process for procuring I(W)PP capacities from private developers. The competition has enabled the adoption of more efficient technologies, particularly in the use of gas, that has contributed to the reduction in generation costs per unit. Electricity generated in 2015 only required 256 Sm3 to generate every MWh as opposed to 412 Sm3/MWh in 2006. Please see Figure 18.

Figure 18: Improvements in Gas Efficiency



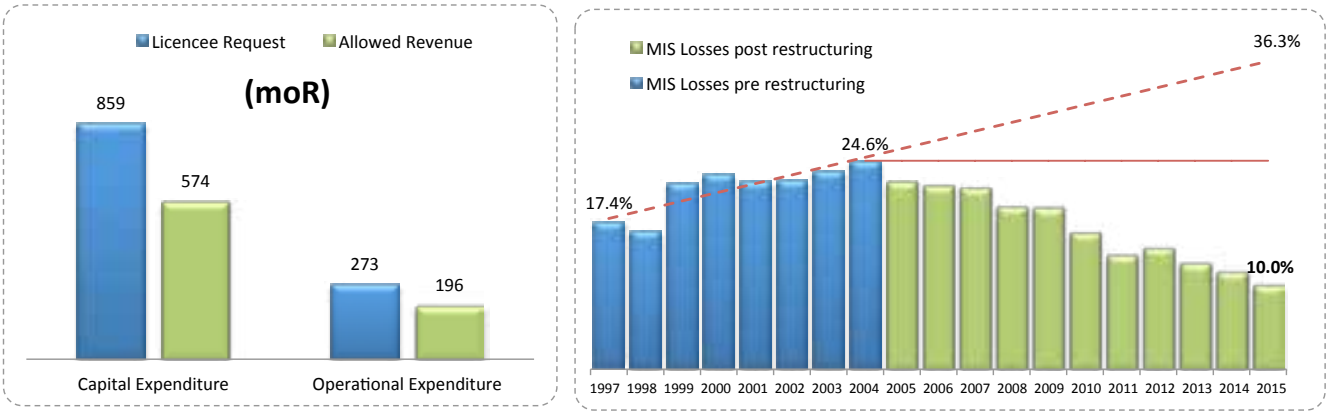
Transmission, distribution and supply costs were impacted by several government policies over the years that directly applied an upword pressure on costs. In 2009 the government issued an undergrounding policy for electric cables in several regions around the Sultanate. Employment policies include Omanisation, Omani content, a mandatory employment of 500 Omanis in 2011, and a rise in minimum wages in 2012. The sector managed to comply with these policies while reducing the unit costs by over 20% in the past decade:

Figure 19: Government Policies' impacts on electricity costs



The reduction in costs is a reflection of the strong regulatory regime adopted by the Authority which ensures the implementation of effective price controls with important efficiency targets. The Authority applies rigorous price controls that ensure statutory monopolies only recover the efficient costs of conducting their regulatory activities. The Authority also sets an annual losses target and is pleased to report that sustained efforts by licensees have led to a significant reduction in technical and non-technical losses.

Figure 20: Impact of Economic Regulation



To conclude, the sector was able to consistently reduce unit costs of supply. New, more efficient generation technologies coupled with price control mechanisms introduced by the Authority following sector restructuring in 2005 have provided electricity sector companies with strong incentives to produce, transmit and distribute electricity efficiently, whilst meeting the significant growth in electricity demand over the same period.

Regulatory Focus # 2 OETC Spinning Reserve Performance Improvement Incentive Mechanism

In 2013 the Authority reviewed OETC's scheduling and dispatch processes, which identified a tendency for OETC to over-provide spinning reserve generation on the system. This increased the amount of generation capacity connected to the system (with possible cost and gas consumption implications) with little if any material counterbalancing benefits in terms of security of supply.

Rules for establishing and reporting OETC's Operating Margin Policy are set out in OC3 of the Grid Code. OETC was not compliant with aspects of OC3. The Authority was concerned that practices that OETC had adopted may have been detrimental to efficient scheduling and dispatch. The Authority introduced a performance improvement incentive mechanism in OETC's price control period 3 to reduce the spinning reserve generation to acceptable levels.

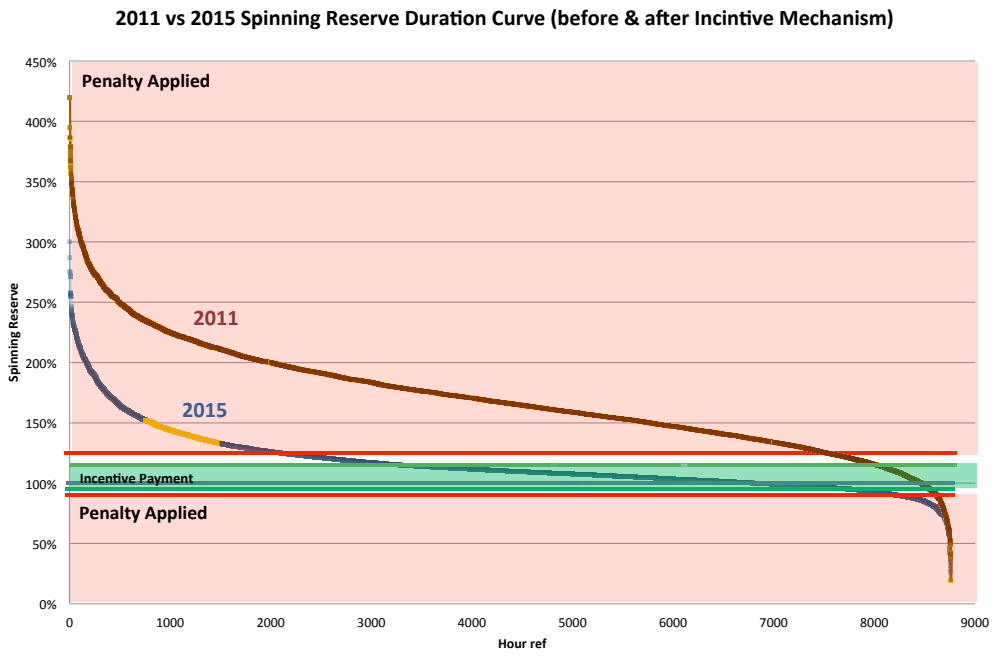
Description of the Incentive Mechanism

OETC were provided an incentive to control the spinning reserve within a reasonable band of the target level. When spinning reserve was either excessively high or excessively low a penalty was applied, whereas when the spinning reserve was within the target band OETC were rewarded. The Authority set an overall cap on penalties or rewards at a value equivalent to 2% of OETC's annual Maximum Allowed Revenue.

Response to the Incentive Mechanism

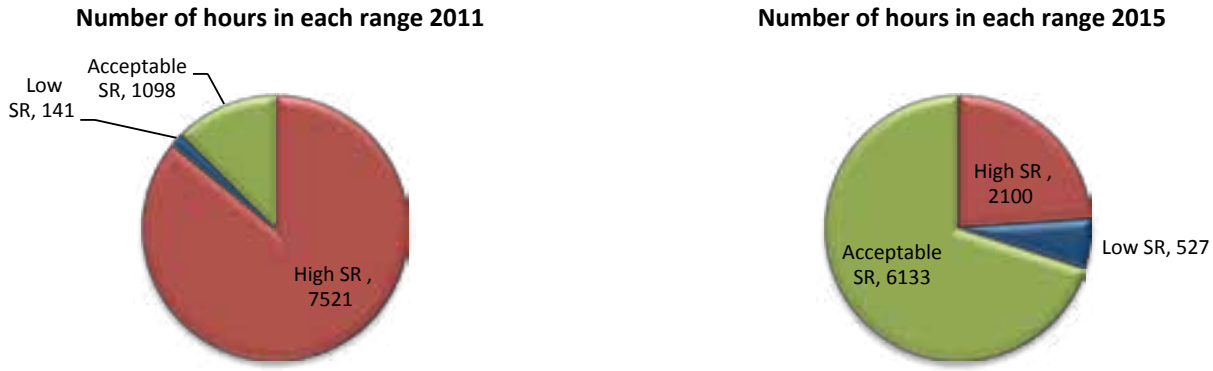
The incentive mechanism was formulated based on the information obtained from the OETC dispatch performance in 2011 and formally introduced in the OETC price control period 3 from 2013-2015. The incentive mechanism started in a shadow mode in 2013 and became effective starting 2014. The introduction of this mechanism resulted in improving the performance by the OETC dispatchers and helped significantly reduce the unnecessarily high levels of spinning reserve that were being carried by the system resulting in monotary savings and improving the efficiency of Gas consumption. Figure 21, shows the full year duration curve of spinning reserve levels for the years 2011 and 2015.

Figure 21: 2011 vs 2015 Spinning Reserve Duration Curve



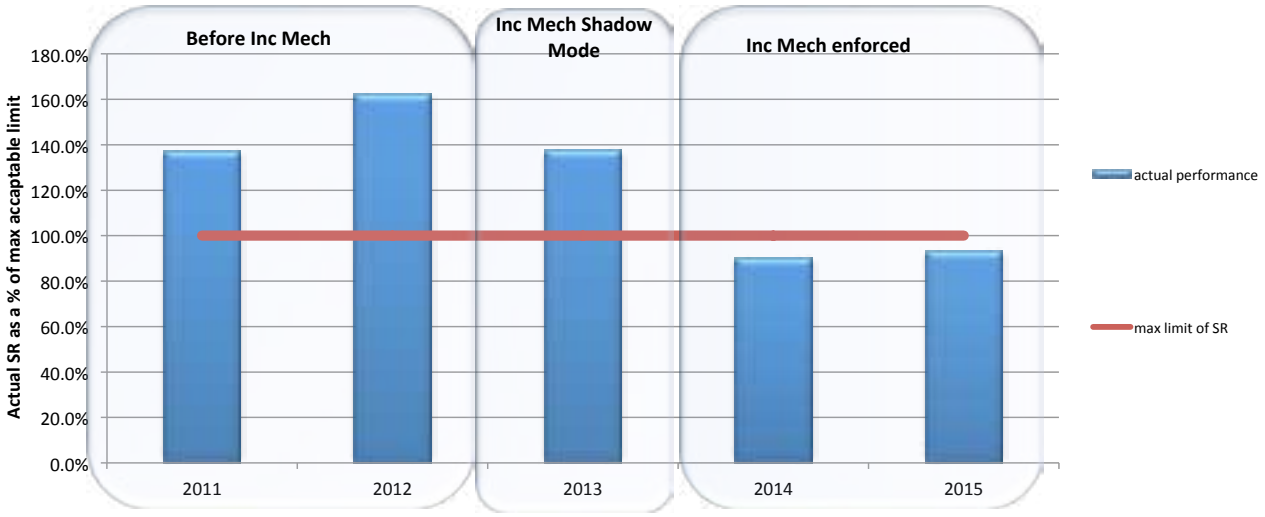
The green area shows the acceptable spinning reserve levels where OETC would be eligible to a reward, and the red area shows the excessive very high or very low level of spinning reserve which would be subject to penalty in the incentive mechanism. The curves show the improved performance between the years 2011, which was the base case used to introduce the incentive mechanism, and the 2015 performance. In 2011 OETC maintained excessive higher levels of spinning reserves for around 7500 hours (around 86 % of the time). By 2015 the number of hours of acceptable spinning reserve levels increased by around 6 times to reach more than 6100 hours (more than 70% of the time). Figure 22 & 23 show this change.

Figure 22 & 23: Number of hours in each range 2011 & 2015



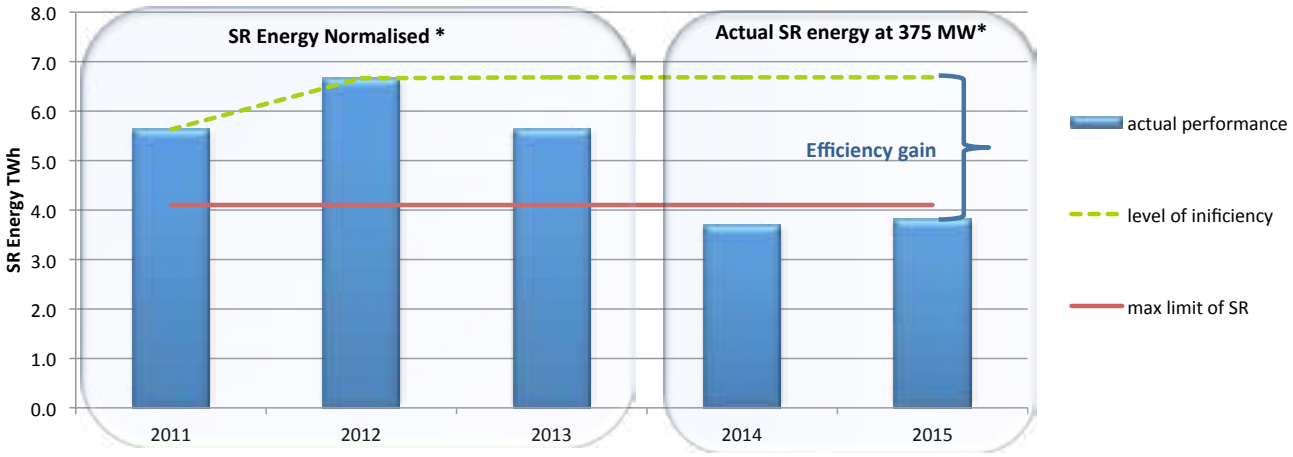
The impact of this improvement is noticeable on the level of energy that was being carried for the security of the system which was above the requirement. In 2011 the level of spinning reserve energy in actual TWh was 137% above the maximum acceptable spinning reserve higher limit as set out in the incentive mechanism (125% of the target level). This was going in an upward trend and reached more than 162% in 2012. The mechanism started in a shadow mode in 2013 and became fully effective in 2014 and 2015 resulting in a dramatic decrease in the level of spinning reserve energy. OETC dispatchers maintained the yearly spinning reserve energy below the maximum limit of the acceptable spinning reserve margin. The total energy of the spinning reserve carried in the system was around 90% and 93% of the maximum acceptable limit in 2014 and 2015 respectively. This is shown in Figure 24.

Figure 24: Actual Spinning Reserve as a % of the max acceptable higher limit



To quantify this improvement in performance Figure 25 shows that if the level of inefficient dispatch of spinning reserve that was recorded in 2012 had continued at the same level up to 2015, it would have led to a dispatch of more than 6.68 TWh of energy in 2015 compared to the achieved 3.8 TWh. This translated in efficiency gains or saving of approximately 3.0 TWh in 2014 and around 2.9 TWh of electrical energy in 2015. The associated efficiency gains are approximated around OMR 5.3 and 5 million respectively at a spinning reserve valued at 1.8 Rials/MWh[1].

Figure 25: Actual spinning reserve energy in TWh (normalized to a target of 375 MW in each hour)



* Up to 2013 the level of target spinning reserve required by the system at each hour was 220 MW. Due to the changes introduced by the Sur power station and the growth of the transmission system, the target spinning reserve was increased to 375 MW starting 2014.

[1] *There is no quantified cost for spinning reserve in Oman. This value is based on an assumed cost of 20% of the average variable MWh cost in 2015.*

ARTICLE (29) REPORTING

Further Market Liberalisation

Table 4 presents the Authority's assessment of the possible implementation of the four Liberalisation measures identified in the Sector Law.

Table 4: 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. The electricity spot market is expected to be functional by 2018.
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, discussions continue with the GCCIA on facilitating trade across the GCCIA interconnector. PWP currently exchanges power with the UAE through the Bilateral Interconnection. The Authority expects the Access Conditions to the GCC Interconnection to be finalised in 2016 which will allow for power exchanges through the GCC Interconnection..
4. Creation of competition amongst Licensed Suppliers	**The Authority believes the market is ready for Supply Competition and will initiate the Consultation and preparatory work required by the Sector Law prior to submitting proposals to the government.** Having progressed the small scale implementation of AMR for the largest 8,000-10,000 customers, the Authority intends to undertake preparatory work during 2017 to facilitate the introduction of competition amongst Licensed Suppliers. The Authority remains confident that the introduction of competition will elevate the level of service provided by Licensed Suppliers to their customers.

Electricity Subsidy

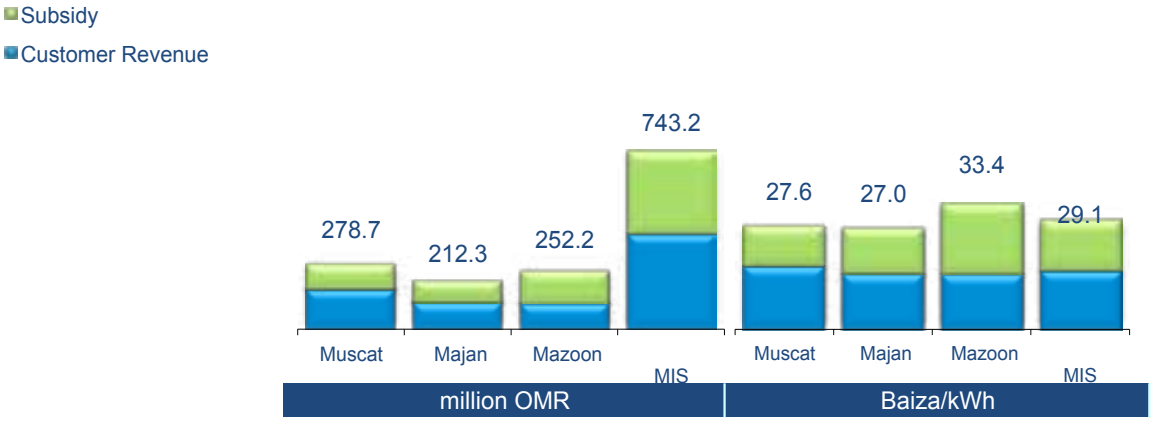
Article (18) of the Sector Law implements a mechanism through which the Ministry of Finance provides electricity Subsidy calculated by the Authority to licensed suppliers on an annual basis. The Authority undertakes three separate Subsidy calculations: the first calculates MIS Subsidy required by MEDC, 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 2015

Outturn MIS Subsidy in 2015 was OMR 344.2 million. This reflects total economic costs of OMR 743.2 million and customer revenues of OMR 399.0 million. Figure 26 presents outturn MIS Subsidy in 2015 by company.

Figure 26: 2015 MIS Outturn Subsidy by Company



Item	MEDC	Majan	Mazoon	MIS	MEDC	Majan	Mazoon	MIS
Customer Revenue	170.6	117.0	111.4	**399.0**	16.9	14.9	14.8	**15.6**
Subsidy	108.1	95.3	140.8	**344.2**	10.7	12.1	18.6	**13.5**
Economic Cost	278.7	212.3	252.2	**743.2**	27.6	27.0	33.4	**29.1**
Subsidy % Economic Cost	39%	45%	56%	**46%**	39%	45%	56%	**46%**
Company share of Subsidy	31%	28%	41%	**100%**				

Source: 2015 audited SCRC Statements & Authority calculations

2015 MIS Subsidy accounted for 46% of the total economic cost of supply (OMR 743.2 million), the remaining 54% of costs was recovered through customer revenue.

MEDC, Majan and Mazoon accounted for 31%, 28% and 41%, respectively, of total 2015 MIS Subsidy. MEDC's 2015 Subsidy of OMR 108.1 million accounted for 39% of its total economic cost requirements, while Subsidy to Majan and Mazoon (OMR 95.3 million and OMR 140.8 million respectively) constituted 45% and 56% of their respective 2015 economic costs. The Subsidy requirement of each company reflects differences in customer mix and the characteristics of their respective distribution systems.

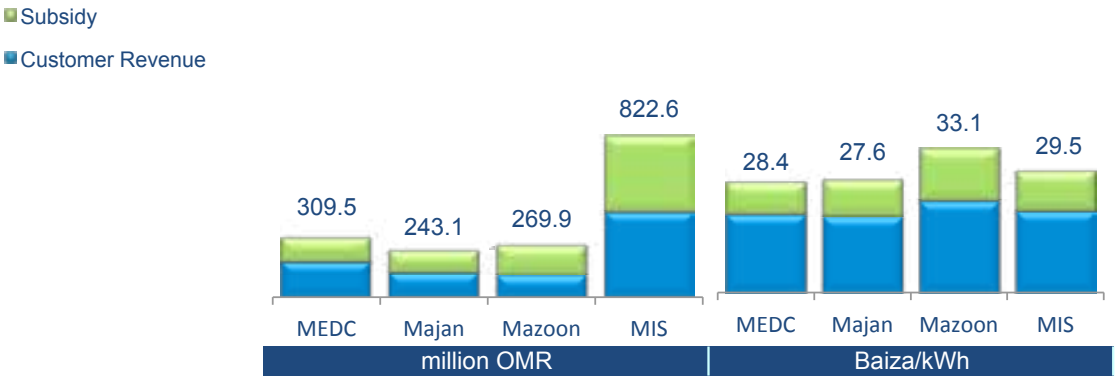
Please refer to Annex D for further details of the 2015 MIS outturn Subsidy.

2016 MIS Subsidy Forecast

The Authority's estimate of 2016 MIS Subsidy is OMR 384.8 million. This reflects total estimated economic costs of OMR 822.6 million of which 53% (or OMR 437.8 million) is expected to be recovered through customer revenues.

Figure 27 presents the Authority estimates of 2016 MIS Subsidy by company.

Figure 27: Subsidy Forecast - Main Interconnected System 2016



Item	MEDC	Majan	Mazoon	MIS	MEDC	Majan	Mazoon	MIS
Customer Revenue	186.4	131.0	120.4	**437.8**	17.1	14.9	14.8	**15.7**
Subsidy	123.1	112.1	149.5	**384.8**	11.3	12.7	18.3	**13.8**
Economic Cost	309.5	243.1	269.9	**822.6**	28.4	27.6	33.1	**29.5**
Subsidy % Economic Cost	40%	46%	55%	**47%**	40%	46%	55%	**47%**
Company share of Subsidy	32%	29%	39%	**100%**				

Source: Authority calculations

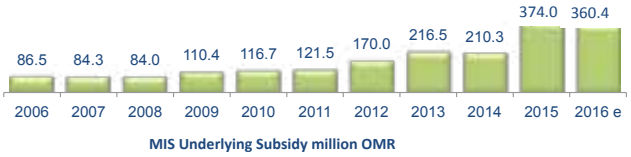
Please refer to Annex D for further details of the 2016 MIS Subsidy estimate.

Underlying Movement in MIS Subsidy: 2006 to 2015, and 2016 estimate

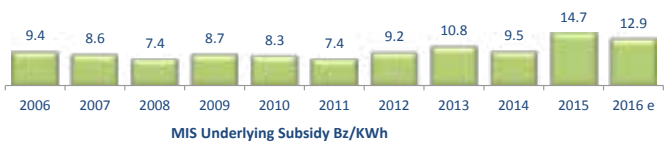
Figure 28 presents the Authority's underlying measure of MIS Subsidy between 2006 and 2015 and expected MIS Subsidy in 2016. The underlying measure assumes revenue, costs and efficiencies were correctly forecast between 2006 and 2015 so as to return zero correction factors. The 2016 estimate of MIS Subsidy reflects the 2016 MAR of PWP, OETC, MEDC, Majan and Mazoon and assumed growth in Supply of 9.1%.

Figure 28: Underlying Movement in MIS Subsidy: 2006 to 2015 & 2016 Forecast

Economic Cost (OMR m)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 e
PWP (MAR excluding Kt)	140.5	144.5	161.2	177.6	198.3	222.5	249.6	295.4	312.0	498.5	520.6
OETC (MAR excluding Kt)	26.5	27.9	31.5	38.5	41.4	44.0	46.9	65.2	68.6	73.9	75.1
MEDC (MAR excluding Kt)	22.8	23.8	23.9	32.3	34.9	38.8	55.8	59.2	62.6	64.7	67.3
Majan (MAR excluding Kt)	16.6	17.8	19.6	26.0	28.0	30.8	40.8	42.1	44.4	53.1	51.0
Mazoon (MAR excluding Kt)	23.0	24.2	27.6	37.5	41.2	45.2	63.3	65.8	68.5	82.8	84.1
Underlying Economic Cost	**229.6**	**238.2**	**263.8**	**311.9**	**343.8**	**381.3**	**456.4**	**527.7**	**556.2**	**773.0**	**798.2**
Permitted Tariff (& other) Revenue	143.1	153.9	179.8	201.5	227.1	259.9	286.4	311.2	345.9	399.0	437.8
Underlying Economic Subsidy Requirement	**86.5**	**84.3**	**84.0**	**110.4**	**116.7**	**121.5**	**170.0**	**216.5**	**210.3**	**374.0**	**360.4**
Total Units Supplied (GWh)	9,194	9,778	11,317	12,714	14,122	16,374	18,502	20,021	22,098	25,513	27,844
Nominal											
Underlying Economic Cost per kWh Supplied	25.0	24.4	23.3	24.5	24.3	23.3	24.7	26.4	25.2	30.3	28.7
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	15.6	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	14.7	12.9
Real (2016 prices)											
Underlying Economic Cost per kWh Supplied	35.6	33.8	30.6	28.3	27.7	25.6	26.0	27.0	25.6	30.4	28.7
Underlying Subsidy per kWh Supplied (bz/kWh)	13.4	12.0	9.7	10.0	9.4	8.2	9.7	11.1	9.6	14.7	12.9



MIS Underlying Subsidy million OMR



MIS Underlying Subsidy Bz/KWh

Source: Authority calculations

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 0.1% baiza/kWh (or 1%) over the same period.

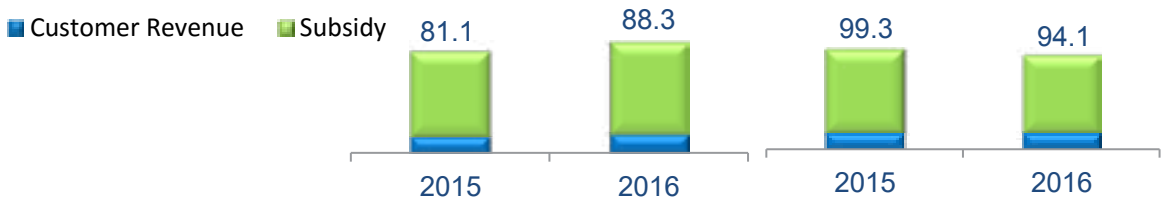
A doubling in the price of gas sold to electricity generation plants resulted in a significant increase in underlying Subsidy per kWh in 2015 (14.7 baiza/kWh) which is 54% higher than 2014 (9.5 baiza/kWh), reflecting a 39% increase in economic cost per kWh and no change in Permitted Tariffs. The Authority estimates that the underlying Subsidy per kWh will decrease by 12.2% from 14.7 baiza/kWh in 2015 to 12.9 baiza/kWh in 2016.

Rural Systems

Outturn RAEC Subsidy in 2015 was OMR 67.4 million or 82.6 baiza/kWh. This reflects total economic cost of OMR 81.1 million (99.3 baiza/kWh) and OMR 13.7 million (16.8 baiza/kWh) in customer revenue.

Figure 29 compares outturn 2015 Subsidy and our 2016 estimate of RAEC Subsidy.

Figure 29: RAEC 2015 Outturn & 2016 Subsidy Estimate



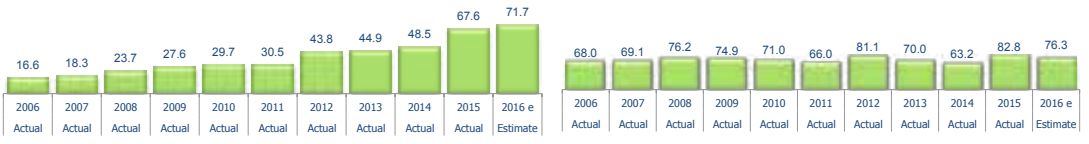
	million OMR		Baiza/kWh	
Item	**2015**	**2016**	**2015**	**2016**
Customer Revenue	13.7	15.7	16.8	16.7
Subsidy	67.4	72.6	82.6	77.4
Economic Cost	81.1	88.3	99.3	94.1
Subsidy % Economic Cost	83%	82%	83%	82%

Source: 2015 audited SCRC Statements & Authority calculations

RAEC Subsidy will increase in 2016 to OMR 72.6 million (77.4 baiza/kWh); this is approximately 8% higher than outturn Subsidy in 2015; however in baiza/kWh it is expected to decrease by 6%. The increase in 2016 RAEC Subsidy is mainly driven by the increase in output.

Figure 30 presents underlying RAEC Subsidy between 2006 and 2015 and expected underlying RAEC Subsidy in 2016.

Figure 30: RAEC Underlying Movement in Subsidy: 2006 to 2015 & 2016 Forecast



	million OMR											Bz/kWh										
Nominal	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 e	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 e
Customer Revenue	3.5	3.8	5.4	6.5	7.3	8.7	10.6	12.5	12.4	13.7	15.7	14.3	14.5	17.3	17.7	17.6	18.9	19.6	19.5	17.6	16.8	16.7
Subsidy	16.6	18.3	23.7	27.6	29.7	30.5	43.8	44.9	48.5	67.6	71.7	68.0	69.1	76.2	74.9	71.0	66.0	81.1	70.0	63.2	82.8	76.3
Economic Cost	20.1	22.2	29.1	34.1	37.0	39.2	54.4	57.4	60.9	81.3	87.4	82.3	83.6	93.5	92.6	88.6	84.9	100.7	89.5	86.6	99.5	93.1
Total Units Supplied (GWh)	246	273	312	368	420	462	540	641	703	816	939											
Real (2016 prices)																						
Subsidy	23.7	25.4	31.2	31.7	33.8	33.6	46.1	46.0	49.2	67.8	71.7	96.9	95.9	100.0	86.2	80.8	72.6	85.4	71.8	64.2	83.0	76.3
Economic Cost	28.7	30.7	38.2	39.2	42.1	43.2	57.3	58.9	61.8	81.5	87.4	117.3	116.1	122.7	106.6	100.8	93.4	106.1	91.8	87.8	99.8	93.1

Source: 2006 to 2015 audited SCRC Statement, Authority calculations.

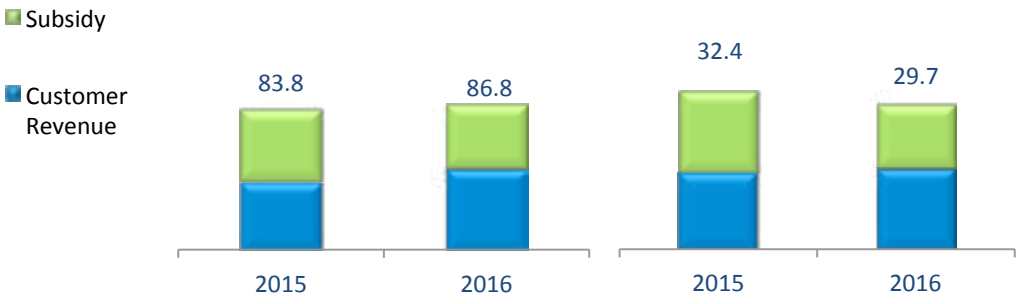
Please refer to Annex D for further details of the 2015 outturn RAEC Subsidy and 2016 RAEC Subsidy estimate.

Dhofar Power System

Outturn DPC Subsidy in 2015 was OMR 42.8 million. This reflects total economics cost of OMR 83.8 million and customer revenue of OMR 40.9 million. In 2015 DPC Subsidy accounted for 51% of the total economic cost of supply (OMR 83.8 million), the remaining 49% of costs was recovered through customer revenue.

Figure 31 compares outturn 2015 Subsidy and our 2016 estimate of DPC Subsidy.

Figure 31: DPC 2015 Outturn & 2016 Subsidy forecast



	million OMR		Baiza/kWh	
Item	**2015**	**2016**	**2015**	**2016**
Customer Revenue	**40.9**	**48.6**	15.8	16.6
Subsidy	**42.8**	**38.2**	16.6	13.1
Economic Cost	**83.8**	**86.8**	32.4	29.7
Subsidy % Economic Cost	**51%**	**44%**	51%	44%

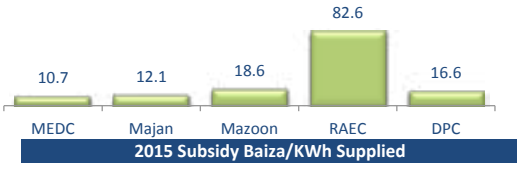
Source: 2015 audited SCRC Statements & Authority calculations

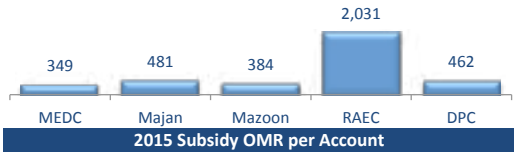
The Authority's estimate of 2016 DPC Subsidy is OMR 38.2 million. This is 11% lower than 2015 outturn Subsidy, and reflects a total economic cost of supply of OMR 86.8 million and customer revenue of OMR 48.6 million. Please refer to Annex D for further details of the 2015 outturn DPC Subsidy and 2016 DPC Subsidy estimate

Comparison of 2015 Subsidy by Company

Figure 32 presents a comparison of Subsidy provided to MEDC, Majan, Mazoon, RAEC and DPC in 2015. The left hand panel presents Subsidy (baiza) per kWh supplied, the right hand panel shows Subsidy (OMR) per Customer Account.

Figure 32: 2015 Subsidy Comparisons by Company





	MEDC	Majan	Mazoon	RAEC	DPC	MEDC	Majan	Mazoon	RAEC	DPC
Subsidy per KWh/Account	10.7	12.1	18.6	82.6	16.6	349	481	384	2,031	462
Subsidy OMR m	108.1	95.3	140.8	67.4	42.8	108.1	95.3	140.8	67.4	42.8
GWh/'000 Accounts	10,104	7,858	7,550	816	2,583	310	198	367	33	93

Source: 2015 audited SCRC Statements & Licensee returns

Mazoon accounts for 31.0% of the OMR 454.4 million of Subsidy and financial support provided to the companies in 2015, MEDC accounts for 23.8%, Majan 21.0%, RAEC 14.8%, and DPC 9.4%.

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

Permitted Tariffs

Electricity supplied to consumers is charged at a Permitted Tariff approved by the Council of Ministers.

Table 5 presents details of the present Permitted Tariffs for different customer categories, and Permitted Tariff fees for the disconnection and reconnection of customer accounts.

Table 5: 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 Forces	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	
Tourism2	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 2015.

Electricity and Water Bulk Supply Tariffs

Electricity Bulk Supply Tariffs ("BST") relate to the tariff charged by PWP for the Bulk Supply of electricity to Licensed Suppliers in the MIS (MEDC, Majan, and Mazoon) and DPS. The approved 2016 PWP electricity Bulk Supply Tariffs are shown in Table 6.

Table 6: PWP 2016 Electricity Bulk Supply Tariffs

A ***PWP Electricity Bulk Supply Tariff for MIS - 2016***

Baiza per kWh	Off Peak	Night Peak	Weekday Day-peak	Weekend 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	18.0	27.0	59.0	37.0
August to September	15.0	21.0	27.0	20.0
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	Sunday to Thursday, 13:00 to 17:00
Weekend Day-peak	Friday to Saturday, 13:00 to 17:00

Source: PWP 2016 Electricity BST Leaflet for MIS

B ***PWP Electricity Bulk Supply Tariff for DPS - 2016***

Baiza per kWh	On-Peak		Off-Peak Morning	Mid-Peak		Off-Peak Night
	Weekday	Weekend	All Days	Weekday	Weekend	All Days
January to March	12.0	12.0	12.0	12.0	12.0	12.0
April	25.0	25.0	20.0	21.0	20.0	31.0
May to June	55.0	25.0	21.0	37.0	20.0	31.0
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	Sunday to Thursday : 00:00 to 04:00 and 15:00 to 17:00
On-Peak Weekend	Friday to Saturday : 00:00 to 04:00 and 15:00 to 17:00
Off-Peak Morning	All days : 04:00 to 11:00
Mid-Peak Weekday	Sunday to Thursday : 11:00 to 15:00
Mid-Peak Weekend	Friday to Saturday : 11:00 to 15:00
Off-Peak Night	All days : 17:00 to 24:00

Source: PWP 2016 Electricity BST Leaflet for DPS

The Authority also approves water Bulk Supply Tariffs charged by PWP and RAEC for the Bulk Supply of water to Water Departments. Table 7 below shows the approved 2016 PWP and RAEC water Bulk Supply Tariffs.

Table 7: PWP and RAEC 2016 Water Bulk Supply Tariffs

Schedule of Charges

	Rate
Fixed charge for committed Water Desalination Capacity	OMR 0.377 per day per m^3/day
Variable charge for Desalinated Water	OMR 0.089 per day per $m^{3/day}$
PWP service charge (based on committed Water Desalination Capacity)	OMR 0.005 per day per m^3/day
Variable charge for Distillate Water Supplied to MISC[1]	OMR 0.3015 to 0.9618 per day per m^3/day

Source: PWP 2016 Water BST Leaflet

D ***RAEC Water Bulk Supply Tariff - 2016***

	Rate
RAEC Water Bulk Supply Tariff	OMR 1.340 per m^3

Source: RAEC 2016 Water BST Leaflet

Transmission Use of System Charge

OETC levies a Transmission Use of System ("TUoS") charge for the use of its Transmission Systems in the MIS (MEDC, Majan and Mazoon) and DPS. The approved 2016 TUoS for both MIS and DPS are shown in Table 8 below.

Table 8: 2016 Transmission Use of System Charge

	System	
OMR/MW	MIS	DPS
2016 TUoS Charge	12,000	12,000

Source: OETC 2016 Statement of Transmission System Charges

The TUoS charge is applied to Licensed Suppliers' (MW) share of system peak demand.

Distribution Use of System Charge

Licensed Distribution companies apply a Distribution Use of System ("DUoS") charge for the use of their respective Distribution Systems. The approved 2016 DUoS charge for each distribution company (MEDC, Majan, Mazoon and DPC) are shown in Table 9 below.

Table 9: 2016 Distribution Use of System Charges

	Company			
OMR/MWh	MEDC	Majan	Mazoon	DPC
2016 DUoS Charge	5.39	7.49	8.50	6.10

Source: Licensed Distribution companies' 2016 Distribution Use of System Methodology and Charging Statement

The above charges apply in respect of each MWh supplied through the respective Distribution system.

REGULATION

Authority for Electricity Regulation

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 Al Shahri - non-executive Member (a part time appointment);
Eng Saleh bin Hamood Al Rashdi- non-executive Member (a part time appointment);
Qais bin Saud Al Zakwani - Executive Director and Member (a full time appointment).

Excluding Members, the Authority has a total compliment of 46 Directors and staff, most of whom are Omani national. Professional staff have qualifications relevant to their respective areas of regulation: 24 staff have Bachelor's Degrees and 9 have Master Degrees.

Members Meetings

Members met regularly throughout 2015 on the dates shown in Table 10

Table 10: Members Meetings in 2015

	Dr Amer Al Hinai Chairman & Member	**Qais Al Zakwani** Executive Director & Member	**Ayisha Al Mawali** Member	**Mohammed Al Shahri** Member	**Eng Saleh Al Rashdi** Member
Appointed for term in:	*May-2014*	*May-2014*	*May-2014*	*May-2014*	*April-2015*
Meeting Dates					
4-February-2015	✓	✓	✓	✓	
9-March-2015	✓	✓	✓	✓	
13-April-2015	✓	✓	✓	✓	
7-May-2015	✓	✓	✓	✓	
17-June-2015	✓	✓	✓	✓	✓
15-July-2015	✓	✓	✓	✓	✓
7-September-2015	✓	✓	✓	✓	✓
19-October-2015	✓	✓	✓	✓	✓
9-November-2015	✓	✓	✓	✓	✓
18-November-2015	✓	✓	✓	✓	✓
28-December-2015	✓	✓	✓	✓	✓

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 11 presents licence fee income by regulated activity and the number of Licence Holders by activity, for 2008 to 2016, inclusive.

Table 11: Licence Fees 2008 to 2016

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
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**
2016	Fees	386,040	366,045	553,799	855,872	275,805	296,600	226,554	70,046	0	2,000	**2,736,161**
	# 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.

The cost of electricity and water sector regulation in 2015 was around OMR 3.2 per Customer account, around one tenth of one baiza per kWh Supplied and less that 0.25% of total electricity and water sector turnover, metrics the Authority believes compare favourably to international benchmarks of regulatory costs.

2016 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 2015 the Authority consulted on its proposed 2016 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 2016 Forward Work programme is presented in Annex F 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 2015 the Directorate:

i. Introduced a new reporting framework for licensees in relation to Key Performance Indicators incorporated in the 2015-2017 distribution and supply price control;
ii. Further progressed the plan for a small scale implementation during 2016 and 2017 of an automated meter reading (AMR) system for around 8,000 customers who consume large amounts of electricity;
iii. Published a customer friendly "Guide to Determinations" as the third in our series of customer guides entitled "How can we help you;"
iv. Developed a new Customer Resource Centre to be incorporated in the Authority's website to be launched in 2016;
v. Continued to build relations with external stakeholders, focusing on smaller scale community groups who are less well informed about electricity customers' rights;
vi. Supported the Authority's review of distribution and supply licensees outage management processes, playing a lead role in the Authority's workshop that led to the development of short and medium term Action Plans for each licensee; ;
vii. Ensured that distribution and supply Licensees continued to progress the Blueprint for customer services enhancements under development by licensees. Supported licensees' introduction of a new billing system that will provide greatly enhance the ability to manage meter reading performance and improve the accuracy of estimated bills;
viii. Approved the revision of the Supply Terms applicable to residential customers:
ix. Received 87 new customer complaints and resolved 92 outstanding customer complaints;
x. Advised a further 159 customers on their rights and how to progress their complaint using the approved complaint handling procedure;
xi. Contributed to a number of public conferences and debates on customer related issues, both in Oman and internationally

Licences, Codes, Procedures and Charters:

In late 2013 the Authority instructed distribution and supply licensees to review the Supply Agreement (Terms of Supply) applicable to residential customers that had been in use since 2006, with the objective of simplifying the document and making it easier for customers to understand.

A working group comprising of staff from each licensee and members of the Authority's Directorate of Customer Affairs discussed a number of alternative drafts during 2014 and 2015 and a significantly simpler and shorter document was approved by the Authority in early 2015. Licenees published the revised versions in April 2015.

From January 2015 distribution and supply licensees have been required to report their performance against a number of Key Performance indicators (KPIs) in accordance with the 2015-2017 price control. Reports are received on a quarterly basis and the Authority meets with each licensee on a regular basis in order to monitor progress and to assess the quality of the data received. At the same time the Authority continues to monitor performance against obligations set out in the Complaint Handling Procedure and the Late Payment Code of Practice

The Authority concluded during 2015 that although good progress was being made more needed to be done to ensure that the reporting process is sufficiently robust. During December 2015 the Authority invited consultants to indicate their interest in conducting a review of licensees' customer services performance and of their information and performance reporting.

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 customers in co-operation with licensees, the Electricity Holding Company and the EHC's advisors, CESI of Italy. This included further discussions on the scope of the project and preparation of tenders for the provision of more sophisticated meters and of a meter data management system. These are expected to be issued in early 2016.

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.

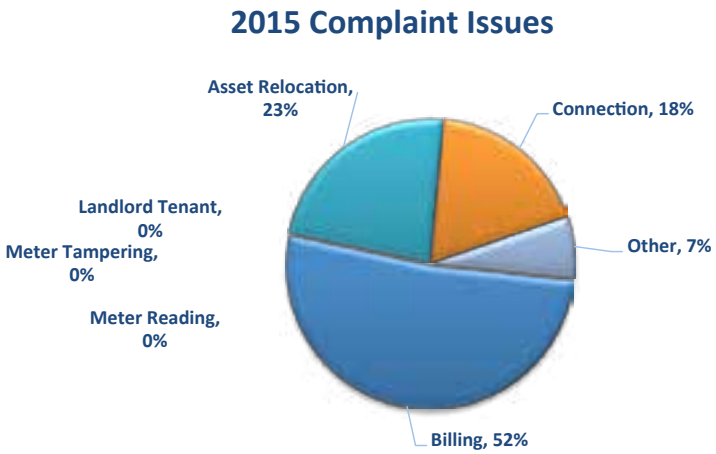
The Authority made 69 Determinations in the period 2005 – 2012, covering all main categories of complaints. This body of precedent was sufficient to enable the Authority's staff to resolve a further 92 unresolved complaints during 2015, compared with 87 complaints received during the year. However, the Authority will continue to make further Determinations when it is necessary to set 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 87 complaints received during 2015 was a very slight decrease on the 91 complaints received during 2014. Figure 33 below presents an analysis of the issues that were the cause of those 87 complaints.

Figure 33: Categories of Customer Complaint in 2015

Copmplaint Issue	2014		2015	
	#	%	#	%
Billing	56	61%	45	52%
Meter Reading	0	0%	0	0%
Meter Tampering	0	0%	0	0%
Landlord Tenant	1	1%	0	0%
Asset Relocation	11	12%	20	23%
Connection	19	21%	16	18%
Other	5	5%	6	7%
Totals	**92**		**87**	

Source: Authority complaints database



The number of billing related complaints recorded in 2015 decreased from 56 to 45, which is 52% of the annual total. This still reflects problems experienced by licensees and their agents with meter readings and with the accuracy of estimated bills. These problems are continuing to be addressed with the implementation of a new billing system. The number of complaints relating to customer connection was a little lower than in 2014 at 16 compared with 19.

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 2015 the Directorate provided advice to 159 customers, compared with 115 in 2014 and 160 in 2013. Of those 159 cases, 102 related to billing, compared with 61 in 2014, an increase of 67%. Customer connections represented 25 cases, compared with 13 in 2015.

Economics & Financial Affairs

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

In 2015 the Directorate:

- Completed a price control review of OETC. The new Transmission and Dispatch price controls came into effect on 1 January 2016;
- Completed a price control review of PWP. The new power and water procurement price controls came into effect on 1 January 2016;
- Undertook market share and economic interest assessments for entities participating in competitions for the Ibri IPP, Sohar III IPP, Barka III IWP, Sohar II IWP, Salalah II IWP, Sharqiyah IWP, Duqm IWP and Asila & Qurayyat temporary water projects.
- Undertook analysis to confirm outturn (2014) and projected (2015 and 2016) electricity sector subsidy requirements.
- Undertook analysis to support the issuance of draft regulations by the Public Authority for Electricity and Water on cost-reflective tariffs;
- Reviewed the 2016 PWP and RAEC electricity and water Bulk Supply Tariff proposals submitted for approval; and
- Reviewed the 2015-2021 PWP 7-Year Statement submitted for approval.

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 plays a lead role in technical and health and safety investigations, which in 2015 included fatal accidents, blackouts and water production interruptions.

During 2015 the Directorate:

(i) Conducted investigations in relation to fatalities in the electricity sector;
(ii) Conducted a technical investigation of the wide-scale power interruption that affected Rusail Grid on 7 May 2015;
(iii) Conducted a technical investigation of the loss of water production at Sohar Power Plant caused by flooding from a neighbouring facility's seawater system;
(iv) Reviewed the development of protection capabilities within the electricity sector against the recommendations made by the Authority in 2013;
(v) Conducted a review of capital expenditure requirements of OETC to inform the determination of new price control allowances;
(vi) Reviewed the 2015 system capability statements of MEDC, MJEC, MZEC, RAEC and OETC;
(vii) Undertook Health and Safety audits of RAEC and MEDC;
(viii) Confirmed that all remaining recommendations from Health and Safety audits of Licensed Production Facilities were completed satisfactorily;
(ix) Continued routine inspections of licensed distribution systems to ensure the safety and physical security of the networks;
(x) 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;
(xi) Finalised and issued the cyber security standards that came into effect from 1 January 2016;
(xii) Followed up on the implementation of the Salalah Blackout investigation;
(xiii) Participated in the discussions with PWP on the development of the Spot Market.
(xiv) Supported OETC and Mazoon in an evaluation of the causes of widespread power interruptions in Sharqiyah to identify appropriate remedial measures; and
(xv) Undertook a technical evaluation of desalination facilities on Masirah island.

OETC Price Control Review

As part of a holistic view of the investment needs of OETC, the Authority considered both the capital expenditure drivers and the technical capability of the licensee to deliver the projects. This assessment included the way in which OETC planned its investments, the way in which projects were managed, the effectiveness of training, and how the OETC were ready to take full advantage of the investments.

Grid Code Review Panel

The Grid Code Review Panel (GCRP) met six times during 2015, which represented four regular meetings and two additional meetings, see Table 12. A large part of the work of the GCRP in 2015 was the review of proposals to revise the Grid Code, which necessitated an exceptional meeting and for meeting GCRP-43 to be run over four days (the final two parts in January 2016).

Table :12 Grid Code Review Panel meetings in 2015

Meeting	Meeting date	Chaired by	Location
GCRP 40	16-Feb-15	OETC	Muscat
GCRP 41	04-May-15	OETC	Muscat
GCRP 42	03-Aug-15	OETC	Muscat
Exceptional Meeting	09-Sept-15	OETC	Muscat
GCRP 43 (Part 1)	17-Nov-15	OETC	Muscat
GCRP 43 (Part 2)	01-Dec-15	OETC	Muscat

Distribution Code Review Panel

The Distribution Code Review Panel (DCRP) met four times during 2015, see Table13.

Table 13: Distribution Code Review Panel meetings in 2015

Meeting	Meeting date	Chaired by	Location
1/2015	05-Feb-15	RAEC	Muscat
2/2015	14-May-15	RAEC	Muscat
3/2015	07-Sept-15	RAEC	Muscat
4/2015	18-Nov-15	RAEC	Muscat

During 2015 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 improvement in product approval processes is reflected by DCRP issuing 27 new product approvals in 2015, double the figure in 2014. The rigorous progress is increasing the number of quality products available for use in the electricity sector.

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 authorisations granted by the Authority and for maintaining channels of communication with relevant ministries and competent authorities to ensure the Authority has the information needed to perform its functions and cooperate with such authorities when required. The Directorate is responsible for handling applications submitted to the Authority including Licence and License Exemption applications and applications for approvals and consents. The Directorate is also responsible for maintaining the public Register.

- Reviewed a licence application from Bahwan Astonfield Solar Power (BASP). The Authority granted BASP a Generation Licence (Renewable Energy) to authorise Generation of electricity from its Production Facilities. The maximum authorised capacity will be 303 KW and the output of the Production Facilities will be sold to the Rural Areas Electricity Company. BASP's Licence is effective from 1 July 2015 and is the first Licence for Generation of Electricity from renewable energy resources.

- Reviewed a Licence Application from Muscat City Desalination Company (MCDC) as the first application for a Desalination Licence of a Special Nature following the amendment of the Sector Law by Royal Decree No. 47L2013. The Authority withheld the grant of the Licence and granted the MCDC a Licence Exemption to authorise Desalination of water from Desalination Facility of a special Nature effective from 1 July 2015.The licence Exemption will be replaced by a Desalination Licence of a Special Nature on successful completion of the project to the satisfaction of the Authority.

- Reviewed a Licence Exemption application from BP Epsilon –Oman Branch. The company will be undertaking electricity Generation and water Desalination for the purposes of self-supply and will operate its transmission and distribution networks. The Licence Exemption would be granted in 2016 after submission of all additional information required and completion of the process for the grant of the Licence Exemption.

- In coordination with the Directorate of Technical Regulation, completed the process of modifying all Licenses (except OPWP Licence) by adding a new condition in relation to SCADA and DCS Cyber Security in the Licences. The modification will be effective from 1 January 2016.

- Modified the Generation and Desalination Licence granted to ACWA Power Barka to authorise the additional Desalination capacity following the Phase II expansion of the Production Facilities.

- Modified the Distribution and Supply Licence of Dhofar Power Company by expanding the Authorised Area to be the whole of Dhofar Governorate. This modification allows DPC to supply customers falling outside its previous authorised area (and network) without affecting RAEC's authorisation to undertake its activities within the Dhofar governorate. The modification is effective from 1 January 2016.

- Coordinated with other Directorates at the Authority on the modification of the Schedule Charge Restriction Condition of Oman Power and Water Procurement Company (OPWP) and Oman Electricity Transmission Company (OETC). The modification is required to facilitate implementation of new three years price controls and will be effective from 1 January 2016.

- Prepared a new application form for Article (106) consents which will be effective in 2016. The new application process will standardise the information submitted and provide timelines for completion.

- Issued a warning notice to the Oman Mining Company (OMCO) under Article (116) of the Sector Law. The notice was issued due to the Exemption Holder's failure to comply with Condition (3.3) (b) (v) of its Licence Exemption.

- Reviewed and approved an application for Approval of Change of Control for Dhofar Generating Company whereby the ownership of the company changed from EHC to the consortium which won the competition for the Salalah II Project. The name of the Licensee remained the same following the change of control.

- Handled and represented the Authority in a number of litigation cases involving the Authority before a number of 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 entry 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 has drafted access conditions to the OPWP and OETC Licenses and grants the required Export and Import and the International Interconnection Licences respectively which will be effective in 2016.

Annex A: Audited Financial Statements

Authority for Electricity Regulation, Oman

Report and Financial Statements for the year ended 31st December 2015

Contents	Pages

Deloitte.

Deloitte & Touche (M.E.) & Co. LLC
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Independent auditor's report to the members of Authority for Electricity Regulation, Oman

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 2015 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 3 to 19.

Management 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. 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.

Deloitte.

Independent auditor's report to the members of Authority for Electricity Regulation, Oman (continued)

Opinion

In our opinion, the financial statements, present fairly, in all material respects, the financial position of the **Authority for Electricity Regulation, Oman,** as of 31 December 2015, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the financial statements comply, in all material respects, 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.

Other matter

The financial statements of the Authority for the year ended 31 December 2014 were audited by another auditor who expressed an unmodified opinion on those statement on 17 June 2015.

Deloitte & Touche (M.E.) & Co. LLC
Muscat, Sultanate of Oman
22 June 2016

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of financial position at 31 December 2015

	Notes	2015 RO	2014 RO
ASSETS			
Non-current asset			
Property and equipment	5	**136,968**	163,620
Current assets			
Prepayments and other receivables		**16,950**	66,630
Cash and cash equivalent	6	**1,403,989**	494,350
Total current assets		**1,420,939**	560,980
Total assets		**1,557,907**	724,600
Retained surplus and liabilities			
Retained surplus	7	**1,378,846**	524,345
Liabilities			
Non-current liability			
Provision for employees' end of service benefits	8	**120,624**	98,279
Current liability			
Accruals and other payables	9	**58,437**	101,976
Total liabilities		**179,061**	200,255
Total retained surplus and liabilities		**1,557,907**	724,600

The financial statements were approved and authorized for issue by the Members on 22 June 2016 and were signed on their behalf by:

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

The accompanying notes form an integral part of these financial statements.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of revenue and expenses for the year ended 31 December 2015

	Notes	2015 RO	2014 RO
Licence fees	10	3,292,408	3,006,935
Interest income		5,000	2,146
Other income		8,000	2,316
Total revenue		3,305,408	3,011,397
Salaries and employee related costs	11	(1,751,590)	(1,646,919)
General and administrative expenses	12	(402,259)	(403,373)
Consultancy expense		(228,539)	(595,404)
Depreciation	5	(68,519)	(72,231)
Total expenses		(2,450,907)	(2,717,927)
Surplus for the year		854,501	293,470

The accompanying notes form an integral part of these financial statements.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of changes in surplus fund for the year ended 31 December 2015

	Retained surplus RO
Balance at 1 January 2014	230,875
Surplus for the year	293,470
Balance at 1 January 2015	**524,345**
Surplus for the year	**854,501**
Balance at 31 December 2015	**1,378,846**

The accompanying notes form an integral part of these financial statements.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Statement of cash flows
for the year ended 31 December 2015

	2015 RO	2014 RO
Operating activities		
Cash receipts from licensees and application fees for license exemptions and other income	**3,298,408**	3,008,935
Cash paid to employees and other suppliers	**(2,351,901)**	(2,840,802)
Net cash from operating activities	**946,507**	168,133
Investing activities		
Purchase of property and equipment	**(41,868)**	(26,789)
Interest income	**5,000**	2,146
Net cash used in investing activities	**(36,868)**	(24,643)
Net change in cash and cash equivalents	**909,639**	143,490
Cash and cash equivalents at the beginning of the year	**494,350**	350,860
Cash and cash equivalents at the end of the year (Note 6)	**1,403,989**	494,350

The accompanying notes form an integral part of these financial statements

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015

1. General

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, Postal Code 133, Al Khuwair, Sultanate of Oman.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

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

2.1 New and revised IFRSs applied with no material effect on the combined financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.
- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.
- Amendments to IAS 19 *Employee Benefits* to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

2.2 New and revised IFRS in issue but not yet effective

The Authority has not yet applied the following new and revised IFRSs that have been issued but are not yet effective

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative	1 January 2016
Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants	1 January 2016
Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements	1 January 2016

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

2 Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities	1 January 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	1 January 2016
IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments. A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas: • **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk. • **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised. • **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. • **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.	1 January 2018
Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

2 Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

2.2 New and revised IFRS in issue but not yet effective (continued)

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 16 *Leases*	1 January 2019

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

2 Adoption of new and revised International Financial Reporting Standards (IFRS) (continued)

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Authority's financial statements for the year beginning 1 January 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9 and IFRS 15, may have no material impact on the financial statements of the Authority in the period of initial application

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Authority's financial statements for the annual year beginning 1 January 2018. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Authority's financial statements in respect of revenue from contracts with customers and the Authority's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Authority performs a detailed review.

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 income in the statement of revenue and expenses.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

3. Summary of significant accounting policies (continued)

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.

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.

Employees' end of service 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.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

3. Summary of significant accounting policies (continued)

Licence fees

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

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.

Grants related to assets

Government grants in the form of freehold land are credited to statement of income and expenses here no rational basis exists for allocating the grant to a period other than the one in which it was received. Government grants related to assets are credited to deferred grants and recognized in the statement of income and expenses over the useful life of the assets constructed or acquired.

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 judgement 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.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

4. Financial risk management

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

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 finance department under policies approved by the management.

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.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

4. Financial risk management (continued)

Financial risk factors (continued)

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.

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.

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.

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

5. Property and equipment

	Furniture, fixtures and office equipment RO	Vehicles RO	Computers RO	Total RO
Cost				
At 1 January 2014	268,312	131,075	134,573	533,960
Additions	2,049	19,700	5,040	26,789
At 1 January 2015	**270,361**	**150,775**	**139,613**	**560,749**
Additions	**10,593**	**30,000**	**1,275**	**41,868**
Disposals	-	**(20,600)**	-	**(20,600)**
At 31 December 2015	**280,954**	**160,175**	**140,888**	**582,017**
Depreciation				
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 1 January 2015	**179,743**	**87,782**	**129,604**	**397,129**
Charge for the year	**40,049**	**23,445**	**5,025**	**68,519**
Disposals	-	**(20,599)**	-	**(20,599)**
At 31 December 2015	**219,792**	**90,628**	**134,629**	**445,049**
Carrying value				
At 31 December 2015	**61,162**	**69,547**	**6,259**	**136,968**
At 31 December 2014	90,618	62,993	10,009	163,620

The Ministry of Housing allotted 5,001 Sqm. of land to the Authority in 2015 in Plot No 1816 at Barasher. The land is given free of cost for the purpose of constructing office building for the Authority. The Authority cannot use the land for any other purposes. The management is showing the land at zero value as the land can be only use for the purpose designated by the Ministry.

6. Cash and cash equivalents

	2015 RO	2014 RO
Cash on hand	**900**	504
Cash at bank	**1,403,089**	493,846
	1,403,989	494,350

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

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

	2015 RO	2014 RO
At 1 January	98,279	150,739
Paid during the year	-	(79,589)
Charge for the year (Note 11)	22,345	27,129
At 31 December	**120,624**	98,279

9. Accruals and other payables

Accruals	58,252	101,210
Other payables	185	766
	58,437	101,976

10. Licence fees

Licence fees represent the amounts invoiced to licensees for the year

11. Salaries and employee related costs

Salaries and allowances	1,480,501	1,337,534
Cost of end of service benefits for expatriate employees (Note 8)	22,345	27,129
Contribution to defined contribution retirement plan	119,855	107,289
Other employee related costs	128,889	174,967
	1,751,590	1,646,919

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

12. General and administrative expenses

	2015 RO	2014 RO
Rent	172,800	172,800
Insurance	65,291	49,960
Communications	14,200	15,001
Advertisement and publicity	6,833	26,205
Travelling and conveyance	42,799	40,386
Printing and stationery	22,176	14,070
Utilities	8,080	7,080
Repairs and maintenance	5,338	6,227
Miscellaneous expenses	64,742	71,644
	402,259	403,373

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:

	2015 RO	2014 RO
Short term employment benefits	194,767	165,671
End of service benefits	6,372	6,294

AUTHORITY FOR ELECTRICITY REGULATION, OMAN

Notes to the financial statements for the year ended 31 December 2015 (continued)

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:

	2015 RO	2014 RO
Other receivables	4,936	597
Bank balances	1,403,089	493,846
	1,408,025	494,443

Licence fees receivable at the reporting date were past due for nil days (2014: nil days).

16. Liquidity risk

The following are the maturities of the financial liabilities.

	2015		2014	
	Carrying amount RO	6 months or less RO	Carrying amount RO	6 months or less RO
Accruals	58,252	58,252	101,210	101,210
Other payables	185	185	766	766
	58,437	58,437	101,976	101,976

17. Interest rate risk

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

	2015 RO	2014 RO
Fixed rate instruments		
Financial assets	1,403,089	493,845

18. Commitments

Operating commitments	144,582	11,743

Annex B:
Authorised Entities

Licence Holders

Majan Electricity Company SAOC (Member of Nama Group)
Regulated Activities: the Distribution and Supply of electricity to Premises

Mazoon Electricity Company SAOC (Member of Nama Group)
Regulated Activities: the Distribution and Supply of electricity to Premises

Muscat Electricity Company Distribution SAOC (Member of Nama Group)
Regulated Activities: the Distribution and Supply of electricity to Premises

Oman Electricity Transmission Company SAOC (Member of Nama Group)
Regulated Activities: the Transmission and Dispatch of electricity

Rural Areas Electricity Company SAOC
Regulated of 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 (Member of Nama Group)
Regulated Activities: Demand Forecasting; capacity procurement; bulk supply of electricity & water and procurement of electricity and desalinated water

Sembcorp Salalah Power & Water Company SAOC
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 (Member of Nama Group)
Regulated Activity : the Distribution and Supply of electricity to Premises

Dhofar Generating Company SAOC
Regulated Activity : the Generation of Electricity

Bahwan Astonfield Solar Power LLC
Regulated Activity : the Generation of Electricity (Renewable Energy)

Licence Exemption Holders

Sohar International Urea Chemical Industries SAOC
Regulated Activities : the Generation of electricity co-located with the Desalination of water in the same site.

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 SAOC
Regulated Activities: the Distribution of electricity

Oman Refineries and Petrchemicals company LLC
Regualted Activities : the Generation of elecricity and Desalination of water ; Distribution and supply of electricity to Premises.

Oman LNG LLC
Regualted Activities : the Generation of electricity and Desalination of water ; Distribution and Supply of electrcity.

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 electrcity co-located with Desalination of water ; Distribution and transmission of electricity.

Sharqiyah Desalination Company SAOC
Regulated Activities: the Generation of electricity co-located with the Desalination of water in the same site.

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

Ministry of Defence
Regulated Activity : the Generation of electricity for Sale to PWP

Muscat City Desalination company SAOC
Regulated Activity : the Desalination of water from a Desalination Facility of a Special Nature.

Annex C:
Electricity & Water Sector Statistics

Electricity Sector Statistics

Table 1

Electricity Customer Accounts by System, Company and Tariff Category: 2014 and 2015

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%
2014 Totals	**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%	

2015 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	235,318	76.0%	143,753	72.6%	275,047	75.0%	654,118	74.8%	23,134	69.7%	70,584	76.1%	747,836	74.8%
Industrial	186	0.1%	532	0.3%	102	0.0%	820	0.1%	50	0.2%	58	0.1%	928	0.1%
Commercial	65,397	21.1%	41,442	20.9%	73,367	20.0%	180,206	20.6%	6,119	18.4%	16,549	17.8%	202,874	20.3%
Agriculture & Fisheries	178	0.1%	3,679	1.9%	3,660	1.0%	7,517	0.9%	394	1.2%	103	0.1%	8,014	0.8%
Hotels / Tourism	53	0.0%	364	0.2%	79	0.0%	496	0.1%	64	0.2%	84	0.1%	644	0.1%
Government	8,569	2.8%	8,163	4.1%	14,412	3.9%	31,144	3.6%	3,322	10.0%	5,231	5.6%	39,697	4.0%
Ministry of Defence	102	0.0%	72	0.0%	49	0.0%	223	0.0%	104	0.3%	109	0.1%	436	0.0%
2015 Totals	**309,803**	100.0%	**198,005**	100.0%	**366,716**	100.0%	**874,524**	100.0%	**33,187**	100.0%	**92,718**	100.0%	**1,000,429**	100.0%
% of Oman	31.0%		19.8%		36.7%		87.4%		3.3%		9.3%		100.0%	
Net Change in Accounts	**25,178**		**11,400**		**25,793**		**62,371**		**2,283**		**8,591**		**73,245**	
Annual % Change	8.8%		6.1%		7.6%		7.7%		7.4%		10.2%		7.9%	

Table 2

Electricity Supplied to Customers by System, Company and Tariff Category: 2014 and 2015

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%**	

2015 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	4,940,681	48.9%	2,791,607	35.5%	4,607,282	61.0%	**12,339,571**	48.4%	401,818	49.2%	1,015,575	39.3%	**13,756,965**	47.6%
Industrial	697,512	6.9%	3,362,813	42.8%	115,786	1.5%	**4,176,110**	16.4%	44,469	5.4%	502,840	19.5%	**4,723,419**	16.3%
Commercial	2,647,956	26.2%	988,654	12.6%	1,455,438	19.3%	**5,092,048**	20.0%	125,672	15.4%	518,219	20.1%	**5,735,939**	19.8%
Agriculture & Fisheries	3,515	0.0%	142,220	1.8%	195,110	2.6%	**340,845**	1.3%	29,849	3.7%	9,095	0.4%	**379,789**	1.3%
Hotels / Tourism	1,962	0.0%	12,053	0.2%	14,857	0.2%	**28,872**	0.1%	29,378	3.6%	2,371	0.1%	**60,621**	0.2%
Government	1,751,745	17.3%	543,057	6.9%	1,031,815	13.7%	**3,326,616**	13.0%	155,883	19.1%	418,792	16.2%	**3,901,290**	13.5%
Ministry of Defence	60,339	0.6%	18,057	0.2%	130,153	1.7%	**208,548**	0.8%	29,352	3.6%	116,550	4.5%	**354,451**	1.2%
2015 Totals	**10,103,710**	100.0%	**7,858,460**	100.0%	**7,550,441**	100.0%	**25,512,611**	100.0%	**816,420**	100.0%	**2,583,442**	100.0%	**28,912,474**	100.0%
% of Total Oman	34.9%		27.2%		26.1%		**88.2%**		**2.8%**		**8.9%**		**100.0%**	
Change in MWh	**1,415,127**		**1,155,051**		**844,733**		3,414,910		**69,301**		**256,172**		3,740,383	
Annual % Change	**16.3%**		**17.2%**		**12.6%**		**15.5%**		**9.3%**		**11.0%**		**14.9%**	

Table 3

Customer Accounts, MWh Supplied and MWh per Account by System, Company and Tariff Category 2015

2015

		Main Interconnected System (MIS)				Rural Systems	Dhofar System	
Tariff Category	**Item**	**Muscat**	**Majan**	**Mazoon**	**Total MIS**	**RAEC**	**DPC**	**Total Oman**
Residential	Accounts	235,318.0	143,753.0	275,047.0	654,118.0	23,134.0	70,584.0	747,836.0
Residential	MWh Supplied	4,940,681.2	2,791,607.5	4,607,282.5	12,339,571.2	401,818.1	1,015,575.3	13,756,964.7
Residential	MWh Supplied per Account	21.0	19.4	16.8	18.9	17.4	14.4	18.4
Industrial	Accounts	186.0	532.0	102.0	820.0	50.0	58.0	928.0
Industrial	MWh Supplied	697,511.8	3,362,812.8	115,785.9	4,176,110.4	44,469.4	502,839.6	4,723,419.4
Industrial	MWh Supplied per Account	3,750.1	6,321.1	1,135.2	5,092.8	889.4	8,669.6	5,089.9
Commercial	Accounts	65,397.0	41,442.0	73,367.0	180,206.0	6,119.0	16,549.0	202,874.0
Commercial	MWh Supplied	2,647,956.1	988,654.2	1,455,437.9	5,092,048.1	125,671.7	518,218.8	5,735,938.6
Commercial	MWh Supplied per Account	40.5	23.9	19.8	28.3	20.5	31.3	28.3
Agriculture & Fisheries	Accounts	178.0	3,679.0	3,660.0	7,517.0	394.0	103.0	8,014.0
Agriculture & Fisheries	MWh Supplied	3,515.4	142,219.8	195,109.6	340,844.8	29,848.8	9,095.5	379,789.1
Agriculture & Fisheries	MWh Supplied per Account	19.7	38.7	53.3	45.3	75.8	88.3	47.4
Hotels / Tourism	Accounts	53.0	364.0	79.0	496.0	64.0	84.0	644.0
Hotels / Tourism	MWh Supplied	1,961.7	12,052.9	14,857.4	28,872.0	29,377.6	2,371.2	60,620.8
Hotels / Tourism	MWh Supplied per Account	37.0	33.1	188.1	58.2	459.0	28.2	94.1
Government	Accounts	8,569.0	8,163.0	14,412.0	31,144.0	3,322.0	5,231.0	39,697.0
Government	MWh Supplied	1,751,744.6	543,056.8	1,031,814.8	3,326,616.1	155,882.5	418,791.6	3,901,290.3
Government	MWh Supplied per Account	204.4	66.5	71.6	106.8	46.9	80.1	98.3
Ministry of Defence	Accounts	102.0	72.0	49.0	223.0	104.0	109.0	436.0
Ministry of Defence	MWh Supplied	60,338.8	18,056.5	130,153.1	208,548.5	29,352.2	116,550.1	354,450.8
Ministry of Defence	MWh Supplied per Account	591.6	250.8	2,656.2	935.2	282.2	1,069.3	813.0
Total Customer Accounts in 2015		309,803	198,005	366,716	874,524	33,187	92,718	1,000,429
Total MWh Supplied in 2015		10,103,710	7,858,460	7,550,441	25,512,611	816,420	2,583,442	28,912,474
MWh Supplied per Account in 2015		**32.6**	**39.7**	**20.6**	**29.2**	**24.6**	**27.9**	**28.9**
% change MWh per Account from 2014		6.8%	10.5%	4.7%	7.2%	1.8%	0.7%	6.4%

Table 4

Electricity Supply & Registered Accounts by Region & Company: 2014 and 2015

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**

2015

Region	Company	MWh Supplied	% Oman	Accounts	% Oman	MWh Supply per Account
Al Dahirah	Majan	919,935	3.2%	47,028	4.7%	19.6
Al Sharquia North	Mazoon	1,030,116	3.6%	67,106	6.7%	15.4
Al Sharquia South	Mazoon	1,247,054	4.3%	64,239	6.4%	19.4
Al Wusta	RAEC	322,805	1.1%	13,635	1.4%	23.7
Burami	Majan	742,107	2.6%	33,777	3.4%	22.0
Dakhliyah	Mazoon	2,081,034	7.2%	106,249	10.6%	19.6
Dhofar	DPC	2,583,442	8.9%	92,718	9.3%	27.9
Dhofar	RAEC	181,026	0.6%	6,286	0.6%	28.8
Musandam	RAEC	312,589	1.1%	13,266	1.3%	23.6
Muscat	Muscat	10,103,710	34.9%	309,803	31.0%	32.6
North Batinah	Majan	6,196,418	21.4%	117,200	11.7%	52.9
South Batinah	Mazoon	3,192,238	11.0%	129,122	12.9%	24.7
Sultanate Totals 2015		**28,912,474**		**1,000,429**		**28.9**
Change from 2014 (%)		*14.9%*		*7.9%*		*6.4%*

Table 5

Electricity Production by System: 2012 to 2015

2012	Electricity Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*
Main Interconnected System	22,040,849	*88.1%*	21,619,110	*88.4%*
Rural Systems	605,204	*2.4%*	555,953	*2.3%*
Dhofar Power System	2,371,250	*9.5%*	2,269,347	*9.3%*
Total for 2012	**25,017,303**		**24,444,411**	

2013	Electricity Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*
Main Interconnected System	22,922,968	*87.4%*	22,558,036	*87.9%*
Rural Systems	685,004	*2.6%*	635,315	*2.5%*
Dhofar Power System	2,632,050	*10.0%*	2,467,914	*9.6%*
Total for 2013	**26,240,023**		**25,661,264**	

2014	Electricity Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*
Main Interconnected System	25,544,153	*87.7%*	24,993,101	*88.2%*
Rural Systems	756,712	*2.6%*	698,134	*2.5%*
Dhofar Power System	2,836,231	*9.7%*	2,651,662	*9.4%*
Total for 2014	**29,137,095**		**28,342,898**	

2015	Electricity Production			
System	**Gross MWh**	*% Year*	**Net MWh**	*% Year*
Main Interconnected System	28,772,266	*87.8%*	28,333,588	*88.3%*
Rural Systems	863,105	*2.6%*	807,022	*2.5%*
Dhofar Power System	3,122,649	*9.5%*	2,941,665	*9.2%*
Total for 2015	**32,758,020**		**32,082,276**	

Table 6

Electricity Production by System and Company: 2014 & 2015

	Electricity Production			
2014	**Gross MWh**	***% Oman***	**Net MWh**	***% Oman***
A: Main Interconnected System				
ACWA Power Barka SAOG	2,989,303	*10.3%*	2,746,364	*9.7%*
Al Batinah PC SAOC	3,722,410	*12.8%*	3,618,816	*12.8%*
Al Ghubrah SAOC	2,244,116	*7.7%*	2,094,154	*7.4%*
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 purchases			530,198	*1.9%*
SMN Barka SAOG	1,418,843	*4.9%*	1,247,426	*4.4%*
Sohar Power Company SAOG	3,753,721	*12.9%*	3,497,347	*12.3%*
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	**25,544,153**	***87.7%***	**24,993,101**	***88.2%***
B: Rural Systems				
RAEC SAOC	756,712	*2.6%*	698,134	*2.5%*
Rural Systems sub-total	**756,712**	***2.6%***	**698,134**	***2.5%***
C: Dhofar Power System				
DGC SAOC	953,461	*3.3%*	940,687	*3.3%*
SembcorpSalalah SAOC	1,882,770	*6.5%*	1,710,975	*6.0%*
Dhofar System sub-total	**2,836,231**	***9.7%***	**2,651,662**	***9.4%***
Totals for 2014	**29,137,095**	***100%***	**28,342,898**	***100%***

	Electricity Production			
2015	**Gross MWh**	***% Oman***	**Net MWh**	***% Oman***
A: Main Interconnected System				
ACWA Power Barka SAOG	3,332,758	*10.2%*	3,066,619	*9.6%*
Al Batinah PC SAOC	4,243,317	*13.0%*	4,156,640	*13.0%*
Al Ghubrah SAOC	1,950,878	*6.0%*	1,791,029	*5.6%*
Al Kamil SAOG	584,968	*1.8%*	578,043	*1.8%*
Al Rusail SAOG	3,682,283	*11.2%*	3,654,459	*11.4%*
Al Suwadi PC SAOC	3,928,018	*12.0%*	3,834,487	*12.0%*
Phoenix Power Company SAOC	4,390,644	*13.4%*	4,390,472	*13.7%*
PWP purchases			657,289	*2.0%*
SMN Barka SAOG	1,337,919	*4.1%*	1,151,492	*3.6%*
Sohar Power Company SAOG	3,602,622	*11.0%*	3,345,730	*10.4%*
UPC Manah SAOG	1,303,166	*4.0%*	1,293,871	*4.0%*
Wadi Jizzi SAOC	415,692	*1.3%*	413,458	*1.3%*
MIS sub-total	**28,772,266**	***87.8%***	**28,333,588**	***88.3%***
% change from 2014	**12.6%**		**13.4%**	
B: Rural Systems				
Bahwan Astonfied Solar Power LLC	358	*0.0%*	332	*0.0%*
RAEC SAOC	862,747	*2.6%*	806,691	*2.5%*
Rural Systems sub-total	**863,105**	***2.6%***	**807,022**	***2.5%***
% change from 2014	**14.1%**		**15.6%**	
C: Dhofar Power System				
DGC SAOC	1,079,521	*3.3%*	1,065,900	*3.3%*
PWP purchases	0	*0.0%*	2,429	*0.0%*
SembcorpSalalah SAOC	2,043,128	*6.2%*	1,873,337	*5.8%*
Dhofar System sub-total	**3,122,649**	***9.5%***	**2,941,665**	***9.2%***
% change from 2014	**10.1%**		**10.9%**	
Totals for 2015	**32,758,020**	***100%***	**32,082,276**	***100%***
Actual change from 2014	**3,620,925**		**3,739,378**	
% change from 2014	**12.4%**		**13.2%**	

Table 7

Electricity Production by Region: 2014 and 2015

2014 Region	Electricity Production MWh Gross	% Oman	MWh Net	% Oman
Al Dahirah	947	0.0%	894	0.0%
Al Sharqiya	2,871,063	9.9%	2,843,556	10.0%
Al Wusta	177,510	0.6%	160,016	0.6%
Dakhliyah	1,110,785	3.8%	1,102,269	3.9%
Dhofar	3,008,447	10.3%	2,813,455	9.9%
Musandam	332,155	1.1%	315,131	1.1%
Muscat	5,938,999	20.4%	5,774,074	20.4%
North Batinah	8,049,872	27.6%	8,199,617	28.9%
South Batinah	7,647,317	26.2%	7,133,885	25.2%
Totals for 2014	**29,137,095**		**28,342,898**	

2015 Region	Electricity Production MWh Gross	% Oman	MWh Net	% Oman
Al Dahirah	1,282	0.0%	1,246	0.0%
Change from 2014 (%)	*35.4%*		*39.4%*	
Al Sharqiya	4,975,613	15.2%	4,968,603	15.5%
Change from 2014 (%)	*73.3%*		*74.7%*	
Al Wusta	296,646	0.9%	280,177	0.9%
Change from 2014 (%)	*67.1%*		*75.1%*	
Dakhliyah	1,303,166	4.0%	1,293,871	4.0%
Change from 2014 (%)	*17.3%*		*17.4%*	
Dhofar	3,329,614	10.2%	3,140,597	9.8%
Change from 2014 (%)	*10.7%*		*11.6%*	
Musandam	358,212	1.1%	343,270	1.1%
Change from 2014 (%)	*7.8%*		*8.9%*	
Muscat	5,633,161	17.2%	5,439,879	17.0%
Change from 2014 (%)	*-5.1%*		*-5.8%*	
North Batinah	8,261,631	25.2%	8,562,036	26.7%
Change from 2014 (%)	*2.6%*		*4.4%*	
South Batinah	8,598,695	26.2%	8,052,598	25.1%
Change from 2014 (%)	*12.4%*		*12.9%*	
Totals for 2015	**32,758,020**		**32,082,276**	
Change from 2014 (%)	*12.4%*		*13.2%*	

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

Table 8

Electricity Production by Region and Company: 2014 and 2015

2014 Region	Company	Electricity Production Gross MWh	% Oman	Net MWh	% 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 purchases			201	*0.0%*
Al Sharqiya	RAEC SAOC	73,884	*0.3%*	61,795	*0.2%*
Al Wusta	PWP purchases			1,494	*0.0%*
Al Wusta	RAEC SAOC	177,510	*0.6%*	158,522	*0.6%*
Dakhliyah	UPC Manah SAOG	1,110,785	*3.8%*	1,102,269	*3.9%*
Dhofar	DGC SAOC	953,461	*3.3%*	940,687	*3.3%*
Dhofar	RAEC SAOC	172,216	*0.6%*	161,793	*0.6%*
Dhofar	SembcorpSalalah SAOC	1,882,770	*6.5%*	1,710,975	*6.0%*
Musandam	RAEC SAOC	332,155	*1.1%*	315,131	*1.1%*
Muscat	Al Ghubrah SAOC	2,244,116	*7.7%*	2,094,154	*7.4%*
Muscat	Al Rusail SAOG	3,694,883	*12.7%*	3,665,728	*12.9%*
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	3,753,721	*12.9%*	3,497,347	*12.3%*
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%*
South Batinah	Al Suwadi PC SAOC	3,239,171	*11.1%*	3,140,095	*11.1%*
South Batinah	SMN Barka SAOG	1,418,843	*4.9%*	1,247,426	*4.4%*
Sultanate Totals 2014		**29,137,095**		**28,342,898**	

2015 Region	Company	Electricity Production Gross MWh	% Oman	Net MWh	% Oman
Al Dahirah	RAEC SAOC	1,282	*0.0%*	1,246	*0.0%*
Al Sharqiya	Al Kamil SAOG	584,968	*1.8%*	578,043	*1.8%*
Al Sharqiya	Phoenix Power Company SAOC	4,390,644	*13.4%*	4,390,472	*13.7%*
Al Sharqiya	PWP purchases			88	*0.0%*
Al Sharqiya	RAEC SAOC				
Al Wusta	PWP purchases			16,601	*0.1%*
Al Wusta	RAEC SAOC	296,646	*0.9%*	263,576	*0.8%*
Dakhliyah	UPC Manah SAOG	1,303,166	*4.0%*	1,293,871	*4.0%*
Dhofar	Bahwan Astonfied Solar Power	358	*0.0%*	332	*0.0%*
Dhofar	DGC SAOC	1,079,521	*3.3%*	1,065,900	*3.3%*
Dhofar	PWP purchases	0	*0.0%*	2,429	*0.0%*
Dhofar	RAEC SAOC	206,608	*0.6%*	198,600	*0.6%*
Dhofar	SembcorpSalalah SAOC	2,043,128	*6.2%*	1,873,337	*5.8%*
Musandam	RAEC SAOC	358,212	*1.1%*	343,270	*1.1%*
Muscat	Al Ghubrah SAOC	1,950,878	*6.0%*	1,791,029	*5.6%*
Muscat	Al Rusail SAOG	3,682,283	*11.2%*	3,654,459	*11.4%*
Muscat	PWP purchases			-5,608	*0.0%*
North Batinah	Al Batinah PC SAOC	4,243,317	*13.0%*	4,156,640	*13.0%*
North Batinah	PWP purchases			646,208	*2.0%*
North Batinah	Sohar Power Company SAOG	3,602,622	*11.0%*	3,345,730	*10.4%*
North Batinah	Wadi Jizzi SAOC	415,692	*1.3%*	413,458	*1.3%*
South Batinah	ACWA Power Barka SAOG	3,332,758	*10.2%*	3,066,619	*9.6%*
South Batinah	Al Suwadi PC SAOC	3,928,018	*12.0%*	3,834,487	*12.0%*
South Batinah	SMN Barka SAOG	1,337,919	*4.1%*	1,151,492	*3.6%*
Sultanate Totals 2015		**32,758,020**		**32,082,276**	
Change from 2014 (%)		*12.4%*		*13.2%*	

Table 9 i

Monthly Electricity Production by System: MIS 2012 to 2015

2012		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
MIS	Jan-12	1,218.3	5.5%	1,137.3	5.3%
MIS	Feb-12	1,146.7	5.2%	1,067.1	4.9%
MIS	Mar-12	1,417.3	6.4%	1,357.0	6.3%
MIS	Apr-12	1,651.9	7.5%	1,574.4	7.3%
MIS	May-12	2,297.6	10.4%	2,283.2	10.6%
MIS	Jun-12	2,361.8	10.7%	2,407.4	11.1%
MIS	Jul-12	2,491.1	11.3%	2,555.7	11.8%
MIS	Aug-12	2,453.4	11.1%	2,409.7	11.1%
MIS	Sep-12	2,339.4	10.6%	2,239.4	10.4%
MIS	Oct-12	1,828.1	8.3%	1,848.3	8.5%
MIS	Nov-12	1,509.4	6.8%	1,488.3	6.9%
MIS	Dec-12	1,325.9	6.0%	1,251.3	5.8%
2012 Totals		**22,040.8**		**21,619.1**	

2013		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
MIS	Jan-13	1,307.3	5.7%	1,234.0	5.5%
MIS	Feb-13	1,222.6	5.3%	1,157.4	5.1%
MIS	Mar-13	1,584.6	6.9%	1,514.9	6.7%
MIS	Apr-13	1,813.3	7.9%	1,727.3	7.7%
MIS	May-13	2,228.2	9.7%	2,196.6	9.7%
MIS	Jun-13	2,482.2	10.8%	2,517.8	11.2%
MIS	Jul-13	2,695.0	11.8%	2,643.1	11.7%
MIS	Aug-13	2,502.9	10.9%	2,468.7	10.9%
MIS	Sep-13	2,293.1	10.0%	2,331.0	10.3%
MIS	Oct-13	2,143.7	9.4%	2,116.0	9.4%
MIS	Nov-13	1,461.1	6.4%	1,427.6	6.3%
MIS	Dec-13	1,188.9	5.2%	1,223.8	5.4%
2013 Totals		**22,923.0**		**22,558.0**	

Table 9 i

Monthly Electricity Production by System: MIS 2012 to 2015

2014		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
MIS	Jan-14	1,333.9	5.2%	1,257.8	5.0%
MIS	Feb-14	1,227.3	4.8%	1,162.2	4.7%
MIS	Mar-14	1,621.5	6.3%	1,542.4	6.2%
MIS	Apr-14	2,090.3	8.2%	2,023.7	8.1%
MIS	May-14	2,528.5	9.9%	2,561.9	10.3%
MIS	Jun-14	2,927.7	11.5%	2,913.0	11.7%
MIS	Jul-14	2,968.7	11.6%	2,957.2	11.8%
MIS	Aug-14	2,655.7	10.4%	2,693.8	10.8%
MIS	Sep-14	2,694.0	10.5%	2,602.9	10.4%
MIS	Oct-14	2,359.0	9.2%	2,268.9	9.1%
MIS	Nov-14	1,694.8	6.6%	1,622.0	6.5%
MIS	Dec-14	1,442.8	5.6%	1,387.3	5.6%
2014 Totals		**25,544.2**		**24,993.1**	

2015		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
MIS	Jan-15	1,506.8	5.2%	1,435.1	5.1%
MIS	Feb-15	1,532.5	5.3%	1,460.0	5.2%
MIS	Mar-15	1,900.3	6.6%	1,806.5	6.4%
MIS	Apr-15	2,450.7	8.5%	2,365.9	8.4%
MIS	May-15	2,952.0	10.3%	2,921.2	10.3%
MIS	Jun-15	3,044.7	10.6%	3,066.1	10.8%
MIS	Jul-15	3,220.9	11.2%	3,257.4	11.5%
MIS	Aug-15	3,041.4	10.6%	3,073.0	10.8%
MIS	Sep-15	2,819.9	9.8%	2,833.6	10.0%
MIS	Oct-15	2,562.7	8.9%	2,548.7	9.0%
MIS	Nov-15	2,127.3	7.4%	2,041.0	7.2%
MIS	Dec-15	1,613.1	5.6%	1,525.0	5.4%
2015 Totals		**28,772.3**		**28,333.6**	

Table 9 ii

Monthly Electricity Production by System: Rural Systems 2012 to 2015

2012		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
Rural Systems	Jan-12	28.2	4.7%	25.0	4.5%
Rural Systems	Feb-12	27.9	4.6%	24.9	4.5%
Rural Systems	Mar-12	36.5	6.0%	33.1	6.0%
Rural Systems	Apr-12	49.5	8.2%	45.5	8.2%
Rural Systems	May-12	63.8	10.5%	58.9	10.6%
Rural Systems	Jun-12	62.7	10.4%	58.0	10.4%
Rural Systems	Jul-12	65.8	10.9%	60.7	10.9%
Rural Systems	Aug-12	67.7	11.2%	62.7	11.3%
Rural Systems	Sep-12	64.7	10.7%	60.1	10.8%
Rural Systems	Oct-12	57.0	9.4%	52.7	9.5%
Rural Systems	Nov-12	44.3	7.3%	40.5	7.3%
Rural Systems	Dec-12	37.2	6.2%	33.8	6.1%
2012 Totals		**605.2**		**556.0**	

2013		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
Rural Systems	Jan-13	33.8	4.9%	30.2	4.8%
Rural Systems	Feb-13	32.8	4.8%	29.6	4.7%
Rural Systems	Mar-13	45.3	6.6%	41.6	6.5%
Rural Systems	Apr-13	57.7	8.4%	53.6	8.4%
Rural Systems	May-13	72.7	10.6%	68.3	10.7%
Rural Systems	Jun-13	70.4	10.3%	66.1	10.4%
Rural Systems	Jul-13	72.9	10.6%	68.3	10.7%
Rural Systems	Aug-13	70.9	10.4%	66.4	10.5%
Rural Systems	Sep-13	70.8	10.3%	66.2	10.4%
Rural Systems	Oct-13	67.2	9.8%	62.7	9.9%
Rural Systems	Nov-13	48.8	7.1%	44.7	7.0%
Rural Systems	Dec-13	41.6	6.1%	37.7	5.9%
2013 Totals		**685.0**		**635.3**	

Table 9 ii

Monthly Electricity Production by System: Rural Systems 2012 to 2015

2014		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
Rural Systems	Jan-14	35.9	4.7%	32.3	4.6%
Rural Systems	Feb-14	35.0	4.6%	31.5	4.5%
Rural Systems	Mar-14	48.2	6.4%	43.4	6.2%
Rural Systems	Apr-14	64.5	8.5%	59.3	8.5%
Rural Systems	May-14	78.7	10.4%	73.4	10.5%
Rural Systems	Jun-14	79.1	10.5%	73.6	10.5%
Rural Systems	Jul-14	83.3	11.0%	77.4	11.1%
Rural Systems	Aug-14	78.5	10.4%	72.9	10.4%
Rural Systems	Sep-14	78.9	10.4%	73.6	10.5%
Rural Systems	Oct-14	74.6	9.9%	69.4	9.9%
Rural Systems	Nov-14	54.5	7.2%	50.1	7.2%
Rural Systems	Dec-14	45.5	6.0%	41.2	5.9%
2014 Totals		**756.7**		**698.1**	

2015		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
Rural Systems	Jan-15	40.7	4.7%	36.5	4.5%
Rural Systems	Feb-15	41.9	4.9%	37.7	4.7%
Rural Systems	Mar-15	54.1	6.3%	49.5	6.1%
Rural Systems	Apr-15	74.5	8.6%	69.8	8.6%
Rural Systems	May-15	90.9	10.5%	85.6	10.6%
Rural Systems	Jun-15	91.9	10.6%	86.8	10.8%
Rural Systems	Jul-15	90.4	10.5%	85.2	10.6%
Rural Systems	Aug-15	89.4	10.4%	84.6	10.5%
Rural Systems	Sep-15	89.1	10.3%	84.5	10.5%
Rural Systems	Oct-15	86.6	10.0%	82.0	10.2%
Rural Systems	Nov-15	62.7	7.3%	58.4	7.2%
Rural Systems	Dec-15	50.9	5.9%	46.4	5.8%
2015 Totals		**863.1**		**807.0**	

Table 9 iii

Monthly Electricity Production by System: Dhofar Power System 2012 to 2015

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

2013		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
Dhofar Power System	Jan-13	158.1	6.0%	150.8	6.1%
Dhofar Power System	Feb-13	152.4	5.8%	144.9	5.9%
Dhofar Power System	Mar-13	200.6	7.6%	192.4	7.8%
Dhofar Power System	Apr-13	236.5	9.0%	225.1	9.1%
Dhofar Power System	May-13	281.6	10.7%	264.2	10.7%
Dhofar Power System	Jun-13	260.2	9.9%	244.7	9.9%
Dhofar Power System	Jul-13	214.7	8.2%	198.7	8.1%
Dhofar Power System	Aug-13	230.2	8.7%	212.8	8.6%
Dhofar Power System	Sep-13	239.2	9.1%	224.5	9.1%
Dhofar Power System	Oct-13	246.9	9.4%	229.5	9.3%
Dhofar Power System	Nov-13	219.6	8.3%	203.3	8.2%
Dhofar Power System	Dec-13	192.1	7.3%	176.9	7.2%
2013 Totals		**2,632.1**		**2,467.9**	

Table 9 iii

Monthly Electricity Production by System: Dhofar Power System 2012 to 2015

2014		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
Dhofar Power System	Jan-14	172.6	6.1%	157.9	6.0%
Dhofar Power System	Feb-14	169.2	6.0%	155.6	5.9%
Dhofar Power System	Mar-14	221.0	7.8%	205.7	7.8%
Dhofar Power System	Apr-14	254.1	9.0%	238.6	9.0%
Dhofar Power System	May-14	291.5	10.3%	274.3	10.3%
Dhofar Power System	Jun-14	291.4	10.3%	273.9	10.3%
Dhofar Power System	Jul-14	241.4	8.5%	225.5	8.5%
Dhofar Power System	Aug-14	243.0	8.6%	228.6	8.6%
Dhofar Power System	Sep-14	255.1	9.0%	240.1	9.1%
Dhofar Power System	Oct-14	259.9	9.2%	244.2	9.2%
Dhofar Power System	Nov-14	231.1	8.1%	216.5	8.2%
Dhofar Power System	Dec-14	205.9	7.3%	190.8	7.2%
2014 Totals		**2,836.2**		**2,651.7**	

2015		Electricity Production			
System	Month	Gross GWh	% Year	Net GWh	% Year
Dhofar Power System	Jan-15	185.9	6.0%	169.8	5.8%
Dhofar Power System	Feb-15	181.1	5.8%	168.3	5.7%
Dhofar Power System	Mar-15	235.5	7.5%	220.9	7.5%
Dhofar Power System	Apr-15	271.2	8.7%	255.4	8.7%
Dhofar Power System	May-15	319.8	10.2%	303.6	10.3%
Dhofar Power System	Jun-15	320.2	10.3%	303.6	10.3%
Dhofar Power System	Jul-15	279.4	8.9%	262.7	8.9%
Dhofar Power System	Aug-15	277.5	8.9%	262.3	8.9%
Dhofar Power System	Sep-15	283.1	9.1%	268.8	9.1%
Dhofar Power System	Oct-15	292.7	9.4%	278.0	9.5%
Dhofar Power System	Nov-15	259.2	8.3%	244.1	8.3%
Dhofar Power System	Dec-15	217.1	7.0%	204.1	6.9%
2015 Totals		**3,122.6**		**2,941.7**	

Table 10 i

Quarterly Electricity Production by System: 2012 to 2015

		Electricity Production			
System	Period	Gross GWh	% Year	Net GWh	% Year
MIS	Qtr 1-12	3,782.3	17.2%	3,561.3	16.5%
MIS	Qtr 2-12	6,311.3	28.6%	6,265.0	29.0%
MIS	Qtr 3-12	7,283.9	33.0%	7,204.8	33.3%
MIS	Qtr 4-12	4,663.4	21.2%	4,587.9	21.2%
2012 Totals		**22,040.8**		**21,619.1**	
MIS	Qtr 1-13	4,114.5	17.9%	3,906.3	17.3%
MIS	Qtr 2-13	6,523.7	28.5%	6,441.7	28.6%
MIS	Qtr 3-13	7,491.1	32.7%	7,442.7	33.0%
MIS	Qtr 4-13	4,793.7	20.9%	4,767.4	21.1%
2013 Totals		**22,923.0**		**22,558.0**	
MIS	Qtr 1-14	4,182.7	16.4%	3,962.5	15.9%
MIS	Qtr 2-14	7,546.5	29.5%	7,498.6	30.0%
MIS	Qtr 3-14	8,318.4	32.6%	8,253.8	33.0%
MIS	Qtr 4-14	5,496.7	21.5%	5,278.2	21.1%
2014 Totals		**25,544.2**		**24,993.1**	
MIS	Qtr 1-15	4,939.5	17.2%	4,701.6	16.6%
MIS	Qtr 2-15	8,447.4	29.4%	8,353.2	29.5%
MIS	Qtr 3-15	9,082.2	31.6%	9,164.0	32.3%
MIS	Qtr 4-15	6,303.1	21.9%	6,114.8	21.6%
2015 Totals		**28,772.3**		**28,333.6**	

Table 10 ii

Quarterly Electricity Production by System: 2012 to 2015

		Electricity Production			
System	**Period**	**Gross GWh**	% Year	**Net GWh**	% Year
Rural Systems	Qtr 1-12	92.5	*15.3%*	83.1	*14.9%*
Rural Systems	Qtr 2-12	176.0	*29.1%*	162.4	*29.2%*
Rural Systems	Qtr 3-12	198.2	*32.7%*	183.4	*33.0%*
Rural Systems	Qtr 4-12	138.5	*22.9%*	127.0	*22.8%*
2012 Totals		**605.2**		**556.0**	
Rural Systems	Qtr 1-13	112.0	*16.3%*	101.4	*16.0%*
Rural Systems	Qtr 2-13	200.8	*29.3%*	187.9	*29.6%*
Rural Systems	Qtr 3-13	214.6	*31.3%*	200.9	*31.6%*
Rural Systems	Qtr 4-13	157.6	*23.0%*	145.1	*22.8%*
2013 Totals		**685.0**		**635.3**	
Rural Systems	Qtr 1-14	119.1	*15.7%*	107.3	*15.4%*
Rural Systems	Qtr 2-14	222.3	*29.4%*	206.3	*29.5%*
Rural Systems	Qtr 3-14	240.8	*31.8%*	223.9	*32.1%*
Rural Systems	Qtr 4-14	174.6	*23.1%*	160.7	*23.0%*
2014 Totals		**756.7**		**698.1**	
Rural Systems	Qtr 1-15	136.7	*15.8%*	123.7	*15.3%*
Rural Systems	Qtr 2-15	257.4	*29.8%*	242.2	*30.0%*
Rural Systems	Qtr 3-15	268.9	*31.2%*	254.3	*31.5%*
Rural Systems	Qtr 4-15	200.2	*23.2%*	186.8	*23.2%*
2015 Totals		**863.1**		**807.0**	

Table 10 iii

Quarterly Electricity Production by System: 2012 to 2015

		Electricity Production			
System	Period	Gross GWh	% Year	Net GWh	% Year
Dhofar Power System	Qtr 1-12	462.7	19.5%	433.6	19.1%
Dhofar Power System	Qtr 2-12	685.1	28.9%	664.9	29.3%
Dhofar Power System	Qtr 3-12	633.9	26.7%	607.5	26.8%
Dhofar Power System	Qtr 4-12	589.5	24.9%	563.3	24.8%
2012 Totals		**2,371.2**		**2,269.3**	
Dhofar Power System	Qtr 1-13	511.2	19.4%	488.2	19.8%
Dhofar Power System	Qtr 2-13	778.3	29.6%	734.0	29.7%
Dhofar Power System	Qtr 3-13	684.1	26.0%	636.1	25.8%
Dhofar Power System	Qtr 4-13	658.6	25.0%	609.6	24.7%
2013 Totals		**2,632.1**		**2,467.9**	
Dhofar Power System	Qtr 1-14	562.8	19.8%	519.2	19.6%
Dhofar Power System	Qtr 2-14	837.0	29.5%	786.7	29.7%
Dhofar Power System	Qtr 3-14	739.5	26.1%	694.2	26.2%
Dhofar Power System	Qtr 4-14	696.9	24.6%	651.5	24.6%
2014 Totals		**2,836.2**		**2,651.7**	
Dhofar Power System	Qtr 1-15	602.5	19.3%	559.0	19.0%
Dhofar Power System	Qtr 2-15	911.1	29.2%	862.7	29.3%
Dhofar Power System	Qtr 3-15	840.1	26.9%	793.8	27.0%
Dhofar Power System	Qtr 4-15	769.0	24.6%	726.2	24.7%
2015 Totals		**3,122.6**		**2,941.7**	

Table 11

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

2015				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	1,760	1,408	4			50oC	340	75.9%	1,282	1,246			457
	Totals for 1 Systems in Al Dahirah			**1,760**	**1,408**	**4**						**1,282**	**1,246**			**457**
Al Sharqiya																
02/019	Masirah	Cogen	1976	13,795	10,940	9	6,100	10	50oC	13,470	-23.1%	68,979	57,289	1,319	1,179	19,489
	Totals for 1 Systems in Al Sharqiya			**13,795**	**10,940**	**9**	**6,100**	**10**				**68,979**	**57,289**	**1,319**	**1,179**	**19,489**
Al Wusta																
02/001	AbuMudabi	Cogen	1985	669	535	7	200	3	50oC					41	40	0
02/027	Sawgrah	Cogen	1998	584	467	3	250	2	50oC					40	40	0
02/037	Al Duqm (new)	Cogen	2010	66,326	51,745	9	6,000	3	50oC	23,100	55.4%	119,970	102,369	1,297	1,265	30,404
02/005	Al Khaluf	Electricity	2007	2,508	1,880	3			50oC	785	58.2%	3,278	3,134			1,047
02/006	Al Khuiaima	Electricity	2004	5,432	3,900	6			50oC	2,350	39.7%	9,703	9,402			2,749
02/008	Alajaiz	Electricity	2006	1,130	904	4			50oC	930	-2.9%	1,242	1,160			407
02/010	AlNajdah	Electricity	2007	2,200	1,760	3			50oC	1,205	31.5%	4,393	4,281			1,423
02/016	Hij	Electricity	1999	11,600	8,930	7			50oC	10,950	-22.6%	42,931	42,625			12,443
02/017	Hitam	Electricity	2007	2,932	2,300	6			50oC	1,180	48.7%	5,417	5,108			1,752
02/025	Ras Madraka	Electricity	2000	1,780	1,424	4			50oC	2,510	-76.3%	6,805	6,638			2,116
02/030	Surab	Electricity	2006	3,200	2,460	4			50oC	1,605	34.8%	6,431	6,296			2,113
02/045	Dhafrat	Electricity	2009	1,860	1,488	4			50oC	1,170	21.4%	3,516	3,334			1,347
02/046	Al Khadra	Electricity	2011	12,676	9,400	5			50oC	5,000	46.8%	23,981	21,941			7,057
	Totals for 13 Systems in Al Wusta			**112,897**	**87,193**	**65**	**6,450**	**8**				**227,667**	**206,287**	**1,378**	**1,345**	**62,859**

Table 11

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

2015

				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	1,565	1,242	4	144	3	50oC	405	67.4%	1,872	1,365	34	34	577
01/002	Al Mathfa	Electricity	2002	660	495	4			50oC	215	56.6%	700	695			307
01/004	Andat	Electricity	2011	1,512	1,210	4			50oC	942	22.1%	3,273	3,265			1,162
01/007	Ayun	Electricity	2000	720	572	3			50oC	215	62.4%	706	691			281
01/008	Barbazum	Electricity	2000	1,188	950	4			50oC	584	38.6%	2,329	2,312			714
01/012	Dhahabun	Electricity	2000	3,389	2,711	6			50oC	1,622	40.2%	6,235	6,218			1,921
01/014	Fatkhat	Electricity	2002	532	426	3			50oC	230	46.0%	939	931			339
01/016	Hirweeb	Electricity	2001	1,875	1,500	6			50oC	1,070	28.7%	3,414	3,385			1,205
01/019	Mahwice	Electricity	2002	370	296	3			50oC			773	765			252
01/020	Maqshan	Electricity	2001	2,288	1,830	6			50oC	710	61.2%	2,729	2,682			888
01/021	Mazyunah	Electricity	2000	9,000	7,200	6			50oC	6,620	8.1%	27,273	25,157			7,434
01/023	Mitan	Electricity	2001	2,237	1,790	5			50oC	960	46.4%	3,675	3,653			1,193
01/024	Mothorah	Electricity	2006	1,100	880	4			50oC	390	55.7%	1,776	1,721			717
01/032	Saih Alkirat	Electricity	2006	16,200	10,900	9			50oC	15,960	-46.4%	92,790	89,362			26,484
01/035	Shahb Asayb	Electricity	2000	11,069	8,800	7			50oC	7,860	10.7%	37,099	36,294			9,798
01/037	Sharbatat	Electricity	1998	3,472	2,774	5			50oC	1,370	50.6%	4,995	4,928			1,564
01/040	Tushnat	Electricity	2015	900	720	4			50oC	356	50.6%	1,361	1,342			420
01/046	Mudhai (new)	Electricity	2011	3,872	3,004	6			50oC	1,830	39.1%	7,552	7,082			2,265
01/047	Hasik (new)	Electricity	2012	5,000	4,000	6			50oC	1,677	58.1%	7,115	6,752			2,002
	Totals for 19 Systems in Dhofar			66,949	51,300	95	144	3				206,608	198,600	34	34	59,523

Table 11

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

2015				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					71	70	0
03/002	Dibba	Electricity	1978	12,970	8,460	6			50oC	20,900	-147.0%	89,081	87,200			24,960
03/005	Khasab	Electricity	1982	55,630	40,820	11			50oC	51,700	-26.7%	241,887	230,653			64,072
03/007	Madha	Electricity	1982	10,000	8,000	6			50oC	6,640	17.0%	27,244	25,417			8,466
	Totals for 4 Systems in Musandam			**79,068**	**57,654**	**24**	**450**	**3**				**358,212**	**343,270**	**71**	**70**	**97,498**
	Totals for 38 RAEC Production Systems			**274,469**	**208,495**	**197**	**13,144**	**24**				**862,747**	**806,691**	**2,802**	**2,627**	**239,825**

note 1 Rental generation supported systems with negative demand margins.

2015 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	1,760	1,408	4			1,282	1,246			457
Totals for 1 RAEC Systems in Al Sharqiya	13,795	10,940	9	6,100	10	68,979	57,289	1,319	1,179	19,489
Totals for 13 RAEC Systems in Al Wusta	112,897	87,193	65	6,450	8	227,667	206,287	1,378	1,345	62,859
Totals for 19 RAEC Systems in Dhofar	66,949	51,300	95	144	3	206,608	198,600	34	34	59,523
Totals for 4 RAEC Systems in Musandam	79,068	57,654	24	450	3	358,212	343,270	71	70	97,498
Totals for 38 RAEC Production System	**274,469**	**208,495**	**197**	**13,144**	**24**	**862,747**	**806,691**	**2,802**	**2,627**	**239,825**

Table 12

Technical and non-technical Losses by System: 2008 to 2015

	Main Interconnected System								% Changes
GWh	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2014-2015**
Sent out Generation:	13,649.0	15,530.2	16,552.4	18,385.5	21,022.7	21,998.3	24,462.9	27,676.3	*13.1%*
'Other' Purchases (note 1):	385.0	188.6	302.6	564.8	596.4	559.7	530.2	657.3	*24.0%*
GWh entering systems:	14,034.0	15,718.8	16,855.0	18,950.3	21,619.1	22,558.0	24,993.1	28,333.6	*13.4%*
Supply to Customers:	11,317.4	12,713.6	14,121.6	16,374.5	18,502.2	20,021.0	22,097.7	25,512.6	*15.5%*
Total Losses %	**19.4%**	**19.1%**	**16.2%**	**13.6%**	**14.4%**	**11.2%**	**11.6%**	**10.0%**	***-1.6%pp***

	Rural Systems								% Changes
GWh	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2014-2015**
Sent out Generation:	325.8	370.2	412.8	470.1	556.0	635.3	698.1	806.7	*15.5%*
'Other' Purchases (note 1):	33.5	40.2	48.7	59.9	74.7	94.3	124.7	107.4	*-13.9%*
GWh entering systems:	359.3	410.5	461.5	530.0	630.7	729.6	822.8	914.1	*11.1%*
Supply to Customers (note 2):	311.5	368.0	420.1	468.9	559.4	650.9	747.1	816.4	*9.3%*
Total Losses %	**13.3%**	**10.3%**	**9.0%**	**11.5%**	**11.3%**	**10.8%**	**9.2%**	**10.7%**	***1.5%pp***

	Dhofar Power System								% Changes
GWh	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2014-2015**
Sent out Generation:	1,467.1	1,688.4	1,819.0	1,907.3	2,269.3	2,467.9	2,651.7	2,941.7	*10.9%*
'Other' Purchases (note 1):	2.1	45.7	72.4	26.4	0.0	0.0	0.0	2.4	*n/a*
GWh entering systems:	1,469.2	1,734.1	1,891.4	1,933.7	2,269.3	2,467.9	2,651.7	2,944.1	*11.0%*
Supply to Customers:	1,221.2	1,401.5	1,590.8	1,668.9	1,896.6	2,118.8	2,327.3	2,583.4	*11.0%*
Total Losses %	**16.9%**	**19.2%**	**15.9%**	**13.7%**	**16.4%**	**14.1%**	**12.2%**	**12.3%**	***0.02% pp***

Note 1: MIS "Other" purchases are PWP purchases from MIS connected Exemption Holders, Rental Generation and Interconnection with UAE;
Rural Systems Other purchases are purchases from PDO and Bahwan Aston Field Solar Power LLC; and
Dhofar Other purchases are units purchased by PWP from RAEC for Sale to DPC SAOC and PDO.

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

Water Sector Statistics

Table 1

Water Production by Zone: 2012 to 2015

2012	**Water Production**			
Zone	**Gross m3**	*% Year*	**Net m3**	*% Year*
Interconnected & Sharqiyah Zones	140,204,702	*98.6%*	136,467,062	*98.6%*
Rural Zones	1,985,725	*1.4%*	1,870,628	*1.4%*
Dhofar Zone				
Total for 2012	**142,190,427**		**138,337,690**	
2013	**Water Production**			
Zone	**Gross m3**	*% Year*	**Net m3**	*% Year*
Interconnected & Sharqiyah Zones	146,511,925	*88.5%*	142,563,235	*88.3%*
Rural Zones	2,291,035	*1.4%*	2,160,352	*1.3%*
Dhofar Zone	16,753,619	*10.1%*	16,753,619	*10.4%*
Total for 2013	**165,556,579**		**161,477,206**	
2014	**Water Production**			
Zone	**Gross m3**	*% Year*	**Net m3**	*% Year*
Interconnected & Sharqiyah Zones	184,975,345	*87.7%*	181,973,294	*87.5%*
Rural Zones	2,397,487	*1.1%*	2,236,582	*1.1%*
Dhofar Zone	23,652,716	*11.2%*	23,652,716	*11.4%*
Total for 2014	**211,025,548**		**207,862,592**	
2015	**Water Production**			
Zone	**Gross m3**	*% Year*	**Net m3**	*% Year*
Interconnected & Sharqiyah Zones	224,926,710	*90.1%*	221,891,664	*90.1%*
Rural Zones	2,801,593	*1.1%*	2,627,190	*1.1%*
Dhofar Zone	21,803,963	*8.7%*	21,803,963	*8.9%*
Total for 2015	**249,532,266**		**246,322,817**	

Table 2

Water Production by Zone and Company: 2014 & 2015

2014	Water Production			
	Gross m3	***% Oman***	**Net m3**	***% Oman***
A: Interconnected & Sharqiyah Zones				
ACWA Power Barka SAOG	40,242,806	*19.1%*	40,128,046	*19.3%*
Al Ghubrah SAOC	51,234,007	*24.3%*	50,380,244	*24.2%*
SMN Barka SAOG	42,794,836	*20.3%*	42,679,362	*20.5%*
Sohar Power Company SAOG	50,703,696	*24.0%*	48,785,642	*23.5%*
ISZ sub-total	**184,975,345**	*87.7%*	**181,973,294**	*87.5%*
B: Rural Zones				
RAEC SAOC	2,397,487	*1.1%*	2,236,582	*1.1%*
Rural Zones sub-total	**2,397,487**	*1.1%*	**2,236,582**	*1.1%*
C: Dhofar Zone				
SembcorpSalalah SAOC	23,652,716	*11.2%*	23,652,716	*11.4%*
Dhofar Zone sub-total	**23,652,716**	*11.2%*	**23,652,716**	*11.4%*
Totals for 2014	**211,025,548**	*100%*	**207,862,592**	*100%*

2015	Water Production			
	Gross m3	***% Oman***	**Net m3**	***% Oman***
A: Interconnected & Sharqiyah Zones				
ACWA Power Barka SAOG	49,920,039	*20.0%*	49,786,907	*20.2%*
Al Ghubrah SAOC	42,935,802	*17.2%*	42,144,509	*17.1%*
Muscat City Desalination Company SAOC	11,609,566	*4.7%*	11,609,566	*4.7%*
Sharqiyah Desalination Company SAOG	27,519,744	*11.0%*	27,462,520	*11.1%*
SMN Barka SAOG	43,229,610	*17.3%*	43,100,670	*17.5%*
Sohar Power Company SAOG	49,711,949	*19.9%*	47,787,492	*19.4%*
ISZ sub-total	**224,926,710**	*90.1%*	**221,891,664**	*90.1%*
% change from 2014				
B: Rural Zones				
RAEC SAOC	2,801,593	*1.1%*	2,627,190	*1.1%*
Rural Zones sub-total	**2,801,593**	*1.1%*	**2,627,190**	*1.1%*
% change from 2014	**16.9%**		**17.5%**	
C: Dhofar Zone				
SembcorpSalalah SAOC	21,803,963	*8.7%*	21,803,963	*8.9%*
Dhofar Zone sub-total	**21,803,963**	*8.7%*	**21,803,963**	*8.9%*
% change from 2014	**-7.8%**		**-7.8%**	
Totals for 2015	**249,532,266**	*100%*	**246,322,817**	*100%*
Actual change from 2014	**38,506,718**		**38,460,225**	
% change from 2014	**18.2%**		**18.5%**	

Table 3

Water Production by Region: 2014 and 2015

2014 Region	Water Production m3 Gross	% Oman	m3 Net	% Oman
Al Sharqiya	1,231,519	0.6%	1,114,454	0.5%
Al Wusta	1,027,622	0.5%	986,184	0.5%
Dhofar	23,693,655	11.2%	23,693,176	11.4%
Musandam	97,407	0.0%	95,484	0.0%
Muscat	51,234,007	24.3%	50,380,244	24.2%
North Batinah	50,703,696	24.0%	48,785,642	23.5%
South Batinah	83,037,642	39.3%	82,807,408	39.8%
Totals for 2014	**211,025,548**		**207,862,592**	

2015 Region	Water Production m3 Gross	% Oman	m3 Net	% Oman
Al Sharqiya *Change from 2014 (%)*	27,519,744 *2134.6%*	11.0%	27,462,520 *2364.2%*	11.1%
Al Wusta *Change from 2014 (%)*	2,696,472 *162.4%*	1.1%	2,523,574 *155.9%*	1.0%
Dhofar *Change from 2014 (%)*	21,838,044 *-7.8%*	8.8%	21,837,641 *-7.8%*	8.9%
Musandam *Change from 2014 (%)*	71,040 *-27.1%*	0.0%	69,938 *-26.8%*	0.0%
Muscat *Change from 2014 (%)*	54,545,368 *6.5%*	21.9%	53,754,075 *6.7%*	21.8%
North Batinah *Change from 2014 (%)*	49,711,949 *-2.0%*	19.9%	47,787,492 *-2.0%*	19.4%
South Batinah *Change from 2014 (%)*	93,149,649 *12.2%*	37.3%	92,887,577 *12.2%*	37.7%
Totals for 2015 Change from 2014 (%)	**249,532,266** *18.2%*		**246,322,817** *18.5%*	

Table 4

Water Production by Region and Company: 2014 and 2015

2014 Region	Company	Water Production Gross m3	% Oman	Net m3	% Oman
Al Sharqiya	RAEC SAOC	1,231,519	*0.6%*	1,114,454	*0.5%*
Al Wusta	RAEC SAOC	1,027,622	*0.5%*	986,184	*0.5%*
Dhofar	RAEC SAOC	40,939	*0.0%*	40,460	*0.0%*
Dhofar	SembcorpSalalah SAOC	23,652,716	*11.2%*	23,652,716	*11.4%*
Musandam	RAEC SAOC	97,407	*0.0%*	95,484	*0.0%*
Muscat	Al Ghubrah SAOC	51,234,007	*24.3%*	50,380,244	*24.2%*
North Batinah	Sohar Power Company SAOG	50,703,696	*24.0%*	48,785,642	*23.5%*
South Batinah	ACWA Power Barka SAOG	40,242,806	*19.1%*	40,128,046	*19.3%*
South Batinah	SMN Barka SAOG	42,794,836	*20.3%*	42,679,362	*20.5%*
Sultanate Totals 2014		**211,025,548**		**207,862,592**	

2015 Region	Company	Water Production Gross m3	% Oman	Net m3	% Oman
Al Sharqiya	RAEC SAOC				
Al Sharqiya	Sharqiyah Desalination Compa	27,519,744	*11.0%*	27,462,520	*11.1%*
Al Wusta	RAEC SAOC	2,696,472	*1.1%*	2,523,574	*1.0%*
Dhofar	RAEC SAOC	34,081	*0.0%*	33,678	*0.0%*
Dhofar	SembcorpSalalah SAOC	21,803,963	*8.7%*	21,803,963	*8.9%*
Musandam	RAEC SAOC	71,040	*0.0%*	69,938	*0.0%*
Muscat	Al Ghubrah SAOC	42,935,802	*17.2%*	42,144,509	*17.1%*
Muscat	Muscat City Desalination Comp	11,609,566	*4.7%*	11,609,566	*4.7%*
North Batinah	Sohar Power Company SAOG	49,711,949	*19.9%*	47,787,492	*19.4%*
South Batinah	ACWA Power Barka SAOG	49,920,039	*20.0%*	49,786,907	*20.2%*
South Batinah	SMN Barka SAOG	43,229,610	*17.3%*	43,100,670	*17.5%*
Sultanate Totals 2015		**249,532,266**		**246,322,817**	
Change from 2014 (%)		*18.2%*		*18.5%*	

Table 5 i

Monthly Water Production by Zone: Interconnected & Sharqiyah Zone 2012 to 2015

2012 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Interconnected & Sharqiyah Zone	Jan-12	9,447.4	6.7%	9,261.4	6.8%
Interconnected & Sharqiyah Zone	Feb-12	10,102.9	7.2%	9,864.0	7.2%
Interconnected & Sharqiyah Zone	Mar-12	11,566.9	8.3%	11,330.0	8.3%
Interconnected & Sharqiyah Zone	Apr-12	11,665.0	8.3%	11,362.0	8.3%
Interconnected & Sharqiyah Zone	May-12	12,515.5	8.9%	12,065.2	8.8%
Interconnected & Sharqiyah Zone	Jun-12	12,252.1	8.7%	11,799.5	8.6%
Interconnected & Sharqiyah Zone	Jul-12	12,647.2	9.0%	12,317.8	9.0%
Interconnected & Sharqiyah Zone	Aug-12	12,632.7	9.0%	12,339.6	9.0%
Interconnected & Sharqiyah Zone	Sep-12	12,386.7	8.8%	12,125.7	8.9%
Interconnected & Sharqiyah Zone	Oct-12	12,114.0	8.6%	11,677.5	8.6%
Interconnected & Sharqiyah Zone	Nov-12	11,742.8	8.4%	11,440.5	8.4%
Interconnected & Sharqiyah Zone	Dec-12	11,131.6	7.9%	10,883.9	8.0%
2012 Totals		**140,204.7**		**136,467.1**	

2013 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Interconnected & Sharqiyah Zone	Jan-13	11,311.7	7.7%	11,020.8	7.7%
Interconnected & Sharqiyah Zone	Feb-13	10,238.9	7.0%	9,956.4	7.0%
Interconnected & Sharqiyah Zone	Mar-13	12,293.1	8.4%	11,962.9	8.4%
Interconnected & Sharqiyah Zone	Apr-13	12,093.5	8.3%	11,805.5	8.3%
Interconnected & Sharqiyah Zone	May-13	12,859.2	8.8%	12,532.1	8.8%
Interconnected & Sharqiyah Zone	Jun-13	12,963.4	8.8%	12,595.3	8.8%
Interconnected & Sharqiyah Zone	Jul-13	13,071.5	8.9%	12,745.7	8.9%
Interconnected & Sharqiyah Zone	Aug-13	13,065.1	8.9%	12,698.9	8.9%
Interconnected & Sharqiyah Zone	Sep-13	12,660.8	8.6%	12,310.0	8.6%
Interconnected & Sharqiyah Zone	Oct-13	12,490.1	8.5%	12,056.2	8.5%
Interconnected & Sharqiyah Zone	Nov-13	11,533.5	7.9%	11,211.1	7.9%
Interconnected & Sharqiyah Zone	Dec-13	11,931.1	8.1%	11,668.4	8.2%
2013 Totals		**146,511.9**		**142,563.2**	

Table 5 i

Monthly Water Production by Zone: Interconnected & Sharqiyah Zone 2012 to 2015

2014 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Interconnected & Sharqiyah Zone	Jan-14	13,708.1	7.4%	13,402.7	7.4%
Interconnected & Sharqiyah Zone	Feb-14	12,328.1	6.7%	12,039.1	6.6%
Interconnected & Sharqiyah Zone	Mar-14	14,216.6	7.7%	13,991.2	7.7%
Interconnected & Sharqiyah Zone	Apr-14	14,681.7	7.9%	14,457.9	7.9%
Interconnected & Sharqiyah Zone	May-14	15,638.1	8.5%	15,374.5	8.4%
Interconnected & Sharqiyah Zone	Jun-14	16,661.8	9.0%	16,448.6	9.0%
Interconnected & Sharqiyah Zone	Jul-14	16,878.2	9.1%	16,591.7	9.1%
Interconnected & Sharqiyah Zone	Aug-14	16,615.8	9.0%	16,354.3	9.0%
Interconnected & Sharqiyah Zone	Sep-14	16,429.8	8.9%	16,189.0	8.9%
Interconnected & Sharqiyah Zone	Oct-14	16,173.2	8.7%	15,963.9	8.8%
Interconnected & Sharqiyah Zone	Nov-14	15,782.8	8.5%	15,567.9	8.6%
Interconnected & Sharqiyah Zone	Dec-14	15,861.1	8.6%	15,592.5	8.6%
2014 Totals		**184,975.3**		**181,973.3**	

2015 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Interconnected & Sharqiyah Zone	Jan-15	17,645.6	7.8%	17,347.6	7.8%
Interconnected & Sharqiyah Zone	Feb-15	16,303.9	7.2%	16,105.1	7.3%
Interconnected & Sharqiyah Zone	Mar-15	17,698.3	7.9%	17,459.1	7.9%
Interconnected & Sharqiyah Zone	Apr-15	18,244.1	8.1%	17,944.1	8.1%
Interconnected & Sharqiyah Zone	May-15	17,951.9	8.0%	17,676.5	8.0%
Interconnected & Sharqiyah Zone	Jun-15	17,833.6	7.9%	17,550.8	7.9%
Interconnected & Sharqiyah Zone	Jul-15	19,204.2	8.5%	18,928.8	8.5%
Interconnected & Sharqiyah Zone	Aug-15	19,404.1	8.6%	19,169.8	8.6%
Interconnected & Sharqiyah Zone	Sep-15	20,379.1	9.1%	20,138.5	9.1%
Interconnected & Sharqiyah Zone	Oct-15	19,494.0	8.7%	19,373.4	8.7%
Interconnected & Sharqiyah Zone	Nov-15	19,647.8	8.7%	19,322.7	8.7%
Interconnected & Sharqiyah Zone	Dec-15	21,120.3	9.4%	20,875.4	9.4%
2015 Totals		**224,926.7**		**221,891.7**	

Table 5 ii

Monthly Water Production by Zone: Rural Zone 2012 to 2015

2012 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Rural Zone	Jan-12	155.0	7.8%	143.3	7.7%
Rural Zone	Feb-12	141.4	7.1%	127.0	6.8%
Rural Zone	Mar-12	155.0	7.8%	142.0	7.6%
Rural Zone	Apr-12	149.3	7.5%	138.8	7.4%
Rural Zone	May-12	145.8	7.3%	144.0	7.7%
Rural Zone	Jun-12	150.5	7.6%	144.4	7.7%
Rural Zone	Jul-12	170.5	8.6%	160.9	8.6%
Rural Zone	Aug-12	186.1	9.4%	175.7	9.4%
Rural Zone	Sep-12	179.1	9.0%	168.6	9.0%
Rural Zone	Oct-12	182.3	9.2%	172.9	9.2%
Rural Zone	Nov-12	186.2	9.4%	176.9	9.5%
Rural Zone	Dec-12	184.5	9.3%	176.1	9.4%
2012 Totals		**1,985.7**		**1,870.6**	

2013 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Rural Zone	Jan-13	193.3	8.4%	177.3	8.2%
Rural Zone	Feb-13	171.6	7.5%	167.3	7.7%
Rural Zone	Mar-13	195.1	8.5%	182.7	8.5%
Rural Zone	Apr-13	189.2	8.3%	179.3	8.3%
Rural Zone	May-13	201.2	8.8%	189.6	8.8%
Rural Zone	Jun-13	193.3	8.4%	181.8	8.4%
Rural Zone	Jul-13	188.8	8.2%	181.0	8.4%
Rural Zone	Aug-13	184.4	8.0%	172.2	8.0%
Rural Zone	Sep-13	191.2	8.3%	179.0	8.3%
Rural Zone	Oct-13	189.3	8.3%	180.6	8.4%
Rural Zone	Nov-13	193.6	8.5%	180.2	8.3%
Rural Zone	Dec-13	200.1	8.7%	189.2	8.8%
2013 Totals		**2,291.0**		**2,160.4**	

Table 5 ii

Monthly Water Production by Zone: Rural Zone 2012 to 2015

2014 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Rural Zone	Jan-14	193.6	8.1%	178.6	8.0%
Rural Zone	Feb-14	167.2	7.0%	158.5	7.1%
Rural Zone	Mar-14	198.9	8.3%	182.1	8.1%
Rural Zone	Apr-14	205.0	8.5%	183.8	8.2%
Rural Zone	May-14	226.9	9.5%	202.9	9.1%
Rural Zone	Jun-14	217.2	9.1%	197.9	8.8%
Rural Zone	Jul-14	205.4	8.6%	187.1	8.4%
Rural Zone	Aug-14	202.6	8.4%	184.7	8.3%
Rural Zone	Sep-14	200.8	8.4%	197.2	8.8%
Rural Zone	Oct-14	201.7	8.4%	195.7	8.8%
Rural Zone	Nov-14	185.8	7.7%	182.3	8.1%
Rural Zone	Dec-14	192.5	8.0%	185.7	8.3%
2014 Totals		**2,397.5**		**2,236.6**	

2015 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Rural Zone	Jan-15	197.4	7.0%	187.9	7.2%
Rural Zone	Feb-15	190.5	6.8%	186.1	7.1%
Rural Zone	Mar-15	214.3	7.6%	191.7	7.3%
Rural Zone	Apr-15	231.1	8.2%	210.5	8.0%
Rural Zone	May-15	244.3	8.7%	234.1	8.9%
Rural Zone	Jun-15	236.9	8.5%	221.5	8.4%
Rural Zone	Jul-15	228.9	8.2%	218.5	8.3%
Rural Zone	Aug-15	223.7	8.0%	210.0	8.0%
Rural Zone	Sep-15	245.1	8.7%	235.8	9.0%
Rural Zone	Oct-15	252.2	9.0%	232.5	8.8%
Rural Zone	Nov-15	264.4	9.4%	239.9	9.1%
Rural Zone	Dec-15	272.7	9.7%	258.6	9.8%
2015 Totals		**2,801.6**		**2,627.2**	

Table 5 iii

Monthly Water Production by Zone: Dhofar Zone 2012 to 2015

2012 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Zone	Jan-12				
Dhofar Zone	Feb-12				
Dhofar Zone	Mar-12				
Dhofar Zone	Apr-12				
Dhofar Zone	May-12				
Dhofar Zone	Jun-12				
Dhofar Zone	Jul-12				
Dhofar Zone	Aug-12				
Dhofar Zone	Sep-12				
Dhofar Zone	Oct-12				
Dhofar Zone	Nov-12				
Dhofar Zone	Dec-12				
2012 Totals					

2013 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Zone	Jan-13	106.0	0.6%	106.0	0.6%
Dhofar Zone	Feb-13	212.6	1.3%	212.6	1.3%
Dhofar Zone	Mar-13	246.7	1.5%	246.7	1.5%
Dhofar Zone	Apr-13	920.4	5.5%	920.4	5.5%
Dhofar Zone	May-13	1,978.3	11.8%	1,978.3	11.8%
Dhofar Zone	Jun-13	1,529.2	9.1%	1,529.2	9.1%
Dhofar Zone	Jul-13	1,744.4	10.4%	1,744.4	10.4%
Dhofar Zone	Aug-13	2,056.6	12.3%	2,056.6	12.3%
Dhofar Zone	Sep-13	2,009.8	12.0%	2,009.8	12.0%
Dhofar Zone	Oct-13	2,005.6	12.0%	2,005.6	12.0%
Dhofar Zone	Nov-13	1,968.8	11.8%	1,968.8	11.8%
Dhofar Zone	Dec-13	1,975.5	11.8%	1,975.5	11.8%
2013 Totals		**16,753.6**		**16,753.6**	

Table 5 iii

Monthly Water Production by Zone: Dhofar Zone 2012 to 2015

2014 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Zone	Jan-14	2,020.0	8.5%	2,020.0	8.5%
Dhofar Zone	Feb-14	1,848.7	7.8%	1,848.7	7.8%
Dhofar Zone	Mar-14	2,104.4	8.9%	2,104.4	8.9%
Dhofar Zone	Apr-14	1,894.3	8.0%	1,894.3	8.0%
Dhofar Zone	May-14	2,120.0	9.0%	2,120.0	9.0%
Dhofar Zone	Jun-14	2,003.5	8.5%	2,003.5	8.5%
Dhofar Zone	Jul-14	1,980.7	8.4%	1,980.7	8.4%
Dhofar Zone	Aug-14	1,888.3	8.0%	1,888.3	8.0%
Dhofar Zone	Sep-14	1,900.8	8.0%	1,900.8	8.0%
Dhofar Zone	Oct-14	2,047.9	8.7%	2,047.9	8.7%
Dhofar Zone	Nov-14	1,838.2	7.8%	1,838.2	7.8%
Dhofar Zone	Dec-14	2,005.8	8.5%	2,005.8	8.5%
2014 Totals		**23,652.7**		**23,652.7**	

2015 Zone	Month	Water Production Gross '000 m3	% Year	Net '000 m3	% Year
Dhofar Zone	Jan-15	1,951.9	9.0%	1,951.9	9.0%
Dhofar Zone	Feb-15	1,682.7	7.7%	1,682.7	7.7%
Dhofar Zone	Mar-15	1,733.5	8.0%	1,733.5	8.0%
Dhofar Zone	Apr-15	1,591.3	7.3%	1,591.3	7.3%
Dhofar Zone	May-15	1,699.9	7.8%	1,699.9	7.8%
Dhofar Zone	Jun-15	1,826.6	8.4%	1,826.6	8.4%
Dhofar Zone	Jul-15	1,908.1	8.8%	1,908.1	8.8%
Dhofar Zone	Aug-15	2,018.7	9.3%	2,018.7	9.3%
Dhofar Zone	Sep-15	1,832.1	8.4%	1,832.1	8.4%
Dhofar Zone	Oct-15	1,900.8	8.7%	1,900.8	8.7%
Dhofar Zone	Nov-15	1,774.3	8.1%	1,774.3	8.1%
Dhofar Zone	Dec-15	1,884.1	8.6%	1,884.1	8.6%
2015 Totals		**21,804.0**		**21,804.0**	

Table 6 i

Quarterly Water Production by Zone: 2012 to 2015

		Water Production			
Zone	**Period**	**Gross '000 m3**	% Year	**Net '000 m3**	% Year
Interconnected & Sharqiyah Zones	Qtr 1-12	31,117.2	22.2%	30,455.3	22.3%
Interconnected & Sharqiyah Zones	Qtr 2-12	36,432.6	26.0%	35,226.7	25.8%
Interconnected & Sharqiyah Zones	Qtr 3-12	37,666.5	26.9%	36,783.1	27.0%
Interconnected & Sharqiyah Zones	Qtr 4-12	34,988.4	25.0%	34,001.9	24.9%
2012 Totals		**140,204.7**		**136,467.1**	
Interconnected & Sharqiyah Zones	Qtr 1-13	33,843.7	23.1%	32,940.0	23.1%
Interconnected & Sharqiyah Zones	Qtr 2-13	37,916.1	25.9%	36,932.9	25.9%
Interconnected & Sharqiyah Zones	Qtr 3-13	38,797.4	26.5%	37,754.5	26.5%
Interconnected & Sharqiyah Zones	Qtr 4-13	35,954.7	24.5%	34,935.8	24.5%
2013 Totals		**146,511.9**		**142,563.2**	
Interconnected & Sharqiyah Zones	Qtr 1-14	40,252.8	21.8%	39,432.9	21.7%
Interconnected & Sharqiyah Zones	Qtr 2-14	46,981.6	25.4%	46,281.1	25.4%
Interconnected & Sharqiyah Zones	Qtr 3-14	49,923.9	27.0%	49,135.0	27.0%
Interconnected & Sharqiyah Zones	Qtr 4-14	47,817.1	25.9%	47,124.3	25.9%
2014 Totals		**184,975.3**		**181,973.3**	
Interconnected & Sharqiyah Zones	Qtr 1-15	51,647.7	23.0%	50,911.8	22.9%
Interconnected & Sharqiyah Zones	Qtr 2-15	54,029.6	24.0%	53,171.3	24.0%
Interconnected & Sharqiyah Zones	Qtr 3-15	58,987.4	26.2%	58,237.1	26.2%
Interconnected & Sharqiyah Zones	Qtr 4-15	60,262.0	26.8%	59,571.5	26.8%
2015 Totals		**224,926.7**		**221,891.7**	

Table 6 ii

Quarterly Water Production by Zone: 2012 to 2015

		Water Production			
Zone	**Period**	**Gross '000 m3**	% Year	**Net '000 m3**	% Year
Rural Zones	Qtr 1-12	451.4	22.7%	412.3	22.0%
Rural Zones	Qtr 2-12	445.7	22.4%	427.3	22.8%
Rural Zones	Qtr 3-12	535.7	27.0%	505.1	27.0%
Rural Zones	Qtr 4-12	553.0	27.8%	525.9	28.1%
2012 Totals		**1,985.7**		**1,870.6**	
Rural Zones	Qtr 1-13	560.0	24.4%	527.3	24.4%
Rural Zones	Qtr 2-13	583.7	25.5%	550.7	25.5%
Rural Zones	Qtr 3-13	564.3	24.6%	532.2	24.6%
Rural Zones	Qtr 4-13	583.1	25.4%	550.1	25.5%
2013 Totals		**2,291.0**		**2,160.4**	
Rural Zones	Qtr 1-14	559.6	23.3%	519.2	23.2%
Rural Zones	Qtr 2-14	649.1	27.1%	584.6	26.1%
Rural Zones	Qtr 3-14	608.8	25.4%	569.0	25.4%
Rural Zones	Qtr 4-14	580.0	24.2%	563.7	25.2%
2014 Totals		**2,397.5**		**2,236.6**	
Rural Zones	Qtr 1-15	602.2	21.5%	565.7	21.5%
Rural Zones	Qtr 2-15	712.4	25.4%	666.1	25.4%
Rural Zones	Qtr 3-15	697.7	24.9%	664.3	25.3%
Rural Zones	Qtr 4-15	789.3	28.2%	731.1	27.8%
2015 Totals		**2,801.6**		**2,627.2**	

Table 6 iii

Quarterly Water Production by Zone: 2012 to 2015

		Water Production			
Zone	**Period**	**Gross '000 m3**	% Year	**Net '000 m3**	% Year
Dhofar Zone	Qtr 1-12				
Dhofar Zone	Qtr 2-12				
Dhofar Zone	Qtr 3-12				
Dhofar Zone	Qtr 4-12				
2012 Totals					
Dhofar Zone	Qtr 1-13	565.3	3.4%	565.3	3.4%
Dhofar Zone	Qtr 2-13	4,427.8	26.4%	4,427.8	26.4%
Dhofar Zone	Qtr 3-13	5,810.7	34.7%	5,810.7	34.7%
Dhofar Zone	Qtr 4-13	5,949.8	35.5%	5,949.8	35.5%
2013 Totals		**16,753.6**		**16,753.6**	
Dhofar Zone	Qtr 1-14	5,973.2	25.3%	5,973.2	25.3%
Dhofar Zone	Qtr 2-14	6,017.8	25.4%	6,017.8	25.4%
Dhofar Zone	Qtr 3-14	5,769.8	24.4%	5,769.8	24.4%
Dhofar Zone	Qtr 4-14	5,891.9	24.9%	5,891.9	24.9%
2014 Totals		**23,652.7**		**23,652.7**	
Dhofar Zone	Qtr 1-15	5,368.1	24.6%	5,368.1	24.6%
Dhofar Zone	Qtr 2-15	5,117.8	23.5%	5,117.8	23.5%
Dhofar Zone	Qtr 3-15	5,758.9	26.4%	5,758.9	26.4%
Dhofar Zone	Qtr 4-15	5,559.1	25.5%	5,559.1	25.5%
2015 Totals		**21,804.0**		**21,804.0**	

Annex D:
Electricity Subsidy Calculations

2015 MIS Outturn Subsidy

Maximum Allowed Supply Revenue *Rial Omani*	MEDC	MJEC	MZEC	2015 outturn Total	2014 Outturn Total	% Change
PC (Energy cost)	194,030,010	145,102,960	152,902,306	**492,035,276**	**346,704,450**	**41.92%**
TUoS (Transmission cost)	29,196,559	20,134,716	23,802,178	**73,133,453**	**67,955,339**	**7.62%**
DUoS (Distribution cost)	53,443,904	39,919,828	65,920,219	**159,283,951**	**131,431,583**	**21.19%**
SB (Supply cost)	10,526,749	7,588,942	11,624,897	**29,740,589**	**26,581,185**	**11.89%**
LF (Licence fee)	56,809	56,794	56,794	**170,397**	**211,494**	**-19.43%**
KS (Correction factor)	8,588,692	501,500	2,081,712	**11,171,903**	**12,845,820**	**-13.03%**
Maximum Allowed Supply Revenue	**278,665,338**	**212,301,741**	**252,224,683**	**743,191,761**	**560,038,231**	**32.70%**

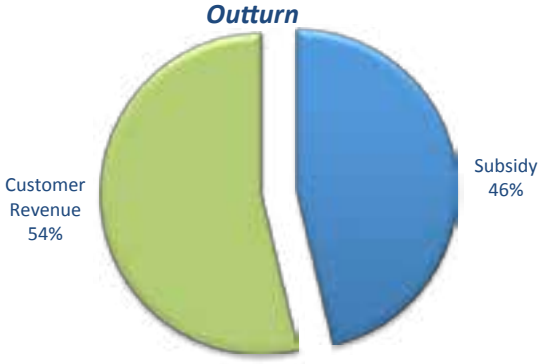
Actual Regulated Supply Revenue *Rial Omani*	MEDC	MJEC	MZEC	Total	Total	Variance
Approved Subsidy	105,010,215	97,825,120	137,623,622	**340,458,957**	**233,962,210**	**46%**
Permitted Tariff (& other) Revenue	170,566,616	117,022,261	111,425,839	**399,014,716**	**345,895,744**	**15%**
Actual Regulated Supply Revenue	275,576,831	214,847,381	249,049,461	**739,473,673**	**569,857,954**	**30%**
Outturn Subsidy Requirement	108,098,722	95,279,479	140,798,843	**344,177,045**	**214,142,487**	**61%**

Subsidy per kWh *(bz/kWh)*	Muscat	Majan	Mazoon	Total	Total	Variance
Economic Cost	27.6	27.0	33.4	**29.1**	**25.3**	**15%**
Subsidy (Outturn)	10.7	12.1	18.6	**13.5**	**9.7**	**39%**
Customer Revenue	16.9	14.9	14.8	**15.6**	**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



2016 MIS Subsidy Forecast

Maximum Allowed Supply Revenue

Rial Omani	Muscat	Majan	Mazoon	2016 Forecast Total	2015 outturn Total	% Change
PC (Energy cost)	217,158,014	174,443,029	162,749,135	**554,350,178**	**492,035,276**	**12.66%**
TUoS (Transmission cost)	28,075,030	19,710,733	24,079,038	**71,864,801**	**73,133,453**	**-1.73%**
DUoS (Distribution cost)	49,996,222	42,520,956	67,605,249	**160,122,427**	**159,283,951**	**0.53%**
SB (Supply cost)	11,068,598	7,968,735	12,233,440	**31,270,774**	**29,740,589**	**5.15%**
LF (Licence fee)	59,241	59,241	59,241	**177,724**	**170,397**	**4.30%**
KS (Correction factor)	(3,116,712)	1,556,728	(3,204,216)	**(4,764,200)**	**11,171,903**	**-142.64%**
Maximum Allowed Supply Revenue	**309,473,818**	**243,145,967**	**269,930,320**	**822,550,105**	**743,191,761**	**10.68%**

Actual Regulated Supply Revenues

Rial Omani	Muscat	Majan	Mazoon	Total	Total	Variance
Approved Subsidy	123,091,130	112,126,912	149,545,856	**384,763,899**	**340,458,957**	**13%**
Permitted Tariff (& other) Revenue	186,382,688	131,019,055	120,384,464	**437,786,206**	**399,014,716**	**10%**
Actual Regulated Supply Revenue	309,473,818	243,145,967	269,930,320	**822,550,105**	**739,473,673**	**11%**

Subsidy per kWh

(bz/kWh)	Muscat	Majan	Mazoon	Total	Total	Variance
Economic Cost	28.4	27.6	33.1	**29.5**	**29.1**	**1%**
Subsidy (Estimate)	11.3	12.7	18.3	**13.8**	**13.5**	**2%**
Customer Revenue	17.1	14.9	14.8	**15.7**	**15.6**	**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
KS means the Supply Business Correction Factor
All in relevant year t

2016 MIS Revenue & Subsidy
Forecast

2015 RAEC Subsidy Outturn

Maximum Allowed Electricity Revenue	2015 outturn	2014 outturn	
Rial Omani	Total	Total	% Change
MAGR (Generation cost)	57,235,967		
MANR (Networks cost)	18,469,459		
MASR (Supply cost)	5,259,808		
LF (Licence fee)	302,899		
K (Correction factor)	173,382		
Maximum Allowed Electricity Revenue	81,094,750	56,836,636	42.7%

Actual Regulated Electricity Revenue			
Rial Omani	Total	Total	Variance
Approved Subsidy	66,452,279	44,646,000	49%
Permitted Tariff (& other) Revenue	13,685,566	12,362,210	11%
Actual Regulated Electricity Revenue	80,137,845	57,008,210	41%
Outturn Subsidy Requirement	67,409,184	44,474,426	52%

Subsidy per kWh

(bz/kWh)	Total	Total	Variance
Economic Cost	99.3	80.8	23%
Subsidy (Outturn)	82.6	63.2	31%
Customer Revenue	16.8	17.6	-5%

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

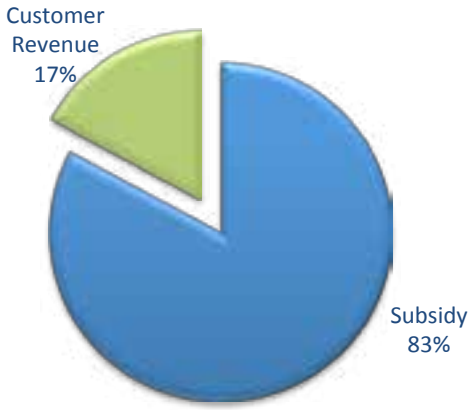
Source: Company SCRCs, Authority calculations

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 *Outturn*



2016 RAEC Subsidy Forecast

Maximum Allowed Electricity Revenue *Rial Omani*	2016 Forecast Total	2015 outturn Total	% Change
MAGR (Generation cost)	62,495,381	57,235,967	9.2%
MANR (Networks cost)	19,051,618	18,469,459	3.2%
MASR (Supply cost)	5,549,780	5,259,808	5.5%
LF (Licence fee)	278,783	302,899	-8.0%
K (Correction factor)	(965,641)	173,382	-656.9%
Maximum Allowed Electricity Revenue	88,341,203	81,094,750	8.9%

Actual Regulated Electricity Revenue *Rial Omani*	Total	Total	Variance
Approved Subsidy	72,641,793	66,452,279	9%
Permitted Tariff (& other) Revenue	15,699,410	13,685,566	15%
Actual Regulated Electricity Revenue	88,341,203	80,137,845	10%

Subsidy per kWh

(bz/kWh)	Total	Total	Variance
Economic Cost	94.1	99.3	-5%
Subsidy (Estimate)	77.4	82.6	-6%
Customer Revenue	16.7	16.8	0%

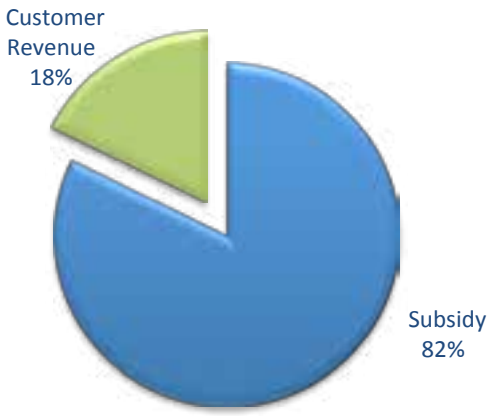
Source: Company returns, Authority estimates

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

2016 RAEC Revenue & Subsidy *Forecast*



2015 DPC Outturn Subsidy

Maximum Allowed Supply Revenue *Rial Omani*	2015 outturn Total	2014 outturn Total	% Change
PC (Energy cost)	52,941,970	37,665,530	40.6%
TUoS (Transmission cost)	8,593,082	8,124,178	5.8%
DUoS (Distribution cost)	16,772,378	16,221,075	3.4%
SB (Supply cost)	3,959,059	3,259,080	21.5%
LF (Licence fee)	56,794	70,498	-19.4%
KS (Correction factor)	(1,444,399)	0	
Maximum Allowed Supply Revenue	83,767,682	65,340,361	28.2%

Actual Regulated Supply Revenue *Rial Omani*	Total	Total	Variance
Approved Subsidy	41,258,489	27,040,977	53%
Permitted Tariff (& other) Revenue	40,932,693	36,870,051	11%
Actual Regulated Supply Revenue	82,191,182	63,911,028	29%
Outturn Subsidy Requirement	42,834,989	28,470,310	50%

Subsidy per kWh *(bz/kWh)*	Total	Total	Variance
Economic Cost	32.4	27.8	17%
Subsidy (Estimate)	16.6	11.5	44%
Customer Revenue	15.8	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
KS means the Supply Business Correction Factor
All in relevant year t

2015 DPC Revenue & Subsidy

Outturn

2015 Outturn & 2016 Forecast DPC Subsidy

Maximum Allowed Supply Revenue	2016 Forecast	2015 outturn	
Rial Omani	Total	Total	% Change
PC (Energy cost)	58,460,000	52,941,970	10.4%
TUoS (Transmission cost)	6,060,719	8,593,082	-29.5%
DUoS (Distribution cost)	16,377,377	16,772,378	-2.4%
SB (Supply cost)	4,229,223	3,959,059	6.8%
LF (Licence fee)	59,241	56,794	4.3%
KS (Correction factor)	(1,590,896)	(1,444,399)	10.1%
Maximum Allowed Supply Revenue	86,777,457	83,767,682	3.6%

Actual Regulated Supply Revenue			
Rial Omani	Total	Total	Variance
Approved Subsidy	38,219,973	41,258,489	-7%
Permitted Tariff (& other) Revenue	48,557,485	40,932,693	19%
Actual Regulated Supply Revenue	86,777,457	82,191,182	6%

Subsidy per kWh			
(bz/kWh)	Total	Total	Variance
Economic Cost	29.7	32.4	-8%
Subsidy (Estimate)	13.1	16.6	-21%
Customer Revenue	16.6	15.8	5%

Source: Company returns, Authority estimates

Key:

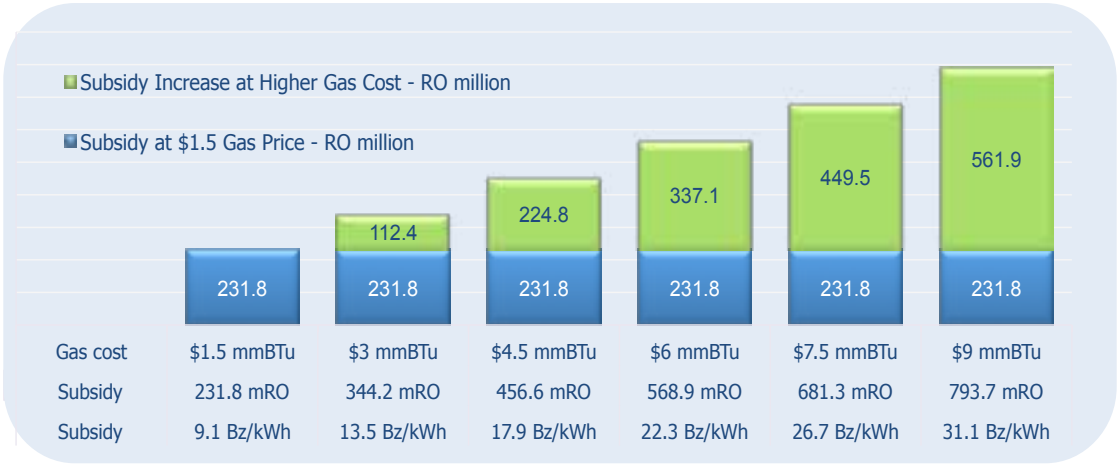
PC means the cost of bulk supply purchaces from PWP
TUoS means Transmission Use of System costs
DUoS means Distribution Use of System costs
SB means Supply Business costs
LF means the Supply Business Licence Fees
KS means the Supply Business Correction Factor
All in relevant year t

2016 DPC Revenue & Subsidy

Forecast

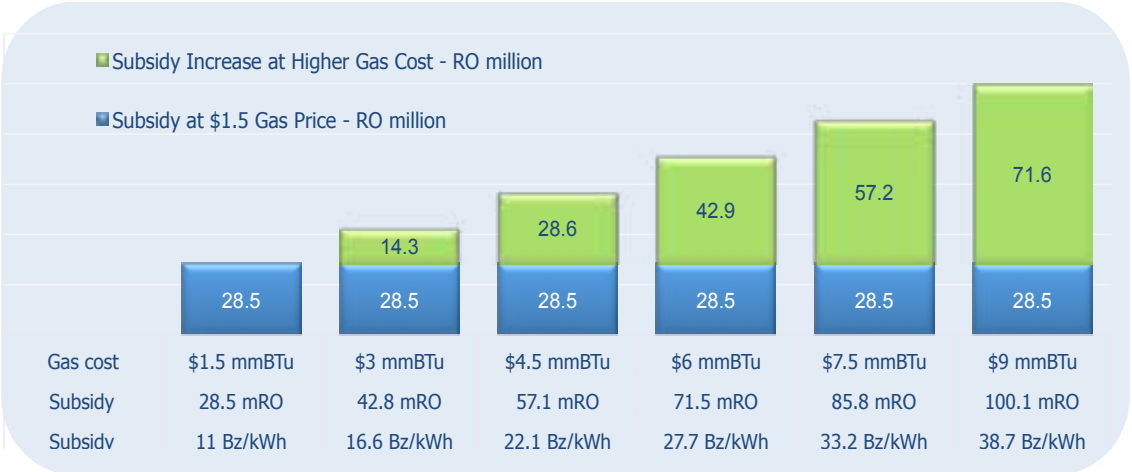
Annex E:
Economic Electricity Subsidy 2015

2015 MIS Electricity Subsidy (Gas Cost Sensitivities)



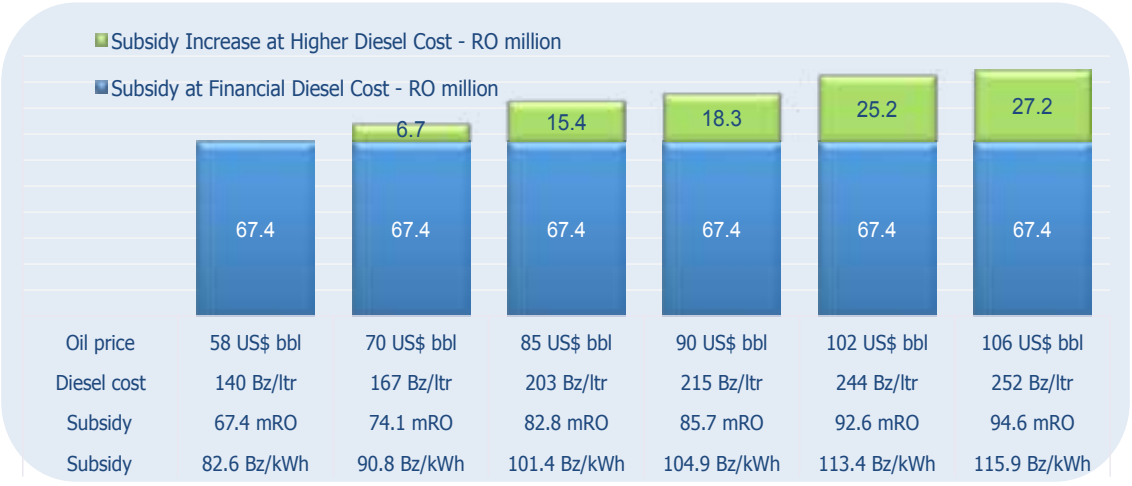
Gas cost	$1.5 mmBTu	$3 mmBTu	$4.5 mmBTu	$6 mmBTu	$7.5 mmBTu	$9 mmBTu
Subsidy	231.8 mRO	344.2 mRO	456.6 mRO	568.9 mRO	681.3 mRO	793.7 mRO
Subsidy	9.1 Bz/kWh	13.5 Bz/kWh	17.9 Bz/kWh	22.3 Bz/kWh	26.7 Bz/kWh	31.1 Bz/kWh

2015 DPC Electricity Subsidy (Gas Cost Sensitivities)



Gas cost	$1.5 mmBTu	$3 mmBTu	$4.5 mmBTu	$6 mmBTu	$7.5 mmBTu	$9 mmBTu
Subsidy	28.5 mRO	42.8 mRO	57.1 mRO	71.5 mRO	85.8 mRO	100.1 mRO
Subsidy	11 Bz/kWh	16.6 Bz/kWh	22.1 Bz/kWh	27.7 Bz/kWh	33.2 Bz/kWh	38.7 Bz/kWh

2015 RAEC Electricity Subsidy (Diesel Cost Sensitivities)



Oil price	58 US$ bbl	70 US$ bbl	85 US$ bbl	90 US$ bbl	102 US$ bbl	106 US$ bbl
Diesel cost	140 Bz/ltr	167 Bz/ltr	203 Bz/ltr	215 Bz/ltr	244 Bz/ltr	252 Bz/ltr
Subsidy	67.4 mRO	74.1 mRO	82.8 mRO	85.7 mRO	92.6 mRO	94.6 mRO
Subsidy	82.6 Bz/kWh	90.8 Bz/kWh	101.4 Bz/kWh	104.9 Bz/kWh	113.4 Bz/kWh	115.9 Bz/kWh

Annex F:
2016 Forward Work Programme

2016 Work Priorities

The 2016 Forward Work Programme includes a number of 'high priority' areas of work:

GP1 Customer Service Compliance Audit

The Authority intends to undertake a formal audit of all supply licensees to ascertain their compliance with statutory obligations towards their customers. The audit will aim to identify areas for improvement within each licensee and provide benchmarks that will form a basis for continued improvement. There are a number of initiatives undertaken by licensees with regards to improving customer related services and the audit will assess the effectiveness of these initiatives.

GP2 Water Sector Restructuring

Pursuant to a decision by the Government to restructure the water sector in Oman, the Authority will actively work to ensure the design of the legal and regulatory framework for the restructured water sector meets the objectives set forth by the Government.

GP3 Permitted Tariff Analysis

The Authority will undertake a study on electricity tariffs in Oman and prepare comprehensive tariff reform proposals that will be presented to the Government during 2016. The study will consider modifications to the current structure of permitted tariffs and assess the impact on the allocation of Subsidy to various customer categories.

GP4 Implementation of Energy Efficiency Measures

The Authority will take the lead in implementing energy efficiency measures across various aspects of the electricity sector. The measures will include demand-side management, coordinating on revised building codes, introduction of appliance labeling and other energy efficiency aspects that the Authority hopes will lead to promoting a more efficient use of electricity.

GP5 Renewable Energy

Further to work undertaken by the Authority in 2015 on finalising and approving Agency Contracts to facilitate the purchase of electricity from small scale renewable facilities, the Authority will finalise the governance structure that it hopes will provide customers with the framework for deployment of small-scale renewable facilities connected at the distribution level in the Sultanate in 2016.

Other areas of work planned for 2016

In addition to the 'high priority' areas of work outlined above, the Authority expects to progress other areas of work during 2016, including:

GP6 Development of an Electricity Spot Market

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. During 2016, the Authority will continue to support work on the development and finalisation of detailed market rules that would govern the operation of the spot market.

GP7 Disco and RAEC Price Control Review

The Authority will commence preparatory work for the new Disco/RAEC price control review; including setting out the key issues and undertaking an initial review of costs.

GP8 Cyber Security Regulations

The establishment of a Cyber Security policy and implementation of Cyber Security protection will be included in licenses of electricity sector companies to be effective from 1 January 2016. The implementation plan includes several months of which the Authority will play an active role in reviewing the technical control design.

GP9 Protection: Appropriate Person Criteria follow-up

The results of the re-audit of protection capability in 2015 was a helpful exercise in identifying and recognising some good work, and targeting areas where more focus is required.

Given the outcome of the audits and the known challenges to progress within some licensees, the Authority staff will monitor closely the progress that is being made by licensees with a view to a formal re-audit in 2016.

GP10 Health and Safety Audit of Distribution and Supply

As with previous work programmes the 2016 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 MJEC,MZEC and DPC.

GP11 Oman Electrical Standards and Electrical Regulations

Works have progressed in 2015 with respect to OES11 and other standards and the Authority will continue to review other OES and work to update and issue revised and new OES throughout 2016 with a key focus on OES4.