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**UKRAINE NATIONAL ELECTRICITY REGULATORY
COMMISSION
NERC ACCOUNTING AND REPORTING STANDARDS (TASK A3)
NIS Institutional Based Services Under the Energy Efficiency
and Market Reform Project
Contract No CCN-Q-00-93-00152-00**

**Ukraine Power Sector Reform
Delivery Order No 18**

Final Report

Prepared for

U S Agency for International Development
Bureau for Europe and NIS
Office of Environment, Energy and Urban Development
Energy and Infrastructure Division

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EXECUTIVE SUMMARY

The purpose of this project is to draft regulations on accounting and reporting standards for the National Electricity Regulatory Commission (NERC) of Ukraine to use in its oversight role of the licensees it regulates. This report is in satisfaction of a Deliverable under Delivery Order No 18, specifically, NERC 1 “Draft regulations on regulatory accounting standards, regulatory requirements for accounting data submissions for HVNO, LVNO, Energomarket, RTS, IES, GENCOs ” and relates to NERC Task A 3. The report discusses the key considerations in developing accounting and reporting standards for a major regulatory commission and describes the process followed in drafting, reviewing and receiving approval from the NERC Staff of the final reporting standards. The reporting requirements for each of the six categories of licensees are included as Appendices. They contain general instructions and the actual forms for reporting financial and operational information along with the specific requirements for each form.

CHAPTER 1

BACKGROUND

1.1 Background on NERC and the Licensees

The National Electricity Regulatory Commission (NERC) is a permanent independent non departmental public agency which is responsible for the regulation of activities in the electricity sector. Its mission is to promote competition in electricity generation, transmission, and supply while protecting the interests of consumers. It, therefore, has a dual obligation to function in ways that will preserve the financial viability of the regulated licensees while, at the same time, ensuring that consumers are protected and receive adequate service and fair prices.

The Commission issues licences to entities in Ukraine participating in the following businesses in the electricity sector:

- ◆ Regulated Tariff Supply
- ◆ Low Voltage Network Operation
- ◆ Electric Generation
- ◆ Non-Regulated Tariff Supply
- ◆ Wholesale Electric Supply
- ◆ High Voltage Network Operation

NERC has important responsibilities with respect to the control or oversight of the licensed activities. The monitoring and review of licensee activity is accomplished largely by the Commission's Local Offices located in each oblast. These offices are sometimes directed by the Commission to examine the financial condition of an applicant licensee and to report to the Commission.

NERC has full authority over the retail tariffs for supply and low voltage transmission. In order to effectively carry out its role in this area, technical, economic, and financial information is needed. Often this information is at a low level of detail.

CHAPTER 2

METHODOLOGIES EMPLOYED AND PROJECT EXECUTION

2.1 Approach

The approach to this project was to insure that the regulator (NERC) was provided with the information it needs to oversee the sector and establish tariffs and at the same time not unnecessarily burden the licensees with unnecessary refinement in accounting and reporting. Every attempt should be made to insure that information is provided to NERC in an accurate, timely, and consistent manner in a format which is useful to it in carrying out its role of regulatory oversight and pricing. At the same time, we must be careful that we do not put an unnecessary burden on the licensed entities. Since government ministries impose reporting requirements on entities throughout Ukraine, it is useful for NERC to have this information available to it as well. We wanted to avoid as much duplication in reporting as possible and, therefore, if relevant information is already being compiled and reported, we have recommended that the entity be required to provide it to NERC as well.

2.2 License Requirements of NERC

There are six categories of licenses and individual regulatory reporting requirements were developed for each. The first step was to obtain and analyze the standard licenses for each of the 6 categories. Each of those standard licenses contains a Section 3 "Rules for Carrying Out the Licensed Activity". At Section 3.2, "Provision and Use of Information", they include the provision that

"The Licensee must provide to NERC, in whatever manner or form and whenever NERC may reasonably require it, any information relating to the Licensed Activity that NERC may reasonably consider necessary to enable NERC to carry out its duties"

Some license forms also contain a provision that

"The Licensee shall submit to NERC financial reports in the form established by the Ministry of Finance and by the State Statistics Committee of Ukraine, and additional reporting forms adopted by NERC by standard procedure"

In addition to these general reporting guidelines, the six standard license forms contain reporting requirements unique to the type of activity. For example, the license for Electricity Generation calls for reports for individual plants and the license for Transmission of Electricity by Local Networks calls for information on cost allocation methods.

The NERC reporting requirements were compiled for each of the 6 license categories as a result of this review of the licenses.

2.3 Requirements of Other Governmental Agencies

The State Statistics Committee of Ukraine imposes reporting requirements on a broad range of entities in Ukraine. The requirements and forms were obtained from them and reviewed and, in several cases, included in the reporting requirements to NERC.

The Ministry of Finance requirements were similarly reviewed and relevant reports included in the package.

2.4 Determination of NERC Staff Needs

Meetings were held with various staff members of NERC to determine their information requirements in addition to the specific items spelled out in the license. Once the data needs were determined, forms were designed to organize and define the requirements. Those forms were then given to NERC to insure the accuracy and level of detail. Several meetings were held to receive feedback and, based on those meetings, several iterations of the forms were made.

2.5 Review and Approval Process

Since the Local Electric Companies have two areas of licensed activity, supply and low voltage network operation, for which information needs are extensive and since there are 27 Oblenergos and approximately six other reporting entities, we developed the reporting requirements packages pertaining to them first. Those packages were reviewed internally at Hagler Bailly and revisions made as necessary. NERC staff members then received and reviewed them and revisions were made.

To address the potential problem of placing an undue burden on the reporting entities, meetings were held with representatives of Khmelnytsky Oblenergo, Zhitomir Oblenergo, and Chernigiv Oblenergo. They provided useful input and the forms were revised to reflect their comments.

For the two licensed activities carried out by Oblenergos, Electricity Supply at Regulated Tariff and Transmission of Electricity by Local Electricity Networks, there were seven iterations made of the reporting packages before they were finally approved by the NERC Staff in July 1998.

The reporting requirements for other licensed entities were being developed while the Oblenergo related requirements were being refined. Several iterations were made of the forms for Generators and those requirements were approved by the NERC Staff in August. The forms for entities involved in Electricity Supply at Non-Regulated Tariff went through two iterations and were approved by the NERC Staff in August.

Reporting Packages for the High Voltage Network and the National Dispatch Center (NDC) were developed and discussed with NERC staff three times. They were adopted by the chief of the NDC department of NERC but, due to the potential merger of the high voltage network and NDC, they may require minor modifications if and when the merger takes place.

The reporting requirements for each of the six categories of licenses are contained in the Appendices.

APPENDIX A

Appendix A

APPROVED

by Resolution of the National Electricity
Regulatory Commission of Ukraine

No _____
of “ _____ ” _____ 1998

REPORTS TO BE SUBMITTED TO NERC BY LICENSEES

CARRYING OUT ENTREPRENEURIAL ACTIVITY IN ELECTRICITY

SUPPLY AT REGULATED TARIFF

(Version 7)

Kyiv 1998

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General Provisions

Reports Required by the Ministry of Finance of Ukraine

Reports Required by the State Statistics Committee of Ukraine

Reports Required by NERC

APPENDICES

General Provisions

The Licensee shall submit reports in compliance with Conditions and Rules for Entrepreneurial Activities in Electricity Supply at Regulated Tariff

NERC shall ensure that any information furnished by the Licensee and identified as being confidential is not disclosed to any third party except for the events stipulated by the applicable law of Ukraine

The Licensee shall ensure that its licensed activity is accounted and reported separately from accounts and reports on any other activities

The Licensee shall ensure that the reports submitted are accurate and true

The Licensee shall ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information. Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity except for the cases when

prior written consent was obtained from any persons or business entities to whom such information concerns,

such information already entered the public domain,

the Licensee is required or permitted to disclose such information so as to comply with License Conditions and Rules, according to a NERC order or the applicable law of Ukraine,

such information is required to be disclosed in performing any permitted activity in relation to the licensed activity

The Licensee shall ensure that any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage

Apart from submission of the reports specified below, the Licensee shall notify NERC within 10 days of any changes in the legal address and/or the bank account requisites, the constituent documents subject to state registration or re-registration

Reports Required by the Ministry of Finance of Ukraine

Licensee Information Report	To be submitted in the form approved by NERC Resolution No	When issuing a license
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Reports Required by the Ministry of Statistics of Ukraine

Company Balance Sheet (Form 1)	To be submitted in form of Appendix I to Finance Ministry of Ukraine Order No 30 of February 10, 1997	Annual
Profit and Loss Account (Form 2)	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order No 30 of February 10, 1997	Annual

Reports required by NERC

Licensed Activity Balance Sheet	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual
Licensed Activity Profit and Loss Account	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual
Calculation of Revenues/Losses Under Barter Agreement	To be submitted in form of Appendix #6 to the Rules for Application of the Law of Ukraine "On Enterprise Income Taxation" for licensed activity alone	Annual

<p>Confidentiality Compliance Procedure</p>	<p>To be submitted in an arbitrary form as Confidentiality Compliance Rules to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage</p>	<p>When issuing a license</p>
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<p>Information on Confidentiality Compliance</p>	<p>To be submitted in an arbitrary form as Confidentiality Compliance Rules to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage</p>	<p>Annual</p>
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<p>Report on compliance with requirements not to interact in any form with other licensees in developing and discussing with NERC issues on supply tariff calculation, and any other decisions connected with licensed activity, not to issue and obtain cross subsidies, not to abuse in any form the monopoly status</p>	<p>To be submitted in an arbitrary form on compliance with requirements not to interact in any form with other licensees in developing and discussing with NERC issues on supply tariff calculation, and any other decisions connected with licensed activity, issue and obtain cross subsidies, abuse in any form the monopoly status as stipulated under the Law of Ukraine "On imposing restrictions on monopoly activity and non-permission of unfair competition in the entrepreneurial activity" and other acts of Ukrainian legislation, decisions of Antimonopoly Committee and NERC</p>	<p>Annual</p>
<p>Agreements on electricity purchase from generators not selling electricity on the wholesale market</p>	<p>Copies of agreements on electricity purchase from generators not selling electricity on the wholesale market and located on certain geographic territory according to Appendix I to "Conditions and rules for carrying out entrepreneurial activity in electricity supply at regulated tariff"</p>	<p>When issuing a license</p>
<p>Settlement calculation procedure for additional work</p>	<p>To be submitted according to Conditions and Rules for carrying out entrepreneurial activity in electricity supply at regulated tariff"</p>	<p>p 3 7 7 of Conditions and Rules</p>
<p>Copies of retail tariff publications</p>	<p>The publications must contain the information to ensure that any person understands the payment size and structure of retail tariffs, including a retail tariff calculation component</p>	<p>Monthly</p>
<p>Report on the number of residential customers</p>	<p>To be submitted in form No 1-NERC approved by NERC Resolution No 1213 of 12 26 97</p>	<p>Monthly</p>

Report on electricity consumed by residential customers at privileged tariffs	To be submitted in form No 2-NERC approved by NERC Resolution No 1213 of 12 26 97	Quarterly
Report on losses in electricity supply to residential customers with electricity payment privileges under the applicable legislation of Ukraine	To be submitted in form No 4-NERC approved by NERC Resolution No 1213 of 12 26 97	Quarterly
Reporting and forecast data on electricity supply to customers according to voltage classes and groups	To be submitted in form No -NERC approved by NERC Resolution No	Monthly
Report on electricity sales according to customer classes and groups	To be submitted in form No 6-NERC approved by NERC Resolution No 1213 of 12 26 97	Monthly
Report on electricity supplied to customers with monthly demand over 150 thousand kWh	To be submitted in form No 13- NERC approved by NERC Resolution No 1213 of 12 26 97	Annually
Report on settlements for the electricity purchased by suppliers on the wholesale electricity market	To be submitted in form No 18- NERC approved by NERC Resolution No 1213 of 12 26 97	Monthly
Report on debt repayment for the electricity purchased on the wholesale electricity market	To be submitted in form No 19- NERC approved by NERC Resolution No 1213 of 12 26 97	Monthly
Report on losses in electricity subsidies issued under the housing subsidy program	To be submitted in form No 20- NERC approved by NERC Resolution No 1213 of 12 26 97	Quarterly

Calculation of electricity supply tariff based on actual costs	To be submitted in form No -NERC approved by NERC Resolution No of	Monthly
Report and Forecast on Licensed Activity of Entrepreneurial Entity	To be submitted in form No -NERC approved by NERC	Monthly
Investment expenditures for (years)	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project
Investment expenditures by years (plan)	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project
Sources of financing in (years)	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project
Return on investment over time	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project
Plan of licensed activity of entrepreneurial entity	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project

Appendices

Report on the number of residential customers, _____ 199
 (month, half a year, year)

Indicators	M	HY	An
1 Number of residential customers, total			
1 1 Number of paid bills			
2 Electricity consumed by residential customers, total			
3 Electricity payment			
4 Total number of privileged customers including those who paid for electricity in current month in full			
5 Electricity consumed by privileged customers, total including electricity consumed by privileged customers within the stated limits			
7 Proportion of electricity consumed by privileged customers within stated limits in total electricity consumed by residential customers			

Report on electricity consumed by residential customers at privileged tariffs
for _____ 199_ (month), thous Hr

Customer category	Number of customers	Amount electricity consumed, th KWh	Amount billed for consumed electricity, th Hr	Amount received for consumed electricity, total, th Hr
1 War veterans				
1 1 Participants in war actions,				
1 2 Persons disabled in war actions,				
1 3 Persons who belong to war participant category,				
1 4 Persons who are subject to the law "On the status of war veterans, social protection guarantees" (Clause10),				
1 5 Persons with outstanding merits before the Motherland				
- Heroes of the Soviet Union				
- Holders of Slava Order,				
- Heroes of Socialist Labor who received this title during War II				
2 Servicemen, parents and family members of servicemen who died or are missing in action or became handicapped during military service				
3 Veterans of military service				
4 Heroes of Socialist Labor				

Customer category	Number of customers	Amount electricity consumed, th KWh	Amount billed for consumed electricity, th Hr	Amount received for consumed electricity, total, th Hr
5 Persons with outstanding labor merits before the Motherland and members of their families residing with them				
6 Servicemen of the security service of Ukraine				
7 Policemen and their family members				
8 District Attorney detectives				
9 Judges				
10 Fire fighters and their family members				
11 Rural residents and workers of the agricultural complex residing in villages				
12 Veterinary doctors practicing and residing in rural areas				
13 Citizens who suffered from Chernobyl catastrophe 13 1 Category I - Persons disabled due to participation in liquidation of Chernobyl catastrophe consequences, - Persons suffered from Chernobyl catastrophe,				

Customer category	Number of customers	Amount electricity consumed, th KWh	Amount billed for consumed electricity, th Hr	Amount received for consumed electricity, total, th Hr
- Persons suffering from radiation disease due to Chernobyl catastrophe				
13 2 Category II - Persons participated in liquidation of Chernobyl catastrophe consequences who worked in the estrangement zone				
14 People who live within the 30 km zone of CNPP				
15 Rehabilitated (according to Clause 1) persons who became either retired or handicapped because of repression				
16 Citizens who work and reside in the territory of a town with a mountainous status				
17 Total				

Report on losses in electricity supply to residential customers with electricity payment privileges under the applicable legislation of Ukraine for ____ quarter 199_

Customer category / For the quarter (Hr thous)	Charged Total	Charged State Budget	Charged Local Budget	Received Total	Received State Budget	Received Local Budget	Losses Total	Losses State Budget	Losses Local Budget
A	1	2	3	4	5	6	7	8	9
1 War veterans									
1 1 Participants in war actions,									
1 2 Persons disabled in war actions,									
1 3 Persons who belong to war participant category,									
1 4 Persons who are subject to the law "On the status of war veterans, social protection guarantees" (Clause10),									
1 5 Persons with outstanding merits before the Motherland - Heroes of the Soviet Union - Holders of Slava Order, - Heroes of Socialist Labor who received this title during War II									
2 Servicemen, parents and family members of servicemen who died or are missing in action or became handicapped during military service									
3 Veterans of military service									
4 Heroes of Socialist Labor									
5 Persons with outstanding labor merits before the Motherland and members of their families residing with them									
6 Servicemen of the security service of Ukraine									
7 Policemen and their family members									

8 District Attorney detectives									
9 Judges									
10 Fire fighters and their family members									
11 Rural residents and workers of the agricultural complex residing in villages									
12 Veterinary doctors practicing and residing in rural areas									
13 Citizens who suffered from Chernobyl catastrophe									
13 1 Category I - Persons disabled due to participation in liquidation of Chernobyl catastrophe consequences,									
- Persons suffered from Chernobyl catastrophe,									
- Persons suffering from radiation disease due to Chernobyl catastrophe									
13 2 Category II - Persons participated in liquidation of Chernobyl catastrophe consequences who worked in the estrangement zone									
14 People who live within the 30 km zone of CNPP									
15 Rehabilitated (according to Clause 1) persons who became either retired or handicapped because of repression									
16 Citizens who work and reside in the territory of a town with a mountainous status									
17 Total									

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Report and forecast on electricity supply based on customer groups and
voltage classes for _____ 199__
(month)

Consumer category	Data	Reporting	Reportin	Reportin	Forecast	Forecast month,	Forecast mont, tariff (kop / kWh)
Group I of Voltage Class I							
Industrial and equaled to them customers with connected load of 750 kVA and higher	Calc						
	Report						
Electricity	Calc						
	Report						
	Calc						
Subscribed load	Report						
Industrial and equaled to them customers with connected load under 750 kVA	Calc						
	Report						
Railway	Calc						
	Report						
Electrified city transport	Calc						
	Report						
Non-industrial customers	Calc						
	Report						
Agricultural producers	Calc						
	Report						
Residential - total, including	Calc						
	Report						
urban	Calc						
	Report						
rural	Calc						
	Report						
Residential settlements - total, including	Calc						

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	Report						
urban	Calc						
	Report						
rural	Calc						
	Report						
Total	Calc						
	Report						

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Report on electricity sales according to customer classes and groups
for _____ 199
(month)

Customer category	Metered Consumption thous kWh	T a r i f f , Hr/kWh	Including electricity supply tariff under the license	Payment for electricity supply, Hr
Voltage Class I				
Industrial and equaled to them commercial customers				
Agricultural customers				
Non-industrial customers				
Voltage Class II				
Industrial and equaled to them commercial customers				
Agricultural customers				
Non-industrial customers				
Urban residents – without discount				
Urban residents - discount 50%				
Urban residents - discount 75%				
Urban residents - discount 100%				
Urban residents with electric stoves – without discount				
Urban residents - discount 50%				
Urban residents - discount 75%				
Urban residents - discount 100%				
Urban residential settlements				
Rural residents – without discount				
Rural residents - discount 50%				
Rural residents - discount 75%				

Rural residents - discount 100%				
Rural residents with electric stoves - without discount				
Rural residents with electric stoves - discount 50%				
Rural residents with electric stoves - discount 75%				
Rural residents with electric stoves - discount 100%				
Customers who received electricity for heating and hot water needs				
Rural residential settlements				
Economic needs of the Licensee				

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Report on settlements for electricity purchased by suppliers on the Wholesale Electricity Market in _____ 199_
 (month)

Indicators	Measurement unit	Reporting month	From the beginning of the year
Electricity purchased			
Wholesale market electricity price			
Cost of electricity purchased			
Debt as of the beginning of the month			
Payment for electricity purchased			
including			
- cash			
- offsets			
- debt assignment			
- promissory notes			
- transfer orders			
- other (namely)			
Debt as of the end of the month			

Report on Debt Repayment for Electricity Purchased on Wholesale Electricity Market in _____ 199_, thous Hr

Companies	Debt repayment, cash	Debt repayment, offsets	Debt repayment, transfer	Debt repayment, notes	Debt repayment, orders	Debt repayment, Total

**Report on Losses in Electricity Subsidies
for _____ Qr of 199 __, thous. Hr**

	Electricity (Hr ths)	Electricity (Hr ths)	Losses in uncompensated (Hr ths)
A	1	2	
Quarter			
Since beginning of year			

Calculations of electricity supply tariff based on actual costs

Item	Specification	Unit	Base	Forecast period
1	Basic data			
	Electricity volume supplied to customers of			
		MWh		
2	Electricity volume supplied to			
	customers of Group II	MWh		
3	Costs of electricity supply			
5	Complexity coefficient	relative units		
1	Calculation results			
	Electricity supply tariff			
	for Group I customers	Hr/MWh		
2	Electricity supply tariff			
	for Group II customers	Hr/MWh		

Report and Forecast Indicators on Licensed Activity
for _____ 199_
(month)

(ths UAH)

Indicator	Electricity supply , accounting month (based on calculation)	Electricity supply, accounting month	Electricity supply, forecast month
Electricity volume, ths KWh			
Gross income from licensed activity			
VAT			
Adjusted gross income from licensed activity			
Gross expenditure on major accounts, including			
Cost of production or services, including			
Production services			
Raw and accessory materials			
Fuel			
Electricity			
Wage costs incl deductions			
Depreciation			
Repair costs			
Other expenses incl			
Bank loan interest			
Reimbursement to housing organisations			
Current fees for carrying out licensed activity			
Cost of services and works which are not part of gross production (to be excluded)			
deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)			
Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997			
Balance profit from licensed activity			

Tax on profit from licensed activity			
Net profit from licensed activity			
Power sector funds deductions incl reserve and investment fund			
Profit from licensed activity after deductions to power sector funds			
Current expenses from profit from licensed activity incl			
deductions to reserve (insurance) fund and to increase statutory fund			
production development and investment			
social development incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997			
bonuses			
dividends to shareholders			
principal repayment			
other purposes			
Profitability of licensed activity (net profit/costs), %			
Tariff for electricity supply, Hr/MWh			

Investment Expenditures for (years)

Investment expenditure, ths Hr	Contribution by the 1 st investor	Contribution by the 2 nd investor	Contribution by the 3 rd investor
Pre-investment research			
Land plot			
Buildings			
Infrastructure			
Technical documentation			
Construction & installation works			
Equipment			
Installation & start-up			
Personnel training			
Marketing and contracting			
Working capital			
Total			

Execution of Investment Expenses Activities in , based on time

Investment expenditure, ths Hr	Year 1	Year 2
Pre-investment research		
Land plot		
Buildings		
Infrastructure		
Technical documentation		
Construction & installation works		
Equipment		
Installation & start-up		
Personnel training		
Marketing and contracting		
Working capital		
Total		

Sources of Financing in (years)

Sources of Financing, this Hr	Year 1	Year 2
1 Owned capital		
2 Attracted capital		
3 State subsidies		
4 Loans from Ukrainian banks		
5 Direct foreign investment		
6 Financial foreign investment		
7 Portfolio foreign investment		
8 Technical assistance (grants)		
9 Loans from foreign banks		
10 Loans from international financial institutions		
11 Other		
Total		

Invested capital returned (planned)

Invested capital returned	199	199
1 (Own) capital invested		
2 (Own) capital returned		
3 Return on capital invested		
4 (Own) capital returned plus return on capital invested		
5 Attracted capital		
6 Dividend pay-outs		
7 Attracted capital plus dividends		
8 Bank loans		
9 Loan repayment		
10 Interest on bank loans		
11 Loan repayment plus interest on bank loans		

Plan of Licensed Activity of Entrepreneurial Entity by Months for 199__

Electricity volume, ths KWh				
Gross revenue from licensed activity				
VAT				
Adjusted gross revenue from licensed activity				
Gross expenditure on major accounts, incl				
Cost of production or services, incl				
Production services				
Raw and accessory materials				
Fuel				
Electricity				
Wage costs, incl deductions				
Depreciation				
Repair costs				
Other expenses, incl				
Bank loan interest				
Reimbursement to housing organisations				
Current fee for carrying out licensed activity				
Cost of services and works which are not part of gross production (to be excluded)				
Deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)				
Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997				
Balance profit from licensed activity				
Tax on profit from licensed activity				
Net profit from licensed activity				
Power sector funds deductions incl reserve and investment fund				
Profit from licensed activity after deductions to power sector funds				
Current expenses from profit from licensed activity, incl				
Deductions to reserve (insurance) fund and to increase statutory fund				
Production development and investment				

Social development, incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the law of Ukraine "On enterprise profit tax" of May 22, 1997				
Bonuses				
Dividends to shareholders				
Principal repayment				
Other purposes				
Investment expenditure, excluding intramural expenditure from profit on production development and investment				
Cash flow for licensed activity (profit after deductions to power sector funds and principal repayment and depreciation)				
Cumulative cash flow for licensed activity				
NPV				
Internal rate of return (IRR), %				
Return on assets related to licensed activity (ROA) (net profit/total assets), %				
Return on equity (ROE) (net profit/shareholders' equity), %				

APPENDIX B

Appendix B

APPROVED

by Resolution of the National Electricity
Regulatory Commission of Ukraine

No _____
of “ _____ ” _____ 1998

REPORTS TO BE SUBMITTED TO NERC BY
LICENSEES CARRYING OUT ENTREPRENEURIAL
ACTIVITY IN ELECTRICITY TRANSMISSION BY LOCAL
ELECTRIC NETWORKS

(Version 7)

Kyiv 1998

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The Licensee shall submit reports in compliance with Conditions and Rules for entrepreneurial activity on electricity transmission by local electric networks

NERC shall ensure that any information furnished by the Licensee and identified as being confidential is not disclosed to any third party except for the events stipulated by the applicable law of Ukraine

The Licensee shall ensure that its licensed activity is accounted for and reported separately from accounts and reports on any other activities

The Licensee shall ensure that the reports submitted are accurate and true

The Licensee shall ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information. Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity except for the cases when

prior written consent was obtained from any persons or business entities to whom such information concerns,

such information already entered the public domain,

the Licensee is required or permitted to disclose such information so as to comply with License Conditions and Rules, according to a NERC order or the applicable law of Ukraine,

such information is required to be disclosed in performing any permitted activity in relation to the licensed activity

The Licensee shall ensure that any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage

Apart from submission of the reports specified below, the Licensee shall notify NERC within 10 days of any changes in

the legal address and/or the bank account requisites,
the constituent documents subject to state registration or re-registration

4 Confidentiality Compliance Procedure	To be submitted in an arbitrary form as Confidentiality Compliance Rules to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage	When issuing a license
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5 Information on Confidentiality Compliance	Information to be submitted in an arbitrary form to show compliance with the requirements to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage	Annual
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<p>6 Report on compliance with requirements not to interact in any form with other licensees in developing and discussing with NERC issues on supply tariff calculation, and any other decisions connected with licensed activity, not to issue and obtain cross subsidies, not to abuse in any form the monopoly status</p>	<p>To be submitted in an arbitrary form on compliance with requirements not to interact in any form with other licensees in developing and discussing with NERC issues on supply tariff calculation, and any other decisions connected with licensed activity, not to issue and obtain cross subsidies, not to abuse in any form the monopoly status, as stipulated under the Law of Ukraine "On imposing restrictions on monopoly activity and non-permission of unfair competition in the entrepreneurial activity", and other acts of Ukrainian legislation, resolutions of Antimonopoly Committee and NERC</p>	<p>Annual</p>
<p>7 Procedure for calculation of payment for connection to the Licensee's networks and execution of additional works</p>	<p>Payment for connection to the Licensee's networks and execution of additional works shall be set to reimburse reasonable costs</p>	<p>When issuing a license</p>
<p>8 Report and forecast data on the amount of electricity transmitted through local electric networks</p>	<p>To be submitted in form No –NERC approved by NERC Resolution No of</p>	<p>Monthly</p>
<p>9 Calculation of normative technological losses in electricity transmission</p>	<p>To be submitted in form No – NERC approved by NERC Resolution No of</p>	<p>Monthly</p>
<p>10 Calculation of electricity transmission tariff</p>	<p>To be submitted in form No - NERC approved by NERC Resolution No of</p>	<p>Monthly</p>

11 Report on payment for local electric network operation	To submitted in form No 14 – NERC approved by NERC Resolution No of	Quarterly
12 Report and forecast on licensed activity of entrepreneurial entity	To be submitted in form No -NERC approved by NERC Resolution No of	
13 Investment expenditures in years	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a a new tariff or implementing a new project
14 Carrying out of investment expenditures over time	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a a new tariff or implementing a new project
15 Sources of financing in years	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a a new tariff or implementing a new project
16 Return on investments over time	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a a new tariff or implementing a new project
17 Plan of licensed activity of entrepreneurial entity	To be submitted in form No -NERC approved by NERC Resolution No of	When introducing a a new tariff or implementing a new project

Appendices

Report and Forecast Data on Electricity Transmitted by Local Electric Networks,
Voltage Classes I and II
for _____ 199__

Indicator	Accountin g Month Class 1 (35-54kV)	Accountin g Month Class 2 (0 4- 10kV)	Forecast Month Class 1 (35-154kV)	Forecast Month Class 2 (0 4- 10kV)
Sales of electricity supplied at regulated and non-regulated tariffs, including				
Electricity sales to supplier's own customers				
Total electricity supplied outside the Licensee's territory to networks of other Transmission Licensee,				
including Licensee				
Licensee				
Licensee				
Total electricity received from networks of other transmission licensees,				
including Licensee				
Licensee				
Licensee				
Electricity transformed from higher voltage class to lower voltage class				
Electricity transmitted directly from Generators to Voltage Class 1				
Electricity for economic needs				
Electricity sales by each Voltage Class				
Normative technological loss factor for electricity transmission				
Actual technological loss factor for electricity transmission				

Structure of electricity operations statement and normative technological losses in transmission through 154-0 38kV networks

By networks	154kV	110kV	35kV	10kV	6kV	0 38kV
Electricity inflow to network						
from Gencos						
from 800-220kV networks of this region						
from 800-220 kV networks of adjacent regions						
from LEC of this region						
from LEC of adjacent regions						
from other countries						
from LEC's power plants						
from customer's plants						
from other (local) networks						
Transformation of electricity, including						
to 154kV network						
to 110kV network						
to 35kV network						
to 10kV network						
to 6kV network						
to 0 38kV network						
Electricity sales, including						
Loss-free electricity, including						
to Gencos						
to 800-220kV networks of this region						
to 800-220kV networks of adjacent regions						
to LEC of this region						
to LEC of adjacent regions						
to other countries						
to customers						
for production needs						
Electricity sales with losses, including						
to Gencos						
to 800-220kV networks of this region						

to 800-220kV networks of adjacent regions						
to LEC of this region						
to LEC(s) of adjacent regions						
to other countries						
to customers, including						
residential customers						
for production needs						
Electricity inflow to LEC network after transformation						
Electricity supplied through LEC network after transformation						
Reported technological losses, including						
Electricity consumption by s/s for system service						
% of reported technological losses of gross electricity inflow						
Estimated technical losses of electricity, including						
variable losses in transmission lines						
in transformers, including						
variable losses						
conventional fixed losses						
other conventional fixed losses, including						
in synchronous compensators and generators in synchronous compensator mode						
in other elements						
Normative consumption of electricity by s/s for system service						
Normative value of technological losses of electricity (TLE)						
Difference between reported TLE and normative TLE						
Estimated value of electricity throughput of transmission lines						
Estimated value of electricity throughput of transformers						

% of normative TLE of estimated electricity throughput (base estimated period), including						
of transmission lines (base period)						
of transmission lines (estimated period)						
of transformers (base period)						
of transformers (estimated period)						
seasonal debts when billing customers						
Normative TLE values plus seasonal debts when billing customers						
Effect of measures to reduce TLE, including						
administrative						
technical						
technical measures with accompanying effect						
improvement of electricity metering						
electricity supply (net inflow) to LEC networks						
% of reported TLE in electricity transmission through LEC networks						

Calculation of Electricity Transmission Tariff

#	Name	Symbol, unit of measurement	Base period	Forecast period
1	<u>Input data</u> Volume of electricity transmitted, Voltage Class 1	MWh		
2	The same for Voltage Class 2	MWh		
3	Electricity transmission costs, Voltage Class 1	Hr		
4	Electricity transmission costs, Voltage Class 2	Hr		
5	Electricity transmission tariff for Voltage Class 1 customers	Hr/MWh		
6	Electricity transmission tariff for Voltage Class 2 customers	Hr/MWh		

	Sales to Class 1 customers	$T_{11} * E_{c1}$		
	Electricity transit to Class 1	$T_{11} * E_{o1}$		
	Sales to Class 2 customers	$T_{12} * E_{c2}$		
	Electricity transit to Class 2	$T_{12} * E_{o2}$		

Report and Forecast Indicators on Licensed Activity
for _____ 199_
(month)

Indicator	Electricity transmission, voltage class 1, accounting month (calc)	Electricity transmission, voltage class 1 accounting month	Electricity transmission, voltage class 1 forecast month	Electricity transmission, voltage class 2, accounting month (calc)	Electricity transmission, voltage class 2, accounting month	Electricity transmission, voltage class 2, forecast month
A	1	2	4	1	2	4
Electricity volume, ths KWh						
Gross income from licensed activity						
VAT						
Adjusted gross income from licensed activity						
Gross expenditure on major accounts, including						
Cost of production or services, including						
Production services						
Raw and accessory materials						
Fuel						
Electricity						

Wage costs incl deductions						
Depreciation						
Repair costs						
Other expenses incl						
Bank loan interest						
Reimbursement to housing organisations						
Current fees for carrying out licensed activity						
Cost of services and works which are not part of gross production (to be excluded)						
deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)						
Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997						

Balance profit from licensed activity						
Tax on profit from licensed activity						
Net profit from licensed activity						
Power sector funds deductions incl reserve and investment fund						
Profit from licensed activity after deductions to power sector funds						
Current expenses from licensed activity profit incl						
deductions to reserve (insurance) fund and to increase statutory fund						
production development and investment						

social development incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997						
bonuses						
dividends to shareholders						
principal repayment						
other purposes						
Profitability of licensed activity (net profit less principal repayment, divided/costs), %						
Tariff for electricity transmission, Hr/MWh						

Investment expenditures for

Investment expenditures, thousands of hryvnias	1st investor	2nd investor	3rd investor
Pre-investment research			
Land plot			
Buildings			
Infrastructure			
Technical documentation			
Construction & installation works			
Equipment			
Installation & start-up			
Personnel training			
Marketing, contracting			
Working capital			
Total			

Carrying out investment expenditures by years

	Investment expenditures, thousands of hryvnias	Year 1	Year 2	Year 1	Year 2
1	Pre-investment research				
2	Land plot				
3	Buildings				
4	Infrastructure				
5	Technical documentation				
6	Construction & installation works				
7	Equipment				
8	Installation & start-up				
9	Personnel training				
10	Marketing, contracting				
11	Working capital				
12	Total				

Sources of financing in (years)

Sources of financing, thousands of hryvnias	Year 1	Year 2
1 Equity capital		
2 Attracted capital		
3 State subsidies		
4 Loans from Ukrainian banks		
5 Direct foreign investment		
6 Financial foreign investment		
7 Portfolio foreign investment		
8 Technical assistance (grants)		
9 Loans from foreign banks		
10 Loans from international financial institutions		
11 Other		
Total		

Return on Investment over Time

Return on Investment	199__	199__
1 Equity capital investment		
2 Return on equity capital investment		
3 Investment income		
4 Return on investment plus return on net worth		
5 Attracted capital		
6 Dividend pay-outs		
7 Attracted capital plus dividends		
8 Bank loans		
9 Loan repayment		
10 Interest on bank loans		
11 Loan repayment plus interest on bank loans		

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Plan of licensed activity in electricity transmission by entrepreneurial entity by months in 199_

Indicator / Revenues and Expenses, Ths Hr	Jan	Feb			Dec
A					
Electricity volume, ths KWh					
Gross income from licensed activity					
VAT					
Adjusted gross income from licensed activity					
Gross expenditure on major accounts, incl					
Cost of production or services, incl					
Production services					
Raw and accessory materials					
Fuel					
Electricity					
Wage costs, incl Deductions					
Depreciation					
Repair costs					
Other expenses, incl					
Bank loan interest					
Reimbursement to housing organisations					
Current fees for carrying out licensed activity					
Cost of services and works which are not part of gross production (to be excluded)					
Deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)					

Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997					
Balance profit from licensed activity					
Tax on profit from licensed activity					
Net profit from licensed activity					
Power sector funds deductions incl reserve and investment fund					
Profit from licensed activity after deductions to power sector funds					
Current expenses from licensed activity profit , incl					
Deductions to reserve (insurance) fund and to increase statutory fund					
Production development and investment					
Social development, incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the law of Ukraine "On enterprise profit tax" of May 22, 1997					
Bonuses					
Dividends to shareholders					
Principal repayment					
Other purposes					

Investment expenditure, excluding intramural expenditure from profit on production development and investment					
Cash flow for licensed activity (profit after deductions to power sector funds and principal repayment and depreciation)					
Cumulative cash flow for licensed activity					
NPV					
Internal rate of return IRR, %					
Return on licensed activity assets (net profit/total assets), %					
Return on investment (net profit/liabilities to shareholders) ROE, %					

APPENDIX C

Appendix C

APPROVED

by Resolution of National Electricity
Regulatory Commission of Ukraine

No _____
of “ _____ ” _____ 1998

REPORTS TO BE SUBMITTED TO NERC BY LICENSEES
CARRYING OUT ENTREPRENEURIAL ACTIVITY
IN ELECTRICITY GENERATION

(Version 7)

Kyiv 1998

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Reports Required by the State Statistics Committee of Ukraine

Reports Required by the NERC

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General Provision

The NERC shall submit reports in compliance with Condition And Rules For Entrepreneurial Activities On Electricity Generation

NERC shall ensure that any information furnished by the Licensee and identified as being confidential is not disclosed to any third party except for the events stipulated by the applicable law of Ukraine

The Licensee shall ensure that its licensed activity is accounted and reported separately from accounts and reports on any other activities

The Licensee shall ensure that the reports submitted are accurate and true

The Licensee shall ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information. Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity except for the cases when

prior written consent was obtained from any persons or business entities to whom such information concerns,

such information already entered the public domain,

the Licensee is required or permitted to disclose such information so as to comply with License Conditions and Rules, according to a NERC order or the applicable law of Ukraine,

such information is required to be disclosed in performing any permitted activity in relation to the licensed activity

The Licensee shall ensure that any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage

Apart from submission of the reports specified below, the Licensee shall notify NERC within 10 days of any changes in the legal address and/or the bank account requisites, the constituent documents subject to state registration or re-registration

Reports Required by the Ministry of Finance of Ukraine

Licensee Information Report	To be submitted in the form approved by NERC Resolution No	When issuing a license
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Reports Required by the Ministry of Statistics of Ukraine

Company Balance Sheet (Form 1)	To be submitted in form of Appendix I to Finance Ministry of Ukraine Order No 30 of February 10, 1997	Annual
Profit and Loss Account (Form 2)	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order No 30 of February 10, 1997	Annual

Reports Required by NERC (to be submitted by each separate power station with registered capacity 100 MW and above)

1 Licensed Activity Balance Sheet	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order No 30 of February 10, 1997 for licensed activity alone	Annual
2 Licensed Activity Profit and Loss Account	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order No 30 of February 10, 1997 for licensed activity alone	Annual
3 Calculation of Revenues/Losses Under Barter Agreement	To be submitted in form of Appendix No 6 to the Rules for Application of the Law of Ukraine "On Enterprise Income Tax" for licensed activity alone	Annual
4 Confidentiality Compliance Procedure	To be submitted in an arbitrary form as Compliance Rules to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage	When issuing a license

5 Information on Confidentiality Compliance	To be submitted in an arbitrary form to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage	Annual
6 Report on compliance with requirements not to interact in any form with other licensees in developing and discussing with NERC issues on supply tariff calculation, and any other decisions connected with licensed activity, not to issue and obtain cross subsidies, not to abuse in any form the monopoly status	To be submitted in an arbitrary form on compliance with requirements not to interact in any form with other licensees in developing and discussing with NERC issues on supply tariff calculation, and any other decisions connected with licensed activity, issue and obtain cross subsidies, abuse in any form the monopoly status as stipulated under the Law of Ukraine "On imposing restrictions on monopoly activity and non-permission of unfair competition in the entrepreneurial activity" and other acts of Ukrainian legislation, decisions of Antimonopoly Committee and NERC	Annual
7 Indicators of licensed activity	To be submitted in form No -NERC approved by NERC Resolution No of	Monthly
8 Report and forecast of licensed entrepreneurial activity indicators	To be submitted in form No -NERC approved by NERC Resolution No of	Monthly

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9 Investment expenditures for (years) new tariff or implementing when introduced	To be submitted in form No -NERC approved by NERC Resolution No of	To be submitted
10 Investment expenditures by years (plan)	To be submitted in form No -NERC approved by NERC Resolution No of	To be submitted when introducing a new tariff or implementing an investment project
11 Sources of financing in (years)	To be submitted in form No -NERC approved by NERC Resolution No of	To be submitted when introducing a new tariff or implementing an investment project
12 Return on investment over time	To be submitted in form No -NERC approved by NERC Resolution No of	To be submitted when introducing a new tariff or implementing an investment project
13 Plan for licensed activity of entrepreneurial entity	To be submitted in form No -NERC approved by NERC Resolution No of	To be submitted when introducing a new tariff or implementing an investment project

Appendices

Indicators for Licensed Entrepreneurial Activity in Electricity Production
for _____ 199_
(month)

Indicator / Fuels	Coal	Gas	Mazut	Other	Total for electricity
Approved in the Tariff					
Consumption of equiv fuel					
Rate of conversion					
Consumption of natural fuel					
Price for 1t of natural fuel					
Fuel cost					
Rail transportation cost					
Cost of fuel, including transportation cost					
Price of 1t of equiv fuel					
<u>Forecast Period</u>					
Consumption of equiv fuel					
Rate of conversion					
Consumption of natural fuel					
Price for 1t of natural fuel					
Fuel cost					
Rail transportation cost					
Cost of fuel, including transportation cost					
Price of 1t of equiv fuel					

For reference use

Indicator	Measurement Unit	For the Reporting Period	From the Beginning of the Year	Forecast Period
1 Electricity output - total,	thousand kWh			
including in-house needs	thousand kWh			
2 Electricity supply - total,	thousand kWh			
including Energomarket	thousand kWh			

Report and Forecast on Licensed Activity Indicators
for _____ 199_
(month) (ths Hr)

Indicator	Electricity Generation, accounting month (calc)	Electricity Generation, accounting month	Electricity Generation, forecast month
Electricity volume, ths KWh			
Gross profit from licensed activity			
VAT			
Adjusted gross profit from licensed activity			
Gross expenditure on major accounts, including			
Cost of products or services, including			
Production services			
Raw and accessory materials			
Fuel			
Electricity			
Wage costs incl deductions			
Depreciation			
Repair costs			
Other expenses, incl			
Bank loan interest			
Reimbursement to housing organisations			
Current fee for carrying out licensed activity			
Cost of services and works which are not part of gross products (to be excluded)			
deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)			
Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997			

Balance profit from licensed activity			
Tax on profit from licensed activity			
Net profit from licensed activity			
Power sector funds deductions incl reserve and investment fund			
Profit from licensed activity after deductions to power sector funds			
Current expenses from licensed activity profit, incl			
deductions to reserve (insurance) fund and to increase statutory fund			
production development and investment			
social development, incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997			
bonuses			
dividends to shareholders			
principal repayment			
other purposes			
Profitability of licensed activity (net profit/costs), %			

Investment Expenditures for (years)

Investment expenditure, this Hr	Contribution by the 1 st investor	Contribution by the 2 nd investor	Contribution by the 3 rd investor
Pre-investment research			
Land plot			
Buildings			
Infrastructure			
Technical documentation			
Construction & installation works			
Equipment			
Installation & start-up			
Personnel training			
Marketing and contracting			
Working capital			
Total			

Execution of Investment Expenses Activities in , based on time

Investment expenditure, ths Hr	Year 1	Year 2
Pre-investment research		
Land plot		
Buildings		
Infrastructure		
Technical documentation		
Construction & installation works		
Equipment		
Installation & start-up		
Personnel training		
Marketing and contracting		
Working capital		
Total		

Sources of Financing in (years)

Sources of Financing, this Hr	Year 1	Year 2
1 Owned capital		
2 Attracted capital		
3 State subsidies		
4 Loans from Ukrainian banks		
5 Direct foreign investment		
6 Financial foreign investment		
7 Portfolio foreign investment		
8 Technical assistance (grants)		
9 Loans from foreign banks		
10 Loans from international financial institutions		
11 Other		
Total		

Invested capital returned (planned)

Invested capital returned	199	199
1 (Own) capital invested		
2 (Own) capital returned		
3 Return on capital invested		
4 (Own) capital returned plus return on capital invested		
5 Attracted capital		
6 Dividend pay-outs		
7 Attracted capital plus dividends		
8 Bank loans		
9 Loan repayment		
10 Interest on bank loans		
11 Loan repayment plus interest on bank loans		

Plan of Licensed Activity of Entrepreneurial Entity by Months for 199__

Electricity volume, ths KWh				
Gross revenue from licensed activity				
VAT				
Adjusted gross revenue from licensed activity				
Gross expenditure on major accounts, incl				
Cost of production or services, incl				
Production services				
Raw and accessory materials				
Fuel				
Electricity				
Wage costs, incl deductions				
Depreciation				
Repair costs				
Other expenses, incl				
Bank loan interest				
Reimbursement to housing organisations				
Current fee for carrying out licensed activity				
Cost of services and works which are not part of gross production (to be excluded)				
Deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)				
Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997				
Balance profit from licensed activity				
Tax on profit from licensed activity				
Net profit from licensed activity				
Power sector funds deductions incl reserve and investment fund				
Profit from licensed activity after deductions to power sector funds				
Current expenses from profit from licensed activity, incl				

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Deductions to reserve (insurance) fund and to increase statutory fund				
Production development and investment				
Social development, incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the law of Ukraine "On enterprise profit tax" of May 22, 1997				
Bonuses				
Dividends to shareholders				
Principal repayment				
Other purposes				
Investment expenditure, excluding intramural expenditure from profit on production development and investment				
Cash flow for licensed activity (profit after deductions to power sector funds and principal repayment and depreciation)				
Cumulative cash flow for licensed activity				
NPV				
Internal rate of return (IRR), %				
Return on assets related to licensed activity (ROA) (net profit/total assets), %				
Return on equity (ROE) (net profit/shareholders' equity), %				

APPENDIX D

Appendix D

APPROVED

by Resolution of the National Electricity
Regulatory Commission of Ukraine

No _____
of “ _____ ” _____ 1998

REPORTS TO BE SUBMITTED TO NERC BY LICENSEES
CARRYING OUT ENTREPRENEURIAL ACTIVITY
IN ELECTRICITY SUPPLY AT NON-REGULATED TARIFF
(Version 7)

Kyiv 1998

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The Licensee shall submit reports in compliance with Conditions and Rules for Entrepreneurial Activities in Electricity Supply at Non-Regulated Tariff

NERC shall ensure that any information furnished by the Licensee and identified as being confidential is not disclosed to any third party except for the events stipulated by the applicable law of Ukraine

The Licensee shall ensure that its licensed activity is accounted and reported separately from accounts and reports on any other activities

The Licensee shall ensure that the reports submitted are accurate and true

The Licensee shall ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information. Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity except for the cases when

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The Licensee shall ensure that any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage

Apart from submission of the reports specified below, the Licensee shall notify NERC within 10 days of any changes in the legal address and/or the bank account requisites, the constituent documents subject to state registration or re-registration

Reports Required by the Ministry of Finance of Ukraine

Licensee Information Report	To be submitted in the form approved by NERC Resolution No	When issuing a license
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Reports Required by the Ministry of Statistics of Ukraine

Company Balance Sheet (Form 1)	To be submitted in form of Appendix I to Finance Ministry of Ukraine Order No 30 of February 10, 1997	Annual
Profit and Loss Account (Form 2)	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order No 30 of February 10, 1997	Annual

Reports Required by NERC

Licensed Activity Balance Sheet	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual
Licensed Activity Profit and Loss Account	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual
Calculation Revenues/Losses Under Barter Agreement	To be submitted in form of Appendix #6 to the Rules for Application of the Law of Ukraine "On Enterprise Profit Taxation" for licensed activity alone	

Confidentiality Compliance Procedure	To be submitted in an arbitrary form as Confidentiality Compliance Rules to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage	When issuing a license
5 Information on Confidentiality Compliance	To be submitted in an arbitrary form as Confidentiality Compliance Rules to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorized to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage	Annual
6 Report and forecast on electricity supply based on groups and voltage classes	Submitted in form #5 - NERC, approved by NERC Resolution of 12 26 #1213	Monthly
7 Report on quantity of electricity supply to customers with monthly demand over 150 thousand kWh for quarter 199	Submitted in form #13-NERC, approved by NERC Resolution of 12 26 #1213	Monthly

8 Report on settlements for electricity purchased by suppliers on the wholesale electricity market	Submitted in form #18-NERC, approved by NERC Resolution of 12 26 #1213	Monthly
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Appendices

**Report and forecast on electricity supply based on customer groups
and voltage classes for _____ 199__
(month)**

Consumer category	Data	Reporting	Reportin	Reportin	Forecas	Forecast month, sales (thous H)	Forecast month, tariff (kop / kWh)
A	B	1	2	3	7	8	9
Group I of Voltage Class I							
Industrial and equaled to them customers with connected load of 750 kVA and higher	Calc						
	Report						
Electricity	Calc						
	Report						
Subscribed load	Calc						
	Report						
Industrial and equaled to them customers with connected load under 750 kVA	Calc						
	Report						
Railway	Calc						
	Report						
Electrified city transport	Calc						
	Report						
Non-industrial customers	Calc						
	Report						
Agricultural producers	Calc						
	Report						
Residential - total, including	Calc						
	Report						
urban	Calc						
	Report						
rural	Calc						
	Report						
Residential settlements - total, including	Calc						
	Report						
urban	Calc						

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	Report						
rural	Calc						
	Report						
Total	Calc						
	Report						

**Report on settlements for electricity purchased by suppliers
on the Wholesale Electricity Market in _____ 199_**
(month)

Indicators	Measurement unit	Reporting month	From the beginning of the year
Electricity purchased	thous kWh		
Wholesale electricity price	Hr/kWh		
Cost of electricity purchased	thous Hr		
Debt as of the beginning of the month	thous Hr		
Payment for electricity purchased	thous Hr		
including			
- cash	thous Hr		
- offsets	thous Hr		
- debt assignment	thous Hr		
- promissory notes	thous Hr		
- transfer orders	thous Hr		
- other (namely)	thous Hr		
Debt as of the end of the month	thous Hr		

APPENDIX E

Appendix E

APPROVED

by Resolution of the National Electricity
Regulatory Commission of Ukraine

No _____
of “ _____ ” _____ 1998

REPORTS TO BE SUBMITTED TO NERC BY LICENSEES
CARRYING OUT ENTREPRENEURIAL ACTIVITY
IN WHOLESALE ELECTRICITY SUPPLY

(Version 7)

Kyiv 1998

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Reports Required by the Ministry of Finance of Ukraine

Reports Required by the State Statistics Committee of Ukraine

Reports Required by NERC

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GENERAL PROVISIONS

The state enterprise “National Dispatch Center of the Power Sector and Energomarket of Ukraine” shall submit reports according to “Conditions and Rules for Carrying out Entrepreneurial Activity on Wholesale Electricity Supply”

NERC shall ensure that any information furnished by the Licensee and identified as being confidential is not disclosed to any third party except for the events stipulated by the applicable law of Ukraine

The Licensee shall ensure that its licensed activity is accounted and reported separately from accounts and reports on any other activities

The Licensee shall ensure that the reports submitted are accurate and true

The Licensee shall ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information. Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity except for the cases when

prior written consent was obtained from any persons or business entities to whom such information concerns,

such information already entered the public domain,

the Licensee is required or permitted to disclose such information so as to comply with License Conditions and Rules, according to a NERC order or the applicable law of Ukraine,

such information is required to be disclosed in performing any permitted activity in relation to the licensed activity

The Licensee shall ensure that any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage

Apart from submission of the reports specified below, the Licensee shall notify NERC within 10 days of any changes in the legal address and/or the bank account requisites, the constituent documents subject to state registration or re-registration

Reports Required by the Ministry of Finance of Ukraine

Licensee Information Report	To be submitted in the form approved by NERC Resolution No	When issuing a license
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Reports Required by the Ministry of Statistics of Ukraine

Company Balance Sheet (Form 1)	To be submitted in form of Appendix I to Finance Ministry of Ukraine Order No 30 of February 10, 1997	Annual
Profit and Loss Account (Form 2)	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order No 30 of February 10, 1997	Annual

Reports Required by NERC

1 Licensed Activity Balance Sheet	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual
2 Licensed Activity Profit and Loss Account	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual

<p>3 Confidentiality Compliance Procedure</p>	<p>To be submitted in an arbitrary form as Confidentiality Compliance Rules to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorized to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage</p>	<p>When issuing a license</p>
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<p>4 Information on Confidentiality Compliance</p>	<p>Information to be submitted in an arbitrary form to show compliance with the requirements to ensure that</p> <p style="padding-left: 40px;">any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorized to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage</p>	<p>Annual</p>
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<p>5 Report on compliance with requirements not to issue and obtain cross subsidies, and to abuse in any form the monopoly status</p>	<p>To be submitted in an arbitrary form on compliance with requirements not to issue and obtain cross subsidies, not to abuse in any form the monopoly status as stipulated in the Law of Ukraine "On imposing restrictions on monopoly activity and non-permission of unfair competition in the entrepreneurial activity" and other acts of Ukrainian legislation, decisions of Antimonopoly Committee and NERC</p>	<p>Annual</p>
<p>6 Report on debts of suppliers to the state enterprise Energomarket for electricity purchased</p>	<p>To be submitted in form No - NERC approved by NERC Resolution No of</p>	<p>Monthly</p>
<p>7 Report on debts of the state enterprise Energomarket to generating companies for electricity sold on the wholesale electricity market</p>	<p>To be submitted in form No - NERC approved by NERC Resolution No of</p>	<p>Monthly</p>
<p>8 System load forecast by regions</p>	<p>To be submitted in form No - NERC approved by NERC Resolution No of</p>	<p>At NERC request</p>
<p>9 Idle time schedule for blocks under repair, reserve or lay-up</p>	<p>To be submitted in form No - NERC approved by NERC Resolution No of</p>	<p>At NERC request</p>

<p>10 Information on day-to-day Energomarket activity</p>	<p>To be submitted in spreadsheets a Lotus file showing data for the next day (bids of the four generation companies, load scheduling data for TPP of the four generation companies, NPP, CHP, and HPP of the two hydro power generation companies, the merit order, the forecast Availability Price and System Marginal Price for each hour), an Excel file showing the Wholesale Electricity Price complete build-up (for TPP), data on consumption and generation, and hourly payment amounts for each oblenergo, an Excel text file showing data on hourly electricity purchase in MWh and hourly payments in Hr for each oblenergo, Excel files showing most of MFP operations, an Excel file showing data on planned generation, import and export for each HPP and interconnectors, an Excel file showing data (for each hour, in MW and Hr) on actual electricity generation, import and export for each NPP, HPP and interconnectors , a Lotus file showing data on highest and lowest availability price for 1MW for each generation block, a file in any format containing data to be used for calculation of electricity supply by each independent supplier (total deliveries in MW and Hr, total purchases in MW and Hr)</p>	<p>At NERC request</p>
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11 Ten year statement	To be submitted in a business-plan form The plan shall include electric network capacity, electricity demand forecast, reserves of generation capacity under normal operation, perspective of new power plant construction, extension, reconstruction, dismantling and outage of operating power plants, list and terms of putting into service of generating capacities, and construction, extension and reconstruction of electric networks and substations	When issuing a license, specifications and additions, if any, at NERC request
12 Indicative plan for main and interconnector network development for the next 5 years	To be submitted in a business-plan form The plan shall include electric network capacity, electricity demand forecast, actions of the Licensee in case of new connections to main and interconnector networks, and transportation of new electricity quantities, including perspective construction of new power plants, and extension, reconstruction , dismantling and outage of operating power plants	When issuing a license
13 Procedure for connection to main and interconnection networks	To be submitted according to "Rules for Electric Units Equipment"	Before starting construction of energy project
14 Report and forecast on the entrepreneurial licensed activity in wholesale electricity supply	To be submitted in form No - NERC approved by NERC Resolution No of	Monthly

Appendices

Plan of Licensed Activity of Entrepreneurial Entity by Months for 199__

Electricity volume, ths KWh				
Gross revenue from licensed activity				
VAT				
Adjusted gross revenue from licensed activity				
Gross expenditure on major accounts, incl				
Cost of production or services, incl				
Production services				
Raw and accessory materials				
Fuel				
Electricity				
Wage costs, incl deductions				
Depreciation				
Repair costs				
Other expenses, incl				
Bank loan interest				
Reimbursement to housing organisations				
Current fee for carrying out licensed activity				
Cost of services and works which are not part of gross production (to be excluded)				
Deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)				
Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997				
Balance profit from licensed activity				
Tax on profit from licensed activity				
Net profit from licensed activity				
Power sector funds deductions incl reserve and investment fund				
Profit from licensed activity after deductions to power sector funds				
Current expenses from profit from licensed activity, incl				

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Deductions to reserve (insurance) fund and to increase statutory fund				
Production development and investment				
Social development, incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the law of Ukraine "On enterprise profit tax" of May 22, 1997				
Bonuses				
Dividends to shareholders				
Principal repayment				
Other purposes				
Investment expenditure, excluding intramural expenditure from profit on production development and investment				
Cash flow for licensed activity (profit after deductions to power sector funds and principal repayment and depreciation)				
Cumulative cash flow for licensed activity				
NPV				
Internal rate of return (IRR), %				
Return on assets related to licensed activity (ROA) (net profit/total assets), %				
Return on equity (ROE) (net profit/shareholders' equity), %				

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APPENDIX F

Appendix F

APPROVED

by Resolution of the National Electricity
Regulatory Commission of Ukraine

No _____
of “ _____ ” _____ 1998

REPORTS TO BE SUBMITTED TO NERC BY LICENSEES CARRYING OUT
ENTREPRENEURIAL ACTIVITY IN ELECTRICITY TRANSMISSION THROUGH MAIN
AND INTERCONNECTOR NETWORKS

(Version 7)

Kyiv 1998

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Reports Required by the State Statistics Committee of Ukraine

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GENERAL PROVISIONS

The Licensee shall submit reports in compliance with Conditions And Rules For Entrepreneurial Activity on electricity transmission through main and interconnector networks

NERC shall ensure that any information furnished by the Licensee and identified as being confidential is not disclosed to any third party except for the events stipulated by the applicable law of Ukraine

The Licensee shall ensure that its licensed activity is accounted and reported separately from accounts and reports on any other activities

The Licensee shall ensure that the reports submitted are accurate and true

The Licensee shall ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorised to have access to any such information Any such information shall not be made use of in the performance by the Licensee of any activity other than the licensed activity except for the cases when

prior written consent was obtained from any persons or business entities to whom such information concerns,

such information already entered the public domain,

the Licensee is required or permitted to disclose such information so as to comply with License Conditions and Rules, according to a NERC order or the applicable law of Ukraine,

such information is required to be disclosed in performing any permitted activity in relation to the licensed activity

The Licensee shall ensure that any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive advantage

Apart from submission of the reports specified below, the Licensee shall notify NERC within 10 days of any changes in the legal address and/or the bank account requisites, the constituent documents subject to state registration or re-registration

Reports Required by the Ministry of Finance of Ukraine

Licensee Information Report To be submitted in the form approved by NERC Resolution No When issuing a license

Reports Required by the Ministry of Statistics of Ukraine

Company Balance Sheet (Form 1) To be submitted in form of Appendix I to Finance Ministry of Ukraine Order No 30 of February 10, 1997 Annual

Profit and Loss Account (Form 2) To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order No 30 of February 10, 1997 Annual

Reports Required by NERC

1 Licensed Activity Balance Sheet	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual
2 Licensed Activity Profit and Loss Account	To be submitted in form of Appendix I to Ministry of Finance of Ukraine Order #30 of February 10, 1997 for licensed activity alone	Annual
3 Calculation of Revenues/Losses Under Barter Agreement	To be submitted in form of Appendix #6 to the Rules for Application of the Law of Ukraine "On Enterprise Income Taxation" for licensed activity alone	Annual

4 Confidentiality Compliance Procedure	To be submitted in an arbitrary form as Confidentiality Compliance Rules to ensure that Any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorized to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive	When issuing a license
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5 Information on Confidentiality Compliance	Information to be submitted in an arbitrary form to show compliance with the requirements to ensure that any information obtained by the Licensee in connection with the licensed activity is not disclosed to any person other than persons involved in licensed activity who are authorized to have access to any such information, and that any such information is not made use of in the performance by the Licensee of any activity other than the licensed activity, any Associated Business does not make use of any information available to the Licensee in order to gain any unreasonable competitive advantage, besides, the Licensee shall ensure that any information is not disclosed to any person, including any persons employed by any other associated business, who are in a position to use such information for purposes of gaining any unreasonable competitive	Annual
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6 Report on compliance with requirements not to issue and obtain cross subsidies, not to abuse in any form the monopoly status	To be submitted in an arbitrary form on compliance with requirements not to issue and obtain cross subsidies, not to abuse in any form the monopoly status as stipulated under the Law of Ukraine "On imposing restrictions on monopoly activity and non-permission of unfair competition in the entrepreneurial activity" and other acts of Ukrainian legislation, decisions of Antimonopoly Committee and NERC	Annual
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<p>7 Report on compliance with requirements not to interact in any form with any third party when discussing with NERC and NDC the issues of payment for transmission through Licensee's electric network</p>	<p>To be submitted in an arbitrary form on compliance with requirements not to interact in any form with any third party when discussing with NERC and NDC issues of payment for Licensee's electric network transmission and purchasing new electric network facilities, and any other decisions connected with licensed activity except cases envisaged by Ukrainian legislation or NERC</p>	<p>Annual</p>
<p>8 Procedure for calculation of costs of main and interconnector electric network operation and provision of ancillary services and facilities</p>	<p>To be submitted in an arbitrary form of general cost estimate with consideration for costs recovery for main and interconnector electric network operation and provision of ancillary services and facilities (in compliance with the applicable law of Ukraine)</p>	<p>When issuing a license</p>

9 Procedure for connection to main and interconnector networks and load change	To be submitted in compliance with "Rules for Electric Units Equipment"	When starting construction of an energy project
10 Procedure for calculation of payment for connection and disconnection to/from the Licensee's main and interconnector networks and execution of ancillary services	To be submitted in an arbitrary form of general cost estimate with consideration for costs recovery for connection to Licensee's networks and provision of ancillary services	When issuing a license
11 Report and forecast indicators of licensed activity of entrepreneurial entity	To be submitted in form No - NERC approved by NERC Resolution No of	Monthly
12 Investment expenditures for Y years	To be submitted in form No - NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project

13 Carrying out of investment expenditures over time	To be submitted in form No - NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project
14 Sources of financing investment expenditures in Y years	To be submitted in form No - NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project
15 Return on investment over time	To be submitted in form No - NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project
16 Plan of licensed activity of entrepreneurial entity	To be submitted in form No - NERC approved by NERC Resolution No of	When introducing a new tariff or implementing an investment project

Appendices

Report and Forecast on Licensed Activity Indicators
 for _____ 199_
 (month)
 (ths Hr)

Indicator	Electricity, accounting month (calc)	Electricity, accounting month	Electricity, forecast month
Electricity volume, ths KWh			
Gross profit from licensed activity			
VAT			
Adjusted gross profit from licensed activity			
Gross expenditure on major accounts, including			
Cost of products or services, including			
Production services			
Raw and accessory materials			
Fuel			
Electricity			
Wage costs incl deductions			
Depreciation			
Repair costs			
Other expenses, incl			
Bank loan interest			

Reimbursement to housing organisations			
Current fee for carrying out licensed activity			
Cost of services and works which are not part of gross products (to be excluded)			
Deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)			
Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997			
Balance profit from licensed activity			
Tax on profit from licensed activity			
Net profit from licensed activity			
Power sector funds deductions incl reserve and investment fund			
Profit from licensed activity after deductions to power sector funds			

Current expenses from licensed activity profit, incl			
deductions to reserve (insurance) fund and to increase statutory fund			
production development and investment			
social development, incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997			
Bonuses			
dividends to shareholders			
principal repayment			
other purposes			
Profitability of licensed activity (net profit/costs), %			

Investment Expenditures for Y (years)

Investment expenditure, ths Hr	Contribution by the 1 st investor	Contribution by the 2 nd investor	Contribution by the 3 rd investor
Pre-investment research			
Land plot			
Buildings			
Infrastructure			
Technical documentation			
Construction & installation works			
Equipment			
Installation & start-up			
Personnel training			
Marketing and contracting			
Working capital			
Total			

Execution of Investment Expenses Activities
inY, based on time

Investment expenditure, ths Hr	Year 1	Year 2
Pre-investment research		
Land plot		
Buildings		
Infrastructure		
Technical documentation		
Construction & installation works		
Equipment		
Installation & start-up		
Personnel training		
Marketing and contracting		
Working capital		
Total		

Sources of Financing in Y (years)

Sources of Financing, ths Hr	Year 1	Year 2
1 Owned capital		
2 Attracted capital		
3 State subsidies		
4 Loans from Ukrainian banks		
5 Direct foreign investment		
6 Financial foreign investment		
7 Portfolio foreign investment		
8 Technical assistance (grants)		
9 Loans from foreign banks		
10 Loans from international financial institutions		
11 Other		
Total		

Invested capital returned (planned)

Invested capital returned	199	199
1 (Own) capital invested		
2 (Own) capital returned		
3 Return on capital invested		
4 (Own) capital returned plus return on capital invested		
5 Attracted capital		
6 Dividend pay-outs		
7 Attracted capital plus dividends		
8 Bank loans		
9 Loan repayment		
10 Interest on bank loans		
11 Loan repayment plus interest on bank loans		

Plan of Licensed Activity of Entrepreneurial Entity by Months for 199__

Electricity volume, ths KWh				
Gross revenue from licensed activity				
VAT				
Adjusted gross revenue from licensed activity				
Gross expenditure on major accounts, incl				
Cost of production or services, incl				
Production services				
Raw and accessory materials				
Fuel				
Electricity				
Wage costs, incl deductions				
Depreciation				
Repair costs				
Other expenses, incl				
Bank loan interest				
Reimbursement to housing organisations				
Current fee for carrying out licensed activity				
Cost of services and works which are not part of gross production (to be excluded)				
Deductions to non-budget funds (deductions to roads construction - 1 2%, innovation fund - 1 0%, municipal fund)				

Gross expenditure on operation and maintenance of social overhead facilities which were part of assets prior to entering into effect the Law of Ukraine "On Enterprise Profit Tax" of May 22, 1997				
Balance profit from licensed activity				
Tax on profit from licensed activity				
Net profit from licensed activity				
Power sector funds deductions incl reserve and investment fund				
Profit from licensed activity after deductions to power sector funds				
Current expenses from profit from licensed activity, incl				
Deductions to reserve (insurance) fund and to increase statutory fund				
Production development and investment				
Social development, incl operation and maintenance of social overhead facilities which were not part of assets prior to entering into effect the law of Ukraine "On enterprise profit tax" of May 22, 1997				
Bonuses				
Dividends to shareholders				
Principal repayment				

Other purposes				
Investment expenditure, excluding intramural expenditure from profit on production development and investment				
Cash flow for licensed activity (profit after deductions to power sector funds and principal repayment and depreciation)				
Cumulative cash flow for licensed activity				
NPV				
Internal rate of return (IRR), %				
Return on assets related to licensed activity (ROA) (net profit/total assets), %				
Return on equity (ROE) (net profit/shareholders= equity), %				